

Kansas Department of Transportation

Short Line Rail Improvement Fund

Program Guidelines

This new program, which is part of the Eisenhower Legacy Transportation Program, is for the purpose of facilitating maintenance, rail relay and the rehabilitation of track, bridge, industrial leads and sidings on Class II or III (short line) railroads in Kansas.

Qualified entities include any Class II or Class III railroad, as defined in 49 C.F.R., part 1201.1, holding a certificate of public convenience from the Surface Transportation Board or any owner or lessee located on or adjacent to a Class II or Class III (short line) railroad in the state of Kansas.

Program funding is \$5 million per year for three consecutive years and will be available: July 1, 2020; July 1, 2021; and July 1, 2022. A minimum of \$500,000 will be set-aside annually for lessees located on or adjacent to a Class II or Class III railroad. If the set-aside is not fully allocated, those funds will roll into the following years set-aside.

Qualified entities will submit a Short Line Rail Improvement Fund project application to KDOT's Freight and Rail Unit.

30% of total project costs is required in the form of matching funds from the qualified entity. A reimbursable grant of 70% of total project costs will be applied to approved projects.

Approved projects must be completed within 12 calendar months from the project Notice to Proceed date or those funds will be returned to the Short Line Rail Improvement Funds for future project calls for applications.

The qualified entity shall demonstrate that it is financially sound and capable of fulfilling all obligations associated with the Short Line Rail Improvement Fund and requirements created by the agreement to perform the project.

If the qualified entity is a Kansas shipper, a letter of support from the serving railroad acknowledging project coordination and confirmation of regularly scheduled rail service and rail car supply with the qualified entity is required.

Following project completion, the qualified entity shall maintain, at a minimum, existing FRA track classification speeds.

The qualified entity shall demonstrate the commitment of capital, or the guarantee of a set amount of rail traffic by local shippers, government entities or other interested parties, to the qualified entity for the continued operation of rail service for which funding is sought.

Term of the agreement is 10 years from the project Notice of Acceptance date. The qualified entity agrees not to abandon rehabilitated line (project) during the 10 years following the project Notice of Acceptance date.



If a project includes rail replacement, a minimum of 112-pound rail is required if the project is located on a short line railroad mainline.

Project shall meet all Federal Railroad Administration (FRA) and American Railway Engineering and Maintenance-of-Way Association (AREMA) guidelines. A final project inspection will be conducted by a third-party FRA qualified track inspector.

Project Selection Criteria

In addition to the overall factors such as eligibility, geographic distribution and local support, the following categories of projects will be selected using the selection criteria listed below.

Maintenance

Long-term impact on the rail segment – How does this maintenance project support the long-term operation of this segment of rail?

Short-term impacts – What are the immediate short-term impacts or benefits of the project?

Safety benefits – Does this project have a direct safety benefit?

Illustrate maintenance priority – Please identify how this maintenance project was prioritized over other maintenance needs.

Spur/Siding

Economic benefit/competitiveness/new business – Please describe the economic benefit of this project related to new or existing companies that will benefit from the project. Does this project bring new businesses, or does it enhance the competitiveness of existing business?

Other investments – Have any other investments been made in relation to this project that would support or tie into additional investments requested through this program?

Local Support/Project Partners – Please identify statements of local support and any project partners that will be investing in this project.

Goods movement/Logistic improvements – Please explain how this project will aid in more efficient goods movement or aid in improving logistics.

Job Creation/Market served – Please define any job creation associated with this project and identify the markets that this project will serve.

Major Rehab

Truck traffic reduction – Identify how this project will reduce truck traffic on the highway network.

Efficiency improvements/reliability – Describe the impact of the project as it relates to more efficient operations and increased reliability to customers.

Viability of railroad – Please describe how this project will support the long-term viability of the railroad.

Safety – How will this project enhance the safety of rail operations?

The benefit-cost analysis tool could be used to further assist the project selection committee.