

SERVICE DATE – APRIL 10, 2019

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36187

PASSAIC STREET PROPERTIES, LLC—ACQUISITION AND OPERATION
EXEMPTION—NEW YORK & GREENWOOD LAKE RAILWAY

Decided: April 9, 2019

On May 2, 2018, Passaic Street Properties, LLC (PSP), a noncarrier, filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire and operate approximately 1.75 miles of rail line, known as the Dundee Spur, extending from milepost 0.0 in Garfield, N.J., to milepost 1.75 in Passaic, N.J. (the Line). PSP stated that it has already purchased the track and land, after the Internal Revenue Service put the property up for bid because New York & Greenwood Lake Railway, Inc. (NYGL), failed to pay federal income taxes. PSP stated that, upon obtaining acquisition and operating authority, it intends to file for abandonment to develop the property for housing, other non-industrial uses, and a park area.

On May 10, 2018, NYGL filed a petition to reject PSP's verified notice on grounds that the transaction is controversial and that the verified notice contains materially false and misleading information, to which PSP responded. After imposing a housekeeping stay and receiving additional filings on NYGL's petition, the Board ultimately rejected PSP's verified notice in part and dismissed it in part on July 18, 2018.

Thereafter, PSP sought reconsideration and/or clarification, but on February 6, 2019, PSP informed the Board that PSP and NYGL reached an agreement in principle to resolve this matter. In its February 6 letter, PSP stated that the parties expect NYGL to file a notice of exemption to abandon the Line, and that PSP expects that its pending request for reconsideration and/or clarification accordingly will be moot.

To update the Board on the parties' progress on their agreement, PSP and NYGL will be directed to file a status update no later than April 22, 2019.

It is ordered:

1. PSP and NYGL are directed to file a status update no later than April 22, 2019.
2. This decision is effective on its service date.

By the Board, Allison C. Davis, Acting Director, Office of Proceedings.