

AGENDA REQUEST FORM

Return completed form and complete agenda item to the Clerk of the Board
Yakima County Commissioners' Office, Room 232

Prepared by:
Jase Testerman

Department: Yakima County Roads

Requested Agenda Date: 10/11/2022

Presenting: _____

Document Title: _____

Board of County Commissioners Record Assigned
BOCC Agreement

296 - 2022
Yakima County, WA

APPROVED FOR AGENDA:
 Consent Regular
Board of County Commissioners Determined

Toppenish to White Swan Railroad Line Lease Termination Agreement

Action Requested: *Check Applicable Box*

PASS RESOLUTION EXECUTE or AMEND **AGREEMENT** CONTRACT or GRANT
 ISSUE PROCLAMATION PASS ORDINANCE OTHER _____

Describe Fiscal Impact:

N/A

Background Information:


The County and Lessee entered into an agreement on December 21, 2009 for operational control of the County owner rail line for a minimum of ten (10) years and not to exceed fifteen (15) years; and the Lessee has requested in writing to terminate said agreement; and, under section 33 (b) of said agreement early termination is allowed but only by an instrument in writing executed by both parties

Summary & Recommendation:

The County has reviewed the termination request and justifications submitted by the Lessee and agrees to early termination of the lease agreement

Motion:

Department Head/ Elected Official



Signature

AGREEMENT Attached Is Approved as to Form
Corporate Counsel Initial



Late Agenda Requests Require BOCC Chairman Signature:

TOPPENISH TO WHITE SWAN RAILROAD LINE
LEASE TERMINATION AGREEMENT

THIS lease termination made between the Yakima County Roads department (hereinafter referred to as "County") and YCR Corporation also known as Frontier Rail and or Columbia Rail (hereinafter referred to as "Lessee") WITNESSES THAT:

WHEREAS, The Board of Yakima County Commissioners deem it in the best interest of the County that rail service on the railroad corridor between Toppenish and White Swan be preserved for the economic benefits to the citizens of the County; and

WHEREAS, The County and Lessee entered into an agreement on December 21, 2009 for operational control of the County owner rail line for a minimum of ten (10) years and not to exceed fifteen (15) years; and

WHEREAS, The Lessee has requested in writing to terminate said agreement; and,

WHEREAS, under section 33 (b) of said agreement early termination is allowed but only by an instrument in writing executed by both parties; and

WHEREAS, The County has reviewed the termination request and justifications submitted by the Lessee and agrees to early termination of the lease agreement:

NOW, THEREFORE, the parties agree as follows:

1. Lease will be terminated on the 21st of December 2022
2. Lessee will have 60 days from aforementioned termination date to quit and deliver said railroad in compliance with section 29 of the lease agreement
3. Early contract termination will not be viewed as default and Lessee will be considered "in good standing" and eligible for future lease options.

IN WITNESS WHEREOF, the County and the Lessee have executed this lease termination agreement as of the date and year last written below.

Agreement Number

BOCC Agreement

296 - 2022

Yakima County, WA

BOARD OF COUNTY COMMISSIONERS

Amanda McKinney, Chair

LaDon Linde, Commissioner

Ron Anderson, Commissioner

DATED: OCT 11 2022

Attest:

Julie Lawrence, Clerk of the Board
Erin Franklin, Deputy Clerk of the Board

Approved as to Form:



Deputy Prosecuting Attorney

September 15, 2022

Paul Didelius, President
YCR Corp. (d.b.a. Yakima Central RR)
709 N. 10th Ave.
Walla Walla, WA 99362

Yakima County Public Works –

Regarding: YCR / Yakima County railroad lease

I am writing at this time to request County investigate and arrange for an early termination of lease of its railroad line to YCR, subject to a maintained sense of the good standing of YCR Corp. – in particular with regards to YCR (or affiliate) consideration for a new lease which County would issue per County or other requirements on RR lease offering. The particular circumstances that raise this situation are as follows:

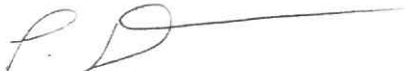
- There is only two years remaining on YCR lease;
- The rail line is relatively low on patronage, but relatively high on capital needs. The necessary acquisition and retaining of new customers associates to rate and other commitments of longer duration than we can currently legally provide;
- Currently Pacific Propane Northwest has been making investments of several hundred thousand per year at Branch / Ashue Roads, both upon its own privately owned property fronting the railroad, and upon County railroad ground (which per their investment stability needs to be properly leased to PPNW for approximately 10 years);
- PPNW has shipped nearly 300 cars to this site since August, 2021, and has recently expanded the side track here from approximately 750' to approximately 2200' to support its growth in shipping to this location;
- This current particular hinderance to YCR (to properly lease that property necessary to PPNW at this location) is economically harmful both to YCR Corp. and to Pacific Propane Northwest, and to the general operation / stability of the County railroad.

I appreciate your review of this request and feedback on the matter.

Also: if County elects to accept this suggestion and early-terminate lease / re-bid the railroad to the rail operator market – having operated and maintained the County line now for nearly 13 years, YCR can supply County with various suggestions as to adjusted items in the lease, which items would be both attractive to the operator market and support stronger ongoing investment / stability to the County rail line.

I will look forward to hearing back on this.

Thank you,



President / YCR Corp.