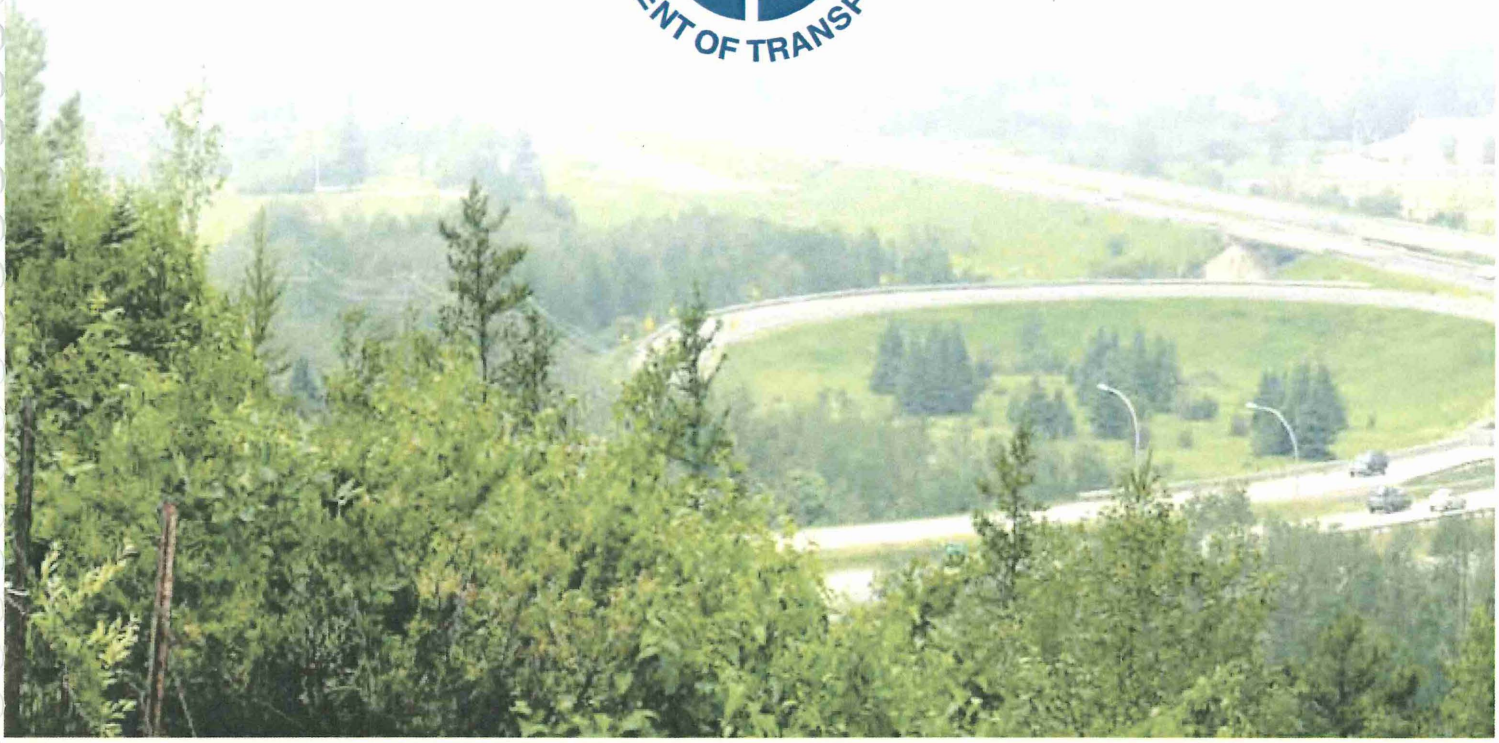
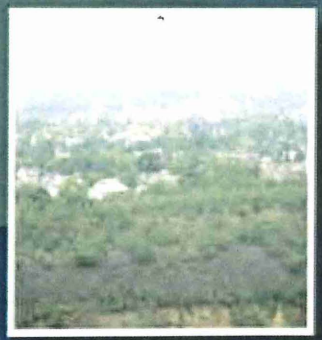
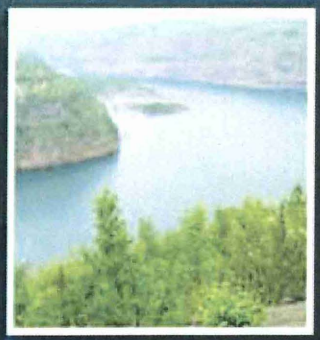
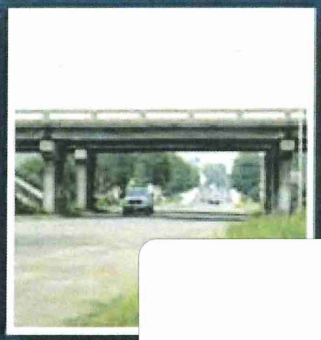


US Highway 53 Virginia to Eveleth

Amended Scoping Decision Document

State Project SP 6918-80


Level K

September 2013

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Consultant's Report

AMENDED SCOPING DECISION DOCUMENT

US 53 VIRGINIA TO EVELETH

MINNESOTA DEPARTMENT OF TRANSPORTATION

State Project Number: S.P. 6918-80

Trunk Highway Number: TH 53

The Minnesota Department of Transportation proposes this project in response to a notice given in May 2010 that easement rights for a portion of existing US 53 between Virginia and Eveleth are being terminated. The project is located within Saint Louis County, Minnesota.

The following person may be contacted for additional information regarding this document.

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Project Manager
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8/26/2013
Date Approved

Duane R. Hill
District Engineer

8/26/2013
Date Approved

Chief Environmental Officer

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Table of Contents

Exhibits

1. Report Purpose

The Scoping process is used before the preparation of an Environmental Impact Statement (EIS) to reduce the scope and bulk of the EIS by:

- Selecting a reasonable range of alternatives for detailed study
- Anticipating project impacts and issues

Scoping also helps to identify which issues are potentially most important to evaluate the proposed project and define the EIS format, level of detail, schedule for preparation, preparers, and the permits for which supporting information must be developed.

A Scoping Document (SD) was published in February 2012 to provide documentation of the proposed action and need for the US Highway 53 (US 53) project in Virginia, MN and to provide information about alternatives and impacts. The SD was prepared to document the studies completed to-date and early decisions made in accordance with both Federal regulation (42 USC 4321 et seq.) and Minnesota Rules Chapter 4410. A 30-day comment period was held when the availability notice for the SD and a Draft Scoping Decision Document (DSDD) was published in the Minnesota Environmental Quality Board (EQB) Monitor on March 5, 2012. The SD and DSDD were distributed to federal, state, and local agencies and the public to provide an opportunity for review of the proposed project and comment on project issues and alternatives. The SD also served the same purpose as a Minnesota Environmental Assessment Worksheet (EAW), required by Chapter 4410.

The final Scoping Decision Document (SDD) provided a summary of the Scoping process findings and documented the proposed scope and focus of the EIS. The SDD also included, as Appendix A, a summary of the comments received during the public comment period and responses to substantive comments. The SDD was distributed in September 2012.

Since the SDD was distributed, more detailed study of the Draft EIS alternatives and respective impacts has been performed. The initial findings regarding cost and feasibility of some of the Build Alternatives led the project proposer to 1) reconsider some Scoping alternative alignments that had been dismissed from further consideration in the Draft EIS during the 2012 Scoping process (specifically Alternatives W-1 and E-1) and 2) assess whether minor alignment modifications to some alternatives would make them more feasible/cost effective. This Amended Scoping Decision Document (ASDD) describes the additional Scoping-level reassessment of alternatives and resulting revisions to the alternatives that will be carried forward for study in the Draft EIS, including identification of any pertinent social, economic, and environmental issues.

2. Project Description

2.1 Project Background

Since May 1960, the Minnesota Department of Transportation (MnDOT) has operated a segment of US 53 on an easement granted by United States Steel Corporation (now owned by RGGS Land and Minerals Co.). This roughly one-mile segment of US 53, from approximately 2nd Avenue West to Vermillion Drive in Virginia (see Exhibit 1), is subject to iron ore mining rights held by RGGS and Cliffs Natural Resources (United Taconite Division)—the mine's owner and operator, respectively. At its east end, the US 53 easement segment connects with MN Trunk Highway 135 (MN 135), which provides the inter-regional link toward the east to Gilbert and other communities. Under the 1960 easement terms, MnDOT agreed to relocate US 53 upon notice from the mine owner/operator.

On May 5, 2010, United Taconite (UTAC)[1] provided notice to MnDOT that the 1960 easement rights would be terminated (see copies of the 1960 easement and the letter of termination in Appendix D of the 2012 Scoping Document). Under terms of the original agreement, MnDOT would need to relocate US 53 within three years. MnDOT and UTAC/RGGS have since agreed to seven years for relocation of US 53. Therefore, under these anticipated terms, MnDOT must vacate the existing highway and is planning to complete implementation of the preferred alternative selected in this environmental review process by May 2017.

2.2 Proposed Action

The proposed action is to comply with the terms of the above-referenced US 53 easement agreement and any amendments. Sections 3 and 4 of the 2012 SD address the need for action and describe project alternatives, respectively. Section 5 of this ASDD identifies modifications to Scoping alternatives considered as well as an updated list of alternatives that will be documented in an EIS.

3. Project Cost, Funding Source, and Schedule

3.1 Project Cost and Funding Source

Preliminary construction cost estimates have been prepared as part of the development of Scoping alternatives. Depending on location, proposed project Build Alternatives are estimated to have construction costs ranging within approximately $60 million to $150 million.

Within this project area, the acquisition of properties and/or iron ore mineral rights can also represent a substantial project cost. For example, as described in Section 4 of the Scoping

[1] United Taconite (UTAC) is a division of Cliffs Natural Resources, Inc. UTAC operates the mine on behalf of the land and mineral owner, RGGS Land and Minerals Co. For brevity, most references in this document will refer simply to "UTAC."

Document, the initially estimated values of $400 to $600 million were reported for the Existing US 53 Alternative (easement segment of US 53 remains open).

The Draft EIS will include more detailed preliminary cost estimates for the alternatives that have been retained for further study. Additionally, the Draft EIS will consider various project delivery models to be used for completion of Build Alternative scenarios. Such project delivery methods may include:

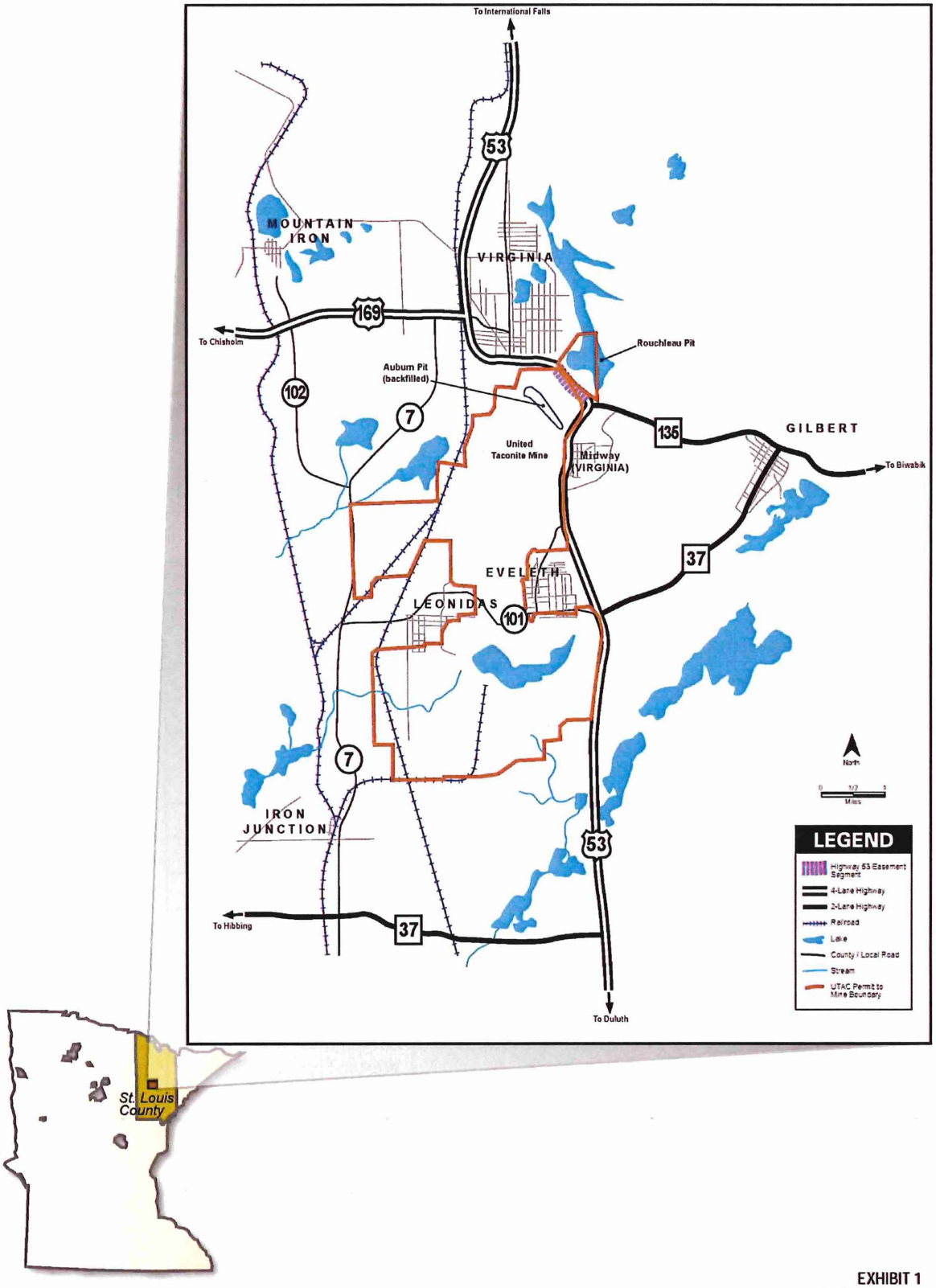
- Design-Bid-Build
- Design-Build
- Public Private Partnerships

Up to $60 million in state trunk highway bonds have been identified as one possible funding source for the project. Should additional funding be required, other local, state, and federal sources will be considered.

3.1 Project Schedule

The general timeframe/dates for completing the key project activities are listed below. This schedule is subject to change and will be updated as the project advances.

Milestone Tasks	Target Dates
Notice of Intent (state & federal)	August 2011
Scoping Document/Draft Scoping Decision Document	February 2012
Public Scoping Meeting	March 2012
Scoping Decision Document	Summer 2012
Amended Scoping Decision Document	Summer 2013
Draft EIS	Spring 2014
Draft EIS Public Hearing	Spring 2014
Identification of Preferred Alternative	Spring/Summer 2014
Final EIS	Winter 2014
FHWA Record of Decision	Spring 2015
Notice of Statute of Limitations	Spring 2015
MnDOT Adequacy Determination	Spring 2015
Project Delivery Process	Fall 2014 – Spring 2015
Right-of-Way Negotiations	Winter/Spring 2015
"Open to Traffic"	Late Fall 2016



Highway 53—Virginia to Eveleth

EXHIBIT 1
Study Area Map

4. Responsible Government Unit and Project Manager

MnDOT is the Responsible Governmental Unit (RGU) for the proposed project. The Federal Highway Administration (FHWA) is the lead federal agency. The MnDOT Project Manager is:

Roberta Dwyer
Minnesota Department of Transportation – District One
1123 Mesaba Avenue
Duluth, MN 55811
Phone: 218-725-2781
Email: roberta.dwyer@state.mn.us

5. Alternatives to be Studied in EIS

As noted in Section 1, since the SDD was published in September 2012, additional data collection and analysis has been conducted, which has led to the addition and/or modification of the original Scoping alternatives to be studied in the Draft EIS. These changes were necessary in order to provide a comprehensive comparison of reasonable options for replacing the existing US 53 easement segment. As described in the following sections, two additional 2012 Scoping alternatives that were not previously carried forward into the EIS (W-1 and E-1) have been modified (W-1A and E-1A) and further evaluated to determine if they should be carried forward into the Draft EIS. Additionally, one of the alternatives previously carried forward for evaluation in the Draft EIS (E-2) has been modified (E-2A) to include an alignment that attempts to further minimize crossing over mineral resources.

Alternative W-1 was initially not carried forward due to anticipated business impacts, increased travel time for emergency response and school district operations, substantial impacts to wetlands and water resources, and property relocations. However, with modifications it was further considered during the 2013 re-Scoping analysis as Alternative W-1A, as a potentially viable alternative that completely avoids areas with current mineral rights while still providing a continuous US 53 route. However, upon further review of potential benefits of this alternative versus potential impacts, this modified alternative is not recommended for further study in the Draft EIS (see more detailed discussion in Section 6.1.2 below).

Alternative E-1 was initially not carried forward beyond 2012 Scoping because of the uncertainty of compliance with mine air quality permit requirements (compared to other East Corridor alternatives), conflicts with the existing UTAC permit to mine area, and crossing at the widest portion of the Rouchleau Pit. However, this alternative has also been modified (as Alternative E-1A), and will be studied in the Draft EIS since recent additional investigations have indicated that it may impact fewer mineral resources as well as provide a lower cost crossing (shallower part of pit) than Alternative E-2 while providing the other benefits of an eastern alternative (see Section 5.4 below).

Additionally, a modification to Alternative E-2 (Alternative E-2A) was considered to possibly reduce the length of roadway that would traverse the Biwabik Iron Formation or encumber future mineral exploration or mining rights due to mining buffer requirements. Alternative E-2A would require more land from the state School Trust property and the designated Off Highway Vehicle Recreation Area than the original E-2 alignment. After additional boring data was collected along the E-2 alignment, which found no mineral resources along the Landfill Road segment of the alignment, Alternative E-2A was determined to provide no advantages over the original E-2 alternative and therefore is not recommended for further study in the Draft EIS (see Section 6.3.2).

The Build Alternatives to be evaluated in the Draft EIS (M-1, E-1A, and E-2) are illustrated in Exhibits 3 and 4. Exhibit 5 compares the locations of W-1 with the modified W-1A, E-1 with modified E-1A, and E-2 with E-2A. Descriptions of the alternatives proposed for study in the Draft EIS are provided below.

5.1 No Build (Closure of the Easement Segment of US 53) Alternative

The No Build Alternative would respond to the easement terms by closing the easement segment of US 53, resulting in traffic being rerouted to existing highways. Signage would be used to officially mark the rerouting of US 53, which (as shown in Exhibit 2) would follow existing MN 37, Saint Louis County Road 7 (Co. 7), and US 169 (between Co. 7 and existing US 53). No improvements would be made in the No Build Alternative and the existing roadways would remain two lanes. (Note that the minor improvements such as turn lanes, striping, and signal modifications described in the SDD have been dropped from this alternative to reflect a true No Build alternative in which minimal investments are made).

The No Build Alternative alignment of US 53, described from south to north, would include the following characteristics:

- The interchange of existing US 53 with MN 37 (about four miles south of Eveleth) would be the southern terminus of the US 53 reroute.
- The four-mile segment of existing MN 37 (to be re-designated as US 53) between existing US 53 and Co. 7 would be a two-lane highway with left and right turn lanes at the intersection with Co. 7.
- The approximately 8.75-mile, north-south, two-lane segment of Co. 7 between MN 37 and US 169 would be re-designated as US 53, with an at-grade intersection (with US 169) at the northern terminus of this segment. Existing at-grade railroad crossings in this corridor would also remain at-grade.
- The approximately 0.4-mile segment of four-lane US 169 between existing Co. 7 and the existing US 53 in Virginia would be re-designated to include US 53, with the existing US 53/US 169 interchange marking the northern-most terminus of the US 53 reroute.

MN 135 is currently routed from Gilbert through the easement segment and into Virginia. The designation for MN 135 would be rerouted to the south using the existing US 53 alignment from the vacated easement terminus at the MN 135 interchange to the south MN 37 interchange where it would connect to the new US 53 route along the existing MN 37 to the west.

The existing US 53 corridor within Virginia, between the US 169 interchange and the vacated easement terminus near the 2nd Avenue interchange, would no longer be designated as US 53. The jurisdictional status of this segment would need to be determined by MnDOT, through discussions with the City and County.

This alternative does not meet the project's Purpose and Need. However, it is the baseline for the comparison of alternatives and is required under NEPA to be evaluated in the EIS for comparison purposes.

5.2 Existing US 53 Alternative

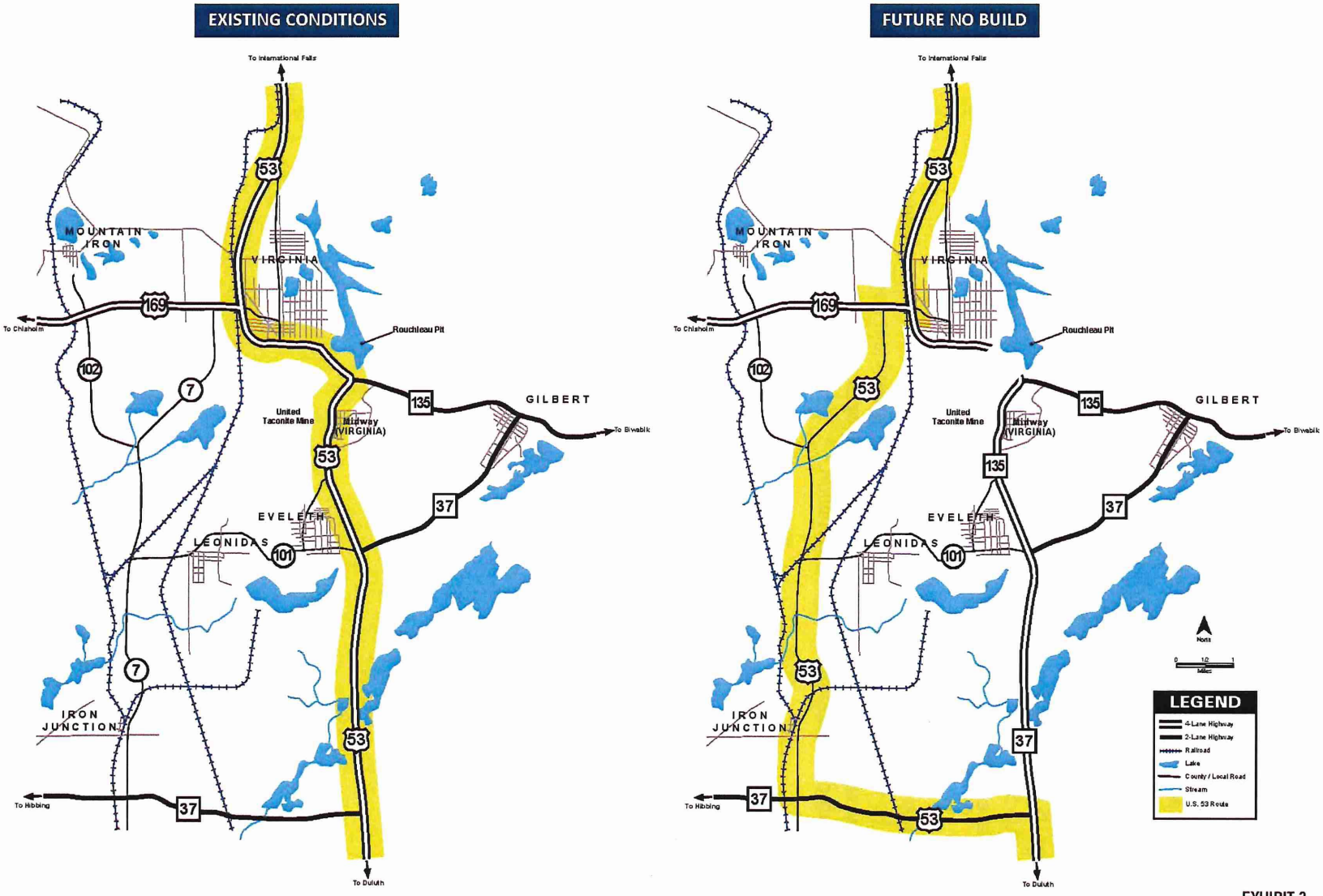
The Existing US 53 alternative, though not in compliance with the terms of the existing easement, would keep US 53 in place and open to traffic by addressing the economic, legal, or engineering issues associated with resolving the terms of the easement agreement. The State of Minnesota would not vacate US 53 but would keep the highway open.

Keeping the highway open in its current location would require the State of Minnesota to acquire the property by direct purchase and most likely the use of eminent domain. If the eminent domain action were successful, the cost of the land could equal or exceed the cost of the ore reserves initially estimated at values of $400 to $600 million.[2]

This scenario of acquisition of permanent rights to the existing corridor is necessary to consider in the assessment a full range of possible project alternatives.

While this alternative presents many risks, including the potential for high costs, it succeeds in minimizing other social, economic, and environmental impacts through continued use of existing US 53. This advantage warrants further consideration of the Existing US 53 Alternative in the Draft EIS.

[2] The initial estimate of $400 to $600 million is based on the potential royalty value of the US 53 easement segment (the land and mineral values) plus the potential business volume (margin) that could be derived from mining, processing, and shipping the iron ore. This range was calculated based on publicly available data about the mine, with input from UTAC and the Minnesota DNR Land and Minerals Division. The range is provided for the purpose of comparing alternatives and does not represent a negotiated value between the State of Minnesota and the mine's owners and operators. A large contingency is reflected in this range because of uncertainty in how the alternative would work both legally and physically. This initial cost estimate may change in the Draft EIS, as additional information is obtained.



Highway 53—Virginia to Eveleth

EXHIBIT 2
U.S. Highway 53 No Build Alternative

5.3 Alternative M-1

This alternative would mostly follow the grade created by the now backfilled Auburn Pit through the UTAC mine, providing the most direct route for a realigned US 53 (see Exhibit 3). Alternative M-1 would cross a mine operations area that will be active for many years, requiring mine vehicles and equipment to pass under the highway. Crossing over the Auburn Pit may reduce long-term conflicts with remaining ore reserves and the potential need to relocate the highway to accommodate future mining activities. However, as the design progressed for this alignment, the footprint area of the mine crossing increased in width due to the depth of the pit and the road elevation needed to minimize air quality concerns. As a result, after 2012 Scoping the mine operator has indicated that more ore reserves would be encumbered in this corridor than originally assumed. In addition, this alternative requires road construction through an active mine, which may raise safety and other concerns. This alternative would involve construction of up to two miles of new highway, with earthwork and structures required for continued mine operations on both sides of the new alignment. Local roads at each end of the alternative would also be reconstructed to maintain community access.

Key factors in the determination to retain this alternative for study in the Draft EIS include that the direct route (shortest of new alignment options) reduces impacts to business access and community cohesion and routing over the Auburn Pit in the UTAC mine may reduce iron ore resource encumbrance and natural resource impacts. The corridor also provides a potential utility corridor to retain connections to the Midway area. While business impacts due to air quality permit compliance are a potential concern, the Draft EIS will explore potential mitigation strategies.

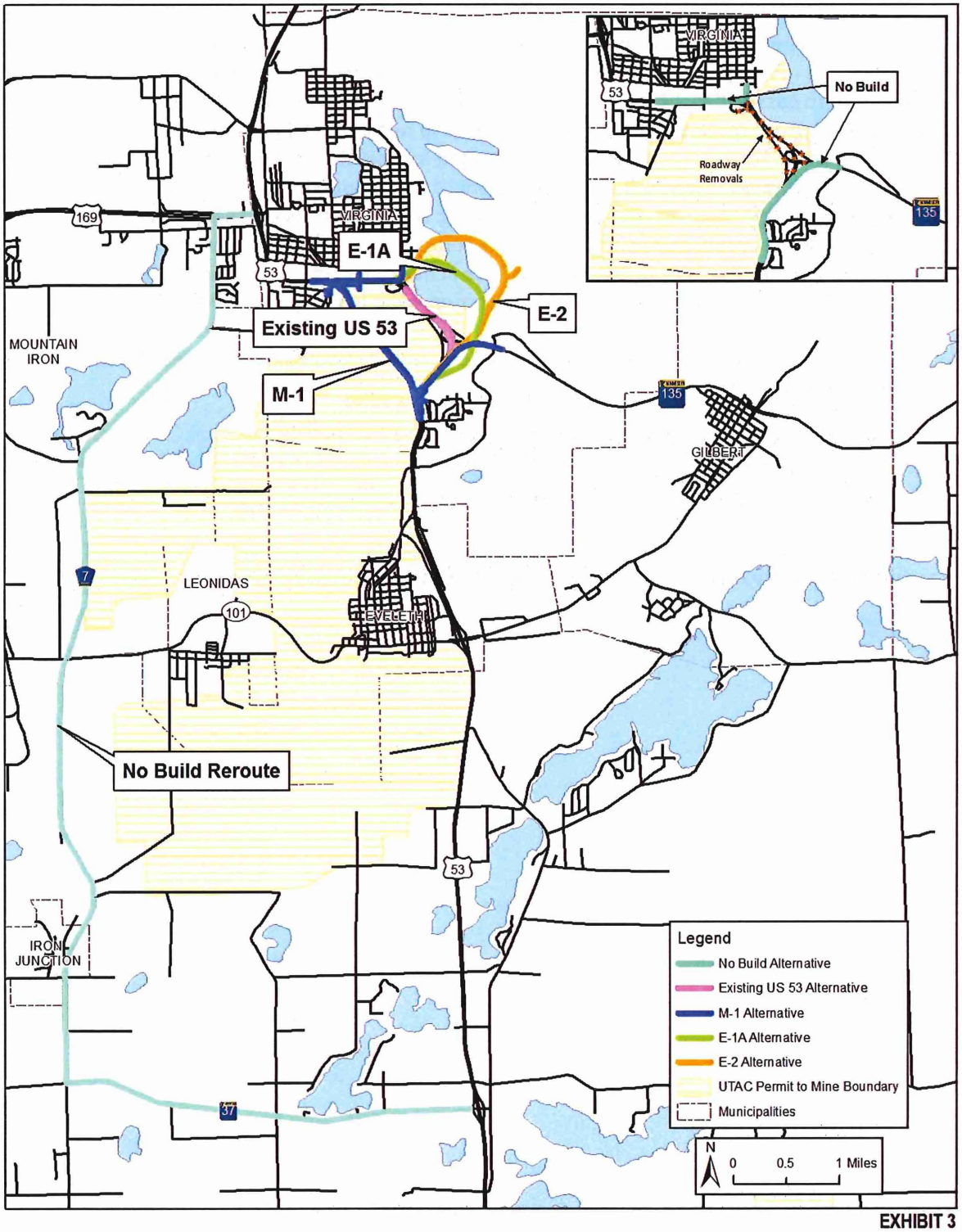


EXHIBIT 3

Highway 53 - Virginia to Eveleth U.S. Highway 53 Alternatives

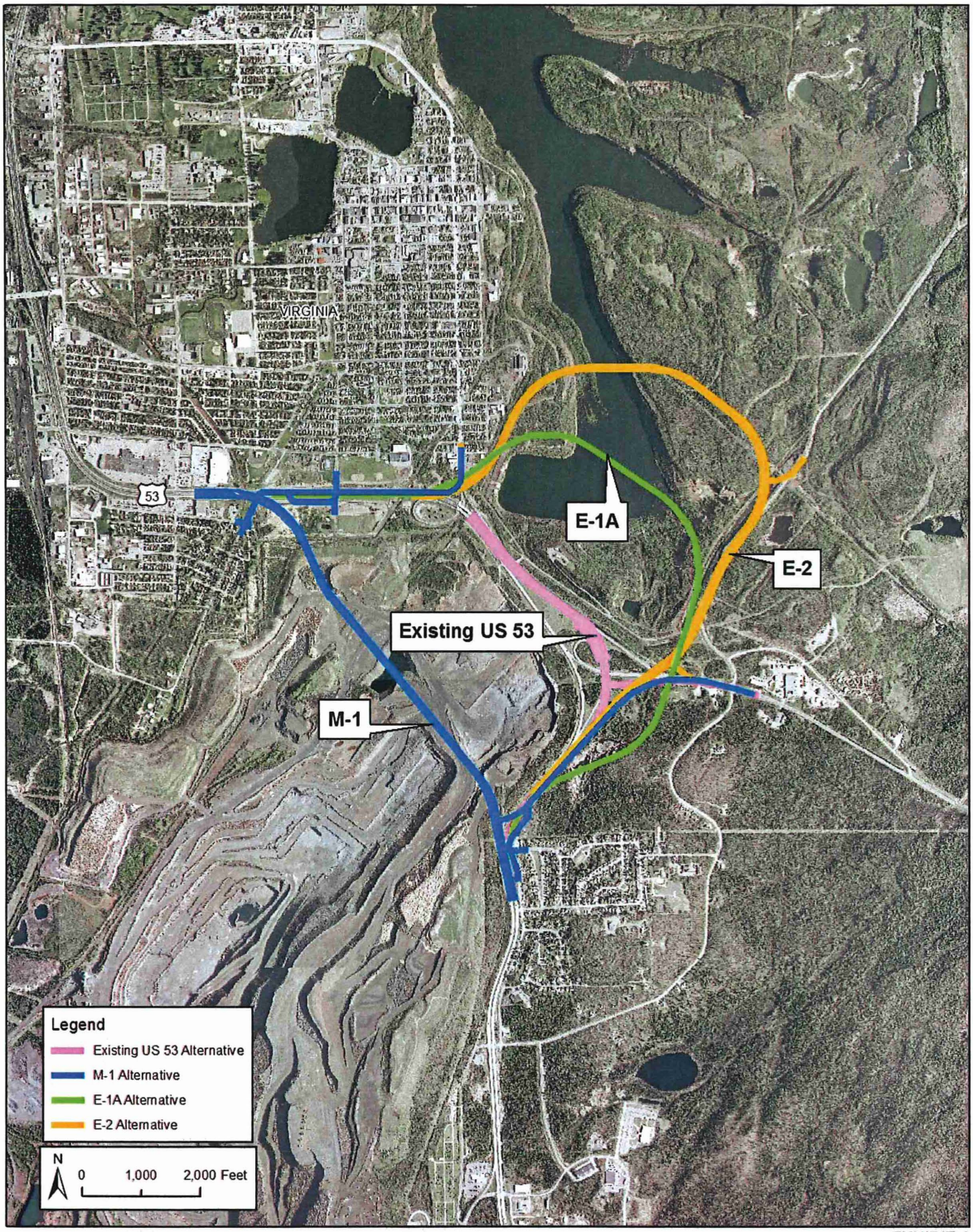


EXHIBIT 4

Highway 53 - Virginia to Eveleth Detail View of U.S. Highway 53 Alternatives

5.4 Modified Alternative E-1, Designated as Alternative E-1A

Alternative E-1A is the closest of the East Corridor alternatives to the existing US 53 alignment. The corridor makes its northern connection in vicinity of the 2nd Avenue interchange and maintains a direct connection to the southern reach of US 53 over the Rouchleau Pit. This alternative is a modified version of Alternative E-1, which was initially not retained for consideration in the Draft EIS because Alternative E-2 was thought at the time to provide a more feasible eastern alignment. The modifications to Alternative E-1 include shifting the alignment further to the west over the Rouchleau Pit, resulting in a shallower crossing of the pit along an existing submerged ridge, and may result in fewer mineral resource impacts. The E-1A alignment was also shifted further to the southeast between Cuyuna Drive and MN 135 to accommodate potential mine operational space needs.

Alternative E-1 was initially not carried forward in the SDD because of the uncertainty of compliance with mine air quality permit requirements (compared to other East Corridor alternatives), higher right-of-way costs due to conflicts with the existing UTAC permit to mine area, and construction costs due to crossing the widest portion of the Rouchleau Pit. With the modifications to this alternative, a feasible crossing may be achievable. Alternative E-1A allows for a lower crossing of the Rouchleau Pit without a bridge and avoids the majority of the School Trust land but requires partial dewatering of the pit. This alternative remains within the permit to mine boundary. While business impacts due to air quality permit compliance remain a potential concern, the Draft EIS will explore potential mitigation strategies.

5.5 Alternative E-2

As shown in Exhibit 3, Alternative E-2 crosses the water-filled Rouchleau Pit at one of its narrow openings, while at the same time balancing concerns about getting back to the 2nd Avenue interchange by the shortest route in order to minimize community impacts. This alternative is also located strategically to be outside of the UTAC mine permit area on the east side of the pit. Because this alternative crosses over known iron ore and other mineral resources, an issue to be considered in the Draft EIS is the potential need to relocate Highway 53 again in the future due to mining conflicts.

Alternative E-2 is retained for further consideration since, similar to other eastern alternatives, E-2 provides a direct route comparable to existing conditions with minor impacts to the business community and local traffic while potentially allowing for the provision of utilities between Virginia's central business district and the Midway area. In addition, Alternative E-2 avoids the UTAC permit to mine boundary, which minimizes the business risk to UTAC regarding air quality permit compliance, and it maintains the similar US 53 connections to 2nd Avenue and MN 135, which would minimize impacts to the economic and business communities and local traffic.

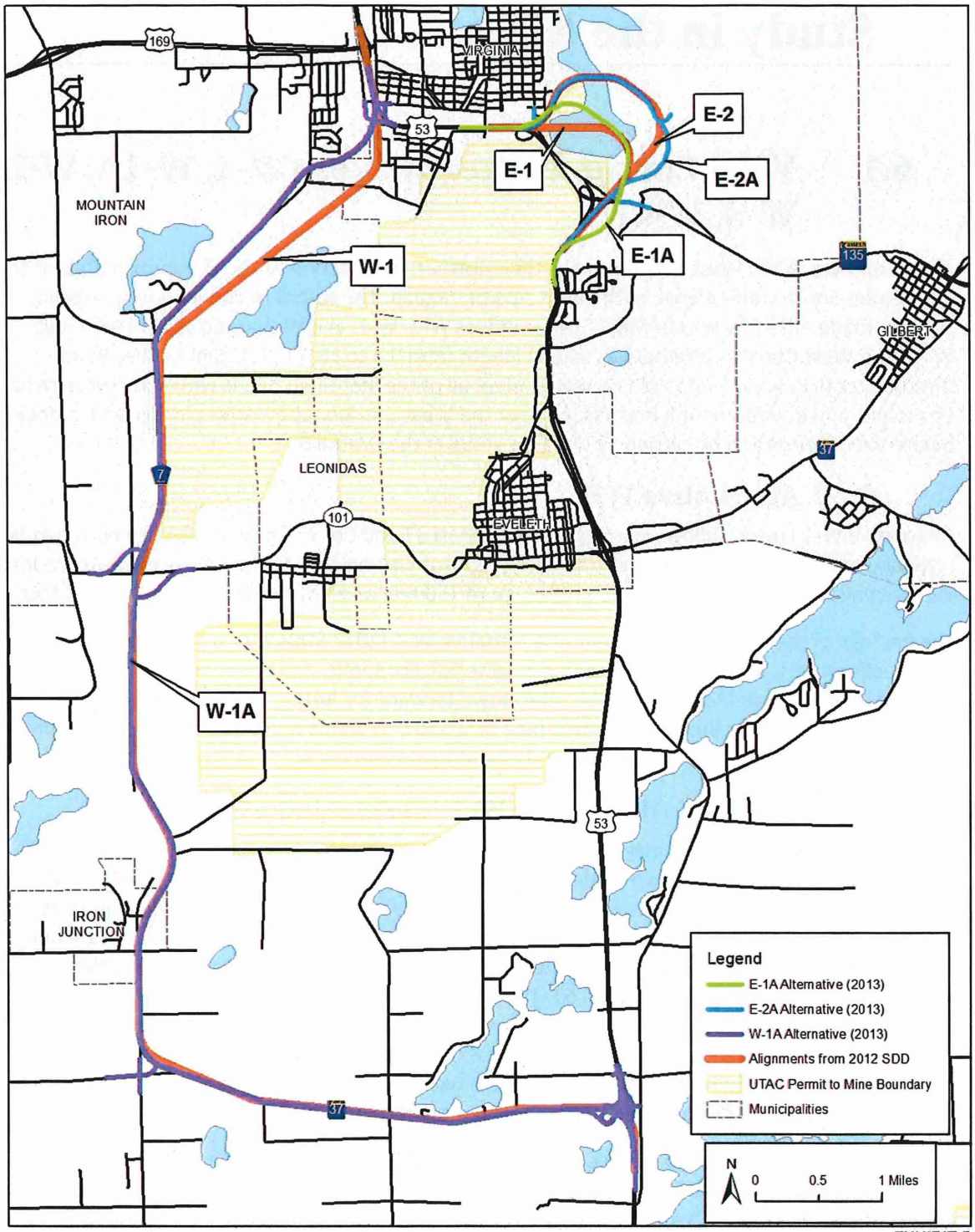


EXHIBIT 5

Highway 53 - Virginia to Eveleth U.S. Highway 53 Alternatives E-1A, E-2A, and W-1A

6. Alternatives Not Carried Forward for Study in the EIS

6.1 West Corridor Alternatives (W-1, W-1A, W-2, W-3, W-4)

All alternatives in the West Corridor make their northern connection to US 53 approximately at the 13th Street South traffic signal on the west side of Virginia. The southern connection to existing US 53 is made either by way of MN 37 (Alternatives W-1, W-2, and W-3) or Co. 101 (Alternative W-4). The West Corridor alternatives vary in length from 9.4 to 13.5 miles. Since other Build Alternatives (i.e., M-1, E-1A, and E-2) would meet all of the identified needs with less severe social, economic, and environmental impacts, none of the West Corridor alternatives (described in detail below) are proposed to be carried forward for study in the Draft EIS.

6.1.1 Alternative W-1

Alternative W-1 largely follows existing highways (MN 37 and Co. 7). These routes are both two-lane highways, which could provide a portion of the right-of-way needed for the W-1 highway corridor. The existing right of way of MN 37 is an average of 150 feet and Co. 7 ranges from 80 to 140 feet.

The findings of the Scoping assessment of Alternative W-1 (2012 SDD) with respect to estimated construction costs, user costs, and Scoping level social, economic, and environmental impacts resulted in the decision to not carry this alternative forward for further consideration in the Draft EIS at this time, since other Build Alternatives (i.e., M-1 and E-2) would meet all of the identified project needs with less severe social, economic, and environmental impacts.

6.1.2 Modified Alternative W-1 (designated as W-1A)

As noted in the introductory paragraph to Section 5, Alternative W-1A was developed as part of a re-Scoping process in 2013. This included reassessment of the extent of potential social, economic, and environmental impacts versus the potential benefits of this alternative in avoiding impacts to the Biwabik Iron Formation (eliminating the need for MnDOT to relocate US 53 in the future due to additional mining conflicts). Changes to Alternative W-1 from the initial SD/SDD include the addition of a direct connection from Co. 7 to US 53. The connection includes intersection improvements at 13th Street South, 17th Street South, and Unity Drive. The alternative also includes extensive intersection improvements at Co. 7/Co. 101, MN 37/Co. 7, and MN 37/existing US 53. These intersection improvements were added to provide better traffic flow for travelers by making US 53 a continuous through route to better address the identified transportation needs.

Alternative W-1A makes its northern connection to US 53 approximately at the 13th Street South traffic signal on the west side of Virginia. The southern connection to existing US 53 is made by way of MN 37. This alternative is approximately 13.5 miles in length and largely follows existing highways (MN 37 and Co. 7).

The findings of the re-Scoping assessment of Alternative W-1A with respect to estimated construction costs, user costs, and Scoping level social, economic, and environmental impacts are

summarized in technical memoranda available upon request from the MnDOT Project Manager. The findings of these assessments resulted in the decision to not carry this alternative forward for further consideration in the Draft EIS at this time, since other Build Alternatives (i.e., M-1, E-1A, and E-2) would meet all of the identified project needs with less severe social, economic, and environmental impacts.

6.1.3 Alternative W-2

Alternative W-2 includes a new corridor connection back to Co. 7, blending the features of highway- and railroad-based alignments. This alternative would provide a shorter route than Alignment W-1 by diverting from MN 37 at the railroad corridor, running parallel to railroad line, and connecting to Co. 7 north of Co. 101.

This alternative reduces the number of potential property relocations and length of highway corridor compared to Alternative W-1 by going on a new alignment parallel to existing railroad tracks. However, this alternative is not being carried forward for further consideration because, while reducing overall length, the use of new alignment results in greater construction costs and more acres of right-of-way acquisition.

6.1.4 Alternative W-3

Alternative W-3 parallels to existing railroad corridors and does not use the Co. 7 corridor, in effect creating a new highway corridor parallel to Co. 7 between MN 37 and US 169. This alternative reduces the number of potential property relocations, stream crossings, and length of highway corridor compared to Alternative W-1 by going on entirely new alignment parallel to existing railroad tracks.

However, this alternative is not being carried forward for further consideration because, while reducing overall length, the use of new alignment results in greater construction costs and more acres of right-of-way acquisition.

6.1.5 Alternative W-4 (Two Options – "A" and "B")

Unlike the other West Corridor alternatives, Alternative W-4 uses existing Co. 101 from US 53 through the communities of Eveleth and Leonidas, to connect to Co. 7 and turn north toward Virginia. By using Co. 101, more of the existing US 53 highway is retained. Additionally, this alternative recognizes the natural route for motorists travelling from Gilbert to Virginia; travelers would use MN 37 from Gilbert to Eveleth, and then continue on that alignment where MN 37 turns into Co. 101. Unlike the other western alternatives, Alternative W-4 does not avoid conflict with iron ore reserves.

Co. 101 through Eveleth is heavily developed, with dozens of residential and commercial properties directly adjacent to both sides of the roadway. Due to this urbanized character of the corridor in Eveleth, two options have been considered for this Scoping review:

- W-4A (Two Lanes through Eveleth) – This option seeks to limit impacts to adjacent property owners by retaining the two-lane cross section of Co. 101 through Eveleth. At minimum, however, many of the access points in Eveleth would be closed or modified. All existing and other new segments of US 53 outside of Eveleth would be four lanes.
- W-4B (Four Lanes through Eveleth) – This option provides four lanes of traffic, consistent with the rest of US 53 in the project area. This would require a widening of the Co. 101 corridor

through Eveleth, resulting in the acquisition of residential and commercial properties and substantial changes to how the community is accessed.

Alternative W-4A is not being carried forward for further consideration because it only partially meets the project Purpose and Need. In addition, it does not substantially decrease social, economic, and environmental impacts while causing substantial direct impacts within Eveleth, so there is no reason to retain this alternative as an approach to avoid adverse impacts.

While Alternative W-4B utilizes existing travel corridors for a connection between Virginia and the Gilbert, Midway, or Eveleth areas, it is not being carried forward for further consideration because the expansion of Co. 101 to a four-lane facility through Eveleth causes substantial community impacts for right-of-way, property relocations, and business access. This route, like the other West Corridor alternatives, has negative impacts to access in Virginia as well, and does not provide the benefit of avoiding conflict with iron ore resources that is present in other West Corridor alternatives. Additionally, Co. 101 crosses the existing UTAC permit to mine area, and the mine has indicated that it would likely close Co. 101 to through traffic at a future time (estimated by 2024) when it resumes mining in this area.

6.2 Middle Corridor Alternative M-2

Similar to Alternative M-1, Alternative M-2 also largely follows the grade created by the now backfilled Auburn Pit through the UTAC mine. Alternative M-2, however, provides an option that would re-join existing US 53 closer to 2nd Avenue, which is an important connection to Virginia's central business district (CBD).

The primary benefit of Alternative M-2 compared to Alternative M-1 is that it runs closer to the existing 2nd Avenue access. In order to gain this relatively minor improvement in travel time to the Virginia Central Business District (a one-way trip from Eveleth to the Virginia CBD would be approximately 10-20 seconds shorter), the alignment must leave the Auburn Pit corridor and cross over known iron ore reserves.

However, Alternative M-2 is not being carried forward for further consideration because the Alternative M-2 conflict with ore reserves greatly increases anticipated business impacts and related potential compensation and legal costs/risks, similar to the Existing US 53 Alternative. The value of the ore reserves in conflict could be less than the $400-$600 million calculated for the Existing US 53 Alternative; however, the compensation values could still rise to hundreds of millions. Furthermore, Alternative M-2 has many transportation performance and construction cost similarities to Alternative M-1 and does not avoid the potential for mine air permitting issues. Therefore, the extra expense for the ore reserve conflict is not warranted.

6.3 East Corridor Alternatives (E-1, E-2A, E-3, E-4)

6.3.1 Alternative E-1

Alternative E-1 is the closest of the East Corridor alternatives to the existing alignment. One advantage of this route is the potential for limited or no impacts to the existing 2nd Avenue interchange ramps. This alternative maintains that straight east-west route, crosses the Rouchleau Pit at one of its widest locations, and then turns south near the existing Landfill Road in order to connect back to US 53.

The key benefit of this alternative is the retention of current US 53 functionality, including access at 2nd Avenue as it exists, or very similar to the existing configuration. However, Alternative E-1 is not being carried forward for further consideration because, compared to other East Corridor alternatives, this benefit is outweighed by the uncertainty of compliance with mine air quality permit requirements (compared to other east corridor alternatives), higher right-of-way costs due to conflicts with the existing UTAC permit to mine area, and potential construction costs due to crossing the widest portion of the Rouchleau Pit.

6.3.2 Alternative E-2A

Alternative E-2A is a sub-alternative of Alternative E-2 that was evaluated in addition to E-2. A section of Alternative E-2 north of MN 135 was shifted further to the east in an attempt to completely avoid any encumbrance of mineral resources and/or mining exploration (non-ferrous leases) at the edge of the permit to mine boundary, Biwabik Iron Formation, and mineral rich stockpiles along Landfill Road. The loop was made large to avoid valuable ore stockpiles and the tailings basin east of Landfill Road that has recoverable ore.

Alternative E-2A would maintain many of the benefits of Alternative E-2, including complete avoidance of the UTAC permit to mine boundary, minimizing the business risk to UTAC regarding air quality permit compliance. However, moving the alignment further to the southeast would encroach upon the Iron Range Off-Highway Vehicle (OHV) State Recreation Area to a greater extent than Alternative E-2, isolating a large portion of the recreation area that would be difficult to mitigate. To address Department of Natural Resources concerns with this alternative, additional study was conducted to determine if this shift would provide the benefit intended. Recent drilling has been conducted to determine if mineral resources are present near Landfill Road. Borings located 200 to 400 feet west of Landfill Road show essentially no mineral resources, indicating that the edge of the formation lies further west of these test sites. With that knowledge Alternative E-2A is not proposed to be carried forward for further study in the Draft EIS at this time, since it is anticipated to result in substantial impacts to the OHV State Recreation Area while providing no identifiable benefits over Alternative E-2.

6.3.3 Alternative E-3

Alternative E-3 is similar to Alternative E-2. The primary difference is that Alternative E-3 provides a longer route to make the curve from the Midway area back into Virginia. This route still crosses the Rouchleau Pit at a narrow crossing location but has the effect of lengthening the corridor northward into more privately-owned lands before turning back to the existing US 53 alignment at 2nd Avenue. The only currently known advantage of Alternative E-3 versus Alternative E-2 is greater distance from the UTAC mine permit area, perhaps reducing the potential for proximity conflicts.

This alternative is not being carried forward for further consideration because it offers relatively few benefits compared to Alternatives E-2 and E-1A. Other features of this route generally require more construction costs or more complex right-of-way acquisition due to greater conflicts with privately owned lands and minerals.

6.3.4 Alternative E-4

This is the only East Corridor alternative that does not reuse the existing 2nd Avenue interchange. Instead of connecting back to US 53 at 2nd Avenue, this alternative is routed to the north side of Virginia, where it uses the 9th Street North corridor. The Rouchleau Pit crossing is wider than in Alternatives E-2 and E-3. Additionally, the route runs near the existing water intake for Virginia's

water supply, which comes from the pit. This corridor also runs directly by Essentia Health-Virginia. For consistency of comparing alternatives, a 300-foot wide corridor centered on 9th Street North was used for this Scoping analysis; 9th Street North is an existing four-lane undivided roadway with multiple private access points provided.

Alternative E-4 is not being carried forward for further consideration for reasons that include the impacts to business access and community cohesion, as well as the high construction costs. Potential direct impacts to the City of Virginia water supply are also a concern.

7. Issues to be Addressed in EIS

The following issues are expected to influence the selection of the preferred alternative. These issues will receive greater levels of attention and coordination with the public and appropriate units of government as part of Draft EIS development.

- Right-of-Way Acquisition & Relocation (including longevity of each alternative)
- Utility Location
- Water Supply/Groundwater
- Economics and Business Impacts
- Water Body Modification
- Wetlands
- Public Park, Recreational, Wildlife Management, and Section 4(f)/6(f) Lands
- Cultural Resources and Tribal Coordination
- Noise
- Secondary Impacts
- Cumulative Impacts

The following issues are anticipated to require less detailed analysis in the EIS. The EIS will identify impacts, including analysis in accordance with federal and state requirements where appropriate, for each of these areas of concern.

- Traffic Operations
- Land Use
- Intermodal Transportation
- Surface Water/Water Quantity and Quality
- Geology and Soils
- Environmental Justice Impacts

- Social, Neighborhood, and Community Facilities Impacts
- Transportation-related Air Quality
- Erosion Control and Slope Stability
- Vegetation/Cover Types
- Fish and Wildlife
- Threatened or Endangered Species
- Hazardous Materials and Contaminated Properties
- Visual Impacts
- Construction Impacts
- Excess Materials
- Geotechnical and Earthborn Vibrations
- Relationship of Local Short-Term Uses versus Long-Term Productivity
- Irreversible and Irretrievable Commitment of Resources
- Climate Change

It should be noted that as more detailed studies and information for each issue are developed for the Draft EIS, additional impacts may be identified that require a greater level of analysis than identified in the SD or this ASDD.

An explanation of how FHWA and MnDOT will track compliance with potential and committed mitigation measures, including those measures that must be undertaken post-NEPA to meet state and/or federal permit requirements for project construction and operation, will also be included in the Draft EIS.

8. Issues Not to be Addressed in EIS

The following areas of environmental concern are not relevant to this study area and will not be discussed in the EIS:

- Critical Areas
- Coastal Zones and Coastal Barriers
- Wild and Scenic Rivers
- Handicapped Accessibility
- Floodplains
- Farmlands

9. Public and Agency Involvement

MnDOT is committed to public involvement and outreach at all key decisions points of the US 53 Realignment Project, as is documented in a *Public and Agency Coordination Plan* that has been developed for this project. MnDOT will continue to engage local communities and organizations, property and business owners, residents, and public agencies in the development of this project. The public involvement efforts that have or will be undertaken for this project are summarized below.

9.1 Project Management Team (PMT)

The role of the PMT, which includes staff from MnDOT and FHWA, is to advance the study to key milestones during development of the Scoping Decision Document and the EIS. The PMT also reviews recommendations provided by the Policy Advisory Committee.

9.2 Project Advisory Committee (PAC)

The PAC represents local government units, regional agencies, and other community organizations and associations. This committee reviews and provides comments on the overall study. Invitations to participate on the PAC were extended to:

- City of Virginia
- City of Eveleth
- City of Gilbert
- City of Mountain Iron
- St. Louis County
- Clinton Township
- Iron Range Resources Rehabilitation Board
- Laurentian Chamber of Commerce
- Cliffs Natural Resources (UTAC)
- RGGS Land and Minerals
- Minnesota Department of Natural Resources
- Minnesota Pollution Control Agency
- Federal Highway Administration
- Eveleth-Gilbert School District
- Virginia School District

- Eveleth Merchants Association
- Iron Range Tourism Bureau
- Minnesota Department of Transportation

9.3 Topic-Specific Meetings

Certain project issues warrant input on a specialized basis. The study team held a workshop on June 29, 2011, for environmental agencies in the study area. This meeting workshop was primarily a forum for interested agencies to review project Purpose and Need, provide input about resource management issues in the area, learn about and provide input regarding project alternatives development, and review project decision timeframes.

As the US 53 project progresses into more detailed environmental review, it is expected that the study team will continue to request information from or meetings with specific agencies or organizations, relative to specific environmental resource categories.

9.4 Public Meetings

9.4.1 Public Information Meeting (March 2011)

A public information meeting was held on March 22, 2011, at the Community Center in Gilbert, MN from 2:30 to 7:00 p.m. A brief PowerPoint presentation was given at 3:00, 4:15, 5:30, and 6:30 p.m. Approximately 145 people signed in during the meeting.

The focus of this meeting was to provide information on the study purpose, review the study process, highlight initial findings and environmental issues, and to collect comments and feedback from the public. A brief summary of comments received at the meeting are provided below:

- Limited support for the West Corridor alternatives for the following reasons:
    - Long reroute of traffic
    - Impacts to local business and access
    - Concern that removal of US 53 would disconnect the Quad Cities, where shared services such as emergency response and school district programming would encounter difficulties
- Questions regarding feasibility of keeping US 53 on the current alignment
- Concern about mine operations and future mining impact, including:
    - Potential for similar conflict between US 53 and mining operations in the future
    - Concerns about mining impacts on personal properties
- Access to 2nd Avenue as a key corridor to downtown Virginia
- City of Virginia drinking water supply from the Rouchleau Pit and potential water quality concerns about mining operations
- Connectivity of Highways 53 and 135

9.4.2 Scoping Document Public Hearing (March 2012)

A Scoping Public Hearing was held on March 27, 2012, at the Mountain Iron Community Center. The hearing was held from 4:00 to 8:00 p.m., with a presentation and opportunity for public questions and comments at 6:00 p.m. Approximately 75 people signed in for the hearing. Comments received at this meeting were considered in finalizing the Scoping Decision Document. A transcript of the presentation and public questions and comments is provided in Appendix B of the SDD.

9.4.3 Public Information Meeting (April 2013)

A public information meeting was held on April 22, 2013, at the Mountain Iron Community Center. The meeting was held in open house format between 4:00 to 7:00 p.m., with MnDOT and project staff to answer questions one-on-one with attendees. Approximately 230 people signed in during the meeting.

The focus of this meeting was to provide information on the need for additional alternatives to be evaluated, review the revised schedule and study process, and collect comments and feedback from the public. The topics discussed included the Scoping and EIS process, the project timeline, and the budget. Comments received at the meeting were similar to those previously provided, with a strong focus on reasons why the western alternative should remain dropped from further consideration.

9.5 Website

A project webpage has been established as an additional means of distributing information about the project, and is found at the following address:
www.dot.state.mn.us/d1/projects/hwy53relocation

The site will be updated as needed to reflect current project status.

9.6 Cooperating Agencies

The following agencies were invited by FHWA, and have formally accepted, to be cooperating agencies for this project:

- U.S. Army Corps of Engineers (USACE)
- U.S. Environmental Protection Agency (USEPA)

Cooperating agencies provide input related to relevant areas of expertise during the Scoping process and development of the EIS. These agencies also receive relevant technical studies and drafts of the Scoping Document and Scoping Decision Document, Amended SDD, as well as the Draft and Final EIS documents.

Cooperating agencies also participate in meetings to discuss relevant project findings. This included a conference call on May 13, 2011, to introduce the US 53 project to agency staff. Cooperating agency representatives also participated in the environmental agency workshop held on June 29, 2011, referenced in Section 9.3. A review of the draft Scoping Document/Draft SDD content was also conducted by cooperating agencies; staff from each agency gave preliminary feedback to MnDOT and discussed comments in a conference call held on February 13, 2012. The environmental and cooperating agencies have been informed of the amended scope of study for the Draft EIS.

9.7 Other Agency Coordination

Additional agency coordination has occurred as part of the Scoping process and will be necessary to complete the EIS. The *Agency and Public Coordination Plan* provides further information about plans for coordination with other agencies.

For this project, MnDOT, FHWA, USEPA, and USACE have also agreed to follow guidance that merges decision-making under the National Environmental Policy Act (NEPA) and Section 404 of the Clean Water Act. The NEPA/Section 404 Merger process recognizes that both NEPA and Section 404 review processes involve the evaluation of project Purpose and Need, the development of alternatives, the assessment of impacts, and the balancing/mitigation of impacts in a preferred alternative. The USACE, USEPA, and other involved agencies recognize the need to avoid duplication of these processes and to document progress.

The Merger approach includes reference to four concurrence points to establish progress on the above-noted steps. The four concurrence points are: 1) Purpose and Need, 2) Alternatives to be carried forward into the Draft EIS for detailed study, 3) Preferred Alternative, and 4) Mitigation of impacts due to the US 53 project.[3]

[3] See also: http://environment.fhwa.dot.gov/projdev/tdmnepa404.asp.

10. Permits and Approvals

Permits and approvals that may be required for the proposed project are listed in Table 1.

TABLE 1	
Agency permits and approvals that may be required	
Agency	**Permit/Approval**
FEDERAL:	
Federal Highway Administration	• EIS Approval • EIS Record of Decision • Section 4(f) Evaluations (if needed) • Section 106 Tribal Coordination • Section 106 Cultural Resources Determinations • Section 7 Threatened and Endangered Species Act determination
U.S. Army Corps of Engineers	Section 404 Permit (fill in U.S. Waters)
U.S. Fish and Wildlife Service	Section 7 Threatened and Endangered Species Consultation (if needed)
STATE:	
Minnesota Department of Transportation	• Scoping Decision Document • EIS Approval • EIS Adequacy Determination • Wetland Conservation Act (WCA) Approvals
Minnesota Department of Natural Resources	• Public Waters Work Permit (if needed) • Groundwater Appropriation Permit (if needed for dewatering)
Minnesota Pollution Control Agency	• National Pollution Discharge Elimination System (NPDES) Construction Stormwater Permit • Section 401 Water Quality Certification
State Historic Preservation Office	Section 106 Consultation
LOCAL:	
City of Virginia	• Municipal Approval of roadway plans (if needed)
City of Eveleth	• Municipal Approval of roadway plans (if needed)
City of Gilbert	• Municipal Approval of roadway plans (if needed)
City of Mountain Iron	• Municipal Approval of roadway plans (if needed)