

Catt. County IDA Eyes Railroad Rehab Plan

By DONNA SNYDER

GREAT VALLEY — Selling some of the lines and rails as salvage may be the only way to raise enough money to rehabilitate the rest of Cattaraugus County's only shortline railroad, says the the railroad's operator.

Robert O. Dingman, president of the **New York & Lake Erie Railroad**, which leases the 51-mile line through the county and into Chautauqua County, told directors of the Cattaraugus County Industrial Development Agency about the financial situation Tuesday.

The IDA owns the line and leases it to Dingman, who operates year-round freight and passenger trains through both counties.

Since he took over the line 10 years ago, Dingman said, he has never had a lot of money to put into upgrading the tracks. In 1984 he asked for \$4 million and got \$2 million from the state Department of Transportation. In January the state advised him there will not be any local railroad aid in the next state budget.

"The overriding issue of long-term rehabilitation of the property will still be there and I can't address it alone," he told the IDA.

The most money he could raise through operations today would be \$50,000 to \$75,000 per year for the work. He estimated \$4 million would be needed to update the entire line.

The industrial expansion once envisioned along the line as a source of revenue for the railroad never happened, said Dingman. Although the railroad has created some jobs, they are only part time.

In December Dingman proposed to the IDA a plan for salvaging rails and ties from areas of the railroad between Conewango Valley to Waterboro, estimating he would raise \$243,000.

He proposed a second option — eliminating trackage west of Cherry Creek to Waterboro and leaving the section near the feed mill open to traffic. That would raise about \$125,000, he said.

In all he proposed dismantling 10 miles of track.

Dingman said he'd like the IDA staff to put together some recommendations for raising money for rehabilitation of the line. He suggested meetings with shippers along the line to determine their needs.

The railroad has benefitted by an increase in services to the Carnation Co. in South Dayton shipping milk to Puerto Rico.

He asked the IDA to consider doing the upgrading by using the salvage money, but directors took no action on his suggestion.

When asked if he would like to take over the line from the IDA, Dingman said, "Without public interest there would be no line," apparently referring to his belief that it could not operate as a taxable business.

He also announced an increase in prices to freight shippers effective April 1.

Dingman anticipates another successful summer operating dinner and theater passenger excursion trains along the route, having added two dining cars last year.

IDA Chairman Robert Potter asked to have an update on the railroad situation for the next meeting.

In other business the IDA directors:

- Were notified the process of securing industrial revenue bonds is on schedule. Gowanda Electronics is seeking \$2.5 million to add new equipment and a building. Holiday Valley is seeking \$1 million to expand activities at the ski resort.