

1.4.4 Corps' Overall Project Purpose and Alternatives Analysis

In addition to the Applicant's purpose discussed above, the Section 404(b)(1) Guidelines require that the Corps define the "overall project purpose" to evaluate practicable alternatives. In accordance with the Section 404(b)(1) Guidelines, the overall project purpose must be specific enough to define the Applicant's needs, but not so narrow and restrictive as to preclude a proper evaluation of alternatives. In this regard, defining the overall project purpose for review and approval of Corps permits is the sole responsibility of the Corps. While generally focusing on the Applicant's purpose and need statement, the Corps will, in all cases, exercise independent judgment in defining the purpose and need for the project from both the Applicant's and the public's perspectives (33 C.F.R. Part 325; 53 Fed. Reg. 3120). The Corps has reviewed and discussed Palmetto Railways' proposal, and has defined the overall project purpose as follows:

The overall Project purpose is to provide a state-owned, near-dock ICTF that provides equal access to both Class I rail carriers and accommodates existing and projected future increases in intermodal container cargo transport through the Port of Charleston to enhance transportation efficiency in the state of South Carolina.

1.5 BACKGROUND OF PROPOSED PROJECT

1.5.1 Background and Other Relevant Activities Associated with the Former Charleston Naval Complex

In 1996, under the Federal Defense Base Closure and Realignment Act (BRAC)³⁶, the Department of Defense (DOD) closed the CNC, which included the Shipyard, Naval Station, Naval Annex, Defense Distribution Depot, and part of the Naval Supply Center in Charleston, South Carolina. The Final Environmental Impact Statement for the Disposal and Reuse of the Charleston Naval Base North Charleston, South Carolina was prepared (1994-1995) to evaluate the impacts of the closure and plan for the reuse of the nearly 1,500-acre complex. The state of South Carolina set up the Charleston Naval Complex Redevelopment Authority (Redevelopment Authority) to oversee the property's conversion and to replace the jobs lost by the closing of the base (SCLAC 2000). The SCPA was granted the southern portion of the property (an approximately 350-acre parcel) and its docks by state legislation. The Redevelopment Authority deeded the northern end of the property to the City of North Charleston for redevelopment (DOD 2006). Subsequently, a Memorandum of Understanding and Agreement (MOUA) was signed by the SCPA and the City of North Charleston, in which the City of North Charleston agreed to develop the northern portion of the former CNC site and SCPA would develop the southern portion of the site (Port Facility Area). The MOUA further specified that, "certain minimum infrastructure must be in place before the SCPA commences container operations."

³⁶ Title II of Public Law (P.L.) 100-526 (10 U.S.C. 2687 note), adopted October 24, 1988 and extensively amended in 1990, 1994 and 1996.

This minimum infrastructure included a truck access road from the Port Facility Area to Interstate 26 (I-26), as well as several rail overpasses. Rail and highway access to serve the Port would be coordinated by the South Carolina Department of Transportation (SCDOT) in conjunction with the State Infrastructure Bank, South Carolina Public Railways (now Palmetto Railways), and the Charleston Area Transportation Study (Corps 2006).

For the northern portion of the CNC property, the City of North Charleston entered into a public-private agreement with developer John Knott to revitalize the 3,000-acre historic core of North Charleston, which included the former CNC. Knott's Noisette Company created The North Charleston Noisette Community Master Plan, which was accepted by the City of North Charleston in 2003. Ten years after the plan was unveiled, some elements—such as a Riverfront Park—have been implemented, while others—such as a new urban core along eastern McMillan Avenue and Storehouse Row—have not (Behre 2012).

During the same time period that the City of North Charleston was developing their plans for the northern portion of the former CNC, the SCPA was developing plans to build a marine container terminal on the Cooper River at the south end of the site. The SCPA proposed to develop a new marine container terminal on 240 acres of land that is located within the Port Facility Area (Corps 2006), and submitted an application for a DA permit from the Corps. The proposed marine container terminal consisted of the following major components: wharf, berth and access channel, container yard and support facilities, improvements to Tidewater Road, and stormwater management facilities. The SCDOT also submitted an application for a DA permit for the proposed Port Access Road, which consisted of the following major components: Port Access Road, Meeting Street interchange (Exit 217), local access roadway (four-lane roadway at Stromboli Avenue), Stromboli Avenue improvements, and a bridge to Tidewater Road (Corps 2006). After evaluating and comparing the proposed projects and alternatives, the Corps released its findings in the 2006 Final EIS Proposed Marine Container Terminal at the Charleston Naval Complex. Subsequently, the Corps issued DA permits to the SCPA (No. 2003-1T-016) and the SCDOT (No. 2005-1N-440) in April 2007.

In April 2013, the Federal Highway Administration (FHWA) and the South Carolina Department of Transportation (SCDOT) completed an EA for the proposed I-26 and Port Access Road Interchange Project. The project involved removing the existing Spruill Avenue ramps (Exit 218) and building a new full movement directional T-interchange connecting to the new Port Access Road. In August 2013, FHWA issued a Finding of No Significant Impact (FONSI) for the proposed I-26 and Port Access Road Interchange Project (FHWA 2013). The EA was prepared to enable the FHWA to make a decision on the Interchange Modification Report, which included updated traffic information from what was available for the Final EIS Proposed Marine Container Terminal at the Charleston Naval Complex and on the Naval Base Terminal Access Road Interchange modification as it was proposed to tie into the Port Access Road and the Interstate system (SCDOT 2013). Construction of the marine container terminal is currently ongoing, with an anticipated completion date in 2019. Construction

of the Port Access Road began in 2016 and the work must be completed prior to the operation of the marine container terminal in 2019.

In March 2013, Palmetto Railways submitted a written request to initiate environmental review as per NEPA for its proposed Navy Base ICTF on the former Clemson Site in the CNC. The Corps prepared a Memorandum for Record³⁷ in July 2013 regarding the need for an EIS to evaluate the Proposed Project. In this memorandum, the Corps details a number of federal and state lawsuits associated with the redevelopment of the former CNC. These lawsuits and their outcomes are summarized as follows:

The Southern Environmental Law Center filed a lawsuit against the Corps, the EPA and the National Marine Fisheries Service (NMFS) in January 2008. This lawsuit challenged the Corps' issuance of a DA permit to develop a new marine container terminal at the former CNC. This lawsuit was resolved in August 2010 when the SCPA and the Plaintiffs signed a Settlement Agreement. The agreement resulted in the SCPA's commitment for a private (drayage) road from the port to the ICTF and several additional air quality initiatives.

Although SCPR was able to purchase the majority of the land that is required to develop the proposed ICTF, they filed several condemnation notices in December 2010 to acquire the remainder of the necessary property. The City of North Charleston challenged these condemnation actions in January 2011. This lawsuit was resolved in December 2012 when the parties signed a Settlement Agreement. This agreement resulted in several property exchanges, support from the City for any necessary zoning changes for the ICTF, development of a Surface Transportation Impact Study, and a mitigation payment of \$8 million from the Applicant to the City of North Charleston. The Applicant also assumed responsibility for the repayment of \$6.5 million in Tax Increment Financing (TIF) as part of the agreement.

The City of North Charleston filed a lawsuit against the South Carolina State Ports Authority, S.C. Department of Commerce, SCPR, State of South Carolina, and the Corps in U.S. District Court in August 2011. This lawsuit alleged that the Corps violated NEPA by failing to require a Supplemental EIS considering the impacts of an intermodal rail facility as part of the SCPA's new marine container terminal at the former CNC. This lawsuit also alleged that the SCPA is in violation of a 2002 MOU between North Charleston and SCPA. This lawsuit was dismissed in April 2012.

³⁷ Department of the Army Memorandum for Record. Need for an Environmental Statement, South Carolina Public Railways Intermodal Container Transfer Facility, Charleston County, SC. July 8.

1.5.2 Description of Proposed Project

The Proposed Project is located on the CNC in North Charleston, South Carolina, on the former Clemson Site. It lies on the west bank of the Cooper River 6 miles north of the confluence with the Ashley River. It is centrally located between several terminals operated by the SCPA, including the North Charleston Container Terminal, Veterans Terminal, the future Hugh K. Leatherman, Sr. Terminal (HLT), Union Pier Terminal, Columbus Street Terminal, and the Wando Welch Container Terminal. Intermodal containers that arrive at these marine terminals may be transported to the Navy Base ICTF or other destinations. The CNC is bounded by the Cooper River to the east, the neighborhoods of Chicora and Cherokee to the west, the Park Circle neighborhood to the north, and residential and industrial areas (e.g., the Macalloy site) to the south (see Figure 1.1-1). As of September 2015, the site contains both open land and developed areas that are interspersed within a network of private roads. The dominant land use on the site is industrial with open fields and parking lots. Sterett Hall (closed and demolished in spring 2016) and the North Charleston Fire Department Station 2 (relocated in January 2016) were located on the northern portion of the site. The central portion of the site contains various abandoned buildings and athletic fields associated with Charleston County's Academic Magnet High prior to its relocation. The Chapel of the Eternal Father of the Sea was also located in the northern portion of the site between North Hobson Avenue and Avenue B South, but has been relocated to another part of the CNC that is outside of the ICTF. A tank farm (demolished) and the Viaduct Road overpass are located on the southern portion of the site.

Terminology used in this EIS:

- **ICTF:** The approximately 135-acre facility site.
- **Project Site:** The ICTF and associated impact areas for the ICTF and off-site roadway and rail improvements, which total 231.28 acres.
- **Navy Base ICTF:** Generic term that also means the Proposed Project Site, including components and functionality. Also known as the Proposed Project.
- **Alternative 1 (Proposed Project):** The Applicants Proposed Project as described in Section 1.7 (Alternative 1).
- **Project:** The term project is used when describing the concept of the ICTF regardless of location or alternative.

The Corps recognizes that Palmetto Railways is conducting voluntary cleanup and site preparation of the Project site, and that these activities will be required to redevelop the site regardless of whether the DA permit is issued or not.