

RESOLUTION NO. 1131

A RESOLUTION SUPPORTING CITY OF PRINEVILLE RAILWAY'S GRANT APPLICATION TO OREGON DEPARTMENT OF TRANSPORTATION RAIL

RECITALS:

- A. The City of Prineville Railway (hereinafter "Railway") has applied for a Connect Oregon 3 Grant to construct two 1,000 foot spur tracks at Prineville Junction.
- B. If Railway received a Connect Oregon 3 Grant application the Railway must provide \$531,201 in matching funds.
- C. Oregon Department of Transportation Rail (hereinafter "ODOT Rail") has agreed to provide through a grant, \$377,175 from their Industrial Spur Fund to be used for a portion of Railway's matching funds required by the Connect Oregon 3 Grant. The remaining matching funds are to be provided by Railway supplying switches and other track materials to construct the two 1,000 foot spur tracks.
- D. In order to receive the funds from ODOT Rail the City's governing body must pass a resolution supporting the grant application for ODOT Rail's Industrial Spur Fund.

BASED UPON the above Recitals, the City of Prineville resolves as follows:

- 1. The City of Prineville supports the Railway's grant application to ODOT Rail for the \$377,175 grant from their Industrial Spur Fund to be used for a portion of Railway's matching funds for the Connect Oregon 3 Grant.
- 2. The City Manager and Railway Manager are authorized to execute any documents necessary or convenient concerning the Railway's grant application to ODOT Rail for monies from its Industrial Spur Fund.

Passed by the Council this _____ day of April, 2010.

Signed by the Mayor this ____ day of April, 2010.

Mike Wendel, Mayor

ATTEST:

Steve Forrester, City Manager/Recorder

Prineville City Council Meeting April 13, 2010

Staff Report

Topic: Connect Oregon III Industrial Spur Fund for Matching Funds

*Department – City of Prineville Railway
Staff: Dan Lovelady*

Overview

The City of Prineville Railway has applied for a \$2,124,807.60 Connect Oregon III Grant to construct a bulk trans-load facility on 11 acres of Railway owned property at O'Neil Junction in Redmond, Oregon and to complete some final work at the Prineville Freight Depot. This grant requires a match of \$531,201.90

Our original application was denied because we had used our 11 acres of property as our match, based on the current appraised value. The State determined that property used as a match could only be valued at the original purchase price. Since we acquired the property in 1917 we determined the value at \$10 per acre.

ODOT Rail Division really wanted to see our application move forward as they are very much behind the concept of regional freight hubs as the future of rail service in rural Oregon. They proposed to allow us to apply for an Industrial Spur Track grant to help cover our match.

We were able to come up with 3 switches and a variety of other track material out of materials we have on hand. These materials are valued at \$154,031. We have submitted our application for the Industrial Spur grant for the remaining \$377, 170.90 and have been assured by ODOT Rail that we will be given the grant.

We are requesting the Council pass this resolution to allow us to proceed with the grant application and receiving the Industrial Spur funds if we are selected to receive our Connect Oregon III grant. Grants for Connect Oregon III will be selected in August of 2010.