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SEA

SERVICE DATE – MAY 2, 2008

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC 20423

ENVIRONMENTAL ASSESSMENT

STB Docket No. AB-882
Minnesota Commercial Railway Company – Adverse Discontinuance -
In Ramsey County, MN

STB Docket No. AB-884
MT Properties, Inc. – Adverse Abandonment -
In Ramsey County, MN

BACKGROUND

In this proceeding, the City of New Brighton (City) filed an application for the adverse abandonment of a rail line known as Butcher’s Spur (Line), owned by MT Properties, Inc. (MTP), and for the adverse discontinuance of rail service currently provided over the Line by the Minnesota Commercial Railway Company (MNNR). The Line is wholly located within the City, Ramsey County, MN.

The Line begins at a turnout located near MP 10.5 and runs southeast, a distance of 3,664 feet, or approximately 0.69 miles, to the western right-of-way boundary of Interstate Highway 35-W (I-35). The right-of-way varies in width from 50 to 100 feet, has no mileposts, and traverses U.S. Postal Zip Code 55112.

Under a three-way agreement executed between the City, MTP, and MNNR, MNNR has agreed to terminate operations over the Line and provide service to its existing customers at a newly constructed rail facility located further south along its main line. In addition, MTP has agreed to sell the Line and right-of-way. The City states that the Line does not contain any federally granted rights-of-way.

ENVIRONMENTAL REVIEW

The City has submitted an environmental report that concludes the quality of the human environment will not be affected significantly as a result of the abandonment or any post-abandonment activities, including salvage and disposition of the right-of-way. The City served the environmental report on a number of appropriate Federal, state, and local agencies as required by the Surface Transportation Board’s (Board) environmental rules [49 CFR 1105.7(b)]. The Board’s Section of Environmental Analysis (SEA) has reviewed and investigated the record in this proceeding.

The proposed adverse abandonment and discontinuance would permit the City to facilitate acquisition of the Line and the right-of-way for a public purpose. If approved, the City intends to redevelop the former 100 acre industrial property into a mixed-use development including residential, office, and commercial space. The City believes that this public use option is enhanced by the site's proximity to I-35 and Interstate 694.

According to MNNR, between 1987 and 2007 the number of shippers significantly declined as did the revenues generated from the Line. The number of carloads dropped from 411 in 2005 to 62 in 2007. The Line has no active customers. All customers who were formerly active on the Line have been accommodated with alternate service on a new Team Track constructed by the City for MNNR's use. This new facility is located at 400 First Street, SW, New Brighton, MN.

The City states that the only alternative would involve foregoing the proposed redevelopment, leaving a short, unused, and stub-ended Line located within abandoned industrial properties. The City states that MNNR and its customers have already been accommodated on the MNNR main line. Because all previous rail customers have been accommodated, the City believes that there would be no adverse effect upon regional or local transportation systems or patterns.

If approved, Mr. John Gohmann, Chairman of MNNR states the following: 1) as outlined in the three-way agreement, MNNR intends to salvage the rails for use elsewhere on its system; 2) the City has agreed to dispose of the ties and otherwise remediate the property in accordance with applicable laws and regulations; and 3) if requested by the City, and at its cost, MNNR would arrange for transport of the ties to a State licensed disposal facility for proper disposal.

The City also states that public safety would be enhanced by the removal of two public at-grade crossings.

The City believes that the proposed action would not be inconsistent with local land use plans, including the City's Northwest Quadrant redevelopment Plan.

In a letter dated February 22, 2008, the Natural Resources Conservation Service stated that the location of the proposed action does not appear to impact agricultural lands, and that a Federal Farmland Policy Protection Act site assessment/land evaluation would not be required.

The City has retained Barr Engineering (Barr) as a consultant for the proposed action. Barr assessed the right-of-way and on February 8, 2008, and provided copies of its Environmental Assessments and proposed action plans to the Minnesota Pollution Control Agency (MPCA) for comment. In a letter dated March 4, 2008, the MPCA made the following comments: 1) the environmental and historic report was not specific regarding what efforts of demolition, salvage, construction, or other actions of physical alteration would be undertaken to effect this proposed abandonment; 2) the report should identify Long Lake which is listed on the

2006 MPCA 303d Impaired Waters list for excess nutrients and Mercury; 3) it recommends that a site erosion plan be developed and incorporated into any construction effort; 4) a National Pollutant Discharge Elimination System Permit may be required; 5) all railroad ties and other demolition debris must be reused or disposed of in accordance with MN Rules 7035 for disposal of Solid Waste; 6) it urges the City identify the extent of any 100 year flood plains; 7) it recommends contacting the U.S. Army Corps of Engineers, St. Paul District, if the proposed action would result in the placement of fill material into any water of the United States; 8) it identified two Superfund sites (Northwest Refinery and Trio Solvent), two voluntary Investigation and Cleanup sites (Northwest Refinery and Midwest Asphalt), four Brownfield sites (Northwest Refinery, Midwest Asphalt, and the Eastern NW Quadrant); 9) the City would be required to submit a sampling work plan for Butcher's Spur to the MPCA for review and approval; 10) and lastly, depending upon any required investigations, additional actions may be required to prevent possible stormwater or wetland impacts resulting from abandonment activities.

To address the concerns of the MPCA, SEA will recommend that the City consult with the MPCA prior to commencement of any salvage activities.

In a letter dated February 14, 2008, the U.S. Fish and Wildlife Service, states that it does not own any land or interests in land in the vicinity of the proposed action.

In a letter dated February 28, 2008, the U.S. Army Corps of Engineers, St. Paul District, states that the proposed action would not require a Department of Army permit because it would not involve the discharge of dredged or fill material into any waters of the United States, including wetlands.

SEA believes that any air emissions associated with salvage operations would be temporary and would not have a significant impact on air quality. Noise associated with salvage activities would also be temporary and should not have a significant impact on the area surrounding the proposed abandonment.

In an e-mail dated April 23, 2008, the U.S. Department of Commerce, National Geodetic Survey states that there are no geodetic station markers in the area of the proposed project.

Based on all information available to date, SEA does not believe that salvage activities would cause significant environmental impacts.

HISTORIC REVIEW

MNNR states that the Line was constructed in 1890 by the Minnesota Transfer Railway Company (MTRC), which operated from the 1890's to 1987. The MTRC was incorporated in 1883 under the impetus of James J. Hill, who felt a need for a centralized terminal and transfer network to serve the nine major railway lines entering Minneapolis-St. Paul.

The company was authorized to operate rail lines in Ramsey, Hennepin, and Anoka Counties, and to provide terminal and transfer service to its nine owner lines: the Great Northern Railway Company; Northern Pacific Railway Company; Chicago, Milwaukee and St. Paul Railway Company; Chicago, St. Paul, Minneapolis, and Omaha Railway Company; Minneapolis and St. Louis Railway Company; Chicago Great Western Railroad Company; Chicago, Burlington and Quincy Railroad Company; Minneapolis, St. Paul, and Sault Ste. Marie Railway Company; and Chicago, Rock Island and Pacific Railway Company.¹ In 1898 MTRC purchased the New Brighton stockyards and thereby acquired the Minnesota Belt Line Railway and Transfer Company.

The MTRC operated extensive railroad yards in the Midway District of St. Paul, and served a variety of industries. It was used as a depository for almost all LCL (less than car load) freight that was sent to the Twin Cities. Some twenty million rail cars passed through its yards between 1910 and 1916. In 1955 the company operated 103 miles of yard tracks and sidings, as well as terminal facilities, in St. Paul, Minneapolis, New Brighton, and Fridley.

A series of railroad mergers beginning in the late 1960s resulted in a major reduction in the interchange of rail cars among the owning railroads, and Minnesota Transfer's work force was reduced accordingly. By 1982 the company's main activity was shunting cars to and from some 150 industries located on its industrial leads. The Minnesota Transfer Railway apparently ceased business around 1987. In 1987, MNNR was formed to operate over the Line formerly operated by MTRC. In addition, in 1987, MTP succeeded to the ownership of the MTRC lines, including the Butcher's Spur.²

The City states that there are no buildings or other structures along the Line that are 50 years old or older.

¹ The Great Northern Railway (GNR) was the only privately funded transcontinental railroad in the U.S. refusing federal subsidies for its construction. GNR was financed by Mr. James J. Hill and developed from the existing St. Paul and Pacific Railroad. The GNR was also the only transcontinental railroad to avoid receivership during the depression of 1893 to 1897. During the early years, the GNR was built slowly. Mr. Hill used early promotional incentives like feed and seed donations to farmers settling along the rail line.

At its height, GNR had constructed rail system reaching from the Canadian border to the north and to Chicago, IL to the south and from Superior, WI, in the east to Puget Sound at Everett, WA to the west. By 1970, at the time of its merger with BNSF, GNR had a rail system extending over 8,000 miles in length.

² Additional information may be found at:
<http://www.mnhs.org/library/findaids/00487.html>

The City served the historic report on the Minnesota Historical Society, State Historic Preservation Office (SHPO), pursuant to 49 CFR 1105.8(c).³ In a letter dated March 12, 2008, Mr. Dennis Gimmetad, the SHPO, stated the following: 1) the submitted photographs do not meet the requirement for Section 106 review and 2) the Line needs to be evaluated for National Register eligibility by a qualified historical consultant. Because the City prepared the historic report, we are recommending a condition requiring the City to retain its interest in and take no steps to alter the historic integrity of all historic properties including sites, buildings, structures and objects within the project right-of-way (the Area of Potential Effect) eligible for listing or listed in the National Register of Historic Places until completion of the Section 106 process.

Pursuant to 36 CFR 800.2, SEA conducted a search of the Native American Consultation Database at <http://home.nps.gov/nacd> to identify Federally recognized tribes that may have ancestral connections to the project area. The database indicated that the following six tribes may have an interest in the proposed abandonment: 1) Flandreau Santee Sioux Tribe of South Dakota, 2) Lower Sioux Indian Community in the State of Minnesota, 3) Prairie Island Indian Community in the State of Minnesota, 4) Santee Sioux Nation, Nebraska, 5) Spirit Lake Tribe, North Dakota, and 6) Upper Sioux Community, Minnesota. Accordingly, SEA is sending a copy of this EA to each of the nine identified tribes for review and comment.

Based on all information available to date, SEA does not believe that salvage activities would cause significant environmental impacts.

CONDITIONS

SEA recommends that two conditions be imposed on any decision granting abandonment authority.

- 1. The City of New Brighton, MN (City), shall coordinate with Minnesota Commercial Railway Company (MNCR) and consult with the Minnesota Pollution Control Agency prior to the commencement of any salvage activities to ensure that any concerns related to adjacent Superfund sites and/or hazardous materials sites are addressed. Furthermore, the City shall submit the results of these consultations in writing to the Board's Section of Environmental Analysis prior to the onset of salvage operations.**
- 2. The City of New Brighton, MN (City), shall retain its interest in and take no steps to alter the historic integrity of all historic properties including sites, buildings, structures, and objects within the project right-of-way (the Area of Potential Effect) that are eligible for listing or listed in the National Register of Historic Places until the Section 106 process of the National Historic Preservation Act, 16 U.S.C. 470f,**

³ Guidance regarding the Board's historic preservation review process is available on the Board's web site at <http://www.stb.dot.gov/stb/environment/preservation.html>.

has been completed. The City shall report back to the Section of Environmental Analysis (SEA) regarding any consultations with the Minnesota Historical Society and the public. The City may not file its consummation notice or initiate any salvage activities related to abandonment (including removal of tracks and ties) until the Section 106 process has been completed and the Board has removed this condition.

CONCLUSIONS

Based on the information provided from all sources to date, SEA concludes that, as currently proposed, and if the recommended conditions are imposed, abandonment of the line would not significantly affect the quality of the human environment. Therefore, the environmental impact statement process is unnecessary.

Alternatives to the proposed abandonment would include denial (and therefore no change in operations), discontinuance of service without abandonment, and continued operation by another operator. In any of these cases, the existing quality of the human environment and energy consumption should not be affected.

PUBLIC USE

Because this is an adverse abandonment proceeding, offers of financial assistance and public use requests are not appropriate and will not be entertained.

TRAILS USE

The Board has not yet had occasion to decide whether the issuance of a certificate of interim trail use in an adverse abandonment would be consistent with a grant of such an application. Accordingly, any request for a trail use condition under 16 U.S.C. 1247(d) (49 CFR 1152.29) must be filed by May 19, 2008, and should address this issue.

PUBLIC ASSISTANCE

The Board's Office of Public Assistance, Governmental Affairs and Compliance (OPA-GAC) responds to questions regarding interim trail use, public use, and other reuse alternatives. You may contact OPA-GAC directly at (202) 245-0238, or mail inquiries to Surface Transportation Board, Office of Public Services, Washington, DC 20423.

COMMENTS

If you wish to file comments regarding this Environmental Assessment, send an **original and two copies** to Surface Transportation Board, Case Control Unit, Washington, DC 20423, to the attention of Troy Brady, who prepared this Environmental Assessment. Environmental comments may also be filed electronically on the Board's web site, www.stb.dot.gov, by clicking

on the “E-FILING” link. **Please refer to Docket No. AB-882 and AB-884 in all correspondence, including e-filings, addressed to the Board.** If you have any questions regarding this Environmental Assessment, please contact Troy Brady, the environmental contact for this case, by phone at (202) 245-0301, fax at (202) 245-0454, or e-mail at Troy.Brady@stb.dot.gov.

Date made available to the public: May 2, 2008.

Comment due date: June 2, 2008.

By the Board, Victoria Rutson, Chief, Section of Environmental Analysis.

Anne K. Quinlan
Acting Secretary

Attachment