

**From:** Pafko, Frank (DOT)  
**To:** Griffith, John (DOT); Spencer, Tim (DOT);  
**cc:** Dahlberg, Peter (DOT); Gardner, William (DOT); Crockett, April (DOT);  
Henkel, Tim (DOT);  
**Subject:** RE: History on Freight Rail Relocation  
**Date:** Tuesday, July 20, 2010 4:07:08 PM  
**Attachments:** FreightRailBackground(JRG comments).doc

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I concur with John's comments. In addition, the word "temporary" or "temporarily" occurs repeatedly throughout this "history". We had this discussion before and the word "temporary" does not appear in any Mn/DOT document concerning Hiawatha or the Kenilworth freight improvement project. Tim Henkel was adamant in his discussions with Marthand Nookala to avoid use of that term. Take out that word in all its derivations! There is at least one reference to "short term". That is also problematic.

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**From:** Griffith, John (DOT)  
**Sent:** Tuesday, July 20, 2010 3:53 PM  
**To:** Spencer, Tim (DOT); Pafko, Frank (DOT)  
**Cc:** Dahlberg, Peter (DOT); Gardner, William (DOT); Crockett, April (DOT)  
**Subject:** RE: History on Freight Rail Relocation

Tim, I have attached some edits. I would propose the changes in red and remove the strikethrough language.

John Griffith  
West Area Manager  
(651) 234-7728

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**From:** Spencer, Tim (DOT)  
**Sent:** Tuesday, July 20, 2010 2:49 PM  
**To:** Pafko, Frank (DOT); Griffith, John (DOT)  
**Cc:** Dahlberg, Peter (DOT); Gardner, William (DOT)  
**Subject:** FW: History on Freight Rail Relocation

Frank and John:

Hennepin County has drafted the following document to pass out at this week's first project management team meeting for the Kenilworth Corridor Study. Would you please take a look at the document ..... especially the first paragraph ..... and provide suggested edits to me by tomorrow.

I am especially concerned with the statement that MnDOT and FHWA made the decision to sever the freight rail. Hennépin County was not involved in the decision?

Thanks.

Timothy J. Spencer, Manager  
Rail Planning and Program Development  
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**From:** Ia.Xiong@co.hennepin.mn.us [mailto:Ia.Xiong@co.hennepin.mn.us]  
**Sent:** Tuesday, July 20, 2010 2:10 PM  
**To:** klocke@stlouispark.org; mmcmonigal@stlouispark.org; Spencer, Tim (DOT); Dahlberg, Peter (DOT)  
**Cc:** Katie.Walker@co.hennepin.mn.us; Jeanne.Witzig@kimley-horn.com  
**Subject:** History on Freight Rail Relocation

Please see the attached. We are proposing that this be a handout at the PMT meeting on Thursday evening. I also included the history from the Statewide Freight Rail Plan. This could be deleted or incorporated into the document.

Let me know if you have any comments/edits by end of the day on Wednesday.  
Thank you.

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## Freight Rail Relocation

### History/Background

The freight rail line in the Midtown Corridor was severed by the TH55/Hiawatha Avenue project, a FHWA funded project. Mn/DOT and the City of Minneapolis desired to eliminate all Soo Rail crossings on Hiawatha Avenue between Lake Street and 24th Street. In negotiations amongst HCRRA, the Soo Line Railroad, the City of Minneapolis and MnDOT it was decided that the relocation of the rail corridor would benefit all governmental agencies involved. MnDOT and FHWA made the decision to sever the freight rail in the Midtown Corridor rather than to construct a grade-separated crossing of the freight rail and roadway. This decision was made due to geometrics, topography, and costs. After the decision was made to sever the rail line, an analysis was conducted to determine a suitable location the permanent home for freight rail. At that time, the preferred location was on the M.N.S. line through St Louis Park. Shortly before the TH55/Hiawatha Avenue project was let and the freight rail was to be moved it was discovered that the National Lead/Golden Auto site in St Louis Park where the rail connection would be made was contaminated (a superfund site). MnDOT had approximately two to three months to find an alternate route for the freight rail relocation or the state would have been in jeopardy of losing lose the TH55/Hiawatha Avenue federal funds. The Kenilworth Corridor, which was just about to go through the abandonment process, was chosen by the agencies involved as the appropriate short term corridor to reroute freight rail. To facilitate the short term "temporary" (4 to 6 years) reroute for freight rail. To facilitate the temporary rerouting of freight rail through the Kenilworth Corridor, the HCRRA entered into a three party agreement with now Canadian Pacific (formerly Soo Line) and Twin Cities and Western (TCW). Under this agreement, the HCRRA must provide TCW with a safe, economic, and efficient connection to St Paul and the HCRRA is responsible for maintaining the tracks.

#### Mortgage Deed Registration Tax

Rep Dee Long authored a bill that established a deed tax, Mortgage Deed Registration Tax, in Hennepin County for environmental cleanup with the first project to be the National Lead/Golden Auto site for redevelopment. One condition of the redevelopment of that site was that an easement for a freight rail connection between CP and M.N.S. Line be retained over the southeast corner of the parcel. The deed tax also provided funding for the St Louis Park Freight Rail Study, which was completed in late 1999.

#### St. Louis Park Position Statement

After completion of the St. Louis Park Freight Rail Study, a position statement was adopted by the St. Louis Park City Council which states they will accept the freight rail relocation at the time that freight rail is displaced in the Kenilworth Corridor by mass transit.

#### Mn/DOT Metro Division – TH 100

In addition, MnDOT through letters from two Metro Division Engineers have stated that MnDOT indicated a willingness to share in cost savings that may be realized with the cost difference between a heavy rail bridge and a bridge that would provide for two LRT tracks and a trail. ~~will provide the cost savings from the elimination of the freight rail bridge over TH100 if freight rail is relocated.~~ Whether freight rail is relocated or not MnDOT is required to replace the HCRRA's bridge over TH100 to accommodate two tracks of LRT and the trail.

Between 2000 and 2008 essentially nothing happened with freight rail relocation. The HCRRA conducted numerous transit studies for the Southwest Transitway and freight rail continued to operate in the Kenilworth Corridor.

## Current Status

### National Lead/Golden Auto Site

The National Lead/Golden Auto site has been delisted and an easement across the property for future a future freight rail connection is held by St. Louis Park. The costs for the clean-up of the National Lead/Golden Auto site was \$4.5 million funded through the Mortgage Deed Registration Tax.

### MnDOT Statewide Rail Plan

The state legislature directed MnDOT to develop a statewide rail plan to address future freight rail and passenger rail needs throughout the state. In order to secure federal funding for future freight rail and passenger rail projects, the federal government will require these projects to be identified in the statewide rail plans. HCRRA staff has worked with MnDOT staff to ensure that the Kenilworth Freight Rail Relocation is included in the MnDOT Rail Plan.

### Freight Rail Industry

The freight rail industry is changing. To be competitive, freight rail companies must use longer trains with heavier loads. This presents an issue for the short-line haulers like TCW because much of the track they operate on is not in a condition to support their changing needs. Nationally this is an issue that the Federal Railroad Administration (FRA) and state departments of transportation are attempting to address through statewide rail plans and funding sources. Locally, this is an issue for continued freight rail service in the Kenilworth Corridor. TCW is operating longer trains with heavier loads, which is causing the Kenilworth tracks to degrade more quickly and require additional and more substantial maintenance than in the past.

### Kenilworth Track Issue

TCW has identified problems with the Kenilworth tracks which they believe need to be fixed for their continued operation in the Kenilworth Corridor. Due to the condition of the current tracks TCW no longer agrees that this connection to St. Paul is "safe, economical, and efficient" as required under their agreement with the HCRRA and CP. The HCRRA must address this issue since it was raised by TCW. Currently, the HCRRA spends \$ 145,000 annually on track maintenance in the Kenilworth Corridor.

### Target Field

The track configuration at the Target Field Stadium has placed a future capacity constraint on freight rail accessing the area from the south to continue to St Paul. As plans for additional passenger rail (commuter rail, intercity passenger rail, high speed rail) lines are implemented the capacity constraint at the Target Field site will be exacerbated and freight rail operations through this area will be extremely limited.

### Southwest LRT

The Southwest LRT and removing freight rail from the Kenilworth Corridor are considered to be separate, disconnected actions. In other words, moving freight rail from the Kenilworth Corridor and locating it elsewhere is not considered to be caused by the LRT project. Because the freight rail was temporarily located in the Kenilworth Corridor to accommodate a FHWA/MnDOT road project, the LRT project assumes that the freight rail is removed from the Kenilworth Corridor prior to the construction of LRT. This assumption was used for all LRT alternatives. HCRRA staff have discussed this issue with Federal Transit Administration (FTA) staff who have concurred that the freight rail relocation is a separate, disconnected action that must be completed prior to LRT construction. The rationale behind this position on the part of FTA is that the freight rail was relocated on a temporary basis to accommodate a roadway project and those entities involved in the roadway project (FHWA, MnDOT, Hennepin County, Minneapolis, St. Louis Park, Canadian Pacific (CP), Twin Cities and Western (TCW), and FRA)) need to move the freight rail prior to LRT construction. Based upon this determination, the Southwest LRT project will not bear any of the costs of the freight rail relocation from the Kenilworth Corridor. In addition, the environmental impacts of LRT in the Kenilworth Corridor will assume that freight rail has been removed.

In terms of process, the Southwest Transitway Draft Environmental Impact Statement (DEIS) not only documents impacts caused directly by the LRT, it also identifies impacts that are not directly caused by the proposed action, but are known to occur. These are called "secondary and cumulative" impacts and must be documented in the Southwest Transitway DEIS. The freight rail relocation falls under this category and those impacts must be studied in order to be incorporated into the Southwest Transitway DEIS.

### **From Mn/DOT Statewide Freight Rail Plan**

In Hennepin County, the Twin Cities and Western Railroad (TC&W) currently operates freight rail service along the Kenilworth Corridor through the City of St. Louis Park and the City of Minneapolis providing a connection into downtown Minneapolis. Hennepin County owns the rail line. Kenilworth was originally intended to "temporarily" accommodate freight rail traffic that originally crossed the TH 55/Hiawatha LRT corridor at-grade. However, the freight rail service has operated over 10 years on Kenilworth, which has required county investment for infrastructure improvements. The County and its municipal partners are exploring future alternative routings to select a long-term solution for freight rail service. A bike/pedestrian trail also operates in the Kenilworth Corridor, and the corridor also is under consideration as a segment of the preliminary locally preferred alternative for the Southwest LRT Transitway.