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Illinois Department of
Natural Resources

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Bruce Rauner, Governor
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Director

September 21, 2018

Ms. Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W., Room #100
Washington, D.C. 20423-0001

RE:STB Docket No. AB-33 (Sub-No. 262X) — Union Pacific Railroad Company Abandonment and
Discontinuance of the Elm Industrial Lead in Fulton and Peoria Counties, Illinois

Dear Ms. Brown:

On July 21, 2008, the Illinois Department of Natural Resources filed a request for Public Use Condition and a request for Interim Trail Use Condition (NITU) for approximately 24.7 miles of railroad between milepost 461.5 near Middle Grove and milepost 486.2 at Molitor Junction, in Fulton and Peoria Counties. By Order dated November 13, 2008, the Board granted the request to implement interim trail use and to permit public use negotiations as specifically set forth in the Order, for a period of 180 days commencing from November 13, 2008, and ending on May 12, 2009. On May 9, 2009, the Department filed a request for a 180 day extension, and by Order dated May 11, 2009, the request was so granted, extending the negotiating period from May 12, 2009, to November 8, 2009. On November 2, 2009, the Department filed a request for an additional 180-day extension, and by Order dated November 24, 2009, the request was so granted, thus extending the negotiating period from November 8, 2009, to May 10, 2010. The Department filed a request for an additional 180-day extension, and by Order dated May 17, 2010, the request was so granted, extending the negotiating period from May 10, 2010, to November 12, 2010. The Department filed a request for an additional 180-day extension, and by late Order dated December 14, 2010, the request was so granted, extending the negotiating period from November 12, 2010, until May 13, 2011. The Department filed a request for an additional 180-day extension, and by late Order Dated June 17, 2011, the request was so granted, thus extending the negotiating period from May 13, 2011, until November 13, 2011. The Department filed a request for an additional 180-day extension, and by Order dated November 9, 2011, the request was so granted, thus extending the negotiating period from November 13, 2011, until May 11, 2012. The Department filed a request for an additional 180-day extension, and by Order dated April 11, 2012, the request was granted, thus extending the negotiating period from May 11, 2012, until November 13, 2012. The Department filed a request for an additional 180-day extension, and by Order dated April 26, 2013, this was granted, extending the negotiating period from May 6, 2013, until November 6, 2013. The

Department filed a request for an additional 180-day extension and by Order dated October 17, 2013, that request was granted, extending the negotiating period from November 6, 2013, until May 1, 2014. The Department filed a request for an additional 180-day extension, and by Order dated April 16, 2014, the request was so granted, thus extending the negotiating period from May 1, 2014, to October 28, 2014. The Department filed a request for an additional 180 extension, and by Order dated August 19, 2014, this request was granted, extending the negotiating period from October 28, 2014, to April 26, 2015. The Department filed a request for an additional 180-day extension, and by Order dated April 16, 2015, the request was granted thus extending the negotiating period from April 26, 2015, to October 23, 2015. On October 15, 2015, the Department filed a request for an additional 180 extension, and by Order dated October 30, 2015, the request was granted, thus extending the negotiation period from October 23, 2015, to April 20, 2016. The Department filed a request for an additional 180-day extension, and by Order dated April 21, 2016, this request was granted, extending the negotiation period from April 20, 2016, to October 17, 2016. On September 19, 2016, the Department filed a request for an additional 180-day extension period, and in an Order dated October 14, 2016, the request was granted and the negotiation period was extended from October 17, 2016, to April 15, 2017. On March 24, 2017, the Department filed a request for an additional 180-day extension period, and in an Order dated April 7, 2017, the request was granted and the negotiation period was extended from April 15, 2017, to October 12, 2017. On September 14, 2017, the Department filed a request for an additional 180-day extension period, and in an Order dated September 29, 2017, the request was granted and the negotiation period was extended from October 12, 2017 to April 10, 2018. On March 26, 2018, the Department filed a request for an additional 180-day extension period, and in an Order dated April 25, 2018, the request was granted and the negotiation period was extended from April 10, 2018, to October 7, 2018, but with a condition requesting additional information.

Specifically, the Board requested as follows: "...IDNR will be required to describe in detail (1) the progress of its negotiations with UP since the last extension was granted, (2) the specific actions still needed to be taken before an agreement can be reached (including when those actions are expected to be completed), and (3) when (assuming the parties' further negotiations are successful) it expects an agreement with UP to be finalized."

This negotiation involves the Department, as well as the Hanna City Trail Coalition and Union Pacific. There have been some recent changes within UP as to the personnel assigned to this matter, as the attorney previously assigned has retired, and the Coalition has been engaged in reorganization of its structure. During this most recent negotiation extension, the Department has requested UP consider alternative acquisition strategies, and the Department is currently awaiting a response. Specific actions that must still be completed include appraisal updates, intergovernmental agreements with the Coalition, and final funding mechanisms. Appraisals are projected to take between three and nine months. The intergovernmental agreements and final funding mechanisms should take between two to three months. The Department estimates that negotiations should be finalized within one to one and a half years with traditional methods; however, if UP is amenable to one or more alternative acquisition methods, that period might be shortened to as little as three months. The Department will provide further information on these topics if requested.

The Department continues to work with local partner jurisdictions in an effort to satisfy our negotiating needs. However additional time to research and conduct various aspects of valuation is required with review by Union Pacific Rail Corporation and to coordinate with the coalition on specific issues. We do not believe that the parties will be able to finalize negotiations by the end date of the Order. Therefore, the Department respectfully requests the Board grant a 180-day extension until April 5th, 2019, or such time so indicated by the Board.

It is my understanding that the filing fee of \$450.00 is waived for state agencies requesting extension of NITU negotiations as to STB Docket No. AB-33 (Sub-No. 262X), Union Pacific Railroad Company. Please date stamp a copy of this letter and return it to the IDNR.

Thank you for your consideration of this request, and please contact me should you have any questions or concerns.

Very Truly Yours,



Javonna Ackerman
IDNR Staff Counsel

cc: Jeremy M. Berman, Union Pacific Railroad
Jason Sokolewicz, Union Pacific Railroad
George Bellovics, IDNR
Richard Welsh, NARPO