February 22, 2007

Mr. Patrick Gamble
Chief Executive Officer
Alaska Railroad Corp.
327 Ship Creek Ave.
Anchorage, AK 99501

RE: Ship Creek Intermodal Transportation Center: Re-evaluation of Potential Environmental Impacts

Dear Mr. Gamble:

The Federal Transit Administration (FTA) has received the Alaska Railroad Corp.'s (ARRC) Ship Creek Intermodal Transportation Center Environmental Assessment Re-evaluation Technical Memorandum (February 2007) and attachments. As you know, FTA reviewed this project in 2003, issuing a Finding of No Significant Impact (FONSI) on June 10, 2003. Since that time, ARRC has made changes to the project, some new information has been developed, and some circumstances have changed. This raised the possibility that the revised project would have probable significant adverse impacts to the environment not previously evaluated under the FONSI. Accordingly, FTA has carefully reviewed the re-evaluation materials.

Based on the materials submitted by ARRC, we have concluded that the revisions do not significantly change the conclusions reached in the 2003 environmental documents and no new significant environmental impacts are anticipated and, therefore, pursuant to 23 CFR Section 771.129(c), no additional environmental analysis or documentation is required. This finding is conditioned upon ARRC’s compliance with the mitigation measures attached to this approval. Future changes to the project or new information relative to the project may trigger the need for further re-evaluation.

Thank you for cooperating with FTA and complying with the National Environmental Policy Act.
Please contact Dan Drais (206-220-4307; daniel.drais@dot.gov) of this office if you require additional information.

Sincerely,

[Signature]

R.F. Krochalis
Regional Administrator

cc: Barbara Hotchkin (by email)

Attachment:
Memorandum

U.S. Department of Transportation
Federal Transit Administration

BACKGROUND

The existing Anchorage railroad depot was built in 1942. It has become inefficient and is too small to meet existing needs. In a plan analyzed in an April 2003 Environmental Assessment (EA), ARRC proposed substantial improvements to augment and enhance passenger amenities, improve pedestrian access, build a new parking garage, eliminate car/train/pedestrian conflicts, add tracks, and improve baggage handling.

Last summer, ARRC told FTA it was considering potentially significant changes to the design considered in the EA and approved in a Finding of No Significant Impact (FONSI) dated June 10, 2003. ARRC wished to revise several elements in the new design:

1. Replace the northside passenger terminal with a remodeled depot and southside Amenities Building.
2. Change the track layout.
3. Change pedestrian, transit, and vehicular access to the depot.
4. Eliminate the parking structure.
5. Extend an existing maintenance/access road.

In addition, the regulatory landscape changed in a few respects, and ARRC concluded that funding issues will likely lead to the project developing in phases.

The scope of these changes triggered an extensive reevaluation of potential impacts. FTA determined that with the following mitigation, no additional NEPA review is required. This mitigation is in addition to that in the 2003 FONSI, except where the 2003 mitigation is obviated by design changes (e.g., mitigation for impacts due to the parking garage).

MITIGATION

Transportation: Parking: As detailed in the Re-Evaluation Technical Memorandum, ARRC will provide additional parking as improvements to the ITC are phased in, commensurate with the predicted increase in parking demand. It will eventually provide: 240 spaces in the existing lot south of the depot (ARRC will also upgrade and reconfigure the lot); 58 spaces in the lots east and west of the depot; 100 spaces in a newly paved ARRC lot on Ship Creek Avenue (by the Comfort Inn) served by the Ship Creek Flyer, a free shuttle; and 158 spaces in the ARRC lot between the arms of the “A/C Couplet.”

Transportation: Pedestrian and Transit Access. While it is moving the primary access to the ITC to First Avenue, ARRC will still include an ADA-compliant means of access to the
depot from the Ship Creek Avenue side of the facility. ARRC will continue to work with People Mover on the bus stop that will be in front of the renovated depot on First Avenue.

**Transportation: Roadway Circulation.** In the redesign, ARRC has reduced the width of the C Street crossing between First Avenue and Ship Creek to about 116 feet, and to use four-way stops at the intersections instead of signals. ARRC will work with the Municipality of Anchorage to monitor the levels of service at these intersections; if the LOS slips below B, or if there are other concerns with the way these intersections function, ARRC will work with the MOA to make additional improvements.

**Wetlands and Biological Resources.** As required by the 2003 FONSI, ARRC shall apply for a Corps of Engineers permit to fill the wetlands (both at Quyana Park and for the access road) and shall comply with all permit conditions. ARRC shall use Best Management Practices to ensure that no contaminants (oil, grease, sediments, etc.) spill from the worksite into the mudflats. ARRC shall also minimize the number of days needed to perform all in-water work.

**Parks and Recreation/Section 4(f).** To mitigate for the impacts to Quyana Park, ARRC will (i) providing additional landscaping of the parking area, (ii) provide additional landscaping to visually enhance structures and create appropriate buffers, (iii) providing water services and appropriate equipment sufficient to maintain the proposed landscaping, (iv) provide ornamental fencing in appropriate areas, such as along First Avenue, consistent with other improvements along Christensen Drive, and (v) rehabilitate/enhance the Eisenhower Memorial and expand the plaza area of the memorial.

**Historic Resources.** As under the FONSI, ARRC shall continue to consult with the SHPO throughout the design stage and to invite the SHPO to provide design review at appropriate intervals. Construction of Phase II of the project shall not occur until the SHPO concurs with the designs.

**Coastal Zone Management Compliance:** The project appears to comply with the new draft CZM regulations (which are federally approved, but still to be adopted by the Anchorage Assembly). ARRC has applied for a determination of consistency. ARRC shall comply with any conditions attached to the determination, and shall not proceed if the project is determined incompatible.