

Attachment 3

Statement of Work

Southern Rail Corridor, MN – Feasibility and Alternative Analysis Study

Background

On December 16, 2009, Congress directed funds under the Rail Line Relocation and Improvement program for the Southern Rail Corridor project. The Southern Rail Corridor (SRC) is a freight rail relocation project proposed by the Olmsted County Regional Railroad Authority (OCRRA) to evaluate the potential to relocate an existing Canadian Pacific/Dakota, Minnesota, and Eastern freight rail line around the City of Rochester, Minnesota to accommodate a potential increase in train traffic and address safety concerns associated with the current route through the city's downtown. The Minnesota Department of Transportation (Mn/DOT) has been designated as the grantee of these funds.

Originally constructed by the Chicago and Northwestern Railroad in the 1860's, the rail line traveling through Rochester is now operated by the Dakota, Minnesota and Eastern Railroad (DM&E), a fully owned subsidiary of the Canadian Pacific Railway system (CP). The line is presently a freight-only route hosting an average of three trains per day on a single track, with all in-town road crossings at grade. The route has a limited number of customers adjacent to or in the City of Rochester, including the local electric utility and the Mayo Clinic power plant. Passenger service, until its discontinuance in 1963, was part of a major passenger route for the railroad and offered direct access to the Mayo Clinic.

In February 1998, the DM&E filed an application with the Federal Surface Transportation Board (STB) to construct and operate 281 miles of rail line into the Powder River Basin (PRB) coalfields of Wyoming and to significantly upgrade its existing rail line from South Dakota to Minnesota City, MN. It received Federal approval in 2002. A primary route from the Wyoming coal mines to the eastern coal markets runs through the center of Rochester, Minnesota. This was projected to generate as many as 30 one mile long loaded and empty unit coal trains/day through Rochester on the current route. Operation of the DM&E rail line, and the coal train project, has over time raised various safety and security concerns with the residents of Rochester due to its proximity to residential, commercial and medical facilities.

Ongoing concerns and interest prompted a partnership of the OCRRA, the City of Rochester, the Mayo Clinic, and the Rochester Area Chamber of Commerce to explore the concept of future feasible route alternatives, which included the commissioning of studies delineating regional issues, a high level assessment of the current route, conceptual development for a proposed Southern Rail Corridor (SRC) bypass, and a round of City-sponsored open houses. The findings of these studies provided the technical foundation for requesting federal funding assistance for future analytical and environmental studies.

Project Description

This Grant is intended to advance the study of rail traffic impacts in and around Rochester and the reasonable and feasible characteristics of route alternatives, including a bypass around Rochester, MN, through completion of an initial environmental analysis of the alternatives. The Grantee will complete a series of technical reports and analyses that can be included in environmental documentation as part of the NEPA-compliant environmental review process for any proposed bypass and will result in the milestones indicated below.

1. Scoping:

Scoping which will be conducted in coordination with FRA will include:

- Development of a purpose and need statement
- Identification of the corridor study area
- Holding scoping meetings with the public, stakeholders, and other agencies
- Preparation of a scoping report.

2. Feasibility Study/Initial Alternatives Analysis:

Evaluation criteria will be developed and applied to identify all reasonable alternatives, including the “no-build/action alternative.” The criteria will address:

- The purpose and need for the action, including scenarios of varied possible/ potential rail traffic levels based on industry trends and passenger rail planning
- Engineering feasibility and conceptual costs
- Environmental consequences of action alternatives.

All reasonable alternatives that avoid or minimize adverse effects on the environment will be evaluated. The alternatives will be evaluated comprehensively to identify those to be addressed in any EIS to follow. An alternatives selection report will be prepared.

Project Task Summary

This feasibility study project will include the following project tasks:

- Task 1: Scoping
- Task 2: Feasibility and Initial Alternatives Analysis

Project tasks are described in further detail below:

Task 1: Scoping

Detailed scoping of the project will be developed as a first stage of the study process. Project budgets, timelines, management plans, and advisory committee makeup and charters are to be developed in partnership with the consultant and project partners. A full and clear description of methodology and goals will be produced for public review and reference.

Agency Coordination and Implementation of public outreach plan, including the development of a Public Involvement Plan; will include the following:

- Seek ongoing participation from CP/DM&E, as well as public participation through education and outreach.
- Provide opportunities for public input and comment throughout the study period, including preparation of and consistent adherence to a published timeline of public forums and advisory committees, comment periods, and other events including public review of final reports appropriate to a fully open and participative public process.
- Encourage public participation during the project from local governments, including Dodge County Regional Railroad Authority, City of Rochester, Olmsted County, municipalities, townships, and other entities and organizations that would be impacted by or have expressed interest in the project.
- Public involvement, and agency and stakeholder coordination, will comply with Mn/DOT’s “Hear Every Voice” guidance.

Task 1: Deliverables

- Detailed Scope of Work (Task 1a)
- Purpose and Need Statement (Task 1a)
- Public Involvement Plan (Task 1b)

Task 2: Complete a Feasibility Study/Initial Analysis of Alternatives

The grantee, in coordination with FRA, will:

- Prepare the feasibility study to initiate the environmental review process for the project with guidance from Mn/DOT and FRA. The resulting document will become part of future environmental documentation.
- The feasibility study will include:
 - Analysis of potential future levels of traffic, including commercial trends in rail-served industries and proposed passenger rail.
 - Analysis of No Build option with and without increased freight and passenger rail traffic.
 - Analysis of mitigation of the current route through Rochester with and without increased freight and passenger rail traffic.
 - Analysis of proposed Southern Rail Corridor (SRC) alternative.
 - Analysis of all reasonable alternative freight bypass routes.

Task 2: Deliverables

- Feasibility Report (Task 2a)
- Initial Alternatives Analysis Report (Task 2b)

Project Location

The SRC is located in Olmsted and Dodge Counties, Minnesota. The existing railroad route and alternate routes within the corridor will be considered during the feasibility study. Public participation and outreach will be conducted, which will include all alternatives analyzed. This will be accomplished with input from the FRA, as part of the project, to engage and inform all interested and impacted parties in both Dodge and Olmsted Counties.

Project Schedule

The period of performance for the above work shall begin October 1, 2011 and end October 31, 2012. A preliminary project schedule for the consultant, approximately 12 months to completion of study, is presented below:

Task 1: Develop Scoping, including the Purpose and Need Statement

Task 2: Conduct Feasibility/Initial Alternative Analysis Study

All tasks, events, and milestones associated with the Study shall be included in the detailed Project Schedule and reflected in the public outreach timeline.

Project Budget

FRA (89.9999 % of project cost):	\$	487,000
<u>Grantee Contribution* (10.0001% of project cost):</u>	<u>\$</u>	<u>54,112</u>
Total Project Cost:	\$	541,112

*Grantee contribution provided locally by OCRAA

Project Coordination

As Grantee, Mn/DOT will provide overall project oversight and fulfill grant administration and reporting requirements in accordance with FRA and Mn/DOT requirements. Mn/DOT will prepare and implement a grant agreement with OCRRA, as sub-grantee, to conduct and coordinate specific project tasks. Under that agreement, OCRRA will provide project management activities. Mn/DOT will maintain coordination with FRA throughout the project. FRA retains the right to audit or inspect all documentation and planning work. OCRAA, in consultation with Mn/DOT and FRA, shall perform all tasks required for the project, through a coordinated and transparent process, including all railroad owners, operators and funding partners.

Grantee

- Mn/DOT

Railroad Owner and Operator

- Canadian Pacific (DM&E)

Funding Partners

- FRA
- Olmsted County Regional Railroad Authority

Project Management

Project management and coordination will be provided and funded by Olmsted County Regional Railroad Authority (OCRRA) under a grant agreement with Mn/DOT. Project management activities will not be paid for with Federal funds. Under this agreement, FRA will participate in the project, as described in this Statement of Work, through review and approval of the task deliverables. Mn/DOT's team will be led by a project manager, chief environmental officer, and transportation planning experts. The MN/DOT Project Manager will lead the project and be the project liaison to FRA. Oversight of any consultants will be conducted by OCRRA. Mn/DOT will handle all federal progress reporting requirements.

Deliverables

The Grantee will submit **quarterly reports** summarizing project under the Project to date, effective the date of the grant agreement.

The Grantee will submit a final report by **October 31, 2012**.