

Legislation Text

File #: BILL NO. 19-153, **Version:** 1

An Ordinance authorizing the execution of an agreement and consent to joint use of track by and between the City of Lee's Summit, Missouri, IPL USA, Inc. and the Union Pacific Railroad Company. (PWC 6/25/19)

Issue/Request:

An Ordinance authorizing the execution of an agreement and consent to joint use of track by and between the City of Lee's Summit, Missouri, IPL USA, Inc. and the Union Pacific Railroad Company.

Key Issues:

The City owns and maintains two railroad spurs which are used by manufacturing companies for transportation of materials.

Union Pacific (UPRR) notified IPL (Plastics Enterprises) that UPRR is requiring IPL to reduce rail car storage in the nearby UPRR storage lot from 12 rail cars to five rail cars. IPL approached the City about the potential temporary solution to store rail cars on the City owned spur which is currently not being utilized near the IPL facility.

City staff has no objection to the proposed temporary solution to IPL's rail car storage on the City owned spur at this time.

Proposed City Council Motion:

FIRST MOTION: I move for a second reading of an Ordinance authorizing the execution of an agreement and consent to joint use of track by and between the City of Lee's Summit, Missouri, IPL USA, Inc. and the Union Pacific Railroad Company.

SECOND MOTION: I move for adoption of an Ordinance authorizing the execution of an agreement and consent to joint use of track by and between the City of Lee's Summit, Missouri, IPL USA, Inc. and the Union Pacific Railroad Company.

Background:

In the late 1980's and early 1990's, the City constructed two railroad spurs to assist with industrial development and growth in Lee's Summit. The first spur, sometimes referred to as the north spur, was constructed to serve Polyainers located off of North Douglas. The second spur, sometimes referred to as the south spur, was constructed to serve Toys R Us and Plastic Enterprises (now IPL Plastics) located off of Thompson Drive. The City owns the main spur lines and is responsible for all required maintenance.

In a recent communication from Union Pacific (UPRR) to IPL, IPL was notified that UPRR would no longer store 12 rail cars of raw materials in the UPRR yard, and the number of rail cars IPL was allowed within the yard would be limited to five rail cars. City staff was notified by IPL of the new storage requirement and the mandated reduction of storage presents material supply challenges for IPL. An initial meeting was held with

IPL to explore and discuss any possible short-term and long-term solutions. The most satisfactory short-term solution to both parties appears for the City to allow the west branch of the spur to be used for temporary storage of railroad cars. (See Attachment A for a diagram of this option.) This section of track is suitable for this purpose on a short-term basis.

The west branch is not currently in use, but could be utilized in the future by the owners of the former Toys R Us facility or the vacant tract to the north. During an interim period, IPL will be exploring a private expansion of their private railroad spur on their property. Further, the agreement allows for either party to terminate the agreement with 30 days written notice.

Recommendation: Staff recommends approval of an Ordinance authorizing the execution of agreement and consent to joint use of track between the City of Lee's Summit, Missouri, IPL USA, Inc. and Union Pacific Railroad Company.

George Binger, Deputy Director of Public Works/City Engineer

Committee Recommendation: The Public Works Committee voted unanimously 4-0 to recommend to City Council approval of an Ordinance authorizing the execution of an agreement and consent to joint use of track by and between the City of Lee's Summit, Missouri, IPL USA, Inc. and the Union Pacific Railroad Company. (PWC 6/25/19)