

With concerns of oil tanks looming, Mobile City Council votes down abandoning unused streets to railroad company (updated)

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MOBILE, Alabama – With concerns looming about future use of property next to the GM&O building, the Mobile City Council voted Tuesday to decline abandoning property rights of nine unused roads to a railroad company.

The council's 5-2 vote denied Illinois Central Railroad, a subsidiary of the Canadian National Railway, right-of-way access to nine city streets that have rarely – if ever – been used.

Portions of the nine streets –Sullivan, Sumptertreet, Marian, Morgan, Knox, Manassa, Earle, Magnolia and Bloodgood – are located in an industrial area that **is targeted by Houston-based Arc Terminals for a "bulk liquid transload facility," or as a location to store oil.**

"I think there is an overriding concern about what the future holds," Council President Gina Gregory said after the vote, which came with no discussion during the council meeting. "I think that is a reason why some people voted against it."

The vote also comes two days before the council's Rules Committee is scheduled to meet at 11 a.m. at Government Plaza to host a public hearing into a temporary halt for issuing permits to builders of oil storage tanks.

The meeting was called during last week's council meeting as a way to hear from all interested parties in the ongoing debate over whether Mobile should scrutinize and potentially disallow oil-related projects near the Mobile River.

The denial could be viewed as a victory, of sorts, to concerned citizens who fear that the property could be turned into a storage and transportation site for Canadian tar sands oil, which is a much thicker commodity than crude oil that transfers through pipes if it's heated.

"You can't help but think ahead of what may come," Gregory said. "It might not be a fair way of looking at it, but it's out there and you can't ignore that. It's looming on everyone's mind."

Councilmen John Williams and Joel Daves were the only two "No" votes.

Daves said he felt the council's action on Tuesday was a separate matter to the six-month halt of building permits for oil storage tanks.

Daves also said he wasn't sure what kind of "right-of-way" rights the city has on the roads since "the city never used" them.

"If you look at just this issue, there was no reason not to vacate the right-of-way," Daves said, adding that he felt the concerns about the potential use of the property "clouded" the issue.

Williams said he felt the council set precedent that could be a concern.

"We cannot be arbitrary in our decisions," he said. "We need a reason for a 'yes' or a 'no' vote. You must have a reason. Today, there was an absence of reason."

Williams said the future use of the property should not have been a concern. He said if an "Austal-like" development eyed the property, the roads would need to be abandoned by the city.

"It cannot be done until that piece of property is in one lot," Williams said. "That is what was attempted today."

It's unclear what might happen next since the matter is part of a lawsuit filed by Illinois Central. A city attorney in charge of the issue could not be immediately reached for comment.

David Cherniak, an attorney representing Illinois Central, said he was "disappointed" with the outcome and that he wasn't able to speak during the council meeting. He said he will know more about the railroad's next move on Wednesday.

The Arc Terminals project, if it materializes, resurrects a similar project that occurred more than one year ago when the company and CN – Canada's largest rail carrier – announced a partnership on a project to offload 75,000 barrels of oil, or up to 120 tank cars per day, at the 39-acre location.

That project was filed with the Urban Development Department for consideration by the Planning Commission in October 2012, but the application has since expired.