

FRIENDS OF THE EEL RIVER

Working for the recovery of our Wild & Scenic River, its fisheries and communities.

Wednesday, November 17, 2021

The Honorable Carlos Monje Undersecretary U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, D.C. 20590

Re: Mendocino Railway RRIF loan application

Dear Under Secretary Monje,

Friends of the Eel River (FOER) advocates for the protection and restoration of Northwestern California's Eel River watershed and its critical but imperiled fisheries. For reasons we explain below, FOER is alarmed to learn that Mendocino Railway (aka California Western Railway, aka the Skunk Train) may be under consideration for a federal loan under the Railroad Rehabilitation & Improvement Financing (RRIF) program.

Mendocino Railway's 2021 loan application has not yet been made accessible to the public, so our comments here are necessarily preliminary, but are based on the company's previous applications for RRIF funding, as well as court records, public agency records, and press reports. Given what we do know, it is difficult for us to understand how Mendocino Railway, a company that has only ever operated excursion trains on a section of tracks isolated from the national rail network, might qualify for public funds intended for the rehabilitation and improvement of actual railroads.

Mendocino Railway owns a rail line from Willits to Ft Bragg, CA over the steep, rugged Coast Range. A collapsed tunnel on the line restricts the excursion trains and railbikes that Mendocino Railway does operate to going out to the tunnel and back to their point of origin. Mendocino Railway raised private funds to clear the tunnel after a previous collapse, but the tunnel failed again. If Mendocino Railway's current application follows the lines of its previous applications, the company seeks funding to repair the collapsed tunnel. Our understanding is that such operating costs are not eligible for RRIF funding.

Mendocino Railway claims it will become an operating freight railroad, but there is nothing to suggest the line from Willits to Ft Bragg will become economically viable to operate as a freight line in the foreseeable future. The rail line Mendocino Railway uses was constructed for the former Georgia-Pacific mill at Ft Bragg. That mill is gone. The timber industry has restructured around more flexible road networks.

Nor is there any reasonable basis to credit Mendocino Railway's claim that it could profitably operate a rail line hauling rock out of the Eel River canyon to ship from Ft Bragg.

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It is difficult to exaggerate how tiny the Ft Bragg harbor is. There is very little evidence of demand for rail transportation in the region around Willits and Ft Bragg, and none at all on the scale necessary to cover the costs of rebuilding and maintaining the necessary infrastructure.

The North Coast Railroad Authority (NCRA) line, through which the Mendocino Railway line might connect to the national rail system at Willits, has been inoperable north of Windsor, CA for more than two decades. As the NCRA noted in their letter to your office of November 3, their estimate of the cost of repairs needed to put the rail line from Willits south back into operation was at least \$600 million. These challenges are orders of magnitude greater than the problems Mendocino Railway cannot overcome on its own line.

FOER's greatest concern with Mendocino Railway's RRIF application is that any public assistance to the company will help support an Offer of Financial Assistance, which Mendocino Railway has informed the Surface Transportation Board it is preparing for "all or a portion" of the North Coast Railroad Authority (NCRA) rail line from Willits north to Humboldt Bay.

Because a RRIF loan would improve Mendocino Railway's ability to seize and operate a railroad on the line the NCRA now seeks to railbank for trail use, DOT should carefully consider the potential impacts on sensitive communities, critically important natural areas, threatened and endangered species, clean water, and other public trust values that would be significantly impaired by the reconstruction and operation of a freight rail line in one of North America's most unstable landscapes.

As noted, Mendocino Railway may use RRIF funds in support of its efforts to claim "all or a portion of" the NCRA line. Therefore, DOT should analyze the several possible scenarios at hand, each of which promises significant impacts. Even reopening the relatively small portion of the NCRA line from Dos Rios to Willits, as Mendocino Railway has suggested it intends to do to ship rock out of Ft Bragg, would entail impacts on the mainstem Eel River and Outlet Creek.

In addition to Chinook salmon and steelhead, Outlet Creek is home to a critically imperiled population of the southernmost naturally spawning coho salmon on the planet. Coho, steelhead and Chinook in the Eel River are all listed as Threatened under the federal Endangered Species Act. Reconstruction and operation of freight rail line down Outlet Creek and the mainstem Eel River canyon would certainly cause take, impair the recovery, and not improbably result in jeopardy, to surviving Eel River salmon and steelhead. Thus, DOT should consult with the National Marine Fisheries Service regarding potential impacts to ESA listed Eel River fisheries before approving any grant of federal funds that may facilitate Mendocino Railway's proposed actions.

One of the most important of the public values Mendocino Railway threatens with its proposal to seize the NCRA line for private gain is the ability of Humboldt County citizens to use their public right of way as public trails. Completion of the critical Humboldt Bay Trail South project, which will finally allow safe bicycle access between Eureka and Arcata,

depends on completion of the NCRA's proposed railbanking. Both the railbanking effort and the trail project are now threatened by Mendocino Railway's effort to acquire the NCRA line for its own purposes. Mendocino Railway dismisses these concerns in its filing with the Surface Transportation Board. The Department should not.

Thus, we urge DOT to ensure that prior to any loan approval, the Department carefully and fully consider the range and extent of the impacts on the environment, fish and wildlife, and human communities that could result from Mendocino Railway's actions. Certainly, the details of Mendocino Railway's proposed action must be fully disclosed and analyzed under the National Environmental Policy Act (NEPA), but it will also be essential to consider the probable impacts to salmon and steelhead listed under the federal ESA, to clean water, to public health and a range of other public trust values. As well, the Department should analyze the climate impacts of Mendocino Railway's current and proposed operations, including of course the carbon footprint of its excursion train customers, the bulk of whom must necessarily drive long distances for a short train ride out of Willits or Ft Bragg.

It is important the Department ask hard questions about the financial and legal soundness of Mendocino Railway's professed plans. While the city of Ft Bragg sponsored Mendocino Railway's unsuccessful 2020 RRIF grant application, it has now withdrawn its support for the company's efforts to secure public funds. The locus of Mendocino Railway's falling out with the city of Ft Bragg appears to be a parcel which both the city and the company sought to acquire. When it was unsuccessful in arranging a purchase, Mendocino Railway attempted to acquire the property by eminent domain. The city has now filed litigation challenging Mendocino Railway's claim to be, as an operating railroad, a public utility entitled to use eminent domain.

As well, there is the nagging question of the toxic waste site at Mendocino Railway's Ft Bragg property, the former Georgia Pacific mill. The California Department of Toxic Substance Control's EnviroStor website¹ reports that

California Western Railroad completed a Resource Conservation and Recovery Act (RCRA) Facility Investigation (RFI) of the maintenance facility in Fort Bragg in 2013. Based on the results of the RFI, additional work is needed to investigate lead, arsenic and petroleum and groundwater. *As of September 2018, this investigation has not been completed because of limited financial resources of California Western Railroad. DTSC expects the investigation to begin in 2019.* (emphasis added)

Clearly, Mendocino Railway has a number of financial, and perhaps legal, problems to overcome.

Thus, it is striking that on August 16 of this year, both Mendocino Railway and an LLC chartered in Sheridan, WY filed notices with the Surface Transportation Board of their intent to file Offers of Financial Assistance in the NCRA's proceeding proposing to railbank its line from Willits to Humboldt Bay to construct the Great Redwood Trail. Such Offers of

¹ see https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=80001451)

Financial Assistance are in their essence federal eminent domain actions that would short circuit the NCRA's proposal to railbank its line. The NCRA line, the costliest line in the country to maintain, would be so expensive to rebuild and operate that a very high volume of freight would be necessary to service the capital investment.

Only coal offers even a fraction of the volume of freight necessary to service the enormous costs of rebuilding the NCRA line through the Eel River canyon. A high traffic coal train would literally poison the Eel River's clean water, bury its critical salmon and steelhead habitat in slides and sediment, and cause generations of lasting harm to vulnerable communities along the line from Napa to Humboldt Bay.

We are concerned that Mendocino Railway is coordinating its efforts with the Sheridan LLC, which we now know to be a front for coal interests associated with the Crow Tribe. The coal such an operation would ship to Asia to be burned would return to us as airborne mercury; as droughts, wildfires and flooding; as increased risk for each human and every ecosystem on Earth. Under no circumstances should taxpayer funds support such a comprehensively counterproductive proposal.

Conclusion

Neither Mendocino Railway nor its proposed work merit public funding. Both are high risk and likely to cause substantial harm if empowered by RRIF funding.

Thank you for your attention to these difficult questions.

Sincerely yours

/s/ Scott Greacen Conservation Director



Humboldt Trails Council Post Office Box 7164 Eureka, CA 95502 humtrails.org

November 15, 2021

The Honorable Carlos Monje Under Secretary U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, D.C. 20590

Re: Mendocino Railway RRIF Loan Application

Dear Under Secretary Monje,

The Humboldt Trails Council (HTC) is writing to urge the Department of Transportation to decline to issue a RRIF loan to Mendocino Railway (MR). HTC has worked hard to support the development of the Great Redwood Trail (GRT) the last four years, along with Senator McGuire's office and many more ecologically oriented non-profits. We believe that a RRIF loan to MR will derail the GRT in exchange for a financially and ecologically disastrous rail plan that cannot succeed.

The GRT is planned to use the North Coast Railroad Authority (NCRA) corridor that has been dormant for 20 years due to its completely unstable topography. This plan has tremendous support from the counties, cities and towns it will link together. It will bring important economic and personal health development to the North Coast, as well as help reduce carbon emissions.

HTC is well aware that supporting trail development and active transportation is not the top priority for US DOT. However, we believe that there are other compelling reasons for the Department to not grant a RRIF loan to MR. The first and foremost is that MR's freight plan is not financially feasible. In their STB filing on 8/16/21 in response to the NCRA's first move to railbank its corridor from Willits to Humboldt Bay (STB docket AB 1305 X) for the GRT, MR listed their potential shippers and tonnage on the NCRA corridor and their intention to file an OFA. It is clear there is insufficient volume to come close to repaying the costs of repairing and maintaining the destroyed tracks to Dos Rios along the river.

Second is that Mendocino Railway is not a railroad. It operates the Skunk excursion train from Willits west to Fort Bragg, and has not carried passengers and freight in many years. Five years ago, the line was cut by a tunnel closure and it has yet to be repaired. In the meantime, Skunk has operated out and back excursions from both Willits and Fort Bragg. On 10/28/21 the City of Fort Bragg filed suit in Superior Court of California against MR seeking a judicial ruling that MR is NOT a Public Utility, and is only an excursion railway subject to local ordinances and regulations.

The City of Fort Bragg asserts in their suit that in 1988 the California PUC ruled that the previous owner of the Skunk Train was not operating a service that qualified as "transportation", but only as an excursion train. Furthermore, it appears that MR itself has no freight experience, and due to the continuing safety embargo of the NCRA corridor north of Windsor by the Federal Railroad Administration, MR does not have a freight connection to the national rail system.

Lastly, neither MR itself or its freight plan merit public financing. If MR is empowered by RIFF funding to try and rebuild 40 miles of the NCRA corridor, 100 years of history will repeat itself. There will be more slides and washouts with more sediment and toxics to endanger the Eel River and its Chinook, steelhead and coho populations. Historically, this was known as the most difficult and expensive line in the country to maintain per mile, and it brought down railroads much bigger and more experienced than MR.

In contrast, the intention of the State of California and the Great Redwood Trail is to clean up the damage caused by those hundred years of railroading in the Eel River Canyon. The history of railroad development in our country was a helter-skelter free enterprise scramble fueled by federal laws and tax money that ended in boom-and-bust cycles many times. The country is grateful that the same approach was not applied to the development of the National Highway System. It is important that in the future, federal railroading laws and money be applied to projects that fit the greater picture for our country and are solid. This is not one of them.

Sincerely,

Bruce Silvey Humboldt Trails Council COUNTY ADMINISTRATION CENTER 575 ADMINISTRATION DRIVE, ROOM 105A SANTA ROSA, CALIFORNIA 95403

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November 3, 2021

The Honorable Carlos Monje Under Secretary U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, D.C. 20590

Re: Mendocino Railway RRIF Loan Application

Dear Under Secretary Monje,

North Coast Railroad Authority (NCRA) writes to express its concerns with the application by the Mendocino Railway for a Railroad Rehabilitation & Improvement Financing (RRIF) loan. The existence of the loan application is manifest on the Build America Bureau (BAB) website. We have informally sought documentation describing the nature of the loan sought, but have been told to file a FOIA request. We have done so, but have been advised, among other things, of a backlog, so we have no idea if and when we will receive information. We have further been advised that we should supply our comments as soon as possible. In the circumstances, this letter represents our initial comments. We continue to seek all information specified in our FOIA requests. And in light of the circumstances, it is incumbent on us to urge that the Department of Transportation decline to issue any RRIF loan to Mendocino Railway until and unless our concerns are fully addressed, which we do not believe is possible for the reasons set forth below.

NCRA is an agency within the State of California. NCRA currently owns approximately 220 miles of rail line from Eureka to Cloverdale along California's North Coast. The NCRA line from Cloverdale, California up to the Humboldt Bay is inoperable due to slides and tunnel collapse along the Eel River; erosion and corrosion due to rising sea levels, wave action and salt water in the Humboldt Bay area; and further tunnel collapses, landslides and track washouts south of Willits parallel to the Russian River. NCRA's engineers preliminarily estimate that the



rehabilitation cost necessary to restore service exceeds \$2.3 billion, of which \$600 million is for the portion south of Willits (inclusive of the segment from Cloverdale south owned by Sonoma Marin Area Rail Transit (SMART). (*See* Verified Statement of David Anderson.)

NCRA has been tasked by the legislature of the State of California with railbanking the corridor currently under NCRA's ownership for the purpose of serving the fiscal and environmental interests of the State in ceasing the environmentally damaging and financially disastrous work of maintaining a railroad through the North Coast. The NCRA Board of Directors accepted this mission by the Board's formal adoption of support for the legislative mandate. (*See* Cal. Gov. Code §§ 93000 et seq.; NCRA Board of Directors Item E.2, June 14, 2021.) Railbanking necessarily entails termination of common carrier obligations. NCRA is actively seeking to railbank the segment from Eureka to Willits in a proceeding before the Surface Transportation Board (STB), docketed as AB 1305X. Mendocino Railway has filed papers with STB suggesting it may attempt to "eminent domain" NCRA's Eureka to Willits line by means of an "offer of financial assistance." Mendocino Railway has thus interfered with and delayed the relief NCRA is seeking in accordance with its legislative mandate.

NCRA has recently become aware that Mendocino Railway has applied for federal financial assistance to repair its inoperable 40-mile rail line, which runs from the coastal town of Fort Bragg east to Willits. Mendocino Railroad has previously operated that line for rail excursion purposes (Skunk Train), but has not been able to interconnect any freight to the interstate rail network because NCRA's line from Eureka through Willits to Cloverdale, and beyond all the way to Windsor in Sonoma County, was embargoed for safety reasons by the Federal Railroad Administration (FRA). FRA imposed the embargo in 1998 (EO 21), long before the current owners of Mendocino Railway acquired it in 2004.

In order for freight interconnection with the national system to become reality, in addition to massive physical rehabilitation work over inhospitable terrain for non-existent customers, NCRA would need to find a bona fide freight operator, as the prior operator recently obtained STB approval to discontinue its lease with NCRA and then consummated that authority by terminating its lease.

Based on a California Supreme Court ruling against NCRA related to the prior operator's ability to resume freight operations over a portion of the embargoed line, NCRA may not engage in or authorize such service without compliance with the California Environmental Quality Act. (*See Friends of the Eel River v. North Coast Railroad Authority*, (2017) 3 Cal. 5th 677.) At the present time, NCRA is forbidden by consent judgment pursuant to the Supreme Court ruling from engaging any freight operator over any portion of the segment needed to connect Mendocino Railway to the national system without such compliance. Conducting the required CEQA analysis is a costly and time-consuming process. It would be frivolous here since demand for rail service falls far short of anything justifying the rehabilitation costs to provide it, much less the extraordinary costs of maintaining this line in the face of the constant slide and

tunnel collapse problems it historically faces. We doubt that Mendocino Railway has pointed any of this out in its application papers.

Given the fact that Mendocino Railway lacks a connection to the interstate rail network (both because of tunnel collapse and slides, and because of the FRA embargo), it would appear that the only real justification for federal financial assistance for the line is to restore it sufficiently to restart Skunk Train tourist excursion operations between Fort Bragg and Willits, and Mendocino Railway's ancillary rail bike operations. There are at least two problems with this proposed use of funds. First, the funding looks like it is to repair the same kind of damage (e.g., tunnel collapse etc.) to the Mendocino line that NCRA incurs on its own line and which USDOT has previously advised NCRA is just an operating expense, ineligible for RRIF assistance. (*See* 45 U.S.C. 822(b)(2).) Second, NCRA's understanding is that usage of federal funds for a tourist excursion or rail bike operation would not meet the RRIF program-specific requirements in that such use of funds would not service demand for rail services or intermodal facilities as meant by the RRIF program. (*See* 45 U.S.C. § 822(c), (f).) ¹ The Mendocino line literally cannot provide meaningful freight rail service or passenger transit because it is not connected to the national rail system; it simply fails to meet funding criteria by its failure to connect. *See id*.

NCRA is also very concerned about Mendocino's intent with any federal financial assistance which it receives from US DOT. As noted, NCRA is seeking to abandon and railbank its rail line from Willits north to Eureka, including all branch lines in the Eureka area. NCRA has actually filed a two-year out of service "notice of exemption" (NOE) abandonment proceeding at the Surface Transportation Board (STB), docketed as AB 1305X. Mendocino Railway has recently indicated that it is considering filing an "offer of financial assistance" ("OFA") to acquire some or all of the line proposed for abandonment. Mendocino Railway should explain how it will administer federal loan assistance on Fort Bragg to Willits while at the same time pursuing an OFA against NCRA's property north of Willits. None of that property will supply Mendocino Railway with its missing interconnection with the national freight rail network. Moreover, Mendocino Railway's proposed OFA action is contrary to the policies adopted by the California legislature which instead support protection of the Eel River from further rail use. The terrain along the Eel River is not suitable for rail use, and historically is believed to be the most expensive line in the country to operate. It was closed on its first day and its last by slides, and many rail cars are still trapped along the trackway and in the Eel River itself. In any event,

¹ Moreover, as it relates to tourist operations, Mendocino Railway's intended construction projects would be subject to California law. NCRA notes that on the basis of the lack of freight activities, inter alia, the City of Fort Bragg has filed a lawsuit against Mendocino Railway seeking a declaration that Mendocino Railway is not a common carrier, and thus is not exempt from local land use controls. (*See* Complaint, *City of Fort Bragg v. Mendocino Railway, et al., Mendocino County* Sup. Court Case No. 21CV00850.) It is not appropriate for Mendocino Railway to claim federal preemption of state law for purely tourist rail purposes. Those are outside ICC Termination Act regulation.

we are troubled by any federal financial assistance to Mendocino Railway which facilitates in any way an OFA against NCRA for any property north of Willits. It would appear at this time that any loan to Mendocino Railway might so facilitate that entity in making an OFA, and NCRA therefore opposes any such loan unless and until Mendocino Railway agrees it will not pursue an OFA north of Willits.

Even then, US DOT should know that the long term policy of the State is to favor abandonment and railbanking of the NCRA line from Eureka south to at-least Cloverdale, which is about 57 miles south of Willits. (See Cal. Gov. Code §§ 93000 et seq.) This was made clear through the enactment of legislation in 2019 (SB1029) and 2021 (SB69), which directs NCRA to railbank the inoperable segment through which Mendocino would need to pass to connect to the national rail system. NCRA's Board of Directors has formally supported these legislative enactments. The Mendocino Railway line has not been used for freight rail service for over 20 years and cannot be connected to the interstate rail network at any reasonable cost. It is currently susceptible to a successful adverse abandonment application. Because granting any federal assistance to Mendocino Railway ostensibly for resurrection of freight service would interfere with the State of California's future plans for railbanking the Willits to Cloverdale segment, NCRA opposes any federal financial assistance to Mendocino Railway at this time.

The entire route of the former Northwestern Pacific Railroad, which at one point was essentially all part of NCRA, has had a checkered history, with slides, tunnel collapses, trains washed into the environmentally sensitive Eel River, bankruptcies, and service disruption. We question whether the United States Department of Transportation wishes to promote continuation of that cycle, or whether it is better to find wiser and more environmentally propitious uses for federal rail financial assistance.

NCRA reserves the right to comment further should additional information, including information requested from USDOT, become available. In the meantime, it is not possible to imagine how Mendocino Railway can justify a RRIF loan for the line between Fort Bragg and Willits. The RRIF loan may not lawfully be granted.

Sincerely,

Elizabeth Coleman

Elizabeth Coleman General Counsel, North Coast Railroad Authority

Cc: Amit Bose, Federal Railroad Administration, Administrator Morteza Farajian, Build America Bureau, Executive Director Roger Bohnert, Build America Bureau, Director of Outreach and Project Development

Will Resch, Project Development Lead Alex Clegg, Project Development Lead Alfiya Mirzagalyam, Transportation Specialist Sam Beydoun, Project Development Lead

Attachment 1

BEFORE THE SURFACE TRANSPORTATION BOARD

North Coast Railroad Authority –)Abandonment Exemption –)AB 1305XIn Mendocino, Trinity and Humboldt Counties, CA)

Verified Statement of David Anderson, P.E.

I, David Anderson, state that I am a licensed civil engineer in the State of California and CEO/President of ARE Corp (https://are-corp.com/), a company which provides rail civil engineering services, including bridge evaluations and line inspections. I have personally served for the past twenty years as the civil engineering consultant for North Coast Railroad Authority ("NCRA"). I have repeatedly examined the NCRA right-of-way from its northern endpoint (Samoa) to interconnection with the national freight rail network. My resume is attached. I have been requested by NCRA to supply my expert opinion on the cost to rehabilitate NCRA's line from Willits north to Samoa, and the entire former line (the portion south of the Mendocino/Sonoma County line at approximately Cloverdale is now owned by SMART). Since my prior inspections, north of Willits and in the Eel River Canyon, the line has without doubt deteriorated further. I will render my opinion based on conditions I found in my last inspections of the entire sections in this request. Because the line has deteriorated

since last visual inspections, what has been provided should be viewed as a planning level estimate. An accurate rehabilitation estimate would require additional inspection activities, environmental analysis, and preliminary engineering. This line is in areas of significant earth movement, is prone to flooding, and has tunnels that have a mixture of timber sets and steel sets with timber laggings in disrepair and are subject to tunnel fires and possible collapse. The railroad is prone to continuous deterioration and constant rehabilitation needs.

1. Based on the historic data on file and my past inspections in the past twenty (20) years serving as NCRA's professional civil engineer, the following table summarizes rehabilitation needs for any significant use of the rail line, either to transport freight to the Eureka area from Willits, and from Willits south to interconnection with the national freight rail system. The estimate does not include survey which could add an addition 2 to 3 % to the overall construction cost. I reiterate that a current inspection may reveal additional problems which must be addressed.

Table One: Planning Level Rehabilitation

- Track structure needs to be rebuilt from Samoa to Windsor to support sustainable traffic (240 miles)
- Tunnels
 - 5 tunnels south of Willits; 1 has collapsed and 3 need major repair
 - 25 tunnels north of Willits; 5 need complete rebuild and 20 need extensive rehab
- Public Crossings
- 2

- 22 public crossings south of Cloverdale that need replacement or rehab and activation.
- 67 public crossings north of Cloverdale that need complete signal replacement and surface replacement or rehab.
- Bridges
 - 34 bridges on the south end from American Canyon (The Interchange) to Ignacio Wye in Novato; 3 need replacement and the majority of the remaining 31 have priority repairs needed.¹
 - 92 bridges Windsor to Willits; 25 need replacement and the remaining 67 need priority repairs.
 - 76 bridges north of Willits; 2 require replacement, 74 require priority repairs and there are 2 long bridges that would be new bridges that span the gaps where the track embankment has been removed for fish habitat restoration.
- Geotechnical: including mud slides, debris slides, earth flows, rotational slides, retaining wall failures, and embankment erosion:
 - Windsor to Willits; 22 documented conditions that impact 8,400 feet of track.
 - Willits to South Fork; 105 documented conditions that impact 56,230 feet of track.
 - South Fork to Samoa; 40 documented conditions that impact 5,745 feet of track.
- Culverts
 - There are an estimated 960 culverts a majority of which are CMP pipe, concrete boxes, or concrete arches. Roughly 50% are undersized. Many of the CMP pipe culverts are in poor condition.
- 2. Based on historic data provided by geotechnical engineers, tunnel engineers,

and my prior personal inspections, I have prepared the following cost estimates.

These are planning level estimates likely to increase if updated with current

information.

Table Two:Cost Estimates

¹ This segment is owned by SMART but exclusively freight.

- Track² not including an adjustment of salvage \$975M
- 30 Tunnels
 - South of Willits \$56M
 - North of Willits \$280M
- Public Crossing
 - 22 South of Cloverdale \$4M
 - 23 Cloverdale to Willits \$7M
 - 44 Willits to Samoa \$16M
- Bridges
 - 34 Brazos Junction Branch (South End) \$40M³
 - 92 Windsor to Willits \$25M
 - 76 Willits to Samoa \$179M
- Geotechnical
 - 22 areas, Windsor to Willits \$20M
 - 105 areas, Willits to South Fork \$80M
 - 40 areas, South Fork to Samoa \$24M
- Culverts
 - 960 Culverts \$5M

Sub Total Planning Level Estimate = \$1,711,000,000

Contingency at 20% = \$342,200,000

Engineering (Geotechnical, Hydrology, Hydraulic, Civil, Rail, Structures) at 15% = \$ 300,000,000

Total without Environmental = \$2,352,200,000

² Includes replacement of rail, ties, ballast, and other track materials above the level of subgrade judged necessary for reliable freight operation.

³ In order to reach the point of interconnection with the freight rail network via SMART, freight traffic must use a freight-only line which I refer to herein as the Brazos Junction Branch. Bridges on that line are in deteriorated condition and require rehabilitation. See note one.

3. Judging from the configuration of the Humboldt Bay as a port, rail service ending in the north would include, as a minimum, service all the way to Samoa at MP 330.5. Based on the information above, rehabilitation from MP 139.5 (Willits) to MP 300.5 (Samoa) encompasses approximately 161 miles, not counting the Korblex/Korbel and Carlotta branches: roughly \$654 million track, tunnels \$280 million, public crossings \$16 million, bridges \$179 million, geotechnical \$104 million, and culverts \$4 million for a total of \$1,237,000,000. Add contingency at 20% and engineering at 15% for a total of \$1,707,000,000.

4. Even if the line were rehabilitated for rail traffic, maintenance costs would remain higher than normal, and reliability low, because of the likelihood that instable geology and flooding events will remove portions of the line from service.

Pursuant to 28 U.S.C. 1746, I declare and verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Juid Anderson, PE, CEO/President ARE Corp.

Dated: July 25, 2021



David R. Anderson, PE

Principal Engineer

Education

BS/1968/Civil Engineering/ University of Minnesota

Registrations

1990/ PE/ CA #45458 1979/ PE/ MN #13749 1994/ PE/ NV #10660 1994/ PE/ AZ #27771 2012/ PE/ MO #2012039646 2020/PE/ NE #E-18154 2013/ PE/ MI #6201059840 2017/PE/NH #15202 2017/PE/NY #38809 2014/ PE/ KS #24047 2014/ PE/ AL #34719 2015/ PE/ TX #119428 2016/PE/ OK #29153 2020/PE/ IA #P25989 2020/PE/ WA #20105102 2020/PE/ NC #050589

Professional Affiliations

American Railway Engineering and Maintenance-of-Way Association (AREMA)

American Short Line and Regional Railroad Association (ASLRRA)

American Council of Engineering Companies (ACEC)

David R. Anderson, PE brings over 40 years of experience in all aspects of railroad engineering, construction, and maintenance. He has worked for both public and private railroad clients assisting them with infrastructure management.

Dave's experience working for railroads spans his entire career. His responsibilities have included railroad assessment, design, inspection, construction, and the development of short- and long-term capital plans. He has worked with several Class I railroads and numerous short lines.

RELEVANT EXPERIENCE

North Coast Railroad Authority (NCRA), Lombard to Eureka, CA: Engineer/project manager, responsible for overseeing NCRA's oncall engineer and construction contractors for \$40 million rehabilitation project including 42 bridge structures, 62 miles of track and 57 signals. In addition, address the Authority's engineering issues, and coordinate rehabilitation and operation and maintenance issues with the Operator. Previously, project manager for the on-call engineering team and was responsible for the capital assessment and program management for the entire 316-mile railroad. Two assessments were conducted: the first included the entire line with cursory inspections of 186 bridges to evaluate the feasibility of rehabilitation. The second assessment was conducted on the southern end of the railroad and included detailed inspections of 121 timber, steel, and concrete bridges, as well as roadbed, tunnels, track and highway constant warning devices. Currently providing on-call engineering services in support of Authority initiatives.

Santa Clara Valley Transportation Authority – Berryessa-Freight Rail Relocation, CA. Performed Peer Review of this rail relocation project. Reviewed plans and specifications to provide clarity to the

plans, assure consistency between plans and specs, and review overall constructability. The review included meetings with the VTA and HNTB, walking the length of the project limits, redlining of the plans and specifications, and a report summarizing findings. Interfaced with several agency personnel, consultants, including construction cost estimator, track and roadway design personnel, reviewed drainage reports, bridge designers including staging of shoofly and bridge work, utility locations.

Orange County Transportation Authority, Engineering Plan Check, Orange County, CA. Team leader for this \$300-million project requiring risk analysis, plan review, extensive coordination, and multisubconsultant oversight. Responsible for quality assurance plans and reviewing other design teams' plans for five grade separation projects in the BNSF/Metrolink Corridor through Placentia, Fullerton and Anaheim. Responsible for providing constructability reviews for the structures, bridges and roadway plans, specifications and estimates as well as adherence to local agency requirements.

Acquisition Assessment, Project Manager, Stonepeak Partners. Managed engineering team that evaluated maintenance facilities, right-of-way, vehicles, track, and structures for a 300-mile railroad to provide an assessment and maintenance/replacement cost estimates for a potential railroad acquisition.



Acquisition Assessment, Project Manager, Jaguar Transportation Group. Part of the engineering team evaluating structures for a potential acquisition of 5 railroads. Performed a field assessment of structures and prepared an analysis of current conditions, proposed repairs and estimated cost.

Acquisition Assessment, Project Manager, RailUSA. Part of the engineering team evaluating structures for a potential acquisition of a 360-mile railroad. Performed a field assessment of structures and prepared an analysis of current conditions, proposed repairs and estimated cost.

Acquisition Assessment, Project Manager, Watco Companies. Assist Engineering staff with the evaluation of two railroad acquisitions. Performed a field assessment of bridges and track and prepared an analysis of current condition and proposed repairs and estimated costs for Watco's management team's consideration.

Expert Witness, Los Angeles County Metropolitan Transportation Authority. As an expert witness for MTA, provide detailed review and recommendations for practical solutions to Blue Line drainage issues.

Genesee Wyoming Railroad Services, Inc. – Bridge Inspection and Consultation Services, AL, GA, FL. Project manager responsible for overseeing the bridge inspection requirements for six railroads in G&W's Southern Region. In addition to the performance of annual inspections, some railroad bridges are due for detailed inspections and/or supplemental, underwater, mechanical/electrical inspections, depending on location and condition, and inspections will be oriented to identifying specific field data in order to complete load ratings.

WATCO Transportation Services – Railroad Bridge Engineering and Inspection Services, AL, AR, ID, IL, IN, KS, LA, MI, MO, MS, MT, NY, OH, OK, OR, TX, WA, WV. As RBE, responsible for overall bridge management working closely with Watco's engineering staff to provide bridge management plan development, conduct required railroad bridge inspections, provide bridge load capacity ratings, perform special and emergency inspections and provide repair recommendations for 28 railroads with more than 100 subdivisions and 2,100 bridges.

Progressive Rail – Bridge Engineer Bridge Inspection, Bridge Rating and Capital Programming, CA, IA, IL, MN, MO, VA, WI – 2009 to Present. Designated Railroad Bridge Engineer, responsible for bridge management including inspection, rating and capital repairs/replacement recommendation for 8 separate railroad properties. Work closely with the owner's representatives to address budget-conscious decisions. and safety measures. Responsible for preparing annual and detailed bridge inspection reports, assessment of new lines being considered for acquisition, maintaining the bridge inventory, preparing load capacity ratings, and an annual recommendation report that serves as a workable repair program.

CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300 SAN FRANCISCO, CA 94105 VOICE (415) 904-5200 FAX (415) 904-5400 TDD (415) 597-5885



November 5, 2021

VIA EMAIL AND U.S. MAIL

The Honorable Carlos Monje Under Secretary U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, D.C. 20590

Re: Mendocino Railway RRIF Loan Application

Dear Under Secretary Monje:

The California Coastal Commission (Commission) recently learned of the Mendocino Railway's application for a Railroad Rehabilitation & Improvement Financing loan. Based on the information currently available to the Commission, we believe that the decision to grant such a loan would be subject to the Commission's review under the Coastal Zone Management Act (CZMA) of 1972, 16 U.S.C. § 1456(c)(1), and that federal consistency review must take place before the loan can be approved. We would appreciate the opportunity to discuss the federal consistency review issues with the U.S. Department of Transportation prior to loan approval.

The CZMA creates a federal and state partnership for management of coastal resources. California's Coastal Management Program was certified in 1977, and the enforceable policies of that document are the policies in Chapter 3 of the California Coastal Act of 1976 (Cal. Pub. Res. Code §§ 30200 *et seq.*). Since 1977, the Commission has implemented the CZMA by exercising its review authority over proposed federal activities (including proposals to support private projects using federal funding), federal development projects, federal permits and licenses, and federal support to state and local governments.¹ Thus, all federal agency activities affecting California's coastal zone must be consistent to the maximum extent practicable with Chapter 3 of the Coastal Act.

As explained in greater detail in the November 4, 2021 letter to you from the North Coast Railroad Authority (NCRA), there are a number of potential adverse environmental impacts to

¹ A federal agency activity is any function performed by or on behalf of a federal agency in the exercise of its statutory responsibilities. Although there are separate regulations governing the issuance of a federal license or permit and the granting of federal assistance to a state or local agency, so that those types of actions are not treated under the general heading of "a federal agency activity" requiring a consistency determination (CD), the decision to allocate federal funds to construct a private facility is a federal agency activity that triggers the Commission review authority. (See, e.g., CD 038-11, submitted by the National Marine Fisheries Service for funding construction of a fish processing facility <u>https://documents.coastal.ca.gov/reports/2011/10/F5b-10-2011.pdf</u>). Subsection (a) and (c) of 15 CFR § 930.31 specifically acknowledge that "federal agency activity" trigger covers a residual category of federal actions not covered under subparts D, E or F of Part 930.

Department of Transportation November 5, 2021 Page **2** of **3**

California's coastal resources anticipated from approval of Mendocino Railway's loan application. NCRA's letter explains how the loan could facilitate the Mendocino Railway's attempt to submit an Offer of Financial Assistance to the Surface Transportation Board in an effort to prevent the legislatively required rail banking of the NCRA's rail line and conversion of that line to the Great Redwood Trail.

Should the Mendocino Railway successfully prevent such rail banking and attempt to rehabilitate NCRA's rail line, we anticipate significant adverse impacts on coastal resources that are required to be protected under the Coastal Act. For example, portions of the rail line are expected to be used as critical links in the California Coastal Trail,² and the loss of those sections would be inconsistent with Coastal Act sections 30210, 30211 and 30213. In addition, the rail line is on or adjacent to wetlands and environmentally sensitive habitat areas, both required to be protected under the Coastal Act. (Cal. Pub. Res. Code §§ 30233 and 30240). The rail line is also expected to be vulnerable to sea level rise and other coastal hazards; thus full rehabilitation of the rail line and use for rail service would be inconsistent with Coastal Act section 30253.

Even if the proposed loan would do no more than allow repair of the inoperable portions of the Mendocino Railway's existing line from Fort Bragg to Willits, we believe that this would have an adverse affect on the California coastal zone, also requiring review under the CZMA. It would increase the intensity of use of this line, including impacts on the Mendocino Railway's existing support facilities located in the coastal zone in the City of Fort Bragg and facilitating expansion plans the Mendocino Railway has discussed with Commission staff and City officials involving the extension of the railway from its current terminus along the coastal highway in the center of the City to and along the bluff edge to a proposed new train station that would have additional impacts on coastal zone resources. As proposed, the extension of the railway and train station would be constructed within areas of known archaeological resources and would be built parallel to, and immediately adjacent to a popular segment of the California Coastal Trail, creating safety hazards for those who would need to cross the rail line to access the trail and detracting from their use and enjoyment of the trail itself. We do not have sufficient information at this time to fully assess the scope of impacts of such a project on California's coastal zone. Such assessment would be undertaken at the time of the Commission's federal consistency review.

In sum, the Commission has had little time to understand the scope of the proposed use of the loan and its potential impacts on the coastal zone. Based on what we understand at this time, however, we believe that the funding provided to the Mendocino Railway will have a reasonably foreseeable effect on California's coastal zone resources. We therefore believe that it is subject to the Commission's review authority under the CZMA. We respectfully request the opportunity

² For background, see: <u>https://scc.ca.gov/projects/california-coastal-trail/</u>

CALIFORNIA COASTAL COMMISSION

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to discuss the loan, as well as the Commission's authority under the CZMA, with the U.S. Department of Transportation at its earliest convenience.

Please contact me at: <u>Louise.Warren@coastal.ca.gov</u> or 415-904-5227 to discuss these issues or if you have any questions.

Sincerely,

DocuSigned by: ouise Warren 22FB4E46B48249D.

Louise Warren Chief Counsel

 cc: Amit Bose, Federal Railroad Administration, Administrator Morteza Farajian, Build America Bureau, Executive Director Roger Bohnert, Build America Bureau, Director of Outreach and Project Development Will Resch, Project Development Lead Alex Clegg, Project Development Lead Alfiya Mirzagalyam, Transportation Specialist Sam Beydoun, Project Development Lead Elizabeth Coleman, North Coast Railroad Authority, General Counsel Dear Councilmember,

I am writing in opposition to the City's position in regardto the Mendocino railway loan application. Do you not understand the benefitsthat the Skunk Train generates for the city of Fort Bragg? Each visitor thatcomes to ride the train also supports local businesses with overnight accommodations, dining at local bars and restaurants, and purchases at local stores.

Every business has the right to improve its infrastructure and service without interference from government. Opening the tunnel willreturn the railway to a level of service it previously provided. The city hadno problem with the railway then, and in fact, benefited from that service. Whythe sudden change?

For years generations of Californians have traveled to FortBragg to ride the Skunk Train. The opening of the tunnel and improvement to thetrack will benefit the railway but also every other business in town and the community as a whole.

I urge you to remove item 5K from the agenda.

Respectfully, Glen Ford To Fort Bragg City Clerk, Mayor, Vice Mayor and Councilmembers:

Re: Consent Agenda 5K (21-612) – Opposition to Skunk Train Loan

I strongly support REMOVING this item from the consent agenda and further having the City REVERSE its stance and support the application of the Skunk Train for a loan from the Federal Government to improve its visitor facing facilities.

For many years I was the Director of Tourism Development for Visit Mendocino County. As part of my job, I marketed the county, including Fort Bragg, all over the world. The Skunk Train is known from Germany to Korea and everywhere in between and has put Fort Bragg on the map in many ways.

Many riders of the train stay a night or two in the area, bringing in needed sales tax and bed tax revenues. The Skunk in many ways is an economic driver for the city, benefiting local hotels, restaurants, bars, and retail establishments. It is one of the largest employers.

I see NO rational explanation for the city opposing a private company's effort to obtain a LOAN to improve and enhance its tourism business. The city should be falling all over itself to HELP the Skunk reopen Tunnel 1 and improve its tracks and rolling stock.

Please remove this item from the consent item and VOTE IT DOWN.

Thank you.

Richard Strom

rstrom@mcn.org

707-486-1330

| From: | Donna Schuler |
|----------|--------------------------------------|
| To: | Lemos, June |
| Subject: | Skunk Train - No! |
| Date: | Sunday, November 21, 2021 9:18:40 PM |

Dear City of Fort Bragg,

I am not in support of any of the plans the Skunk Train group has proposed in its large mailer that was received by me on Friday. Furthermore, I work next to the station, and they continue to conduct construction with in view of Planning and Building without permits, and have done nothing to repair the defunct rail grounds they currently occupy, including that horrible broken down shed. Why would they expect tax paying citizens, residents and business owners to support them as they try to claim eminent domain? It's insulting to the rest of us who follow laws and pay our way. Their train is not a major draw for this town. The steam engine has not run for serval years, just the disgusting polluting Diesel engine.

I will lobby with others against this outrageous bid for controlling our towns future. Donna Schuler

Fort Bragg

Sent from Gmail Mobile

Hello,

As a 50 yr. resident I am writing to you to say that there must be a public meeting about the Skunk Train taking control of the entire mill site and the Pudding Creek watershed. Please do what is right. Your local residents deserve to be informed and have input on this important and far reaching matter. Thank you very much. dobby sommer pob 568 Albion, Calif. 95410 707 937 4858

| From: | <u>Carla Sarvis</u> |
|----------|--|
| To: | Lemos, June |
| Subject: | NO CLOSED SESSIONS - please open to public hearing/Skunk Train |
| Date: | Sunday, November 21, 2021 6:20:56 PM |

Dear June Lemos and Fort Bragg City Council:

There are flyers all over town and in our private mailboxes from the Skunk Train. High gloss, color photos showing what they intend to do with the Noyo Headlands and the Pudding Creek Watershed. It is a t.e.r.r.i.b.l.e. proposition. City Council should not have closed sessions about such a large commercial development. Noyo Headlands is not Disneyland. We need PUBLIC HEARINGS on this matter. We live here.....

Thank you.

Carla Sarvis Cleone

| From: | Bruce Moore |
|----------|--|
| То: | Lemos, June |
| Subject: | Closed Session Agenda Item: Opposing Skunk Train Attempt To Assume Ownership of Fort Bragg Headlands Land Through Devious "Eminent Domain" Maneuver |
| Date: | Sunday, November 21, 2021 6:02:29 PM |

Dear Fort Bragg City Council Members:

Over the weekend I was made aware of bad faith actions by both Georgia Pacific and The Skunk Train in a coordinated attempt to "transfer" ownership of the remaining Mill Site land from GP to the . Their brazen attempt to circumvent the Fort Bragg City Council, and thereby the citizens of both Fort Bragg and the whole coastal community, perfectly demonstrates why neither of these two corporate entities should have any claim to these headlands. Further, any say they may have in future decisions about whether and/or how these lands might be developed should be viewed as highly suspicious. Neither entity is demonstrating good faith.

I encourage and will support the City Council in vigorously challenging and opposing this attempted "hostile takeover".

Best regards, Bruce Moore Fort Bragg

Sent from my iPhone

Dear Council Members,

I am a long time resident of Fort Bragg. I strongly support the City of Fort Bragg's legal challenge to the Skunk Train's claim of eminent domain. I unequivocally support the City of Fort Bragg's purchase of the GP mill site.

Roslyn Moore Fort Bragg, CA

| From: | Ron And Susan |
|----------|--------------------------------------|
| To: | Lemos, June |
| Subject: | Comments for public record |
| Date: | Sunday, November 21, 2021 5:09:06 PM |

We would like to voice our dismay at the Skunk Train's upcoming acquisition of the GP property. They are clearly not operating in the public's best interest and their claim to eminent domain is certainly unfounded. They run a for-profit, tourist based train.

We support the City's efforts in their goal of purchasing the property to be able to develop and manage it in the public's best interest.

We believe we need open, ongoing and transparent meetings to discuss what will undoubtedly have a major impact on our town's future.

Susan and Ron Munson

"Travel is fatal to prejudice, bigotry, and narrow-mindedness." Mark Twain

| From: | Blair Foster |
|----------|--|
| То: | Lemos, June; Albin-Smith, Tess; Norvell, Bernie; Morsell-Haye, Jessica; Peters, Lindy; Rafanan, Marcia |
| Subject: | Skunk Train (item 5K on agenda for 11/22/2021 meeting) |
| Date: | Sunday, November 21, 2021 12:57:50 PM |

Dear City Council of Fort Bragg,

I am writing to you after following the the puzzling adversarial and obstructionist actions of the City of Fort Bragg toward Robert Pinoli and the Skunk Train. I write to express my staunch support of the Skunk Train and their ongoing efforts to obtain a loan to fix the collapsed bridge and reopen the route between Willits and Fort Bragg.

I would ask that you please remove item 5K from the agenda.

The Skunk train has only been an asset to our community and area for years! Personally and professionally, I support this operation with no reservations: I raised my children on the Skunk Train (school filed trips, Christmas Polar Express outings, family visits and tours throughout the years); The Inn at Newport Ranch utilizes the Skunk Train with regularity and our guests love it; As President of the Board of the Mendocino Film Festival, I express deep gratitude and admiration for the Skunk Train's shockingly generous support with donations of the train and services for outdoor screenings in the Redwoods.

The Skunk Train is a unique form of transportation in our area (and yes, while a fun outing, it does qualify as transportation--I have ridden to Willits many times in the past and will look forward to doing so again when the track and tunnel 1 is repaired), and I, for one, find it exciting to see it thriving in an era when the so many of our historical industries are diminishing or dying(timber, fishing, etc).

I find it astounding that the City of Fort Bragg is being anything less than supportive of something that has been so beneficial to the economic health of our community.

Again, I would ask that item 5K is removed from the agenda as it's inclusion feels personally driven and is in direct conflict to the well being of our community, as well as a profound waste of effort and financial resources.

Thanks so much for the opportunity to share my opinion.

Kind regards,

Blair Foster



Blair Foster General Manager blair@theinnatnewportranch.com

| From: | Christy Wagner |
|----------|---------------------------------------|
| То: | Lemos, June |
| Subject: | Regarding Skunk Train"s Land Grab |
| Date: | Sunday, November 21, 2021 12:10:52 PM |

Dear June Lemos: re: Fort Bragg City Council Meeting Agenda for Closed Session Nov 22, 2021

I am outraged by the Skunk Train's land grab of the GP mill site and by their dishonest claim of eminent domain. They are not a public utility and will serve their own pockets but not the public good. I absolutely support the City of Fort Bragg's legal challenge to the Skunk Train's claim of eminent domain. I absolutely support the City of Fort Bragg's purchase of the GP mill site truly in the interest of the public good.

Thank you, Christy Wagner 428-B N. Harrison St Fort Bragg, CA 95437 CHRISTOPHER J. NEARY cjneary@pacific.net

JENNIFER M. D'BRIEN jobrien@nearyobrienlaw.com NEARY AND D'BRIEN

110 SOUTH MAIN STREET, SUITE C WILLITS, CALIFORNIA 95490 FAX: (707) 459-3018 WWW.NEARYOBRIENLAW.COM

(707)459-5551

November 22, 2021

Via U. S. Mail and Email

Fort Bragg City Council C/O June Lemos, City Clerk 416 North Franklin Street Fort Bragg, CA 95437

jlemos@fortbragg.com

Re: November 22, 2021

Dear Ft. Bragg City Council,

As an observer of the effort to restore full service between Willits and Ft. Bragg via California Western, Item 5K of your consent agenda it appears to suggest that the City Council would oppose the California Western obtaining a federal loan to repair the collapsed tunnel and to fund other tasks identified in the loan.

Perhaps the agenda has a misprint stating that there is an intention to "oppose" the application. If not, it is difficult to understand why the City of Ft. Bragg would oppose an infrastructure loaned to California Western which would benefit Ft. Bragg, its businesses, and also benefit the businesses in Willits. As a lifetime resident in Willits, I am aware that the California Western Railroad is an integral part for the tourist business of both of our communities. If your intention is actually to oppose the loan, I urge you to reconsider as this opportunity may wane leaving an important infrastructure issue unresolved.

ours very truly,

Christopher J. Neary

CJN/cm

Dear Fort Bragg City Council,

I was alarmed to hear of a Closed Session Meeting tonight regarding the Fort Bragg Mill Site and the Skunk Train's purchase/ planning process!

Our community has worked for years to envision community development on the Mill Site with enthusiasm and transparency. Upcoming meetings affecting the Mill Site, especially those influenced by the Skunk Train and whoever is funding their project, must also be completely transparent.

Please ensure that all meetings regarding the Mill Site are made public so all interested citizens can get involved.

Thank you, Larry Knowles

Good morning, June –

I hope that you're doing well.

The below from Alan Hemphill who wasn't able to get his email to send it you or the council.

Thank you,

Robert

From: Alan Hemphill <vinguru@comcast.net>
Sent: Monday, November 22, 2021 9:58 AM
To: Robert Jason Pinoli <rjp@mcn.org>
Cc: Robert Jason Pinoli <RJP@skunktrain.com>
Subject: Opposition motion to Skunk Train funding

Fort Bragg Mayor and City Council Members,

This note is in regard to Item 5C you are considering at you meeting this evening to oppose federal loans to the Skunk Train.

Your agenda action is baffling in light of the long history beneficial relationship between Fort Bragg and the Skunk line and the tremendous economic benefit to the city and County that the railroad provides.

However, I have a more direct interest in the future of the railroad.

I have been involved in Scouting for years and the railroad has been an essential link to Camp Noyo since 1933. Our youth have been riding the Skunk to Camp at a very generous fee until the tunnel closure. This is not just a joy ride for the kids; but an essential and safe mode of transportation due to lack of decent roads to camp. The only alternative is over 15 miles of logging roads that are frequently impassable and go through active logging sites. It is just not safe and we need the train back! Our attendance at camp has been severely affected due to the closure.

Nine years ago Camp Noyo LLC bought camp from the Scouts and leased it back for a few weeks in the summer and for unit camping in the spring and fall at a very nominal fee. We also opened the camp to public camping when the Scouts are not there. This business was growing well and paying TOT taxes to the county until we lost train service. Many of our former campers did not return due to the road dangers.

I am sincerely requesting that you not oppose this critical funding and do everything you can to provide support to the railroad.

Allan Hemphill

Managing Director

Camp Noyo LLC

| From: | ziacattalini@aol.com |
|----------|--|
| То: | Lemos, June; Norvell, Bernie; Morsell-Haye, Jessica; Albin-Smith, Tess; lpeters@fortbragg.com; |
| | <u>Mrafunan@fortbragg.com</u> |
| Cc: | rjp@skunktrain.com |
| Subject: | Consent Calendar item # 5k 21-612 |
| Date: | Monday, November 22, 2021 11:03:39 AM |

Dear Mayor and Fort Bragg City council members,

As a former business owner in Fort Bragg and Mendocino it is very apparent to me our coastal communities are economically dependent on tourism. The Skunk Train Depots in Fort Bragg and Willits sustain our local and inland Mendocino County economies.

Highways 20 and 128 are the main routes most depend on to travel and haul freight east - west from highway 101 to the coast. The Skunk Train rails once provided an alternative transport of freight for this same east-west span from inland to the coast and vice versa.

It is unfathomable to me that the city would oppose a loan the Skunk Train is seeking from the federal government to repair Tunnel No. 1.

Why would you want to oppose the needed repair of an historical, collapsed tunnel? Why would you want to obstruct the reinstatement of a viable rail route that connects inland and coastal Mendocino county?

Please shelve your opposition letter, it denies an alternative transport option the Skunk rails could provide during emergency situations and other unusual circumstances that could arise.

Sincerely, Zia Cattalini Mendocino, CA Bernie Norvell Mayor City of Fort Bragg

Begin forwarded message:

From: Malia Elsner <maliarentals9@gmail.com> Date: November 22, 2021 at 11:10:48 AM PST To: "Norvell, Bernie" <Bnorvell2@fortbragg.com> Subject: The Mill Site

Mayor Norvell,

The people of Fort Bragg may have their differences on many issues but one thing we can all agree upon as a city is that we can work together on is our own Mill Site. Someone coming in from outside and seizing the Mill Site from under us for only monetary gain is a travesty!

We have money, let's hire the best lawyer in the country to fight their best lawyer in the country. Mike Hart of Sierra Energy is ruthless and will take whatever he wants with no concern for anything or anyone but lining his pockets.

Thank you for all you have done thus far in trying to stop them.

Please let us, your citizens, know what we can do to help.

Very Sincerely,

Malia Elsner 501 E Bush St. Fort Bragg CA

Contact Us (Dropdown)

| First Name | Mark | |
|---------------------------------|--|--|
| Last Name | Taylor | |
| Address1 | 512 S Main St | |
| Address2 | Field not completed. | |
| City | Fort Bragg | |
| State | СА | |
| Zip | 95437 | |
| Phone Number | 7073678366 | |
| Email Address | mtaylor@mcn.org | |
| (Section Break) | | |
| Whom would you like to contact? | City Council | |
| Question / Comment | Well, the City is venturing deeper and deeper into the Land If Lawyers and the future seems further and further out of our control as we go on. Not being a lawyer, I don't really know what I'm talking about, but I, and many many others, I'll bet, still have questions and suggestions and hope something will help. Regarding the Skunk Train and its eminent domain suit, and the fact that GP has capitulated to it, as I understand it, the City has powers of eminent domain, as well. While I don't know the limitations of those powers, they would supersede the Skunk's if it is determined that they do not qualify as a public utility. If the public utility designation stands, it seems as if the Skunk train could absorb the whole city as its operations expand if it chose to. And certainly, they could keep that as a threat. As I see it, they could, if they wished to make a point, claim the waste water treatment plant just as they have the rest of the mill site. Another question is at what point does that power end? Under their plans, given the housing proposed, much of the land would have to be sold to private parties. Will those parties be aware that a Sword of Damacles hangs over their heads and that the | |

Skunk could take away their land and house for any reason, reusing their eminent domain powers, thus assuming dictatorial powers? Go along or else.

Another question, which I'm sure is under much discussion, is the responsibility of the City to the infrastructure for the project the Skunk is proposing, and vice versa. Since they own all the land, including anywhere roads and city utilities would be located, does the city have any responsibility for the installation or maintenance of those things? Does the city have to hook up the waste water treatment and the water plant, as well as do all the upgrades, at the citizens expense, necessary to support the Skunk's plans? As a public utility, can they ignore any or all city regulations concerning, for instance, water usage, utility assessments, zoning requirements.

Essentially, what powers will the City actually have over what happens on the millsite and conversely, what powers will the Skunk have to make the City do what it wants? As a last resort, would it be possible to simply contract the city limits to include only those areas of the mill site (like waste water treatment plant) that the city needs and let the mill site become an entity unto itself?

The is development is momentous and I know there are going to be so many questions that need to be answered. I hope the city will continue to pursue the question of the Skunk's status as a public utility. If it is determined that they aren't, many of the questions above will be answered. Please don't give up like GP did.

And good luck to you all in the rough waters ahead.

Email not displaying correctly? View it in your browser.

| From: | Diane Sorenson |
|----------|--|
| То: | Lemos, June; Norvell, Bernie; Morsell-Haye, Jessica; Albin-Smith, Tess; Peters, Lindy; Rafanan, Marcia |
| Subject: | 11/22/2021 Consent Calendar item 5K (21-612) |
| Date: | Monday, November 22, 2021 12:09:22 PM |

Fort Bragg City Council:

I want to express my surprise and disappointment over the City Councils apparent opposition of the loan to the Skunk Train for the repairs to Tunnel 1. As a former employee of the Skunk Train, I have heard hundreds if not thousands of guests of the train, locals included, lament the current status of the route between Fort Bragg and Willits. The railroad has been operating since 1885 and Tunnel 1 needs to be restored to allow full operations to resume as expeditiously as possible. Fort Bragg should avail itself of any and all opportunities to bring new tourism and increased revenue to our town. There seems to be no valid reason for the Council to object to this loan and should support the railroad resuming full operations.

I hereby request that item 5K be dropped from the 11/22/2021 calendar and allow the Skunk Train to proceed forward with its plans to help improve our economy.

Respectfully,

D.L. Sorenson

| From: | Bill Lemos |
|----------|---------------------------------------|
| То: | Lemos, June |
| Cc: | george reinhardt |
| Subject: | Noyo Headlands. |
| Date: | Monday, November 22, 2021 12:03:56 PM |
| | |

Hi June,

Please add our names to the list of people very concerned about the Skunk people taking on remediation of the serious toxic problems in the ponds on the Old Mill site and planning development in such a heavy handed way on this property. The Council should go on record opposing this project until a thorough vetting of the clean-up strategy is developed and the big picture of what the Skunk people are proposing is economically evaluated for the entire Mendocino Coast. Best regards,

Wm and Marilyn Lemos

Sent from my iPhone

Mr. Norvell,

I am writing requesting that item 5K. 21-612 be pulled from the Consent Calendar on tonight's agenda. This item is too important to just be put through without discussion and a vote.

I will be at the meeting representing the Mendocino County Tourism Commission.

Thank You very much –

Jo Bradley RVT MCTC



Virus-free. <u>https://link.edgepilot.com/s/4c57c075/PZgq_wmHL0mDHOy4fE38GA?</u> <u>u=http://www.avast.com/</u>

| From: | Sharon Bowers |
|----------|---------------------------------------|
| То: | Lemos, June |
| Subject: | Skunk Train |
| Date: | Monday, November 22, 2021 12:34:18 PM |

Dear City Council, The Skunk Train should not be allowed to control the Puddingcreek watershed. The city looks after the welfare of its residents. The Skunk Train thinks only about profits, not people! Sincerely, Sharon Bowers

| From: | George |
|----------|--|
| То: | Lemos, June |
| Subject: | A short comment for tonight"s meeting. I will also be commenting via zoom. |
| Date: | Monday, November 22, 2021 12:45:23 PM |

Honorable City Council persons and staff,

The vision of a regional desire to protect and restore the forests, the coastal headlands and Pacific Ocean is being threatened by a fossil fuel funded, trash burning pollution machine which bought our local Skunk Train out of bankruptcy in 2003. Our community generally supported this because we wanted to see the Skunk Train survive. Also, we didn't know what a shoddy operation had come to town. The years since they took over the Skunk have given us a clear idea of what they are about. They entirely reject any form of regulatory oversight. Most importantly, for all of us, they reject CEQA and all environmental regulatory mechanisms. They refuse to get permits from the City of Fort Bragg and the California Coastal Commission for anything. They also refuse to do the clean-ups called for by DTSC–the CA Department of Toxic Substance Control. They have made enemies of the City, the Coastal Commission and DTSC.

We can probably use their pariah status to our advantage, but they are shameless about rewriting history and telling just plain ridiculous "tall tales" about what enviros they are or where the mill site planning process actually is. They have created a foolishly inaccurate document they call the "Little Stinker." The name, Little Stinker, is an apt assessment of their history.

Our community needs public meetings to raise awareness and pursue full transparency with regard to mill site planning, property and environmental abuse. It is a lot like a carney "shell game" – Sierra Energy (the trash burning guys) & Mendocino Railway (the fossil fuel funded family that bought the Skunk out of bankruptcy) and Georgia-Pacific–who pretended for months that they would never go with the Skunks–all of these–what shall we call them? Here's what I call them, very bad for our community.

We should have an on-going contest to name they rascals. This could be fun.

Our community will not allow The Skunks ruin the Noyo Headlands. Their extremely misleading "Little Stinker" publication must be rejected. I suggest pulling item 5K from the Consent Calendar so there can be a beginning of the necessary airing of all the Mendocino Railway nonsense. During Closed Session I hope you will decide to have a series of public meetings to clarify that the Skunk train in nowhere near getting approval for their very bad ideas regarding development out on the headlands. Their claims to the Pudding Creek watershed are ludicrous and dangerous.

Many thanks for all that you folks are doing to protect our coastal environment,

George Reinhardt

| From: | Mark Haydon |
|----------|---|
| To: | Lemos, June |
| Subject: | 11-22-21 Agenda Item 5K - Request for Removal from Agenda |
| Date: | Monday, November 22, 2021 2:12:15 PM |

Honorable Fort Bragg City Clerk,

My name is Mark Haydon, and I am the Facility and Quality Control Manager at Geo Aggregates in Fort Bragg, CA. I am writing this letter in support of the *Mendocino Railway U.S. Department of Transportation Railroad Rehabilitation & Improvement Financing Loan.* The railway between Willits and Fort Bragg is crucial for Fort Bragg tourism. Not allowing the reconstruction of a Mendocino County landmark would be a negative to the local Fort Bragg downtown community.

In addition to being massive for our local shops, this rail will relieve congestion on an already overdrive Highway 20. Many trucking companies are reluctant (and some even refuse) to transport goods over the winding road options currently available. The use of this rail system for getting goods to Fort Bragg would certainly lesson the transportation burden on the already overstretched trucking industry. Less trucks congesting the roads into this beautiful City would increase the drive appeal for our tourist friends.

Finally, this project plans on spending upwards of \$22,000,000 on this project; all from a loan that will be paid back with interest. Based on my experience with these types of infrastructure projects, the vast majority of this money would be used for local materials and labor. This is economic sustainability as it puts these dollars right back into our local community. Please, think about your vote this evening. Please consider the Fort Bragg business and tourism industry. Please don't remove a resource that brings nothing but positive to our beautiful corner of this planet.

I graciously ask, for the good of the entire Fort Bragg community, please remove item 5K from tonight's agenda.

Respectfully,

Mark Haydon Facility and QC Manager Geo Aggregates, Inc. 1221 North Main Street Fort Bragg, CA 95437 (707) 354-3077 (Geo Cell) (530) 518-1645 (Personal Cell) mark@geoagg.net Mayor Norvell and City Council Members

In case I cant call in tonight, there is a lot of information that was just put on the city website today regarding this item, and little time to digest it all, the letter from the city and much more in the comments file.

Some general thoughts, the GP mill closed in 2002, and the city still has not finished the rezoning. The fact that someone has come along to purchase it should be no surprise. The city as I recall at one point asked GP to give it to them, and from any fair review of the process, GP has not been treated as a respected partner, far from it. Daylighting the streams, open areas and all that. Almost 20 years of local input and planning processes and no result. No wonder GP wants to put Fort Bragg in its past. I don't blame them at all.

I personally asked the then property manager for GP why did they sell the trail? For the record, I am glad they did, and the city should get the credit for that, but the answer was they felt the City would view them favorably and work with them to do the rezoning. That didn't happen. GP has spent millions in clean up, remember that process? Polanco or some such process.

No matter who purchases the mill site, they will have mountains of studies and regulations to follow.

A question to ask I guess, if the city were to purchase this property as

they have tried. Would the city be in a position to rezone the property in an unbiased manner? Could they if the Skunk train purchased it? As mentioned before, I don't think the city should be in the development market. What has been needed for longer than 2002 is to annex to the East to Monson lane as was once proposed, (yes I own property in that area) infrastructure is mostly there now. Many homes could have been built in the time that has passed waiting for the GP site to be rezoned. But the general plan put the stop to that, partly in thinking that the GP site would be the answer to all things. It hasn't proved to be that even now. I think the city should be very carful in taking this position.

If the department of transportation reached out to the city fine, but going this route has a very bitter feel to it. I think the interests of the citizens should be foremost. I suggest the city council not approve this letter. Let the chips fall where they may.

Paul Clark

| From: | David Figueiredo |
|----------|--|
| То: | Lemos, June; Norvell, Bernie; Morsell-Haye, Jessica; Albin-Smith, Tess; Peters, Lindy; Rafanan, Marcia |
| Subject: | Regarding 5K on 11-22-2021 agenda |
| Date: | Monday, November 22, 2021 3:03:04 PM |

To the Fort Bragg City Council,

I am writing in regards to the counsels opposing views on the Skunk Trains loan to forward the reopening of the skunk train running from Willits to Fort Bragg. I am shocked that our City Counsel would try to stop 21,000,000 dollars from coming into our community for the betterment of our town, especially after such a long two years of being shut down by our government.

I would think that the people running our community counsel would want what is best for our communities financial growth. Not to mention the opportunity for the citizens in this community. I would like to see 5K removed from the agenda tonight and to allow the SkunkTrain to move forward with their business so that they can keep employing people and increase bringing more people to our community

I, as a business owner in downtown Fort Bragg am excited to share our beautiful coast with the many people from all over the world that come to see this outstanding place that we are so lucky to call home.

Regards,

David Figueiredo

| From: | <u>Bill Mann</u> |
|----------|---|
| То: | Norvell, Bernie; Albin-Smith, Tess; Morsell-Haye, Jessica; Peters, Lindy; Rafanan, Marcia; Miller, Tabatha; sarah |
| | mccormick; O"Neal, Chantell; Lemos, June |
| Subject: | CITY OF FORT BRAGG vs. MENDOCINO RAILWAY |
| Date: | Monday, November 22, 2021 4:19:02 PM |

Mayor, Council, Manager, Staff (please add the following for Public Record input before tonight's Council Meeting:

This is to echo large community support for salvaging your ongoing efforts to save the Mill Property from the SKUNK TRAIN land grab.

Please employ whatever legal means necessary to implement the City Plan and Vision outlined in your November 22, 2021 Letter to the Dept. of Transportation. The multi-acre tract of land under discussion is probably the last opportunity for the City of Fort Bragg to develop a true oceanic 'Blue Economy.'

We stand behind your efforts, and we urge you: Do not surrender!

Bill Mann Sue Rogers



Virus-free. <u>https://link.edgepilot.com/s/a9148299/8DgwmdOKAUitgBZAuXDbAw?</u> <u>u=http://www.avast.com/</u>



November 22, 2021

Dear City Council of Fort Bragg:

We are asking item 5K be removed from the consent calendar and for the City of Fort Bragg to not oppose an awesome effort of a local business working tirelessly to ensure a successful future for our town.

We rely heavily on the tourism industry which brings the City, by far, the largest amount of income towards their General Fund paying for staff, Police services, and so much more. To oppose an effort which would cost the city nothing and essentially guarantee Fort Bragg remain a viable and attractive community for locals and visitors for years to come is astonishing, insulting and unnecessary.

I strongly support Mendocino Railway and their ongoing efforts to repair Tunnel 1 along with bridges and rail line which is in need of repair to keep the county's largest and most popular attraction open.

The guests of the Noyo Harbor Inn as well as the dozens of other properties in Fort Bragg benefit greatly from the Skunk Train and the appeal it brings to the area.

The City of Fort Bragg should be nothing less than supportive of something that has been extremely beneficial to the economic health of our community and the services we rely on every day. In fact, each visitor who rides the train spends, on average, over \$150 per day with other businesses in and around town. What kind of town would this be without this economic engine to keep it viable?

Again, remove item 5K and support the efforts of Mendocino Railway as it has done more for the residents, visitors and businesses of Fort Bragg and the Mendocino Coast than anyone could ever realize.

Warm Regards,

Joseph Marino, Owner Noyo Harbor Inn, LLC To the Members of the Fort Bragg City Council,

Do not allow the takeover of the Mill Site by Sierra Energy. Do not concede to the disingenuous premise for the Skunk Train's cahoots with Sierra Energy - or Hart Energy, a mineral and royalty acquisition company, which has no good business as owners of the Mill Site. The presumption, gall, and malevolence of pretending to be a real utility with all its built-in perks and exemptions for zoning and environmental laws should be alarming and cause you to seek legal recourse!

This purchase does not augur well for the city of Fort Bragg, and it happened on your watch.

Open these session so this community has a clearer view into the council's considerations and actions, as well as on-the-record input. Your constituents and those who live on the coast and in Mendocino County deserve better treatment and access to what affects them. In this case what affects them about the Mill Site.

Thank you for your consideration, Linda Rosengarten

Linda Rosengarten 16650 Mitchell Creek Drive Fort Bragg, CA 95437 Hi June,

What gets me is the unilateral nature of the Skunk Train's activities and the lack of checks and balances.

I do not trust what they say at this point. While I believe they should be treated fairly, those who ask for equity should do equity.

Emotions may be running high, but I hope the city's voice is not squelched. I agree with Jacob Patterson's verbal comments during the last meeting tonight and believe they are on point. The city missed an opportunity by not intervening in the eminent domain suit.

The Skunk Train's activities should not be channel for putting other people at risk, such as by neglecting brownfield/toxic soils issues.

The Skunk Train's words do not match their actions as far as I can tell.

Thank you.

Best Regards,

Andrew Jordan Fort Bragg, CA

| From: | john heldstab |
|----------|---|
| То: | Lemos, June |
| Subject: | City Council Meeting Agenda Item 5K Comment |
| Date: | Monday, November 22, 2021 7:57:20 PM |

Hello my name is John Heldstab I am an employee of Mendocino Railway but I would like to speak as a member of the community. I have been a member of this community for the last 26 years of my life. I went through all of the local public school systems, and have worked a number of jobs for businesses within the Fort Bragg area. My wife is a 3rd generation fort Bragg native, born here in our hospital; today we own a home within the city limits and we are raising two children in this wonderful community.

As a child growing up on Pudding Creek Road, the chugging of the steam locomotive and the rumble of the diesel electric locomotive were always familiars sounds that have been ingrained into my core memories. And though I may not know many of the details surrounding the Skunk Train's future plans on the GP land, as far as the Skunk Train's Tunnel #1 goes, I know the basics, that is unusable at this time and has been out of commission for several years. My understanding is that the city is opposed to the Skunk Train's application for a loan to repair the tunnel and other areas within the railroad. It seems to me growth of the railroad by reopening the tunnel would mean more jobs in this area, and more support for working families in this community. It also means more of a reason for folks to visit this area from all over the globe and spend money while they are here. I have friends that own businesses within our community who rely primarily on the dollars of visitors from out of town year after year. With the tunnel reopened, it will mean more people visiting this area, and more people means more money to restaurants, lodging, and grocery stores within our community. To the best of my understanding, I believe that everyone will benefit from the reopening of the tunnel and why the Skunk Train should be allowed to submit their application for a loan on money they plan to pay back. That is my opinion, thank you all for your time.

-John

| From: | Josh Morsell |
|----------|--------------------------------------|
| То: | Lemos, June |
| Subject: | Comment on public record |
| Date: | Monday, November 22, 2021 9:48:35 PM |

Hi June,

I'm writing to enter a comment on the public record in connection to tonight's Fort Bragg City Council meeting: I object to the Skunk Train's land grab of the GP mill site by their claim of eminent domain. I support the City of Fort Bragg's legal challenge to the Skunk Train's claim. I support the City of Fort Bragg's purchase of the GP mill site for the public good, and I support making the land near the mouth of Pudding Creek a state park. Thank you, Josh Morsell

| From: | Nancy Reynolds |
|----------|--------------------------------------|
| To: | Lemos, June |
| Subject: | Skunk takeover |
| Date: | Monday, November 22, 2021 6:05:28 PM |

I have received a flood of emails about the attempted Skunk takeover of the Ft Bragg mill site and Pudding Creek watershed. Until a few days ago I had heard nothing about this issue. A friend provided me with a copy of The Little Stinker whose proposal looks quite advanced and potentially interesting. However who is funding this project? Where will the water come from to supply it? How many more people will our local infrastructure need to support? Is our city government involved and does it have jurisdiction over zoning? I would like to see this process unfold in the light of public discussion. It seems that much has been arranged in secret. A major development as this needs to be done with Community/city support.

Nancy Reynolds