

Acquired Equipment



















NEVADA NORTHERN RAILWAY

NATIONAL HISTORIC LANDMARK





Nevada Northern Railway Foundation

A Nevada 501 (c) 3 Non-Profit Corporation Depot: 1100 Avenue A, Ely, Nevada 89301 Mailing Address: PO Box 150040, Ely, Nevada 89315

Voice: (775) 289-2085 • Web: www.nnry.com • E-mail: info@nnry.com



RE: Consolidated Rail Infrastructure and Safety Improvements ("CRISI") program grant application for the Nevada Northern Railway Track Rehabilitation for Freight Traffic.

The deadline for the CRISI application is May 28th, and our plan is to submit it via Grants.gov on May 24th. This application is a collaborative effort between the City of Ely and the Nevada Northern Railway Foundation. After plenty of discussion, the recommendation is that the City serve as the lead entity for the grant. Given the City's status as a Nevada incorporated city, we believe that having the City as the lead entity, will enhance the credibility of the grant application compared to if the Foundation were in the lead. If the City assumes the lead position, the City will be applying through their Grants.gov account. The City will also need to complete a letter of funding commitment for the match. The Foundation and FMW will provide full support to ensure the successful running of the grant.

The purpose of the grant is to rehabilitate the railroad from Shafter, Nevada (MP 18.5) to HiLine Junction, Nevada (MP 135.4), covering a total distance of 116.9 miles of railroad track. This section of the railroad predominantly consists of the original 60-pound rail from its construction in 1905/1906, whereas modern standard rail typically ranges from 130-pound to 141-pound rail. Fortunately, Kennecott previously upgraded the railroad from HiLine Junction to Ruth with 90-pound and 115-pound rail, which can accommodate modern freight traffic. Additionally, the Foundation conducted a tie replacement program from HiLine Junction to Ruth, resulting in this section of the railroad being in relatively good condition.

FMW and the Foundation have conducted a comprehensive inspection of the entire railroad from Shafter to Ruth. Furthermore, FMW has updated previous engineering studies related to the railroad. Based on these assessments, the estimated cost to open the railroad to freight traffic is \$138.7M, with the grant request set at \$104.0M. We have secured a commitment of an estimated \$16.8M in ballast that can be used as match, leaving a remaining cash match of \$17.9M. The cash match will not be required until October 2025. Various potential sources for the cash match will be explored.

The grant submission deadline is May 28th, with grant awards anticipated to be announced in October 2024. Upon grant approval, the countdown will commence for raising the cash match. Essentially, upon successful fundraising of the \$17.9M cash match, the City and the Foundation will receive \$120.8M to open the railroad to freight traffic.

There are multiple avenues to pursue for raising the \$17.9M, including seeking support from the Nevada State Legislature, approaching the Nevada State Infrastructure Bank, and exploring federal options such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad Rehabilitation & Improvement Financing (RRIF) loan. If a loan is required, the financial plan indicates that freight revenue will cover the loan.

During the interim period while awaiting the grant determination, FMW and the Foundation will collaborate on assembling a funding package for the cash match. This package is likely to comprise multiple components.

The total cost for completing the grant application and additional work required for the CRISI grant is \$15,000.

Award Winning Destination

Best Adrenaline Rush in Rural Nevada – 2020 Best Historic Railroad of the West – 2023, 2022

Best Museum in Rural Nevada – 2022, 2020, 2017, 2016, 2014, 2013, 2010, 2009, 2008

Trip Advisor Certificate of Excellence – 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014

Best Place to Take the Kids in Rural Nevada - 2020, 2019, 2018, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007



CITY OF ELY

501 Mill Street Ely, Nevada 89301 City Hall (775) 289-2430 Fax (775) 289-1463

May 9, 2024

Comments on Item B-12.

I have a concern regarding the amount of this grant with the City being the Grantee. I am concerned that the City would not have that kind of cash available to make payments while waiting to be reimbursed. I would recommend, if the City were to take the lead, that a separate checking account be opened with the donated cash match of 17.9 million to be available to fund the expense payments for this grant. This would also help with the tracking for auditing purposes.

Janette Trask Treasurer/HR Director

