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OPPORTUNITY & PACKAGE DETAILS:

Opportunity Number:	FR-CRS-24-001
Opportunity Title:	FY23-24 Consolidated Rail Infrastructure and Safety Improvements Grant Program
Opportunity Package ID:	PKG00285695
CFDA Number:	20.325
CFDA Description:	Consolidated Rail Infrastructure and Safety Improvements
Competition ID:	FR-CRS-24-001-110514
Competition Title:	FY23-24 Consolidated Rail Infrastructure and Safety Improvements Grant Program
Opening Date:	04/02/2024
Closing Date:	05/28/2024
Agency:	DOT - Federal Railroad Administration
Contact Information:	Office of Railroad Development Deborah Kobrin (202) 420-1281 deborah.kobrin@dot.gov

APPLICANT & WORKSPACE DETAILS:

Workspace ID:	WS01338460
Application Filing Name:	NEVADA NORTHERN RAILWAY: REHABILITATING A KEY INFRASTRUCTURE LIFELINE IN RURAL NEVADA
UEI:	C1AJMSQCNH59
Organization:	CITY OF ELY
Form Name:	FRA F 251 Applicant Financial Capability Questionnaire
Form Version:	1.0
Requirement:	Mandatory
Download Date/Time:	Jun 05, 2024 11:27:33 AM EDT
Form State:	No Errors

FORM ACTIONS:



Federal Railroad Administration
APPLICANT FINANCIAL CAPABILITY QUESTIONNAIRE

SECTION A: PURPOSE

Federal agencies are required to review and evaluate the potential risks posed by applicants prior to awarding Federal funds (2 C.F.R. § 200.205). The Federal Railroad Administration (FRA) considers a variety of factors and information in completing this risk assessment. FRA's evaluation may include the following: financial capability and/or stability of the applicant organization; quality of the organization's management and financial systems; history of past performance; and results of audits and/or reports.

Completion of this form is intended to assist FRA in evaluating the financial capability of the applicant organization. This form is to be completed by organizations applying for FRA programs that 1) have not previously completed this form or 2) have not had a current/active award with FRA within the last three years.

SECTION B: ORGANIZATION INFORMATION

1. NAME OF ORGANIZATION:

City of Ely

2. NAME AND TITLE OF AUTHORIZED REPRESENTATIVE (individual who will accept the grant on behalf of your organization):

Prefix: First: Middle:

Last: Suffix:

Title:

3. YEAR ORGANIZATION WAS FOUNDED/INCORPORATED:

4. EMPLOYER IDENTIFICATION NUMBER (EIN):

5. UNIQUE ENTITY IDENTIFIER:

6. PRIMARY ADDRESS OF THE ORGANIZATION:

Street1:

Street2:

City:

County/Parish:

State:

Country:

Zip / Postal Code:

7. DOES THE ORGANIZATION HAVE A CURRENT ORGANIZATIONAL CHART? Yes No

IF YES, PLEASE PROVIDE A COPY

Add Attachment

Delete Attachment

View Attachment

8. HAS YOUR ORGANIZATION RECEIVED FEDERAL ASSISTANCE FUNDS IN THE LAST 2 YEARS?

Yes No

9. TOTAL OPERATING BUDGET IN THE PREVIOUS FISCAL YEAR:

\$

SECTION C: ACCOUNTING SYSTEM

1. HAS ANY GOVERNMENT AGENCY RENDERED AN OFFICIAL WRITTEN OPINION CONCERNING THE ADEQUACY OF THE ACCOUNTING SYSTEM FOR THE COLLECTION, IDENTIFICATION AND ALLOCATION OF COSTS UNDER FEDERAL CONTRACTS/GRANTS?

Yes No

1a. IF YES, PROVIDE NAME, AND ADDRESS OF AGENCY PERFORMING REVIEW:

Agency Name:

Street1:
Street2:
City:
County/Parish:
State:
Country:
Zip / Postal Code:

1b. ATTACH A COPY OF THE LATEST REVIEW AND ANY SUBSEQUENT CORRESPONDENCE, CLEARANCE DOCUMENTS, ETC.

2. WHICH OF THE FOLLOWING BEST DESCRIBES THE ORGANIZATION'S ACCOUNTING SYSTEM?

MANUAL AUTOMATED COMBINATION

3. IS THE ORGANIZATION'S FINANCIAL MANAGEMENT PERFORMED IN-HOUSE (BY EMPLOYED STAFF) OR OUTSOURCED WITH CONTRACTED INDIVIDUALS?

IN-HOUSE OUTSOURCED/CONTRACTED COMBINATION

4. DOES THE ORGANIZATION ANTICIPATE ANY SIGNIFICANT CHANGES TO ACCOUNTING SYSTEM IN THE NEXT 12 MONTHS?

Yes No

IF YES, PLEASE EXPLAIN:

5. DOES THE APPLICANT HAVE EFFECTIVE INTERNAL CONTROLS IN PLACE TO ENSURE THAT FEDERAL FUNDS ARE USED SOLELY FOR AUTHORIZED PURPOSES?

Yes No

6. DOES THE ORGANIZATION HAVE WRITTEN GRANTS MANAGEMENT POLICIES AND PROCEDURES FOR THE FOLLOWING:

6a. ACCOUNTING/FINANCIAL? Yes No 6b. PROCUREMENT? Yes No
6c. PROPERTY MANAGEMENT? Yes No 6d. PERSONNEL? Yes No
6e. TRAVEL? Yes No

7. DOES THE ORGANIZATION MAINTAIN TIMESHEETS (OR TIME AND ACTIVITY REPORTS) FOR EMPLOYEES THAT TRACK ACTUAL EFFORT BY PROJECT COST OR OBJECTIVE?

Yes No

8. DOES THE ORGANIZATION HAVE A CURRENT AND APPROVED INDIRECT COST RATE?

Yes No

9. DOES THE ACCOUNTING/FINANCIAL SYSTEM INCLUDE CONTROLS TO PREVENT INCURRING OBLIGATIONS IN EXCESS OF:

9a TOTAL FUNDS AVAILABLE FOR A GRANT? Yes No

9b TOTAL FUNDS AVAILABLE FOR A BUDGET COST CATEGORY (e.g. Personnel, Fringe Benefits, etc.) Yes No

10. ARE THE INDIVIDUALS RESPONSIBLE FOR ADMINISTERING GRANT FUNDS FAMILIAR WITH THE CURRENT REGULATIONS AND GUIDELINES ON ADMINISTRATION, COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL GRANTS (INCLUDING 2 C.F.R. 200)?

Yes No

SECTION D: HISTORY OF PERFORMANCE

1. HAS THE ORGANIZATION EVER HAD A FEDERAL AWARD SUSPENDED OR TERMINATED FOR NON-COMPLIANCE?

Yes No

SECTION E: FINANCIAL STATEMENTS

1. DID THE ORGANIZATION HAVE A FINANCIAL STATEMENT AUDIT IN ITS MOST RECENT FISCAL YEAR? Yes No

1a. WHEN IS THE ORGANIZATION'S FISCAL YEAR END?

2. IF THE ORGANIZATION HAD AN AUDIT IN ITS MOST RECENT FISCAL YEAR, IS THE REPORT AVAILABLE PUBLICLY? Yes No

IF YES, PLEASE PROVIDE LOCATION: (e.g. FEDERAL AUDIT CLEARINGHOUSE OR WEBSITE)

IF NO, PLEASE PROVIDE A COPY

Add Attachment

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3. DID YOUR ORGANIZATION EXPEND \$750,000 OR MORE IN FEDERAL FUNDS IN THE MOST RECENT COMPLETED FISCAL YEAR?

Yes No

SECTION F: ADDITIONAL INFORMATION

1. USE THIS SPACE FOR ANY ADDITIONAL INFORMATION (INDICATE SECTION AND ITEM NUMBERS IF A CONTINUATION).

The City of Ely and the Nevada Northern Railway Foundation have secured \$15,225,997 in materials and are leveraging this to obtain the \$19,547,905 cash match by October 2025. Funding sources include the Nevada State Legislature, Nevada State Infrastructure Bank, state grants, and a Railroad Rehabilitation & Improvement Financing loan. The Foundation has a strong fundraising record, securing \$30 million in grants and \$1 million annually.

SECTION G: APPLICANT CERTIFICATION

I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE. (THE INDIVIDUAL CERTIFYING THIS FORM SHOULD BE FAMILIAR WITH THE ORGANIZATION'S MANAGEMENT AND FINANCIAL SYSTEMS.)

1. NAME OF THE CERTIFYING OFFICIAL

Prefix:

First:

Middle:

Last:

Suffix:

1a. SIGNATURE

1b. DATE

1c. TITLE

Report Criteria:

Updating license expiration dates

Calculating license billings on 07/01/2024

License Types: BREEDER, CLASS I LIQUOR, CLASS II LIQUOR, CLASS III LIQUOR, CLASS IV LIQUOR, CLASS V LIQUOR, COMMERCIAL, GAMING, HOME, LIQ CA

Rates: COMMERCIAL BUSINESS, SHORT TERM RENTALS, MOBILE PARK SPECIAL, MOBILE VENDOR SURCHARGE, HOME OCCUPATION, NON-PROFIT, MEDIC

Business.Account number = 3305

Account Number	Business Name	License Type	Rate	Quantity	Amount	Email Sent	License Frequency	Expiration Date
3305	PERIGO CORNER MARKET	COMMERCIAL	101	1150	107.72	-	ANNUALLY	06/30/2025
Count: 1				Total:	107.72			

APPENDIX G

RELEVANT SUPPORTING CONSULTING STUDY

CONTENTS

- NNRV ECONOMIC VIABILITY AND IMPACT REPORT

NEVADA NORTHERN RAILWAY REHABILITATION ECONOMIC VIABILITY AND IMPACT REPORT



May 14, 2024

Created by: the National Rail Consulting Group

2026 E. 1st St. Duluth, Minn. 55812



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Appendix B – SUMMARY IMPLAN DATA

Appendix C – NNRDA DATA



INTRODUCTION

FMW SOLUTIONS LLC d/b/a the NATIONAL RAIL CONSULTING GROUP (“NRCG”) was retained by the CITY OF ELY (Nevada) and the NEVADA NORTHERN RAILWAY FOUNDATION (“Foundation”) to assist those clients in determining the economic viability of returning the NEVADA NORTHERN RAILWAY (“NNRY”) to operational condition (“NNRY Project”). This Memo is a follow-up document to the NRCG Report on the cost to return the NNRY, dated January 22, 2024.

The rehabilitation of the NNRY, which will see the reconnection of Ely with the general railroad system at Shafter, will have the ability to return between 7,000 and 12,000 railcars worth of freight to the railroad, thereby removing an estimated 22,500 – 42,000 trucks from the highways. Since mid-2023, NRCG has worked alongside the City and Foundation to interview prospective key freight shippers to quantify this rail demand.



Furthermore, the restoration of the rail line, for which the City is applying to the FRA to receive funding support, is envisioned to be a \$133 million project. Thanks to the availability of grant funding via the Consolidated Rail Infrastructure and Safety Improvements (“CRISI”) program, the proposed project could be underwritten by the Federal government at a rate of 74%. Local businesses have pledged to provide 11% of the funding through in-kind matches, leaving a cash match portion for the City and Foundation of \$19.6 million to underwrite.

Given the proposed carload tonnages developed during the customer interviews, an NRCG Preliminary Business Plan anticipates sufficient cash flow for the railroad to: 1) cover its maintenance costs; 2) cover its debt obligations; and 3) provide a small net income to support unforeseen capital requirements.

Finally, economic impact analyses based upon IMPLAN data show that the investment of \$133 million in this project will result in \$393 million in construction-related benefits and more than 3,400 short-term direct, indirect, and induced jobs and, in the long term, it will result in more than 50 full time direct, indirect, and induced jobs and an ongoing annualized net benefit of \$7.1 million per year. Each of these benefits will directly inure to a region that is starving for meaningful, sustainable development.

In summary, the NNRY Project will meet tangible, existing demand to ship freight between Ely and the general railroad system, thereby taking trucks off the roads, decreasing road maintenance, and increasing the environmental sustainability of freight operation in the region. Furthermore, the reactivation of the rail line will tap into a substantial demand for future industrial development that is hampered by a lack of existing short line rail connectivity in the state (Note: Nevada is the only state of the lower 48 without a short line railroad).



1. SUMMARY OF DEMAND

Beginning in June 2023, NRCG, working alongside the Foundation and City, began in-person and telephonic outreach to a variety of prospective rail shippers. These discussions confirmed an understanding of the substantial amount of pent-up freight demand in the region.

By way of background, the Northeastern Nevada Regional Development Authority (NNRDA) has been tracking the number and magnitude of inquiries related to rail-related project leads. Between 2016 and 2023, the NNRDA received thirty (30) requests from leading manufacturers for developable sites to source new industries. These requests amount to more than \$8.8 billion in missed economic opportunities that would have resulted in more than 9,300 jobs in the region (Refer to Appendix C).

As it relates to existing freight demand, NRCG was able to identify nine key shippers and receive commitments from six that account for between 7,200 and 11,800 railcars per year of freight volume. This equates to removing 24,500 – 42,000 trucks from rural Nevada highways each year. Table One summarizes those commodities and volumes.

TABLE ONE – ESTIMATED NNRY ANNUAL RAIL FREIGHT DEMAND

SHIPPER	DESCRIPTION	FLOW	Est. Start	EST. VOL.
KGHM	Copper concentrate, fuels, etc.	Both	2029	3,098
Silver Lions Farm	Fertilizer, Propane, etc.	Inbound	2029	TBD
Bath Lumber Company	Lumber, building materials, etc.	Inbound	2029	25
SkyQuarry	Roofing shingle oil, VGO, diesel	Both	2029	2,007
White Pine Metal	Copper concentrate, fuels, etc.	Both	2032	1,538
Western Magnesium	Dolomite Ore	Outbound	2035	4808
Aggregate of small mines	Diesel fuel, lime, grinding balls	Inbound	2029	566
Eureka Hay Growers	Containerized Hay for Export	Outbound	2029	TBD
Kinross Gold Corp.	Diesel fuel, mine equip., etc.	Both	TBD	TBD
Estimated Annual Carloads - LIKELY				7,233
Estimated Annual Carloads - POSSIBLE				11,877

The following subsections discuss each of the shippers in brief. NRCG would note that these numbers are the most realistic numbers as provided by each potential shipper group at the time of interview, and that these are forward-looking projections that are subject to change.

KGHM / ROBINSON MINE | **VERY LIKELY** | 3,098 CARLOADS: KGHM has owned and operated the Robinson Mine since 2012. This multinational company is a major producer of copper, gold, and molybdenite in the region, employing more than 600. According to both in-person and remote interviews, NRCG understands that the mine currently ships in all fuels, lubrication oil, and other bulk materials required to operate the mine by truck. On top of that, the mine also trucks its copper concentrate from Ely to Wendover for transload to railcars. The vast majority of this freight will readily transfer from truck to train. Mine leadership



has expressed sincere interest in rehabilitating its spur track and reopening direct rail connection in support of the NNRy Project. As a show of sincere faith, KGHM has also pledged one-half of the ballast materials to return the line to operable condition.

SILVER LION FARMS | POSSIBLE | TBD CARLOADS: Silver Lion Farms is a unique, USDA-certified organic farm located within a few miles of the Nevada Northern Railway's mainline in the vicinity of Currie, Nevada. Their 300,000 sq. ft. indoor hemp-processing facility houses nine separate 25,000 sq. ft. grow halls. Each hall is precisely controlled for light, temperature, humidity, and other key factors that influence the greatest quality and yield of hemp. As a matter of fact, this facility is a USDA Organic-certified, indoor grow facility that is the only one of its kind in North America. Though the operation is still awaiting final permitting, there is some interest in utilizing the siding at Currie (which is the closest station to their farm near Goshute Lake) to transload fertilizer and other commodities.



BATH LUMBER COMPANY | LIKELY | EST. 25 CARLOADS: Bath Lumber Company, which has served the community for more than 65 years, used to receive regular manifest freight service. It has expressed appreciation for the opportunity to receive this key interstate connectivity once again. Ely is extremely remote, located more than four hours' drive (200+ miles) away from the closest metropolitan areas of Salt Lake City and Las Vegas. As such, all building materials come in via over-the-road trucks, which drives up housing and construction costs, two of the largest issues facing our community. The lumber company envisions receiving flatcars of lumber and other building materials on a somewhat modest basis to begin.



SKYQUARRY | VERY LIKELY | EST. 2,007 CARLOADS: Skyquarry is a unique company positioned to convert used roofing shingles, which contain up to 25% bitumen, into recycled oil, avoiding placing those waste-stream materials into landfills. To support this unique business, it acquired Foreland Refining Corporation in October 2022, which operated the Eagle Springs Refinery just outside of Ely, Nevada. This relatively new refinery, opened in 1992, is a key asset in our ability to grow this key renewable energy product. Currently, all oil products move into and out of the SkyQuarry refinery, near Ely, by truck to Salt Lak City. The rehabilitation of the Nevada Northern Railway will enable Skyquarry to develop an oil transload site in the vicinity of Ely and increase our production of sustainable transportation fuels, including the refinement of renewable diesel, for domestic uses. Their estimates indicate that the rail connectivity will enable it to approach the permitted capacity of 5,000 barrels per calendar day, which would enable it to process both inbound synthetic roofing shingle oil as well as domestic oil products on the order of at least 2,008 carloads of freight per year on the NNRy.



WHITE PINE METALS | VERY LIKELY | EST. 1,538 CARLOADS: White Pine Metals is a relatively new start in mineral mining operations approximately 15 miles south of Ely. The mine, when operational in 2032, is estimated to support 1,500 carloads that consist of inbound fuels, chemicals, and equipment and outbound copper concentrate. The operations are well underway with permitting and preparatory excavation, and with more than 500,000 tons of high-quality construction rock on site and ready to sell, White Pine, as with KGHM, has offered to supply one-half of the ballast materials required to return the railroad to operation.



WESTERN MAGNESIUM | LIKELY | EST. 4,808 CARLOADS: Western Magnesium Corp is pursuing the development of a magnesium “smelter” with the goal of being a low-cost producer of high-quality magnesium metal, which is a strategic commodity prized for its strength and lightweight qualities. It focuses on plant operations and magnesium production and continues to move towards the buildout of its pilot plant facility and the development of a full-scale commercial magnesium production facility. The company operates in the exploration and development of mineral property interests, and it has acquired a massive dolomite reserve in the vicinity of Ely. Discussions with its CEO Sam Ataya in 2023 and 2024 indicate that the magnesium refinery will require more than 500,000 tons of dolomite ore every year. This is a long-range project that would be transformational to the region should it move forward.



AGGREGATE OF SMALLER MINES | LIKELY | EST. 566 CARLOADS: Within a two-hour drive of Ely, there are no fewer than five active mining operations that, in 2021, produced a total of 302,000 ounces of gold and 145,000 ounces of silver. To feed these mines, an estimated 16 million gallons of diesel fuel is trucked into the region each year, based on the known extraction rate of each mine. These 16 million gallons per year equates to 484 railcar loads of diesel fuel alone. Combined with additional extraction media, the estimated likely carload volume is 566 inbound cars per year, or 11 carloads per week.

2. BUSINESS PLAN SUMMARY

The NRCG business model of the NNRy Project is the result of research, strategic industry engagement, and comprehensive analysis. By leveraging insights from industry leaders, conducting detailed on-site inspections, reviewing historical studies, and synthesizing demand from multiple shippers, we have developed a robust conceptual business plan to reactivate the NNRy for freight transportation. This project promises to enhance operational efficiency, meet industry needs, and drive long-term economic growth for the region.

The following subsections, provided in outline format, summarize the business plan's high-level points. Comprehensive business plan tables are in Appendix A.

Project Overview: The NNRy Project aims to modernize and enhance the NNRy mainline to reconnect ELY to the General Railroad System and ensure safer, reliable, and efficient operations. The project timeline spans from 2025 to 2042, providing a long-term outlook on the expected financial and operational benefits.

Key Drivers and Assumptions: The financial projections hinge on several critical drivers and assumptions:

1. **Construction Timeline:** The rehabilitation project will commence in 2025. The construction phase is expected to extend over several years, with substantial improvements completed by 2029. This timeline could shift slightly depending on the availability of CRISI Grant funding and FRA onboarding.
2. **Revenue Projections:**
 - **Track Usage:** Rehabilitated track will enable robust freight traffic (See the previous section of this report).
 - **Efficiency Gains:** Additional revenues are anticipated, but not forecast, to account for growth related to rail line reactivation (refer to NNEDA study).



3. Cost Estimates:

- **Capital Cost Estimates:** Capital cost to return the rail line to operation is based upon the associated NRCG Engineering report and the affiliated CRISI Grant application work.
- **Maintenance Costs:** Ongoing track maintenance costs are based on industry-proven averaged annualized maintenance cost for FRA Class 2 track.
- **Operational Expenses:** Comprehensive operational expenses, including personnel, utilities, and administrative costs, are included. The freight locomotives are anticipated to be leased locomotives to start, though service might be feasible with a mixture of leased and on-hand diesel-electric locomotives.

4. Financing Structure:

- **Debt Financing:** A portion of the project will be financed through debt, optimizing the cost of capital and leveraging favorable interest rates. This is envisioned to be an FRA Railroad Rehabilitation and Investment Financing loan, which will be underwritten by the EBITDA of the rail line.

Financial Summary: The financial statements provide a detailed projection of the project's expected performance:

1. Income Statement:

- **Revenue Growth:** Revenue is projected to increase steadily from 2025 onwards, driven by higher utilization and efficiency gains. By 2030, revenue is expected to reflect significant growth, contributing to overall profitability.
- **Expense Management:** Operating expenses, including maintenance and operational costs, are carefully managed. For example, total operating expenses are projected at \$11,202,008 in 2036, the tenth year of operation.
- **Cash Flow:** The project is expected to achieve positive cash flow from operations in the first year post-construction, and increase thereafter.

2. Cash Flow Statement:

- **Operational Cash Flow:** Positive cash flow from operations is expected post-NNRY Project, driven by increased revenue and efficient cost management. This will ensure sufficient liquidity for ongoing operations and future investments.
- **Investment Cash Flow:** Initial cash outflows for construction will be substantial, followed by cash infusions from improved operations and potential financing activities. Investment in modern infrastructure will yield long-term financial benefits.
- **Financing Cash Flow:** Debt and equity financing will provide the necessary funds for the project, with a structured repayment plan to manage cash flow effectively.
-

Debt Servicing and Financing Ability: The ability to service debt is a critical aspect of the financial plan for the NNRY Project. Several factors contribute to ensuring that the project can meet its debt obligations:

1. **Interest Coverage Ratio:** The interest coverage ratio measures the company's ability to meet interest payments on its debt. A strong interest coverage ratio is expected, indicating sufficient operational income to cover interest expenses. For instance, with projected EBITDA growing from \$3,280,293 in 2027 to \$3,241,892 in 2042, the interest coverage ratio remains robust.



2. **Cash Flow Adequacy:** Positive operational cash flow post-rehabilitation ensures that there is adequate liquidity to meet both interest and principal repayments. Cash flow projections indicate strong liquidity, with operational cash flows projected to exceed \$3,800,000 annually by 2042.
3. **Repayment Schedule:** A structured debt repayment schedule will be established to align with the project's cash flow generation, ensuring timely debt servicing without straining the company's finances.

Conclusion: The NNRy Project represents a strategic investment aimed at enhancing rural rail infrastructure, improving operational efficiency, and driving long-term revenue growth. This financial model underscores the project's viability, with positive projections for revenue, profitability, and overall financial health. Through careful planning and strategic execution, Track Rehab is poised to deliver significant value and operational improvements for NNRy. The project's success will not only enhance track quality but also boost customer satisfaction and operational reliability, positioning NNRy as a leader in the railway industry.

3. ECONOMIC IMPACT OF THE NNRy PROJECT

In addition to the detailed benefit-cost analysis ("BCA") associated with the submission of the CRISI Grant application, NRCG sought to quantify the economic benefits associated with the proposed \$133 million investment in returning the NNRy to operation and the proposed business plan referenced in this report. The economic impact analyses based upon IMPLAN data show that the investment of \$133 million in this project will result in \$393 million in construction-related benefits and more than 3,400 short-term direct, indirect, and induced jobs and, in the long term, it will result in more than 50 full time direct, indirect, and induced jobs and an ongoing annualized net benefit of \$7.1 million per year. This is in addition to the estimated net income of \$2.6 million per year associated with the rail line operation itself, which will be directly reinvested by its non-profit owner, the Foundation.

The construction of this project will involve massive mobilization of personnel and equipment, and it will have a profound impact on the community and the supporting businesses. Table Two summarizes the impacts associated with the construction of the rail line.

TABLE TWO – IMPLAN DATA RE: CONSTRUCTION OF NNRy PROJECT

IMPACT	EMPLOYMENT	LABOR INCOME	VALUE ADDED	OUTPUT
DIRECT	2,618	\$193,195,971	\$161,333,559	\$265,577,798
INDIRECT	384	20,400,380	27,05,618	51,025,748
INDUCED	417	17,867,693	48,110,836	76,397,392
TOTALS	3419	231,464,045	\$236,528,013	\$393,000,939

As you can see, the infusion of \$133 million will have a multiplier effect on the economy, growing nearly 300% in meaningful contributions to the economy. On a tax basis, this is anticipated to infuse the bi-county region with \$3.3 million of taxes and the State of Nevada with \$9.8 million of increased taxes.

In the long term, the addition of 13 new railroad jobs and subsequent maintenance and operational investment, even based on conservative estimates, will have a material impact on the region on the order of \$7.1 million in net benefit per year. Table Three summarizes the impacts associated with the ongoing operation of the line (year one).



TABLE THREE – IMPLAN DATA RE: OPERATION OF NNRY FREIGHT RAIL LINE

IMPACT	EMPLOYMENT	LABOR INCOME	VALUE ADDED	OUTPUT
DIRECT	11	\$18,171,210	\$18,171,210	\$0
INDIRECT	00	0	0	0
INDUCED	39	1,636,405	\$4,502,112	\$7,152,298
TOTALS	50	\$19,807,615	\$22,673,322	\$7,152,298

These numbers are further augmented by the Benefit-Cost Analysis supporting the NNRY Project CRISI Grant. Though those analyses are underway as of the writing of this report, the initial findings include a substantial increase in highway safety, millions of tons of greenhouse gas emissions reductions per year, and decreased road maintenance, to name a few. Furthermore, the proposed NNRY Project has a positive BCA ratio, indicating an efficient and meaningful utilization of public sector resources.

4. CONCLUSION

The restoration of the NEVADA NORTHERN RAILWAY to operational conditions for interstate commerce freight operations will result in meaningful economic development to an often-overlooked region, and it will result in net benefits to the economy and environment. The robust series of interviews undertaken by NRCG have resulted in meaningful volumes of freight and a pro forma business plan that is sufficiently robust to support ongoing freight operations.

This proposed rail line project will serve to position the city of Ely and the surrounding communities to realize ongoing economic development while, at the same time, reducing greenhouse gas emissions related to truck transportation.

Respectfully submitted,

/s/ Davidson A. Ward

Managing Partner

/s/ Thomas P. Loftus, MBA

Senior Financial Associate



APPENDIX A:

"BUSINESS PLAN TABLES"

Completed by: National Rail Consulting Group., May 2024



APPENDIX B:

"SUMMARY IMPLAN DATA"

Completed by: NRCG / IMPLAN MAY 2024





Figure 1. The UV-Vis absorption spectra of the synthesized polymer. The inset shows the absorption spectra of the polymer in different solvents. The x-axis represents the wavelength in nm, ranging from 200 to 400. The y-axis represents the absorbance. The main plot shows a broad absorption band centered around 280 nm. The inset plot shows the absorption spectra of the polymer in different solvents, with the x-axis representing the wavelength in nm, ranging from 200 to 400, and the y-axis representing the absorbance. The inset shows that the absorption band is broader and more intense in some solvents compared to others.



Figure 1. A detailed diagram or map showing a cross-section of a structure or terrain. The diagram includes a north arrow and various labels, but the text is too small to read. The diagram appears to show a vertical profile with different layers or components, possibly related to a geological or engineering study.

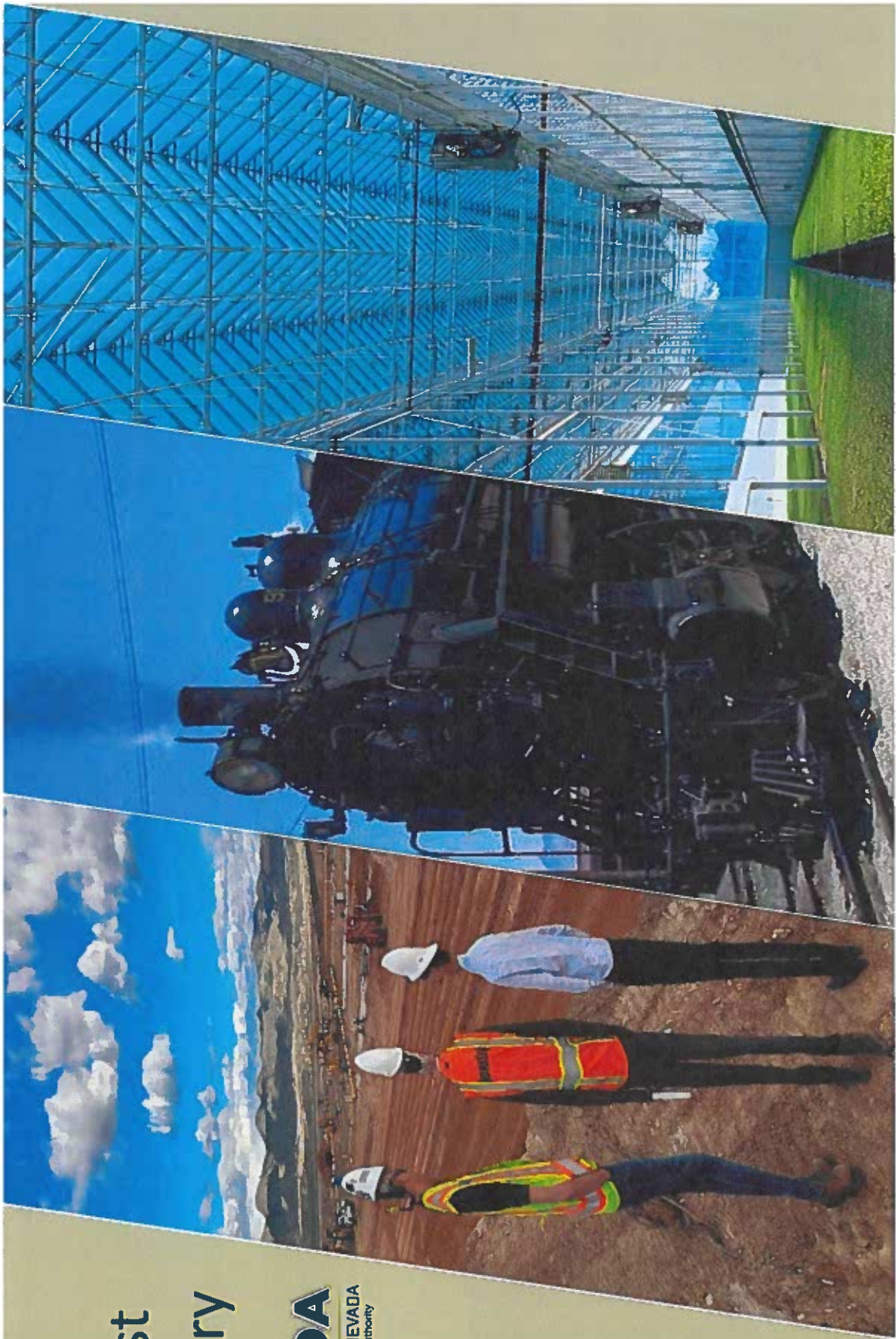
APPENDIX C:

"NNRDA PRESENTATION ON RAIL DEMAND"

Completed by: Northeast Nevada Regional Development Authority, 2023



RAIL Request Summary



Total Lead/RFI Statistics

YEAR	LEADS
2016-2017	5
2018	8
2019	20
2020	36
2021	46
2022	38
2023	4
TOTAL	157

INQUIRY / LEAD COUNTS



* Lead/RFI's listed are genuine inquiries that provide information regarding proposed Capital Expenditure (CAPEX), workforce, building / land requirements, and utility demands.

RFI's Requesting Rail Access

YEAR	LEADS
2016-2017	2
2018	3
2019	6
2020	6
2021	5
2022	6
2023	2
TOTAL	30

INQUIRY / LEAD COUNTS



19% of total Lead/RFI's request rail access

NNRDA's 4 county region currently have no available parcels with direct rail access

* Numbers listed here are projects/companies who request direct rail access for their facilities to operate.

Requested Rail Stats



PROJECT	INDUSTRY	DATE OF INQ/RFI	SOURCE	CAP EX Proposed	WORKFORCE
Repellent	MANUFACTURING (Explosives)	20161019	GOED	\$20,000,000	20
Helium	MANUFACTURING (Anhydrous Amm)	20171102	ORGANIC	\$115,000,000	15
Gold	CHEMICAL	20180404	KL GATES	\$45,000,000	20
Redwood	MANUFACTURING	20180913	NV ENERGY	\$325,000,000	250
XFER	LOGISTICS - TRANSLOADING	20181127	ORGANIC	\$1,000,000,000	20
Trinity	MANUFACTURING	20190226	NV ENERGY	\$350,000,000	250
Post	LOGISTICS - TRANSLOADING	20190228	ORGANIC	UNDISCLOSED	TBD
Jack	MANUFACTURING (TIMBER)	20190415	GOED	\$130,000,000	97
Hunter	ENERGY	20190503	GOED	\$750,000,000	2,093
Tower	MANUFACTURING (PLASTIC LINER)	20190520	GOED	\$11,200,000	24
Force	AEROSPACE & DEFENSE	20190621	GOED	UNDISCLOSED	2023
Thermo	MANUFACTURING (Thermoforming)	20200410	GOED	\$10,000,000	33
Ranger	MANUFACTURING (Food)	20200706	GOED	\$50,000,000	350
Molten	MANUFACTURING (Rebar)	20200810	NV ENERGY	\$100,000,000	310
Tower (Round 2)	MANUFACTURING (PLASTIC LINER)	20200918	GOED	UNDISCLOSED	TBD
Falcon	MANUFACTURING (PAPER)	20201103	GOED	\$400,000,000	200
Pot of Cold	DISTRIBUTION (COLD STORAGE)	20201118	GSLJ	UNDISCLOSED	200
Fast Fulfillment	DISTRIBUTION	20210210	GSLJ	UNDISCLOSED	100
Falcon Round 2	MANUFACTURING (PAPER)	20210429	GOED	\$400,000,000	200
Phoenix	MANUFACTURING (EV)	20210611	GOED	\$15,000,000	290
Automation	MANUFACTURING	20211014	GSLJ	UNDISCLOSED	50
Darwin	MANUFACTURING (Li Batteries)	20211109	GOED	\$500,000,000	1000
The Frozen One	LOGISTICS	20220307	GSLJ	UNDISCLOSED	100
Nova	MANUFACTURING (Energy Storage)	20220331	GOED	\$4,054,000,000	1071
Short Circuit	MANUFACTURING	20220829	NV ENERGY	UNDISCLOSED	TBD
BPL	DISTRIBUTION	20220912	GSLJ	UNDISCLOSED	200
Save the Food	MANUFACTURING (Food & Beverage)	20220926	GSLJ	\$10,000,000	100
Horizon	MANUFACTURING (Plastics)	20221222	GOED	\$9,700,000	33
RAIL	MANUFACTURING	20230103	GSLJ	UNDISCLOSED	200
JAGUAR	TECHNOLOGY (Li Battery Man.)	20230112	GOED	\$572,945,620	68
				\$443,392,281	345
AVG PROPOSED PER PROJECT					
TOTAL PROPOSED (missed)				\$8,867,845,620	9317

Lead Example

Project "Fast Fulfillment"

PROJECT CODE NAME: FAST FULFILLMENT

International logistics company experiencing rapid growth and seeking new site for next facility.

PROJECT INITIAL AREAS OF INTEREST

NATIONAL SEARCH, NATIONAL SEARCH

APPLICABLE REGIONS

ALL REGIONS

PROJECT'S CURRENT INFORMATION

Industry Served: Distribution
Years in Business: 40
Current Employees: 200
Investment Capital: TBD

PROJECT'S EXPANSIONS OR RELOCATION NEEDS

Building Size: 50000 to 100000
Land Requirements: 10 to 15 acres
Employee Needs: 50 to 100
Time Frame: 6 to 12 months

COMPANY OVERVIEW

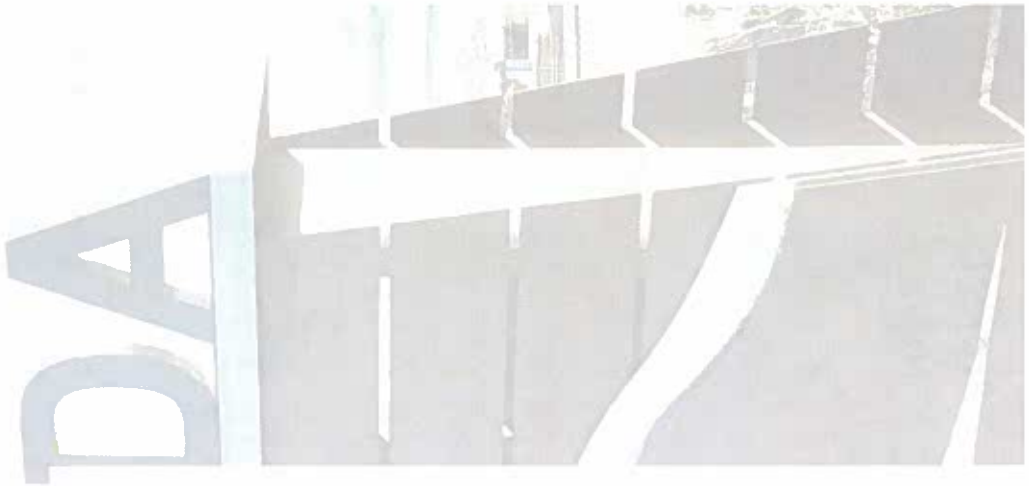
Company provides solutions to the entire fulfillment process. Handles the supply chain process from order placement, inventory management, shipping, tracking and reporting.

PROJECT NOTES

Company deals with shipping methods ~~not~~ by air, ground, or sea. Needs to be near a major highway for trucking needs and if you have a facility with access to rail or close vicinity to "at least" a regional airport, that would be very attractive to them.

SPECIAL REQUIREMENTS | NEEDS OR MOTIVATIONS

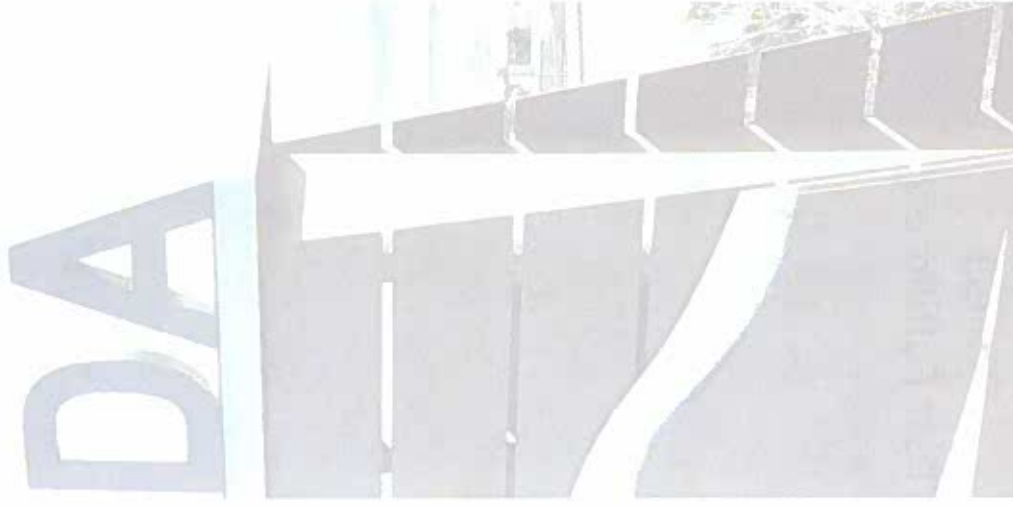
At least 8 docks.
Would prefer the building has multiple temperature zones including air-conditioning and climate control.



Lead Example



Project "Nova"



Below are Project Nova's building and site requirements. Additionally, please fill out Exhibit A for each site that will be proposed.

BUILDING/FACILITY REQUIREMENTS

PROJECT NOVA REQUIREMENTS	Phase 1 (Initial)	Full Build Out
Total Production Volume, Initial (GWh)	15	50
Total Size Required (Square Feet)	870,000	2,610,000
Production Area Required	840,000	2,520,000
Office Area Required	30,000	90,000
Construction Costs (USD M)	\$330	\$1,115
Facility Fit Out	\$870	\$2,940
Total Capital Investment (USD Billions)	\$1.2	\$4.05
Inventory Value January 1 Each year	\$0.38	\$0.98
By what metrics will we determine success for this location?	Adequate Labor Pool, Incentives, Access to renewables, freight optimization/sensitivity	

Transportation / Access / Site Requirements	Phase 1 (Initial)	Full Build Out
Urban, Suburban, or Rural location?	TBD - based on labor and land	
Project Nova Required site size	250 acres (plant) + 600 (if solar on-site) +150 (for supplier) = 1,000 acres	
Required parking (number)		
Required truck docks (number)		
Required truck parking or storage (number)		
Rail required? (Yes/No)	Yes	
Port required (Yes/No)	No	
Direct highway access required? (Yes/No)	Yes - relatively close	

Building / Facility Requirements	Phase 1 (Initial)	Full Build Out
Require existing building? (Yes/No)	We don't require existing facilities but open if there are options that meet our criteria.	
Build to suit option viable? (Yes/No)	Maybe	
Preference to Buy or Lease?	Depends on economics	
Minimum Size (square feet)	870,000	2,610,000
Standalone building required?	Yes	
Ceiling height, minimum (feet, clear)	Varies- 30meters at max, 20m in remainder	
Special floor load capacity		
Special floor requirements (vibration, flatness)		

Contact

Say When...



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WHITE
PINE

LANDER
EUREKA



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