

EXHIBIT A



**GRANT APPLICATION FOR THE
MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM**

**DULUTH SEAWAY PORT AUTHORITY
INTERMODAL CONTAINER TERMINAL EXPANSION**

**FUNDING SOLICITATION FOR INTERMODAL PROJECTS
IN FISCAL YEARS 2019 THROUGH 2022**

SUBMITTED TO THE MINNESOTA DEPARTMENT OF TRANSPORTATION



AUGUST 18, 2017



1200 Port Terminal Drive
Duluth, Minnesota 55802-2609 U.S.A.
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August 18, 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Re: Duluth Seaway Port Authority Grant Application - Minnesota Department of Transportation (MnDOT)
MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM

Dear Mr. Henkel:

The Duluth Seaway Port Authority (DSPA) is pleased to submit the attached application to MnDOT for funding under the Minnesota Highway Freight Program – Intermodal Program. The project we have proposed in the enclosed application, titled “Duluth Seaway Port Authority Intermodal Container Terminal Expansion,” will expand the container capacity of the CN Duluth Intermodal Terminal by 19,000-20,000 containers annualized. The proposed expansion will achieve our five-year projected capacity of 45,000-50,000 annualized containers.

The proposed project will expand the Duluth Intermodal Terminal (DIT) by extending the freight rail tracks an additional 2,500 feet for intermodal well-car loading and unloading; paving approximately six acres of terminal space to provide a more stable footing for stacking of containers and more efficient maintenance and snow removal activities; construct a check-in gate for trucks; and address storm water management, security fencing, and lighting.

The DIT opened for service in March 2017 on the DSPA’s Clure Public Marine Terminal located on Rice’s Point in Duluth. The DIT is a “Critical Connection project,” as defined in the Minnesota Statewide Freight System Plan (2016); it provides unprecedented freight connectivity and mobility for regional manufacturers and shippers. The DIT is the first intermodal container ramp in the Twin Ports, or Minnesota for that matter, which leverages CN’s rail connections to West Coast ports and Asian markets, East Coast ports and European markets, and rail and river routes to the Gulf of Mexico. Due to our location within an industrial zone, outside of a major metropolitan area, and with direct access to excellent federal and state highway networks, the DIT is attractive as a smooth flow alternative to existing congested mid-west intermodal facilities. In order for the DIT to achieve its five-year potential, however, additional container capacity is needed. The project described in the attached application does provide that necessary container capacity.

Thank you for consideration of this application. Please feel free to contact Ms. Deborah DeLuca of my staff at (218)-727-8525 should you have questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads 'Vanta E. Coda II'.

Vanta E. Coda II
Executive Director

Enc.

FUNDING APPLICATION MINNESOTA HIGHWAY FREIGHT PROGRAM FREIGHT RAIL AND PORTS – INTERMODAL PROGRAM

Application Cover Sheet

Project Name: Duluth Seaway Port Authority Intermodal Container Terminal Expansion

Project Location: Clure Public Marine Terminal, Duluth, MN, Port of Duluth-Superior

To/From: Expands Critical Intermodal Connection on Clure Public Marine Terminal, Duluth, MN

Project Length in Miles: Approximately one-half mile of track and six acres of pavement as per Figure 4A

Roadway (if applicable): N/A

Railroad/Water Facility (if applicable): CN Railway Intermodal Container Terminal on the Duluth Harbor, Lake Superior

Within the Boundary of a Private or Public Rail or Water Facility? Yes

Total Project Cost: \$2,370,281.03

Amount of MHFP Funds Requested: \$1,896,224.82

Requested Funding Fiscal Year(s) (enter all years that project could be constructed): Preferred FY2019.

Project Sponsor (if applicable): Duluth Seaway Port Authority

Applicant: Duluth Seaway Port Authority

Primary Contact Person: Deb DeLuca

Title: Government & Environmental Affairs Director

Address: 1200 Port Terminal Drive

City: Duluth

Zip Code: 55802

Contact Phone: (218) 727-8525

Contact Email: ddeluca@duluthport.com

INTRODUCTION

The Duluth Seaway Port Authority (DSPA) is requesting funds to expand the lift capacity of the “CN Duluth Intermodal Terminal,” which opened for service in March 2017 on the DSPA’s Clure Public Marine Terminal located on Rice’s Point in Duluth. The “Duluth Intermodal Terminal” (DIT) is a “Critical Connection” project, as defined in the Minnesota Statewide Freight System Plan (2016); it provides unprecedented connectivity and mobility for regional manufacturers and shippers. The DIT is the first intermodal container “ramp” or terminal in the Twin Ports and northern Minnesota that leverages CN’s rail connections to West Coast ports and Asian markets, East Coast ports and European markets, and rail and river routes to the Gulf of Mexico. The proposed project has strong support from our partners, stakeholders, and customers as demonstrated in the letters of support found in Appendix B.

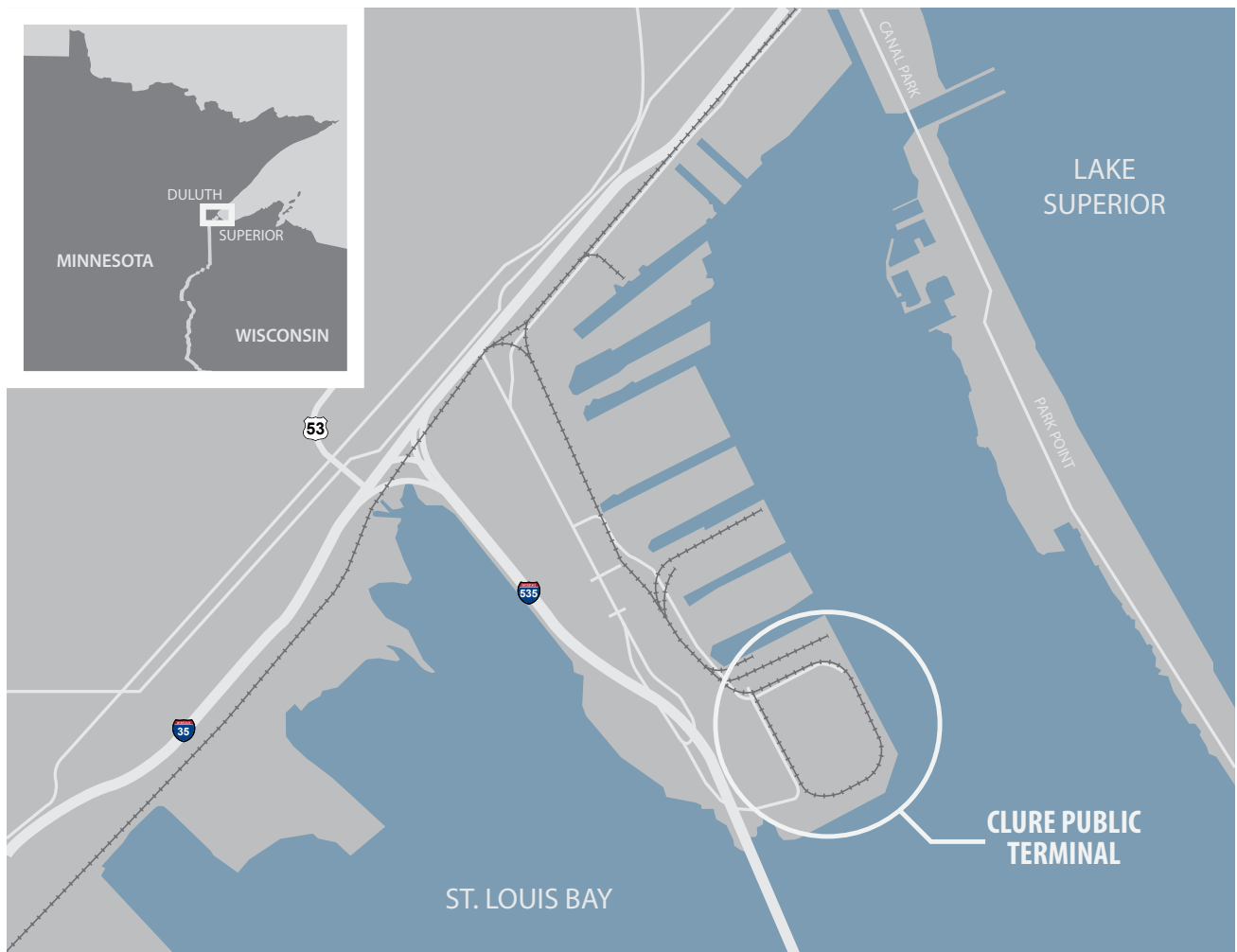


Figure 1: Project Location

BACKGROUND - REGIONAL CONTEXT

The cities of Duluth, Minnesota and Superior, Wisconsin are locally referred to as one community called the “Twin Ports” (see Figure 1). Both cities developed around railroads and maritime shipping, and later the extensive interstate highway system. The Twin Ports is served by four Class I railroads: Canadian National (CN), Burlington Northern Santa Fe (BNSF), Canadian Pacific (CP), and Union Pacific (UP). The backbone of the regional interstate system is I-35, a principal NAFTA trade corridor that connects to I-535, US 53, and US 2.

The Duluth Seaway Port Authority (DSPA) is a public agency created by state statute as a political subdivision of the State. The DSPA's mission is to bring business to the port, bring economic development to the region, generate domestic and international trade, and advocate for maritime and transportation industry interests in legislative and policy initiatives. The DSPA owns and operates the Clure Public Marine Terminal located within the Port of Duluth-Superior. The Clure is the only heavy-lift and general cargo terminal on the western end of Lake Superior, where Minnesota businesses can access the deep-water shipping channels to move their goods domestically and export their goods to international markets. The Clure Terminal also features over 400,000 s.f. of warehouse space and 40 acres of outdoor storage. The Clure is directly served by four Class 1 Railroads through a unique switching agreement. Non-maritime cargo tonnage through the Clure has grown by over 260% since 2007. In fact over the past five years, non-maritime cargo tonnage has been three times maritime tonnage, on average. Traditionally, Clure terminal cargos have included heavy-lift machinery for the mining, oil and gas production, construction, wind energy, pulp and paper, and energy transmission industries.

BACKGROUND – CREATION OF THE DULUTH INTERMODAL TERMINAL

In 2016, the DSPA completed a reconstruction and expansion project of Dock C&D, a \$17.7 million redevelopment project funded by a USDOT TIGER grant, grants from MnPDAP and MnDEED, and DSPA capital investment. This project provided additional maritime cargo handling and outdoor storage on Dock C&D, which allowed, for the first time in the Port's history, outdoor storage space to enable intermodal container handling capabilities on Berth 6 (see Figure 2). Adequate railroad and warehousing facilities were already in place on Berth 6. This allowed the port to quickly convert this space to an intermodal container terminal by merely constructing a check-in gate, extending the circulation and hauling access road to the intermodal terminal, and adapting existing warehouse space for Customs and Border Control purposes.



Figure 2: Duluth Seaway Port Authority

In March of this year (2017), Canadian National (CN) Railway, in partnership with the DSPA, officially opened the new “CN Duluth Intermodal Terminal” (DIT). The Terminal is located on the Clure Public Marine Terminal, Berth 6, and is directly served by CN Railway. The Twin Ports is located in the center of CN Railway’s North American Intermodal Network that runs between Prince Rupert and Vancouver to the west; Chicago, Halifax, Nova Scotia, and Montreal to the east; and New Orleans and Mobile to the south (see Figure 3). CN is the only railroad in the Minnesota market that provides shippers with direct service to the East, West, and Gulf Coast ports.

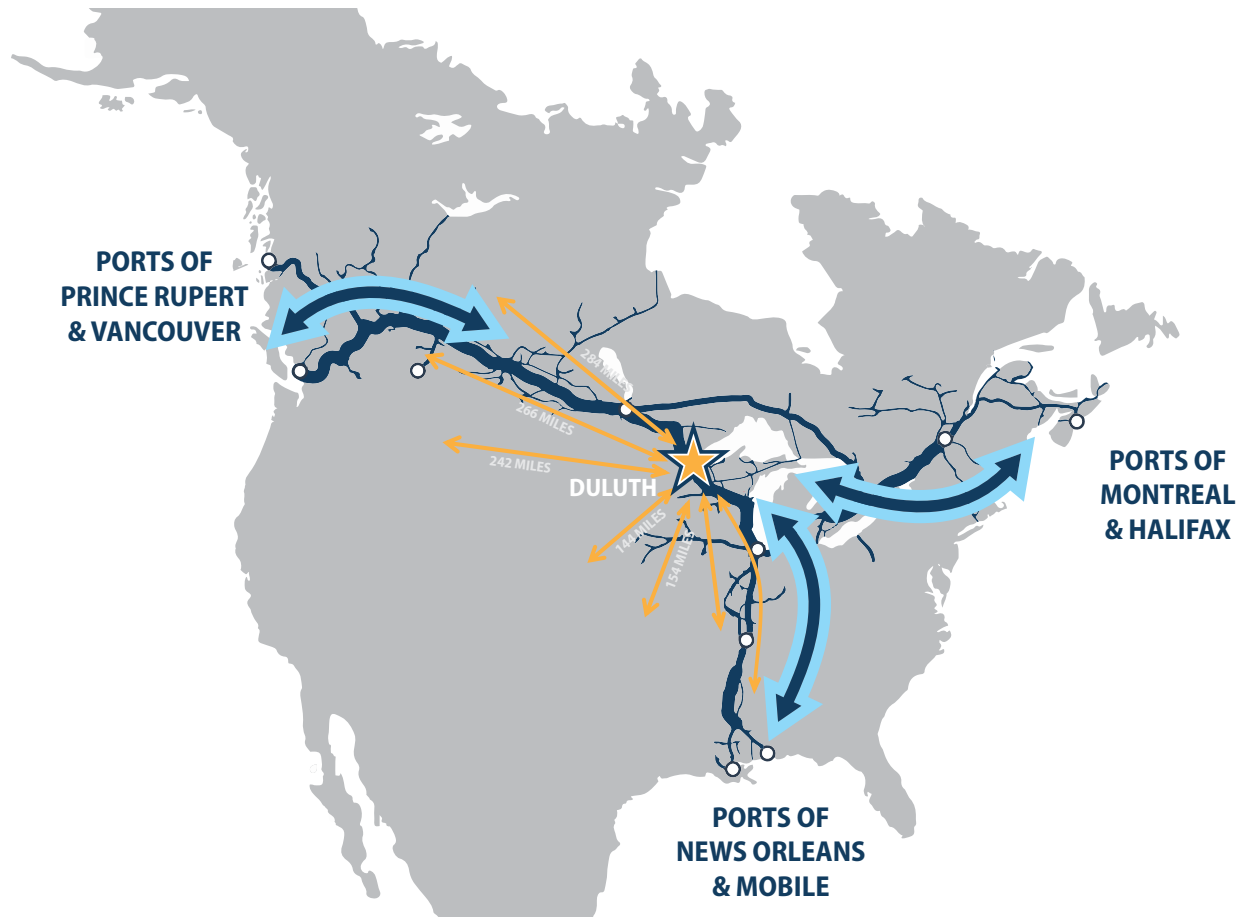


Figure 3: CN Railway’s North American Intermodal Network

The roll-out of the DIT has been remarkably successful. In just five months of operations, the facility is on track to exceed its planned capacity projections. The original market analysis projected 45,000 to 50,000 containers per year, to be achieved within five years. Updated projections validate the original numbers as well as predict additional growth to 60,000 to 65,000 container lifts per year within seven years. These projections have been based on a planned expansion of the facility, as described below in the Proposed Project section of this application. Without the expansion improvements, the growth potential will be limited to a maximum capacity of the existing terminal configuration which is between 25,000 and 30,000 containers per year.

Performance has exceeded expectations in other ways as well:

- A. The geographic “catchment area” is much larger than expected, extending east into northern Michigan and south of the Twin Cities. Original expectations were for the catchment area to extend from just north of the Canadian border to just north of the Twin Cities, and from northeastern Wisconsin to Bismarck North Dakota. This adjustment of the catchment area is based upon only five months of service; adjustments to the northern and western borders may be forthcoming.

- B. While the DSPA anticipated that their operating agent would be providing value added services on 30% of containers through the port, to date the conversion rate is closer to 90%. One of the reasons for the immediate success of the intermodal facility is that the DSPA already offers a wide variety of warehousing, cargo handling and transloading services, including those listed in the adjacent text box. In fact, the DSPA's agent, Lake Superior Warehousing, is internationally known for their cargo handling expertise, as documented by numerous awards. The combination of expert cargo handling capabilities and location within the CN network means that shippers are able to gain efficiencies and savings in their freight supply chains. Specifically, shippers are able to utilize overweight container options because containers can be stuffed and de-stuffed on-site without transiting a public road; others are using the DSPA warehouse space, to free up their own real estate for expansion opportunities, and shortening transit time.
- C. The range of customer types is broader than originally expected.
- D. Customers have achieved real economic savings. Initial feedback from terminal customers indicates the efficiencies described above have saved them as much as a third of their freight costs. This cost savings and efficient handling of freight allows regional businesses to be more competitive in global markets and opens possibilities for business expansion in the region.

Available Services at the CN Duluth Intermodal Ramp

- Container stuffing and de-stuffing, including crating, skidding, bundling, bulk loading, and overhead crane functionality
- Heat treated dunnage certification
- 400,000+ ft² of indoor storage and over 40 acres of secure outdoor storage space to handle all types of warehousing and distribution needs
- Overweight container handling for cost-effective rail moves
- A certified truck scale to ensure SOLAS VGM compliance
- Customs and border protection processing facility on-site
- TRAC chassis pool on site for hire on intermodal moves
- Foreign trade zone #51, including duty free storage and staging
- Tier II warehouse management software for inventory control including EDI, bar coding, and RFID functionality
- Quality work force recognized for their professionalism, cargo handling expertise, attention to detail, and unwavering commitment to customer satisfaction across all industries sectors

PROJECT SUMMARY

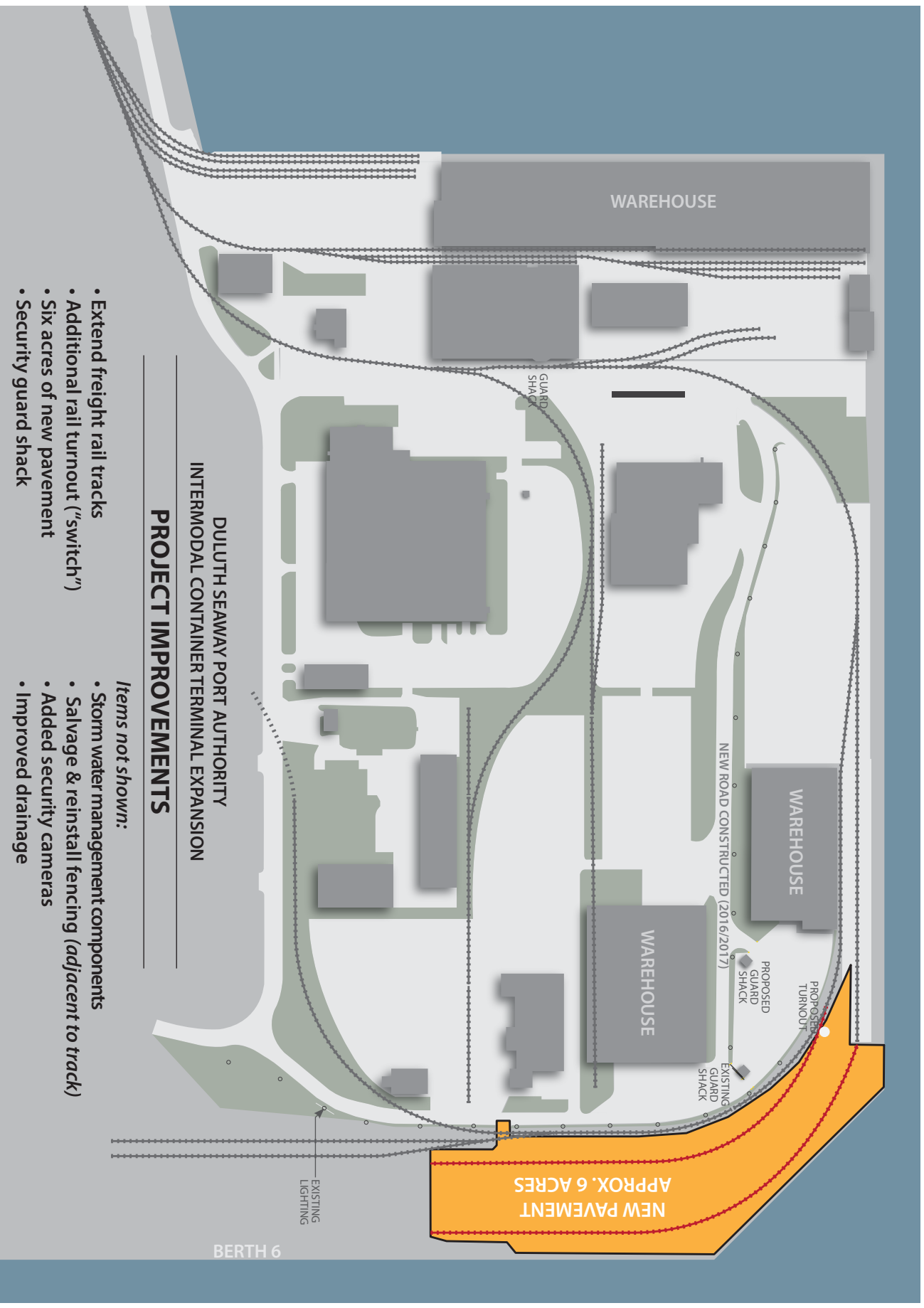
THE PROPOSED PROJECT

1. **Provide a brief summary of the project that includes the types of improvements to the intermodal facility. Include any roads or other transportation facilities affected by the improvement.**

In an effort to support the potential significant growth of traffic and lift counts at the new CN DIT, capacity improvements are needed. The proposed improvements would accommodate approximately 19,000 to 20,000 additional lifts annually and allow for efficient blocking of traffic for the North American coastal ports mentioned above. This project will bring the DIT's container capacity to approximately 45,000 to 50,000 containers per year, which matches the DIT's original five-year capacity projections. Note that it may be necessary to further expand this capacity in a future project in order to achieve CN's current seven-year projections of 60,000 to 65,000 containers per year.

The proposed project will expand the DIT by implementing the improvements described in the four bullets below and illustrated in *Figures 4A & 4B* on the following pages (illustration of the proposed improvements):

- Extend the freight rail tracks an additional approximately 2,500 feet on Berth 6 for intermodal well-car loading and unloading, and install an additional rail turnout.
- Pave approximately six acres of terminal space to provide safer handling of containers and trucks/chassis, a more stable footing for stacking of containers in storage, and more efficient maintenance and snow removal activities.
- Construct an additional check-in gate for trucks, with associated security fencing and transfer/lift-zone lighting.
- Address the storm water management and drainage necessary to meet City permitting requirements and best practices.



**DULUTH SEAWAY PORT AUTHORITY
 INTERMODAL CONTAINER TERMINAL EXPANSION**

PROJECT IMPROVEMENTS

- Extend freight rail tracks
- Additional rail turnout (“switch”)
- Six acres of new pavement
- Security guard shack

Items not shown:

- Storm water management components
- Salvage & reinstall fencing (adjacent to track)
- Added security cameras
- Improved drainage

Figure 4A: Illustration of the proposed improvements



Figure 4B: Duluth Seaway Port Authority Intermodal Container Terminal Expansion Project Location

LOCAL, REGIONAL, STATE PLANS

2. Briefly describe how the project is consistent with relevant local, regional and state plans.

Within the past five years, many studies have been developed, updated, and completed in the Duluth-Superior area related to the Duluth-Superior Port and surrounding lands and the maritime and freight movement industries. The regional and state freight planning studies, plans, and reports set their goals to benefit freight movements and describe the consequences of underinvestment in the transportation system. These reports are consistent with their support of the Port and the DIT because of its effect to freight transportation and its significant economic impact to the local, regional, and global markets. The proposed Intermodal Terminal Expansion project and goals are in alignment with many of the highest priorities of the following studies, as listed below:

Duluth-Superior Port Land Use Plan (December 2016)

The Duluth-Superior Port Land Use Plan is the comprehensive port development plan for the lands which constitute the “working port” of the City of Duluth, Minnesota and City of Superior, Wisconsin waterfronts and addresses existing and future conditions of the multi-modal transportation hub to move domestic and international freight.

Recommendations:

- Look for opportunities to develop and enhance the Duluth-Superior port intermodal transportation function
- Plan and support improved and expanded rail service to Rice’s Point
- Continue to highlight and market our competitiveness as a gateway in moving freight to national and global markets

Connections 2040: The Duluth-Superior Long Range Transportation Plan (October 2014)

This update of the Long Range Transportation Plan for Duluth, MN and Superior, WI presents a long range strategy to guide the effective investment of public funds for multi-modal transportation infrastructure throughout the area.

Recommendations:

- Seek opportunities to develop intermodal freight facilities
- Support an effective and seamless supply chain for businesses to be able to provide efficient delivery of goods
- Make strategic infrastructure investments that integrate and modernize multi-modal transportation infrastructure
- Develop new facilities and improve the efficiency of existing facilities for moving freight through the Duluth-Superior port
- Identify and reduce obstacles and/or barriers for the movement of freight through physical infrastructure improvements

Statewide Ports and Waterways Plan (September 2014)

This plan is an effort to help achieve the goals set forth in the Minnesota Department of Transportation (MnDOT)’s Minnesota GO 50-Year Vision and the objectives of the Statewide Multimodal Transportation Plan Containerization – opportunities to establish and expand use of containers on the marine system.

Recommendations:

- The capacity of the ports and waterways system can accommodate future demand and growth, increasing modal share relative to truck and rail and expanding intermodal container traffic
- Investigate opportunities to establish and expand use of containers on the marine system
- Intermodal connectors – maintain existing intermodal links and identify where additional links are needed
- Ensure that intermodal connectors between the marine system and the road and rail freight systems are adequate

Statewide Freight System Plan (May 2016)

The freight system drives Minnesota's economy. If it costs more to transport the massive supply of goods and loads, these costs are passed on to consumers. The costs, speed, and reliability of the freight system affects the health of Minnesota's economy. The State Freight Plan outlines immediate and long-range plans for freight-related transportation investments.

Recommendations:

- Identify critical connection projects essential for Minnesota's prosperity and preserve and improve these connections
- Intermodal and multimodal facility development to allow goods to shift between modes such as truck, rail, and water. Includes making equipment available. Improve and expand intermodal services.
- Capture value of through traffic
- Enhance and support Minnesota's role in a globally competitive economy.
- Incorporate and understanding of private sector supply chains into public sector decisions about infrastructure investment and operation.
- Use freight system in Minnesota as an economic driver

Additionally, the Plan discusses three categories of project types that are eligible for federal funding: Asset Management, Critical Connections, and Traveler Safety. The "Critical Connections" category includes projects that increase capacity and performance of key freight system connections and serve as the backbone for movement across and within Minnesota, regionally, and globally. The Plan specifically lists Intermodal and Multimodal Facilities as an important key Strategy and Action Item.

STATE AID

3. [If applicant is non-state-aid entity, identify the project sponsor that will assist with federal funds]

The Duluth Seaway Port Authority is a state-aid entity.

FREIGHT AND MOBILITY

Freight transportation entails all cargo, whether it moves by truck, ship, or rail. Prior to the CN Duluth Intermodal Terminal, all container traffic passed through Duluth (without stopping) on its way to the Twin Cities, Chicago, Memphis, or Indianapolis. With the opening of the new DIT, three beneficial factors were introduced to the freight market: access to all three North American coasts from one terminal, location of an intermodal terminal in an area that features congestion-free highway corridors, and value-added cargo handling and warehousing services available at the intermodal terminal location. These benefits of the DIT are explained by our partners, stakeholders and customers in the letters of support in Appendix B.

FREIGHT BENEFITS

4. [Describe in detail how the proposed transportation improvements support freight transportation]

Facility Capacity

As mentioned above, the existing maximum capacity of the DIT is between 25,000 to 30,000 containers per year. The current projections indicate a need for future capacity handling to exceed 45,000 to 50,000 container lifts annually in the next five years. The proposed project will increase the annual container lifts to provide an additional 19,000 to 20,000 which will support the intermediary growth of the intermodal ramp.

Access

The DIT supports the movement of freight by introducing a new intermodal rail provider into the upper Midwest that offers direct service to all three coasts, giving manufacturers and shippers closer proximity to global markets. This places Duluth in the middle of an international freight network in a meaningful way, and

for the first time, provides customers in the catchment area with direct access to the Asian Market via Pacific Northwest ports. The two railroads in the Twin Cities that have intermodal terminals cannot access all three coasts. BNSF has access to Seattle and Portland, Long Beach and Oakland, and the Gulf coast. CP also has access to the west, and access east to Montreal, but not to Halifax or the Gulf.

The Minnesota Statewide Freight System Plan identifies the need for “improved and expanded intermodal services” in Minnesota with special emphasis on “service from Minnesota to Pacific Northwest gateways.” The opening of the DIT addresses this need; the proposed project expands capacity of the DIT so that it can realize its projected five-year volume goals.

Warehousing and Value-Added Cargo Handling

As mentioned earlier, the DIT provides onsite warehousing and freight handling facilities. The benefits of this service result in time and cost savings for the customer and consumer. With the ability to manage container content on site, the product is not drayed off property onto a public highway to be managed elsewhere, which would add more time, handling and hauling costs throughout the process. Instead, the Duluth facility, with ample warehouse capacity, can handle and store the customers’ products for them.

Regional Economic Development Opportunities

The expanded capacity at the DIT will help the regional and state economy. As previously explained, the DIT offers customers in the catchment area direct access to Asian markets; the proposed project provides additional leverage to this market. The DIT also represents new product sourcing opportunities for manufacturers and assembly operations; regional customers are already using the DIT to import component parts for manufacturing of goods that are marketed domestically and internationally. Increased container capacity at the DIT can only expand this benefit.

Efficiency – reduced handling and shipping time

The DIT has already realized reduced freight costs for its shipper/receiver customers. In the past, customers had to dray a container from the Twin Cities, fill it only to the weight allowed by road constraints, truck it to an intermodal ramp in the Twin Cities or Chicago, where the container could finally be placed on rail. The DIT’s cargo warehousing, handling, and transloading facilities save customers time and money. Customers have reported an estimated 20-30% savings in their operations because of the cargo management options.

Shipping cost reduction – per ton container shipping rate reduction

The Duluth terminal can provide cost reduction to the entire supply chain. Shipping in/out of Duluth is less expensive per ton than going to the Twin Cities, especially for the businesses based in the catchment area. Containers can be shipped on rail fully loaded without the concern of being overweight. The Duluth terminal’s handling facilities can break the load down when transferring to trucks; the customer reduces their freight costs by getting more goods into a container and keeping it on the rail network longer. This can cut the customer’s freight cost by about a third.

MOBILITY BENEFITS

5. [Describe any intermodal transfer reliability or mobility issues at project location]

The only intermodal mobility issue at the DIT is that capacity is currently limited to approximately 25,000 to 30,000 containers per year based on available track and paved siding area. This project directly addresses this issue by expanding capacity as described in the Proposed Project section. To date, there are no transfer reliability issues at the DIT.

Within a regional context, however, there are very real mobility issues for freight movement through Chicago and the Twin Cities due to congestion. The famous “Chicago Problem” facing Minnesota shippers means that a significant freight volume must travel east to Chicago before it can switch directions and head west to California to access west coast ports.

6. [Describe how the project improves intermodal transfer reliability at the project location]

The proposed project expands container lift capacity at the DIT in order to achieve the terminal's five-year capacity projections, thus increasing long-term transfer reliability. The increased capacity at the DIT shortens the trucking leg for regional freight movements, thus increasing freight efficiency. The availability of expanded intermodal facilities in Duluth has important implications for intermodal transfer reliability for the region as a whole as well. It is well documented and measured that Twin Cities and Chicago currently experience significant delays for both rail and truck movement, with little room for increased ramp capacity. The high levels of traffic congestion for both rail and trucks, to and from terminal services, presents significant costs and time delays for the transportation providers. The DIT provides a smooth-flowing alternative to these terminals, and should relieve some of the congestion at these facilities as well.

As an example, the annual Urban Mobility Report (UMR) measures the costs of congestion at both the national and the local levels. The 2012 report estimated that the overall cost of congestion in the United States was \$121 billion in 2011 based on wasted fuel and lost productivity. In Minneapolis-St. Paul, Minnesota area, annual truck congestion cost was \$232 million in 2011. The table below uses overall commuter costs to compare the markets of Duluth to Minneapolis and Chicago.

City	Annual Hours of Delay per Commuter (hours)	Annual Cost of Congestion per Commuter (dollars)
Duluth	20	451
Minneapolis	47	1,035
Chicago	60	1,445

Table 1: Overall Commuter Costs

The Twin Ports region boasts excellent highway connections with I-35, I-535, US 2, US 53, within one mile of the Duluth Port, all relatively free of congestion and gridlock. Truckers can cover more miles on a daily basis and serve a greater geographical area out of Duluth, because congestion is not part of the equation. Their time is based solely in the quick turn-around through the DIT and the distance they need to travel. Presently, the customer has consistently reliable access and service to the ramp, which is directly contributing to the current success and popularity of the DIT. Investments to expand the DIT facility will benefit the region and the state.

PROJECT READINESS

In the following questions, select the option that best describes the level of project development at the time of application. These questions are designed to assess potential risks to the deliverability of the project within the timeframe of the program.

ENVIRONMENTAL DOCUMENTATION

7. [Which type of environmental document is required for this project?]

Project Memorandum (PM) – Categorical Exclusion (CatEx)

NEPA Process

The Minnesota Department of Transportation (MnDOT) Office of Environmental Stewardship (OES) and the Office of Freight and Commercial Vehicle Operations are conferring with the Federal Highway Administration (FHWA) regarding how to best address the National Environmental Policy Act (NEPA) process for this project and how the various responsibilities will be assigned for these actions. Therefore, completing an environmental document prior to the submittal of this grant application will not be possible.

However, based on early research, the project most likely meets the criteria of and is properly classified as a Federal Categorical Exclusion (Class II Action Category 23 CFR 771.117), given there are no extraordinary circumstances such as:

1. Significant impacts on the environment;
2. Substantial controversy on environmental grounds;
3. Significant impacts to Section 4(f) or 106 property;
4. Inconsistency with any federal, state or local law or administrative determination relating to the environment.

Research to determine the level of any potential effects (social, economic, and environmental (SEE)) or impacts on the environment and community (or in what way this project would result in such effects) were performed using the following reference material:

- Interviews
- Sanborn Maps
- Phase I Environmental Site Assessment: Rice's Point Docks C & D, Helberg Drive, Duluth, Minnesota
- MnDOT's draft Environmental Assessment, research, and data for the Twin Ports Interchange Project which includes the Garfield Interchange.

Purpose and Need

The foundation of any NEPA document, regardless of the Class of Action, is the project's Purpose Statement and clearly articulated Needs. For this project, they are defined as:

Purpose

Improvements are needed at the Clure Public Terminal to meet the increasing local, national and international container shipping and transportation demands.

Need

1. Improve Capacity
2. Improve Efficiency
3. Improve Economic Competitiveness/Shipping Cost Reduction

8. [What is the status of the document?]

- Document in progress; environmental impacts identified
- Anticipated date or date of completion/approval: April 2018

Review of Section 106 Historic Resources

The draft Environmental Assessment for MnDOT's Twin Ports Interchange project revealed that there are no Section 106 Historic Resources located within the general project vicinity. The LS&M/DM&IR historic rail line is the only historic resource that was identified on Rice's Point (see Appendix A), but that historic rail line is outside this project's area of potential effect. This information will be confirmed as the project's historic/archeological review progresses.

REVIEW OF SECTION 106 HISTORIC RESOURCES

9. [What is the status of the review of historic/archeological resources?]

- No known historic properties eligible for or listed in the National Register of Historic Places are located in the project area, and project is not located on an identified historic bridge
- Historic/archeological review underway; determination of "no historic properties affected" or "no adverse effect" anticipated
- Anticipated date or date of completion of historic/archeological review: April 2018

10. [Is the project located on an identified historic bridge?] No

REVIEW OF SECTION 4(F)/6(F) RESOURCES

Section 4(f) deals with project impacts to public parks, public wildlife refuges, public golf courses, wild and scenic rivers, or historic properties. Section 6(f) deals with project impacts to public parks, public wildlife refuges, public golf courses, wild and scenic rivers, or historic properties that were purchased or improved with federal funds.

Review of Section 4(f)/6(f) Resources

The draft Environmental Assessment for MnDOT's Twin Ports Interchange project revealed that there are no section 4(f)/6(f) resources located within the general project vicinity. The LS&M/DM&IR historic rail line is the only historic resource that was identified on Rice's Point (see Appendix A), but it is outside this project's area of potential effect. This information will be confirmed as the project's Section 4(f)/6(f) review progresses.

11. [What is the status of the review of Section 4f/6f resources?]

- No Section 4(f)/6(f) resources are located in or adjacent to the project

OWNERSHIP/EASEMENT

12. [What is the status of property ownership/acquisition for the project?]

- ROW, permanent or temporary easements not required

The project will not involve the acquisition of right of way, permanent or temporary easements. All the proposed improvements will be made on property owned by the DSPA.

RAILROAD INVOLVEMENT

13. [Is a railroad agreement required?]

- No railroad agreement is required for this project.
- All the proposed improvements will connect to existing track owned by the DSPA.

CONSTRUCTION DOCUMENTS/PLAN

14. [What is the status of the construction plans?]

- Construction plans have not been started or are less than 30% complete.
- Anticipated date or date of completion: May 2018.

LETTING

15. [Anticipated letting date:]

- The anticipated letting date is July 1, 2018

PROJECT SCHEDULE

The complete schedule to complete the preliminary design, design, and construction of this project is shown in *Table 2*.

	2017					2018									
	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT
Grant Solicitation Process															
Professional Contracts															
NTP/Project Duration															
Environmental Documentation															
Final Design															
Mobilization															
Utility Construction															
Rail Grade Construction															
Rail Construction															
Site Grading															
Concrete Paving															
Asphalt Paving															
Site Fencing															
Site Cleanup/Punch List															

Table 2: Project Schedule

PROJECT FUNDING

The project funding and sources are indicated below in *Table 3*.

Funding Source	Funding Type (State, Federal, Local)	Amount	Status (Requested, Secured, Expended)
Minnesota Highway Freight Program	State	\$1,896,224.82	Requested
Duluth Superior Port Authority	Local	\$474,056.21	Secured
		+	
	Funding Gap (if any)	\$0.00	
		=	
	Total Project Cost	\$2,370,281.03	

Table 3: Project Funding

**DULUTH SEAWAY PORT AUTHORITY
INTERMODAL CONTAINER TERMINAL EXPANSION**

MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM
FUNDING APPLICATION

COST ESTIMATE*

The supporting cost estimate information can be found below in *Table 4*.

ITEM	UNIT	QUANTITY	UNIT COST	TOTAL COST
MOBILIZATION	LUMP SUM	1	\$107,451.44	\$107,451.44
GUARD HOUSE	EACH	1	\$25,000.00	\$25,000.00
COMMON EXCAVATION	CY	7700	\$15.00	\$115,500.00
REMOVE BITUMINOUS PAVEMENT	SY	875	\$6.50	\$5,687.50
GEOGRID	SY	5500	\$7.50	\$41,250.00
SUBBALLAST	CY	1500	\$26.00	\$39,000.00
BALLAST	CY	1500	\$50.00	\$75,000.00
AGGREGATE BASE (CL 5)	CY	110	\$26.00	\$2,860.00
CONCRETE PAVEMENT (12" REINFORCED)	SY	302	\$85.00	\$25,670.00
ASPHALT PAVEMENT (6" PG 58-34)	TON	10455	\$70.00	\$731,850.00
RAILROAD TRACK	TF	2537	\$185.00	\$469,345.00
BUMPING POST	EACH	2	\$5,750.00	\$11,500.00
SLIDING DERAIL	EACH	2	\$5,000.00	\$10,000.00
No 10 TURNOUT	EACH	1	\$80,000.00	\$80,000.00
RAILROAD CROSSING - CONCRETE	LF	100	\$810.00	\$81,000.00
FENCING - REMOVE, SALVAGE, INSTALL	LF	1000	\$15.00	\$15,000.00
VEHICLE GATES	EACH	3	\$3,500.00	\$10,500.00
8 INCH HDPE WATER MAIN IN STEEL CASING	LF	100	\$210.00	\$21,000.00
CONNECT TO EXISTING WATER MAIN	EACH	2	\$3,000.00	\$6,000.00
RELOCATE ELECTRIC TRANSFORMERS	LUMP SUM	1	\$35,000.00	\$35,000.00
SITE LIGHTING	LUMP SUM	1	\$45,000.00	\$45,000.00
STORM SEWER / DRAINAGE MODIFICATIONS	LUMP SUM	1	\$90,000.00	\$90,000.00
EROSION AND SEDIMENT CONTROL	LUMP SUM	1	\$10,000.00	\$10,000.00
TRAFFIC CONTROL	LUMP SUM	1	\$7,500.00	\$7,500.00
				\$2,061,113.94
CONTINGENCY			15.00%	\$309,167.09
TOTAL				\$2,370,281.03

Table 4: Cost Estimate

**The Project Cost Estimate above is preliminary and will be modified in the final design and engineering phase.*




** Under a separate contract, DSPA will provide design and engineering services using DSPA funds.*

APPENDIX A

Potentially Eligible Historic Railroads



LEGEND

-  Great Northern
-  Northern Pacific
-  Duluth Winnipeg & Pacific



0 4
 MILES

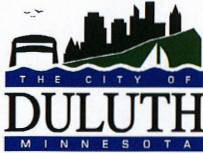
DULUTH -SUPERIOR AREA

Railroads in Minnesota, 1862-1956
 Multiple Property Documentation Form

Appendix A: Potentially Historic Eligible Railroads in Minnesota 1862-1956

APPENDIX B

Letters of Support for the Project



City of Duluth
Emily Larson, Mayor

411 West First Street * Room 403 * Duluth, MN 55802
218-730-5230 * Fax 218-730-5904 * Email: elarson@duluthmn.gov

Tuesday, August 15th, 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Assistant Commissioner Tim Henkel:

On behalf of the City of Duluth, I am pleased to submit this Letter of Support for the Duluth Seaway Port Authority's application for a grant to help fund the Intermodal Container Terminal Expansion Project.

The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation's principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on Rice's Point in Duluth. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one-year capacity capabilities and has some capacity for growth beyond its first year target. However, in order to meet its five-year capacity potential, additional rail spur length and paved container storage/handling areas are needed. The proposed project addresses this need in a number of ways.

The Duluth Intermodal Ramp presents a significant economic development opportunity: intermodal facilities generally serve as attractors to manufacturing, assembly and distribution centers. Cities and regions that feature intermodal cargo container terminals enjoy a substantive advantage in the competition to attract and retain industrial and logistics businesses. Duluth's situation appears especially advantageous: a) Duluth sits in the center of CN's three-coast rail network, b) The Duluth Intermodal Ramp is attractive as a smooth flow alternative to congested mid-west intermodal facilities, and c) regionally, there is a good inventory of underused former industrial property that can accommodate job-creating business centers.

The City of Duluth is the economic hub of the region including 10 counties of NE Minnesota and the port of Duluth-Superior is a major driver of the success of our region. The transportation infrastructure improvements this grant would support enable not only our regional economy to compete by more effectively transporting freight, but also contribute to the state of Minnesota's economic viability in the long run.

Thank you for your consideration and approval of this application.

Sincerely,

Emily Larson
Mayor of Duluth, MN



1222 Port Terminal Drive
Duluth, MN 55802
Phone: 218-481-7972
Fax: 218-481-7974
www.valleyworldwide.com

August 15, 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Mr. Henkel:

On behalf of Valley Worldwide Logistics Solutions, I am pleased to submit this Letter of Support for the Duluth Seaway Port Authority's application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on the Duluth Seaway Port Authority's Clure Public Marine Terminal on Rice's Point in Duluth. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one year capacity expectations of 10,000 annualized containers. The ramp, in its current configuration, has some capacity for growth beyond its first year target. However, in order to meet its five-year capacity potential of 45,000 – 65,000 annualized containers, additional rail spur length and paved container storage/handling area are needed. The proposed project addresses this need by:

- extending the freight rail tracks an additional 2,500 feet for intermodal well-car loading and unloading
- paving approximately six acres of terminal space to provide safer handling of containers and trucks/chassis, and more stable footing for stacking of containers in storage
- constructing a check-in gate for trucks
- addressing storm water management, security fencing, and lighting.

The proposed improvements would accommodate approximately 19,000 additional container lifts annually and allow for efficient blocking of traffic for North American ports on Atlantic, Pacific and Gulf coasts.

The Duluth Intermodal Ramp is perfectly positioned for success: Duluth is located at the center of CN's North American network, has access to all three coasts, and provides an attractive alternative to congested regional intermodal facilities. The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation's principal NAFTA

**DULUTH SEAWAY PORT AUTHORITY
INTERMODAL CONTAINER TERMINAL EXPANSION**

MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM
FUNDING APPLICATION

trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.

Our Organization is a licensed Non-Vessel Operation Common Carrier (NVOCCO) - freight forwarder and trucking company, that has been at the forefront of support for the new Duluth, MN Intermodal Terminal for all that it has to offer to the regions importers and exporters alike. The initiatives within this grant application support our goal to decrease the costs of international shipping to our existing customers from one of the most land-locked regions of our country. We are also working very hard to introduce this new option in Duluth, to potential new importers and exporters in our region that may have shied away from entering the international market place due to the costs of moving products to and from our region. The Duluth Intermodal Terminal has made international shipping more cost effective for all in our region and we are already seeing rapid increases in the amount of product that we are shipping through this terminal.

The economic development potential of this new facility is already being felt, as we have already added an office right at the Port of Duluth and have hired 8 new personnel to staff our new operation in Duluth, which includes both Owner Operator and hourly wage truck drivers, along with office staff. We are also currently looking to add more truck drivers to our staff as we are experiencing very rapid growth within our Duluth, MN office.

Thank you for your consideration and approval of this application.

Sincerely,



Wayne D. Larson
Director of Global Logistics
Valley Worldwide Logistics Solutions

**DULUTH SEAWAY PORT AUTHORITY
INTERMODAL CONTAINER TERMINAL EXPANSION**

MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM
FUNDING APPLICATION



10055 Thiesse Road
Brainerd, MN 56401
PHONE (218) 825-8429
FAX (218) 454-4701
LexingtonMFG.com

16 August 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the
MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Mr Henkel:

On behalf of Lexington Manufacturing, we are pleased to submit this Letter of Support for the Duluth Seaway Port Authority's application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on the Duluth Seaway Port Authority's Clure Public Marine Terminal on Rice's Point in Duluth. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one year capacity expectations of 10,000 annualized containers. The ramp, in its current configuration, has some capacity for growth beyond its first year target. However, in order to meet its five-year capacity potential of 45,000 – 65,000 annualized containers, additional rail spur length and paved container storage/handling area are needed. The proposed project addresses this need by:

- extending the freight rail tracks an additional 2,500 feet for intermodal well-car loading and unloading
- paving approximately six acres of terminal space to provide safer handling of containers and trucks/chassis, and more stable footing for stacking of containers in storage
- constructing a check-in gate for trucks
- addressing storm water management, security fencing, and lighting.

The proposed improvements would accommodate approximately 19,000 additional container lifts annually and allow for efficient blocking of traffic for North American ports on Atlantic, Pacific and Gulf coasts.

The Duluth Intermodal Ramp is perfectly positioned for success: Duluth is located at the center of CN's North American network, has access to all three coasts, and provides an attractive alternative to congested regional intermodal facilities. The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation's principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.

Our Organization imports and exports materials for the door and window industry. The initiatives within this grant application support our goals to utilize international material sources and supply international customers.

Thank you for your consideration and approval of this application.

Sincerely,

Brad Milbeck
Materials Manager
Lexington Manufacturing



Minnesota's
North Star Port

Lake Superior Warehousing Co., Inc.

1310 Port Terminal Drive
Duluth, MN 55802

Phone: (218) 727-6646 Fax: (218) 727-6649
www.lakesuperiorwarehousing.com

Voted 2011 & 2015 Top Port in North America by the Railway Industrial Clearance Association (RICA)

17 August 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Mr. Henkel:

On behalf of Lake Superior Warehousing Co., Inc., I am pleased to submit this Letter of Support for the Duluth Seaway Port Authority's application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on the Duluth Seaway Port Authority's Clure Public Marine Terminal on Rice's Point in Duluth. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one year capacity expectations of 10,000 annualized containers. The ramp, in its current configuration, has some capacity for growth beyond its first year target. However, in order to meet its five-year capacity potential of 45,000 – 65,000 annualized containers, additional rail spur length and paved container storage/handling area are needed. The proposed project addresses this need by:

- Extending the freight rail tracks an additional 2,500 feet for intermodal well-car loading and unloading
- Paving approximately six acres of terminal space to provide safer handling of containers and trucks/chassis, and more stable footing for stacking of containers in storage
- Constructing a check-in gate for trucks
- Addressing storm water management, security fencing, and lighting.

The proposed improvements would accommodate approximately 19,000 additional container lifts annually and allow for efficient blocking of traffic for North American ports on Atlantic, Pacific and Gulf coasts.

The Duluth Intermodal Ramp is perfectly positioned for success: Duluth is located at the center of CN's North American network, has access to all three coasts, and provides an attractive alternative to congested regional intermodal facilities. The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the

Appendix B4: Letter of Support – Lake Superior Warehousing Company

**DULUTH SEAWAY PORT AUTHORITY
INTERMODAL CONTAINER TERMINAL EXPANSION**

MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM
FUNDING APPLICATION

nation's principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.

Our organization operates and manages cargo warehousing and transloading operations at the Clure Public Marine Terminal at the Port of Duluth. As managing agent for the Duluth Seaway Port Authority and operator of the CN Duluth Intermodal Ramp, the initiatives within this grant application support our goals to promote the general welfare of the port, to increase the volume of the port's commerce and to promote the efficient, safe and economical handling of commerce. As a point of connection for freight, we rely on the strength of all modes of transportation. This project will only strengthen our role as a multi-modal hub in the upper Midwest.

Thank you for your consideration and approval of this application.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan R. Lund". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

President
Lake Superior Warehousing Co., Inc.



District 1
1123 Mesaba Avenue
Duluth, MN 55811-2798
Office Tel: 218-725-2700
Fax: 218-725-2800

August 17, 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Tim:

On behalf of MnDOT District One, we are happy to submit this Letter of Support for the Duluth Seaway Port Authority's application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on the Duluth Seaway Port Authority's Clure Public Marine Terminal on Rice's Point in Duluth. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one year capacity expectations of 10,000 annualized containers. The ramp, in its current configuration, has some capacity for growth beyond its first year target. However, in order to meet its five-year capacity potential of 45,000 – 65,000 annualized containers, additional rail spur length and paved container storage/handling area are needed. The proposed project addresses this need by:

- extending the freight rail tracks an additional 2,500 feet for intermodal well-car loading and unloading
- paving approximately six acres of terminal space to provide safer handling of containers and trucks/chassis, and more stable footing for stacking of containers in storage
- constructing a check-in gate for trucks
- addressing storm water management, security fencing, and lighting.

The proposed improvements would accommodate approximately 19,000 additional container lifts annually and allow for efficient blocking of traffic for North American ports on Atlantic, Pacific and Gulf coasts.

The Duluth Intermodal Ramp is perfectly positioned for success: Duluth is located at the center of CN's North American network, has access to all three coasts, and provides an attractive alternative to congested regional intermodal facilities. The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation's principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.


An Equal Opportunity Employer

Assistant Commissioner Tim Henkel
Page 2
August 17, 2017

As you know, MnDOT is working together with the Duluth Seaway Port Authority to improve access to I-535, I-35 and US 53 in the vicinity of this new intermodal terminal project. These project are important to the local economy and will have a positive impact on freight movements throughout the region, leveraging our existing investments and reduce freight congestion in the Twin Cities Metropolitan area.

Thank you for your consideration and approval of this application.

Sincerely,

A handwritten signature in black ink that reads "Duane R. Hill". The signature is written in a cursive, slightly slanted style.

Duane R. Hill, P.E.
District Engineer



August 15, 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Mr. Henkel:

On behalf of Duluth Local Initiatives Support Corporation (Duluth LISC), I am pleased to submit this Letter of Support for the Duluth Seaway Port Authority's application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

LISC is a national leader in the development and implementation of place-based strategies to revitalize and create sustainable communities. As the nation's largest nonprofit community development intermediary, LISC works in 31 local urban sites and over 65 rural programs to help build the capacity of neighborhood residents to revitalize their own communities. We do this by partnering with a broad range of private, public and nonprofit organizations, and providing financial, technical, policy advocacy and convening support to build healthy, sustainable communities throughout the country.

We are pleased that the Duluth Seaway Port Authority is partnering with LISC to seek ways to leverage critical infrastructure investments to increase manufacturing job creation opportunities for the Duluth community. This application represents an example of our new partnership. The Duluth Intermodal Ramp presents a significant economic development opportunity: intermodal facilities generally serve as attractors to manufacturing, assembly and distribution centers. It is advantageous to locate such facilities as close as possible to intermodal terminals in order to minimize transportation costs and ensure on-time delivery. Consequently cities and regions that feature intermodal cargo container terminals enjoy a substantive advantage in the competition to attract and retain industrial and logistics businesses. Duluth's situation appears especially advantageous: a) Duluth sits in the center of CN's three-coast rail network, b) Duluth is

DULUTH LOCAL INITIATIVES SUPPORT CORPORATION
202 W. SUPERIOR ST. STE 401, DULUTH, MN 55802 * PHONE: 218/727-7761 * FAX: 218/727-7769
WWW.LISC.ORG/DULUTH

Appendix B6: Letter of Support – Duluth Local Initiatives Support Corporation

attractive as a smooth flow alternative to congested mid-west intermodal facilities, and c) regionally, there is a good inventory of underused former industrial property that to accommodate job-creating business centers. LISC is especially interested in the opportunity to link workforce development training to the creation of career pathways which will result in increased career and income asset building opportunities within our community.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on the Duluth Seaway Port Authority's Clure Public Marine Terminal on Rice's Point. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one year capacity expectations of 10,000 annualized containers. The ramp, in its current configuration, has some capacity for growth beyond its first year target. However, in order to meet its five-year capacity potential of 45,000 – 65,000 annualized containers, additional rail spur length and paved container storage/handling area are needed. The proposed project addresses this need by:

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- addressing storm water management, security fencing, and lighting.

The proposed improvements would accommodate approximately 19,000 additional container lifts annually and allow for efficient blocking of traffic for North American ports on Atlantic, Pacific and Gulf coasts. The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation's principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin. The Duluth Seaway Port Authority's Clure Public Marine Terminal is located immediately south of Lincoln Park, one of LISC's target neighborhoods, and most of the industrial land in the city is located in Duluth's western neighborhoods.

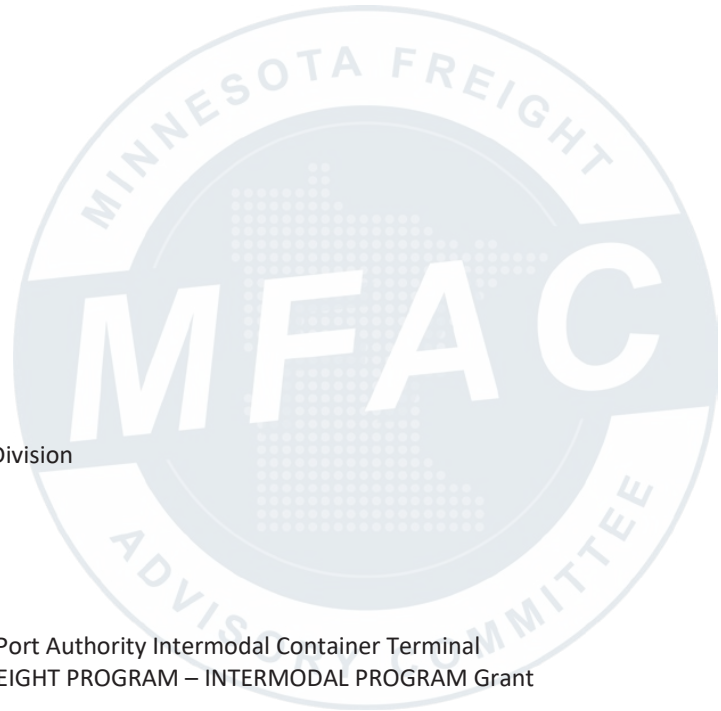
The initiatives within this grant application supports our priorities to invest in efforts that stimulate economic development, grow jobs, and create opportunities for Duluth and Superior residents to build incomes, assets, and career opportunities. We strongly support the Port of Duluth-Superior's application for these funds.

Thank you for your consideration, and please feel free to contact me with any questions.

Sincerely,



Pam Kramer
Executive Director
Duluth LISC



August 18, 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Assistant Commissioner Henkel:

On behalf of the Minnesota Freight Advisory Committee (MFAC), I am pleased to submit this Letter of Support for the Duluth Seaway Port Authority's application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on the Duluth Seaway Port Authority's Clure Public Marine Terminal on Rice's Point in Duluth. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one year capacity expectations of 10,000 annualized containers. The ramp, in its current configuration, has some capacity for growth beyond its first year target. However, in order to meet its five-year capacity potential of 45,000 – 65,000 annualized containers, additional rail spur length and paved container storage/handling area are needed. The proposed project addresses this need by:

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- constructing a check-in gate for trucks
- addressing storm water management, security fencing, and lighting.

The proposed improvements would accommodate approximately 19,000 additional container lifts annually and allow for efficient blocking of traffic for North American ports on Atlantic, Pacific and Gulf coasts.

The Duluth Intermodal Ramp is perfectly positioned for success: Duluth is located at the center of CN's North American network, has access to all three coasts, and provides an attractive alternative to congested regional intermodal facilities. The Port of Duluth-Superior is the largest


Appendix B7: Letter of Support – Minnesota Freight Advisory Committee

U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation’s principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.

As you know, the mission of MFAC is to advise MnDOT and other public agencies and officials on the performance and importance of Minnesota’s freight transportation system to support the state’s economic competitiveness. To support this mission, a key activity of the committee is to monitor and support the implementation of Minnesota’s Statewide Freight System Plan and Action Agenda. We believe that this project is strongly tied to the Action Agenda’s strategy that supports “intermodal and multimodal facility development to allow goods to shift between modes such as truck, rail, and water.” Completion of this project helps ensure that the Duluth area and the Duluth port are able to remain competitive as an attractive entry and exit point for freight moving in, through, and out of Minnesota.

Thank you for your consideration of this application.

Sincerely,



William E. Goins
Chair, Minnesota Freight Advisory Committee
wegoins@fedex.com



**MIDWEST
SHIPPERS
ASSOCIATION**

*Connecting the World's Best Premium Oilseeds and Grains Producers
with the World's Best Customers*

10800 Lyndale Avenue South, Suite 159 • Bloomington, MN 55420 USA
Phone: 952-253-6231 • Fax: 952-253-6227
Email: staff@mnshippers.com
www.midwestshippers.com
www.grainconference.org

August 17, 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal
Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL
PROGRAM Grant Application

Dear Assistant Commissioner Henkel:

On behalf of the Midwest Shippers Association, I am pleased to submit this Letter of Support for the Duluth Seaway Port Authority's application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

The Midwest Shippers Association is a regional agricultural trade organization made up of a diverse range of agribusinesses involved in exporting premium specialty and commodity grains, oilseeds and grain ingredients worldwide. Our member exporters nearly all rely on containerized shipping to their customers overseas. People familiar or experienced in intermodal container shipping from Minnesota and our adjacent states, where the vast majority of our members are located, understand that we have been at a cost disadvantage, and sometimes and equipment availability disadvantage, compared to other more favored container shipping locations – notably Chicago, Kansas City and a few others.

We have been working to support and collaborate with Duluth's admirable effort to bring container shipping service to the Twin Ports for at least three years. We have been excited to see the Duluth/CN Rail development get started, and we have had members use the service. But we also believe, the project is still new, in its infancy, and holds the potential to be a larger contributing force for the northern Minnesota, Red River Valley and western Wisconsin region and beyond. We extend our support for public investment to support its further development, in as much as our organization continues to provide our logistical and marketing support.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on the Duluth Seaway Port Authority's Clure Public Marine Terminal on Rice's Point in Duluth. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one year capacity expectations of 10,000 annualized containers. The ramp, in its current configuration, has some capacity

for growth beyond its first year target. However, in order to meet its five-year capacity potential of 45,000 – 65,000 annualized containers, additional rail spur length and paved container storage/handling area are needed. The proposed project addresses this need by:

- extending the freight rail tracks an additional 2,500 feet for intermodal well-car loading and unloading
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- addressing storm water management, security fencing, and lighting.

The proposed improvements would accommodate approximately 19,000 additional container lifts annually and allow for efficient blocking of traffic for North American ports on Atlantic, Pacific and Gulf coasts.

The Duluth Intermodal Ramp is perfectly positioned for success: Duluth is located at the center of CN's North American network, has access to all three coasts, and provides an attractive alternative to congested regional intermodal facilities. The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation's principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.

One of key missions of the Midwest Shippers Association is to actively work for transportation and logistics solutions to help Upper Midwest agriculture exporters be more competitive in the world market. Duluth Cargo Connect/CN Rails new intermodal service can be one of those key logistics solutions.

Thank you for your consideration and approval of this application.

Sincerely,

Bruce Abbe
President & CEO
Midwest Shippers Association



www.cn.ca

Southern Region

John Orr
Senior Vice President, Southern Region

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August 16, 2017

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Sir:

I am writing on behalf of Wisconsin Central Ltd., a wholly owned subsidiary of Canadian National Railway Company (“CN”). Within the State of Minnesota, CN owns and operates 424 miles of railroad, and employs approximately 485 people. Last year, CN paid \$14.6 million in taxes to the State, spent \$98 million in goods and services, and made \$110 million in capital investments in Minnesota. Wisconsin Central Ltd. is pleased to submit this Letter of Support for the Duluth Seaway Port Authority’s application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

The CN Duluth Intermodal Ramp, which opened in March 2017, is located on the Duluth Seaway Port Authority’s Clure Public Marine Terminal on Rice’s Point in Duluth. The ramp has exceeded all performance expectations to date and is on-target to meet and exceed its one year capacity expectations of 10,000 annualized containers. The ramp, in its current configuration, has some capacity for growth beyond its first year target. However, in order to meet its five-year capacity potential of 45,000 – 65,000 annualized containers, additional rail spur length and paved container storage/handling area are needed. The proposed project addresses this need by:

- extending the freight rail tracks an additional 2,500 feet for intermodal well-car loading and unloading
- paving approximately six acres of terminal space to provide safer handling of containers and trucks/chassis, and more stable footing for stacking of containers in storage
- constructing a check-in gate for trucks
- Addressing storm water management, security fencing, and lighting.

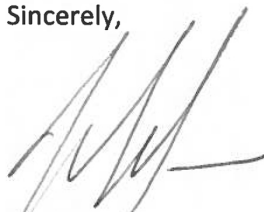
The proposed improvements would accommodate approximately 19,000 additional container lifts annually and allow for efficient blocking of traffic for North American ports on Atlantic, Pacific and Gulf coasts.

The Duluth Intermodal Ramp is perfectly positioned for success: Duluth is located at the center of CN's North American network, has access to all three coasts, and provides an attractive alternative to congested regional intermodal facilities. The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation's principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.

The initiatives within this grant application supports Wisconsin Central Ltd.'s ability to provide service to customer's in the Duluth regions to overseas markets at competitive prices.

Thank you for your consideration and approval of this application.

Sincerely,



John Orr
Senior Vice President
Southern Region



C.H. ROBINSON

Assistant Commissioner Tim Henkel
Modal Planning and Program Management Division
Transportation Building
395 John Ireland Blvd
Mailstop 100
St. Paul, MN 55155-1899

Subject: Letter of Support – Duluth Seaway Port Authority Intermodal Container Terminal Expansion for the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM Grant Application

Dear Assistant Commissioner Henkel:

C.H. Robinson whole heartedly supports the Duluth Seaway Port Authority’s application for a grant to help fund the Intermodal Container Terminal Expansion Project under the MINNESOTA HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM.

C.H. Robinson is one of the nation’s top third party logistics providers with global headquarters in Eden Prairie, MN. We have successfully partnered with the Port of Duluth on numerous international freight projects and have found them to be both innovative and responsive in terms of finding competitive solutions to the region’s freight transportation needs. Additional containerized shipping capacity at the Port of Duluth will certainly serve to increase the freight transportation options and competitive landscape of businesses in the entire upper Midwest region.

The Duluth Intermodal Ramp is perfectly positioned for success: Duluth is located at the center of CN’s North American network, has access to all three coasts, and provides an attractive alternative to congested regional intermodal facilities. The Port of Duluth-Superior is the largest U.S. port on the Great Lakes and one of the largest marine gateways for U.S. trade with Canada, the number-one trade partner of Minnesota and the nation. The Port is located at the western tip of Lake Superior and at the north end of I-35, one of the nation’s principal NAFTA trade corridors. The Twin Ports are served by four Class I railroads: CN, BNSF, CP and UP, and three major highway corridors between Minnesota and Wisconsin: I-35, US-53, and US-2.

Thank you for your consideration and approval of this application. We look forward to the results of this project and continued improvement of freight transportation options through the Port of Duluth.

Sincerely,

Jason Craig
Director of Government Affairs
C.H. Robinson
Jason.craig@chrobinson.com

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1200 Port Terminal Drive
Duluth, Minnesota 55802-2609 U.S.A.
218-727-8525 ■ Fax 218-727-6888
E-Mail: admin@duluthport.com ■ www.duluthport.com

August 18, 2017

TO: Selecton Committee
Minnesota Highway Freight Program – Intermodal Program
Grant Application

RE: Duluth Seaway Port Authority RESOLUTION for Grant Application

Dear Selection Committee:

The Board of Directors of the Duluth Seaway Port Authority (DSPA) will submit a resolution immediately following its next board meeting on August 30, 2017. The resolution will indicate the DSPA's approval of this application and commitment to the funding match, as identified in the application.

Thank you for consideration of this application. Please feel free to contact Ms. Deborah DeLuca of my staff at (218)-727-8525 should you have questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads 'Vanta E. Coda II'.

Vanta E. Coda II
Executive Director



1200 Port Terminal Drive
Duluth, Minnesota 55802-2609 U.S.A.
218-727-8525 ■ Fax 218-727-6888
E-Mail: admin@duluthport.com ■ www.duluthport.com

Resolution No. 43-17

**MINNESOTA DEPARTMENT OF TRANSPORTATION (MnDOT) MINNESOTA
HIGHWAY FREIGHT PROGRAM – INTERMODAL PROGRAM GRANT APPLICATION**

RECITALS:

1. MnDOT's Minnesota Highway Freight Program (MHFP) – Intermodal Program provides federal funding specifically for intermodal construction projects that provide surface transportation infrastructure necessary to facilitate direct intermodal interchange, transfer, and access into or out of a public or private freight rail or water facility. The current funding cycle is the sole funding cycle for FY19-FY20; total funds available for intermodal projects will not exceed \$2.08M. The application for the current funding cycle was due on August 18, and
2. The Duluth Seaway Port Authority ("Authority") seeks to expand the container capacity of the CN Duluth Intermodal Terminal in order to accommodate our projected five-year volume of 45,000-50,000 annualized containers. This projection was based upon initial market analysis; updated projections validate the original numbers and predict additional growth to 60,000 to 65,000 annualized containers within seven years. Maximum capacity of the current terminal configuration is between 25,000 and 30,000 annualized containers, and
3. The proposed project will increase container capacity by 19,000 – 20,000 annualized containers. Capacity will be increased by: a) adding approximately 2,500 feet of track and one rail turnout (switch) on Berth 6 for intermodal car loading and unloading; b) paving approximately 6 acres of terminal space; c) addressing stormwater management and drainage to meet City permitting and best practices requirements; and d) providing lighting, security fencing and check-in gate, and
4. The estimated cost of the project is \$2,370,281.03, not including final design and engineering oversight (estimated at \$292,000), and
5. The Authority has planned on financing the project with the \$1,896,224.82 of MnDOT MHFP funds and \$474,056.21 of Port funds (plus an additional \$292,000 of Port funds for final design and engineering oversight), and
6. The Authority prepared the grant application attached as Exhibit A in order to meet the August 18, 2017 due date.*

* The Board of Commissioners is approving this application on August 30, 2017 subsequent to application submission on August 18, 2017.

NOW, THEREFORE, BE IT RESOLVED:

1. The submission of the attached application for a (MHFP) – Intermodal Program grant from MnDOT for the proposed project is hereby authorized, as required of MnDOT in the application process. The grant application is for \$1,896,224.82 and will be matched by \$474,056.21 of Port funds that will be contributed to the project, as well as Port funds necessary for final design and engineering oversight (estimated at \$292,000).
2. The Authority commits \$474,056.21 of Port funds as match, plus an additional \$292,000 of Port funds for final design and engineering oversight.
3. The Executive Director is authorized to execute or have executed any additional documents required for the MHFP-Intermodal Program grant.
4. If the MHFP-Intermodal Program is awarded, the President of the Authority is hereby authorized to accept the grant.

ADOPTED: August 30, 2017

(SEAL)

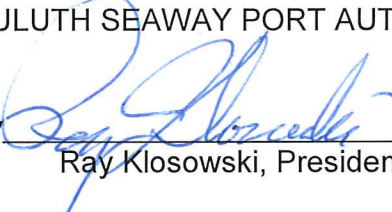
ATTEST:



Tony Sertich, Secretary

DULUTH SEAWAY PORT AUTHORITY

By



Ray Klosowski, President