



COLORADO
Department of Transportation
Division of Transit & Rail

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TO: Transit & Rail Advisory Committee
FROM: Amber Blake, Director, Division of Transit and Rail
DATE: November 5, 2021
RE: Rail Abandonments and the Potential for Rail Acquisitions Report to TLRC (SB 37 Report)

Purpose

Required by Senate Bill 37 (SB 37), the Executive Director makes a report to the Transportation Legislation Review Committee (TLRC) of the State Legislature each year. This memo summarizes the report findings and recommendations.

Action

None. Information only.

Background

Each year the SB 37 Report provides an update on possible rail line abandonments and opportunities for rail line acquisitions.

Details

Burnham Yard (UP): CDOT Region 1 and Colorado High Performance Transportation Enterprise (HPTE) successfully negotiated the purchase with UP to acquire the Burnham Yard. After some delays brought on by the COVID-19 pandemic, HPTE was successful in obtaining financing for the purchase price and closed on the property on May 19, 2021. Under the deal, CDOT will pay UP \$50 million for the property, with CDOT Region 1 and HPTE each providing \$7.5 million—for a total of \$15 million—and the remainder being financed through a bank loan. Since the purchase, CDOT has assumed responsibility for the property and has begun initial cleanup and preservation of historic structures, pending additional planning and engineering efforts.

CDOT Region 1 plans to begin environmental, planning, and engineering efforts starting in October 2021. This will involve design of the realigned Consolidated Main Line (CML), environmental impacts determination and mitigation, local small area planning in coordination with the City and County of Denver, and coordination with RTD for eventual sale of right-of-way on the eastern face of the property. This planning and engineering effort is partially funded and will proceed to the extent that the current funding permits.

Recommendation: As CDOT Region 1 and Colorado High Performance Transportation Enterprise (HPTE) work to begin the planning and engineering efforts supporting the potential relocation of the Consolidated Main Line (CML) through the former Burnham Yard, CDOT HQ and Front Range Passenger Rail staff will continue to monitor and support those efforts.

Tennessee Pass (UP): Although no freight has been shipped across the full Tennessee Pass Line since 1996, recent conversations with the UP indicate that they do not intend to abandon this line in the near future. The Royal Gorge Route Railroad currently offers scenic, tourist rail trips on 12 miles of the Tennessee Pass Line west of Cañon City. CDOT often receives inquiries from parties interested in operating commuter and/or tourist operations on the line. Additionally, the line is considered desirable by bicyclists as a rail-to-trail corridor and was identified as one of 16 priority trails by Governor Hickenlooper in 2016. The Department of Natural Resources has also been working to

make use of the line's right-of-way by "railbanking" which would allow interim use of the property for biking while preserving the right-of-way for future resumed rail use. Any arrangements by UP to resume freight service on the line would preclude other uses such as railbanking.

In December 2020, Colorado Midland & Pacific Railway Company (CMP), a subsidiary of Rio Grande Pacific Corporation, entered into a commercial agreement with UP for the potential use of the corridor for commuter passenger services over the pass. However, CMP's filing for common carrier authority was rejected by the U.S. Surface Transportation Board (STB) on March 25, 2021, over environmental and safety concerns. CMP stated that they are currently reviewing the ruling and considering the next steps.

Recommendation: CDOT is recommending continued monitoring of activities on the Tennessee Pass. The Tennessee Pass Line has not been used for freight movements in over 15 years and interest has been expressed for other uses, such as passenger train service and a bicycle trail. Currently, Colorado Midland & Pacific Railway Company (CMP) is reviewing next steps in their application to the STB for future operations on the Tennessee Pass line. CDOT will closely monitor the progress of any developments. If this line is abandoned, the state should consider purchasing it to preserve for freight and/or passenger service in the future.

Fort Collins Branch Line (UP): The Fort Collins Branch line is a line that runs southeast from Fort Collins to Milliken and Dent, then east to La Salle. It is identified as a Rail Corridor of State Significance since it connects Greeley and Fort Collins to the North I-25 corridor and was identified as part of the preferred alternative in the North Front Range Transportation Alternatives Feasibility Study (NFR TAFS, March 2000). This line does not appear to be at risk of abandonment at this time. However, it should be noted that this branch line was not included in the Preferred Alternative of the North I-25 Environmental Impact Statement (EIS) (December 2011), though that EIS recommends a new commuter rail line connecting the commuter rail line in Longmont and the north end of the RTD FasTracks North Metro Line.

Recommendation: CDOT should continue to monitor activities on the Fort Collins Branch Line. If this line is abandoned, the state should consider purchasing it to preserve for freight and/or passenger service in the future.

San Luis & Rio Grande Railroad: In September 2019, SLRG was placed in receivership, which is an alternative to bankruptcy during which SLRG continued operating. Leading up to receivership, SLRG had struggled with rising maintenance needs and logistics difficulties with access to the national rail network. In late 2019 the receivership was ended and SLRG was placed into involuntary bankruptcy. Communications with the bankruptcy trustee in September 2021 indicate that negotiations with a potential buyer are at the final stages and the sale of SLRG is expected to be complete in early 2022. The new owner will continue freight operations and determine if there is any potential for revival of passenger excursion service.

Recommendation: CDOT will continue to monitor this railroad as it continues to move through the sale process. Should the sale of the Railroad successfully occur, the state should reach out to the new owner and explore ways to support them to improve the state of good repair and ensure future success on the line.

Raton Pass Line/Amtrak Southwest Chief: Amtrak's long distance route, the Southwest Chief, is included in this 2021 SB37 report because there are still miles of track on the Raton Pass Line (which Amtrak uses for this route) in need of replacement in order to complete rehabilitation of the line to sustain operation in the future. In recent years three projects have been awarded funding to meet the rehabilitation goal in Colorado: 2017 TIGER IX award, 2018 CRISI award, and a 2020 CRISI award, all from FRA. After these projects are complete, there will still be around 29 miles of track that will need to be rehabilitated, for which funding has not yet been identified.

Recommendation: CDOT continues to support the on-going efforts to make the necessary repairs on the Southwest Chief route. The Southwest Chief & Front Range Passenger Rail Commission should continue pursuing additional funding (e.g., TIGER/CRISI grants) to finance necessary repairs on the Raton Pass Line. It is critical that the Commission continue negotiations with Amtrak as it evaluates its long-distance routes.

Next Steps

CDOT staff will continue to monitor and report on abandonment activity and potential rail line acquisitions, notifying the Executive Director and Transportation Commission as appropriate, should any activities occur prior to the next annual report. As appropriate, the Executive Director will advise the Governor and the State Legislature.

Attachments

Previous SB 37 reports can be found on the CDOT web site at:

<https://www.codot.gov/programs/transitandrail/plans-studies-reports/report-to-the-transportation-legislation-review-committee-on-rail-abandonments-and-the-potential-for-rail-line-acquisitions>