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RECEIVED ARIZONA CORPORATION COMMISSION

DAVID RADER  
Director, Safety Division

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2007 OCT 18 P 3:46

AZ CORP COMMISSION  
DOCKET CONTROL  
**Staff Memorandum**

To: THE COMMISSION DOCKET NO. RR-03639A-07-0493

From: Safety Division

Date: October 18, 2007

RE: IN THE MATTER OF THE APPLICATION OF THE UNION PACIFIC RAILROAD, TO ABOLISH A PUBLIC CROSSING AT LA PALMA ROAD, IN THE CITY OF ELOY, IN PINAL COUNTY, ARIZONA. DOT#741-710-H

On August 24, 2007, the Union Pacific Railroad, ("Railroad") filed with the Arizona Corporation Commission ("Commission") an application for authority to abolish the public grade crossing at La Palma Road and Union Pacific's tracks in the city of Eloy, Arizona, DOT# 741-710-H, at railroad milepost 934.88.

The City of Eloy has jurisdiction over La Palma Road where it crosses the railroad tracks. The La Palma at-grade crossing was first put into service in 1974. There has been one accident at the crossing, in September of 1975. Commission Railroad Safety and Federal Railroad Administration grade crossing data bases show no injuries or fatalities at this crossing. In Order #48327, dated September 27, 1977, the Commission approved upgrading the warning devices at the crossing to automatic flashing lights and gates.

La Palma Road is a north/south roadway, which is a two lane unmaintained gravel road. The decision to close this at-grade crossing was made jointly between the City of Eloy and National Gypsum Inc., a new company that is building a new facility on the south-west corner of this crossing. Closing of the La Palma public crossing is in the public interest because it will allow National Gypsum, an industry locating to this site in Eloy, to be served by Union Pacific's industry track, while eliminating an unnecessary public at-grade crossing. Alternative routes include a public crossing approximately one mile to the west, Sunshine Road, and to the east approximately four miles, Picacho School Road. LaPalma currently dead ends on the south side of Interstate 10.

Upon receiving approval from the Commission for the closure of the La Palma public road crossing, the roadway approaches will be removed, access to the crossing will be blocked, and the crossing warning devices and crossing

Arizona Corporation Commission  
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OCT 18 2007

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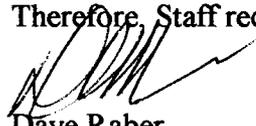
**ARIZONA CORPORATION COMMISSION**

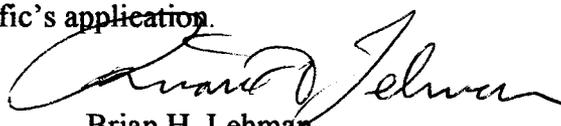
**BRIAN C. MCNEIL**  
Executive Director  
  
**DAVID RABER**  
Director, Safety Division

surface will be removed. The cost for this work will be borne by the Union Pacific and National Gypsum.

It should be noted that the Union Pacific is contributing \$10,000.00 to the City of Eloy in connection with the closing of the La Palma Road at-grade railroad crossing. Attached to this report are letters from the City of Eloy's Town Council requesting action, as well as a letter from Joseph Blanton, the interim City Manager for Eloy, stating there wishes to relinquish that part of La Palma road that meets the railroad tracks, and to close the at-grade crossing.

Having reviewed all applicable data, Staff supports the at-grade crossing closure to La Palma Road as presented by Union Pacific's application. Staff believes that the crossing closure is in the public interest and is reasonable. Therefore, Staff recommends approval of Union Pacific's application.

  
Dave Raber  
Director  
Safety Division

  
Brian H. Lehman  
Railroad Supervisor  
Safety Division

DR: BHL: cbw

Originator: Chris B. Watson



## NOTICE

AN APPLICATION HAS BEEN FILED WITH THE ARIZONA CORPORATION COMMISSION TO CLOSE THIS CROSSING. THE COMMISSION WILL HOLD A HEARING ON THIS MATTER COMMENCING ON DECEMBER 17, 2007, AT 10:00 A.M.,

AT THE COMMISSION'S OFFICES,  
1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA.  
PUBLIC COMMENT WILL BE TAKEN ON THE  
FIRST DAY OF THE HEARING.

PUBLIC CONCERNS CAN BE MADE IN WRITING TO THE  
RAILROAD SAFETY SECTION,  
C/O ARIZONA CORPORATION COMMISSION,  
1200 WEST WASHINGTON STREET,  
PHOENIX, ARIZONA 86007, OR CALL 1-800-222-7000  
OR APPEAR AT THE HEARING AND MAKE COMMENT.

# CONSENT AGENDA

## CITY OF ELOY REQUEST FOR COUNCIL ACTION

Agenda item: IX-D  
Date: 06/11/07

<b>Date submitted:</b> 06/04/07	<b>Action:</b> <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Formal <input type="checkbox"/> Other	<b>Subject:</b> Council authorization to allow staff to initiate the abandonment of that portion of La Palma Road, which crosses the Union Pacific railroad lines.
<b>Date requested:</b> 06/11/07		

**TO:** MAYOR AND CITY COUNCIL

**FROM:** Joe Blanton, Interim City Manager/  
Community Development Director

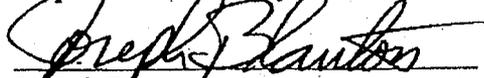
**RECOMMENDATION:** Staff is seeking authorization from the Mayor and City Council to initiate the abandonment of that portion of La Palma Road, which crosses the Union Pacific railroad lines that run along the northern edge of the National Gypsum property. Staff is also recommending that any improvements or modifications required by the Union Pacific Rail Road to render La Palma Road impassible at this crossing shall be at the sole expense of National Gypsum.

**DISCUSSION:** The closure of the La Palma Road Railway Crossing was contemplated in the approved development agreement between New NGC, Inc., and the City of Eloy. Section 1.7 of the development agreement states: "In view of the benefits accruing to the City by reason of NGC's development of the NGC Property, as more particularly described in Recital J of this agreement, the City hereby acknowledges that it supports closure, pursuant to A.R.S. Section 28-7205, of that portion of La Palma Road which crosses the Union Pacific railroad lines which run along the northern edge of the NGC Property. Formal approval of the closure has not yet occurred."

**STAFF FINDINGS:** To initiate the abandonment of that portion of La Palma Road, which crosses the Union Pacific railroad lines that run along the northern edge of the National Gypsum property, a letter to Union Pacific Rail Road from the city (on city letterhead) is required. Staff understands that once the UPRR receives the city's request to relinquish its rights to that portion of public right-of-way for La Palma Road that currently exists across Union Pacific Rail Road right-of-way, then UPRR would handle the abandonment from that point forward.

**FISCAL IMPACT:** There is a monetary benefit offered by UPRR to any municipality that closes an at-grade crossing. The dollar amount is believed to be \$10,000.00.

*Prepared/Reviewed by:*



Joseph Blanton  
Interim City Manager/Community Development Director

*Reviewed as to form:*



Stephen Cooper  
City Attorney



# CITY OF ELOY

ARIZONA

OFFICE OF THE CITY MANAGER

June 21, 2007

James Smith, Manager Industry & Public Projects  
Union Pacific Railroad  
10031 Foothills Boulevard  
Roseville, CA 95747

**RE: Abandonment of the La Palma Road crossing, Eloy, AZ**

Dear Jim:

This letter will serve notice that the City of Eloy, Arizona desires to relinquish its rights to that portion of public right-of-way for La Palma Road that currently exists across Union Pacific Railroad right-of-way in Sections 8 and 9, Township 8 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Attached is an exhibit showing the right-of-way, which was prepared by EPS Group on behalf of the City of Eloy and National Gypsum. Also attached is the Council Action form that was presented to the Mayor and City Council, and approved, authorizing me to initiate the abandonment.

If you should need any additional information, please do not hesitate to contact me.

Sincerely,  
CITY OF ELOY

Joseph Blanton  
Interim City Manager

Enclosures