



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the Interim City Manager to execute a Public Highway At-Grade Rail Crossing Agreement with Union Pacific Railroad Company for South Milpitas Boulevard rail crossing and signal improvements, and authorize payment to Union Pacific Railroad not to exceed \$750,000 for the cost of the improvements
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	11/19/2019
Staff Contact:	Steve Chan, 408-586-3324
Recommendation:	Approve and authorize the Interim City Manager to execute a Public Highway At-Grade Rail Crossing Agreement with Union Pacific Railroad Company for South Milpitas Boulevard rail crossing and signal improvements and authorize payment to Union Pacific Railroad not to exceed \$750,000 for the cost of the improvements.

Background:

On August 18, 2009, the City Council approved a Cost Sharing and Reimbursement Agreement (“Cost Share Agreement”) between the City of Milpitas, Milpitas Station, LLC, Southside Industrial Park, and SCS Development Company to facilitate construction of public improvement infrastructure within the City's Transit Specific Plan Area (TASP) including new public streets, utility undergrounding, Union Pacific Railroad (UPRR) crossing improvements, and traffic signal improvements at the South Milpitas Boulevard/Garden Street intersection.

A Union Pacific railroad spur crosses South Milpitas Boulevard between Montague Expressway and Garden Street. UPRR completed installation of concrete crossing panels approximately two years ago. It is desired to continue to upgrade and improve this old rail crossing for safety with installation of crossing gates and interconnection with the City's traffic signal at Garden Street and South Milpitas Boulevard. Currently the City's traffic signal is not interconnected with the UPRR crossing, and the signal is set to operate in flash mode for safety, which is not an efficient use of the traffic signal system.

The execution of an agreement (Public Highway At-Grade Rail Crossing Agreement) between the City and UPRR is required for the installation of the rail crossing and traffic signal improvements, which are to be constructed by UPRR crews. The estimated cost of the improvements is \$750,000 including a contingency for Union Pacific locomotive flagging costs, and UPRR has provided and estimated a schedule of 9 months to complete the improvements.

Analysis:

The execution of a Public Highway At-Grade Rail Crossing Agreement with UPRR is required for the installation of the desired crossing improvements and interconnection with the traffic signal system on South Milpitas Boulevard. The agreement will require the City to pay UPRR for the work when construction is complete. City funding for the UPRR work will come from private developer funds deposited with the City.

The Pulte Home Corporation (“Developer”), the successor to Milpitas Station, LLC, has agreed to pay all required costs associated with the rail crossing and traffic signal improvements as identified in the August 18, 2018 Cost Share Agreement. The cost to install the crossing improvements is estimated at \$750,000 with contingency for locomotive flagging. However, the actual cost of the work will be determined by UPRR upon

completion of construction work. Pulte Home Corporation opened a Private Jobs Account (PJ1211) with the City as part of the development process and will deposit funding for the UPRR work with the City.

The UPRR Agreement also requires the City to compensate UPRR \$8,670 annually for UPRR maintenance of the crossing and signal system at this crossing. The annual maintenance cost will increase on an annual basis at a rate based on the America Association of Railroads (AAR) signal unit cost, which is like a construction cost index. Currently, the AAR signal unit cost index amount is 7.7% annually.

To permit completion of the needed rail crossing improvements at South Milpitas Boulevard including activation of the traffic signal at Garden Street, staff recommends the City Council approve and authorize the Interim City Manager to execute the Public Highway At-Grade Rail Crossing Agreement with UPRR, and to authorize payment to Union Pacific Railroad for the cost of the crossing and signal improvement work, estimated not to exceed \$750,000.

Policy Alternative:

Alternative: Do not execute the Public Highway At-Grade Rail Crossing Agreement with UPRR and not proceeding with improvement of the South Milpitas rail crossing.

Pros: None

Cons: The existing signal at South Milpitas Boulevard is not improved, does not have crossing safety gates, and is not coordinated and interconnected with the City's South Milpitas Boulevard traffic signal at Garden Street. The execution of the agreement and payment of associated costs is required to improve the crossing.

Reason not recommended: The improvement of the rail crossing at South Milpitas Boulevard including the coordination and interconnection with the Garden Street traffic signal is desired to improve safety and the crossing and to improve operation of the traffic signal to facilitate the orderly and safe flow of vehicular traffic.

Fiscal Impact:

The Pulte Group, Developer for the Metro residential development project will deposit funding with the City for the completion of the UPRR improvements. Upon completion of construction, the City will compensate UPRR from Developer funding deposited in the developers account, PJ1211. The City would also responsible to compensate UPRR \$8,670 annually for UPRR maintenance of the crossing and signal system. The annual maintenance cost will increase on an annual basis at a rate based on the America Association of Railroads (AAR) signal unit cost, which is currently 7.7% per year. Funding for the UPRR annual maintenance cost will be from the City's General Fund.

California Environmental Quality Act:

The project is exempt under Section 15301 (Existing Facilities) of the CEQA guidelines.

Recommendations:

1. Approve and authorize the Interim City Manager to execute a Public Highway At-Grade Rail Crossing Agreement with Union Pacific Railroad Company for South Milpitas Boulevard rail crossing and signal improvements.
2. Authorize payment to Union Pacific Railroad not to exceed \$750,000 for the cost of the improvements.

Attachments:

- 1) Cost Sharing and Reimbursement Agreement
- 2) UPRR Public Highway At-Grade Rail Crossing Agreement