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STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



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November 26, 2018

246819

ENTERED
Office of Proceedings
November 28, 2018
Part of
Public Record

Ms. Cynthia Brown
Chief, Section of Administration Surface Transportation Board Office of Proceedings
395 E Street, SW
Washington, DC 20423

SUBJECT: Docket No. AB 1107 X West Michigan Railroad

Dear Ms. Brown:

In response to the letter dated November 8, 2018, from the National Association of Reversionary Property Owners (NARPO), the Michigan Department of Natural Resources (DNR) takes the responsibility for preserving railroad corridors as interim trails very seriously. It is good for Michigan's economy, and not just from the dollars generated through tourism. As an example, the DNR participated in the successful reactivation of a portion of one such railbanked corridor for a mining venture in the central Upper Peninsula (see STB Decision: September 13, 2012, Docket No. AB 68 (Sub-No. 4X)). Further, the DNR is just now entering discussions that might lead to the reactivation of the remainder of that corridor.

Relative to Docket No. AB 1107 X, the DNR, having now made an offer to purchase to the current owners of the West Michigan Railroad Company (WMRR), feels that an extension to the Notice of Interim Trail Use (NITU) is justified:

- 1) to allow time to resolve several issues important to WMRR prior to accepting the terms of the DNR's offer; and,
- 2) to allow time to go through the DNR's approval process which involves public notification and placing the transaction on the agenda of the Natural Resources Commission.

Though getting to the point of making an offer has not been easy, working with the current owners of WMRR has been a breath of fresh air. The previous owners were not very helpful, not just to the DNR, but also to the new owners. The DNR's discussions with the previous owners went silent for an extended period. When it finally came to light that the corridor had been sold, we were soon to discover that the new owners were not provided the basic information to the corridor they purchased. This included such things as track maps and copies of the original deeds.

For the DNR to conduct its due diligence, the need for a copy of the corridor track maps was imperative. In this instance, it required a DNR employee to go to the National Archives at College Park, Maryland, to secure copies of the appropriate track maps. Once in hand, the maps allowed the DNR to identify the

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liber and page to the deeds required to be pulled from the county Register-of-Deeds Office for analysis. This lack of basic information was also problematic in determining a value for the corridor. That work could not start until an analysis of what the WMRR owned had been completed.

In addition, funding to purchase the easement needed to be secured through the Michigan Natural Resources Trust Fund program, which takes over a year from application to award.

The current owners are actively seeking new shippers along the corridor. The WMRR fully intends to reactivate segments of the corridor as they become economically viable. The DNR applauds these efforts, and negotiations with WMRR have included discussions that the reactivated corridor will allow for both rail and trail activities where possible. Except, between Mileposts 25.1 and 26.5. Here, the previous owners of the WMRR sold the corridor, but that sale was made,

"...in recognition of the rail restoration provision in trail use agreements, the sale agreement covering that portion of the line included a provision for the re-acquisition of the property by WMI, which would allow for restored rail service for the portion of the Line east of Milepost 26.5. In response, the NITU negotiating period was extended for 180 days..."

- STB Decision and Notice of Interim Trail Use or Abandonment, June 6, 2014

In closing, the DNR has put a lot of effort toward preserving this corridor. The DNR has made an offer to purchase, and the DNR reiterates the request for an extension of 180 days from the Surface Transportation Board to finalize a transaction with the West Michigan Railroad Company, over the line (1) between mileposts 19.88 and 25.1, and (2) between mileposts 26.5 and 30.2 in Van Buren County, MI.

Sincerely,



Matt Lincoln, Grants Coordinator
DNR Parks and Recreation
517-284-6111

cc: Mr. Roger Storm, FOD
Mr. Paul Yauk, PRD
Ms. Jill Sell, PRD
Ms. Audrey L. Brodrick, West Michigan Railroad Co.
Mr. Dick Welsh, National Association of Reversionary Property Owners