

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: SUE GALLAGHER, CITY ATTORNEY
SUBJECT: OPPOSITION TO THE APPLICATION OF NORTH COAST RAILROAD COMPANY LLC TO TRANSPORT HIGH VOLUME SHIPMENTS TO THE PORT OF HUMBOLDT BAY THROUGH NORTHERN CALIFORNIA, AND SUPPORT OF THE NORTH COAST RAILROAD AUTHORITY'S REQUEST TO RAILBANK ITS LINE FROM WILLITS TO HUMBOLDT BAY FOR POTENTIAL FUTURE MULTI-USE TRAIL

AGENDA ACTION: RESOLUTION

RECOMMENDATION

At the Mayor's request, the City Attorney brings to Council, 1) by motion, find good cause, under the Early Agenda Policy and the Open Government Ordinance, to consider this item, notwithstanding that the item did not appear on the preliminary agenda; and 2) for its consideration a resolution expressing the City's opposition to the application of North Coast Railroad Company LLC to acquire and rehabilitate the North Coast Rail Authority's rail line between Eureka and Willits for the purpose of "high-volume shipments" and expressing the City's support for the North Coast Railroad Authority's request to railbank its line from Willits to Humboldt Bay for a potential future multi-use pathway, the Great Redwood Trail.

EXECUTIVE SUMMARY

The North Coast Rail Authority (NCRA) has filed a request with the federal Surface Transportation Board for permission to abandon a 175.4 mile portion of its rail line from Willits to Humboldt Bay in favor of creating the Great Redwood Trail, a multi-use trail expected ultimately to extend 320 miles along the NCRA's right of way.

A newly formed company, the North Coast Railroad Company (NCRCo), is challenging that abandonment and has applied to the Surface Transportation Board for approval for NCRCo to acquire and rehabilitate the rail line for purposes of "high-volume shipments." It has been widely reported that NCRCo intends to use the rail line to transport coal from the mid-west to the port at Humboldt Bay.

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The proposed resolution would urge the Surface Transportation Board to reject NCRCo's application and instead grant the request of NCRA to railbank the rail line from Willits to Humboldt Bay for future development of the Great Redwood Trail.

BACKGROUND

On May 14, 2021, the North Coast Rail Authority (NCRA), a California state agency with responsibilities for rail service in the north coast area of the state, filed a request with the Surface Transportation Board seeking permission to abandon a 175.4-mile portion of its rail line to allow for development of the Great Redwood Trail, a multi-use pathway expected ultimately to extend 320 miles along the agency's right of way. The Surface Transportation Board is an independent federal agency charged with the economic regulation of various modes of surface transportation, including freight rail.

On August 16, 2021, a newly formed limited liability company, the North Coast Railroad Company LLC (NCRCo), submitted paperwork to the federal Surface Transportation Board objecting to the railbanking for the Great Redwood Trail. NCRCo represented that it is ready to make an "Offer of Financial Assistance" with the intent to acquire and rehabilitate NCRA's rail line between Eureka and Willits for the purposes of "high-volume shipments." It has been widely reported that NCRCo intends to use the railroad to transport coal from the mid-west to the port at Humboldt Bay.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

The section of rail line that NCRA seeks to abandon in favor of a multi-use trail was closed by federal safety officials after destructive rainstorms in 1998 washed out hillsides and collapsed tunnels, with resulting repair estimates of approximately \$2.8 billion. NCRA indicates that NCRCo's Offer of Financial Assistance and plan to restore the rail line are not credible because the "line has been embargoed for over 20 years and is located in geological formations prone to movement and flooding, tunnel collapse, and wash outs."

In addition, the NCRA in an August 20, 2021 letter questioned the representations NCRCo made about its ability to restore the line. The NCRA stated that, "NCRCo was incorporated in the State of Wyoming on August 6, 2021, only ten days before the pleading on its behalf was filed," and "...there is no indication in NCRCo's organizational filings or the people associated with it in the public record that NCRCo has any assets, rail plans, personnel, or existence, other than a legal fiction."

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Lawmakers such as Senator Mike McGuire and Congressman Jared Huffman, along with many environmental groups, are opposing NCRCo's proposal, citing concerns that NCRCo's plans to restore the rail line are intended to allow transport of coal through northern California, including along the SMART train tracks from Marin to Cloverdale.

According to railroad studies, somewhere between five hundred to two thousand pounds of coal and coal dust can escape from every single loaded train car carrying coal and can cause devastating impacts to drinking water, watersheds, and the surrounding environment. Concerns are particularly being raised about the transportation of coal along the Russian and Eel Rivers, which provide drinking water for nearly one million Californians and are habitat for numerous threatened and endangered species.

The environmental consequences of coal use, transport and export are severe, and in direct contradiction with State, regional and City efforts to reduce use of fossil fuels and greenhouse gas emissions. The transportation of coal through Sonoma County and the North Coast would not only create a local and regional hazard, it would further contribute to an international ecological crisis

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

The Council finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

CONTACT

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