



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Public Works Council Committee

Tuesday, April 5, 2022

5:00 PM

Municipal Center, 300 S. Church

1. Call To Order

2. Roll Call by City Clerk April Leggett

Mayor Harold Copenhaver was in attendance

Present 6 - Mitch Johnson; John Street; Chris Moore; Charles Coleman; LJ Bryant and Ann Williams

3. Approval of minutes

[MIN-22:019](#)

Minutes for the Public Works Committee meeting on March 1, 2022

Attachments: [Minutes](#)

A motion was made by Councilperson Chris Moore, seconded by Councilperson Ann Williams, that this matter be Passed . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson; Chris Moore; Charles Coleman; LJ Bryant and Ann Williams

4. New Business

ORDINANCES TO BE INTRODUCED

[ORD-22:014](#)

AN ORDINANCE TO THE CITY OF JONESBORO TO PLACE VARIOUS TRAFFIC SIGNS AT DESIGNATED LOCATIONS AS DETERMINED BY THE TRAFFIC CONTROL COMMITTEE

Sponsors: Engineering

A motion was made by Councilperson LJ Bryant, seconded by Councilperson Chris Moore, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson; Chris Moore; Charles Coleman; LJ Bryant and Ann Williams

RESOLUTIONS TO BE INTRODUCED

[RES-22:051](#)

A RESOLUTION TO THE CITY COUNCIL OF JONESBORO, ARKANSAS AUTHORIZING THE OFFER AND ACCEPTANCE TO PURCHASE ADDITIONAL RIGHT-OF-WAY AT 902 CREATH AVENUE FOR THE PURPOSE OF THE

CONSTRUCTING AND MAINTAINING ROADWAY IMPROVEMENTS

Sponsors: Engineering

Attachments: [Offer and Acceptance - 902 Creath Avenue](#)

A motion was made by Councilperson Mitch Johnson, seconded by Councilperson Chris Moore, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson;Chris Moore;Charles Coleman;LJ Bryant and Ann Williams

[RES-22:056](#)

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO A SECOND AMENDMENT TO INDUSTRIAL TRACK AGREEMENT

Sponsors: Engineering

Attachments: [RES-22-056](#)
[RES-22-056 Attachment showing differences in Drawing numbers and dates Exhibit A - ITA - City of Jonesboro - Jonesboro \(Nettleton\), AR - \(82979\) Rev.](#)

Chairman John Street said, "Craig, would you mind to step up and explain this briefly?" Engineering Department Director Craig Light approached the podium, "We need to amend our agreement with BNSF for industrial rail track since we've added the rail yard, also Delta Peanut has added some additional track. BNSF wasn't authorized to operate on those tracks so this amendment gives them that authorization to go into the rail yard area and to use that additional track by Delta Peanut."

A motion was made by Councilperson Chris Moore, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson;Chris Moore;Charles Coleman;LJ Bryant and Ann Williams

[RES-22:057](#)

A RESOLUTION TO THE CITY COUNCIL OF JONESBORO, ARKANSAS AUTHORIZING THE OFFER AND ACCEPTANCE TO PURCHASE ADDITIONAL RIGHT-OF-WAY AT 1003 CREATH AVENUE FOR THE PURPOSE OF THE CONSTRUCTING AND MAINTAINING ROADWAY IMPROVEMENTS

Sponsors: Engineering

Attachments: [Offer and Acceptance - 1003 Creath Avenue](#)

A motion was made by Councilperson Mitch Johnson, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson;Chris Moore;Charles Coleman;LJ Bryant and Ann Williams

[RES-22:065](#)

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AN AGREEMENT WITH MEADOWS CONTRACTORS, LLC. FOR THE CRAIGHEAD TECHNOLOGY PARK INDUSTRIAL RAIL YARD EXPANSION PROJECT - SECTION I SUBGRADE WORK (2022:10)

Sponsors: Engineering

Attachments: [Certified Bid Tab](#)
 [Contract - CTP Rail Yard Expansion - Section I](#)

Chairman John Street said, "If you look at the tab, Meadows was at \$315,965.00. There were eight bids, one was rejected, but they went from \$315,965.00 with Meadows the one awarded to a high of \$608,287.50 by Polivka International. That's a pretty good difference between the bids." Councilmember Chris Moore said, "Craig is that part of where they're going to construct an access out there, where we've talked about once before, they were going to have some kind of culvert? What exactly is Meadows doing out there?" Engineering Department Director Craig Light approached the podium, "This contract is to add additional dirt work for four additional tracks that will go adjacent to the two double ended tracks that we've constructed under a previous contract. Richard Baughn was the dirt work contractor on the previous contract and Trac-Work was the rail contractor for the rail placement. We done dirt work for those original tracks and that original sighting and this is a second grant that we received to add four additional sightings." Councilmember Chris Moore said, "Are they going to construct the rail bed?" Craig said, "Yes, and this is just west of Nestle Road, the location of the rail yard."

A motion was made by Councilperson Chris Moore, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson;Chris Moore;Charles Coleman;LJ Bryant and Ann Williams

[RES-22:066](#)

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AN AGREEMENT WITH TRAC-WORK, INC. FOR THE CRAIGHEAD TECHNOLOGY PARK INDUSTRIAL RAIL YARD EXPANSION PROJECT - SECTION II TRACK CONSTRUCTION (2022:10)

Sponsors: Engineering

Attachments: [Certified Bid Tab 2](#)
 [Contract - CTP Rail Yard Expansion - Section II](#)

Chairman John Street said, "Their low bid was \$1,493,687.20 for section two, their deductive alternate was \$200,090.76 for a total of \$1,693,777.96. The high bid was American Services \$2,153,325.50 with a \$230,000.00 deductive alternate for a total of \$2,383,325.50. Again, a pretty good range of bids on that. This is for the track construction." Councilmember Chris Moore said, "This will be the track for the rail bed that we just approved?" Engineering Department Director Craig Light approached the podium, "Yes that is correct. The BNSF agreement covers this new track so we don't have to come back in six months and do a new amendment. We went ahead and added that into their agreement to allow operations on these new tracks." Councilmember Chris Moore said, "Is that the resolution that's coming next?" Craig said, "That was the resolution that was before this, with BNSF. This last agreement that is coming up is with Patriot Rail."

A motion was made by Councilperson Chris Moore, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson;Chris Moore;Charles Coleman;LJ Bryant and Ann Williams

[RES-22:067](#)

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO A RAILROAD LICENSE AND OPERATING AGREEMENT WITH NEW PATRIOT ENTITY, LLC. (NPE)

Sponsors: Engineering

Attachments: [Jonesboro - NPE Draft Railroad License and Operating Agreement - 11-17-2 Railraod Licensing Agreement](#)

Mayor Harold Copenhaver said, "Mr. Chair, if it's alright I want to make a few comments. The reason this is being brought forward, through the process over the last eight to nine months, Craig and the Chamber of Commerce, Mark Young is here as well, it has been documented the expense that the city incurs from rail. Honestly, that is not our specialty. Our fees are \$150,000.00 a year and then any breakage that occurs on that as well and man power, we're looking at an additional \$50,000.00 on that. So what could we do to provide additional service, optional services, for all of our industrial partners in the Industrial Park? In this, we are bringing forward to you tonight, Patriot Rail, they have done in-depth analysis with all of our industrial partners, many of which said they would be here at City Council meeting if this were to move forward, in their support of this. This provides them options. They don't have to choose but what it also does is eliminate some of the exposure from the city on a financial way and a liability way. Patriot Rail is here this evening and they are going to make a short presentation and please ask any questions that you might have. We have gone through it thoroughly with the Chamber as well. Mark is here and he can contest to that."

James Kornas, Vice President of Commercial Development, Mergers and Acquisitions at Patriot Rail, headquarters located out of Jacksonville Florida approached the podium, "We have several short line railroads across the United States where we do a similar function to what we're offering here. I just want to walk you through a short set of bullets that outline the key points of the proposal. What we're offering at Patriot Rail for the users are really tailored to users' choice for each rail user. It focuses on safety, consistency, frequency and commitment to growth. Right now with the BNSF, rail users' within the park are receiving one and two day service. With Patriot Rail, we're offering those same rail users' five day a week service, could be nights and it could be days. I think there are a couple key items that need to be mentioned in terms of our proposal overall, Mayor Copenhaver touched on a few of them. The savings to the city, I think is important, if you noted Mayor Copenhaver mentioned the \$150,000.00 in material expense over a year. We at Patriot Rail are offering to absorb that expense and handle all the rail maintenance that's needed to be done on a yearly bases inside the park, also there's a labor component, the city uses its own resources for the repairs within the park, we're offering to use our own maintenance personnel to handle that. I think it's important to emphasize that we will prorate these savings based on rail users that choose Patriot Rail over BNSF, so we will look at car volume as a whole. There are seven rail users at the park currently, if you think about 10,000 rail cars, if BNSF handles 5,000 and Patriot Rail handles 5,000, that's a 50/50 split of expenses. In addition to that we are going to tie a service commitment to this proposal, whereas, we're going to have a strategic rail plan for each rail user in the park and failure to meet the obligations that are outlined within that proposal the contract can be terminated. I want to take a moment and talk about commitment to partnership because that's what we believe a partnership needs to look like with the City of Jonesboro. We're offering a 5% revenue share with the City of Jonesboro in the initial 10 year contract. That escalates half a percent year after year for years 11-14, it then caps at 7.5% and remains flat in years 15-20. What the idea here is, the funds that would be driven off the revenue from the park can go into a fund that could help with organic and inorganic rail growth there and bring new users inside the park. The last piece that I think is important when talking about partnerships, we've got a vested interest with the city to grow. One option that we think is going to be very

useful for growth is utilizing our resources from a personnel standpoint to attract state and federal grants that can be partnered with the city to help ensure that there's additional rail opportunities for new and existing rail users."

Councilmember Chris Moore said, "I have a question for Carol because I'm a simple person. Are we basically talking about giving exclusive use of our property and right-of-way in exchange for a 5% agreement? Will he have exclusive rights to the rail yard?" Mayor Harold Copenhaver said, "BNSF will also have the same rights. Basically it is competitiveness on this and should the users choose then the budgetary end to that, our \$150,000.00 would go down. It's the choice of the industry. We're not taking anything away." Councilmember Chris Moore said, "So basically another rail company could come and make an offer to the city and not infringe upon this agreement?" Mayor Harold Copenhaver said, "No, we had multiple companies that we evaluated before this offer." Engineering Department Director Craig Light approached the podium, "We looked at a couple different options and one that we met with was a group out of Missouri, they weren't really looking at partnering with us. We've got some expansion ideas for the Industrial Park for the future and we felt like the Patriot Rail was going to be really good partners for that future growth. In that agreement, it's not an operational rights on the track, Patriot will be the coordinator of the facility. They will be the operator of record so BNSF will have to adjust their schedule to coordinate with Patriot when they're out there. Right now the operator of the facility is the City of Jonesboro and you wouldn't believe how many calls we get. It's becoming a full time job operating the rail facility." Councilmember Chris Moore said, "I just wanted to make sure we weren't backing our industries into one shot and they would at least have another option." Craig said, "Right now it's either going to be use Patriot or BNSF. If things with Patriot didn't work out we could look at another entity." City Attorney Carol Duncan said, "Am I correct, currently all they have is BNSF?" Mayor Copenhaver said, "That is correct. This gives them another option."

Mark Young with the Chamber of Commerce approached the podium, "I think this adds an opportunity for us and adds a service provider. I think long term, one of the things that Craig and the Mayor and I have talked about too is liability factor for the city, the continued cost increase of maintenance and the opportunity to partner with someone that is a full time railroad entity. I think this is an opportunity for us looking forward to grow the opportunities for our industries."

A motion was made by Councilperson Mitch Johnson, seconded by Councilperson LJ Bryant, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson;Chris Moore;Charles Coleman;LJ Bryant and Ann Williams

5. Pending Items

6. Other Business

7. Public Comments

8. Adjournment

A motion was made by Councilperson Mitch Johnson, seconded by Councilperson LJ Bryant, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 5 - Mitch Johnson;Chris Moore;Charles Coleman;LJ Bryant and Ann Williams