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ILLINOIS PRAIRIE RAILROAD FOUNDATION
IPRRF



November 13, 2006

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N. W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

RE: Docket numbers: FD - 34917 (CIRY Alternative Rail Service)
AB - 1066 (CIRY Abandonment)
AB - 878 (CIRY Abandonment)

218087
218086
218080

This letter is addressed to you regarding the Trails vs. Rails issue in Peoria, IL, involving what is known as the Kellar Branch.

I am the president of the Illinois Prairie Railroad Foundation and we have been working on this project since the beginning, when the city of Peoria gave the Peoria Park District permission to turn the Kellar Branch railroad line into a trail before pursuing the proper sequence of affairs to allow this to happen. The Kellar Branch was at the time a working railroad line.

We have done extensive investigation into the situation and do believe and can support the fact that the trail and rail line can share a joint right-of-way. Very little of the trail would have to be moved over a block or two along the way to accommodate it. The actual length of the rail line is 8.29 miles and the trail advocates want less than four miles of that.

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At this point in time there is one business left on the Kellar Branch located in what is known as Pioneer Industrial Park. It is being served by CIRY (Central Illinois Railway). This company is not serving the user (Carver Lumber Co.) properly and the customer has incurred a lot of transloading fees, along with other problems. CIRY does not deliver on a regular basis thus interfering with Carver's business and affecting its bottom line. They (CIRY) have let it be known that they do not want to serve Carver on what is now called the West End Line that connects with UP. The cost of using CIRY for service has put Carver in a tenuous financial position and may force it out of business or to move from Peoria. There are 50 people employed by this company and they and their families will be drastically affected. There are approximately 200 people that will be affected. Their livelihood will be lost and the city will lose the tax base and the customers will lose a much used and needed business that has been here in this community paying taxes and employing people for 60 years.

A simple solution to the problem is to reinstate PIRY as the operator the Kellar Branch and build the trail alongside the rail line. It can be done and would solve the problem for everyone, which is the true definition of a "win-win" situation. Pioneer Railcorp has offered to assist in the building of the trail alongside the rail line if allowed a long-term lease or even purchase of it.

We have been in touch with the Park District in the past and they said that their engineering research said that the trail could not be built along side the rail line. We asked them for copies of this study and they couldn't find them. This was several years ago. Recently, we asked for a copy of this study and they still said they couldn't find it. In effect, they are refusing to produce this document and yet are continuing to say that the trail and rail line can't co-exist. We have proof that it is being done in other areas in the state and in fact is being done right here in Peoria on the riverfront. The same trail and rail run side-by-side right down Water St., in Peoria, IL, having done so for several years with a fence separating the two.

We are also working with a number of groups in the area to use the Kellar Branch for a park-n-ride trolley for use as a tourist draw and also to provide commuter rail service if deemed feasible by the community. Along with its continuing use for rail freight service, the Kellar Branch right-of-way would provide three different functions.

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This would be beneficial for all of Peoria and not just for a select few. It will increase economic development in the area and also assist in increasing the local tax base.

We are building a \$65 million museum along Peoria's downtown riverfront fronting a railroad mainline. This line also connects to the Kellar Branch and can be very beneficial to the tourism of Peoria and the new museum. Given the opportunity for economic development, tourism, and competitive rail service, it's imperative that the Kellar Branch be preserved as a rail corridor.

Carver Lumber has been a good citizen to the City of Peoria for many years. They have produced services and goods for this community and have employed dozens and dozens of people over the years. It would be a shame for them to be forced out of business because of the short sightedness of local officials. Not only will keeping the Kellar Branch as a freight line help Carver, but if it is reinstated, other businesses will then move into the area because they will be assured of rail service.

This rail service will be subject to competition of several rail lines that serve Peoria, whereas the "western connection" only connects to UP, which has no competition and therefore has total control of rates and service. At this point they are charging Carver nearly twice the amount it originally paid per car as when they used the Kellar Branch. Many businesses have not come to the area because of the uncertainty over whether rail service would be available and that the lack of competitive rail access has given an advantage to other communities in the region.

If cooler heads will prevail over this problem, and joint-use of the railroad right-of-way is allowed, then everyone can win. No segment of the local population will be left out.

Nearly a decade ago, a previous city council made the decision to convert the Kellar Branch to a hiking and biking trail, failing to use the proper process before the Surface Transportation Board. We do believe that the existing city council desires to do what is right and beneficial to the entire community.

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Nearly a decade ago, a previous city council made the decision to convert the Kellar Branch to a hiking and biking trail, failing to use the proper process before the Surface Transportation Board. We do believe that the existing city council desires to do what is right and beneficial to the entire community.

Technically there are two users of the Kellar Branch at this time - O'Brien Steel and Carver Lumber. O'Brien Steel is on the south end of the track where it connects to the Tazewell & Peoria Railroad (TZPR) and therefore is not affected by the closure of the Kellar Branch.

Carver Lumber, however, is being forced to use an inefficient, slow and much more costly "western connection" for rail service, and thus is deeply affected by the closure, financially, since their costs have nearly doubled, not including the \$41,000 in transloading fees they had to absorb because the Kellar Branch was closed and the western connection was not yet opened, forcing them to use trucking to receive their materials. The city of Peoria had promised them in writing that they would receive comparable service and rates if they would agree to go with the western connection. Carver went along with the city's promises and ended up with no rail service for a time and transloading fees which no one has seen fit to reimburse since the city's written promises were broken.

We are enclosing several copies of articles from the local newspaper the Journal Star. These show the past users of the Kellar Branch and include Carver Lumber Co. Another article is the Industrial Directory showing the other companies formerly serviced by the Kellar Branch as far back as 1971, as per this directory.

The potential future use of this line is for freight starting with Carver Lumber Co., and other companies that can and will buy the old Cohen Furniture Company location on the Kellar Branch in Peoria Heights, and any other companies that will come into Pioneer Industrial Park and into Growth Cell Two that was especially built for attracting manufacturing companies that need rail service. If the Kellar Branch is restored to service, Peoria's only greenfield zoned for industrial development will finally be competitive with others in the region. This promotes business and economic development to the area and increased tax base for the community and employment.

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We are also looking at "park-n-ride" along the Kellar Branch. Many people live out of the city and come in town to work every day. According to IDOT statistics, 29,817 come into Peoria to work everyday. We are the type of community that has a lot of small suburbs on the outskirts, thus allowing people to "live in the country" and work in the city. Those using the park-n-ride, would leave their vehicles in secure lots along the line, board the trolley and ride downtown to the riverfront and disembark and get on a city run bus line, which would deliver them to their various places of employment. This would free up the traffic on the downtown streets of Peoria, which are undergoing problems at this time. It would also reduce emissions by cutting vehicular traffic and there would be money saved from not having to build more parking decks and surface lots downtown. At this time leaving a parking deck in downtown Peoria at 5 p.m. in the afternoon is a horrendous chore. Another thing the park-n-ride would do is promote entrepreneurship by allowing a company to create enclosed trolley stops which would market newspapers, coffee, etc., at each stop. The drivers of the vehicles would not have to negotiate the stop and go traffic all the way through town, and still would leave them within the city limits after work so they could go shopping, to dinner or some other event in the city.

The trolley is also slated to be used as a tourism addition to the new museum being built on the riverfront and the newly-remodeled civic center just four blocks from the riverfront and the newly built O'Brien Ball Field also just three blocks from the rail line. Tourism dollars are among the largest dollars spent in the United States, but they only count if the tourist stays overnight. Then they visit the museum, ride the trolley, go to an event at the civic center or to the ball field, stay overnight in a hotel, have meals, buy gas and shop. This is Tourism dollars that add to our community and increase economic development.

The trolley will also be used for rental to corporate businesses for meetings, weddings, retirement parties, etc. The Trolley itself can be obtained by Economic Development Grants without cost to the city, but it has to have the Kellar Branch open to run on.

The second and definitely the highest dollar spent in the country is advertising. Marketing people tell us that advertisers love having the trolley and its park n ride stop stations to advertise in.

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It's what they call a "captive" audience They can use inside billboards as you have seen on busses. They can use LED signs and monitors both in the trolley and the station stop. They can change their ads daily if they wish and this gives them a much bigger market. These advertising dollars along with small user fees from passengers are what will pay for the maintenance of the trolley and the line. This along with the efforts and money from the freight rail user will maintain the track and no one company will bear all of the burden and it will bring money to the city coffers and not take money from it.

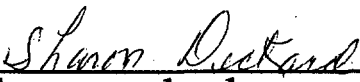
So with freight, park-n-ride trolley, tourism use and business rental and advertisers income this is a major impact on the Peoria community.

And the biggest bonus of all is that the freight, trolley and the trail can run side-by-side, and thus everybody from all segments of the community wins.

We appreciate your taking the time to read this letter and hope that it may help you to understand a little better what a problem we have here. Most of it is the "me, me" situation; Everyone wants their pet project and can't think out of the box to include everyone.

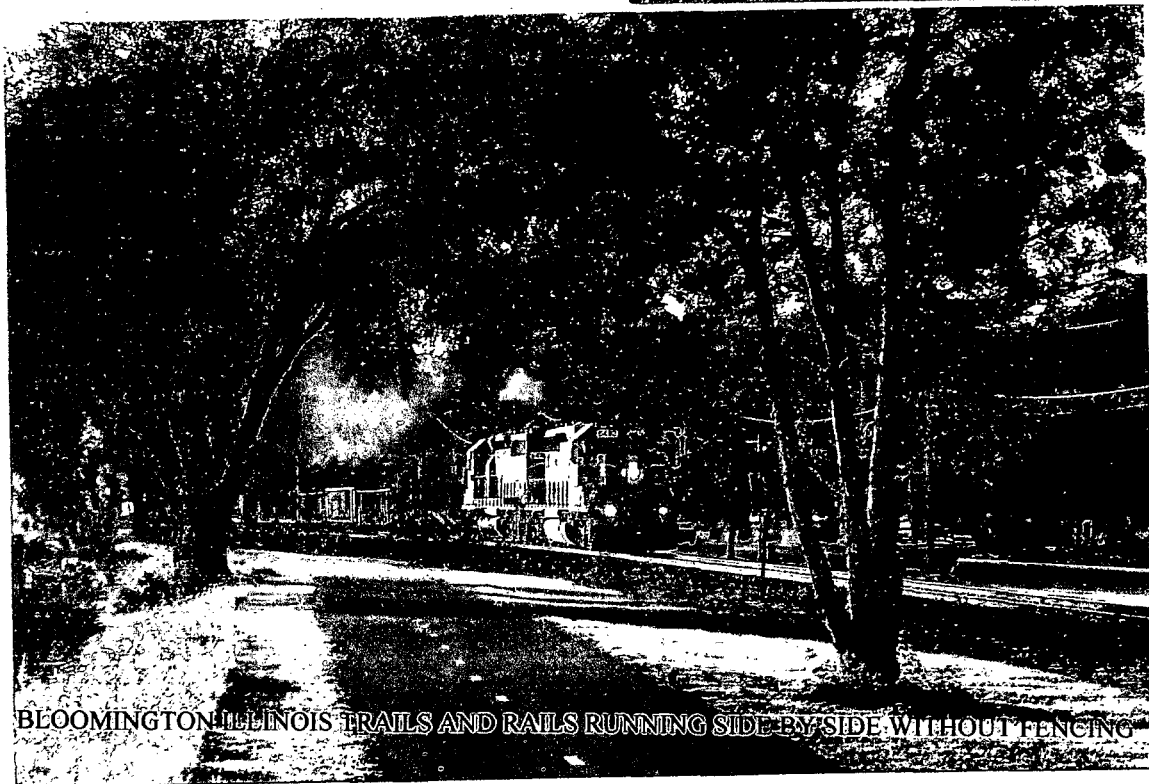
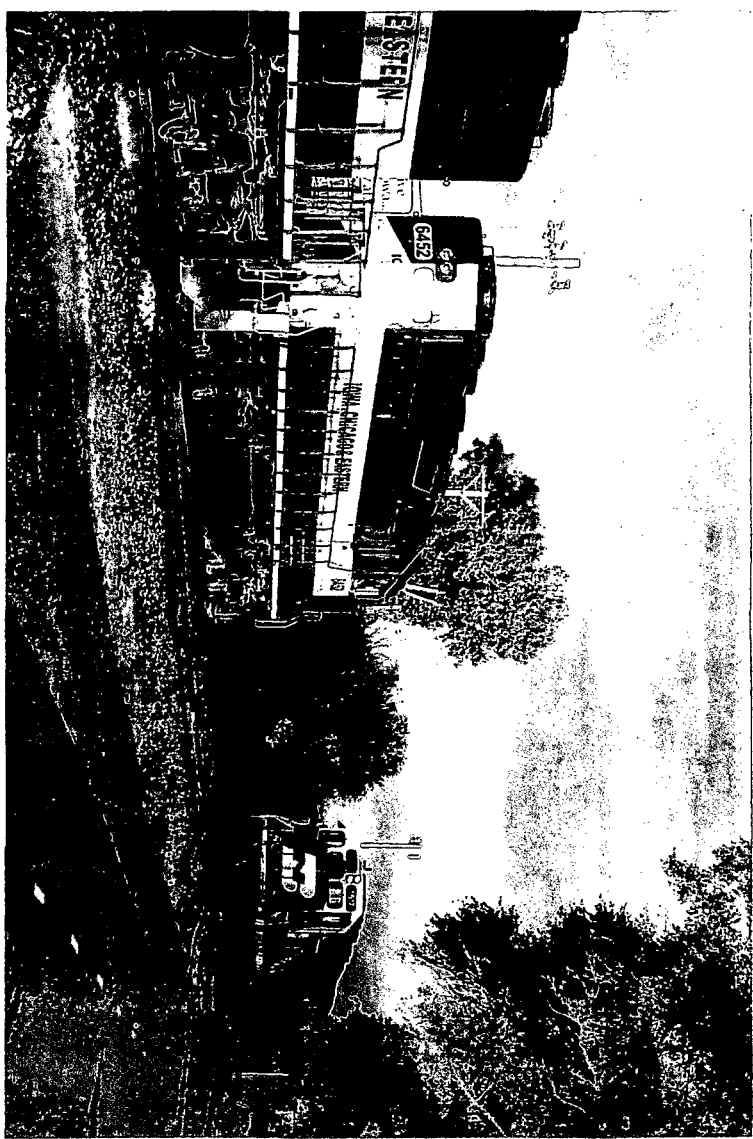
Attached are signatures of those who feel that this win-win situation for the Kellar Branch will benefit the community and keep the Kellar Branch alive and well and productive

Sincerely

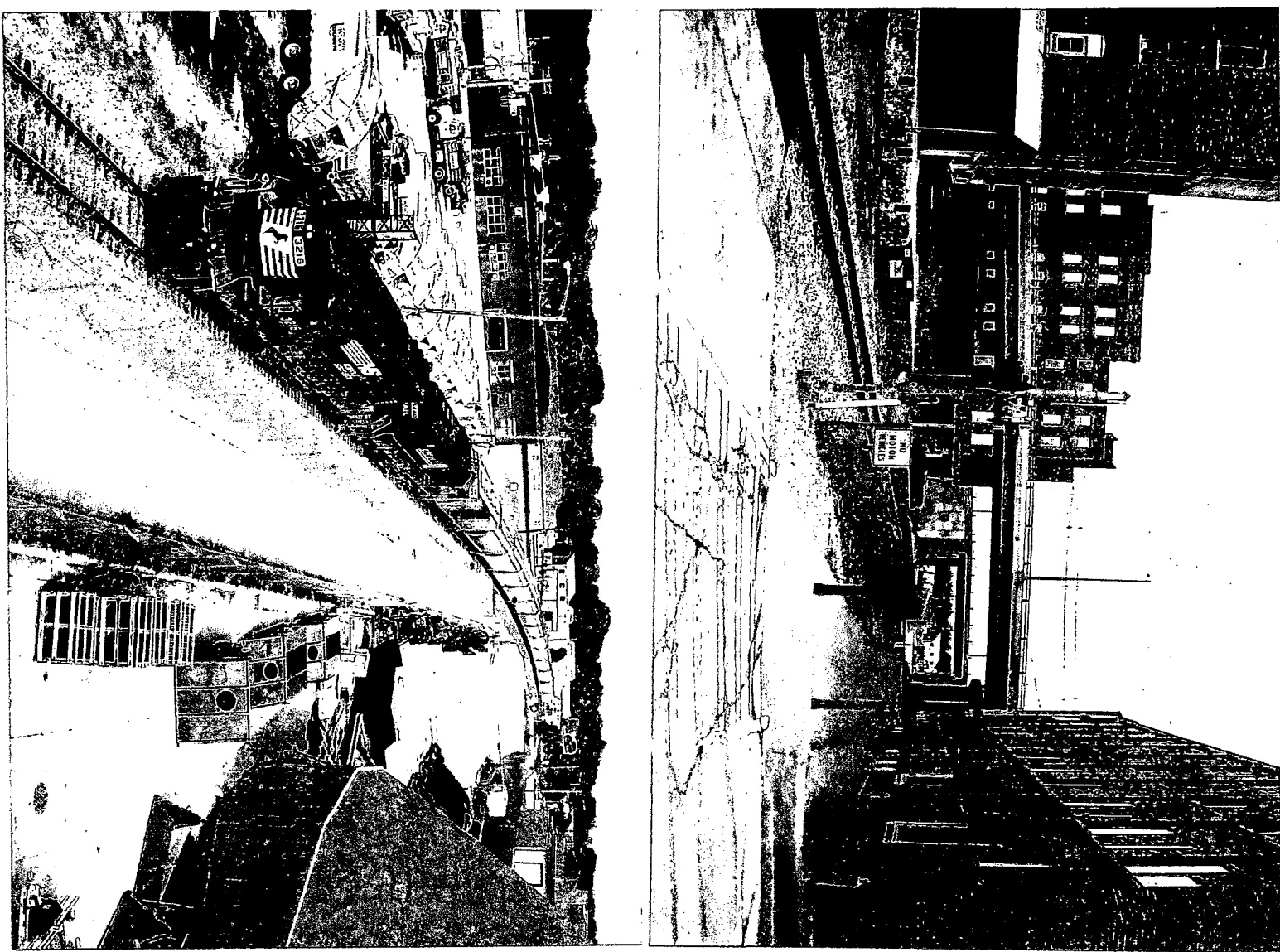

Sharon Deckard

Enclosures: Articles from the Journal Star regarding the Kellar Branch
Signatures of interested parties. Pictures of rails and trails
Cc: CIRY, PIRY, Carver Lumber, Peoria Park District,
RTA, Peoria City Council, Peoria County Board, UPRR

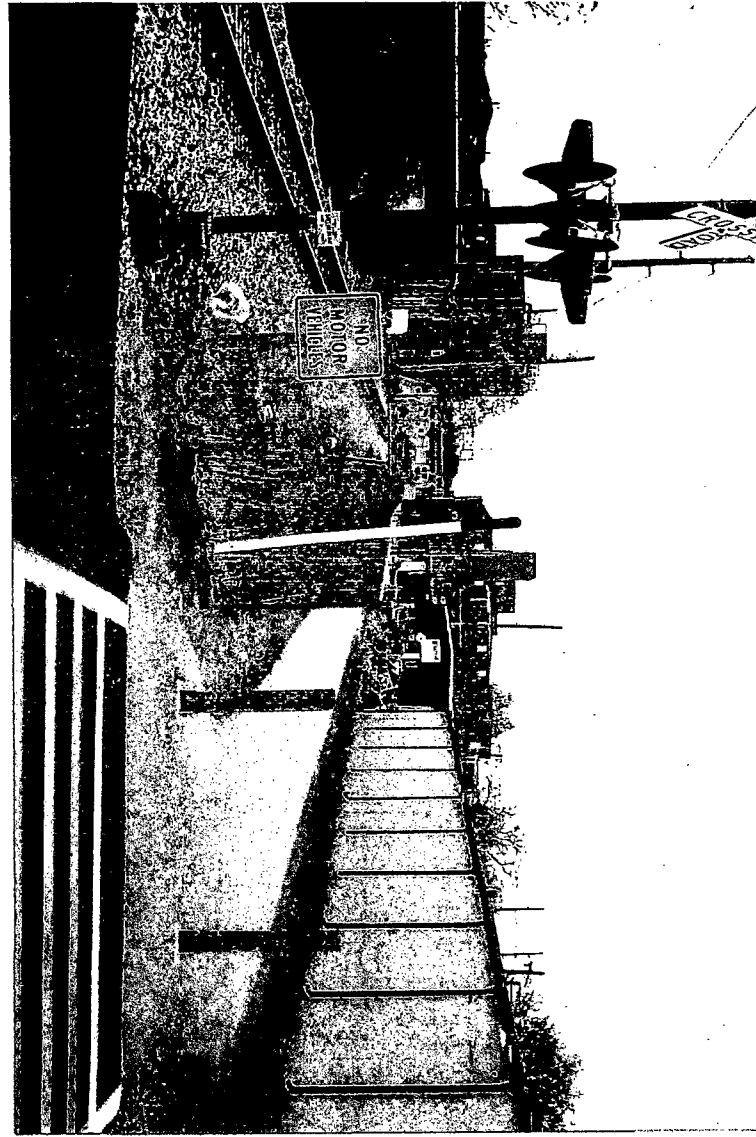
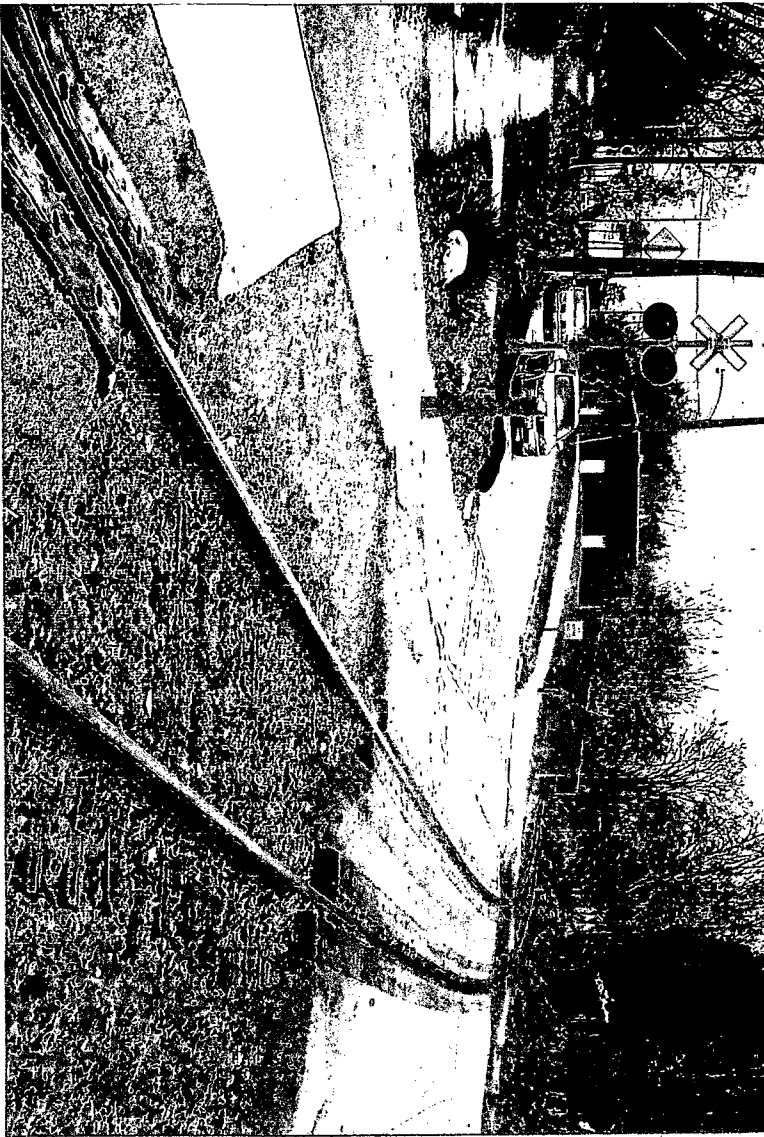
Sharon Deckard, 3124 W. Farmington Rd. Peoria, IL 61604
309-687-3513 sha_dec@msn.com



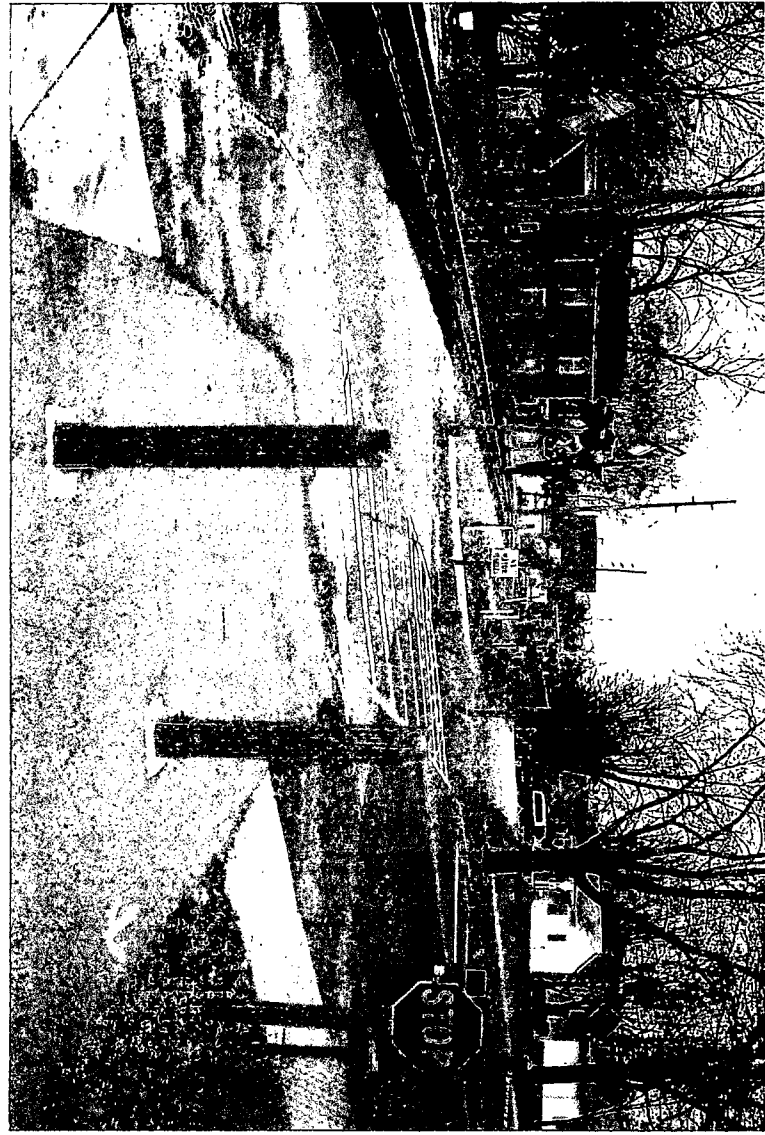
BLOOMINGTON ILLINOIS TRAILS AND RAILS RUNNING SIDE BY SIDE WITHOUT FENCING



BLOOMINGTON ILLINOIS TRAILS AND RAILS RUNNING SIDE BY SIDE WITHOUT FENCING



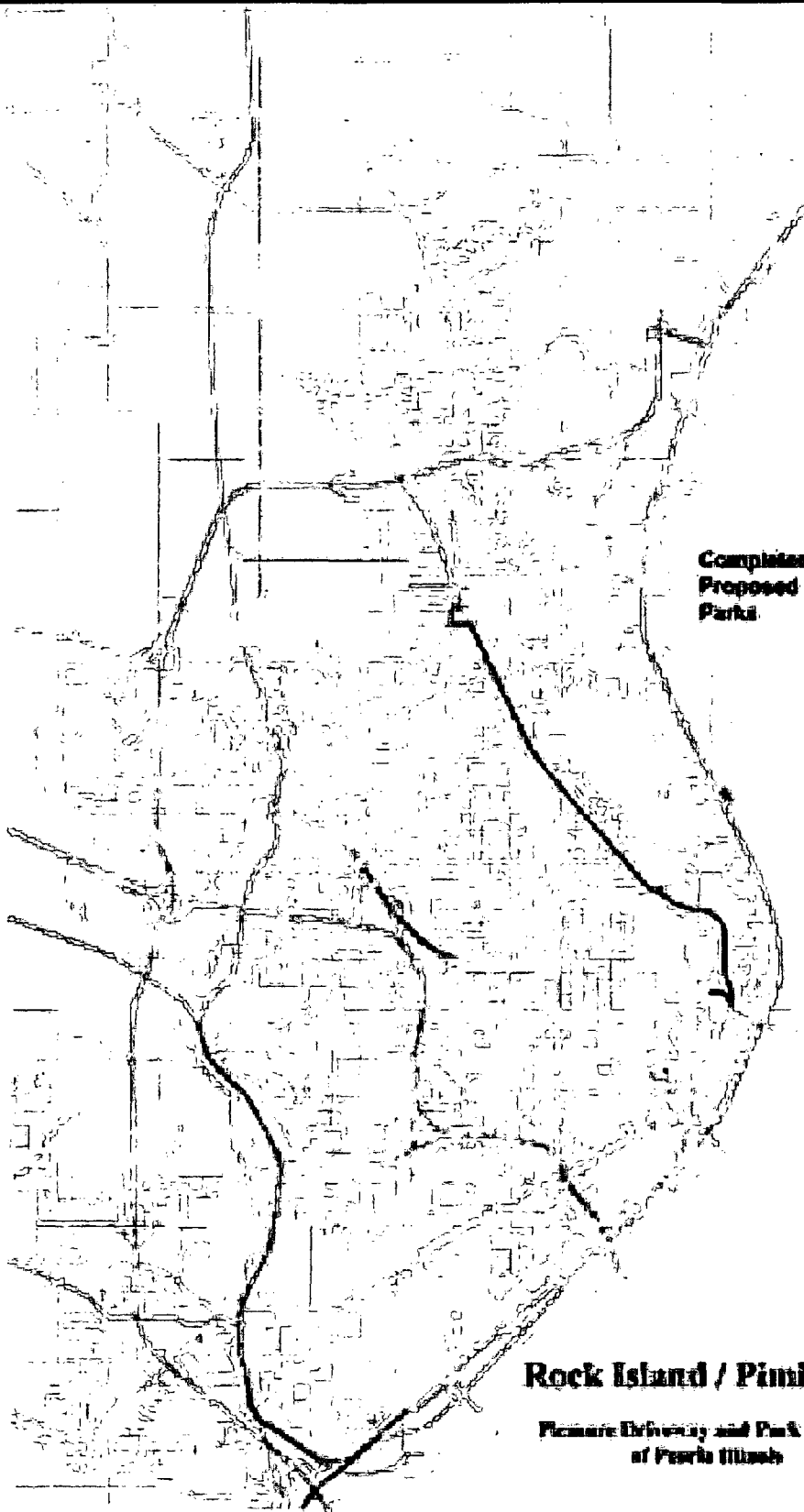
BLOOMINGTON, ILLINOIS TRAFFIC AND RAIL RUNNING SIDE BY SIDE WITHOUT FENCING



BLOOMINGTON ILLINOIS TRAILS AND RAILS RUNNING SIDE BY SIDE WITHOUT FENCING

<u>Signatures from supporters of</u>	<u>Keeping the Kellar Branch alive well and</u>	<u>productive as a railroad line</u>
You don't have to	Include your address	If you don't wish too.
Name	Street Address	City/State/ Zip
Bob Doktor	7228 N. Whippoorwill Dr.	Peoria, IL 61614-1727
JOHN HALLMAN	1201 D FARM 2912	WASHINGTON IL 61570
Jared Dalbey	3900 W. Brighton	Peoria, IL 61615
David P. Jordan	1010 N. Dempster Lane	Peoria, IL 61604
Brad Jones	7315 N. SWITZER RD	BRIEFIELD IL 61577
Brian Remyer	1501 FARADAY	PEORIA IL
Jay Ott	124 EDGEHILL	CREVECOEUR IL
DAVID J. GLUCK	2016 N. AVALON PL.	PEORIA, IL 61604-2726
Edward A Sanders	5863 S. Hollis Rd	Peoria IL 61607
DON PLUMMER	4925 NEVERT ST	PEORIA IL 61614
Tom M. Stella	1233 E. Rouse Ave	Peoria IL 61616
T. Lee	Main St	Edel IL 61526
R. TOLF	2031 W. Westbrook	PEORIA, IL

[illegible]



Completed Trail
Proposed Trail
Park

Rock Island / Pimitcoui Trail

Picture Driveway and Park District
of Pimitcoui





CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY

INDUSTRIAL DIRECTORY

CIRCULAR NO. 740

**LIST OF INDUSTRIES
LOCATED ON INDUSTRIAL TRACKS**

**ON ALL RAILROADS
AT
STATIONS ON C.R.I.&P. (EXCEPT CHICAGO
Only R.I.)**

**THAT ARE
COMMON POINTS WITH OTHER LINES**

APRIL 1971

**Issued by
N. L. SCHULTZ
MANAGER PRICING**

LaSalle Street Station • Chicago, Illinois 60605

NAME	ADDRESS	BUSINESS	TRACK LOCATION	SWG.
PEORIA, ILLINOIS (Continued)				
Peoria Barge Terminal Inc.	Foot of Main	Warehouse	RI-PPU	Open
Peoria Builders Supply Co.	1412 SW Washington	Plaster	BN	Open
Peoria Candy Co.	1001 SW Washington	Candy	BN	Open
Peoria Cordage Co.	1506 SW Washington	Rope & Twine	BN	Open
Peoria Cup & Specialty Company	406 SW Washington	Paper Specialties	BN	Open
Peoria Dry Wall Inc.	401 E Sciota Ave P. Hqts.	Building Material	RI	Closed
Peoria Journal Star Inc.	War Memorial Drive	Newspaper	RI	Open
Peoria Malleable Castings Co.	Foot of Alexander	Foundry	RI	Open
Peoria Metal Specialty Co.	2501 SW Washington	Tinware	BN	Open
Peoria Paper House Inc.	205 NE Water	Wholesale paper	PPU	Open
(3) Peoria Plastics Co.	1625 W Altorfer Drive	Plastic Prod. Mfg.	RI	Closed
Peoria Union Stock Yards Co.	Foot of South	Stock yards	PPU	Open
Peoria Wheel and Rim Co.	2425 SW Washington	Wheel and rims	PPU	Open
Pillsbury Co.	403 Pillsbury Lane	Warehouse	TPW	Open
Pittsburgh Plate Glass Co.	8202 N. University	Glass	BN	Open
Putnam Coal Co.	Foot of Spring	Coal	RI	Open
(3) Reed, C. A. Co.	1427 W. Pioneer Parkway	Paper Products	RI	Closed
(3) Reserve Supply Coop. Corp.	1700 W. Chanute Rd.	Building Matls.	RI	Closed
Ritschel Coal Co.	98 E. State	Coal	BN	Open
Riverside Elevator Co.	Foot of Edmund	Grain Elevator	PPU	Open
Sears Roebuck & Co.	3 Altorfer Lane E. Peoria	Warehouse	TPW	Open
Seneca Petroleum Company	Hesley Road E. Peoria	Petroleum Prod.	PPU	Open
Sharpe's Warehouse	Foot of Alexander	Warehouse	RI	Open
(3) Sheridan Road Lumber Co.	6600 N. Sheridan	Lumber yard	RI	Closed
Smith-Scharff Paper Co.	3400 SW Washington	Paper Products	CNH	Open
Socony Mobile Oil Co.	Wesley Road E. Peoria	Petroleum Products	PPU	Open
South Side Foundry Co.	2900 SW Washington	Foundry	BN	Open
Stoecker Seed Co.	906 SW Adams	Wholesale seed	BN	Open
Sun Aire Water Co.	207 Voris	Distilled water	RI	Open
Superior Foundry Co.	151 W. Herschel E. Peoria	Foundry	PPU	Open
(3) Super Valu Stores Inc.	8201 N. University	Grocery Whse	RI	Closed
Tabor & Co.	Center E. Peoria	Grain Elevator	PPU	Open
United Facilities Inc.	Altorfer Lane E. Peoria	Public warehouse	TPW	Open
United Facilities Inc.	Darst Street	Warehouse	RI	Open
United States Cold Storage Co.	255 Cilco Lane E. Peoria	Cold Storage	TPW	Open
Vita Mineral Products	1520 NW Adams	Mineral Products	RI	Open
Wahlfeld Hfg. Co.	1100 SW Washington	Building Materials	BN	Open
" "	1100 SW Washington	Mill work	PPU	Open
Walker Hiram & Sons	Foot of Edmund	Distillery	RI-PPU	Open
Weinstein Feed Store	100 South	Feed	BN	Open
Western Coal Company	2628 SW Adams	Coal	BN	Open
Westinghouse Air Brake	2301 NE Adams	Road Machinery	RI	Open
Wilkins Pipe & Supply Co.	1008 SW Adams	Plumbers Supplies	PPU	Open

NAME	ADDRESS	BUSINESS	TRACK LOCATION	SWG.
PEORIA, ILLINOIS (Continued)				
Cargo Carriers Inc.	R. R. #3	Barge Term. Bulk Comm.	PPU	Open
(3) Carver Lumber Co.	8700 N. University	Building Materials	RI	Closed
Caterpillar Tractor Company	1321 S. Washington	Tractors Mfg.	PPU	Open
Ceco Steel Products Corp.	S. Bartonville	Sheet Steel & Wire	PPU	Open
Celotex Corp.	2226 W. Clarke	Roofing paper	PPU	Open
Central Illinois Dock Company	Wesley Road E. Peoria	Coal & Various Comm.	PPU	Open
Central Illinois Light Co.	Industrial Spur E. Peoria	Electric Plant	TPW	Open
(3) Central Illinois Light Co.	8600 N. University	Line Material Yard	RI	Closed
Clark Products Inc.	406 SW Washington	Paper specialties	BN	Open
Cohen Furniture Warehouse	336 SW Adams	Furniture Warehouse	PPU	Open
Construction Material Co.	100 Cass	Bldg. Mtls.	BN	Open
(3) Continental Can Co., Inc.	1420 W. Altorfer Dr.	Can Mfg.	RI	Closed
Dooley Brothers	1201 SW Washington	Mine Supplies	BN	Open
Dust All Manufacturing Co. Inc.	110 W. Camp E. Peoria	Chemicals	TPW	Open
E. Peoria Ready Mix Concrete Co.	Wesley E. Peoria	Cement	PPU	Open
Erlichman, I. Company	3213 SW Washington	Barrels & Junk	CNW	Open
Evans Building Products Co.	2700 SW Washington	Plywood	BN	Open
Faber-Musser Co.	100 Edmund	Builder's Supply	BN	Open
Federal Warehouse Company	900 SW Adams	Storage all kinds	BN	Open
Federal Warehouse Company	200 Matl. Rd. E. Peoria	Storage all kinds	TPW	Open
Fleming-Potter Company	1028 SW Adams	Lithographing	BN	Open
Foster & Gallagher Inc.	6523 N. Galena Road	Mail Order House	BN	Open
Fredman Brothers	530 S. Adams	Storage	BN	Open
Georgia Pacific Corp.	206 W. Camp E. Peoria	Building Materials	TPW	Open
(4) Gooderham & Worts Ltd.	Foot of Edmund	Alcoholic liquors	RI-PPU	Open
Greater Peoria Sanitary District	2322 S. Darst	Disposal Plant	PPU	Open
Hagerty Brothers	601 Caterpillar Trail E Peoria	Steel Distributor	TPW	Open
Hart Carter Co.	1209 Pioneer Parkway	Farm Machinery Mfg.	RI	Closed
Hawkeye Steel Products	65 Leland	Hog feeders	PPU	Open
Heating Supply & Service Co.	107 Cass	Furnaces	BN	Open
Heller Tin Compress Co.	3548 SW Adams	Scrap Iron & Junk	CNW	Open
Herschel R. Mfg. Co. Inc.	648 W Washington E Peoria	Implements Mfg.	PPU	Open
Hitchcock Sprinkler & Heating Co.	813 SW Washington	Sprinkler & Heaters	BN	Open
Hoerr, Chris & Son	600 W. Camp E Peoria	Whol. grocers	TPW	Open
Hoffman George	94 S. Sanger	Contractor	PPU	Open
Hyster Co.	1800 NE Adams	Machinery Mfg.	RI	Open
Illinois Grain Corp.	Wesley Road E. Peoria	Grain Elevator	PPU	Open
Insulation Dealers & Supply	521 N. Water	Insulation Mtrls.	RI	Open
International Harvester Co.	407 NE Rock Island	Agr. Implements	RI	Open
Irons Quality Concrete Co.	600 Van Buren	Building Materials	RI	Open
(2) Keystone Steel & Wire Co.	7000 SW Adams Bartonville	Steel & Wires	PT-PPU	Open
Kiefer Electrical Supply Co.	318 SW Washington	Electrical Supplies	BN	Open
Klaus Radio & Elec. Co.	8400 N. Pioneer Parkway	Appliance Distr.	CNW	Closed
Knaggs Coal	421 E. Moneta	Coal Yard	RI	Open
Kroger Co.	200 Carver E. Peoria	Chain Food Distr.	TPW	Open
Laidlaw Wire Co.	217 Industrial Bartonville	Manufacturer Wire Prod.	PT-PPU	Open
Lauterbach, W. H., Home Builders Inc.	6000 SW Washington Barton.	Builders Supply	PT	Open
Lev Collins	108 W. Camp E. Peoria	Fruits and Vegts.	TPW	Closed
Lipsett Steel Products Inc.	7000 S. Adams Bartonville	Scrap Iron	PPU	Open
Little Giant Products Inc.	1600 NE Adams	Machinery Mfg.	RI	Open
Lowenstein's Inc.	218 SW Adams	Furniture	PPU	Open
Lucas, A. & Sons	1318 SW Washington	Structural Iron	BN	Open
Lumber Yard Supplies	105 Hancock	Building Materials	PPU	Open
McKesson & Robbins	812 SW Washington	Whol. Druggists	PPU	Open
McKesson Chemical	7000 SW Washington Bartonville	Chemicals	PT	Open
Mackemer, J. H. Lumber Company	2600 NE Adams	Lumber	RI	Open
(3) Martin-Brower Corp.	1610 W Altorfer Drive	Paper Products	RI	Closed
Martin Oil Service Co.	2200 W. Darst	Petro. Prods.	RI	Open
Meyer Furnace Company	1300 SW Washington	Furnaces	BN	Open
Mid-West Sales Company	301 Alexander	Beer Wine	RI	Open
Midwest Veneer Distributors	900 SW Adams	Veneer & plywood	BN	Open
Midwest Wholesale Material Co.	105 Hancock	Warehouse	PPU	Open
Miller, A & Co.	1612 S. Adams	Scrap Iron & Junk	BN	Open
Muirson Label Co.	8401 N. University	Paper Products	CNW	Closed
Murray, George Tire Company	512 SW Washington	Tires	PPU	Open
National Cylinder Gas Co.	2110 NE Adams	Oxygen Gas	RI	Open
Nelson, L. R. Mfg. Co.	1725 SW Washington	Brass Specialties	BN	Open
Nutrena Mills Inc.	66 S. Sanger	Feed	PPU	Open
O'Neill Transfer Company	706 SW Commercial	Transfer & Stq.	PPU	Open
(3) Overmyer, D. H. Co. Inc.	8810 N. University	Warehouse	RI	Closed
Pabst Brewing Co. Plant #2	Foot of Mac Arthur Hwy	Malting Plant	RI-PPU	Open
Pabst Brewing Co. Plant #3	4541 N. Prospect Peoria Hgt.	Brewery	RI	Open
Pabst Brewing Co. Plant #4	Erving & Bond	Grist Mill	RI	Open
Parnham Coal Company	126 W. Washington	Coal	PPU	Open

PEORIA, ILLINOIS

Rail Carriers Serving -- BN-CIM-CNH-FBL-GMO-IC-ITC-NH-PC-PPU-PTC-RI-TPW. Direct Connections With: BN -FBL-PPU-PTC-TPW. Other than direct ITC interchange via TPW. CIM-CNH-GMO-IC-NH-PC interchange via PPU.
 R. I. Team Track Is Located At: 1. Peoria-Foot of Hancock Street.

2. Keller, Ill.-Northmoor Road at Highway 88
3. Bartonville, Ill. -6200 SW Washington (PTC)

Closed. (1) Rock Island switches coal track only.

- (2) Keystone Steel & Wire Co. Steel Mill served by PPU only. Wire Mill served by PTC & PPU.
- (3) Outside Peoria switching district-railroad destination Keller, Ill. local Rock Island station.
- (4) Packaged goods loaded on Rock Island, bulk merchandise loaded on PPU.

(1) Affiliated Distillers Brands Corp.	1925 W. Crowl	Alcoholic Liquors	PPU-RI	Open
(3) Advance Millwork Inc.	1913 Townline Road	Building Materials	RI	Closed
Agrico Chemical Company	Wesley Road E. Peoria	Fertilizer Materials	PPU	Open
Alexander Warehouse and Sales Co.	1926 S. Lydia	Building Mats.	CNH	Open
Allied Iron and Steel	Foot of W. Clark	Scrap Iron & Junk	BN	Open
Allied Mills Inc.	7501 S. Adams	Feed Mixtures	PPU	Open
American Oil Company	Wesley Road E. Peoria	Oil	PPU	Open
Armour Packing Company	1818 SW Washington	Heat Depot	PPU	Open
Atlas Supply Co.	401 E. Sciota Ave Peoria Hgt	Building Materials	RI	Closed
Beehy H. S. Inc.	100 Eaton	Implements	RI	Open
Bemis Company Inc.	Foot of Sloan	Paper	RI	Open
Bergners Dept Store Warehouse		Warehouse	BN	Open
Bernard Distributing Co.	100 E. State	Warehouse	PPU	Open
Bork, I & Son, Inc.	2424 W. Clarke	Scrap Iron & Junk	BN	Open
Bramlet & Company	1 Altorfer Lane E. Peoria	Building Materials	TPW	Open
Brewer's Distributing Co.	1003 SW Washington	Beverages	BN	Open
Broderick & Bascom Rope Co.	S. Bartonville	Wire Products	PT-PPU	Open
Builders Products Co.	300 S. Main E. Peoria	Lumber	PPU	Open
Bushell, J. H.	1914 W. Krause	Roofers	PPU	Open
Callihan Packing Company	Foot of South	Packing House	PPU	Open
Capitol Plumbing & Heating Supply Co.	5 Altorfer Lane E. Peoria	Plumbing & Heating	TPW	Open

City ponders its future in train business

□ Part of the debate on Peoria's role focuses on linking Rock Island trail, those downtown

By STEPHEN WITMER

of the Journal Star

Peoria soon might be getting out of the railroad business, calling it quits on the eight-mile leg of the former Rock Island line.

Or the city might be getting back into the business, pumping more money into maintenance of the Peoria, Peoria Heights & Western line.

A railroad oversight commission is reviewing options and will make its recommendations to the City Council and Peoria Heights Village Board. Also drawn into the debate is the ambition to use the rail corridor to link the Rock Island recreation trail to downtown Peoria and a net-

work of trails east of the Illinois River.

The city bought the track-age and right of way from the bankrupt Rock Island line in 1984, paying \$856,000 for the railroad's Kellar Branch line.

At the time, city leaders viewed the acquisition as a way to pump up Pioneer Park. Peoria was entering its darkest hour economically, and the industrial/commercial strip was not developing as fast as expected.

Providing rail service to Pioneer Park, it was believed, would bolster existing businesses and make the development more attractive for new arrivals.

City officials and those from the Peoria Pekin & Union shook hands on a deal requiring the railroad to operate the short line for 20 years, with an escape clause for PP&U in the 13th year.

Less than 10 years into the

pact, the parties involved are looking for ways either to keep the city line rolling for another decade or gracefully bow out together.

Derailed

The original financing plan hinged on a combination of user fees, a Pioneer Park special service district and special assessments of properties along the rail line. Track acquisition and repair cost \$1.3 million, and the city expected to collect \$600,000 in special service fees and levies and about \$150,000 in special assessments.

The city had a comfort margin in the deal: Jordan Manufacturing, a wooden patio furniture manufacturer at 1625 W. Altorfer.

The company, which began in the mid-1970s in owner David Jordan's basement, grew to a local work force of more than 200 employees. Its

heavy use of the rail line was expected to pay the freight for much of the rail line's costs.

The comfort margin vanished in 1985, when Jordan declared Chapter 11 bankruptcy and moved his operations to Monticello, Ind.

"That really put a torpedo in the railroad ship," said Stephen Van Winkle, the city's public works director.

Van Winkle said the city projected about 460 railroad cars would be hauled on the line each year, with the city user fee of \$175 per boxcar used to abate the special assessment charges. The boxcar fee was dropped after Jordan left Peoria in an attempt to woo new business.

Paradoxically, the newly repaired tracks carried few users in the early years, but Van Winkle noted that business is starting to pick up now while

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Peoria Journal Star Nov. 25, 1993 cover

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RAIL

The tracks are in dire need of maintenance and upgrading. "Almost from the beginning, we have not made a profit," PP&U President Charles Hellums said. "In fact, we've made losses on the line."

Hellums said PP&U's losses on the city line are "relatively small" — in the neighborhood of \$50,000 a year.

The users — Only a few businesses use the line. Gateway Milling, a wholesale bakery and restaurant distributor and feed ingredient distributor, runs 250 to 275 cars a year to its site at 1610 Alton, and Carver Lumber, 6700 N. University, moves about 37 cars a year on the city line.

Condon's Furniture also runs a few cars a year up to its Peoria Heights warehouse in the former Babst complex.

"Officials say Gateway is the only business that would be affected significantly if the rail line goes out of business."

Gateway President Charles Pitcher and Carver general manager Robert Hapbach refused comment on their rail usage, each citing the ongoing negotiations with the city rail commission.

Van Winkle said the list of needed repairs or upgrades includes about \$200,000 in street crossings, an every-five-years track-maintenance program of \$60,000 to \$80,000, and a general maintenance program running \$105,000 to \$110,000 a year.

Under the contract, the latter two costs would fall in PP&U's lap, but Van Winkle said the commission is looking at other ways of sharing the costs, such as asking the remaining users to again pay a per-car fee.

Another option would be connecting Pioneer Park with the Chicago & North Western line to the west.

Some critics, like Peoria City Councilman David Koehler, say the deteriorating rail line should be put to other uses.

"I don't think it generates that much of a benefit for the users up there," he said, adding that he would rather see the city subsidize an alternative transportation mode for Gateway than prop up the city railroad.

Rails to trails — Railroad commission members rode the rails last month in an observation car amounting to a low-speed inspection of the line.

"It's not bad. The crossings were good, most of the track was good, there were some washout areas that need repairs," said commission member Steve Ballstrey, an economic development specialist with the Economic Development Council. "I was surprised. I thought it would be in worse shape."

A more passive goal in the city's rail line acquisition was preservation of the rail corridor itself. "Even if the railroad doesn't work, I don't think it shows it was a bad idea to buy it," Peoria Heights Village Administrator Rick Williams said.

Rail-to-trails advocates are pushing to convert the rail line into a recreational trail, linking the Rock Island Trail to Peoria's riverfront trail.

The Peoria Park District plans next year to extend the Rock Island Trail from its current end point, Alta, to Pioneer Park, and envisions the city rail line as the next logical extension.

Jack Fuller, the park district's administrative assistant, said trail development would take place side by side with the railroad trackage. However, several sources estimated that the dual use would add \$500,000 to \$1 million to the trail's costs, as the track bed traverses a gully south of

Pioneer Park — The topography is such you'd have to spend a lot of money to bring (the trail) up, said George Burder, a trails-to-recreation opportunity. Pulling the plug — Van Winkle said the city is committed to operating the railroad through 1994. One logical date to cease operations would be in 1996, when the agreement with the state expires.

John Canfield, a spokesman for the Illinois Department of Transportation's bureau of roads, said state records show \$1.25 million in state money — possibly including federal pass-through funds —

was sunk into starting up the Peoria railroad operations. Those funds require the city to keep operating until 1994. Canfield said the original contract is in IDOT's archives, and he could not estimate how much of the original grant the city would need to repay if they ceased operations before that date.

The PP&U also could exercise its "reopener" clause in 1997, effectively terminating its part of the deal. The railroad commission will meet again in December or January. Van Winkle said and forward its recommendation to City Manager Peter Sam.

\$ 29 million

4/16-91

Railroad to run through mid-1997

□ Future of little-used city line unclear after that; issue interests rails-to-trails advocates

By STEPHEN WITMER

of the Journal Star

PEORIA — The city will remain in the railroad business for at least three more years.

A decision by the Peoria, Peoria Heights and Western Railroad Commission ensured the little-used railroad will operate through mid-1997, and the panel also trimmed about a mile of track from the line.

The future beyond that date remains unclear. The city and the Peoria Pekin & Union Railroad signed an agreement in 1984 requiring the railroad to operate the short line for 20 years, but the railroad has the right to terminate the agreement at the 13-year mark, July 10, 1997.

"It really will depend on the traffic levels up there," PP&U

president Charles Hellums said. "We're watching it on a year-to-year basis."

The railroad commission spent more than a year looking at its options.

"We're in a wait-and-see mode," Peoria Public Works Director Steve Van Winkle said. "We feel comfortable PP&U will operate without any hitches through the 13-year period."

Though Van Winkle did not rule out a continuation of service past 1997, he did not offer much hope. "We're really not sinking any money into it for a longer-term stay," he said.

City records show four users of the line in 1993: Carver Lumber (27 rail cars); Gateway Milling (230 cars); Cohen's Furniture (20 cars); and O'Brien Steel (271 cars).

The eight-mile rail line, the former Rock Island Railroad's Kellar Branch Line, runs from the PP&U line near Detweiler Marina up to Pioneer Park. The

city bought the line in 1984 for \$856,000, but usage has lagged below expectations.

If the city-owned line went out of business, the city would likely sell or lease 300 or 400 feet of track to PP&U to service O'Brien Steel, 1800 NE Adams, Van Winkle said. That would leave Gateway Milling, 1610 W. Altorfer, as the only substantial user left seeking other transportation modes.

Rails-to-trails advocates are watching the railroad issue, viewing the corridor as a potential expansion of the Rock Island Trail recreational path to downtown.

"I would like to see them phase (the city railroad) out," Councilman David Koehler said. "That piece, when it is done, will give us one of the best trail systems in the Midwest."

Jack Fuller, Peoria Park District administrative assistant and a member of the railroad commission, said the trail extension would cost several mil-

lion dollars if the track remains in place, but only about \$500,000 if the railroad bed is abandoned.

"We're going to have to wait on that decision," Fuller said. The Park District is extending the trail south into Pioneer Park and is in the process of applying for federal funding for the city railroad section.

The railroad commission reached its decision at its January meeting, and the City Council approved another of the commission's findings April 5: removing the northernmost 0.9 miles of the city rail line. Hellums said none of the businesses north of Carver Lumber have used the line in the last five years; the seven businesses will no longer pay a total of \$17,000 a year in special service area taxes.

All properties along the rail line — including the seven in the disconnected area — will continue to pay special assessment taxes, Van Winkle said.

Kellar Branch rail line's service getting up steam

By MIKE DEACON

City Journal Staff

Rail service along Peoria's 8.3-mile Kellar Branch of the old Rock Island line has been running smoothly since returning in early October, according to customers and a railroad executive.

"There have been no problems that I'm aware of," said E.L. Moyers, vice president of operations for the Peoria & Pekin Union Railroad. "All we need now is some business."

Three Peoria businesses have used the line thus far, Moyers said. They are Jordan Manufacturing Co., Baumgarten Distributing Co. and Carver Lumber Co. Reserve Supply Cooperative Corp. is expecting its first railroad order in a few days.

"We're glad to have it back," said Bud Howe, Carver Lumber Co. vice president, who estimated the company would use 50 to 100 carloads of lumber supplies per year.

"The two times we've used it, everything went smoothly," said Jim Brown, warehouse manager for Baumgarten Distributing.

Mary Strenn, assistant city manager for

programs, said the city had not received any complaints about service.

The city's railroad consultant, Fran Mueller, is continuing an effort to attract more businesses to the rail line, Strenn said.

Herman Brummell, president of Apollo Oil Co., and Earl Malchow, vice president of Peoria Plastic division of S.C.G. Toys, both said their companies are examining the possibility of using rail service. Malchow said his company may use 100 carloads annually to transport supplies and raw materials.

The rail line was purchased by the city to help Pioneer Industrial Park businesses and to help recruit new businesses to Peoria. The cost of buying and rehabilitating the line, estimated at \$1.3 million, eventually will be recovered through special assessments for businesses with property on the line and from rail users.

Any business with property on the line will pay \$200 annually even if it doesn't use rail service. Another \$75 is added if the business has more than 250 feet of frontage. Rail users will pay a surcharge of \$175 per rail-road car.

Strenn said it will take an average of 284 cars per year for 13 years to retire the debt.

CERTIFICATE OF SERVICE

I certify that on November 14, 2006, I served the foregoing letter by United States Mail, postage fully prepaid, on each of the parties of record, at their address as disclosed by the filings of record in the above-referenced proceedings.



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