



January 17, 2023

VIA EMAIL ONLY

Veronica Parsell
Barr Engineering Co.
4300 MarketPointe Drive, Suite 200
Minneapolis MN 55435

RE: Environmental Assessment Worksheet for the Mile Post 7 Railroad Relocation, Dam Extension, and Stream Mitigation Project
Lake County
SHPO Number: 2023-0704

Dear Ms. Parsell,

Thank you for consulting with our office during the preparation of an Environmental Assessment Worksheet (EAW) for the above-referenced project.

We understand by your September 12, 2022 letter that the Minnesota Department of Natural Resources is working with the applicant, Northshore Mining Company, to prepare an EAW for the Mile Post 7 Railroad Relocation, Dam Extension, and Stream Mitigation Project (Project).

The extensive narrative provided in your September 12th letter is appreciated and your summary accurately reflects the nature and conclusion of our office's previous consultation with the U.S. Army Corps of Engineers (USACE) under Section 106 of the National Historic Preservation Act and its companion regulations at 36 CFR Part 800.

The USACE's Section 106 review for the Mile Post 7 Tailings Basin Progression (which included the railroad relocation and dam extension) concluded in January 2021 with a finding of No Adverse Effect to the Reserve Mining Company Milepost 7 Tailings Basin and the Reserve Mining Company Mainline Railroad, Silver Bay to Peter Mitchell Mine, two (2) historic properties which were determined eligible for listing in the National Register of Historic Places (NRHP) [SHPO No. 2020-1947].

Subsequently, in June 2022, the USACE initiated consultation with our office regarding the Big 39 Creek and Little 39 Creek restoration projects, which we now understand are mitigation projects for the tailings basin progression and, as such, should have been considered part of the previous federal undertaking. In August 2022 we commented on the fact that the Big 39 and Little 39 would be considered contributing features to the NRHP eligible Reserve Mining Company Milepost 7 Tailings Basin (a historic district), as they were modified to construct and operate the tailings basin facility, and we concurred with the USACE's No Adverse Effect finding [SHPO No. 2022-1785].

As you are aware, the scope of consultation and agency responsibility is quite different under Minnesota state historic preservation law than it is under Section 106. While we certainly appreciate the consideration of NRHP-eligible properties in completing an environmental assessment under state administrative rules, the statutes only require that state agencies consider historic properties

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designated in the NRHP or State Register of Historic Places (Minn. Stat. § 138.665) and consultation regarding the identification and avoidance of known or suspected significant archaeological sites on non-federal public land (Minn. Stat. § 138.40).

Historic/Architectural Properties

Regarding impacts to NRHP-eligible historic properties – including the Reserve Mining Company Milepost 7 Tailings Basin and the Silver Bay Historic District – we agree with your summary that Project components including the dam extensions, railroad embankment relocation, and Big 39/Little 39 stream restorations, will not result in adverse effects to these historic properties. This is with the assumption that the scope and nature of these Project components has not changed substantially since our review under Section 106.

As with our Section 106 review of the Big 39/Little 39 stream restorations, because the historic property survey did not include 100% documentation of landscape features associated with the historic tailings basin complex, we assumed that the Big 39 Creek and Little 39 Creek – historically noted as “Diversion 1” and “Diversion 2” on the 1979 engineering plans – were previous natural streams which were reengineered and modified in order to facilitate construction and operation of the Milepost 7 Tailings Basin. The 106 Group’s January 2020 evaluation report, on page 15, summarizes these features as:

*Supporting structures covered 1.5 square miles and included dams, seepage collection ponds, **six stream diversions**, four pumphouses between basin and plant, a floating pumphouse on the basin, pipelines, a 5.5-mile double-track railroad spur, and 8.5 miles of access roads.”*

As such, they are likely considered contributing features to the historic district. Similarly, the East Branch Beaver River tributary, ditch, and current stream, all of which are proposed to be restored as mitigation for the progression project, and for which we have not yet consulted under Section 106, are also likely contributing features to the historic district. We note that the 1979 engineering plans indicate a “creek diversion”, “spillway”, and “seepage recovery dam” in this area.

We do not have sufficient documentation regarding White Rock Creek which is located within the City of Silver Bay. If records indicate that White Rock Creek was similarly reengineered and modified in association with the Milepost 7 Tailings Basin construction in the 1970s or was modified in association with the original design and construction of Reserve Mining’s company town of Silver Bay, then the creek would likely be considered contributing to either or both of these historic districts. Unfortunately, the Milepost 7 evaluation did not extend to this area and, as alluded to in your September 12th letter, the level of evaluation for the NRHP-eligible Silver Bay Historic District is severely lacking and does not meet contemporary historic documentation standards.

Archaeology

Although our records and Office of State Archaeologist records confirm there are no recorded sites in the area, due to the nature (extensive ground disturbance planned) and location of the proposed project, we recommend that a Phase I archaeological survey be completed for both the East Branch Beaver River (river, tributary, and berm) and White Rock Creek stream mitigations. The Phase I survey should be completed by a qualified archaeologist and must meet the requirements of the Secretary of the Interior’s *Standards for Identification* and state survey guidelines. If significant sites or features are encountered during the Phase I survey, we recommend proceeding to a Phase II intensive level survey which would include an evaluation of National Register eligibility for any properties that are identified. The Phase II survey should also be carried out consistent with the Secretary of the Interior’s *Standards for Evaluation* and state survey guidelines.

Please note that this comment letter does not address the requirements of Section 106 of the National Historic Preservation Act of 1966 and 36 CFR § 800. If this project is considered for federal financial assistance, or requires a federal permit or license, then review and consultation with our office will need to be initiated by the lead federal agency. Be advised that comments and recommendations provided by our office for this state-level review may differ from findings and determinations made by the federal agency as part of review and consultation under Section 106.

If you have any questions regarding our review of this project, please contact me at sarah.beimers@state.mn.us.

Sincerely,

A handwritten signature in blue ink that reads "Sarah J. Beimers". The signature is written in a cursive style with a dot above the letter 'i' in "Beimers".

Sarah J. Beimers, Manager
Environmental Review Program Manager

Cc via email:

Andrea Hayden, Cleveland Cliffs Inc.

Nancy Komulainen-Dillenberg, St. Paul District, U.S. Army Corps of Engineers, Regulatory Branch