



STAFF REPORT

MEETING DATE: March 27, 2024

PRESENTER: Jesus A. Gonzalez, City Engineer

SUBJECT: Approval of a reimbursement agreement with San Joaquin Valley Railroad Co., for engineering review services of railroad crossing improvements at Siskiyou Avenue (JG)

RECOMMENDATION: Council by motion adopt the resolution:

1. Approving engineering cost reimbursement agreement with San Joaquin Valley Railroad Co. in the amount of \$44,409.00 and;
2. Authorizing an additional contingency in the amount of \$10,000.00 and;
3. Authorizing the City Manager to sign the reimbursement agreement on behalf of the City.

EXECUTIVE SUMMARY:

On January 13, 2021, City Council approved Tentative Map No. 6293 (TM 6293) for the development of 85 single-family residential lots. The development is located on the east side of Siskiyou Avenue adjacent to the north of Union Pacific Railroad (UPRR). A condition of the development included Engineering Condition No. C.3 for the enhancement of the railroad crossing's safety features (railroad improvements.)") The City and Joseph Crown Construction and Development, Inc. (Developer) agreed to a reimbursement agreement.

Following City Council approval of TM 6293, a reimbursement agreement was entered into between the City and Developer for sharing the costs of the railroad improvements development and construction costs on a 50% / 50% basis. The City and Developer determined the improvements will benefit Tract 6293 and the City and are in the best interest of the Kerman community. As stipulated by the agreement, the Developer is funding its share of the costs and will be reimbursed by the City from the Railroad Crossing Improvement Development Impact Funds as funds become available from future assessments.

The Developer has an on-going permitting process with UPRR and must now also undertake one with San Joaquin Valley Railroad (SJVR) as a lessee of the UPRR tracks. Being that SJVR does not enter into agreements with private entities, and the crossing improvements are to the benefit of the City, the City proposes to execute the agreement with SJVR to allow for the permitting process to begin. Upon the start of the permitting process, the Developer is responsible for meeting SJVR design requirements and payment of received invoices related to the engineering review of the proposed improvements.

FISCAL IMPACT:

The estimated rail improvements costs of \$600,000 will be shared 50% / 50% by the City and Developer pursuant to the Reimbursement Agreement. Thus, the costs for the agreement with

SJVR will be paid pursuant to the agreement between City and Developer. The Developer will advance its share necessary to complete the project. City will fund its portion of this agreement with Rail Road Crossing Improvement Development Impact Funds and will reimburse the Developer its costs, in excess of its \$22,355 development impact fee obligation, as funds become available from current and future assessments.

ATTACHMENTS:

- A. Resolution
- B. Engineering Cost Reimbursement Agreement