

BELLE FOURCHE ECONOMIC DEVELOPMENT



Black Hills Roundup Ag Banquet

September 23, 2021

Time: 5:00 p.m. Social

Location:
Belle Fourche Community Hall

BFDC Board of Directors Meeting

October 13, 2021

Time: 7:00 a.m.

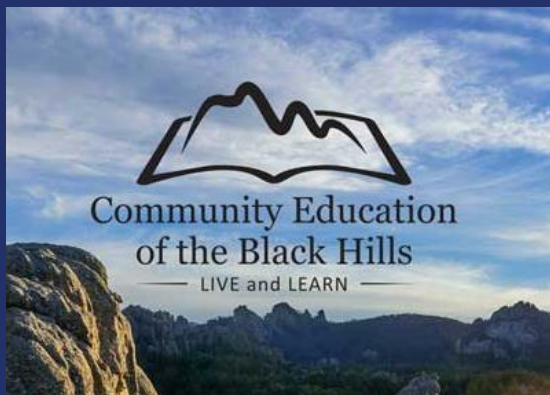
Location: BFDC Conference Room
- 5th & Grant Plaza, 608 5th Ave.

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Ground Broken for City's Largest Rail Siding Expansion

BEACON STAFF news@bellefourchebeacon.com

BELLE FOURCHE - Tuesday, August 30th, 2021, was a day that Hollie Stalder had been looking forward to for three years. Stalder, the Executive Director of Belle Fourche Development Corporation (BFDC) hosted the long-awaited groundbreaking for the largest rail expansion project in city history.

Members of several organizations joined with the BFDC board, the Butte County Rail Authority Board, county commissioners, city officials and others in hoisting shovelfuls of dirt high into air at the Belle Fourche Industrial and Rail Park to mark the official groundbreaking for the new expanded siding and loading facility.

"It's pretty exciting to be here after three years of nurturing the project along," Stalder told the Beacon. "It's going to mean good business, new jobs and expansion of services in the industrial park which is what we're all about."

The \$2.4 million project will triple the rail capacity at the industrial park and create the largest storage facility on the Rapid City Pierre & Eastern (RCP&E) railroad's short line.

The RCP&E operates rail service through Belle Fourche and on to points in Wyoming, Nebraska, and Minnesota. They began operation in 2014 when parent company Genesee & Wyoming (G&W) purchased it from the Dakota, Minnesota & Eastern. G&W, headquartered in Connecticut, is the largest holder of short line railroads in the United States and the RCP&E, at 750 miles, is the longest rail line on the system.

Zach Boehme, Assistant Vice President of Industrial Development for G&W flew in from Phoenix for the event and called the Belle Fourche expansion significant for the system.

"The ability to have more capacity and handle unit-train type volumes makes this an extremely strategic location for us and I think for the Belle Fourche community as well," Boehme told the Beacon. "After the expansion is complete this facility will hold 90 cars at any given time. Our railroad offers 5-day a week service so essentially you could rotate through 90 cars, five days a week. So you're looking at 450 cars a week that could be handled through this facility which equates to upwards of 15-hundred truckloads. It will be largest transload facility on the system. It's a huge market for us."

Having the added capacity will make life easier for BFDC as they have already received numerous inquiries about rail service at the park.

"The calls that we get and the volume of rail business they ask about, if that's a component of what they do, is more than we've been able to accommodate," Stalder said. "So it'd be nice to know we don't have to say no to anyone. We can say 'yes we'll be able to serve your needs' and provide that rail service here in Belle Fourche."

Boehme says that with business in the oil and gas industry as well as agriculture, he sees the siding and loading facility in Belle Fourche becoming a hub, serving a large geographic area.

"And the reason why is this; given its strategic location to the oilfields, with tremendous ag businesses in the area combined with the fact that the RCP&E is the only railroad in the state with access to three different Class-1 railroads, it gives shippers so many options to find the most economical solution."

The RCP&E connects with the Burlington Northern Santa Fe, the Union Pacific, and Canadian Pacific railroads. This makes the transloading facility in Belle Fourche attractive to yet another market, the Sanford Underground Research Facility (SURF) in Lead. The SURF's largest experiment is the \$950 million LBNF neutrino-detecting facility being built under ground with new excavation in the old Homestake gold mine. That 10-year project will require tons of steel and huge shipments of liquid argon. Both materials are expected to be shipped in bulk by rail over an extended period. It's a project that Boehme says has certainly shown up on G&W's radar.

"That's something that we've had conversations about quite often in recent years," Boehme said. "This would be a good landing spot for equipment or product that either needs to go in or out. It's still a work in progress but we're hopeful that's there's some way we can participate in that business."

With the potential for new industrial rail customers both Stalder and Boehme agree that the expansion will secure a steadier outlook for economic growth in the city.

“This is enhanced stability not only for this railroad, but also the local community,” Boehme said. “It will be another asset we can market. We’ve also got great partners here locally and at the state level so it’s a win-win all the way around.”

The expansion project will include an additional 4,000 feet of rail and 4 switches, according to Jeff Cooley of Civil Design Inc. (CDI) of Brookings. Cooley, the project’s chief engineer, says it will raise the capacity of the yard from 27 cars to at least 90.

“It’s three times the capacity of what it is currently,” Cooley said. “There’s no doubt it will give the Development Corporation more flexibility with their site as they look at potential customers.”

Cooley said that North Star Construction of Spearfish will do the grading and sub-ballast work. That phase of the project is already underway and even with some minor material supply issues it should be done by the end of October. The bids for the track work are now being opened and Cooley said they had no shortage of nationwide contractors looking for that business.

“This project was very competitively looked at by contractors,” Colley said. “We have had multiple inquiries on the plan holder’s list.”

Track work is expected to begin once the dirt work is completed if the weather holds. A completion date of mid-July 2022 is expected.

The \$2.4 million project is funded primarily by a Federal Rail Administration (FRA) grant which was given on an 80/20 match basis. BFDC needed to secure 20% of the amount, or \$480,000 to get the grant. Half of that amount was funded by a South Dakota Local Infrastructure Improvement Project grant through the Governor’s Office of Economic Development applied for and approved in 2020. The remaining \$240,000 was split between the city of Belle Fourche and Butte County.



Hollie Stalder leads a group of representatives from several local and state organizations in tossing the first shovelfuls of dirt into the air at the ground breaking for the Industrial and Rail Park’s long-awaited rail siding expansion project. Front row - left to right: Hollie Stalder, Executive Director Belle Fourche Economic Development; Jeff Burket, South Dakota Railroad Board; Randy Schmidt, Belle Fourche Mayor; Stan Harms, Butte County Railroad Authority Chair; Greg Car, South Dakota Railroad Board; Karoll Herman, Butte County Commission Chair; Karen Wagner, Belle Fourche Economic Development Industrial & Rail Park Committee Chair; Lori Frederick, Governor’s Office of Economic Development; Renae Schaeffer, Belle Fourche Economic Development President. - Beacon Photo

Beautiful Belle Fourche



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July Sees Sales Tax Revenue Hit Five-year High

BELLE FOURCHE - City sales tax figures for the month of July surpassed a half million dollars for the first time in more than five years, according to figures released by the Belle Fourche City Finance Office. It may be the highest collection in recent memory as data for only the past five years was provided.

In July, the city collected a total of \$534,194.61. That was the highest total of the year and an 18% increase over last July, which was 2020's best month. July is typically the best month for sales tax due primarily to increased economic activity surrounding the Black Hills Roundup.

Third penny sales tax in July was also the highest in more than five years. The city took in \$36,842.70, 59% better than last July. The third penny tax is assessed from the sale of alcohol, lodging, accommodations, and restaurant purchases. The third penny revenue is used to promote the city, which in turn, helps drive lodging and restaurant business. The city's third penny run rate is currently 30% ahead of last year and puts it on pace to exceed 2019's 5-year high water mark.

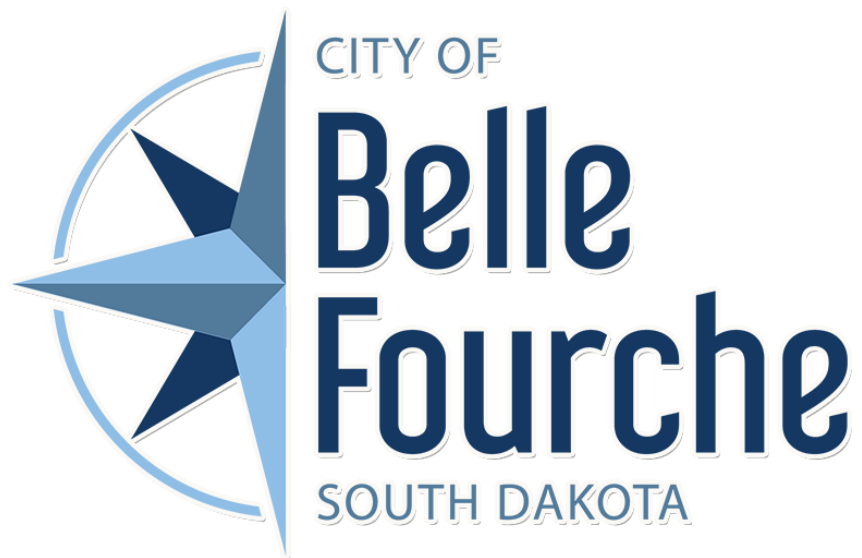
"I think from this you can see that our hotels were booked, and restaurants did very well during the Roundup," said Jason LaFayette, Assistant Finance Officer.

The city is currently 16% ahead of last year's record year. If the current trends continue for the remainder of the year the city could surpass last year's tax revenue of \$3.2 million. This would put the last two years' revenue as the best back-to-back years the city has seen; all of that during the virus pandemic.

"Well, I think you can look at that as we didn't close anything," said Vern Hintz, Chairman of the City's Legal and Finance Committee.

Most businesses in the city have remained open during the past 17 months. A change in online purchasing regulations has also contributed some to the city's increase in sales tax revenue.

Belle Fourche Beacon |
news@bellefourchebeacon.com



BLACK HILLS



ROUNDUP

BELLE FOURCHE, SD

SDSU West River Research Farm Tour



Please join us for a farm tour and discussion at the West River Research Farm 6 miles east of Sturgis. Tour will include discussion on current research at the farm as well as presentations from SDSU researchers and collaborating partners. Dinner will be served.

Date: Tuesday, September 14th, 2021

Time: 5:00 – 7:30 pm

**Location: West River Research Farm,
13370 Alkali Rd, Sturgis, SD 57785
(~2 miles east of Buffalo Chip Campground)**

Contact for Questions: Chris Graham – SDSU Agronomist

Phone: 605.394.2236

Email: Christopher.graham@sdstate.edu



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