

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-425

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

AUGUST 5, 2002

SUBJECT:

UNION PACIFIC
RAILROAD
COMPANY'S
REQUEST FOR
ABANDONMENT
AND
DISCONTINUANCE
OF OPERATIONS

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JEB E. BREWER, P.E.
CITY ENGINEER

DON TRIPP
PARK &
RECREATION
DIRECTOR

SYNOPSIS -

To authorize the City Manager to file an interim request to the Surface Transportation Board (STB) asking them to authorize a 180-day negotiation period between the Union Pacific Railroad and the City of Des Moines for Interim Trail Use and Public Use under the Federal Rail Banking Statutes. Also, to authorize the City Manager to negotiate with the Union Pacific Railroad for acquisition of said right-of-way.

FISCAL IMPACT -

No filing fee is required to request a negotiation period. There will be approximately \$5,000 in appraisal costs if the negotiation period is approved by the STB. Any purchase for the property would need to be programmed into the Capital Improvements Projects Budget and brought to the City Council for consideration since the purchase price is not currently programmed. The appraisal cost would be funded out of Bike Trails (American Discovery Trail - Grays Lake to Court Avenue), Account 543080, Fund CP040, PKS990000, Project PKS045.

RECOMMENDATION -

Authorize the City Manager to file interim request and negotiate right-of-way acquisition.

BACKGROUND -

On September 5, 2001, the Union Pacific Railroad (UPRR) Company filed request for abandonment and discontinuation of operation with the STB for their rail line from near SE 18th Street through the Bell Avenue Industrial Lead to approximately SW 30th Street. During the abandonment process, interested parties are allowed to propose a plan to the STB and the UPRR for continued rail service along this line.

During this period, the MidAmerican Group filed an Offer of Financial Assistance (OFA) with the STB for a portion of this line. There were a series of negotiations and appeals involving the MidAmerican Group, the UPRR, and the STB. Ultimately, an agreement could not be reached that would allow the rail line to continue operation. Now that all possibilities of maintaining rail service have been explored and found insufficient, the UPRR will be allowed to abandon the line and sell any interest it may hold in the underlying right-of-way to other parties.

The City of Des Moines has three future separate projects in various stages of development that could require the use of this railroad right-of-way being: 1) the American Discovery Trail, which provides a link between Grays Lake and the Downtown River Walk trail system; 2) the future Southwest Connector, which provides access from 63rd Street to Fleur Drive and SW 9th Street and; 3) the extension of West Martin Luther King Jr. Parkway, which would connect to the SE 14th and SE 15th Street intersection.

In addition to these projects, the City currently has a railroad crossing agreement for the Indianola Avenue Connector that must be renegotiated to delete the railroad crossing on Indianola Avenue and obtain an easement to remove the tracks and construct the street across the railroad right-of-way. The UPRR has indicated that it will renegotiate that agreement and the submission of the interim request to the STB will be contingent upon its renegotiation.

Submission of the request to the STB will prevent the UPRR from selling any portion of the now abandoned railroad right-of-way for a period of 180 days allowing the City of Des Moines an opportunity to enter into negotiations with the UPRR. If a favorable agreement can be obtained, the agreement would be brought back to the City Council for consideration. Submitting this request does not obligate the City to purchase the rail right-of-way.
