

Build Kansas Fund | Fiscal Year 2024 Application Package | Memo



To: Senator Ty Masterson, Chair, Build Kansas Advisory Committee
Murl Riedel, Kansas Legislative Research Department
Shauna Wake, Office of the Kansas State Treasurer

From: Vanessa Lamoreaux, Kansas Department of Transportation

RE: Build Kansas Fund Application # 2024-011-GP

Date: February 1, 2024

Attached, please find an application made to the Build Kansas Fund by the Port Authority of Stafford County.

The application packet includes the following items:

- Coversheet – provides a high-level overview of the application including a unique identification number, page 1 of 12 of the Build Kansas Application Package.
- Build Kansas Fund Application – includes information submitted with the Build Kansas Fund Application, pages 2-8. Page 8 provides the table of funding sources.
- Attachments – A project overview is provided, pages 9-12.

Project Overview

The Port Authority of Stafford County (Authority) seeks funding from the US Department of Transportation available through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant. The Authority will establish a public railroad transload facility serving south central Kansas. The facility will enable the handling of manifest and 110 car unit trains of grain and other commodities. The Authority has attracted, contingent on the proposed rail improvements, over \$55M in private investment.

RAISE is a discretionary BIL program that has a local match requirement of 20%. The Authority is requesting \$5,000,000 from the Build Kansas. The Authority is contributing \$5,250,000. This request unlocks \$25,000,000 in federal funds.

Applications are due on February 28, 2024. The Build Kansas Fund application was received on January 17, 2024.

Build Kansas Fund Steering Committee Recommendation

The Build Kansas Fund Steering Committee reviewed this application on January 24, 2024, following a successful completeness check. The Steering Committee **RECOMMENDS APPROVAL** of Build Kansas Funding to the Build Kansas Advisory Committee for final advice.

Build Kansas Fund | Fiscal Year 2024 Application Package | Coversheet



Build Kansas Fund Application Number	2024-011-GP
Project Name	Port Authority of Stafford County Central Kansas Transload Facility
Entity Type	Local Government
Economic Development District (EDD) Planning Commission	Great Plains Development
Infrastructure Sector(s)	Transportation
BIL Program	Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
BIL Program Type	Discretionary
BIL Application Deadline	2/28/2024
Build Kansas Fund Request	\$5,000,000
Technical Assistance Received	General No
	BIL Application Yes
	Build Kansas Fund Application Yes
	Other (Brief Description): Provided support BIL application support and BKF budget and application process advice
Application Notes	A Build Kansas Fund contribution of \$5,000,000 will unlock \$25,000,000 in federal BIL funding.

**Steering Committee
Funding Recommendation** **January 24, 2024 | Recommend**

Advisory Committee Target Review **DATE**

**Advisory Committee
Funding Recommendation** **DATE | Approve or Deny**

Completeness Review Data

Date Build Kansas Application Received:	1/17/2024
Date Of Completeness Check:	1/18/2024
Date Forwarded to Steering Committee:	1/19/2024

Title	Port Authority of Stafford County	01/17/2024
		id. 45234469
	by Carolyn Dunn in Build Kansas Fund Fiscal Year 2024 Application	
	200 NW 20th St St. John, Kansas 67576 United States 6203775219 staffordportauthority@gmail.com	

Original Submission	01/17/2024
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Score	n/a	
	Part 1: Applicant Information	
The name of the entity applying for the Build Kansas Fund:	Port Authority of Stafford County	
Project Name:	Central Kansas Transload Facility	
Entity type:	Other	
If you selected "other," please describe your organization:	Port Authority	
Applicant Contact Name:	Carolyn Dunn	
Applicant Contact Position/Title:	President	
Applicant Contact Telephone Number:	+16203775219	
Applicant Contact Email Address:	cdunn@staffordecodevo.com	
Applicant Contact Address:	311 N. Broadway	
Applicant Contact Address Line 2 (optional):		

Applicant Contact City: St. John

Applicant Contact State: Kansas

Applicant Contact Zip Code: 67576

Is the Project Contact the same as the Applicant Contact? Yes

Part 2: Build Kansas Fund - Eligibility Criteria

Certify that you are pursuing a viable Bipartisan Infrastructure Law (BIL) funding opportunity for which your entity is eligible: Yes

Certify that the Bipartisan Infrastructure Law (BIL) funding opportunity you are pursuing has a non-federal match component: Yes

What is the primary county that the project will occur in? Stafford County

The Build Kansas Fund is intended to support Kansas-based infrastructure projects. Please provide a list of all the zip codes this project will be located in, along with an estimated percent [%] of the project located in that zip code. For example, if seeking funding for road infrastructure, provide a rough percent of the roads expected in each zip code:

[Zip Code Percentage.xlsx](#)

Part 3: Bipartisan Infrastructure Law (BIL) - Grant Application Information
Please Note: This information is related to the federal Bipartisan Infrastructure Law (BIL) funding opportunity to which you will apply. This is NOT information for the Build Kansas Match Fund.

Please enter the Bipartisan Infrastructure Law (BIL) funding opportunity title that the entity is applying for: Rebuilding American Infrastructure with Sustainability and Equity (RAISE)

What is the funding agency for this Bipartisan Infrastructure Law (BIL) funding opportunity? U.S. Department of Transportation

What is the Assistance Listing Number (ALN) for this Bipartisan Infrastructure Law (BIL) funding opportunity? 20.933

What is the application due date for this Bipartisan Infrastructure Law (BIL) funding opportunity? 2/28/2024

What is the federal fiscal year for this Bipartisan Infrastructure Law (BIL) funding opportunity? 2024

Enter the amount of funding being applied for, from the Bipartisan Infrastructure Law (BIL) funding opportunity: \$25,000,000

Part 4: Build Kansas Fund - Match Application Information

Enter the required non-federal match percentage: 20.0

Enter the non-federal match amount requested from the Build Kansas Fund: \$5,000,000

Is the project able to move forward with a lesser match amount than requested? No

If you are awarded less match than the amount requested, at what amount would your project NOT be able to move forward? \$5,000,000

Expected breakdown of funding sources to support the project: Enter the funding source and projected amount from each source to support this project:

[Kansas+DOT+table.xlsx](#)

Part 5: Build Kansas Fund - Means Test

Confirm that there are no available funding sources currently planned to go unused by your entity that could be leveraged for this project: No

Confirm there are no available American Rescue Plan Act (ARPA) or Coronavirus State & Local Fiscal Recovery Fund monies that could be used for this match: No

Confirm that you have explored other readily available funding sources (federal or non-federal) to be used for this match: Yes

Briefly describe your efforts to find other available funding sources for this project:

We originally applied for \$7.5 million in BASE in 2021, and were awarded \$2.5 million - which, while generous, is not enough to carry out the project. Another \$2.5 million was allocated through KS 2022 appropriations, which gave some basis for applying for additional funding, but still is not sufficient to carry out the project. We applied for \$5.3 million in CRISI 2023, and were not awarded. In the meantime, we have landed a highly experienced business partner, Adams Industries, to be the Port Operator as well as conduct transload, shipping, and warehousing business, thereby significantly expanding the project, its economic impact, regional benefit, and potential for growth. In the immediate term, we can quantify expected traffic that is nearly triple the initial estimates, and there could be significant incremental growth as new tenants to the port are identified. This, however, also expands the infrastructure component. Adams Industries, based in Sidney NE, has successfully competed for USDOT funding in an even larger project, and with their experience believe that we can propose a public-private partnership that, while of larger scope and a larger grant request, will be a more competitive application because of its regional impact and the fact that it is a more comprehensive concept. That is, it will address the needs for roads and utilities in addition to simply railroad infrastructure.

We will note that we are including in our match the remaining funds \$3.75 million we have not spent from BASE (we already purchased land, and that can't be counted) and a \$1.5 million loan that will be assumed by the Port Authority of Stafford County. The County of Stafford also has expended some of its limited ARPA funds on this project, but it cannot be considered match because they have already been spent.

We marked "no" to accept less than the amount requested, because we have tried working with that in the past, and get caught in the conundrum of not being able to move forward not only because a lesser amount is approved, but simultaneously building costs go up. Moreover, it is one thing to meet the minimum match requirement in the grant request, but our experience is that there is greater consideration given to those applications that provide more than the minimum. Agreeing to less than the request to Build KS reduces our competitiveness in the already fiercely competitive federal application.

Part 6: Additional Information

Please upload a copy of the Bipartisan Infrastructure Law (BIL) program application associated with this request OR a 2-page executive summary providing an overview of the project:

[Executive_Summary.docx](#)

Provide any additional information about this project (optional):

Part 7: Terms and Conditions

Understanding of Fund Release Requirements: checked

Understanding of Use of Funds: checked

Understanding of Reporting Requirements: checked

Authority to Make Grant Application: checked

Persons and Titles: Carolyn
The following persons are responsible for making this Build Kansas Fund application. Dunn

Position/Title: President

Additional:

Position/Title:

Additional:

Position/Title:

Additional:

Position/Title:

Internal Form

Score n/a

Pre-Award Information:

Post-Award Information:

Source	Amount	Project Zip Code	% of Project in Zip Code
BIL Federal Funds (applied for)	\$ 25,000,000.00	67576	100
Build Kansas Funds (non-federal match)	\$ 5,000,000.00		
Additional Project Contribution (if applicable)	\$5,250,000.00		
TOTAL PROJECT COST	\$ 35,250,000.00		

The Port Authority of Stafford County will establish a public railroad transload facility serving south central Kansas, including a manifest yard and a 3.5 mile loop track that connects to the BNSF main line located near St. John, in Stafford County, KS. It will enable the handling of manifest (trains made of mixed rail cars) and of 110 car unit trains of grain and other commodities. Thus, it will bring the benefits of more cost efficient transportation that produces less carbon emissions, make local small business more competitive, stimulate private investment in real estate improvements, create jobs, bolster the local tax base, and stimulate the local economy.

The Port Authority of Stafford County has attracted, contingent on the public rail improvements being made, over \$55 MM private investment through in infrastructure and rolling capital investments into rural Stafford County that will create at least 20 jobs, in the first five years, as well as another 40 jobs or more, over the course of the first decade of operations.

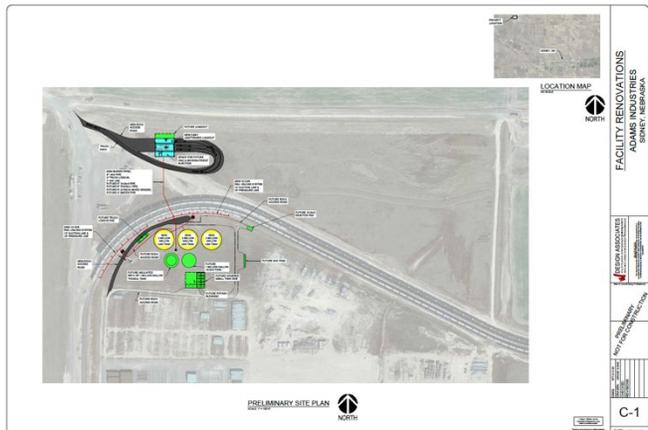
Developing the Vision

In a public/private partnership, Port Authority of Stafford County (PASC) is working closely with Adams Industries of Sidney, Nebraska. Adams Industries is a supply chain service company specializing in trucking, warehousing, logistics, and transloading, and with significant experience not only in the rail industry but also with federal transportation programs. Over the past year, PASC and Adams developed a high

Adams Manifest Services: Commodities List		
<ul style="list-style-type: none"> • Cement • Pot & Fly Ash • Scrap Metal • Frac Sand • Aggregate • Railroad Ties • Solar Panels and Other Energy Products 	<ul style="list-style-type: none"> • OCTG Pipe • Coated Line Pipe • PVC Pipe • Crude Oil • Plastic Pellets • Siding • Steel Coils • Plate Steel • Aviation and Other Fuels 	<ul style="list-style-type: none"> • Fertilizer • Baled Ag Products • Lumber • Shingles • Machinery & Heavy Equipment • Palm & Corn Oil • Tallow • Other Ag Products

growth business model that will include manifest, a drop off of railcars of less than a unit train, as well as unit train serves, both provided by BNSF; BNSF is working closely with the St John engineers to finalize a terminal design fit for the needs of a diversified terminal. The St John terminal will offer a wide range of services that will include warehousing, transload services, tenant agreements for small manufacturing operations, and agriculture business operations such as a site of a grain elevator or a liquid fertilizer blending facility. At this time, a Kansas grain merchandizing cooperative is taking deliberate steps towards locating a grain elevator at the St John terminal that will employ 6 and move approximately 15 – 20 units trains per year.

Understanding that grain elevators have a limited lifespan with seasonal employees, PASC is primarily focused on developing



the business model to include a diverse range of tenants and customers who depend on the terminal to move their product. The business model is inspired by the Adams Industries facility in Sidney, Nebraska. On any given day, the Adams Trucking and Warehousing divisions handles the needs of upwards of 50 – 60 clients a day. Adams Industries provides their customers with a supply chain service that allows those companies to stay focused on what they do best: selling their product. Adams provides first and final mile services by transloading and warehousing a wide range of products for a diversified customer base.

Sidney, Nebraska, like the St John terminal, is also located in rural county that is heavily dependent on the ag economy. As a third-generation company that begin in the oil industry, the Adams Team sought to diversify their client base after the last market fluctuation that shut down the U.S. oil production practically overnight.

In a little over 5 years, the Adams team re-tooled their business model by diversifying their transload customer base (see table above), building out their trucking fleet, increasing their presence in the logistics market, and establishing more customers operations within their business park. For example, Commercial Resins, a pipe coater, is already located within the Adams Industrial Park, as well as the operations of Bell Poll, a utility pole manufacturer; Adams handles all of their transload, storage, and some of their trucking needs.

Now, Adams is near completion of \$21 MM fertilizer facility under contract with Simplot; Adams generated \$6.9 MM in State and Federal grants and incentives to build the fertilizer facility. Adams will operate all aspects of the fertilizer facility, in the long-term partnership with Simplot. The partnership will increase Adams transload volume by another 15 – 25 unit trains per year. Adams is currently hiring another 30 employees to facilitate this growth, for a total of over 125 corporate-wide employees. Other customers are now in discussion to located more of their operations on site in Sidney under Adams management.

The St John Terminal Vision

The initial vision for the Port Authority of Stafford County was to build only a loop for unit trains, and to expand in phases. There has always been a vision to serve multiple customers and industries on the publicly owned rail, and for the Port to offer more competitive transportation options for existing industry in the region as well as to be a catalyst for new business growth. With the partnership of Adams Industries, it is not only possible, but a much stronger proposition to establish the full infrastructure needed for both unit and manifest trains at one time. In the proposal to the USDOT, there will be a more comprehensive plan to address traffic flow on public roads leading to the Port and address safety concerns, as well as utility infrastructure. This expands significantly the initial scope of work and the cost. At the same time, there is a stronger Benefit-Cost because of the much expanded scope of business that will

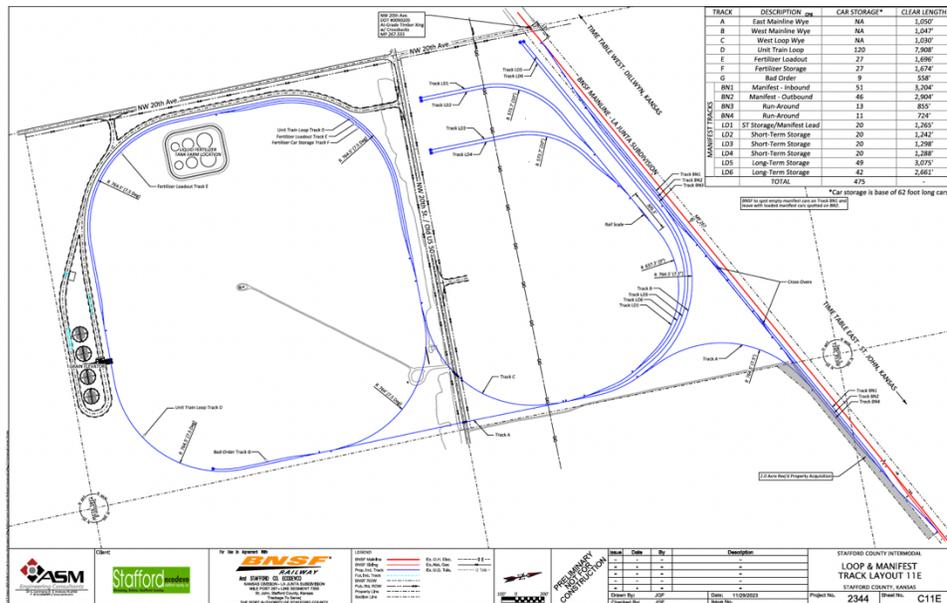
flow through the facility. Adams is committed to PASC’s vision for the St John Terminal. In strong collaboration with the PASC management team, Adams will act in three different roles. First, Adams is the Port Operator; as the Port Operator, Adams will manage all rail traffic through the facility, as well as maintain all common areas for the tenants. Adams, as a transload, warehouse, and trucking business, is already in discussions with some of their large ag customers to expand, and grow, their markets in(to) Kansas; in fact, Adams is positioning six company trucks in Stafford County as soon as the drivers are hired. Other Adams’ customers are in serious consideration of the strategic advantages of moving their product thru the St John Terminal. Third, Adams as the Business Development lead will ensure that a wide range of businesses locate, and/or move their product, through the St John terminal. A diversified portfolio of businesses with investments at the St John terminal will ensure that PASC is able to weather any major market fluctuations in any one industry.

Next Steps

As terminal owner, PASC will build a facility that is able to handle a high volume of manifest and unit train traffic. The current terminal design will cost up to \$35 million and will result in the creation of up to 100 jobs and bring millions of primary and secondary revenue into the region. The Port Authority of Stafford County is currently preparing an application to the RAISE program for \$25 million, and seeks a \$5 million pledge in match from the Build Kansas Fund.

Background Adams Industries

Adams Industries is a third-generation trucking and transload company that uses those factors to their advantage. A company started by hauling water to the oil fields around Sidney, eventually, Adams acquired substantially all of the retired Army Ammunitions



Depot other than 600K sq ft of warehousing (known as the former Cabela’s distribution center). The Adams industrial complex sits on 900 acres and offers 600K sq ft of indoor warehousing, as well as unlimited outdoor storage to a diversified portfolio of customers from lumber to dry fertilizer and solar panels. The Adams Industrial Park manages 14 miles of working rail under the oversight of the Federal Railroad Administration (FRA); the Park is serviced by both BNSF and UPRR by SLGG, owned by Progress Rail, a Caterpillar owned company. Adams Trucking currently

includes a growing fleet of 60 power units and a deep stable of trailers. Adams now employees 120 plus employees throughout its operations. Trucking terminals are located in Cheyenne County and Rapid City, SD. Brokerages offices, in addition to Cheyenne County, are in Denver and Okmulgee, OK. Adams is also engaged in productive talks to open other rail-served transload terminals throughout the region. Adams is nearing the completion of a \$21 MM fertilizer facility, in collaboration with their longtime customer – Simplot, that will result in hiring of another 30 jobs. The facility will be online for Growing Season 2024.