

City Manager's



Weekly Update Friday, September 4, 2009

Union Pacific: Getting Union Pacific Railroad to uphold its end of a 2003 agreement is proving difficult.

First, some background. In 2002, the City executed a Memorandum of Understanding with several railroads in which the City would spend \$7.5 million – \$6.5 million coming from Measure K funds – for various railroad improvements. The work was designed to improve pedestrian and motorist safety and assist the railroad in connecting the Central California Traction (CCT) lines on the City's eastern edge with the downtown Union Pacific tracks.

In 2003, the agreement was modified. In return for abandoning some east/west tracks, which would vastly reduce the number of street rail crossings and accomplish safety goals, the City agreed to allow CCT (jointly owned by UP and Burlington Northern Santa Fe) to use the Measure K funds to improve the aging CCT lines between Stockton and Lodi. Part of the modified MOU called for UP to dedicate to the City a portion of the old Kentucky House branch along Victor Road east of Highway 99. A bicycle/pedestrian path would be built on the right-of-way.

Now, not only has UP failed to follow through with that promise, it is accusing the City of taking steps to minimize the value of that unused rail line. A property owner adjacent to the Kentucky House branch recently approached UP to determine the asking price for right-of-way that wasn't included in the MOU. The owner, doing his due diligence, contacted the City to ask what conditions might be placed on a building expansion. The answer was the City would possibly require the same set-back and dedication conditions placed on ADM when it developed its site. With that information, the property owner notified UP that its asking price was too high. Now UP is accusing the City of trying to devalue its property, when all the City did was provide helpful information to a local owner.

We performed our end of the deal in providing CCT with \$6.5 million of local transit funds. Although we have seen the Lodi Avenue tracks paved over and the rail line removed along Lockeford Street west of Highway 99, UP recently told several City representatives it would not fulfill all its obligations outlined in the 2003 modified agreement. The railroad will, however, provide the agreed-upon right-of-way west of Highway 99.

With the General Plan update nearing completion, we expect it will call for improvements along Victor Road consistent with what the City required of ADM. At some point, the required improvements on Victor Road will bring this issue with the railroad to a head.

DeBenedetti Park: A project sign – not to be confused with a dedication sign – will be placed at DeBenedetti Park in the coming weeks. The sign will point out the coming athletic fields are being built with development impact fees.

Strike team: We have four firefighters in Southern California battling the Station Fire, the largest in Los Angeles County history. It is the second deployment for our new CalEMA engine.

Stimulus update: We received more information from the Federal Department of Energy regarding our applications for \$586,000 in Energy Efficiency Block Grant funding. We were asked to make four additional edits to an application submitted June 16 and revised August 24. The DOE told us that with the edits, we'll likely receive the funds for the 10 projects by the end of September. Of course, we were originally told we would have money in hand by the end of July.

In a related matter, we were told to secure yet another number that the Department of Energy uses to identify agencies/recipients. We used a "DUNS" number to receive stimulus funding for transit and police grants, but DOE prefers a different system.

Trench school: The Fire Department is providing a trench rescue class Sept. 16-17 that will be attended by members of several fire agencies in the region. We are developing a reputation as top trench rescue trainers.

Fee revenue: Building permit and inspection fees collected in August were \$60,378, compared to \$76,953 the year earlier. Total fee revenue in the first two months of the fiscal year is \$105,793 compared to \$126,074 in the same period last year.

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