JOE WARDY
MAYOR

CITY COUNCIL

SUSAN AUSTIN
DISTRICT NO. 1

ROBERT A. CUSHING, JR.
DISTRICT NO. 2

JOSE ALEXANDRO LOZANO
DISTRICT NO. 3

JOHN F. COOK
DISTRICT NO. 4

DANIEL S. POWER
DISTRICT NO. 5

PAUL J. ESCOBAR
DISTRICT NO. 6

VIVIAN ROJAS
DISTRICT NO. 7

ANTHONY W. COBOS
DISTRICT NO. 8

SPECIAL CITY COUNCIL MEETING
COUNCIL CHAMBERS
SEPTEMBER 8, 2003
9:00 A.M.

The City Council met at the above place and date at approximately 10:21 a.m. Mayor Pro Tem Anthony W. Cobos present and presiding and the following Council Members answered roll call: Susan Austin, Robert A. Cushing, Jr., Jose Alexandro Lozano, John F. Cook, Daniel S. Power, and Vivian Rojas. Absent: Mayor Joe Wardy and Paul J. Escobar.

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## AGENDA

1. Discussion and action on the presentation of the preliminary report findings by Moffatt & Nichol Engineers regarding the project feasibility and implementation plan for the El Paso Regional Intermodal Rail Project; and Discussion and Action on next steps of the project.
[Building & Planning Services, Patricia D. Adauto, (915) 541-4193]

Ms. Patricia Adauto, Deputy CAO for Building and Planning Services, introduced Duane Kenagy, P.E., who presented a PowerPoint overview of the Moffat & Nichol Engineers preliminary report findings, entitled "Council Briefing El Paso Regional Rail Project, August 26, 2003" (on file in the City Clerk's Office), along with the Interim Draft Project Feasibility & Development Report.

Representative Cook questioned Mr. Kenagy about the Northeast Corridor Project and the likelihood of securing federal funding. He questioned Mr. Kenagy about the City's competition for this funding from other governmental entities across the country. Representative Cook asked him to identify prospective partners for a City of El Paso/private industry partnership for this project.

Representative Cushing questioned Mr. Kenagy about the equipment and railway capacity of the railroads, such as Union Pacific, and how it would be affected by this project. He questioned Mr. Kenagy about Burlington Northern's route to Belen, New Mexico, and capacity on this route. Representative Cushing questioned Mr. Kenagy about land-bridge traffic routed through El Paso, Alliance Texas and the Alfalfa Yard. He questioned Mr. Kenagy about the Airport Intermodal Facility, what access Burlington Northern would have to that, and what business would go to the airport site. He questioned him about the Santa Teresa crossing and how it would affect taxes in El Paso.

Mr. Bill Chapman, Deputy Chief Administrative Officer for Financial and Administrative Services, explained that there was no sales tax revenue on the railroads that he is aware of, but that there would be an effect on property taxes.

Representative Cushing asked Mr. Kenagy about how a Santa Teresa crossing would affect railway jobs in El Paso, about the floodplain the trains would have to cross to get to Santa Teresa, and about port development in Mexico. He asked if consideration had been given to the idea that the railroads were exploring to bypass El Paso altogether with some of their routes. He asked about the number of meetings that have occurred among various parties to discuss similar railroad projects over the years, prior to the discussions on this project, and if any of those meetings had included the Mexican railroads. He inquired about the Laredo gateway versus the El Paso gateway and the commodities carried on each. He asked about specifics of the relocation of the Dallas yard tracks. Representative Cushing asked about any remediation and environmental studies done on the Chamizal and Santa Fe Yards.

Representative Austin asked about the project elements and asked for clarification about how a railroad would get to the new airport site and what new railway construction would be required. She asked Mr. Kenagy to identify what the three elements of the project: 1. airport facility; 2. Santa Teresa crossing; and 3. relocation of tracks out of the Dallas yard, and how a narrowing of the project's scope would affect the request for federal funding. She had numerous questions about federal funding and matching funds and about the underlying rationale for engaging in each of the three elements of the project. She asked about the involvement of the Mexican railroads. She questioned whether or not the airport and the Santa Teresa crossing could be identified as economic development issues and whether or not the Dallas yard tracks could be identified as a quality of life issue/economic development issue.

Mayor Pro Tem Cobos asked when the final study would be ready.

Ms. Adauto responded that about $580,000 has been expended of the $900,000 budgeted for this study.

Mayor Pro Tem Cobos asked Mr. Chapman about the sources of the funding.

Mr. Patrick Abeln, Director of Aviation, explained what portion of the funding came from airport funds.

Mayor Pro Tem Cobos asked Mr. Kenagy about the costs of moving the Dallas yard tracks, noting that $35 million looked like a low estimate for this element of the project. He asked Mr. Kenagy about the trains coming in from Juarez, Mexico now and about the Santa Teresa crossing. He asked Ms. Adauto about the status of our funding request in Washington, D.C.

Ms. Adauto explained that the Moffat and Nichols contract expired October 1, 2003, and she explained the expenditures through the company's 7th invoice. She asked for guidance from Council on how to proceed with the Moffat and Nichols contract. She explained that if the contact were cancelled any further lobbying efforts by Mr. Sante Esposito in Washington, D. C. would also cease.

Mr. Chapman explained about the lobbying efforts made here-to-date under the Moffat and Nichols contract.

Mayor Pro Tem Cobos made a motion to suspend work under the Moffat and Nichols contract pending further advice from staff. Representative Cushing seconded.

Representative Austin expressed concerns regarding the City appearing ill prepared in Washington.

Ms. Adauto requested that the Council Members amend the motion to suspend the engineering work but not the advocacy work done by Mr. Sante Esposito on the contract. She emphasized that the next two weeks were crucial for federal funding efforts.

Representative Cook asked Ms. Adauto if the action before Council right now might jeopardize the City's federal funding request.

Mayor Pro Tem Cobos questioned whether or not Ms. Adauto was qualified to respond to that question.

Ms. Adauto replied to Representative Cook's question that any mixed message may affect the funding request because other communities are competing for these funds.

Representative Cook asked that the Council take no action today to give Moffatt and Nichols time to meet with the Metropolitan Planning Organization.

Representative Cushing withdrew his second to the motion.

Mayor Pro Tem Cobos asked staff to put an item on the City Council agenda in two weeks outlining the City's options for this project.

Ms. Adauto stressed to Council that the Moffatt and Nichol contract expired on October 1, 2003.

Mr. Kenagy explained that lobbying efforts run about $22,000 per month and he stated that he's given the City his billing rate tables for engineering work.

Motion made by Representative Austin, seconded by Representative Cook and unanimously carried to proceed to a final report based on the recommendation presented today.

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**2.** Presentation regarding procedures to address unsafe structures and housing compliance.
[Building & Planning Services, Patricia D. Adauto, (915) 541-4193]

Motion made by Representative Cushing, seconded by Representative Lozano and unanimously carried to delete the presentation regarding procedures to address unsafe structures and housing compliance.

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**3.** Discussion on any items posted on the City Council Agenda for September 9, 2003.

Item 3 was discussed earlier during the Legislative Review Committee of the Whole meeting.

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Representative Power left the Special City Council meeting at approximately 11:40 a.m.
Representative Lozano left the Special City Council meeting at approximately 11:50 a.m.

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Motion made by Representative Cook, seconded by Representative Cushing and unanimously carried to adjourn this meeting at 12:26 p.m.

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APPROVED AS TO CONTENT: APPROVED AS TO FORM:

Richarda Duffy Momsen, City Clerk

Lisa A. Elizondo, City Attorney