

City of Sandstone
EDA Meeting Minutes
March 19, 2019

CALL TO ORDER: 2:00 p.m.

ROLL CALL: Kester, Spartz, Franklin, Palmer, and LaBounty

Members absent: Devlin, Anderson

Staff present: Administrator George

Others present: Joshua Cotter, SEH Engineer; Justin Pearson, BSNF Regional Manager, Economic Development; Karl Schuettler, The Northspan Group

PUBLIC HEARINGS / PRESENTATIONS:

Rail Layout Plan – Cotter and Pearson were present to discuss the Rail Layout Plan that Cotter has been working on. The conceptual plan has now been approved by BNSF. The plan depicts three potential building sites that could be served by rail in the Business Park. Currently, a BNSF main line runs adjacent to these Business Park parcels. The conceptual plan shows proposed locations for new track, turnouts, switch points, and spurs to serve each of the three sites.

The projected cost for this work is as follows:

Project: Sandstone Business Park - Rail Access Evaluation

Location: Sandstone, MN

SEH No. SANST 145534

Date: 12/7/2018



INDUSTRY SIDING				
Item Description	Units	Unit Cost	Quantity	Total
PROPOSED SITE WORK (COMPLETED BY SANDSTONE)				
Site Preparation/Subgrade	Track Foot	\$50.00	6,758	\$ 337,900
(a) Subtotal Proposed Site Work				\$ 337,900
PROPOSED INDUSTRIAL TRACK CONSTRUCTION (COMPLETED BY SANDSTONE)				
Track Construction (ballast, ties, relay rail & otm)	Track Foot	\$150.00	5,678	\$ 851,700
Double Switch Point Derail	Each	\$18,000.00	2	\$ 36,000
New No. 11 Industry TO	Each	\$80,000.00	2	\$ 160,000
Subballast Construction	Track Foot	\$25.00	6,758	\$ 168,950
(b) Subtotal Proposed Track Construction				\$ 1,216,650
PROPOSED TRACK CONSTRUCTION (COMPLETED BY BNSF)				
New No. 11 ML TO	Each	\$175,000.00	2	\$ 350,000
Signal Cost per ML TO	Each	\$275,000.00	2	\$ 550,000
New Track Construction (ballast, ties, rail & otm)	Track Foot	\$320.00	120	\$ 38,400
(c) Subtotal Proposed Track Construction				\$ 938,400
CONTINGENCY AND ENGINEERING				
Risk & Contingency		20.0%		\$ 498,590
Mobilization		3.0%		\$ 74,789
Engineering and Permitting		10.0%		\$ 249,295
Construction Services		8.0%		\$ 199,438
(d) Subtotal Engineering and Contingency				\$ 1,022,110
(a+b+c+d) Total Estimated Cost				\$ 3,515,060

Cotter explained that the purpose of the Rail Layout Plan was to determine minimum requirements to be able to serve rail users at the Business Park. The proposed sidings are required by BNSF. These expenses would be borne by the City and, hopefully, by a potential business partner. BNSF would maintain and operate the infrastructure. Everything within 14' of the main line track is owned by BNSF. It may be beneficial for the City to acquire additional property so that the proposed tracks can be located outside of BNSF right-of-way.

Pearson discussed several projects that have developed in the recent past; Sioux Falls SD, Great Falls MT, Becker, Big Lake, Albertville. He stated that customers are asking for more rail access. He noted that Duluth / Superior has a lot of capacity; however, Minneapolis is pretty cramped. Pearson stated that highways are getting beat up with a lot of truck traffic. Truck drivers are hard to come by. Rail is an economical way to transport goods. Oil cars could possibly use more storage and maintenance space. Pearson stated that there is good access to the Sandstone Business Park. Information would be needed such as costs, utilities available, etc. He suggested researching local businesses to see what their needs are.

Cotter noted that MN DOT is currently working on state-wide freight plans. It would be good to connect with them on their data / findings.

Pearson stated that BNSF has a "shovel ready" program wherein sites are Certified. Once a site is Certified, BNSF helps market it. He stated that there are no Certified sites in Minnesota, yet – some are being worked on. He stated that there is no shelf-life on their certification process. But, the infrastructure would need to be built, or at the very least, the site preparation and upgrades would have to be done, with main line turnouts installed.

Schuettler will do some research to help the EDA determine what the potential need is in the area. Cotter's next step would be to develop 30% design drawings and submit them to BNSF. BNSF would then initiate their associated facility design and cost estimating process. However, it was determined that Cotter should hold off for now, giving Schuettler some time to research the potential need.

ADJOURN

Motion Spartz, second Palmer to adjourn at 3:15 p.m. Motion carried 5-0.

Phillip Kester, Chair

Kathy George, Executive Director