

Council Meeting of:  
Agenda Item:

January 7, 2008  
11.1 (a)



CITY OF SALEM,  
OREGON  
City Council  
555 Liberty Street SE, Room 220  
Salem, Oregon 97301  
503-588-6159

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### MEMORANDUM

To: City Council  
From: Janet Taylor, Mayor  
Subject: Albany & Eastern Railroad Company

Motion:

I move to approve the attached letter of support for Albany & Eastern Railroad Company to obtain Connect Oregon II grant monies to be used in the rehabilitation of the rail line between Lebanon and Mill City, otherwise known as the Mill City Branch.

Attachment:

Support letter to Connect Oregon II for Albany & Eastern Railroad Company

November 12, 2007

Connect Oregon II  
555 13<sup>th</sup> St. NE Suite 2  
Salem, Oregon 97301-4178

To whom it may concern,

I am submitting this letter as indication of our support for Albany & Eastern Railroad Company in their efforts to obtain Connect Oregon II grant monies to be used in the rehabilitation of the rail line between Lebanon and Mill City, otherwise known as the Mill City Branch. The City of Salem believes safe and efficient rail transportation is vital to our community.

The Mill City Branch cannot continue to handle 286,000 pound gross vehicle weight carloads without significant infrastructure investments. Revenue generating traffic on the line allows for operation and minimal maintenance, but is unable to pay for capital improvements needed to keep the branch viable. Without public assistance this line will end a downward spiral started decades ago in abandonment.

The lines two shippers, Freres Plywood and Shaniko Forest Products recognize the value this transportation option brings to their respective businesses. In an effort to support the line both customers have agreed to pay a per car surcharge of which proceeds go directly to the purchase of new crossties to be used on the branch. This is a significant commitment showing these shippers value their access to mill-direct rail service. Unfortunately, this effort along with that of the A&E is not enough to ensure the long-term viability of the line without additional public assistance.

Rehabilitation of the Mill City Branch will preserve jobs for residents of our city and allow for future employment opportunities.

Respectfully,

Janet Taylor  
Mayor