



**US Army Corps
of Engineers®**
St. Paul District

Appendix D: Real Estate

UPPER ST. ANTHONY FALLS LOCK AND DAM

SECTION 216 DISPOSITION STUDY

REVISED DRAFT INTEGRATED DISPOSITION STUDY AND
ENVIRONMENTAL ASSESSMENT

June 2025

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1 Introduction

The purpose of the Real Estate Appendix D is to supplement the 2025 Upper St. Anthony Falls Integrated Disposition Study and Environmental Assessment report (hereinafter the main report). This appendix summarizes the market analysis and investigates the potential for alternative uses of the real property based on maximum economic productivity and/or value to the public. This appendix is written in accordance with the U.S. Army Corps of Engineers (USACE) Real Estate Policy Guidance Letter #33—Interim Guidance on Disposition Studies, dated September 28, 2016.

The Upper St. Anthony Falls (USAF) disposition study is authorized by Section 216 of the Flood Control Act of 1970 (33 U.S. Code § 549a), which allows USACE to evaluate existing projects to determine whether or not they continue to serve their authorized purpose(s). The primary authorized purpose for the Upper St. Anthony Falls lock is navigation. The lock was ordered closed by Section 2010 of the Water Resources Reform and Redevelopment Act of 2014 (WRRDA 2014); accordingly, the lock was closed to navigation on June 9, 2015. Disposition of the USAF Lock and associated lands, improvements and easements may be warranted as it is no longer fulfilling its authorized purpose.

2 Project Authority

The River and Harbor Act of July 1930 (Public Law 71-520) established the Upper Mississippi River 9-foot Navigation Channel project. The River and Harbor Act of 1937 (Public Law 75-392) authorized the USAF and Lower St. Anthony Falls (LSAF) Locks and Dams and the Minneapolis Upper Harbor Development Project, which extended the 9-foot channel upstream to river mile 857.6.

3 Congressional Actions

Section 2010 of WRRDA 2014 dated June 10, 2014, directed the USAF Lock to be closed within one year of the date of its enactment but allows for emergency lock operations at USAF as necessary to mitigate flood damage.

Section 356 of the Water Resources Development Act of 2020 (WRDA 2020) dated December 27, 2020, directed the conveyance of all or substantially all of the real property owned by the U.S. adjacent to or in the vicinity of the of USAF to the city of Minneapolis or its designee, subject to the right of the Secretary to retain any easements, solely to the extent necessary to continue to operate and maintain USAF Lock and Dam.

Section 5377 of the Water Resources Development Act of 2022 (WRDA 2022) dated December 15, 2022, prohibits recommendation of deauthorization and disposal of USAF unless a willing and capable nonfederal public entity is identified to assume ownership. Other WRDA provisions, as described in the main document, further direct investigation of other authorized purposes at the site such as control of invasive species, water supply or recreation.

4 History of Upper St. Anthony Falls Lock and Dam

The Upper Mississippi River is an ecologically and economically important and historic waterway. Prior to development, navigation of the river was unreliable between St. Paul, Minnesota, and St. Louis, Missouri, due to variable river depths, sandbars, rocks and snags. Since the early 19th century, river channel improvements have resulted from private, state and federal efforts, which primarily consisted of dam construction, dredging and snagging. The River and Harbor Act of 1866 allowed for the funding of permanent improvements to the Upper Mississippi River for commercial traffic administered by USACE.

By the late 19th century, the construction of wing dams and other river training structures created a 4.5-foot navigation channel to St. Paul. However, the river gorge upstream of St. Paul was filled with debris from the recession of St. Anthony Falls, with a hundred-foot drop from the cascade to St. Paul. In 1907, the Meeker Island Dam was completed within the gorge. That same year, Congress authorized a 6-foot channel. Construction of Government Lock and Dam 1 (LD1) was completed in 1917; subsequently, the upstream Meeker Island Dam was partially demolished and submerged.

In 1927, Minneapolis constructed a barge terminal below St. Anthony Falls, although it was not convenient for railroad or vehicular access. Meanwhile, with continued marine technology advances and increased barge capacity, the 9-foot channel was authorized by the River and Harbor Act of 1930. The 9-foot channel created a system of 26 locks and dams that would create a series of slack-water pools from the base of St. Anthony Falls to St. Louis. This included the existing structures at LD1 and Lock and Dam 2 in Hastings, Minnesota. Still unsatisfied with its barge terminal location and with more suitable sites situated above the falls, boosters advocated for an extension of the navigation channel above the falls.

In 1937, the Upper Minneapolis Harbor Development Project was authorized. The purpose of the Minneapolis Upper Harbor Project was to extend navigation to Minneapolis, Minnesota. Two complexes were required to ascend the 74-foot drop of the cataract: LSAF Lock and Dam, which was completed in 1956; and USAF Lock and Dam, which was completed in 1963. USAF Lock and Dam were placed in operation in September of 1963.

Northern States Power (NSP, which later became Xcel Energy) transferred several tracts of land to the federal government for construction of USAF Lock and Dam. Xcel Energy owns the majority of the dam and retained the right to access the transferred property in order to maintain their portions of the dam. On the left bank of the Mississippi River, opposite from the USAF Lock, is a hydroelectric facility that is owned, operated and maintained by Xcel Energy.

On June 9, 2015, USAF Lock was closed in accordance with Section 2010 of WRRDA 2014, which directed USAF Lock be closed within one year of the date of enactment but allows for emergency lock operations at USAF as necessary to mitigate for flood damage. In the time since USAF Lock was closed to navigation, it has been used for flood risk management, for public tours and as a launching point for emergency water rescues.

5 Location and Description of Project Lands and Improvements

USAF lock is located on the right bank of the Mississippi River in Minneapolis, Minnesota, at Upper Mississippi River mile 853.9, about a half mile upstream from LSAF. Access to the site can be gained via Portland Avenue or the access road between USAF and LSAF.



Figure 5-1 Project Location Map

The main features of USAF include a 56-foot-wide by 400-foot-long main lock with a hydraulic lift of 49.2 feet. There are short segments of gravity walls connecting the lock to the J.J. Hill Stone Arch Bridge (owned by the Minnesota Department of Transportation), the 2,045-foot-long horseshoe dam (owned by Xcel Energy) and a 425-foot-long straight-chord main spillway below the horseshoe dam (also owned by Xcel Energy). The horseshoe dam is surmounted by a wooden flashboard system that enables Xcel Energy to maintain the upstream water elevation between 796.8 feet to 798.8 feet above mean sea level (1912 adjusted datum).

The horseshoe dam and spillway tie into the left bank of the Mississippi River at Xcel Energy's Waterpower Park. The USAF hydropower plant (owned and operated by Xcel Energy) operates under FERC license P-2056. As part of its FERC license, the hydropower plant provides free electricity to USAF Lock and Dam. Additional features on the left bank of the Mississippi River in the vicinity of USAF Lock and Dam include the University of Minnesota Hydraulics Laboratory and Father Hennepin Park (owned by the Minneapolis Park and Recreation Board).

Improvements to USAF include upper and lower miter gates; a submersible Tainter gate used for flood risk management; upper, central, and lower control stations; gate operating equipment;

storage/maintenance building with an elevator, public restroom facility, small boat davit with lifeboat for emergency use, security fencing, lighting, a parking area located at the terminus of Portland Avenue, and an access road leading to the lower lock.



Figure 5-2. Upper St. Anthony Falls Lock and Dam



Figure 5-3. Upper St. Anthony Falls Dam



Figure 5-4. Upper St. Anthony Falls Lock



Figure 5-5. Control Station



Figure 5-6. Central Control Station and Visitor Center



Figure 5-7. Storage Building



Figure 5-8. Restroom Facility



Figure 5-9. Security Fencing



Figure 5-10. View of Lower End of Lock and Modification to Stone Arch Bridge



Figure 5-11. View of Road Between Upper and Lower St. Anthony Falls

6 Real Estate Interests Held by the Government

USACE's Real Estate Management Information System (REMIS) lists five active deeds in fee ownership and 13 active easements for the project.

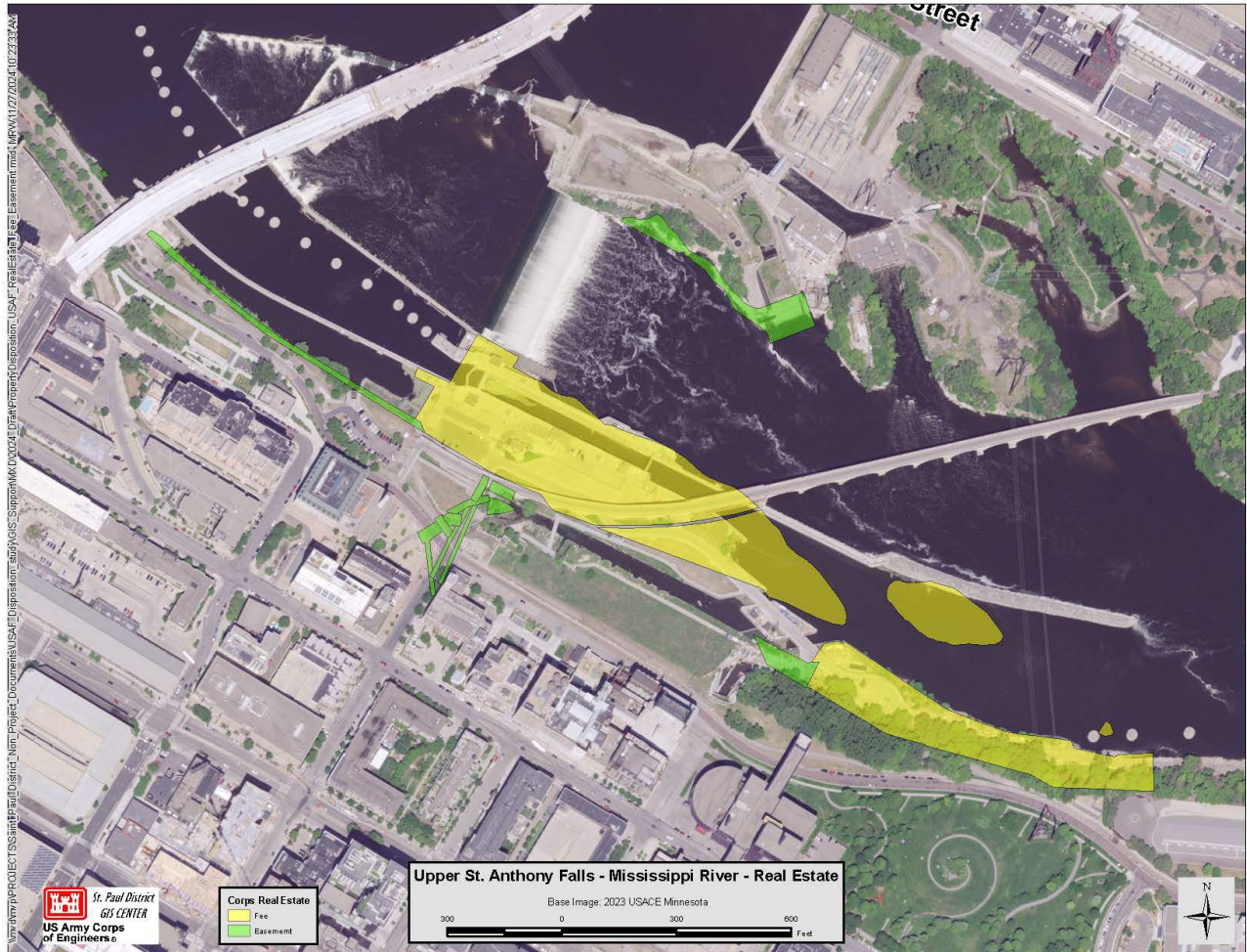


Figure 6-1. Map of Real Estate Interests Held by the Government

A summary of these interests, and their total acreage, is below.

Table 6-1. Summary of Real Estate Interests in USAF

Real Estate	Number of Tracts	Total Acres
Fee Simple	5	8.25
Easement - Road Access	3	0.25
Easement - Flowage	1	1.75
Easement - Power Lines	1	0.00
Easement - Security Fencing/Signage	1	0.00
Easement Water and Sewer Lines	7	0.18
Total	18	10.43

A total of 10.43 acres of lands, easements, and right-of-way were acquired for the USAF portion of the Mississippi River 9-foot Navigation Channel. According to the REMIS, all fee lands and easement interests were acquired without consideration (i.e., \$0). All lands were acquired in Hennepin County, Minnesota. Fee lands consist of 8.25 acres and easement interests are 2.18 acres. Some of the water and sewer line easements are underground. Northern States Power Company (NSP, which later became Xcel Energy) deeded fee lands and a small portion of their power facility's dam directly to the U.S. They were required to permit their lands and facility to be utilized as a compatible use to the Federal Navigation facility. This deed contains a reservation to Xcel Energy for their continued use for their facility. ***Any disposition will need to recite this retained right in the disposal deed.***

Under WRDA 2020 Section 356, the Secretary of the Army was directed to convey real property adjacent to the lock and dam to the city of Minneapolis (or its designee) and to grant access and use rights to real property and improvements not conveyed in fee. The conveyance activities are ongoing. To support conveyance activities, USACE issued a park and recreation lease to Owámniyomni Okhódayapi in the interim prior to conveyance. Details of this outgrant are located in the section herein titled "Existing Outgrants".

Table 6-2. Summary of Fee Simple Interests and Easement Interests

Summary of Fee Simple Interests in USAF					
Tract	Acres	Interest	Date Acquired	Grantor	Location
400-1	0.01	Fee Simple	2-Oct-1945	Northern States Power Company	small unnamed island SE of Spirit Island
400-2	0.67	Fee Simple	2-Oct-1945	Northern States Power Company	Spirit Island
400-3	1.41	Fee Simple	2-Oct-1945	Northern States Power Company	9th & 10th Aves
400-4	1.83	Fee Simple	2-Oct-1945	Northern States Power Company	SE end of Upton Island - in Mississippi River
400-5	4.33	Fee Simple	2-Oct-1945	Northern States Power Company	On Upton Island @ Upper Lock- in Mississippi River

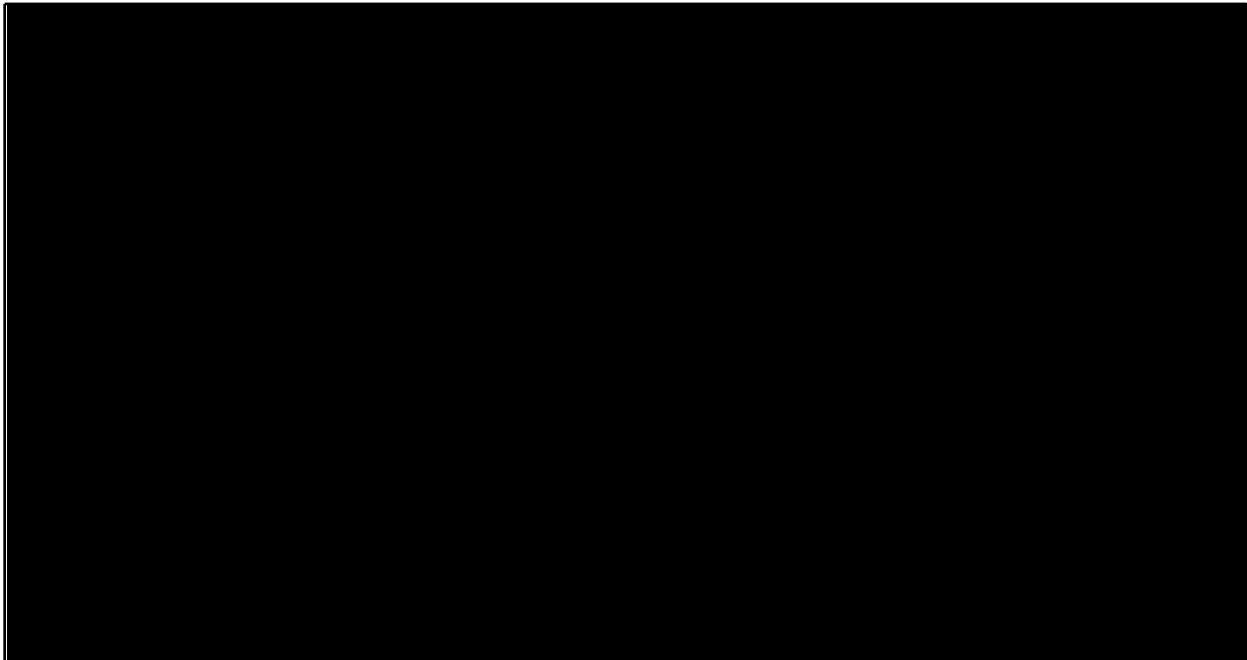
Total: 8.25

Summary of Easement Interests in USAF					
Tract	Acres	Type of Easement	Date Acquired	Grantor	Location
400E-2	0.00	Access	17-Jul-1959	Northern States Power Company	Portland Ave (entire area included in Tract 406E-2)
404E-6	0.20	Access	18-Sep-1964	Northern States Power Company	Portland Ave
406E-2	0.05	Access	5-Aug-1959	Great Northern Railway Company	Portland Ave
400E-1	1.75	Flowage	17-Jul-1959	Northern States Power Company	Left bank of spillway / south side of water power park
406E-6	0.00	Power Lines	18-May-1964	Great Northern Railway Company	4th Ave North & River St.
406E-5	0.00	Security Fence/Signage	18-May-1964	Great Northern Railway Company	NW end of Upton Island / Right Bank of River
400E-6	0.00	Water & Sewer Lines	29-Feb-1960	Northern States Power Company	Portland Ave
404E-1	0.00	Water & Sewer Lines	25-Jun-1962	Northern States Power Company	Portland Ave (Cataract Tunnel)
404E-2	0.02	Water & Sewer Lines	25-Jun-1962	Northern States Power Company	Portland Ave & 1st Street
404E-3	0.11	Water & Sewer Lines	25-Jun-1962	Northern States Power Company	Portland Ave (Canal)
404E-4	0.00	Water & Sewer Lines	25-Jun-1962	Northern States Power Company	1st St. South (Tunnel)
406E-1	0.05	Water & Sewer Lines	30-Jul-1962	Great Northern Railway Company	Portland Ave (Canal)
407E	0.00	Water & Sewer Lines	30-Jul-1962	Standard Milling Company	Portland Ave (Tunnel)

Total: 2.18

The REMIS Inventory by Hand Receipt lists 7 line items for the Project. A summary inventory report with betterments/components showing each item, along with the structure type, dimension, square footage, condition, and year built, original construction cost and location is below.

Table 6-3. Summary Inventory Report



6.1 Existing Outgrants

REMIS lists 9 outgrants at the project. A summary of these outgrants identifying the type, grantee, description and expiration date is below.

Table 6-4 Summary of Outgrants

Outgrant No.	Type	Grantee	Description	Expiration Date
DACW37-3-24-0019	License	Kraemer LLC	Staging for Equipment and Building Supplies	18-Feb-2027
DACW22-2-78-5027	Easement	Minnesota DOT	Storm Sewer Drain Line (Underground)	15-Jan-2028
DACW37-3-23-0039	License	Hennepin County Sheriff	Mooring of Rescue Boat	31-Mar-2028
DACW-1-37-24-0016	Lease	Owámniyomni Okhódayapi	25-Year Park and Recreation Lease	28-Feb-2049
DACW37-2-04-0095	Easement	Xcel Energy	Electric Transmission Lines	27-Aug-2054
DACW37-2-97-0020	Easement	City of Minneapolis, Park and Recreation	Bike/Pedestrian Path	None
DACW37-2-00-0044	Easement	City of Minneapolis, Park and Recreation	Bike/Pedestrian Path, Fencing and Landscaping	None

6.3 Potential Re-Uses

The potential re-uses are very limited. The narrow shape of the property, liability associated with the locks, and the zoning requirements of the property have a negative effect on a market-based re-use scenario. The lack of commercial traffic in the Mississippi River eliminates income potential from use of the lock system. Additional development of the site for hydropower is counter to the public interest and has encountered significant obstacles. The city of Minneapolis has strongly opposed construction of additional hydropower as being in conflict with their riverfront development plans.

The public, as well as state and local governments are aware of the study and potential for deauthorization and disposition of USAF. Interest has been expressed in the lands surrounding the lock but not the lock itself. Numerous organizations and individuals in the region provided comments during the public scoping process in August 2019. Additional details can be found in Appendix C.

The most reasonable users would be a public agency or a nonprofit organization. A historical society or organization with the intent on preserving the property as part of the overall historical significance would also be a reasonable user. The transferees would undoubtedly consider the high costs and high-risk liability of maintaining the property. They would also consider the amount of public interest or tourism the property could generate as a historic site. The market for the fee simple interest in the property is extremely limited and divestiture via the market could turn into a lengthy and expensive venture.

6.4 Potential Outside Interested Parties

Based on the potential re-use options and known public interest, potential outside interested parties include Xcel Energy, Minneapolis Parks and Recreation, the city of Minneapolis, and Owámniyomni Okhódayapi (a Minnesota nonprofit organization formerly known as Friends of the Falls). It is USACE's understanding that the National Park Service has taken a position that they will not accept the transfer of ownership of USAF to the National Park Service. No other Federal entity has expressed interest in the site.

7 Value of Real Estate Interests Held by the Government

Some appraisal related assignments require quick and sometimes superficial estimates of value, primarily for general planning purposes. Some such estimates might be referred to as rough order-of-magnitude (ROM) estimates or preliminary value estimates. The ROM estimate is not an appraisal, and it is not considered appropriate for anything other than general planning. A ROM estimate was prepared in 2025 by a St. Paul District appraiser for the disposition study. The estimate included a range of possible values based on the estates held by the federal government and the 3 alternative scenarios analyzed for the study: No Action, Partial Disposal and Full Disposal.

7.1 Comparable Sales

Table 7-1. Land Sales Near the Project Site

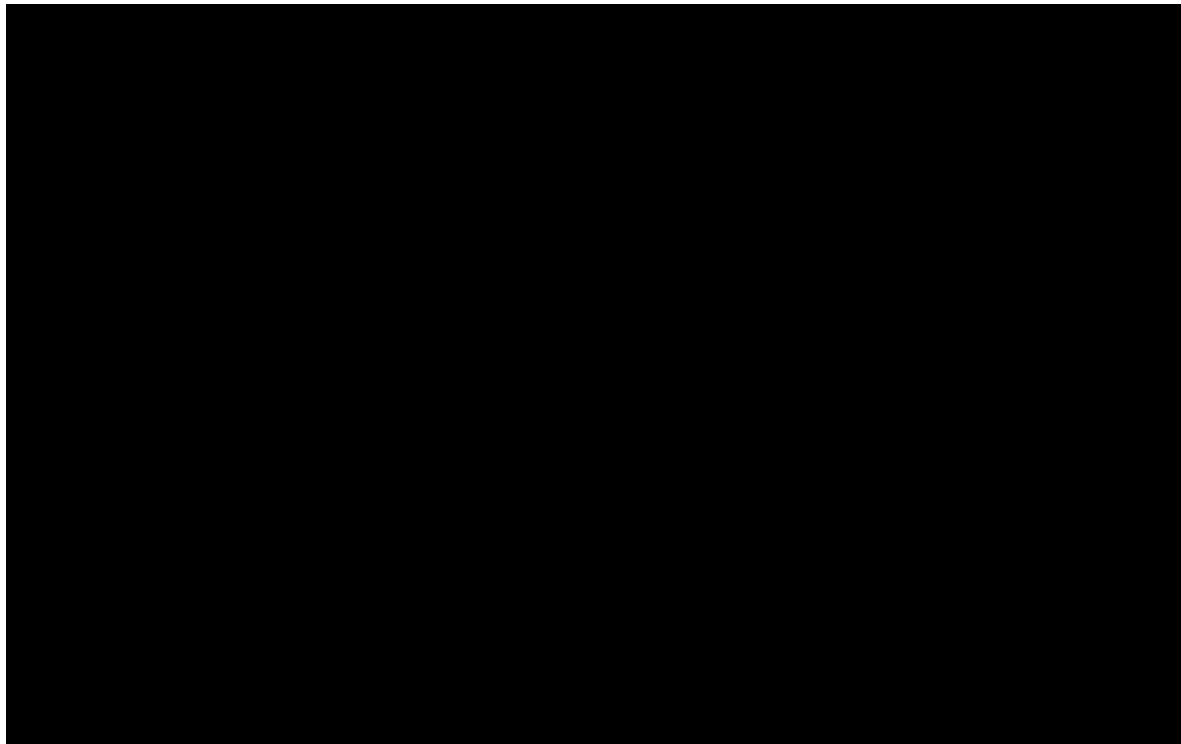
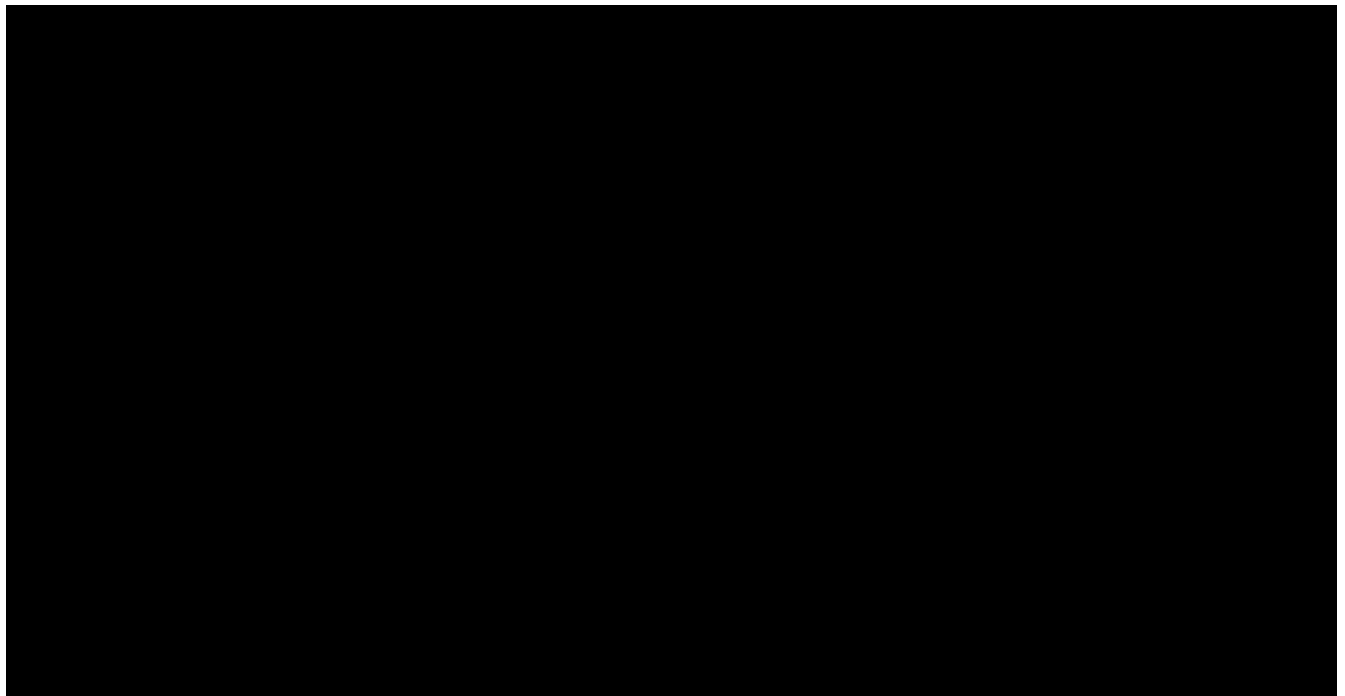
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Figure 7-1. Map of Nearby Land Sales

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[REDACTED]

[REDACTED]

7.2 Average Annual Holding Costs

[REDACTED]

7.3 Concluded Rough Order-of-Magnitude Estimate

[REDACTED]

7.4 Alternatives Analyzed

The disposition study analyzed 3 potential alternatives: No Action, Partial Disposal, and Full Disposal. No Action would see the St. Paul District continue to operate the site as-is. Partial Disposal would include partial deauthorization of federal missions at the site combined with partial disposal of federal properties, while retaining the floodgate operations and the facilities necessary to support these operations. Full Disposal would include deauthorization by Congress of all USACE's federal missions at the site, leading to complete disposal of the federal properties at the site.

8 Disposal Methods

The power to dispose of real estate belonging to the U.S. is vested in Congress (paragraph 2, Section 3, Article IV, Constitution of the United States). No real estate under USACE jurisdiction may be sold or otherwise disposed of without authority of Congress. Special legislative disposal authority and real property disposal authority from the Department of Defense (DOD) and General Services Administration (GSA) provide disposal methods available for the property. As the disposal of all or portions of the project would affect the authorized purposes of the project, Congress would first have to pass an act of Deauthorization before disposal of any of the property could proceed.

If disposal of the fee-owned USAF Lock and associated easement estates plus improvements were authorized, there is potential for 2 likely methods for real estate disposal. The first is disposal by special Congressional legislation. Traditionally, special legislation would name the grantee(s) to whom the project would be conveyed. Sometimes the legislation would provide a timeline for completion and could direct the Department of the Army, St. Paul District, to execute the disposal.

The second method for real estate disposal would be through the traditional GSA disposal process. With this process, a Report and Recommendation of Excess (RROE) is prepared and submitted, along with environmental and cultural resources clearances, through the Mississippi Valley Division to USACE headquarters for approval. When approval of the RROE is received, USACE would screen the property with the DOD for interests. If there is no DOD interest, a SF 118 Report of Excess Real Property would then be prepared and forwarded to the appropriate GSA regional office. GSA would perform the disposal including screening with the U.S. Department of Housing and Urban Development (HUD), and federal, state and local governments. Homeless Screening (McKinney-Vento, Title V) Title V of the McKinney-Vento Homeless Assistance Act requires that suitable federal properties, which are categorized as unutilized, underutilized, excess or surplus, are made available to states, local governments and nonprofit organizations for use to assist the homeless. The program is administered by the GSA and HUD. Title V may be waived for properties determined to be unsuitable. [REDACTED]

[REDACTED]

[REDACTED]

9 Recommendation of Preferred Divestiture Path

Due to the limitations set forth in WRDA 2022, a recommendation to dispose cannot be made until a willing and capable non-federal public entity is identified to assume ownership. At such time an entity is identified, full deauthorization and disposal would be in the federal interest and could be recommended.

The recommended deauthorization and disposal method would be through special legislation by Congress. Upon deauthorization of the project by Congress, the preferred method of transferring ownership of the remaining real property and all associated Government owned improvements would be direct conveyance through the negotiated agreement between the Secretary of the Army and the transferee. Disposing of assets under the direct authority of congressional legislation alleviates the requirement to screen the properties against the needs of state, local and private interests.

It would be recommended for the passage of the title to the identified transferee by quitclaim deed. By this method, the U.S. will not profess that such title is valid, nor contain any warranty or covenants for the title. Any preexisting, valid reservations in the deed may remain in effect after passage of title. The quitclaim provision of the special legislation is important due to the various encumbrances and reservations of adjacent owners that the title report identified on the property. The quitclaim transfer will release the government from encumbrances and reservations as they will transfer with the property to a new owner. The new owner would assume and accept all risk of the property.

As such, the U.S. would not be liable for any title defects beyond what might be required to address the release of hazardous substances under the Comprehensive, Environmental Response, Compensation, and

Liability Act (CERCLA, or Superfund). However, a Phase I environmental assessment was prepared for the disposition study and found there were no observed potential risks for contamination due to recognized environmental conditions on the subject property. Additional details of the environmental assessment can be found in the main report and Appendix E.

Without the enactment of special legislation, there is a strong possibility that no nonfederal transferees are discovered through the standard disposal process and that USACE may have to continue ownership of a nonoperable facility. USACE would remain responsible and accountable for the property, including related personal property and must perform the protection and maintenance of the property. Guidelines for protection and maintenance of excess and surplus real property are provided in the GSA Customer Guide to Real Property Disposal, FMR 102-75.965-980.

If a willing and capable owner is identified, there is a moderate to high level of confidence that a transaction can be consummated if DOD or GSA disposal authorities are approved. However, there is significant risk in identifying a transferee who would be willing to purchase the property or accept the property at no cost, due to the ongoing operation and maintenance costs associated with the care and custody of the property. Including a monetary incentive for the new owner would likely reduce this risk.