

**Federal Railroad Administration (FRA)
CATEGORICAL EXCLUSION WORKSHEET**

The purpose of this worksheet is to assist Project sponsors in gathering and organizing materials for environmental analysis required under the National Environmental Policy Act (NEPA), particularly for projects that may qualify as Categorical Exclusions. Categorical Exclusions are categories of actions (i.e. types of projects) that the FRA has determined, based on its experience, typically do not individually or cumulatively have a significant effect on the human environment and which generally do not require the preparation of either an environmental impact statement (EIS) or an environmental assessment (EA). Decisions to prepare EAs and EISs are made by FRA.

Submission of the worksheet by itself does not meet NEPA requirements. FRA must concur in writing with the Categorical Exclusion recommendation for NEPA requirements to be met.

The Project sponsor is responsible for providing FRA with a sufficient level of documentation and analysis to help inform FRA's determination that a Categorical Exclusion is the appropriate NEPA class of action. Documentation and analysis may include background research, results of record searches, field investigations, field surveys, and any past planning or studies.

Instructions for completing this worksheet are available on the FRA website at: <http://www.fra.dot.gov/eLib/Details/L02708>. Please complete this worksheet using compatible word processing software and submit and transmit the completed form in MS Word electronic format.

The following documents must be submitted along with this worksheet:

1. Include maps or diagram of the Project area that identifies locations of critical resource areas, wetlands, potential historic sites, or sensitive noise receptors such as schools, hospitals, and residences.
2. Include maps or diagrams of the proposed modifications to existing railways, roadways, and parking facilities.
3. Copies of all agency correspondence particularly with permitting agencies.
4. Representative photographs of the Project area.

I. PROJECT DESCRIPTION

Project Sponsor City of Kalispell, MT Flathead County Economic Development Authority (FCEDA)	Date Submitted to FRA	FRA Funding (TIGER, HSIPR, Rail Line Relocation, RRIF, etc.) or other FRA Action
Contact Person Kimberly Morisaki	Phone 406-257-7711	E-mail address Kim@dobusinessinmontana.com
Proposed Project Title Kalispell Rail Park		
Location (Include Street Address, City or Township, County, and State) 655 Whitefish Stage Road, City of Kalispell, Flathead County, Montana		
NEPA Contact Lauri Teig	Phone 406-247-2924	E-mail Address lauri.teig@kljeng.com

Description of Proposed Action (Project): Fully describe the Project including specifics that may be of environmental concern such as: *widening an embankment to stabilize roadbed; repairing or replacing bridge pier foundations, extending culverts, including adding rip-rap in a waterway; earthwork and altering natural (existing) drainage patterns and creating a new water discharge; contaminated water needing treatment; building a new or adding on to a shop building; fueling or collection of fuel or oil and contaminated water; building or extending a siding; and building or adding on to a yard. Where applicable fully describe the operational characteristics of the facility to be improved by the proposed action and any anticipated operational changes that may result.*

The Kalispell Rail Park (KRP) project consists of the development of a rail facility with approximately 14,000 feet of new rail, water, sewer, electrical, gas service, road upgrades and associated infrastructure (Attachment 1 - Project Location Map).

Rail work inside the proposed park will include two rail lines extended into the proposed rail park from the existing Burlington Northern Santa Fe (BNSF) rail spur located on the northeast side of the project area. The south rail line would enter on the east side of the park traversing westerly a distance of 3,300 feet, with three additional parallel sidings for car storage, adding an additional 4,600 feet of track. The north rail line would enter on the east side of the park traversing westerly a distance of 3,050 feet. Two additional spurs would connect to the spur and provide access to a trans load facility and frontage to the northerly rail park lots. The new track in the proposed park would total approximately 10,950 linear feet (Attachment 2 - Site Plan).

Rail outside of the proposed park is to consist of approximately 3,300 feet of new rail proposed to be located within the existing BNSF railroad right-of-way (ROW), east of the proposed rail park. The rail spur will parallel the east side of the BNSF mainline from south of Stillwater River bridge to the north of the rail bridge across US Highway 2.

Approximately 6,025 feet of gravity sewer main line would be installed throughout the rail park facility along with a lift station. The lift station would be placed within the existing ROW of E. Oregon Lane and Montclair Drive, where it will pump through 1,940 feet of four-inch force main along East Oregon Lane to a connection with the City of Kalispell's existing sewer main. Lighting, electrical, gas service and infrastructure would be installed throughout the project site to accommodate future tenants of the rail park facility.

Roadway upgrades and construction would occur on approximately 7,000 feet of interior roads including rehabilitation of East Oregon Lane to support internal traffic. Improvements would include widening the existing roadway to 32 feet, gravel base, asphalt pavement surfacing, and curb and gutter. No additional ROW would be needed for the roadway upgrades. Traffic improvements are proposed for the addition of a signal light at the intersection of US Highway 2 and Montclair Drive and a railroad crossing and signal at the intersection of the Montclair Drive and the railroad mainline.

Water infrastructure would connect to the existing City of Kalispell water main southwest of the proposed park at the intersection of East Oregon Lane and 4th Avenue North. The infrastructure would travel within existing right-of-way (ROW) along East Oregon Lane to the intersection with Montclair Drive, west through the center of the rail park facility to the intersection with Whitefish Stage Road. The water infrastructure then travels south along Whitefish Stage Road to a point where it would connect back into the City of Kalispell water system infrastructure. This would provide a looped system to maximize fire flows. Approximately 8,500 feet of 12-inch water main is planned for installation along with 17 fire hydrants.

Purpose and Need of Proposed Action (Project).

The City of Kalispell, Montana, in cooperation with the Flathead County Economic Development Authority (FCEEDA) proposes to construct an industrial and light manufacturing rail park (Phase II). The proposed rail park would serve northwest Montana and all ports served by the BNSF Railway on the West Coast, Great Lakes Region and Canada.

Phase II of the proposed KRP would allow for the construction of the rail park and associated infrastructure, thus facilitating a fully functional means of rail transport at a centrally located site, outside the core area of the City of Kalispell.

Montana currently needs a means to efficiently transport large quantities of materials, goods and other cargo in and out of the region surrounding northwest Montana in order to facilitate local and regional commerce and economic growth. Rail transport is considered more efficient and cost-effective than over-the-road truck hauling, the only other viable means for heavy-haul transport. The KRP, a rail based facility, will meet this need through the creation of jobs, supporting sustained growth in the surrounding community, and shifting rail use to a location outside the core area to improve public safety.

II. NEPA CLASS OF ACTION

Please check the category or categories that the Project best fits. If no category applies, contact FRA as an EA or EIS may need to be prepared.

- Changes in plans for a Project for which an environmental document has been prepared, where the changes would not alter the environmental impacts of the action. *(Describe the full consequences of the changes only in part III)*
- Maintenance of: existing railroad equipment; track and bridge structures; electrification, communication, signaling, or security facilities; stations; maintenance-of-way and maintenance-of-equipment bases; and other existing railroad-related facilities. *("Maintenance" means work, normally provided on a periodic basis, which does not change the existing character of the facility, and may include work characterized by other terms under specific FRA programs)*
- Temporary replacement of an essential rail facility if repairs are commenced immediately after the occurrence of a natural disaster or catastrophic failure.
- Operating assistance to a railroad to continue existing service or to increase service to meet demand, where the assistance will not result in a change in the effect on the environment.
- Financial assistance for the construction of minor loading and unloading facilities, provided that proposals are consistent with local zoning, do not involve the acquisition of a significant amount of land, and do not significantly alter the traffic density characteristics of existing rail or highway facilities.
- Minor rail line additions *including construction of side tracks, passing tracks, crossovers, short connections between existing rail lines, and new tracks within existing rail yards*, provided that such additions are consistent with existing zoning, do not involve acquisition of a significant amount of right of way, and do not substantially alter the traffic density characteristics of the existing rail lines or rail facilities.
- Acquisition of existing railroad equipment, track and bridge structures, electrification, communication, signaling or security facilities, stations, maintenance of way and maintenance of equipment bases, and other existing railroad facilities or the right to use such facilities, for the purpose of conducting operations of a nature and at a level of use similar to those presently or previously existing on the subject properties.

- Research, development and/or demonstration of advances in signal, communication and/or train control systems on existing rail lines provided that such research, development and/or demonstrations do not require the acquisition of substantial amounts of right-of-way, and do not substantially alter the traffic density characteristics of the existing rail line.
- Improvements to existing facilities to service, inspect, or maintain rail passenger equipment, *including expansion of existing buildings, the construction of new buildings and outdoor facilities, and the reconfiguration of yard tracks.*
- Alterations to existing facilities, locomotives, stations and rail cars in order to make them accessible for the elderly and persons with disabilities, *such as modifying doorways, adding or modifying lifts, constructing access ramps and railings, modifying restrooms, and constructing accessible platforms.*
- Bridge rehabilitation, reconstruction or replacement, the rehabilitation or maintenance of the rail elements of docks or piers for the purposes of intermodal transfers, and the construction of bridges, culverts, or grade separation projects, predominantly within existing right-of-way, that do not involve extensive in-water construction activities, *such as projects replacing bridge components including stringers, caps, piles, or decks, the construction of roadway overpasses to replace at-grade crossings, construction or reconstruction of approaches and/or embankments to bridges, or construction or replacement of short span bridges.*
- Acquisition (including purchase or lease), rehabilitation, or maintenance of vehicles or equipment that does not cause a substantial increase in the use of infrastructure within the existing right-of-way or other previously disturbed locations, *including locomotives, passenger coaches, freight cars, trainsets, and construction, maintenance or inspection equipment.*
- Installation, repair and replacement of equipment and small structures designed to promote transportation safety, security, accessibility, communication or operational efficiency that take place predominantly within the existing right-of-way and do not result in a major change in traffic density on the existing rail line or facility, *such as the installation, repair or replacement of surface treatments or pavement markings, small passenger shelters, passenger amenities, benches, signage, sidewalks or trails, equipment enclosures, and fencing, railroad warning devices, train control systems, signalization, electric traction equipment and structures, electronics, photonics, and communications systems and equipment, equipment mounts, towers and structures, information processing equipment, and security equipment, including surveillance and detection cameras.*
- Environmental restoration, remediation and pollution prevention activities in or proximate to existing and former railroad track, infrastructure, stations and facilities conducted in conformance with applicable laws, regulations and permit requirements, *including activities such as noise mitigation, landscaping, natural resource management activities, replacement or improvement to storm water oil/water separators, installation of pollution containment systems, slope stabilization, and contaminated soil removal or remediation activities.*
- Assembly or construction of facilities or stations that are consistent with existing land use and zoning requirements, do not result in a major change in traffic density on existing rail or highway facilities and result in approximately less than ten acres of surface disturbance, *such as storage and maintenance facilities, freight or passenger loading and unloading facilities or stations, parking facilities, passenger platforms, canopies, shelters, pedestrian overpasses or underpasses, paving, or landscaping.*
- Track and track structure maintenance and improvements when carried out predominantly within the existing right-of-way that do not cause a substantial increase in rail traffic beyond existing or historic levels, *such as stabilizing embankments, installing or reinstalling track, re-grading, replacing rail, ties, slabs and ballast, installing, maintaining, or restoring drainage ditches, cleaning ballast, constructing minor curve realignments, improving or replacing interlockings, and the installation or maintenance of ancillary equipment.*

III. **PROJECT INFORMATION**

Potential impacts from both construction and changes to operations (where applicable) should be analyzed and identified for each resource type below. Where appropriate, the Project sponsor may commit to mitigation measures to avoid, reduce, or minimize impacts, including the use of Best Management Practices (BMP). Mitigation measures necessary to comply with other laws or regulations (e.g. Clean Water Act Section 404) should also be identified and the impacts from mitigation considered.

A. *Affected Environment: Briefly describe the ecosystems and environmental conditions in the area affected by the Project (defined as broadly as necessary to evaluate potential impacts and address Project area habitats).*

KRP is located in the Flathead Valley of Montana, in the heart of the Northern Rockies Ecoregion, just west of the Continental Divide. The valley contains glacial lakes and is flanked by forested, rugged, high elevation mountains with considerable climatic diversity. The site lies within the Stillwater River Watershed Basin. Several rivers, including Stillwater, Flathead and many perennial streams, flow through the valley, eventually making their way to the Columbia River. The rivers and streams that comprise the basin are utilized for drinking water, recreation, fish habitat and crop irrigation. Unirrigated and irrigated agriculture, rural residential, suburban and commercial activities dominate the region. Approximately 94 percent of the land use is national or state forested land, wilderness, agricultural, and corporate timber land, confining development to the remaining six percent within the area.

The project site was historically used as a gravel pit and extraction plant. More recently, the site was used for concrete batch plant operation. The site is disturbed throughout, providing no quality habitat for plant or wildlife species. A few planted trees are located adjacent to the existing roads within the property bounds. The previous owner was required to reclaim the property to a satisfactory condition. Portions of the project site have recently been graded and seeded with native grasses to meet requirements of the Montana Department of Environmental Quality (MT DEQ) Open Cut Mining Program.

The Stillwater River is located along the northwest boundary of the KRP, with existing roadways located between the river and project site. The upper northwest corner of the property contains a small segment of the Stillwater River; however, this small segment is not included in the proposed project. There are no bridges or other water crossing structures located within the project site.

B. *Location & Land Use: Briefly describe the existing land use of the Project site and surrounding properties and resources and identify and discuss any potential inconsistencies the Project might have with local land use plans and policies.*

The 40-acre project site is located in Township 28 North, Range 21 West, Section 8, in Kalispell, Montana. Kalispell is a municipality found within the boundaries of Flathead County. The property for the project site was purchased by the Flathead County Economic Development Authority (FCEDA) in 2012 (Attachment 1 - Project Location Map).

The project site is located in an area containing mixed commercial, residential and heavy industrial land uses. Glacier Stone and Klingler Lumber are two heavy-industrial uses, along with a BNSF

siding, found on the northern boundary. Whitefish Stage Road is a minor collector road marking the western boundary. Commercial use is east of the existing BNSF rail line and residential development is to the south of the KRP site. A portion of the Stillwater River flows near the northwestern boundary for a distance of 500 feet.

The proposed transportation infrastructure includes BNSF property and existing rail line currently leased to WATCO, east of the project site. The proposed rail line extensions are to be constructed within existing BNSF ROW and extends into the project site. US Highway 2 is a major arterial roadway located approximately 500 feet east of the project site and extends through the City of Kalispell, traveling northeast in the direction of Columbia Falls, Montana. Minor collector roads in the vicinity of the project site include Whitefish Stage Road (west), E. Oregon Lane (east and south) and Flathead Drive (parallels the east side of the existing BNSF rail line).

The Kalispell Pole and Timber, Reliance Refining Company and Yale Oil Corporation facilities (collectively referred to as the KRY Site), are state Superfund facilities listed on the Montana Comprehensive Environmental Cleanup and Responsibility Act (CECRA) Priorities List. Remedial actions were initiated in 2008 and soil excavation was completed in October 2010. Soil and groundwater monitoring are currently ongoing. The KRY site abuts the KRP site directly north.

The City of Kalispell adopted the "City of Kalispell Core Area Plan" in 2012, designating 365-acres as their core area. The core area is bound by current city limits to the east and west, Washington Street to the north and First Street to the south. The 2012 plan identifies the current location of the BNSF railroad track as a major issue of concern, listing the relocation of the line from the core area of Kalispell as the number one goal. A strategy has been identified to implement a program to relocate the tracks from the core area. The proposed project is a collaborated effort between the City of Kalispell, BNSF and the FCEDA to create policy to implement the strategy.

The Kalispell Growth Policy identifies goals to encourage the development and growth of commercial and industrial districts. It is recognized that the industrial districts should have adequate access to rail, highway, and airport facilities and be of sufficient size to allow for future expansion. Furthermore, the policy encourages the redevelopment of currently designated light industrial areas for a variety of uses.

The 1987 Flathead County Master Plan identifies Goal 5B as "Well planned industrial centers located adjacent to existing services and population centers." The rail park would be situated in an area appropriately located and zoned for such use.

Flathead County Zoning Regulations Section 3.29, identifies the project site as zoned heavy industrial: A district to provide for industrial uses to accommodate heavy manufacturing, processing, fabrication, and assembly of parts or materials. Permitted use includes a railroad yard.

No potential inconsistencies have been identified within the planning area that would conflict with local land use plans and policies.

C. Cultural Resources: *Is the Project of the type where there is no potential to affect historic properties? Check yes or no depending on whether resources have been identified in the immediate vicinity of the Project (Area of Potential Effect)*

Yes, explain how Project has no potential to affect historic properties. (Continue to D)

No, there is potential to affect historic properties. Describe identification procedures to determine the existence of cultural resources in the Project area.

A file search was requested from the Montana State Historic Preservation Office (MTSHPO) by Tom Jentz, Planning Director for the City of Kalispell on December 11, 2011, and on May 23, 2013. The search area was defined as Township 28 North, Range 21 West, Section 8.

The results of the most recent request were provided by MTSHPO on May 29, 2013, and indicated seven previously recorded cultural resources as being present within the search area and designated as historic sites. Six of the sites are Eligible and one is unevaluated for inclusion on the National Register of Historic Places (NRHP). Five of the Eligible resources are listed as Historic Properties on the NRHP. GIS shapefiles for these sites were requested on January 29, 2014 by KLJ and plotted on a map of the project area. (Attachment 3 - Cultural Resources Map).

MTSHPO shapefiles indicate one previously recorded site (24FH0219) within or immediately adjacent to, the proposed area of potential effect (APE), as outlined in Attachment 4. This site consists of a structure and associated trash related to a historic oil refinery on land owned by the state, and is unevaluated for listing on the NRHP.

In the letter from the MTSHPO dated May 29, 2013, it was recommended that any structures over 50 years of age that would be altered by the project should be recorded and a determination of eligibility made. The City of Kalispell has indicated they are unaware of any structures existing in the project area more than 50 years of age.

Two previous cultural resource inventories have occurred within the search radius. One is related to the history of Kalispell and the other is related to an energy development intertie project.

The City of Kalispell has contacted First American Title Company to provide a history of the previous owners/uses of the property. First American Title Company reported the property (defined for this purpose as Tracts 1-7 of COS 18380) was "quit claimed" to David McGinnis in 1891 soon after the patent was recorded. He owned the property until his death upon which it was distributed as part of his estate in 1954.

During McGinnis' ownership, there was an easement recorded in 1915 which referenced a mill pond and dam bridge, although there is some question as to whether these features were on this property or an adjacent parcel. In addition, a lease was recorded in 1930 referring to the "McGinnis Gravel Pit." Following distribution of the land in 1954, there are various documents indicating continued use of the property as a gravel pit. These include an agreement with the state in 1966 to remove gravel and other material, a transfer of ownership in 1983 to McElroy and Wilken (a gravel/construction company) and

that company's merger with JTL Construction in 2003.

The City of Kalispell also conducted a review of information available on the National Register of Historic Places website (<http://www.nationalregisterofhistoricplaces.com/mt/flathead/state.html>). No listings were found to be within ½ mile of the project area.

Describe any resource(s) identified in the project area and then describe any potential effect of the Project on the resource(s).

A previously recorded cultural resource was identified within the APE based on file search results and shapefiles provided by the MTSHP. This resource (24FH0219) is a structure and associated trash related to an historic oil refinery and is located on land owned by the state of Montana. This site is currently unevaluated for inclusion on the NRHP. It consists of trash (piles of wooden poles left by the Kalispell Pole and Timber Company, which previously leased the land) and an old metal shell structure used as a storage tank associated with previous oil refinery activities. The land has been owned by the state since September of 1930, is heavily disturbed and has been filled and leveled multiple times, according to the site form prepared by D. Passman in 1985. A modern barn structure is located on this site but is not associated with the refinery.

Based on the results of the file search, there are no known listed Historic Properties that will be affected by the project. It is unlikely the project will have an adverse effect on the unevaluated cultural resource (24FH0219) within the APE, based on the level of previous disturbance to the site described in the site form.

Has consultation with the State Historic Preservation Office occurred?

No, contact FRA

Yes, describe and attach relevant correspondence

Unofficial consultation/communication has occurred between the applicant (City of Kalispell) and MTSHP and between KLJ and MTSHP. The applicant requested general comments from the MTSHP in December of 2011, and received a letter response dated December 5, 2011. A request for updated comments and a file search was made by the applicant on May 25, 2013. A response from the MTSHP, including file search results, was made on May 29, 2013. KLJ requested GIS shapefiles from the MTSHP on January 29, 2014, for all cultural resources that were returned in the file search.

Formal consultation will be necessary between the lead agency and the MTSHP if this project is defined as an undertaking and Section 106 is enacted.

What resources of interest to Federally-recognized Native American Tribes are known to be present in the Project area?

At this time, we are not aware of any traditional cultural resources or resources of religious significance present in the project area. However, consultation with the appropriate tribes and/or Tribal Historic Preservation Offices (THPO) has not been initiated.

D. Parks and Recreational Facilities: *Are there any publicly owned park, wildlife and waterfowl refuge, or recreational area of national, state, or local significance within or directly adjacent to the Project area?*

No, include a short statement describe efforts to identify parks and recreational facilities in the Project area.

According to Flathead County GIS interactive mapping program, Lawrence Park, a city owned and maintained facility, lies approximately 1,000 feet northwest of the project area. There is no direct access to the park from the project area, nor is there a clear line of site to the park. Woodland Park and the Conrad Complex ballfields are located south of the project site; however, the BNSF Railroad ROW, US Highway 2 (four-lane major arterial) and commercial district are located between the project area and these recreational facilities. A small segment of the Stillwater River flows near the northwest boundary of the project site. There are no developed recreational facilities or public access locations to the river in this area.

There are no additional parks or recreational facilities of national, state, or local significance within or adjacent to, the project area.

Yes, include a detailed description of the property, including map or drawing, describe the recreational uses of the property, any unique characteristics of the property, any consultations with the entity with legal jurisdiction over the property, and the potential impact on the property.

E. Transportation: *Would the Project have any effect (beneficial or adverse) on transportation including but not limited to other railway operations, road traffic, or increase the demand for parking?*

No, explain why the Project would have no effect (beneficial or adverse) on transportation

Yes, describe potential transportation, traffic, and parking impacts, and address capacity constraints and potential impacts to existing railroad and highway operations. Also, summarize any consultation that has occurred with other railroads or highway authorities whose operations this Project will impact.

The KRP project would provide an overall benefit to transportation and public safety within the area. Currently, the existing rail line bisects the city and terminates approximately one mile west of the city center. The proposed project would relocate rail business to an industrial use area outside the core area of Kalispell. (Attachment 4 - Transportation Plan).

In 2011, a vehicle/train collision occurred on the BNSF rail line at an at-grade railroad crossing in Flathead County. Reducing the number of at-grade railroad crossings would lessen the vehicle/train conflict points, reducing the number of collisions. The rail park development has the potential to allow BNSF to close six, existing at-grade railroad crossings within the City of Kalispell.

A traffic impact study for the proposed KRP was conducted by KLJ in 2013 to identify potential traffic impacts associated with the park. The study was completed in coordination with the Montana Department of Transportation (MDT) Kalispell District Engineer. Several recommendations were made to increase public safety and to alleviate potential impacts to existing railroad and highway operations. Recommendations included installing additional actuated traffic signals at intersections, widening of an existing crossing, additional vehicle turn lanes and a new railroad crossing.

F. Noise and Vibration: Are there any sensitive receptors in the Project area?

No, describe why there are no sensitive receptors (residences, parks, schools, hospitals, public gathering spaces) in or near the Project area. (Continue to G)

The project area is located northeast of Kalispell, in an area zoned for industrial use. The surrounding area consists of residential, commercial, heavy industrial and other land-use types. Residential noise sensitive areas are located north and south of the project area. Community facilities comprised of churches and spiritual centers are centered within the residential neighborhood south of the project area. Recreational facilities are outside the project area, south of US Highway 2, a major arterial roadway. Commercial noise sensitive areas includes retail stores, hotels, motels and other businesses sited along US Highway 2, to the south and east. Heavy industrial use is north of the project area and on the east and west sides of the existing BNSF rail line. The existing BNSF rail line is directly east of the project area, traveling south before traversing west, paralleling US Highway 2, to the core area of Kalispell. The extension/construction of railroad tracks will occur within the area zoned industrial. There are no noise sensitive receptors within the project area.

Noise and potential vibration levels were qualitatively evaluated by reviewing aerial photography and identifying the types of land use developments (i.e., residential, commercial, community facilities, industrial, etc.) surrounding the project area. The potential effects of the KRP project on noise levels were analyzed by evaluating the number of receptors (i.e., residences, businesses, schools, parks, etc.) within 1,000 feet from the project area (see Attachment 5 - Noise and Vibration Assessment Map).

Due to the nature of the proposed project, a conservative radius of 1,000 feet was applied to ensure an adequate distance form the proposed KRP to any noise sensitive receptor was properly assessed. Residential use within the 1,000 foot evaluation radius consists of single-family, multi-family and a senior living care facility. There are 117 single-family residences and 4 multi-family (apartments) totaling 16 residential units within the 1,000 foot evaluation radius. A senior living care facility totaling 47 rooms is located south of the project area. Within the grounds of the facility is a mobile home and RV park. There are 50 mobile home and 45 RV lots available throughout the year. In addtiion to the residential dwellings, there are three hotels/motels, three churches/spiritual centers and two recreational facilities located within the 1,000 foot evaluation radius.

The operations held within the proposed KRP are not anticipated to substantially increase the existing noise levels found in the surrounding area. Activities currently exist on the rail line as trains travel through the surrounding area to the center of Kalispell. By locating these operations to an area outside the city center and in land zoned for industrial use, the magnitude of noise and vibration impacts within the City and number of affected noise sensitive receptors will likely be reduced when compared to the existing BNSF rail line. Activities within the KRP will be limited to daytime hours, localized and be of relatively short durations.

Yes, will the Project change the noise and/or vibration exposure of the sensitive receptors when applying the screening distances for noise and vibration assessment found in FRA and Federal Transit Administration's noise impacts assessment guidance manuals? Such changes in exposure might include changes in noise emissions and/or events, or changes in vibration

G. Air Quality: Is the Project located in a Non-Attainment or Maintenance area?

No, identify any air emissions increases or benefits that the project will create.
(Continue to H)

Yes, for which of the following pollutants:

- Carbon Monoxide (CO) Ozone (O₃), volatile organic compounds or Nitrous Oxides (NO_x)
 Particulate Matter (PM₁₀ and PM_{2.5})

Will the Project, both during construction and operation, result in new emissions of criteria pollutants including Carbon Monoxide (CO), Ozone (O₃), volatile organic compounds, or Nitrous Oxides NO_x, Particulate Matter (PM₁₀ and PM_{2.5})?

No Yes, Attach an emissions analysis for General Conformity regarding CO, O₃, PM₁₀, and NO_x.

Based on the emissions analysis, will the Project increase concentrations of ambient criteria pollutants to levels that exceed the NAAQS, lead to the establishment of a new non-attainment area, or delay achievement of attainment?

No Yes, Describe any substantial impacts from the Project.

The MT DEQ operates a network of Ambient Air Quality Monitoring (AAQM) stations. The nearest AAQM station is located approximately one half mile southwest of the proposed site. Kalispell first exceeded national and state air quality standards for PM-10 in 1988. In 1989, EPA designated Kalispell a nonattainment area for PM-10 emissions. Kalispell, Montana Particulate Matter (PM-10) Attainment Plan Approval Dates and Citations: 3/19/96 (61 FR 11153) and 4/14/94 (59 FR 17700).

The Clean Air Act (CAA) requires the development of a state implementation plan (SIP) to guide control of particulate matter less than or equal to 10 micrometers (PM-10). The Kalispell area operates under SIP-2 (second revision) to satisfy requirements for an approvable moderate nonattainment area for PM-10 emissions. The proposed project site is located in the Kalispell City County Air Pollution Control District, authorized under regulations contained in Montana Code Annotated, Section 75-2-301.

Based on emissions analysis, five sources/source categories were identified as contributing to the PM-10 nonattainment problem in Kalispell. They include re-entrained road dust, prescribed burning, residential wood combustion, industry and motor vehicle exhaust. Contingency measures were developed to address each source category. Since then, Kalispell has shown a continued reduction in annual tons of PM-10 emissions as well as a decline in measured 24-hour ambient air concentrations of PM-10.

The proposed project would relocate two emission sources currently located in Kalispell to the proposed site zoned for industrial use with lower population densities. Emissions for the proposed facility would be controlled by MT DEQ Air Quality Permit rules and regulations and the SIP covering PM-10 emissions in the area.

H. Hazardous Materials: *Does the Project involve the use or handling of hazardous materials?*

No (continue to I)

Yes, describe the use and measures that will mitigate any potential for release and contamination.

I. Hazardous Waste: *Is the Project site in a developed area or was previously developed or used for industrial or agricultural production,*

No, describe the steps taken to determine that hazardous materials are not present on the Project site. (Continue to J)

Yes. *If yes, is it likely that hazardous materials will be encountered by undertaking the Project? (Prior to acquiring land or a facility with FRA funds, FRA must be consulted regarding the potential presence of hazardous materials)*

Yes, complete a Phase I site assessment and attach.

See attached Environmental Site Assessments (ESA) :

Phase I Knife River ESA, March, 2011 (Attachment 6)

Phase II ESA, November 2011 (Attachment 7)

Phase I ESA Update January 2012 (Attachment 8)

Phase II ESA Update, January 2012 (Attachment 9)

A search was conducted to determine the presence of hazardous substances or petroleum products within the study area. The report included GIS data for underground storage tanks (UST), and leaking underground storage tanks (LUST), provided through the Montana Natural Resource Information System. Currently there are no permitted USTs or LUSTs in the proposed project area.

A Class II municipal solid waste landfill is located approximately seven miles northwest of the project area. No other records exist to indicate there are any old or abandoned landfills within the project area.

A search of the US EPA Envirofacts database for Resource Conservation and Recovery Act (RCRA) facilities within a one mile radius of the project area was conducted. This search revealed three facilities within or near the proposed project area. These areas have been consolidated and are collectively known as the KRY Site (identified below).

No, explain why it is unlikely that hazardous materials will be encountered.

If a Phase I survey was completed, is a Phase II site assessment recommended?

No, explain why a Phase II site assessment is not recommended.

Yes, describe the mitigation and clean-up measures that will be taken to remediate any hazardous materials present and what steps will be taken to ensure that the local community is protected from contamination during construction and operation of the Project.

Phase I and II ESA's identified the following issues:

1. Petroleum hydrocarbons originating near the onsite truck repair facilities on the west side of the site.
2. Sump sediments at the truck repair shop.
3. Asbestos and lead based paint associated with on-site buildings remaining on the site after the cessation of gravel processing and extraction.
4. Monitoring well data indicates groundwater contaminates from the adjacent KRY Site have migrated onto the northeastern corner of the site.

Issues 1, 2 and 3 were resolved prior to the 2012 purchase of land by FCEDA.

Issue 4 is being resolved through remediation action set forth in the June 2008, MT DEQ, KRY Site Record of Decision (ROD) and the State of Montana Superfund facilities Comprehensive Environmental Cleanup and Responsibility Act (CECRA) priorities list. The 2009 remedial action work plan describes how the ROD will be implemented.

MT DEQ requested that an existing water well at the rail park site be abandoned as use may attract or alter the flow of subgrade pollutants in the groundwater. The well has been satisfactorily reclaimed.

The June 2013 Explanation of Significant Differences issued by the MT DEQ for the KRY site addresses past and current reclamation efforts. The lead-contaminated soil excavation and offsite disposal portion of the ROD remedy was completed in November of 2010. In 2011, implementation of the chemical oxidant treatment of the pentachlorophenol and dioxins/furans-contaminated groundwater around the former wood treating area was initiated.

Throughout 2011 and into early 2012, engineering design documents were prepared to identify plans for excavation, handling, and treatment of contaminated soils, as well as the recovery of more viscous free product from the water table. Documents can be found at: <http://www.deq.mt.gov/StateSuperfund/kpt.mcp>

All clean up measures necessary to develop the proposed KRP have been completed. The proposed project would not interfere with clean-up and remediation of the adjacent KRY site to the north. Furthermore, steps would be taken to ensure the local community is protected from any potential contamination during construction and operation of the proposed rail park project.

J. Property Acquisition: *Is property acquisition needed for the Project?*

No (continue to K)

Yes, indicate how much property and whether the acquisition will result in relocation of businesses or individuals. **Note:** *acquiring property prior to completing the NEPA process and receiving written FRA concurrence in the NEPA recommendation may jeopardize Federal*

financial participation in the Project.

K. Community Impacts and Environmental Justice: *Is the Project likely to result in impacts to adjacent communities? Impacts might be both beneficial (e.g. economic benefits) or adverse (e.g. reduction in community cohesion).*

No, describe the steps taken to determine whether the Project might result in impacts to adjacent communities. (Continue to L)

Yes, characterize the socio-economic profile of the affected community, including the presence of minority or low-income populations.

According to the US Census Bureau, American Community Survey (ACS), the project site is located within the Evergreen census-designated place (CDP) in Flathead County. As of the 2010 census, there were 7,616 people and 2,999 total households residing within the Evergreen CDP. Of the 2,999 total households, 2,018 were a family household type. The total population census for the CDP consists primarily of 94.5 percent white with American Indians the highest minority population at 1.5 percent. The median household income is \$33,269 and the per capita income is \$18,311. Of the total 7,616 population for the Evergreen CDP, 11.3 percent of individuals were living below the poverty level.

The 2010 US Census shows the total population of Flathead County to be 90,928. The predominant ethnic race is white with 95.5 percent and American Indians the highest minority population at 1.1 percent. The median household income for Flathead County in 2010 was \$45,545 with the per capita income of \$25,616. Of the total 90,928 population for Flathead County, 12.5 percent of individuals were living below the poverty level.

The 2010 US Census population for the state of Montana was 989,415. The predominant ethnic race was white with 89.4 percent and the highest minority population was American Indians with 6.3 percent. The median household income was \$45,456 with the per capita income of \$25,002. The median household income of \$45,456 for the state of Montana is slightly below the \$45,545 for Flathead County and \$12,187 above the median household income for the Evergreen CDP at \$33,269. The state has a per capita income of \$25,148 and 14.8 percent of individuals living below the poverty level.

According to the Montana Department of Labor & Industry, November 2013 county labor force statistics, the unemployment rate in Montana was at 5.0 percent, while the unemployment rate for Flathead County was at 7.3 percent.

The proposed rail park is not anticipated to substantially impact the socioeconomic conditions in the project area, but it does have the potential to yield beneficial impacts through the creation of jobs associated with the construction of the park. Employment will be gained through the additional businesses operating inside the KRP site. Overall, the project would provide long-term benefits to the community by creating additional jobs.

The proposed rail park would not require relocation of homes or businesses, cause community disruptions, or cause disproportionately adverse impacts to minority or low-income populations, or cause a reduction in community cohesion.

Describe any potential adverse effects to communities, including noise, visual and barrier effects. Indicate whether the Project will have a disproportionately high and adverse effect on minority or low-income populations. Describe outreach efforts targeted specifically at minority or low-income populations.

A residential neighborhood is located south of the proposed rail park location. This area is buffered by a 40 foot tall berm that parallels the lower end of the property between the rail park and the residential area. The berm provides a buffer from activities occurring in the proposed rail park area.

No minority or low-income populations have been identified that would be adversely impacted by the proposed project. The population of Flathead County is predominantly white, with American Indians comprising the predominant minority population. There are no substantive differences between the proportion of minority or low income populations in Kalispell or Flathead County and those in the State of Montana. Furthermore, no established communities would be divided or disrupted; no planned community development would be altered.

L. Impacts On Wetlands: Does the Project temporarily or permanently impact wetlands or require alterations to streams or waterways?

No, describe the steps taken to determine that the Project is not likely to temporarily or permanently impact wetlands or require alterations to streams or waterways.

Wetlands within the study area were identified using United States Fish and Wildlife Service (USFWS) National Wetland Inventory (NWI) maps, United States Geological Survey topographical maps, Flathead County Natural Resources Conservation Service (NRCS) soil survey data and aerial photography. A wetland was identified within the property bounds of the KRP. This feature is associated with the Stillwater River, which lies adjacent to the property along the northwestern corner. Fringe wetlands lie adjacent to the Stillwater River and are classified as riverine, lower perennial, unconsolidated bottom, permanently flooded (R2UBF). The proposed project would avoid the wetland area. (Attachments 10 and 11 - Wetlands and Watershed)

Yes, show wetlands and waters on the site map and classification. Describe the Project's potential impact to on-site and adjacent wetlands and waters and attach any correspondence with the US Army Corps of Engineers.

Is a Section 404 Permit necessary?

Yes, attach all permit related documentation

No

M. Floodplain Impacts: *Is the Project located within the 100-year floodplain or are regulated floodways affected?*

No

Yes, describe the potential for impacts due to changes in floodplain capacity or water flow, if any and how the Project will comply with Executive Order 11988. If impacts are likely, attach scale maps describing potential impacts and describe any coordination with regulatory entities.

The project area lies within the Flood Insurance Rate Map (FIRM) panel 30029C1810H (revised June 18, 2013). The project site is located in an area determined to be outside the 0.2 percent annual chance floodplain. There would be no impacts to floodplains associated with the project. (Attachment 12 - FIRM Map).

N. Water Quality: *Are protected waters of special quality or concern, or protected drinking water resources present at or directly adjacent to the Project site?*

No, describe the steps taken to identify *protected waters of special quality or concern, or protected drinking water resources present at or directly adjacent to the Project site.*

The project area lies within the Stillwater River Watershed. Stillwater River is located northeast of the proposed KRP property and is a tributary to the Flathead River. There are no perennial streams and no protected waters of special quality or concern, essential fish habitats, or protected drinking water resources located within, or adjacent to, the project area.

Yes, describe water resource and the potential for impact from the Project, and any coordination with regulatory entities.

O. Navigable Waterways: *Does the Project cross or have effect on a navigable waterway?*

No (continue to P)

Yes, describe potential for impact and any coordination with US Coast Guard.

P. Coastal Zones: *Is the Project in a designated coastal zone?*

No (continue to Q)

Yes, describe coordination with the State regarding consistency with the coastal zone management plan and attach the State finding if available.

Q. Prime and Unique Farmlands: *Does the Project impact any prime or unique farmlands?*

No, describe the steps taken to identify *impacts to prime or unique farmlands.*

Yes, describe potential for impact and any coordination with the Soil Conservation Service of the US Department of Agriculture.

The Natural Resources Conservation Service (NRCS) Web Soil Survey was queried in order to determine locations of prime and unique

farmlands. No prime, unique, or farmlands of statewide importance are located in or near the proposed site. The proposed project would not indirectly convert farmland.

The majority of the project site is composed of Kalispell gravelly loam that is moderately deep over gravel. A small portion of the project site is composed of Birch fine sandy loam. Neither soil type is suitable for agricultural production. The proposed project is located within an area previously used for gravel extraction where lands are already utilized for non-agricultural use.

R. Critical Habitat and Endangered Species: *Are there any designated critical habitat areas (woodlands, prairies, wetlands, rivers, lakes, streams, and geological formations determined to be essential for the survival of a threatened or endangered species) within or directly adjacent to the Project site?*

No, describe the steps taken to identify critical habitat within or directly adjacent to the Project site.

Yes, describe them and the potential for impact.

Under the March 2014 Endangered, Threatened, Proposed and Candidate Species for Montana Counties, the US Fish and Wildlife Service (USFWS) lists two species in Flathead County with designated critical habitat, the bull trout (*Salvelinus confluentus*) and the Canada lynx (*Lynx canadensis*).

The USFWS Critical Habitat for Bull Trout Unit 31, Sub-unit Flathead Lake, Middle Fork Flathead River map was reviewed. There is no critical habitat for bull trout in the adjacent Stillwater River. The map indicates Flathead River as the nearest critical habitat for the bull trout, over a mile to the east of the project site.

The USFWS Critical Habitat for Canada lynx, Unit 3 - Northern Rockies map was reviewed. There is no critical habitat for the Canada lynx within the proposed project area.

Are any Threatened or endangered species located in or adjacent to the site?

No, describe the steps taken to identify the presence of endangered species directly adjacent to the Project site.

The USFWS March 2014 County Occurrence of Endangered, Threatened and Candidate Species and Designated Critical Habitat in Montana indicated that seven species occur in Flathead County. These include the threatened grizzly bear (*Ursus arctus horribilis*), Spalding's campion (*Silene spaldingii*), Canada lynx, bull trout, and the candidate species meltwater lednian stonefly (*Lednia tumana*) and whitebark pine (*Pinus albicaulis*). The wolverine (*Gulo gulo luscus*) is proposed for federal listing.

The Montana Natural Heritage Program plant and animal species of concern database was utilized to identify general vegetation and wildlife resources that may occur at the project site. Habitat requirements for each species were compared with habitat occurring in the project area.

The Stillwater River corridor, located along the west and northwest edge of the proposed site does provide important fish and wildlife habitat, as well as a migration corridor for fish and wildlife species. While this is an important corridor, it is unlikely that

any listed species would occur within this area due to the development of the surrounding urban and industrialized area.

Yes, describe them and the potential for impact. Describe any consultation with the State and the US Fish and Wildlife Service about the impacts to these natural areas and on threatened and endangered fauna and flora that may be affected. If required prepare a biological assessment and attach it and any applicable agency correspondence.

S. Public Safety: *Will the Project result in any public safety impacts?*

No, describe method used to determine whether the Project results in any safety or security impacts

The potential for public safety impacts during the construction and operation of the KRP would be minimal. Public access to the 40-acre project site would be limited and standard safety features are to be implemented. Additional utility infrastructure would be installed including lighting, fire hydrants and modern safety equipment associated with rail operations. The project site is located outside the city center, away from the core area identified in the 2012 "City of Kalispell Core Area Plan" adopted by the City. The project would benefit public safety by removing existing rail line and at-grade crossings through downtown Kalispell, eliminating the vehicle/train conflicts currently found in the core area.

Yes, describe the safety or security concerns and the measures that would need to be taken to provide for the safe and secure operation of the Project during and after its construction.

T. Cumulative Impacts: A "cumulative impact" is the impact on the environment that results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative impacts may include ecological (such as the effects on natural resources and on the components, structures, and functioning of affected ecosystems), aesthetic, historic, cultural, economic, social, or health, whether direct, indirect, or resulting from smaller actions that individually have no significant impact. Determining the cumulative environmental consequences of an action requires delineating the cause-and-effect relationships between the multiple actions and the resources, ecosystems, and human communities of concern.

Are cumulative impacts likely? No Yes, describe the impacts:

The project site has historically been used as a gravel pit, extraction plant and most recently, a concrete batch plant operation. The site is disturbed throughout, providing no quality habitat for plant or wildlife species and is located in an area zoned for industrial use. The project is limited to impacts within the 40-acre site and within existing BNSF ROW. The KRP is not anticipated to contribute to any cumulative impacts on the natural, cultural or socioeconomic resources in the area.

U. Indirect Impacts: "Indirect impacts" are those that are caused by the action and are later in time or farther removed in distance, but are still reasonably foreseeable. Indirect impacts may include growth inducing effects and other effects related to induced changes in the pattern of land use, population density or growth rate, and related effects on air and water and other natural systems, including ecosystems.

Are Indirect impacts likely? No Yes, describe the impacts:

The KRP would have an overall beneficial, indirect action to the City of Kalispell through the creation of jobs, support of sustained growth and improvement in public safety. The project would remove existing rail line traversing through the City's core area and improve public safety by eliminating vehicle/train conflicts. Northwest Montana would be provided a centralized location to efficiently transport large quantities of materials, goods and services throughout the region in order to facilitate local and regional commerce and economic growth. Economic development in Flathead County would occur as private businesses operate services within the project site.

V. Mitigation: Describe all mitigation measure commitments which address identified impacts that have been incorporated into the Project, if any.

Air Quality: Construction dust associated with exposed soils, if necessary, would be controlled with the application of water and other approved dust palliatives. During construction, equipment idling and engine activity would be kept to a minimum to reduce emissions per unit of operating time. Construction equipment will be kept clean and in good operating condition. The proposed park falls within the PM-10 nonattainment area boundary. Any industrial source of air pollution subject to permitting would be located within the industrial park and required to demonstrate the proposed source will not cause or further contribute to, violations of the PM-10 National Ambient Air Quality Standards (NAAQS). Any tenant of the proposed park would be subject to more stringent regulatory requirements in the area to ensure ongoing compliance with PM-10 NAAQS.

Water Quality: To mitigate the increase in impervious surface area resulting from construction of the KRP, a National Pollution Discharge Elimination System and Montana Pollutant Discharge Elimination System permit may be required. Both of the aforementioned permits fall under the MT DEQ's geneneral permit for stormwater discharges associated with construction activity. Construction activities would require best management practices (BMPs) such as silt fences, check dams and appropriately sized sediment basins. Spill mitigation BMPs would be in place to ensure groundwater contamination does not impact Stillwater River.

The short and long-term environmental impacts of development and other activities would be minimized through resource conservation, recycling, waste minimization, and the use of energy-efficient and ecologically responsible materials, systems and techniques.

If any contamination is encountered during construction of the KRP, contaminants would be removed and disposed of in accordance with the Hazardous Waste Program of the Permitting and Compliance Division of MT DEQ.

W. Public Notification: Briefly describe any public outreach efforts undertaken on behalf of the Project, if any. Indicate opportunities the public has had to comment on the Project (e.g., Board meetings, open houses, special hearings).

The 2012 Kalispell Core Area Plan (funded by a Brownfields Area Wide Planning Pilot Program Planning Grant), addressed the concern to transform the City's core area from an industrial-oriented center to a mix-use neighborhood. The plan identified several opportunities

for redevelopment by including a number of goals and policies for implementation. A goal provided in the plan specifically called for the railway system to be moved from the downtown core area to a rail-served industrial park. The initial community outreach started in 2010 and included the proposed rail park project.

Public outreach for the Core Area Plan encompassed an area of 450 property owners, of which, 140 were interviewed. Six newsletters were mailed to property owners and interested parties, providing the opportunity to comment. Open houses were held in March and December 2011 and August 2012. In addition, a luncheon was hosted by the Kalispell Chamber of Commerce and featured the plan. Planning Board hearings held in September and October 2012, and City Council hearings held in November and December 2012, were aired on public access for the duration of the month.

On May 23, 2013, letters were sent to 21 interested parties notifying them of the opportunity to provide comments on the proposed rail park project. Seven comment letters were received as a result of the proposed project. (Attachment 13 - Public Involvement).

Has the Project generated any public discussion or concern, even though it may be limited to a relatively small subset of the community? Indicate any concerns expressed by agencies or the public regarding the Project.

The proposed rail park project has not generated any negative concerns by agencies or the public.

- X. Related Federal, State, or Local Actions:** *Does the Project require any additional actions (e.g., permits) by other Agencies? Attach copies of relevant correspondence. It is not necessary to attach voluminous permit applications if a single cover Agency transmittal will indicate that a permit has been granted. Permitting issues should be described in the relevant resource discussion above.*

- Section 106** *Historic Properties*
- Section 401/404 of the Clean Water Act;** *Wetlands and Water Quality*
- Section 402 of the Clean Water Act**
- USCG 404** *Navigable Waterways*
- Migratory Bird Treaty Act**
- Endangered Species Act** *Threatened and Endangered Biological Resources*
- Magnuson-Stevens Fishery Conservation and Management Act** *Essential Fish Habitat*
- Safe Drinking Water Act**
- Section 6(f) Land and Conservation Act**
- Other State or Local Requirements** (Describe)

Montana Pollutant Discharge Elimination System (MPDES) General Permit for Stormwater Discharge. Montana Department of Environmental Quality. Storm Water Pollution Prevention Plan (SWPPP) addressing all requested items in the General Permit.

Utility Occupancy, Encroachment & Potential Bridge Crossing Permits
Montana Department of Transportation (MDT).

Flathead County Application for an Encroachment or Approach Permit.

