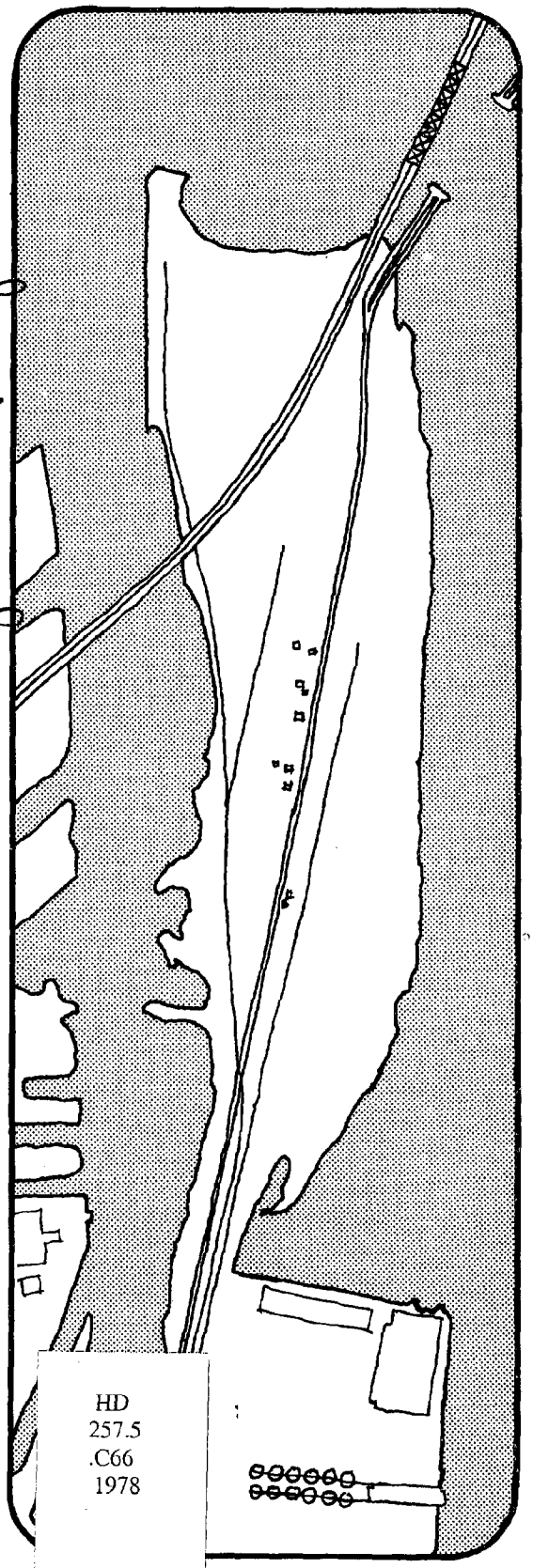

Connors Point
Development Program

Marine Related Industrial

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CONNORS POINT DEVELOPMENT PROGRAM
SUPERIOR, WISCONSIN

An Analysis of:

Marine Related Industry

HD257.5 .C66 1978

Prepared for:

SUPERIOR HARBOR COMMISSION

Prepared by:

ARCHITECTURAL RESOURCES, INC.
126 East Superior Street
Duluth, Minnesota 55802

August, 1978

ACKNOWLEDGEMENTS

We would like to thank the City of Superior Planning Office, the Port Directors Office and the City Engineering Department for all the assistance received during this project. In addition, the Superior Board of Harbor Commissioners Special Committee played a vital role in meeting and discussing the progress with the consultant.

With continued dedicated assistance from individuals such as these, we can envision a substantial growth for the Port in the upcoming years.

SUPERIOR BOARD OF HARBOR COMMISSIONERS

Mr. Nick Baker
Mr. Arvid Moken
Mr. Thomas Anderson
Mrs. Betty Hetzel
Mr. William Hammann
Mr. Gil Erickson
Mr. Robert Jauch

SUPERIOR PORT DIRECTOR

Mr. James McCarville

CONSULTANT TEAM

Architectural Resources, Inc.

Henry K. Hanka, Planning Director
John F. Scott, Senior Planner
Robert J. Bruce, Senior Planner/Designer
Gale E. Trostad, Cartographer
Dan R. McClelland, Landscape Architect
Keith Brakke, Architectural Draftsman

Jack D. Salo, Inc.

John Bergson, Civil Engineer

August, 1978

ABSTRACT

In terms of potential future development in the Duluth-Superior Harbor area, the land mass known as Connor's Point may prove to exhibit an excellent relationship of location, topography, present development and availability for future marine industrial development. If properly assembled and developed, this land area could become a major site for future bulk loading facilities within the harbor. While this study takes a objective look at the land potential in more detail, the following brief Abstract denotes the major findings of each chapter. After reviewing this section, the reader should consult the remainder of this report for specific data and further explanation of research conducted.

The following is a brief outline of the major findings, by chapter, for the Connor's Point land area. Each chapter heading has been identified. The most significant results of each study area have been renumerated in outline form. This will serve as a general reference to gain an overview of the complete study findings which are found in the remainder of the report.

II. BACKGROUND

- Major previous user of the site has been the railroad industry.
- Present site includes approximately 108 acres with majority vacant land.
- Significant land uses include support structures for Blatnik Bridge and 14,000 feet of rail spur lines.
- Major land ownership lies with City of Superior, Douglas County, Soo Line Railroad.
- On site utilities include 14 KV electric, 10 inch water main, no sanitary or storm sewers, no gas mains.
- Soils are suitable for development and bearing capacity is ample for industrial development.
- Rail and highway access are adjacent to site - Harbor channels are adjacent to 3 sides of parcel.

III. MARINE INDUSTRIAL POTENTIAL

- Centralized location and relative absence of development presents opportunity for development.
- Ship access is limited to north east side of property due to shallowness and vessel maneuvering constraints.
- Howards Bay inlet and Blatnik Bridge Channel appear to conjested for new ship berthing areas.

III. MARINE INDUSTRIAL POTENTIAL (Continued)

- Blatnik Bridge and supporting piers may limit full development of parcel.
- North east side of parcel shows greatest potential for marine development.
- Most viable uses for property include grain handling facility, vessel repair expansion, port services operations and coal transshipment facilities.

IV. LAND ASSEMBLY

- Approximately 50 percent of the property is under private ownership with the majority presently owned by the Soo Line Railroad Company.
- City Assessor's records place market value of private property on Connor's Point at $110,000.

V. DEVELOPMENT ALTERNATIVES

- Development guidelines should be established as to type and intensity for all future development on Connor's Point.
- Public land assembly cost for future marine industrial use would approach one million dollars.
- Multiple use concept including grain facility and port services industries is feasible with limited dredging and sheet piling costs.
- A coal transshipment facility approaching a storage capacity of 3.3 million tons could be accommodated without any filling of shallow water areas.
- A larger coal facility with a storage capacity of 6.2 million tons could be constructed however filling of shallow lands to the Harbor line would be necessary.

VI. MANAGEMENT CAPABILITIES/OPERATIONAL CONCERNS

- Public facilities ownership would not be recommended for most developments due to initial investment and operation.
- Public land ownership would be desirable at the present time to package property and actively persue developers.

VII. REGULATORY CONTROL

- Wisconsin Department of Natural Resources controls waterfront construction and dredging in Wisconsin water. They will require permits for any improvements made on the shoreline of Connor's Point.

- Wisconsin D.N.R. issues permits for removal of lakebed material (dredging), establishment of bulkhead lines filling of shoreline, air pollution and effulent discharge.

- Any large scale development on Connor's Point will require a environmental impact report at minimum.

- U.S. Army Corps of Engineers requires permits for construction in water areas, filling and dredging for projects on Connor's Point.

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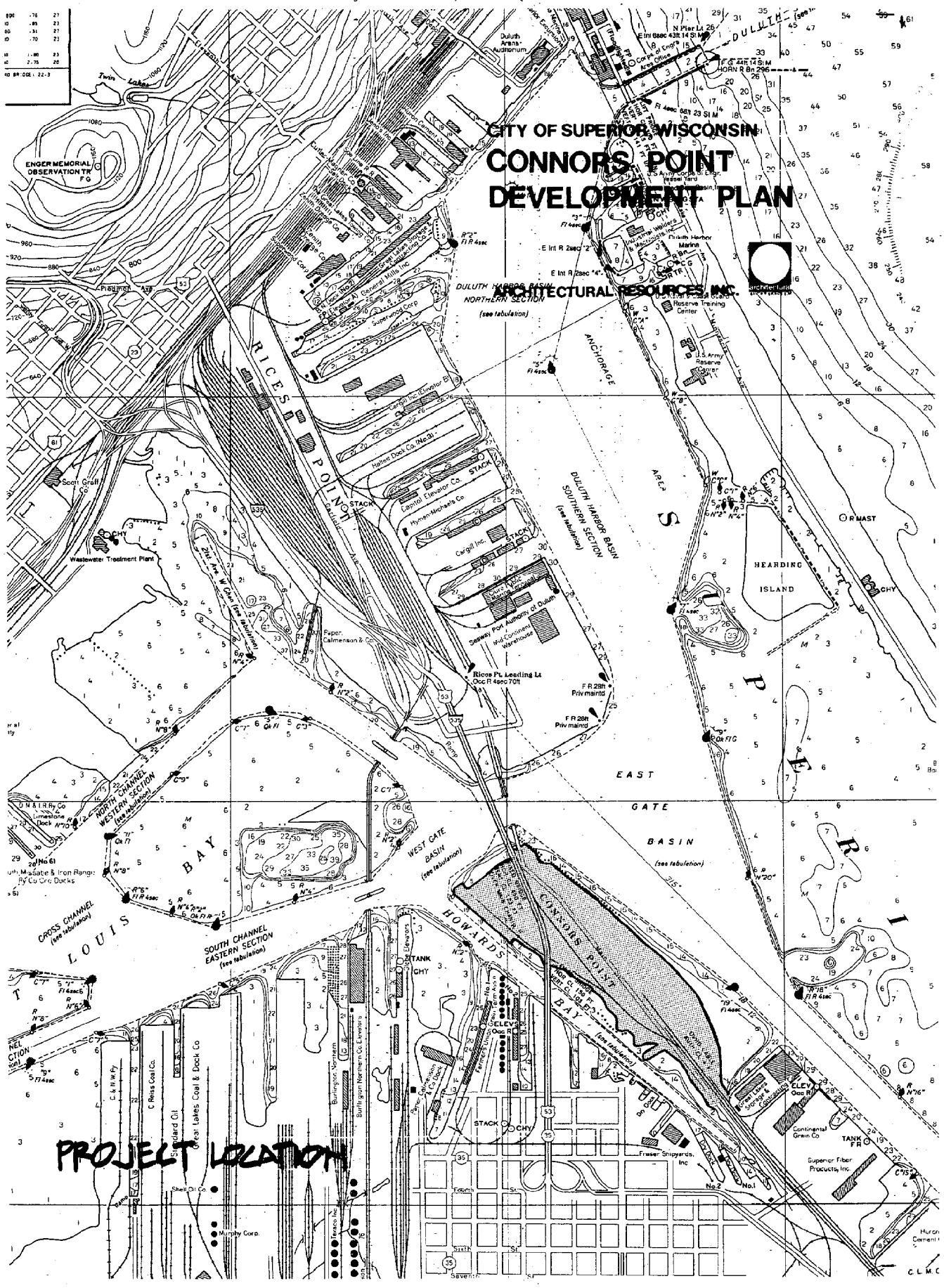
Introduction

I. INTRODUCTION

The Connors Point land area is one of essentially three remaining undeveloped large tracts of land in the Superior Harbor area. The other two sizable tracts of land are the former Case Institute Property area (now owned by the City of Superior) and Barkers Island which is slated for recreational development. For marine industrial expansion to occur that meets the needs of new marine industrial users, Connors Point must be seriously investigated for marine industrial potential.

The primary purpose of this planning/engineering analysis is to objectively look at the future, potential for Connors Point being developed for marine industrial use. Specific elements of the analysis covered topics including site characteristics, potential harbor needs, marine uses, management capabilities, land assembly, alternative design sketches and cost estimates for construction of facilities. In addition, dredging and filling estimates were made based upon the alternative sketches. Rules and regulation concerning dredging and filling were obtained to present a realistic approach to the development potential of Conners Point.


CITY OF SUPERIOR, WISCONSIN
CONNORS POINT
DEVELOPMENT PLAN
ARCHITECTURAL RESOURCES, INC.
PROJECT LOCATION
DULUTH HARBOR BASIN NORTHERN SECTION (see tabulation)
DULUTH HARBOR BASIN SOUTHERN SECTION (see tabulation)
ANCHORAGE AREA
RICES POINT
HEARDING ISLAND
EAST GATE BASIN (see tabulation)
WEST GATE BASIN (see tabulation)
NORTH CHANNEL WESTERN SECTION (see tabulation)
SOUTH CHANNEL EASTERN SECTION (see tabulation)
CROSS CHANNEL (see tabulation)
HOWARDS BAY
CONNORS POINT
LOUIS BAY
ENGER MEMORIAL OBSERVATION TR
Duluth Arena-Auditorium
Duluth Harbor Marina
U.S. Army Reserve Training Center
Wastewater Treatment Plant
Scott Graff Co
Paper, Calmenson & Co
Rices Pt. Leading Lt
Capitol Elevator Co.
Hymen-Michaels Co.
Cargill Inc.
Halleit Dock Co. (No. 3)
Superwood Corp
General Mills Inc
Great Lakes Storage & Contracting Co
Superior Fiber Products, Inc.
Continental Grain Co
Fraser Shipyards, Inc
Shell Oil Co.
Murphy Corp.
Great Lakes Coal & Dock Co
Burlington Northern
Burlington Northern Co. Elevators
Limestone Dock
Twin Lakes
Piedmont Ave
Fourth St
Sixth St
Seventh St
C.L.M.C

Background

II. BACKGROUND

In order to understand the importance of Connors Point and its location in the Superior Harbor, a brief background analysis of the existing situation is necessary. Even though the Point is, for all practical purposes, vacant at this time, there has been a very rich history on the Point which includes trading posts, lumber mills, flour mills and coal distribution yards. During the rich heritage of over 100 years of development on Connors Point, the population rose and declined to its present point of only a half dozen families.

The chief factor which led to the depopulation of Connors Point was not the closing of the lumber or flour mills and not the eagerness to move into the main section of the City or even due to the surrounding industrial buildup; it was, in fact, to the rapidly expanding railroad companies. Once the first railroad appeared in 1884, to serve the coal yards, lumber and flour mill, there became a desire on the part of the railroads to add more and more trackage on this level piece of property near the harbor front. Soon the interstate bridge was added to aid commerce between Minnesota and Duluth. This additional aid to land shippers soon enticed the railroads to add numerous spur tracks on the Point requiring the displacement of homes, businesses and small industries.

With the railroad building a central receiving and shipping point on Connors Point, the area was soon depopulated to only a few dozen homes. All of this activity happened in less than 20 years. Once the bridge was completed, the railroads quickly began expanding, razing buildings and buying nearly all of the acreage on the Point.

Today little remains of the once bustling community other than a half dozen homes, the remains of the interstate bridge, long replaced by the overhead Blatnik span

and numerous railway spurs and sidings. In order to gain a perspective of the plan to revitalize the land area, the existing land use situation should be carefully discussed.

Land Use

With reference to land use, please refer to the map on page six which defines the majority of present use on Connors Point. As can be seen, very little remains of the once active residential business and industrial area.

The majority of the 108+ acre site is vacant at this time. The only building structures includes 6 single family homes located along main street, and an electric transformer structure on the end of the Point. In addition to buildings, there is a concrete street (Main) running the entire length of the parcel.

The single largest use of the Connors Point property is the rail yards and spur trackage which takes up a sizable portion of the property end of main street and to a lesser degree, acreage west of main street. At the present time, there is approximately 14,000 feet of usable trackage which nearly negates any future major use of the property. Present use of these facilities appears to be sporadic due to the fluctuating need for rail car storage. The only other use on the property is the right of way and pier structures supporting the Blatnik Bridge. While the use has little contact with the Point itself, the impact on development may be significant due to pier spacing, air rights and land ownership.

Land Ownership

At the present time, Connors Point is owned by a combination of the City of Superior, Douglas County, and the various railroad companies including the Burlington Northern,

The Soo Line and the Chicago Northwestern. Later discussion in the Land Assembly section will make specific reference to ownership. However, for background purposes, it should be stressed at this point that the majority of Connors Point property is in these three distinct categories: City, County and Railroad.

For purposes of description please refer to the map on page twenty-seven for a breakdown of ownership by category. We have generalized the ownership below by government lot to present a quick reference to total acreage and ownership of Connors Point:

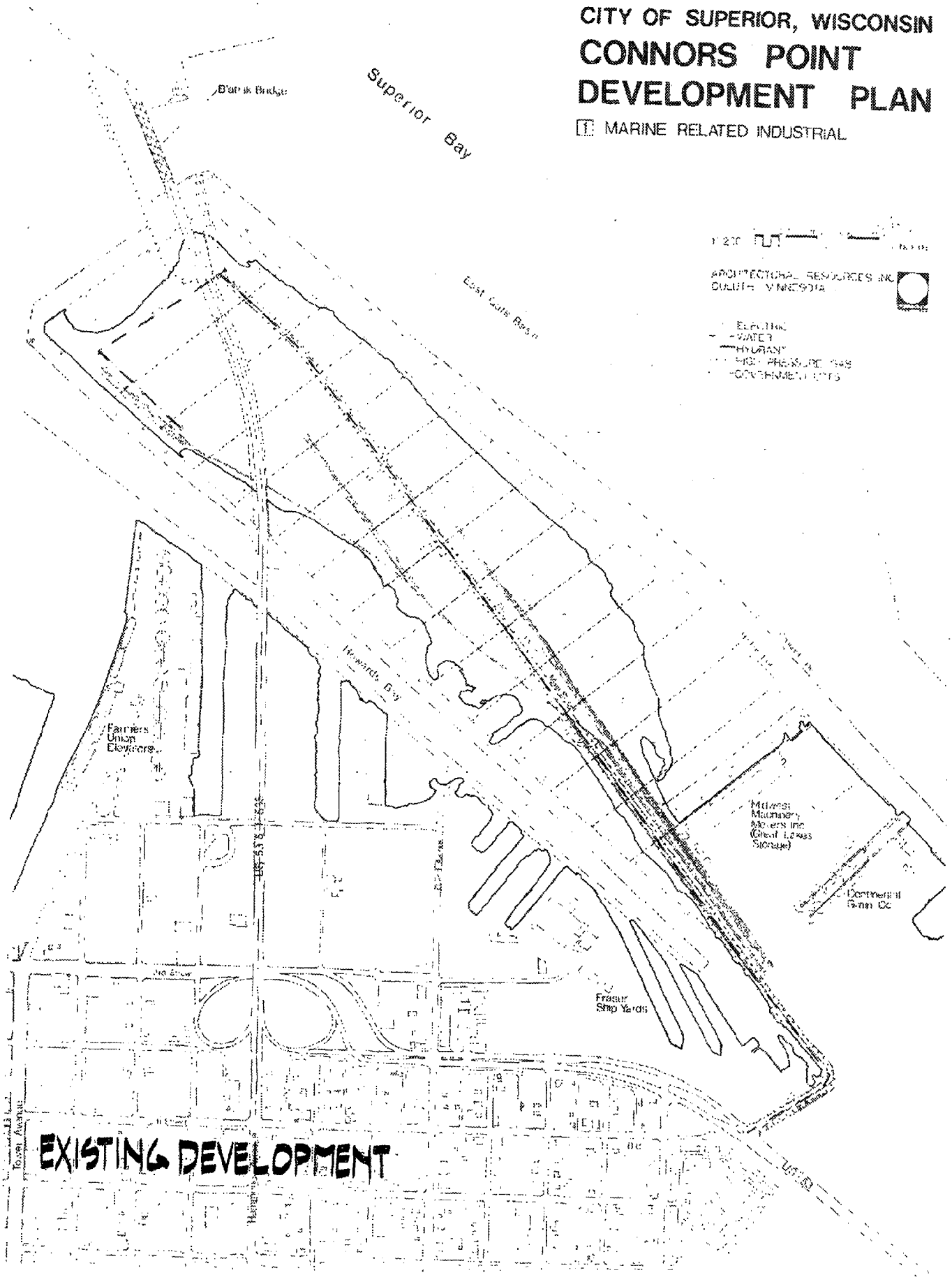
Generalized Land Ownership	Major Owner of Record
Lot #3 (2 acres)	City, Railroad*, T. Johnson
Lot #4 (3 acres)	City, Railroad, T. Johnson
Lot #5 (5 acres)	City, Railroad, T. Johnson
Lot #6 (7 acres)	City, Railroad, County, T. Johnson
Lot #7 (8 acres)	City, Railroad, County
Lot #8 (9 acres)	County, City, Railroad
Lot #9 (8 acres)	County, City, Railroad
Lot #10 (7 acres)	County, City, Railroad
Lot #11 (8 acres)	County, City, Railroad
Lot #12 (9 acres)	County, City, Railroad
Lot #13 (9 acres)	State of Wis., City, Railroad
Lot #14 (10 acres)	City, State of Wis., Railroad
Lot #15 (10 acres)	City, State, Railroad
Lot #16 (13 acres)	City, State, Railroad

Source: City Assessors Records, 1978.

CITY OF SUPERIOR, WISCONSIN

CONNORS POINT DEVELOPMENT PLAN

I MARINE RELATED INDUSTRIAL



Utilities

Connors Point development should not be restricted due to utility restriction for marine industrial development. Basic utilities including electric power, water and gas are readily available or already exist on the site. Refer to the map on page six for a schematic layout of all existing utilities.

At the present time there is a 14 kilovolt transmission line located along main street and running its entire length from the Blatnik Bridge Channel to the end of the Point. The line originates in Duluth and ties into the Superior power system serving the east end of the City. With the transformer building located on the end of the Point and the 14 kilovolt capacity, it has been indicated there is sufficient primary power for nearly any future use. Once specific plans are finalized, the power company can recommend a suitable relocation corridor or if additional transformers are needed.

There are no sanitary or storm sewers located on Connors Point at this time. No systems have historically been located on the Point, with all past and present uses dependant upon individual septic systems. The closest sanitary or storm lines are located at Superior Fiber Products on the extreme south end of Connors Point. From all indications, future uses on the Point may necessitate the construction of a storm water system to handle runoff and other water accumulation. Sanitary could be dealt with using on site systems with the proper design.

With regard to water, a 10 inch publically owned main is located along the entire length of Main Street. At the end of Main Street, an abandoned 6 inch private main cuts diagonally west to the old Soo Line warehouse site, however, the condition of this line is not known. There are hydrants located on both lines at numerous points along each line.

There are no gas lines on Connors Point. The closest gas line is located at the corner of 5th Avenue and Main Street. This is a 8 inch high pressure line which supplies Superior Fiber Products. With respect to the potential for expansion to serve potential clients, there appears to be sufficient pressure for additional industrial activity.

Soils

Soil conditions for the Point have been generalized from data received from the Wisconsin Department of Highways and the Consultant's Field Analysis. In addition, the findings of both parties have determined that the soils are similar to these in other portions of the harbor such as the C. Reis coal docks and other areas of natural terrain. While specific test holes were not used for this project data received from the construction of the Blatnik Bridge will serve as a preliminary finding.

Soils in the Point consist generally of fine and loamy sands down to a depth of approximately 30 feet. Beyond this, the underlying materials are clay and gravel mixtures generally referred to as handpan. There are isolated pockets of organic muck, wood chips, and cinders however these will not deter future development due to the small areas they cover.

An analysis of the general soil conditions has shown that the bearing capacity for these soil types (fine and loamy sands) would not present undue hardship for development and nearly any development could be constructed without the use of pilings or soil stabilization methods. The pockets of organic matter may have to be removed however this would not produce any substantial deterrent.

Transportation

Up to the time that the interstate bridge was replaced by the modern Blatnik Bridge, Connors Point was an active railroad center for the City of Superior. The numerous sidings and spur tracks attest to the importance of rail connection between Duluth and Superior. Once the bridge was removed and the rail lines were faced to seek other means of traversing the bay, the trackage on Connors Point lost its importance. It exists today as a storage yard for grain cars prior to and after unloading.

Three railway companies own and operate trackage on Connors Point. These include the Burlington Northern, the Soo Line and the Chicago Northwestern. These have been mapped as to location and appear on page twenty-seven. Nearly all of the over 14,000 feet of track is usable and only a portion of Soo Line track near the west parcel limit is not serviceable at this time. As discussed, the main function includes storage of grain cars for the nearby elevators.

The only improved surface roadway on Connors Point is Main Street, a 50 foot wide concrete roadway in good condition. There are a few other secondary roadways however all are unimproved gravel and are not maintained during the year or plowed in the winter.

With reference to shipping, the only improved dock face exists along the former Soo Line Warehouse site on the northwest corner. As indicated, it is usable however, it would require substantial rehabilitation. The dock has not been utilized for many years by ships; due to neglect, and lack of maintenance, ships could not dock without repairs to the face.

Marine Industrial Potential

III. MARINE INDUSTRIAL POTENTIAL

As has been indicated in the introductory remarks of this report, the primary purpose is to analyze the Connors Point Property from a perspective of enticing marine industrial users to the property. Development of the parcel for marine industrial purposes remains the number one priority for the property due to its central location on the harbor and its relative undeveloped status.

In order to assess the potential for future marine industrial users within the Duluth-Superior Harbor, over twenty interviews were conducted by the consultant covering officials in nearly every phase of Harbor activity. The goal was to formulate a list of potential marine users that could locate on the Connors Point property. Interviews were held with Point Authority personnel, shipping agents, grain agents, iron and steel producers and shippers, wood products industry officials, union officials, harbor developers, government officials, planners and many other individuals who are knowledgeable in future port trends on the Great Lakes. Previous studies and reports were also used to gain insight into future needs and potentials for Great Lakes Harbors.

This section represents the analysis and projected uses which were outlined in the interview process and through the previous studies that have been performed for both the Duluth-Superior Harbor and the Great Lakes. Prior to the discussion of the specific uses, a brief analysis has been made on the site constraints and opportunities. Specifically, what are the potentials connected with development of the Connors Point property and what could restrict certain developments from occurring. Its centralized location presents numerous opportunities for marine industrial use however surrounding developments and traffic will pose the most obvious hurdle to overcome.

Site Constraints

Please refer to the site constraint diagram on page twelve for a visual interpretation of the site constraints associated with Connors Point. Due to the peninsular configuration of the Connors Point property, shallow shoreline exists on nearly all four sides with only a narrow land bridge connecting the site with the adjacent property. This shallow condition presents a constraint in that development of the parcel for marine use will limit the amount of ship access to the property. A developer would be faced with the choice of either filling out to the harbor line or dredging into the property itself. Either of these will represent a costly alternative as will be discussed in the cost estimate section. The shoreline area which represents the most logical location for ship berthing are shown on the diagram and future berthing may be limited to these areas.

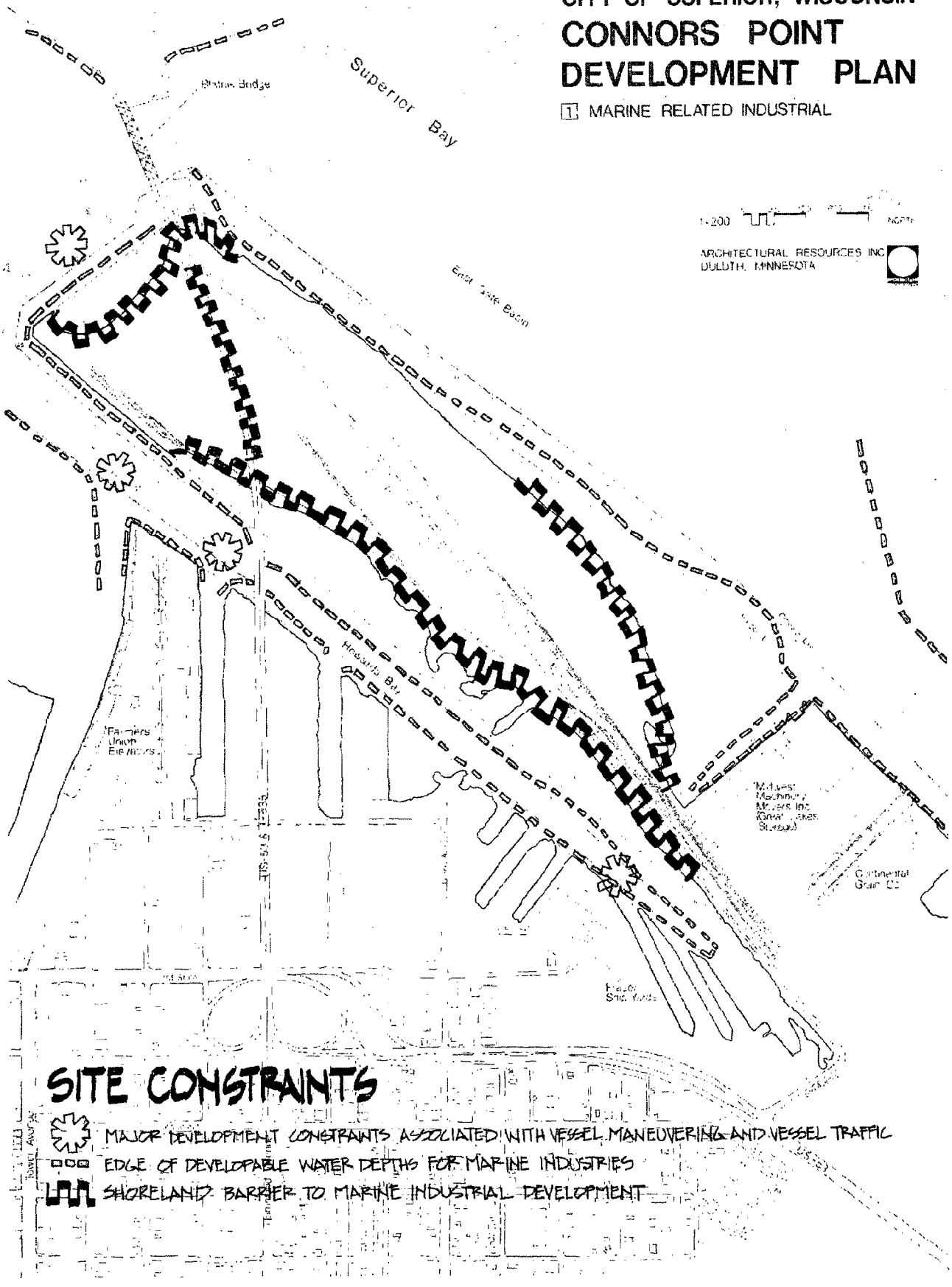
The other major constraint to the property are the vessel maneuvering and traffic problems that will be experienced in Howards Bay. If the Connors Property is developed for marine industrial activity, the Howards Bay inlet may prove too congested for additional ship traffic. The shipyard activity and the grain loading facility are used rather extensively and to construct an additional berthing area in Howards Bay would not be advisable. The inability to turn a vessel around and the narrowness of the Bay itself would be hazardous to navigation.

Along with Howards Bay, the north west edge of Connors Point would also prove hazardous to ship berthing. This area is adjacent to the channel separating the East Gate from the West Gate basins of the Harbor. All ship traffic destined for the taconite docks, the coal facility and certain grain elevators must pass through this channel. Berthing of craft in this area would produce conflicts due to the narrowness of the area.

CITY OF SUPERIOR, WISCONSIN

CONNORS POINT DEVELOPMENT PLAN

1 MARINE RELATED INDUSTRIAL



SITE CONSTRAINTS

MAJOR DEVELOPMENT CONSTRAINTS ASSOCIATED WITH VESSEL MANEUVERING AND VESSEL TRAFFIC

EDGE OF DEVELOPABLE WATER DEPTHS FOR MARINE INDUSTRIES

SHORELAND BARRIER TO MARINE INDUSTRIAL DEVELOPMENT

The final constraint of the property which will prevent total unrestricted use of the entire 108 acreas is the Blatnik Bridge and supporting piers which traverse the property on the northwest corner. While the arrangement of the pier may not pose an unworkable design solution for a marine use, the ownership of the property and any air rights below the surface of the bridge may warrant additional thought by the ultimate use of the property.

Site Opportunities

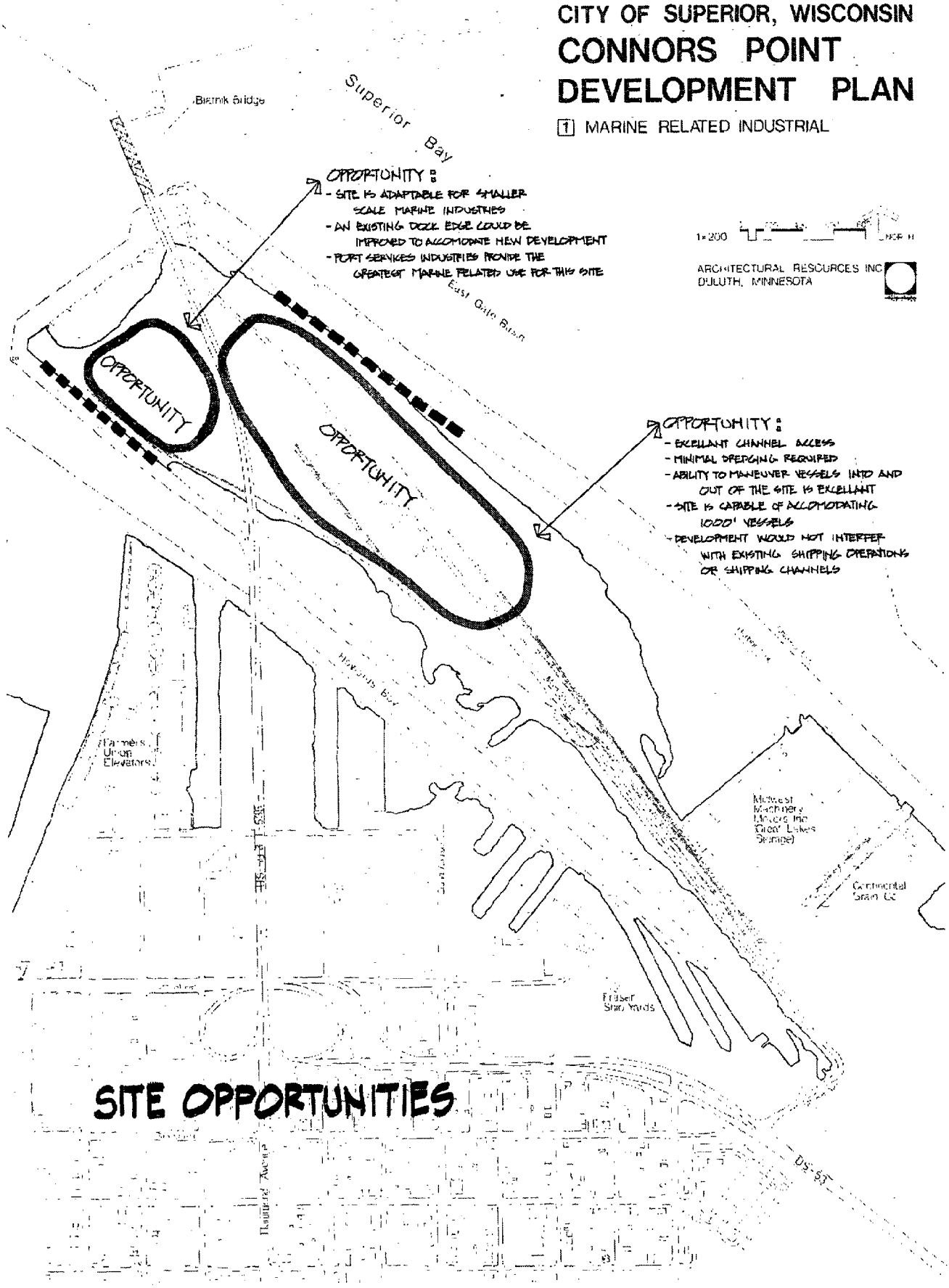
Major development opportunities for marine related industries are available within two locations on Connors Point. An area located west of the Blatnik Bridge provides approximately fourteen acres of developable frontage. The other site, located east of the Blatnik Bridge, contains over ninety acres which could be developed.

Opportunities for development of the western site rely heavily upon utilization of the existing concrete dock which is located along Howards Bay. Landward improvements would be required for specific uses, but the overall site condition is good and as a result few modifications to preparation of the site are necessary. The site is most adaptable for port services industries, as the land area available for development could best accommodate these activities. The site is centrally located within the Port of Duluth-Superior, and would provide an excellant location for a combination of these services to locate. The smaller vessels utilizing this location should not interfere with the large number of bulk carriers which utilize the West Gate Basin and Howards Bay.

In addition to this site being considered for port services development, the utilization of this area for transportation connections to other marine industries is possible. This concept will be further explained in sections of this report which deal with alternative development plans.

CITY OF SUPERIOR, WISCONSIN
CONNORS POINT DEVELOPMENT PLAN

[1] MARINE RELATED INDUSTRIAL



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ARCHITECTURAL RESOURCES INC
DULUTH, MINNESOTA

SITE OPPORTUNITIES

Development opportunities are most prevalent on the eastern site identified on the preceding page. This site offers potential developers one of the best situated harbor front parcels within the Duluth-Superior Port. The site provides an excellent opportunity for large scale marine industries to locate. Excellent channel access to the East Gate Basin, the ability to accommodate 1000' vessels, and excellent offshore vessel maneuvering could provide developments on this site with added economic benefits to their locating on the Point. The volume of dredging required for future industries would be minimal. The site also provides excellent rail and truck access.

While the opportunities for development only look at the existing landform, additional land acreage can be provided with filling of some waterlands. Although this would only be determined after identifying the specific needs of a particular industry.

Potential Uses

The specific uses outlined have been selected as those which merit further consideration for the Connors Point Property. These uses have resulted from interviews with harbor planning agencies, harbor facility owners and operators, and a number of knowledgeable port officials. At this time, these represent the most viable alternatives for Connors Point Property due to economic and spacial considerations. We must realize that environmental or engineering constraints may result in costs which outweigh the benefit. Specific development proposal is further refined.

Grain Terminal

At the present time, the eleven grain storage facilities in the harbor have a combined total storage capacity of over 70 million bushels. In addition, these facilities ship over 170 million bushels per year and these figures seem to be increasing with every year.

From harbor sources, it has been determined that additional grain facilities could easily be warranted in the near future due to the increasing demand on a national/world wide scale. As, demand grows, storage capacity tends to become a vital factor especially in a partial ice-bound port such as Duluth. It has also been determined that the sunflower seed market is rapidly expanding each year. Thought has been given to the construction of a sunflower seed facility that would handle only this product. Further research should be performed on this topic.

With relation to expanded grain terminals, Connors Point may prove to be an excellent site.

Vessel Repair

The facilities at Fraser Shipyard constitute the only vessel repair facility in the harbor area. At present, the facility appears to be operating at near capacity with large numbers of ships moving in and out monthly.

As maritime regulations become more stringent due to federal and international laws for ship safety, the ship repair business may florish into one of great importance. With the traffic in the harbor, it becomes quite evident that the Duluth/Superior Harbor could pick up a percentage of this increase.

Connors Point is well situated for a expanded vessel repair area of the harbor. Its central location, ease of access and lack of present development may make facilities for vessel repair quite attractive. If not for the repair of large vessels, it may lend itself toward the refitting and repair of smaller vessels which cannot use the existing dry dock system due to economic constraints.

Port Services

Connors Point may prove to be a very logical land area for the consolidation of a number of port offered service companies now scattered throughout the harbor. These include harbor pilots companies, fire boat facilities, tug boat operators, and other ship service companies. If located in one area, an entering ship could make only one call and be serviced by as many of these smaller concerns as necessary. The central locations of Connors Point and its deep draft perimeter also could prove to make this use a good future potential.

Rail/Water Transshipment Facility

The present successfulness of the Incan Superior facility which transfers rail cars between Superior and Thunder Bay should be noted by other firms now trucking goods between the two cities. As time goes on, it may be very advantageous for additional common curriers or other railroads to operate in similar fashion to the Incan Superior facility. Such a facility requires good rail access and a small berthing place which could easily be provided for at Connors Point. It may also be good port planning to discuss relocating the present Incan facility to the Connors Point area; thus freeing up a large deep draft waterfront parcel in the inner harbor.

Connors Point could well serve these new facilities which require a rail water transfer without using up a great deal of land on the Point. This use could easily be constricted in conjunction with other uses already discussed.

Coal Transshipment Facility

With relation to a coal transshipment facility, a number of factors must be taken into account. Economic considerations as well as environmental must be carefully weighed in addition to the question of space availability on Connors Point.

At this time, a coal facility on Connors Point appears to be feasible from a space allocation standpoint. It has been determined that a coal transshipment site must contain a minimum of 50 acres to be economically feasible. In addition there must be either a loop track system for delivery of the coal by train or a siding system along side a main track. In the case of Connors Point, a loop track is the only alternative due to the peninsula shape of the land area.

If engineered properly, a loop track system could be designed for Connors Point, however, with the Blatnik Bridge and the width of the Point, the curvatures of the loop track could not be less than 10 degrees without filling a portion of the bay. This may pose certain design problems due to existing bridge abutments, length of trackage needed and other constraints. Further engineering would also be necessary to determine maximum loading requirements after additional soils testing is completed.

With these specific uses in mind, the development alternative found in Chapter V were further refined. Each will be dealt with in detail beginning on page thirty-one of this text.

Other Marine Related Uses

In addition to the recommended uses in this section, the following were considered for further research in the Connors Point survey. Each was assessed as to economic need, environmental constraints, engineering considerations and whether or not these uses were in sufficient abundance elsewhere in the Duluth-Superior Harbor. After further analysis, it was determined that these uses would not be feasible to consider on Connors Point. While these constraints may change in the future and one or more of these listed may become attractive, further work would need to be completed to determine if Connors Point was an acceptable location.

General Cargo Docks

At the present time, there are three general cargo docks in the harbor area, two in Duluth and one in Superior adjacent to Connors Point. From all indications and sources interviewed, the three present facilities are not operating at full capacity. With this in mind and based on the existing facilities present at the other 3 sites, it was concluded that general cargo would not be feasible on Connors Point.

Taconite Shipment

The bulk cargo taconite docks in the Duluth-Superior Harbor can easily accommodate the pellets destined to leave the port. In addition, the expansion at Two Harbors will greatly increase this potential for future shipments of taconite. Due to the tremendous capitol investment associated with taconite transshipment facilities, and the present level of services available, it appears very unlikely that taconite shipping would occur on Connors Point.

Bulk Cargo Docks

The Duluth-Superior Harbor contains a number of additional bulk cargo docks which are used primarily for bulk products other than coal, grain and taconite. These docks handle limestone, salt, and other minerals to name a few. At present, there is sufficient dock space for any additional commondity shipment concerning bulk cargo. Connors Point would not be economically feasible for use of bulk cargo.

Container Terminal

The present facility at the Clure Marine Terminal has been economically, an extremely poor investment. Even if the market for container movement were to drastically improve, the Clure site and container crane would satisfy the market demand for many years.

Petroleum Transshipment

The environmental effects associated with petroleum transshipment in the Great Lakes has seriously curtailed this operation. To date, very little petroleum products move throughout the lakes system due to the danger involved and the economic feasibility. Recently in 1974 an Environmental Impact Report was filed for a project in Superior, Wisconsin. As of yet this project has not gone forward due to the permits not being approved. Until the situation is reversed to show an economic need to construct these facilities over the environmental constraints, Connors Point should not be considered for these operations.

Foreign Trade Zone

A foreign trade zone is an enclosed secured area of a harbor or industrial area which is considered outside the customs territory of the United States. That is, for customs purposes, the zone is not in the United States. Therefore, all goods, commodities and cargo brought into the zone has not yet entered the United States.

As of this writing, there are 20 such zones in the United States and 6 others pending with the foreign trade zones board. Usually operated on public utilities of ports, industrial commissions and authorities they are rapidly gaining ground as an additional port service.

A foreign trade zone functions in strict compliance of the Foreign Trade Zones Act of 1934 and the Boards regulations which must be strictly adhered to. Foreign and domestic merchandise may be brought into the zone by either bonded ship, rail, air or truck for operations not prohibited by law including storage, exhibition, assembly, manufacturer or processing. The striking advantage to this is that upon entry to the zone, the usual formal customs entry procedure and payment of duties is not required for the merchandise until it leaves the trade zone. An example of advantage is that duty rates are different for certain items. Components for a piece of machinery may have a much higher duty rate then for the completed product. Therefore the components are brought into the zone finished and then complete into one taken out at a lower duty rate. Other advantages are listed below:

- Imports may be brought in without custom formalities.
- Duty is not assessed until the goods leave the zone.
- Zone can be used as a market for local buyers prior to paying duty to bring in samples only.
- Duty can be avoided on substandard goods which must be returned.
- Goods may be relabeled in the zone without penalty for improperly labeled goods entering the United States.
- Products may be manufactured in a zone using foreign components subject to higher duty rates.
- Excess quota goods may be held in zone until next quota is priced - ready to go without delay.

Another important aspect of the foreign trade zone concept is the sub-zone concept. Once the general zone is established, sub-zones can be created anywhere within the harbor limits of the city where the zone is established. This adds the potential

of having factories or companies act as sub-zones therefore enabling them to use foreign components and machinery duty free during manufacture and paying duty only on merchandise leaving the premices, many times at a much lower rate.

Disadvantages of the concept are of course the cost of the facility itself. Usually a site must be paved, lighted, fenced according to the federal regulations and have full time security forces. In addition a customs agent must be made available at all times with costs usually borne by the users.

With relation to Connors Point, we must be aware of several factors concerning foreign trade zones. A lengthy application must be filed with the Board which must include numerous documents, funding plans and economic feasibility reports. In addition a site must be constructed for the establishment of the zone with costs acceptable to the city or port. Dock facilities must be constructed and the only unusable portion of Connors Point at this time would be the Soo Line Warehouse site which may need extensive upgrading. Upon completion of the facilities, lease must be sold for the site to pay for itself or it becomes a burden for the taxpayer.

The City of Duluth is well along on the establishment of a zone on the Clure Marine Terminal Site. The application is complete, they have letters of commitment on file with numerous other interests from companies secured. They have a site on the Clure Marine property with adequate security and customs provisions. They are also preparing an economic feasibility report to determine if a seasonal port such as Duluth-Superior could attend sufficient uses for such a facility.

At this time, the concept of a foreign trade zone for Connors Point would not appear economically feasible. Of the 11 zones reported in the 38th Annual Report of the Foreign Trade Zones Board, 5 showed year end loses and 6 showed year end gains with the smaller ports showing the loses.

The Seaway Port Authority of Duluth has been working on the concept for nearly two and a half years and with this amount of work completed, they appear to be ready to establish a zone in Duluth. Two such zones in the same port would not be economically feasible.

Other uses were suggested for preliminary checks however none were singled out for environmental, economic or other consideration. They included lay-by berths, ship refitting services and a number of non-marine industrial uses which should be dealt with separately.

As discussion continues on the Connors Point property, other uses will be identified for potential harbor use. At the time of this writing, uses including a shipping facility for fertilizer has been named as a potential. Other interests have indicated that a steel plant facility with adjacent shipping services involving foreign countries may prove feasible for the property. Rather than identify each of these uses in this report, their potential for development should be assessed on a one-by-one basis using the findings of this report as a tool which identifies all of the background constraints and opportunities of the Connors Point site.

Land Assembly

IV. LAND ASSEMBLY

In the discussion of land assembly, a number of factors must be taken into account. These would include present ownership, the use of the land in question, the market values of the property and the willingness of the property owners to sell. It is the purpose of this section to outline what each step will entail for the purchase of the Connors Point land area.

Present Ownership

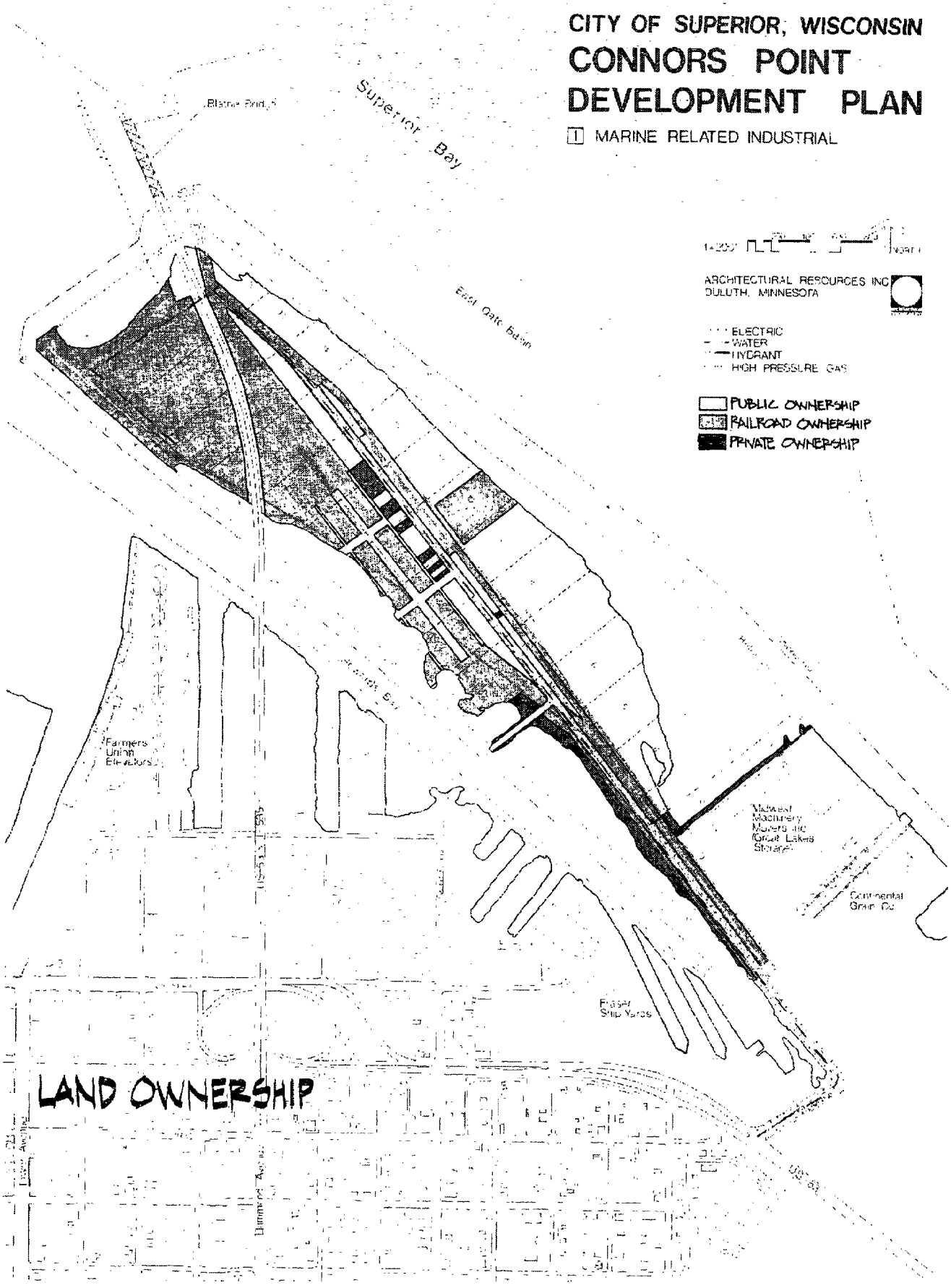
The land ownership data has been graphically portrayed on page twenty-seven of this study and indicates all ownership by parcel.

In analyzing the ownership data from the Superior City Assessor's records, a large portion of Connors Point is owned by either the railroad companies owning land include the Soo Line with 44 acres, Burlington Northern with 6 acres and the Chicago Northwestern Railroads. With relation to public ownership, the City holdings include 35 acres, the Douglas County 3 acres and the State ownership is limited to the Blatnik Bridge right-of-way with 12 acres. Private non-railroad ownership is limited to 9 acres.

As a summary statement to land ownership, the Connors Point parcel can be divided into two main sections with regard to land ownership. Nearly all of the property adjacent to and within one block of Main Street and the property east of Main Street is publically owned. The remainder of Connors Point is within private ownership.

Land Use

As has been discussed in earlier sections, land use consists mainly of abandoned and under utilized railway sidings and spare tracks, vacant railroad property, six residences and the Blatnik Bridge structure. In addition, there is evidence of past


CITY OF SUPERIOR, WISCONSIN
CONNORS POINT
DEVELOPMENT PLAN
I MARINE RELATED INDUSTRIAL
ARCHITECTURAL RESOURCES INC
DULUTH, MINNESOTA
ELECTRIC
WATER
HYDRANT
HIGH PRESSURE GAS
PUBLIC OWNERSHIP
RAILROAD OWNERSHIP
PRIVATE OWNERSHIP
Superior Bay
East Gate Basin
Farmers Union Elevators
Midwest Machinery Movers Inc
Great Lakes Storage
Continental Grain Co
Fraser Ship Yards
LAND OWNERSHIP

development including concrete and stone foundations, shallow excavations and timber foundations.

The only active use on the Point consists of the residences and the rail sidings. These sidings, mainly the ones to the east of Main Street, are used primarily for the storage of rail cars which service the grain elevators to the south. It cannot be determined how much use these lines receive, however, it would appear to be limited.

Market Value

In discussing market values for Connors Point, it must be stated that the market value as presented is the figure obtained from the Assessor's Office. Depending upon the formula used in Superior, this figure will probably not represent a true selling price.

As we have discussed in previous sections, a large percentage of the Connors Point Property is owned by the various railroad companies. This will further complicate a market value for the Point property in that the State of Wisconsin does not have a property tax on land or structures for any railroad property containing operating trackage. All of the rail trackage and the land under them on Connors Point does appear on the tax rolls. Only the non-operating railroad property is taxed.

The total market value for all private property on Connors Point (less railroad operating property) has been set at $110,440.00 according to tax assessors records of 1978. This can be broken down into the following categories:

Present Owner	Land	Structures
Soo Line and subsidiaries	$68,645.00	$---------
Burlington Northern (Northern Pacific and Great Northern)	3,790.00	---------
Troy Johnson, Inc.	18,950.00	---------
Northwestern Leasing	7,550.00	---------
Other Private	1,490.00	$10,015.00
Total	$100,425.00	$10,015.00

Source: Superior City Assessor's Records, 1978.

From the above figures, the City would have to add the operating railroad property values, relocation expenses and the value of the County owned land to assemble a true picture of the total land costs for Connors Point.

It would be safe to assume that the Douglas County lands could be purchased very reasonably by the City, however, to relocate and purchase the operating railroad lines would be a serious undertaking. At the present time there are approximately 14,500 feet of usable rail lines on Connors Point. If all of these were to be relocated, the cost for relocation of the rail line would amount to $435,000.00. This would not include legal or land costs.

Market value for property and structures on Connors Point could easily approach one million dollars if the entire site were to be purchased and made available for a marine industrial use. While this cost is not excessive compared to the overall benefit of new marine use, it must be included in any overall project total.

Property Acquisition

When the determination has been made that certain parcels must be acquired to prepare for a new marine industry, certain options are open to the City. It may be most advantageous to deal with those property owners who are willing to sell and assemble the property with those constraints in mind. With a good deal of public ownership and a sizable tract now owned by the Soo Line, sufficient land for a grain terminal, port services and small ancillary marine uses could be accommodated without disrupting either the residences or much of the rail lines.

Should condemnation acquisition of certain parcels be necessary for the assemble of larger tracts of land use to unwilling sellers, the City Attorney must prepare condemnation proceedings. In the State of Wisconsin there exists a problem with condemnation of rail property due to certain agreements that were made with rail companies years ago.

According to the Attorney's Office, condemnation of rail property or for that matter any property to be used for purposes other than public may involve a complicated process. It is the opinion of the Attorney's Office to treat each condemnation separately and that there are no procedures which work in all cases. Once an acceptable plan is formulated and a project is put together, the Attorney's Office will prepare the necessary materials and proceed.

Development Alternatives for Marine Related Industries

V. DEVELOPMENT ALTERNATIVES FOR MARINE RELATED INDUSTRIES

Utilizing the list of potential uses, various alternative development plans have been identified for Connors Point. Six alternative plans were assembled for the City to pursue. These alternatives include:

1. Public land assembly for future marine industrial use.
2. Public land assembly for non-marine industrial use.
3. Multiple use plan for marine industries.
4. Coal transshipment facility utilizing existing land acreage.
5. Coal transshipment facility expanding the existing land acreage.
6. No action alternative.

Each of the alternatives will include the preliminary cost estimate for implementation. In the cases of alternative one, two and six, there has not been a sketch developed as no improvements are suggested. Alternatives three, four and five will be followed by a sketch which illustrates the potential development scheme.

Alternate 1

The first alternate, public land assembly for future marine industrial use, would require the establishment of guidelines for identifying appropriate marine related industries. They may include but not be limited to the following:

1. That review and approval of all development by the Port Commission be required.
2. That the use proposed satisfies the long range goals of the harbor plan.
3. That the use will not interfere with surrounding port developments with reference to shipping channels or transportation corridors.
4. That the use not create hazards to air and water quality standards.

The intent of these guidelines is to insure that the land assembly process be carried out only for marine related industries. Once the land has been assembled, the City's option to pursue it's development would be open.

The one drawback to this alternate, is the chance that some of the potential uses listed could locate in other areas of the port. If this were to occur, new marine industries would need to be identified, or the alternative to assemble the land for marine related industries would need to be abandoned.

Preliminary Cost Estimate

*Site Acquisition	$220,000[1]
*Rail Line Relocation	435,000
*Rebuild 5th Avenue and Main Corner	125,000
Total Cost	$780,000

*Anticipated Public Cost which is to be offset by the sale of the property to private developer.

[1] Not including purchase of County lands or operating railroad property.

Alternate 2

Alternate number two, public land assembly for non-marine industrial use, would enable the future development of industrial, commercial, residential, and recreational uses on Connors Point. These uses could be restricted to developments which would enhance their waterfront location, and perhaps utilize the site for some other type of waterfront use. While this may not represent the highest and best use of waterfront property, studies should be undertaken to note the feasibility of other uses. Future uses could include industrial expansion of non-marine related activities along the interior of the property while retaining the waterfront for future marine activity. Residential and recreational utilization could also be explored due to the central location. Desire for waterfront property and other factors to be determined by a developer. Temporary industrial uses that could be relocated may also serve portions of the Connors Point Site including storage, portable cement and bituminous plants, transportation yards and others.

If public land assembly for these uses is considered, serious consideration should be given to the developments use or misuse of their waterfront location. One major problem in pursuing this alternative, is the City's overall position of encouraging new growth within other areas of the community. The task of assembly land for non-marine associated uses may be in direct conflict with other development projects currently underway. As a result, without analysis of other uses for Connors Point, this alternative should not be considered.

Preliminary Cost Estimate

*Site Acquisition	$220,000[1]
*Rebuild 5th Avenue and Main Corner	125,000
Total Cost	$345,000

*Anticipate Public Cost which is to be offset by the sale of the property to private developer.

[1] Not including purchase of county lands or operating railroad property.

Alternate 3

The multiple use alternative for marine related industries accommodates a number of uses along the Point. The plan on the opposite page illustrates the multiple use concept. The multiple use aspect of this plan is permitted because of the reduced land area required by all the identified uses except coal transshipment. The major marine industry proposed for this plan is a grain handling terminal. Approximately 32 acres have been allocated for this use, with future additional acreage available for expansion. Other uses identified include port services industries, and a rail/water transshipment facility. These uses do not require large areas for land based facilities, and as a result, the 14 acres provided offer more than ample space for their development. Rail and road circulation is also identified on the plan. Dredging would be required in the vicinity of the East Gate Basin, for vessel loading at the grain terminal. Approximately 68,000 cubic yards would be dredged in this area. Additional dredging would also be required near Howards Bay, if a rail/water transshipment facility were constructed.

Development of this plan provides the City with an option to assemble specific land areas on the site. Development of a specific project is possible through this plan, while allowing development of other areas on the site for unidentified future uses.

Preliminary Cost Estimate

*Site Acquisition	$ 220,000.00[1]
*Rail Line Relocation 2,000 ft. @ $30/ft.	60,000.00
Electric Power Line Relocation 2,000 ft. @ $5/ft.	10,000.00
Site Preparation 32 acres @ $40,000/acre 14 acres @ $40,000/acre	 1,280,000.00 560,000.00

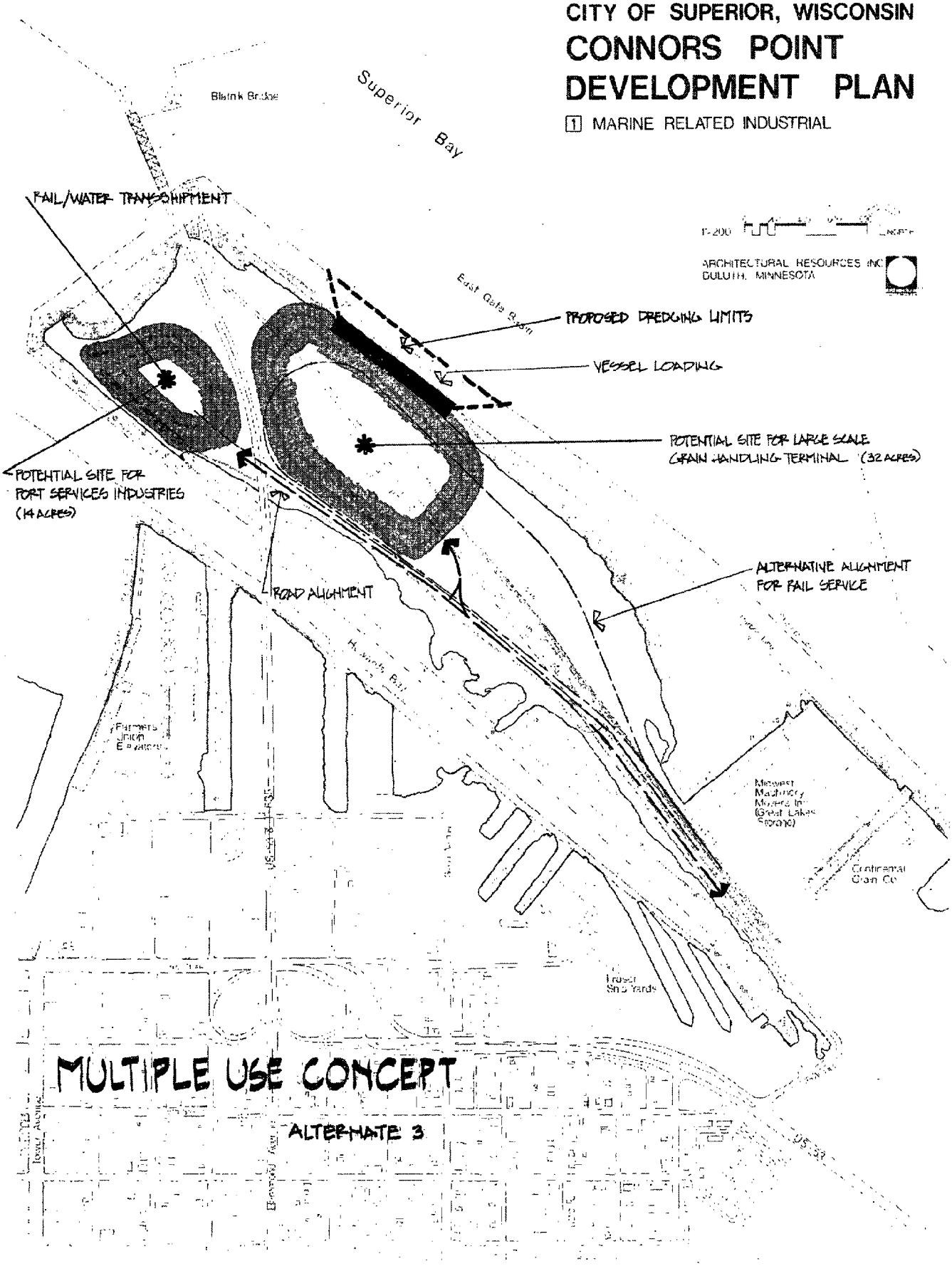
Railroad Construction	
7,600 lineal feet @ $70/ft. (grain loop)	532,000.00
3,600 lineal feet @ $70/ft. (port services)	252,000.00
Dock Construction	
950 ft. @ $2,000/ft.	1,900,000.00
Dredge Removal	
68,000 cubic yards @ $7/yd.[2]	476,000.00
New Entrance Road	
2,900 ft. @ $50/ft.	145,000.00
9 ton, 24' wide bituminous surface	
Storm Sewer System	
2,000 ft. @ $50/ft.	100,000.00
Reconstruction of Dock Edge along Howards Pocket	
1,200 ft. @ $200/ft.	240,000.00
*Rebuild 5th Avenue and Main Street Corner	
1,000 ft. @ $125/ft.	125,000.00
TOTAL COST[3]	$5,900,000.00

[1] Not including purchase of County Lands or operating railroad property.

[2] Assumes off site disposal at the Erie Pier Site with proper approval.

[3] If the dredge material at the construction site along the east gate basin is found to be non-polluted, storage of these materials on site is possible. This would reduce the dredge removal cost from $7.00 per cubic yard to $5.00 per cubic yard or a cost savings of $136,000. In addition the 68,000 cubic yards could be used for fill material on site thereby reducing the overall site preparation costs by as much as $408,000. TOTAL COST with on site storage of dredge materials: $5,356,000.

*Anticipated Public Cost which is to be offset by the sale of the property to private developer.


CITY OF SUPERIOR, WISCONSIN
CONNORS POINT
DEVELOPMENT PLAN
1 MARINE RELATED INDUSTRIAL
1"=200'
NORTH
ARCHITECTURAL RESOURCES INC.
DULUTH, MINNESOTA
Superior Bay
Blatnik Bridge
East Gate Basin
RAIL/WATER TRANSHIPMENT
PROPOSED DREDGING LIMITS
VESSEL LOADING
POTENTIAL SITE FOR LARGE SCALE GRAIN HANDLING TERMINAL (32 ACRES)
POTENTIAL SITE FOR PORT SERVICES INDUSTRIES (14 ACRES)
ROAD ALIGNMENT
ALTERNATIVE ALIGNMENT FOR RAIL SERVICE
Midwest Machinery Movers Inc. (Great Lakes Service)
Continental Grain Co.
Fraser Shipyards
MULTIPLE USE CONCEPT
ALTERNATE 3

Alternate 4

Development of a coal transshipment facility within the confines of the present land area is the fourth alternative to be considered. Under this plan it is invisioned that no filling of waterfront areas would be necessary, and that dredging would be required only in the vessel loading area. One potential problem with this plan is that the material storage yard is limited in size. Stockpiling of western coal during the winter months has been an essential element to the feasibility of coal transshipment facilities. Detailed analysis of this alternate would need to be conducted to determine it's feasibility. The conceptual plan, as seen on the following page, would provide for open storage of 3.3 million tons of western coal. The plan also identifies the potential alignment of a loop track system, vessel loading areas, and dredging limits for the facility.

Preliminary Cost Estimate

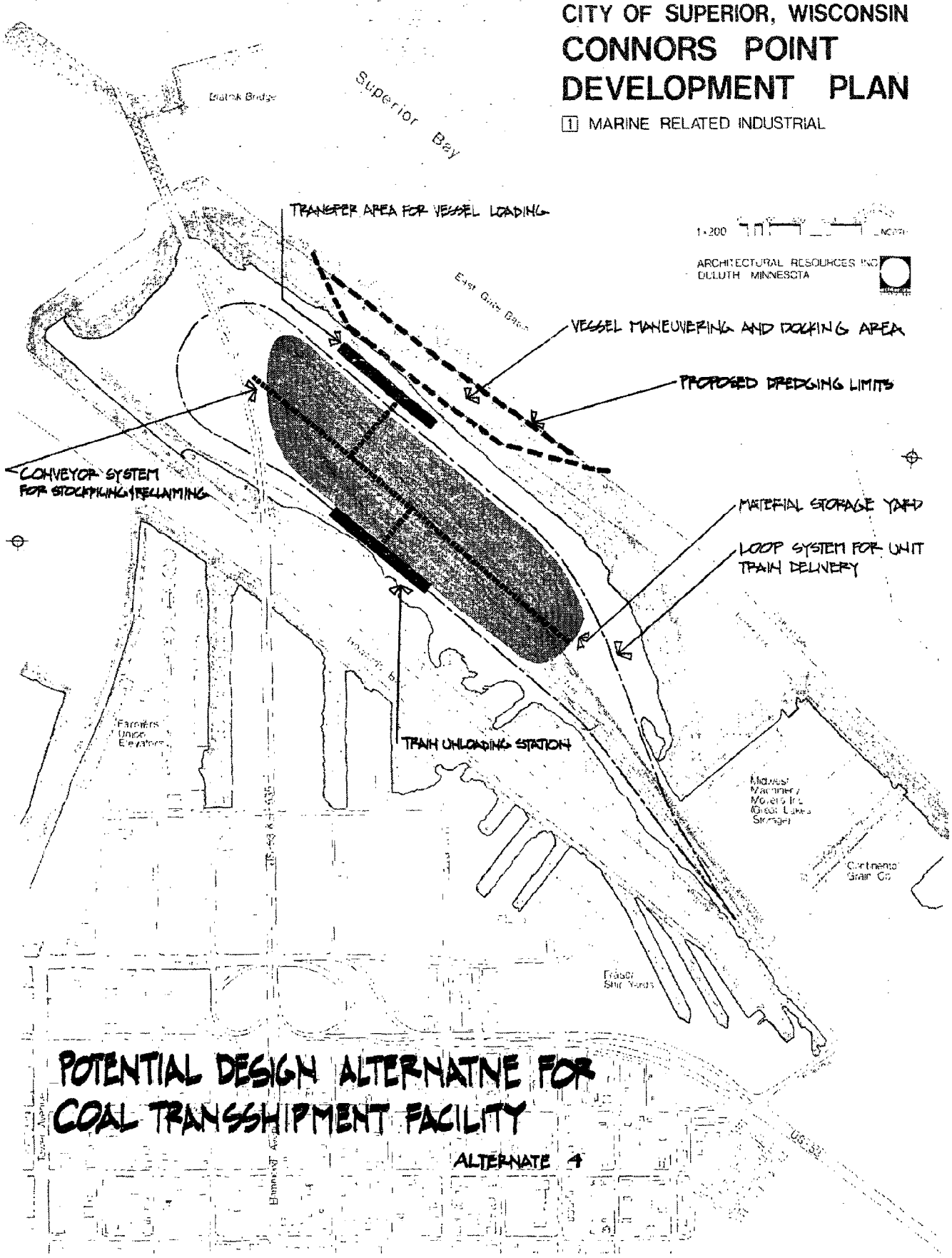
*Site Acquisition	$ 220,000.00[1]
*Rail Line Relocation 14,500 ft. @ $30/ft.	435,000.00
Electric Power Line Relocation 3,200 ft. @ $5/ft.	16,000.00
Site Preparation 50 acres @ $40,000/acre	2,000,000.00
Railroad Construction 9,500 lineal feet @ $70/ft.	665,000.00
Dock Construction 950 Ft. @ $2,000/ft.	1,900,000.00
Dredge Removal 85,000 cubic yards @ $7/cubic yds.[2]	595,000.00
Storm Sewer System 4,000 ft. @ $50/ft. plus ponds	250,000.00
TOTAL COST[3]	$ 6,081,000.00

[1] Not including purchase of County Lands or operating railroad property.

[2] Assumes off site disposal at the Erie Pier site with proper approval.

[3] If the dredge material at the construction site along the east gate basin is found to be non-polluted, storage of these materials on site is possible. This would reduce the dredge removal cost from $7.00 per cubic yard to $4.00 per cubic yard or a cost savings of $170,000. In addition the 85,000 cubic yards of dredge material could be used on site for fill material thereby reducing the overall site preparation cost by as much as $510,000. TOTAL COST with on site storage of dredge materials: $5,401,000.

*Anticipated public cost which is to be offset by the sale of the property to private developer.


CITY OF SUPERIOR, WISCONSIN
CONNORS POINT
DEVELOPMENT PLAN
[1] MARINE RELATED INDUSTRIAL
Superior Bay
TRANSFER AREA FOR VESSEL LOADING
1"=200'
ARCHITECTURAL RESOURCES INC
DULUTH MINNESOTA
VESSEL MANEUVERING AND DOCKING AREA
PROPOSED DREDGING LIMITS
CONVEYOR SYSTEM
FOR STOCKPILING/RECLAIMING
MATERIAL STORAGE YARD
LOOP SYSTEM FOR UNIT
TRAIN DELIVERY
TRAIN UNLOADING STATION
POTENTIAL DESIGN ALTERNATNE FOR
COAL TRANSSHIPMENT FACILITY
ALTERNATE 4

Alternate 5

The fifth alternate provides for an expanded version of the coal transshipment facility identified in Alternate Four. As seen on the following page, this plan greatly expands the material storage area, and increases the total area to be developed. This expansion is made possible through the filling of shallow shoreline areas on the east and west shores of Connors Point. Approximately 30 acres of additional land will be created through this project, bringing the total land area to 138 acres. The total storage yard could accommodate approximately 6.2 million short tons of western coal. Utilizing soundings recorded by the U.S. Army Corps of Engineers, and assuming a minimum fill of 3' above the water level datum, an average depth for solid fill was established. Total fill required for this project is as follows:

Howards Bay	200,000 cubic yards
East Gate Basin	100,000 cubic yards
Total Fill	300,000 cubic yards

Total dredging for Alternates 4 and 5 (coal transshipment facility) amounts to 85,000 cubic yards. The proposed dredging would bring the water depths to 27'.

Preliminary Cost Estimate

*Site Acquisition	$ 220,000.00[1]
*Rail Line Relocation 14,500 ft. @ $30/ft.	435,000.00
Electric Power Line Relocation 5,200' @ $5/ft.	26,000.00
Site Preparation 90 acres @ $40,000/acre	3,600,000.00
Fill Material for Site Expansion 300,000 cubic yards @ $6/yd.	1,800,000.00
Steel Sheet Piling for Expansion 6,800 ft. @ $1,300/ft.	8,840,000.00
Railroad Construction 10,000 lineal feet @ $70/ft.	700,000.00
Dredge Removal 85,000 cubic yards @ $7/yd.[2]	595,000.00
Storm Sewer System 4,000 ft. @ $50/ft. plus ponds	250,000.00
TOTAL COST[3]	$18,366,000.00

[1] Not including purchase of County Lands or operating railroad property.

[2] Assumes off site disposal at the Erie Pier site with proper approval.

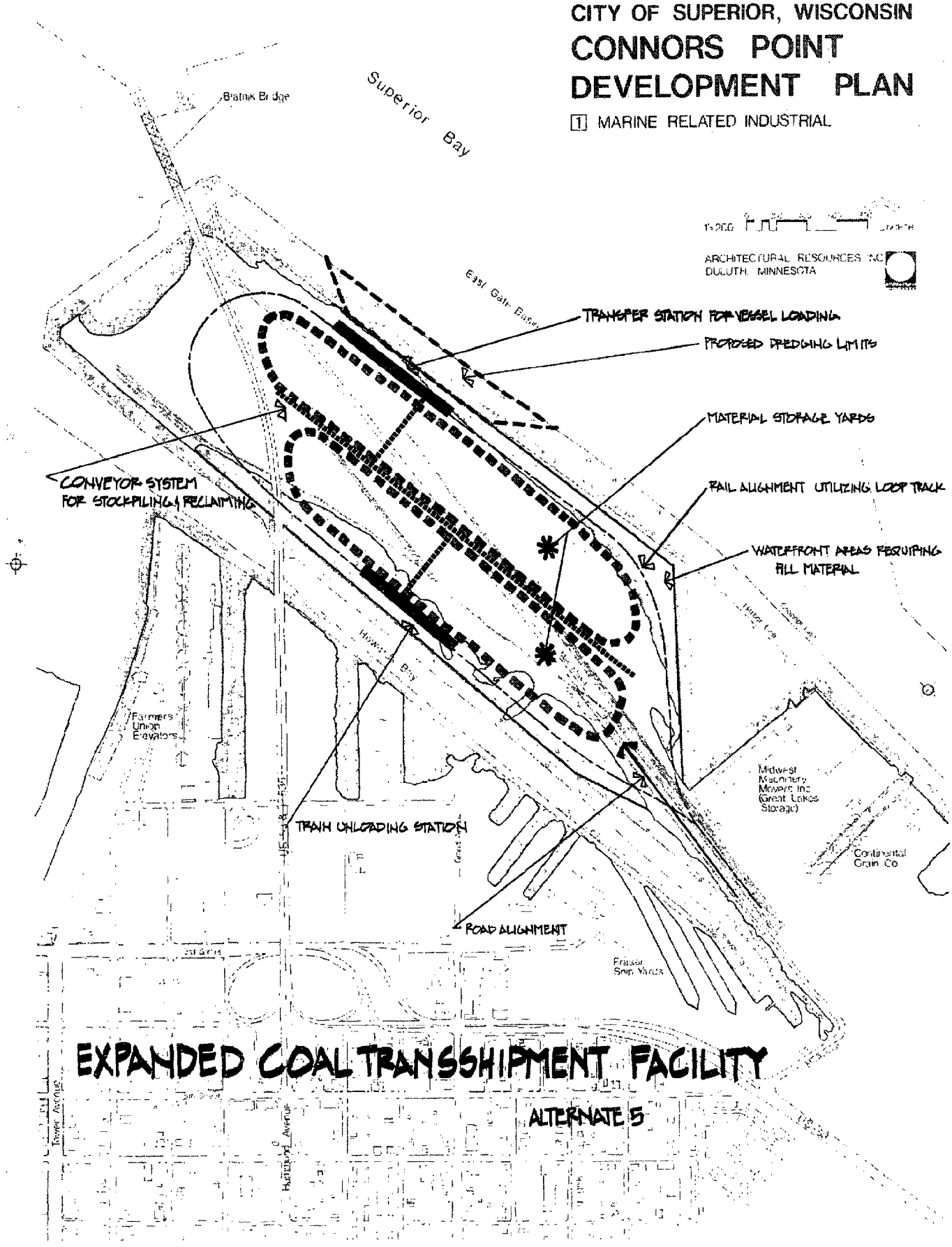
[3] If the dredge material at the construction site along the East Gate Basin is found to be non-polluted, storage of these materials on site is possible. This would reduce the cost of dredge removal from $7.00 per yard to $5.00 per yard resulting in a savings of $170,000. It would further reduce the fill material required for expansion by 85,000 cubic yards an additional savings of $510,000. TOTAL COST with on site storage of dredge materials: $17,686,000.

*Anticipated Public Cost which is to be offset by the sale of the property to private developer.

CITY OF SUPERIOR, WISCONSIN

CONNORS POINT DEVELOPMENT PLAN

[1] MARINE RELATED INDUSTRIAL



Alternate 6

The sixth, and final alternate would suggest that no action be taken to secure the site for future marine-related industries. This alternate would dictate the future developments occur as a result of the site's feasibility as determined by private business concerns. The no action alternative would result in the site being considered for numerous uses, and would only be limited by existing zoning regulations.

By taking no action in development of the site for marine-related industries, the concept of public land assembly may be considered for other uses. This option can best be determined after an analysis of the projected land assembly costs are determined.

Cost Recap

Alternate 1	Public $	780,000	
	Private	---	
	Total $	780,000	
Alternate 2	Public $	345,000	
	Private	---	
	Total $	345,000	
		On Site Dredge Storage	Off Site Dredge Storage
Alternate 3		$ 405,000	Public $ 405,000
		4,951,000	Private 5,495,000
		$ 5,356,000	Total $ 5,900,000
Alternate 4		$ 655,000	Public $ 655,000
		4,746,000	Private 5,426,000
		$ 5,401,000	Total $ 6,081,000
Alternate 5		$ 655,000	Public $ 655,000
		17,031,000	Private 17,711,000
		$17,686,000	Total $18,366,000
Alternate 6	No costs anticipated at this time.		

Source: Consultants staff, 1978.

Unit Cost Estimates

As an additional cost comparison the following figures represent a variety of unit costs that could be incurred by the City were they to purchase the Connors Point property, and prepare it for future industrial use. The variable connected with this include the developer assuming a portion of these costs, the negotiated sale of the improved property and the tax benefits derived which would offset these construction costs.

It must be stressed that the variable associated with construction projects are extremely numerous. For the City to go ahead with any of these improvements beyond site acquisition may be difficult to justify. The site should not be improved without bonafide agreements with developers of specific projects.

Preliminary Costs

Taxable Land Acquisition	$220,000.00
Existing Rail Line Relocation	$30 per foot plus land costs
Electric Power Line Relocation	$5 per foot plus land easements
Site Preparation	
(gravel surface with industrial bearing capacity)	
Excavation	$10,000 per acre
Gravel	$25,000 per acre
3" bituminous	$20,000 per acre
10" Water Line	$40 per foot
Steel Sheet Piling for Expansion	$1,300 per foot
Fill Material for Expansion	$6 per cubic yard in place
Storm Sewer Construction	$50 per foot
Dock Construction	
Steel Sheet Piling	$900 per foot
Piling Anchors	$400 per foot
Concrete Cup	$400 per foot
Misc. Construction	$300 per foot
Entrance Roadway	
9 ton 24 feet wide bituminous surface	$50 per foot
Dredge Material	
On-Site Storage	$5 per cubic yard
Off-Site Storage	$7 per cubic yard

Management Capabilities and Operational Concerns

VI. MANAGEMENT CAPABILITIES AND OPERATIONAL CONCERNS

In order to effectively promote the development of Connors Point, a discussion of the management capabilities and operational concerns for future uses must be addressed. As potential developers are enticed into using the Connors Point property, it will be necessary for the Port Commission and City to arrive at a management system for the facilities. If private development prepares the entire package, all the City may desire to do is act within its normal regulatory control concerning the acquisition and construction by private parties. If more input into the operation is desired and the Port Commission envision capital investment and eventual income, one of the options within this section should be pursued.

The discussion of the management capabilities and operational concerns of the potential marine activities noted below, will take into account the possible benefits and detriments of a variety of ownership options. These options will include public ownership of facilities, public ownership of land only, and private ownership of land and facilities for the potential marine activities.

POTENTIAL MARINE ACTIVITIES

1. Grain Terminal
2. Vessel Repair
3. Port Services
4. Rail/Water Transshipment Point
5. Coal Transshipment Facility

Public Facilities Ownership

Benefits

- Economic justification through tax exemptions
- Potential exemptions through import duties
- Methods of financing may be more easily obtained
- Control of the operation and maintenance facilities

Detriments

- No tax income is derived from the facility
- Public Agency would be involved with the business of day to day management and operation of the facility
- Potential risk involved through public facilities ownership being detrimental to the Port Administration and promotional efforts
- Public facilities ownership would be competing against private enterprise
- Considerable public costs may be involved in facility construction

Public Land Ownership

Benefits

- Public has the ability to control development
- Public can control future use of the land
- Facilities development generates taxable income to the City.
- Developments may be more easily attracted through public capital improvements (docks, utilities, transportation, land)
- No time is required from the public agency to be involved with a facilities management and operation

Detriments

- No taxes are derived from land
- Excessive public funds may be required for the land acquisition and capital improvement phases of the project

Private Land And Facilities Ownership

Benefits

-Tax income is derived on both land and structures

-No public funds are required for development

-No subsidies would be required for operation and maintenance of facilities

Detriments

-No control is possible over the operation and maintenance of the development

-Minimal control over the development (highest and best use of the land)

-Development is controlled by private interests, which could restrict some good potential uses.

-Public agency has bonding capacity to improve docking, transportation, utilities, etc.

In analyzing the various ownership options it is somewhat unclear as to the best direction to proceed due to the absence of a specific project proposal. This situation is a result of the varying types of potential marine activities identified for Connors Point. In order to arrive at the best solution we must give further thought to each of the identified uses and the special requirements of each.

A major grain terminal, coal transshipment facility, or expanded vessel repair operation represent substantial uses requiring a major portion of the usable site. In these situations, it would be more advantageous for management and operation of these facilities to occur through the private developer. The significance of these projects would dictate that the most efficient management situation would utilize the private developer to undertake the responsiblity of supervising day to day operations, securing business contracts, handling business promotion, and other related operational functions of a business.

Uses such as general port services and transportation terminals would not require a large land area for their operation. As a result, public land ownership may be necessary to enable their locating to Connors Point feasible. Normally, these individual uses would not have the financial resources to acquire a site and then to construct the required dockside and land based facilities. The opportunity to consolidate a number of these smaller port operations within one marine industrial park complex is possible. In order to realize this opportunity, it would be essential that public assistance be secured in the land acquisition and promotional aspects of this proposal.

In terms of the alternatives to management and operation of the identified marine industrial uses it would be our recommendation that the concept of land package assembly be pursued. This concept would envision the City acquiring the site for prospective waterfront industries. The assembly of land may require anywhere from three to five years to complete. Legal procedures and securing funds for individual parcel acquisition are two basic reasons for requiring this time period to assemble the land. Public ownership would be advantageous to the overall development of Connors Point for the following reasons:

- Use of the land is not controlled by outside interests, which may control prices or restrict some potential uses.
- Provides an excellent opportunity for numerous types of development to occur.
- Keeps the option open for the public to promote the sites development.
- Enables the City to control the destiny of it's development by permitting appropriate uses on the site and by guaranteeing the sites availability for future development.

As a result of the numerous land owners on Connors Point, public land ownership would be desirable for all identified developments. Through powers of condemnation, and the ability to relocate existing residences, the legal and financial resources available to the City could expedite future development of Connors Point. In pursuing this alternative to development of Connors Point, it is assumed that the public sector would be concerned with coordination, planning, financial security and port development, and promotion of marine industrial activities for Connors Point. Public involvement in assembling land for proper marine industrial developments should be considered as one of the management goals of the City. Through this technique, the marketability of the site will be increased because potential developments would have the luxury of negotiating with one owner for title to the property and for extension of City services.

The public land ownership technique would also enhance the position of the City in that their responsibility would be more interested in the overall (broader) scope of port development. This approach would dictate that the public continue to promote the opportunities for shipping interests in the port, versus the public being involved in the business end of port operations. It is felt that involvement in the business end of port operations would tend to reduce the overall effectiveness of the port promoting the operations.

Upon satisfactory completion of the land package assembly, the City would be in the position to discuss the development opportunities of the site to prospective businesses. At this point, the question of land ownership, lease arrangements, or other suitable options to a developer would be explored. The possibility of selling portions of the parcel to developers should be seriously considered at this time. Depending upon the

size of an operation, the proposed development may desire to purchase the land from the City. Subject to an analysis of the economic feasibility of individual situations, self support would appear to be a feasible and desirable goal. Of course, adequate safeguards should be taken to insure that no option is available for a speculator to acquire land.

In summary, public land ownership would appear to be the most desirable alternative to management of Connors Point. The opportunity to enhance suitable developments into locating along this important waterfront parcel would be most advantageous to the City. Through this alternative, port operations would continue to promote the broader approach to harbor development, while securing development of individual operations.

Regulatory Control

VII. REGULATORY CONTROL

If the Connors Point property is persued for development including marine industrial activity, certain state and federal regulatory agencies will come into play. Essentially, these include the State of Wisconsin Department of Natural Resources which cover permits for waterfront construction and dredging, the U. S. Army Corps of Engineers who cover all harbor permits for dredging and filling and the local regulatory controls of zoning, building, codes and subdivision regulations.

This section will address the rules and regulations associated with the development of marine industrial activities on Connors Point. They should be viewed as general in nature, however, and not for review of a specific project. In order to receive a valid indication on permit requirements, the city or developer would work with an individual design solution involving the permit agency. This allows individualized help and support from the agency to the developer and insures that the project receives due consideration.

Department of Natural Resources

The Department of Natural Resources will be involved in nearly all projects involving alteration to or construction of facilities on Connors Point. Their authority lies within the issuance of permits for removal of lakebed material, establishment of bulkhead lines, filling of submerged areas, air pollution and effluent discharge. All of these actions would involve permits being authorized by the Department after review is made of a specific project. Since plans at this time are very preliminary as to actual design of facilities, the air and effluent discharge portion of the Department of Natural Resources responsibility are unable to be ascertained. With further design

data supplied, they will review plans for the permit requirements.

With reference to dredging and filling, there are a number of state statutes which come into play. These involve:

- Section 24.39 - Covers the submerged lands lease for all property which is under the normal high water mark. These lands would require a lease be made through the Department prior to any action being taken.

- Section 30.11 - For the establishment of bulkhead lines and the re-establishment of bulkhead lines, the city must file with the department a plan for the new bulkhead line and prior to any filling of the submerged property, the Department shall determine whether or not such filling is in the public interest.

- Section 30.12 - In order to place structures or deposits on the shore of the land in question, a permit must be granted by the department. Such structure or deposit must not materially obstruct navigation or be detrimental to the public interest.

- Section 30.13 - Defines the regulation of wharves and piers and the establishment of pierhead lines. The department reviews all applications for wharves and piers extending beyond the natural shore or established bulkhead. Pierhead lines may be established only for the interest of preserving and protecting the harbor and its navigable waters.

- Section 30.19 - In this section, the department approves permits to construct, dredge, commence or do any work with respect to navigable waters. Prior to any work being done, an application shall be filed containing a summary statement of the work, an application shall be filed containing a summary statement of the work, maps and diagrams of the work and other information deemed necessary by the department. Public hearings must be held and the findings are made based upon public interest, health, safety, and welfare.

- Section 30.20 - Covers the removal of any material from the bed of a navigable water and regulates the procedures on which it can be accomplished. Any removal of materials for any reason shall be subject to a permit issued by the department after it finds such removal consistent with the public interest.

In addition to the requirements of the previous section, the department may require the preparation of an environmental impact assessment report. This report would address the project, construction procedures and potential impacts of the project on the area and environment. Every effort should be made to involve the department as early in the design process as possible. In this way, an initial reaction can be given to the specific project which may prevent costly delays and increased construction costs.

U.S. Army Corps of Engineers

As is the case with the Wisconsin Department of Natural Resources, the Corps of Engineers also have a permit procedure for filling or dredging within navigable waters in the State of Wisconsin. Many times the permit requirements overlap and during the preparation of the applications, the data can be identical for both agencies however the Corps process cannot be circumvented or overlooked by the developer.

The major concern that the Corps would have in any design proposal for Connors Point involving dredging or filling would have to do with Environmental Impact and the effects to navigation. With reference to Environmental Impact, an assessment statement would be required almost automatically and many times a full impact statement would be necessary especially when a large project is being discussed. During the preparation of the environmental data, each of the main points as defined by the Corps application should be completely discussed. Methods of dredge removal and construction techniques for harbor edges or fill areas should be addressed. The completeness of the application will again insure a minimum of delay for the project.

With reference to effects to navigation, the Corps will define what priorities they give to areas for navigation and if the project will reduce the overall harbor safety. There are no set standards for this step however in a harbor such as Superior, general navigation policy has been established.

Regulatory agencies and the issuance of permits for eventual projects on Connors Point will play the vital roll in the successfulness of Connors Point development. With present regulations as they are, nearly any marine industrial project on Connors Point will require a permit from the Wisconsin Department of Natural Resources or the Corps of Engineers. While this may seem to be a lengthy and burdensome task, it will insure a compatable new marine use in the Superior Harbor that will benefit the entire City.

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