

Economic Development Program Guidelines

- The program is for the purpose of facilitating economic development opportunities through enhanced or new rail service for shippers located on railroads in Kansas.
- Qualified entities include any Class II or Class III railroad, as defined in 49 C.F.R., part 1201, holding a certificate of public convenience from the Surface Transportation Board, port authority established in accordance with Kansas law, and any governmental unit or Kansas shipper in coordination with the serving railroad.
- If the qualified entity is a port authority, governmental unit or Kansas shipper, a letter of agreement from the serving railroad acknowledging project coordination with the qualified entity is required. If the serving railroad operates with trackage rights there will also need to be coordination with the rail line owner.
- The ratio of benefits to costs (benefit-cost analysis) for any project shall be greater than one (1.0).
- The qualified entity shall demonstrate that it is financially sound and capable of fulfilling all obligations created by the agreement to perform the project.
- The qualified entity shall demonstrate that operations will be made more efficient by raising the minimum operating speeds from FRA class one (up to 10 mph) to FRA class two (10-25 mph), OR from FRA class two (10-25 mph) to FRA class three (25-39 mph)
- The qualified entity shall demonstrate that the project for which funding is sought will result in road or highway maintenance costs savings for state and local government entities.
- 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, or serving railroad, 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 improved line (project) during the 10 years following the project Notice of Acceptance date.
- The loan portion of the agreement includes a promissory note and lien on the segment of rail line where the project was completed.
- A minimum of 2,640 new crossties per mile will be installed on all projects.
- A minimum of five carloads of 2" to 3" granite ballast per mile (a depth approximately 4") are to be installed on all projects.
- An adequate amount of Other Track Material (OTM) including, but not limited to, spikes, bolts, anchors, joint bars, and tie plates are to be installed on all projects to complement the installation of required new crossties and ballast. Federal Railroad Administration (FRA) minimum track classification standards apply to all projects.
- If a project includes mainline rail installation and/or replacement, a minimum of 112 pound rail is required.
- If a project involves new construction the project will meet FRA and AREMA Guidelines.
- A final project inspection will be conducted by a third party FRA certified rail inspector