

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36932

**CHANNEL PACIFIC RAILROAD — OPERATION EXEMPTION —
IN WEST SACRAMENTO, YOLO COUNTY, CAL. —**

**PETITION OF THE CITY OF WEST SACRAMENTO AND THE PORT OF
SACRAMENTO TO REJECT OR REVOKE EXEMPTION**

(includes color images)

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Dated: July 31, 2026

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CHANNEL PACIFIC RAILROAD — OPERATION EXEMPTION —IN WEST
SACRAMENTO, YOLO COUNTY, CAL.
PETITION OF THE CITY OF WEST SACRAMENTO AND THE PORT OF
SACRAMENTO TO REVOKE EXEMPTION PURSUANT TO 49 U.S.C. § 10502(d) or
DECLARE EXEMPTION VOID AB INITIO PURSUANT TO 49 CFR § 1150.42 (c).

I. Summary of Petition.

The City of West Sacramento, California and the Sacramento-Yolo Port District (collectively these Sacramento area government entities are hereafter referred to as the “SGEs”)¹ file this Petition to request that the Board revoke its June 10, 2026 exemption and waiver decision based on the insufficient, inaccurate or incomplete notice of exemption that was filed by an entity called “Channel Pacific Railroad” (“Channel Pacific” or “CHPR”) on May 12, 2026. Alternatively, the SGE request that the Board find the exemption “void ab initio” under 49 CFR § 1150.42 (c).

As discussed below, the corporate owners and affiliates of Channel Pacific had been engaged with the SGE in an almost year’s long effort to have this asphalt transfer and storage

¹ The Sacramento-Yolo Port District ("Port" or "Port of West Sacramento") is a California River Port District, a special district (independent from the City of West Sacramento) which owns and operates port facilities on the Sacramento River in Yolo County, California. The City of West Sacramento ("City") is a California General Law city located in Yolo County California. The City and the Port have an interest in a vibrant multi modal transportation infrastructure that includes rail. Both entities believe, however, that landowners should not be able to improperly designate themselves as a “railroad” or that such improper designations should be misused as a way around important state and local authority. The property in question is located in the middle of the City, and the City is especially concerned that activities on the property such as the storage, heating, transfer, and transportation (including transportation by truck and maritime) be conducted in compliance with laws that are intended to protect the City's residents. Both entities are also concerned that these activities are undertaken in a way that protects adjacent waterways, which feed into the Sacramento Delta and navigable waters of the United States.

facility permitted under various state and local laws. A key aspect of the transaction involves the repurposing of large chemical storage tanks for the storage of asphaltic oils and the construction of pipelines to those 20,000 gallon storage tanks. As recently as April 13, 2026 the representatives of Channel Pacific's corporate owners, Greencycle Inc. ("Greencycle") and its corporate parent, Teichert Inc., were still engaged in detailed discussions with the SGEs towards meeting those state and local legal requirements regarding the property. On May 11, 2026 those same representatives changed tact and advised that Channel Pacific would use the two less than 1,000 foot segments of existing rail infrastructure from a former rail shipper along with a 250 foot connector track to operate a "railroad". As discussed below, the so-called "railroad" does not and cannot access the public or other third parties and serves only the industrial site the spurs are located on. In light of accurate and complete facts it is clear that the expedited push for an exemption decision over this so-called "railroad", the longest segment of which is a mere 985 feet in length, is a conspicuous attempt to brandish federal preemption and this Board's authority so as to avoid those same state and local laws or gain leverage in negotiations with the SGEs.

Greencycle owns the 23 acre property in question including the spur tracks, a maritime dock located on property owned by the Sacramento-Yolo Port District which is leased to Greencycle, three (3) 20,000 foot storage containers and a loading bay adjacent to the storage containers (but not adjacent to the rail spur). The May 12th Notice of Exemption (hereafter the Notice of Exemption may be referred to as "NOE") contained many incomplete or inaccurate statements which appear to have been intended to mask the full scope of the owners' activities. When the NOE claimed that Channel Pacific would be a 2,132 foot "common carrier" (the longest segment of which is 985 feet in length), the Board was not made aware of ongoing efforts of Channel Pacific's corporate parents, Greencycle and Teichert, related to the permitting of storage

tanks, air quality regulations, protection of navigable water of the United States, or land use and the NOE generically referred to such storage tank infrastructure, which was considerably removed from and not connected to the rail spurs, as part of a then non-existent “rail terminal complex”.² The Board was not made aware of the fact that this so-called “common carrier” activity would be a behind the gate operation pursuant to an industrial track lease with Union Pacific that, in every way other than this Board’s decision looks like a typical rail shipper or receiver with some loading tracks. Nor was the Board made aware of the fact that Channel Pacific’s corporate affiliates are also seeking a 28 year lease from the Sacramento-Yolo Port District to have ships utilize this facility for the offloading and storage of asphalt that, presumably, would be combined with any asphaltic oil from rail cars and would be used in large part in the operations of Channel Pacific’s corporate parent, Teichert Inc., who is a large construction and road builder. Nor was the Board made aware of the fact that the estimated \$5 million in revenues attributed to Channel Pacific in the NOE would not be from performing common carrier transportation but rather, most of those revenues would be from the sale and delivery of asphaltic oils via truck out of the storage tanks via a loading rack that is at a considerable distance (approximately 350”) from the rail spurs (See attached as Ex. A). Thus, it appears to the SGEs that the reason for the 11th hour creation of the Channel Pacific and the reason for having Channel Pacific conduct its transload operations is to take advantage of the preemptive authority of the Board’s jurisdiction under 49 USC § 10501 and avoid certain state and local land use regulations.

The SGE and its undersigned counsel are aware that the Board and its staff are extremely busy and that by the time Board staff see this Petition, they will be absorbed in a mountain of

² As shown below, this so-called “rail terminal complex” is, in reality, merely private track for a property that used to be rail served. The Channel Pacific’s owner/ affiliates Greencycle and Teichert had previously engaged in legal posturing as to whether this long unused rail infrastructure was still operational. See letter from Matthew Keasling dated August 25, 2025 attached as Ex. B.

supplemental evidence in a particularly significant “unprecedented” merger transaction. However, for the Channel Pacific and its corporate affiliate to take 2,132 linear feet of industrial private track, the longest segment of which is 985 linear feet, and call itself a common carrier by rail with only the fig leaf of this Board’s exemption as a disguise would also be unprecedented. To use that same fig leaf to as both a sword and a shield of federal preemption under the Interstate Commerce Commission Termination Act is not only unprecedented, but it is also a misuse of federal preemption and a violation of state sovereignty and principles of federalism.

II. Procedural Status and Legal Basis for this Petition

On May 12, 2026, Channel Pacific, a non-carrier, filed a verified notice of exemption (“NOE”) under 49 C.F.R. § 1150.31 to operate a rail line located within a “terminal facility” in West Sacramento, Yolo County, Cal. Its rail line merely consists of two spur tracks that begin at a point of connection with a rail line owned by Union Pacific Railroad Company (UP) at the northern boundary of the Facility, immediately south of Channel Drive, and extend southward to ending points immediately north of the Sacramento River Deep Water Ship Channel for a combined total of approximately 2,132 linear feet of track. According to the maps accompanying the notice of exemption, the longest track segment of this operation would be 985 feet. See attached as Ex. C. The Notice of Exemption made vague references to a “rail terminal complex” and states that Channel Pacific would provide “associated commodity handling and transloading services within the terminal complex owned by Greencycle” (NOE at pg 2). But that notice did not mention that one of the primary activities at the site would be transfer of petroleum product from ships to storage tanks or that its so-called railroad would operate the loading of asphaltic oil, including any product from ships, from those storage tanks to trucks. The NOE did not mention that only Greencycle would have physical access to the rail lines or that the “rail terminal complex” consisted of one shipper entity, the Channel Pacific’s parent company, Greencycle. The notice of

exemption also failed to mention that when trucks receive loads of asphalt from Greencycle, they would be coming from a storage tank rather than from railcars.

On June 10, 2026 the Board waived the notice requirement under 49 C.F.R. § 1150.32(e) for Channel Pacific's transaction and Channel Pacific's exemption became effective on June 11, 2026. At present Channel Pacific's corporate affiliates are furiously engaging in construction and other activities behind the gate at the 23 acre site. The Channel Pacific has not made any identifiable offerings of rail services to the public or any limited commercial segment thereof. While Channel Pacific refers to itself as "CHPR", it does not have a SCAC identifier. Instead of the AAR Interchange Rules or an interchange agreement with Union Pacific, as one would expect from a short line railroad, the Channel Pacific apparently has only an industry track agreement with Union Pacific, which is what one would expect of a typical rail served customer. See attached as Ex. B at pg. 5.

The Board's governing statute provides authority to reopen, reconsider or change a Board action because of "material error, new evidence, or substantially changed circumstances". 49 U.S.C.A. § 1322. Further, it should be stated that the distinguished transportation practitioner who filed the notice of exemption may not have known the full story of the property at issue in the Channel Pacific transaction. However, given the history as discussed below, the SGEs would further observe that if the notice of exemption contains false or misleading information, the exemption is void ab initio. 49 C.F.R. § 1150.34. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. *Id.*

III. Factual Background.

A. At best, Channel Pacific's corporate parent, Greencycle Inc., is merely a rail served customer of Union Pacific.

The history of this transaction that did not appear in and was not even referenced in the

notice of exemption goes back to at least August of 2025 when the landowners asserted that this combined 2,132 linear feet of track was an “existing ‘Rail Car Loading Facility’”. See letter from Matthew Keasling dated August 25, 2025 attached as Ex. B. The dispute then concerned whether the property was covered by a land use regulation for rail served industries or whether it pre-dated that regulation and had been continuously designated as a facility to receive rail shipments that would be “grandfathered in” as a previously existing facility. In that context Teichert and Greencycle argued that the property was an existing industrial facility that would receive shipments by rail pursuant to an industry track agreement with Union Pacific Railroad.³ That is, the Channel Pacific’s owners said this was an existing private track and did not assert that it was or could be considered as a common carrier by rail. That correspondence stated that the private track would be served by Union Pacific pursuant to an industry track agreement:

Additionally, Teichert officials have been in ongoing communication with Union Pacific and it has already entered into a track licensing agreement with Union Pacific for ongoing rail service.

August 25, 2025 correspondence at pg 5. Mr. Keasling is apparently referring to a standard industry track agreement that Union Pacific requires before it will serve private track at an industry.⁴ Union Pacific’s Industry Track Policy is found at this link. In pertinent part that UP policy provides:

Union Pacific reserves the right to require an active and valid Track Agreement covering any industrial track, whether privately or railroad-owned, as a prerequisite of receiving Union Pacific rail service at that location. Union Pacific will provide rail service only if the rail-served customer indicated on the Bill of Lading as the Shipper, Consignee or Care of Party has an active and valid agreement...

³ Greencycle’s counsel also argue that although no rail traffic had moved over those private tracks for years, that ICCTA preempted the City’s regulations of the dormant private tracks. Ex. B at pp 1-2.

⁴ The SGEs are not asserting or implying that Union Pacific has done anything wrong. The UP is trying to do what the UP does thousands of times a day across its system: serve a customer. The SGE’s Petition is largely based on that reality: Channel Pacific is performing loading for its corporate parent, Greencycle and they are simply rail customers, not a railroad.

These requirements apply to all shipments to/from a new location. Union Pacific defines a new location as:

- A customer who is shipping or receiving freight for the first time on Union Pacific.
- An existing customer shipping to/from a location on Union Pacific for the first time.

Both definitions include shipments to or from either a new or existing facility that may have been served by Union Pacific in the past.

* * * *

A Track Agreement covers such things as ownership of the track, maintenance responsibility and liability. The characteristics of your facility will determine the specific form(s) required.

Copy attached as Ex. D

Again, it appears that the plan for this facility was to be a rail customer and receive service from UP pursuant to an industry track agreement. However, in the May 12, 2026 Notice of Exemption the applicants stated:

As part of the proposed transaction, CHPR has communicated its short line operations plans with UP, and UP has indicated that it is willing to coordinate with CHPR on its common carrier implementation and subsequent operating plans.

(NOE at pg. 4). Even the most charitable reading of this statement does not suggest that Channel Pacific has been recognized by UP as a short line or challenge the fact that it will simply be a rail customer with an industry track agreement as Greencycle originally stated in August of 2025. As of July 24, 2026 Channel Pacific is not listed by Union Pacific Railroad as one of the many short lines in California that connect with UP on the “short line” page of the UP website. California | Union Pacific . Nor has the Channel Pacific obtained a SCAC identifier. Nor is it a signatory to the AAR’s Interchange Agreement or Railinc’s Interline Service System.

Simply stated, all of the evidence points to this entity being merely a rail customer who receives service from UP and not a stand alone short line. Indeed, while the NOE states that

“CHPR’s expected annual operating revenues as a result of the present transaction may exceed \$5 million” it appears that sum refers to revenues from sales of asphalt and the loading of product from tank cars or ships to truck rather than the provision of rail transportation or rail transportation related services.

B. Because Greencycle Inc. owns the entirety of the so-called “rail terminal complex”, there are no entities besides Greencycle who could physically receive rail service from the Channel Pacific.

The original Notice of Exemption recognized that Greencycle, was the owner of the so-called “rail terminal complex” (which has not seen rail traffic for at least three years) and that the property ended at the Sacramento River Deep Water Ship Channel (NOE at pg. 3). The Notice of Exemption also says that pursuant to an agreement with Greencycle, its corporate parent, Channel Pacific would provide services “including, *among other things*, the inbound and outbound transportation of railroad-borne shipments” (NOE at pg. 2 -3, emphasis added). Based on nearly a year’s worth of negotiations and discussions with Teichert and Greencycle, the “*among other things*” includes the operation of storage tanks containing product that may have arrived by rail or via ship and the construction of pipelines and other infrastructure to accommodate ships. It was also represented by the Greencycle and Teichert representatives that trucks will receive product from the storage tanks, not from the rail spur. Based on the complete factual story it is difficult to even imagine how this operation could ever be a “common carrier”. The reasons for the Channel Pacific’s corporate affiliates re-branding this activity as “railroad common carrier” as opposed to “rail customer” have already been described and are discussed in detail immediately below.

As stated above, beginning about August 2025 Teichert and Greencycle were arguing that the existing 2,132 feet of rail tracks were private tracks (shipping and receiving tracks) and would be used as part of Greencycle’s asphalt operation. Exhibit B. Furthermore, prior to obtaining its

exemption and the gossamer thin disguise as a common carrier by rail, the Channel Pacific's owners acknowledged that this activity would require compliance with various state and local laws including various land use regulations, various use permits and, potentially, analysis under the California Environmental Quality Act (CEQA).

While the conversations between the SGEs and the Teichert/ Greencycle representatives started on the status of the "rail spurs"⁵, according to a March 2026 "white paper" circulated by Channel Pacific's parent Greencycle, the intention grew to include the ability to land ships and barges at the property's dock and offload asphaltic petroleum via a pipeline for delivery to the three (3) on-property 20,000 gallon chemical storage tanks. The material would then leave the storage tanks via trucks. There was no mention of rail in that March 2026 While Paper document which is quoted immediately below⁶:

The proposed use will not necessitate alteration to the existing dock nor the dock ramp. The existing dock facility has been inspected and is in good condition. Therefore, no modifications to the dock configuration are needed for its continued use by Greencycle. **There is an existing 12-inch diameter pipe that is used for unloading liquid cargo. This pipe runs down the ramp, to the dock, under the dock, and emerges on the waterside of the dock structure. This pipe will remain and be used for unloading asphaltic oil from ship or barge and for conveying the product to one of three existing 20,000-ton storage tanks.** The pipe alignment will be minimally altered at the dock to run over the dock rather than under the dock, which will allow the entire line to be visible and accessible for inspection and maintenance. The pipe will also be insulated and heat traced to keep the asphaltic oil in a liquid state as it is conveyed to the storage tanks. The dock is currently being evaluated by an engineering firm to ensure compliance with the California Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) to allow for the transfer of petroleum products from ship to shore. The result of this audit may require structural reinforcement which, to the extent required, should consist of minor alterations to the existing structure. Otherwise, no alterations are anticipated at the dock or ramp that are the subject of the lease.

⁵<https://www.lee-associates.com/sandiegonoorth/2024/09/19/rare-heavy-industrial-property-at-port-of-west-sacramento-sells-for-17-99m/>

⁶ While the March 2026 White Paper did not discuss rail, throughout this time Teichert and Greencycle were still discussing the rail spur for purposes of private industrial use.

The asphaltic oil will be stored onsite in three existing storage tanks. The tanks will require minor alterations to add features required for the storage of asphaltic oil, which is subject to different specifications than those associated with the highly volatile chemicals previously imported and stored onsite. The storage tank enhancements will require the issuance of building permits and be reviewed by the West Sacramento Fire Department. There is no proposal to increase the size or capacity of the existing tanks. Storage of the asphaltic oil will also require the installation of three 1,000-ton capacity day tanks, heating equipment (hot oil heater and boiler) and a product-specific fume collector known as a regenerative thermal oxidizer. This new equipment will be located adjacent to the existing tanks and within an appropriate containment area.

Materials will be conveyed from the existing storage tanks to the truck loading bay using the existing distribution piping system elevated within the site on overhead racks. This aspect of the site will remain unchanged though some pipes may need to be replaced and/or insulated. Liquid tanker trucks will use the existing truck loading bay to receive the material for export. Material will be sent to asphalt plants throughout the greater Sacramento region. Minor alterations will be made to the truck loading racks to meet the specifications for loading asphaltic oil.

Emphasis added. The March 2026 White Paper and cover email are attached as Exhibit E.

Further, while the term “rail terminal complex” used in the NOE might invoke images of a multi-tenant rail park or a logistics park with multiple entities located in or near the facility with convenient access to rail, that is simply not the case here. There are no entities, industries or customers other than Greencycle/ Teichert who could be physically served by this so-called “railroad”. That is because its two parallel tracks (which again are 985’ and 897’ in length) only access the property owned by Greencycle. The NOE blithely whistles past this point:

Greencycle (the owner of the Track) and CHPR have reached an agreement pursuant to which CHPR will – (1) acquire the right to conduct railroad common carrier service over the Track; and (2) assume responsibility for the provision of associated commodity-handling and transloading services within the terminal complex owned by Greencycle. Under the arrangement, CHPR will offer comprehensive, railroad-oriented transportation services within the subject facility, including, among other things, the inbound and outbound transportation of railroad-borne shipments.

NOE at pg. 2-3.

Other than the proposed services for its parent, Greencycle, who as discussed above had previously planned on simply being a rail served customer, there are no other rail customers involved, nor can there be unless Greencycle sells parcels of its property to other entities who might be served by the 985 foot “railroad”. Under California law such land sales would require a special parceling and plat process and no application has been filed that would allow parcels of the property to be sold to third parties.

Rather, based on the description of the operation from representatives of Teichert and Greencycle, the “transload” customers, even assuming there were third party customers, would be taking product from the storage tanks in trucks “from the existing loading bay”), rather than a typical rail to truck transload operation. See the March 2026 White Paper attached as Ex. E which is excerpted above. Again, the storage tanks will have co-mingled product from ships, which at one point the Teichert/ Greencycle representatives said would be their preferred mode because of the cost of delivered product. Further, according to the description previously provided by Greencycle and Tiechert, and according to the map attached to the NOE (copy attached as Ex. C), this loading of trucks activity will physically occur over 300 feet from the rail spur of the so-called Channel Pacific Railroad. This is not a rail transload operation that in any way resembles the type of operation that the Board has previously recognized as within its jurisdiction over rail transportation. Some of those Board decisions are discussed below.

C. Channel Pacific has none of the typical indicia of a common carrier by rail.

According to the Teichert representative’s description in Exhibit B, Greencycle was to be an industrial rail customer of Union Pacific: a behind the fence shipper facility that is rail served by Union Pacific. Visual inspections and photographic evidence shows the fence and gate are still in place. See Exhibit F. The undersigned would observe that locked gates across the rails are not the hallmark of common carrier operations. Further, there does not appear to be any locomotives

or rail equipment in place. Again, this so-called “common carrier” looks like any one of the thousands of rail shippers and receivers in the CIF files maintained by Railinc. When the property was acquired by Teichert in 2024 a press release emphasized the port access and simply stated that the 23 acres acquired also had “rail spurs”. See link. As quoted in that press release the Teichert and Greencycle representatives certainly did not refer to the property as a “rail terminal complex”. Copy attached as Ex. G.

While the NOE stated that the “CHPR expects to begin common carrier operations over the Track on or after June 11, 2026.” (NOE at pg 10). However, as of July 30, 2026 Channel Pacific is not listed by Union Pacific Railroad as one of the many short lines in California that connect with UP on the “short line” page of the UP website.⁷UP Website. Nor has the Channel Pacific obtained a SCAC identifier nor is it a signatory to the AAR’s Interchange Agreement or Railinc’s Interline Service System.

According to the Teichert representative’s description in Exhibit B, Greencycle’s predecessor, Yara International, was an industrial rail customer of Union Pacific. Thus, it also was a behind the fence shipper facility that was rail served by Union Pacific. Visual inspections and photographic evidence show the gate is still in place.

IV. Argument and Discussion of Authorities

A. The Board Has Jurisdiction to Reopen and/ or Revoke the Exemption.

Under 49 C.F.R. 1150.32(c), if a notice contains false or misleading information, the exemption is void ab initio. In addition, the Board (and the ICC before it) has made clear, the “class exemption” is intended for routine situations, and not for cases converting private track to common carrier service that attract controversy and opposition. *See Riverview Trenton Railroad Company*

⁷ <https://www.up.com/shipping/short-line/lines/california>

– *Acquisition and Operation Exemption – Crown Enterprises, Inc.*, STB Docket No. FD 33980 (served February 15, 2002), slip op. at pp. 6-7. Such matters require additional review and scrutiny under the rail transportation policy at 49 U.S.C. §10101(2) (the “RTP”) to determine if regulation is required. *Id.*, at p. 8. *See also Saratoga and North Creek Railway, LLC – Operation Exemption – Tahawus Line*, STB Docket No. FD 35559 (served May 14, 2012) (upholding the decision of the Acting Director in rejecting the original notice of exemption given the issues raised), slip op. at p. 5 (confirming class exemption is meant for transaction involving routine matters; citations omitted). The Board has held that it is proper to reject a notice that raises substantial controversy or substantial factual or legal issues. *Saratoga and North Creek*, *supra* at p. 6.

In this instance, the Notice of Exemption contains incomplete, false and misleading information. As the map in the Channel Pacific’s Notice of Exemption demonstrates, the “2,132 linear feet of track” that it says it will operate is not a single line but rather is comprised of three separate tracks of 985 feet, 897 feet and a connector track of 250 feet. Notice of Exemption at pg. 8, Map attached as Ex. C. Further, while the NOE states that “CHPR’s expected annual operating revenues as a result of the present transaction may exceed \$5 million” it certainly appears that sum refers to revenues from sales of asphalt rather than the provision of rail transportation or transportation related services.

According to their representatives, Channel Pacific’s owner, Greencycle, and Union Pacific have entered into an industrial track agreement whereby UP would enter onto the property to drop off or receive cars as UP does for tens of thousands of other rail customers on those customers’ private track. The fact that this rail served customer intends to move petroleum from ships was not included in the NOE nor was the fact that there are no other entities who can access the Channel Pacific besides its owner Greencycle included in the NOE. The fact that the Channel

Pacific's owners intended to extrapolate the Board's exemption related to 2,132 feet of track to wide ranging activities across a 23 acre closed site, including 20,000 gallon storage tanks and pipeline construction, was also conspicuously omitted from the NOE. The Board has a choice: 1) the Channel Pacific should either remain private track pending further proceedings and determinations, or 2) hundreds of other behind the gate rail served facilities with no rail equipment and no access to customers can call themselves "railroads" and thereby avoid state and local laws. The Board should find that because the notice of exemption contained false and misleading presentation, the exemption is void *ab initio*, and should be revoked. Alternatively, and at the very least, in light of this new evidence and changed circumstances the Board should reopen this proceeding and / or change its June 10, 2026 decision under 49 U.S.C.A. § 1322 (c).⁸

Even if the Board were to conclude that the Notice of Exemption is not deliberately false or misleading, the facts and evidence discussed herein demonstrates that the Board was not fully aware of the history of this so-called rail terminal and the Board did not fully understand the situation on the ground when it issued its decision. Given this patent attempt to use the exemption as a way to avoid the state and local laws that Greencycle had previously been working to comply with, the SGEs do not believe that this is a simple or straightforward transaction, and as such should not be eligible for a class exemption and it would be proper for the Board to reject the notice of exemption or revoke the exemption itself.

B. Board Precedent Dictates that this Private Track is Not a Common Carrier.

It is axiomatic that railroads serve customers and that many customers have track

⁸ (c) **Reconsidering actions.**--The Board may, at any time on its own initiative because of material error, new evidence, or substantially changed circumstances--

(1) reopen a proceeding;
(2) grant rehearing, reargument, or reconsideration of an action of the Board; or
(3) change an action of the Board.

49 U.S.C.A. § 1322.

infrastructure to send and receive shipments by rail. Even when such rail served facilities have locomotive power or a trackmobile, they are not usually deemed to be a “railroad” or a “common carrier by rail”. As the Board has explained:

When an entity conducts private carriage on its own private track, such track is not a rail line subject to the Board’s jurisdiction. Private track is “typically built and maintained by a shipper (or for a shipper at the shipper’s expense) and operated by the shipper (or its contractor) to serve only that shipper, moving the shipper’s own goods, so that there is no ‘holding out’ to serve other shippers for compensation.” Private track is not considered part of the national rail system even if a common carrier operates on the track, as long as the common carrier “operates on the private track exclusively to serve the owner of the track pursuant to a contractual arrangement with that owner.”

Kansas Dept. of Transportation and Sunflower Redevelopment LLC, Pet. for Declaratory Ord FD 36817 May 30, 2025, citing V&S Ry.—Pet. for Declaratory Ord.—R.R. Operations in Hutchinson, Kan., FD 35459, slip op. at 8 (STB served July 12, 2012) (citations omitted) (quoting B. Willis, C.P.A., Inc.—Pet. For Declaratory Ord., FD 34013, slip op. at 2 (STB served Oct. 3, 2001); Devens Recycling Ctr., LLC—Pet. for Declaratory Ord., FD 34952, slip op. 2 (STB served Jan. 10, 2007)).

In the cases cited above and other reported decisions on this point, it seems that in most of the controversies where this issue is presented, the entity is attempting to assert that it is not a carrier by rail. This may be because of the unique statutory regimes covering railroads such as the Federal Employers Liability Act 45 U.S.C.A. § 51, the Railway Labor Act, 45 U.S.C.A. § 151 et seq. , the Railroad Retirement Tax Act, 45 U.S.C.A. § 231 et seq., the Railroad Unemployment Insurance Act 45 U.S.C.A. § 1351 et seq. , and the Federal Rail Safety Act 49 U.S.C.A. § 20101 et seq.

Given the paucity of cases where a non-railroad is attempting to assert that it is a railroad, the case of Hi Tech Trans, LLC-Petition for Declaratory Order-Newark, NJ, STB Finance Docket No. 34192, slip op., at 16-17 (STV served Aug. 14, 2003), aff’d, Hi Tech Trans, LLC v. New

Jersey, 382 F.3d 295, 309 (3d Cir. 2004), may be the most analogous to the instant situation involving Channel Pacific. In that case a transloader located on the property of the Canadian Pacific Railroad in New Jersey was attempting to assert that its transloading operations were covered by the Board's jurisdiction and, accordingly, state and local laws were preempted. In dismissing that contention and finding that Hi Tech was simply a railroad shipper the Board wrote:

By Hi Tech's reasoning, any third party or noncarrier that even remotely supports or uses rail carriers would come within the statutory meaning of transportation by rail carrier. The Board and its predecessor, the Interstate Commerce Commission, have indicated that the jurisdiction of this agency may extend to certain activities and facets of rail transloading facilities, but that any such activities or facilities must be closely related to providing direct rail service. In every case, jurisdiction was found and local regulations relating to transportation facilities preempted only when those facilities have been operated or controlled by a rail carrier. See Green Mountain; Ayer; Borough of Riverdale - Petition for Declaratory Order - The New York Susquehanna and Western Railway Corporation, STB Finance Docket No.33466 (STB served Sept.10, 1999); Growers Marketing Co. v. Pere Marquette Ry., 248 I.C.C. 215, 227 (1941); see also Norfolk S. Ry. v. City of Austell, No. 1:97-CV-1081-RLV, 1997 U.S. Dist. LEXIS 17236 (N.D.Ga. Aug.18, 1997). Here, Hi Tech's activities are not performed by a rail carrier. The facts of this case establish that Hi Tech's relationship with CP is that of a shipper with a carrier. Hi Tech brings cargo and loads it onto rail cars, and CP, under the Transportation Agreement, hauls it to a destination designated by Hi Tech.

Hi Tech Trans., slip op., at 6. The Third Circuit Court of Appeals agreed holding that merely using rail cars “does not morph Hi-Tech’s activities into those of a rail carrier”. Hi Tech Trans., LLC v. New Jersey, 382 F.3d 295, 309 (3d Cir. 2004).

Similarly, in the instant case, despite the fact that over six weeks have passed since the exemption decision, there is no evidence that Channel Pacific is holding itself out as a rail carrier. Further, given the recent descriptions from Channel Pacific's owner and parent corporation concerning ship- to tank farm loading and tank farm to truck off loading without mention of rail, and given that the property's 2,132 feet of railroad do not and cannot connect to customers such

that any third party customers would receive asphaltic petroleum (from whatever source, ship or rail) out of a distant storage tank and loading bays away from the spur tracks, it cannot be said that this wide-ranging proposed operation spread across the 23 acre facility is at all “closely related to providing direct rail service”. Hi Tech Trans, LLC 382 F.3d at 309.

The SGEs and their counsel are well aware of the many cases finding that in certain situations transloading can be “closely related to providing direct rail service”. However, most of those cases involved existing railroads who commenced transloading operations or, at the very least, involved a substantial effort at operating a railroad. For example, New York & Atl. Ry. Co. v. Surface Transp. Bd., 635 F.3d 66, 68 (2d Cir. 2011) the transload operation was conducted by a short-line railroad was formed in 1904 to run the freight operation of the Long Island Rail Road and then established a transload operation. Grosso v. Surface Transportation Bd., 804 F.3d 110, 114 (1st Cir. 2015) concerned a transload operation by the Grafton & Upton Railroad, a carrier that began operations in 1873 that owns and operates the railroad line between North Grafton and Milford, Massachusetts. In Green Mountain R.R. Corp. v. Vermont, 404 F.3d 638, 639 (2d Cir. 2005) Green Mountain Railroad Corporation proposed to build transloading facilities as part of its existing 52 mile network. And in New York Susquehanna & W. Ry. Corp. v. Jackson, 500 F.3d 238, 242 (3d Cir. 2007) it was found that the Susquehanna’s transload operation was closely related to its 400 track-mile railroad in New York, New Jersey, and Pennsylvania.

We have found no cases where a transload operation, including tank farms and direct tank to truck operations for a non-existent railroad without rail equipment, employees a SCAC or operable interchange agreement with a line haul carrier have successfully asserted ICCTA’s preemption provision. 49 U.S.C.A. § 10501. Conspicuously, we have also found no cases where a behind the gate “railroad” operating on what has historically been private track where the longest

segment is less than 1,000 feet in length that has not offered services to the public could assert preemption of state and local laws that it had previously acknowledged and sought to comply with before it discovered Section 10501.

Request for Relief

The SGEs respectfully request the Board revoke or reopen the notice of exemption that and the June 10, 2026 decision or declare the exemption void ab initio under 49 CFR § 1150.42. The SGE's request that the Board revoke the exemption because the Notice of Exemption contained false and misleading information and further, given the history of this site and this landowner's efforts to comply with permitting laws until it decided that 2,132 linear feet of private track spread across three segments might be disguised as a common carrier, the newly discovered circumstances concerning these so-called new railroad operations are too complicated to be handled in a notice of exemption.

Further, contemporaneously with this filing the SGE's have asked Greencycle and Teichert to identify what work is being done at the facility so as to confirm that operation of its railroad does not extend to installation of pipelines or work on the storage tanks and truck loading facilities located some distance from the rail tracks. In the absence of prompt, credible assurances that such activities are not occurring, the SGEs respectfully reserve the right to supplement this petition with a petition for a cease and desist order.

Respectfully submitted,

/s/ Charles Shewmake

Charles Shewmake
Holland & Knight
1722 Routh St, Suite 1500
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Jeffrey A. Mitchell
Kronick Moskowitz Tiedemann & Girard
1331 Garden Highway 2nd Floor
Sacramento CA 95833

*Attorneys for City of West Sacramento and the
Sacramento-Yolo Port District*

Dated: July 31, 2026

VERIFICATION

I, Charles Shewmake, hereby verify on behalf of City of West Sacramento, California and the Sacramento-Yolo Port District, under penalty of perjury, that the foregoing is true and correct.

Further, I certify that I am qualified and authorized to file this Verification.

Executed on July 31, 2026.

CERTIFICATE OF SERVICE

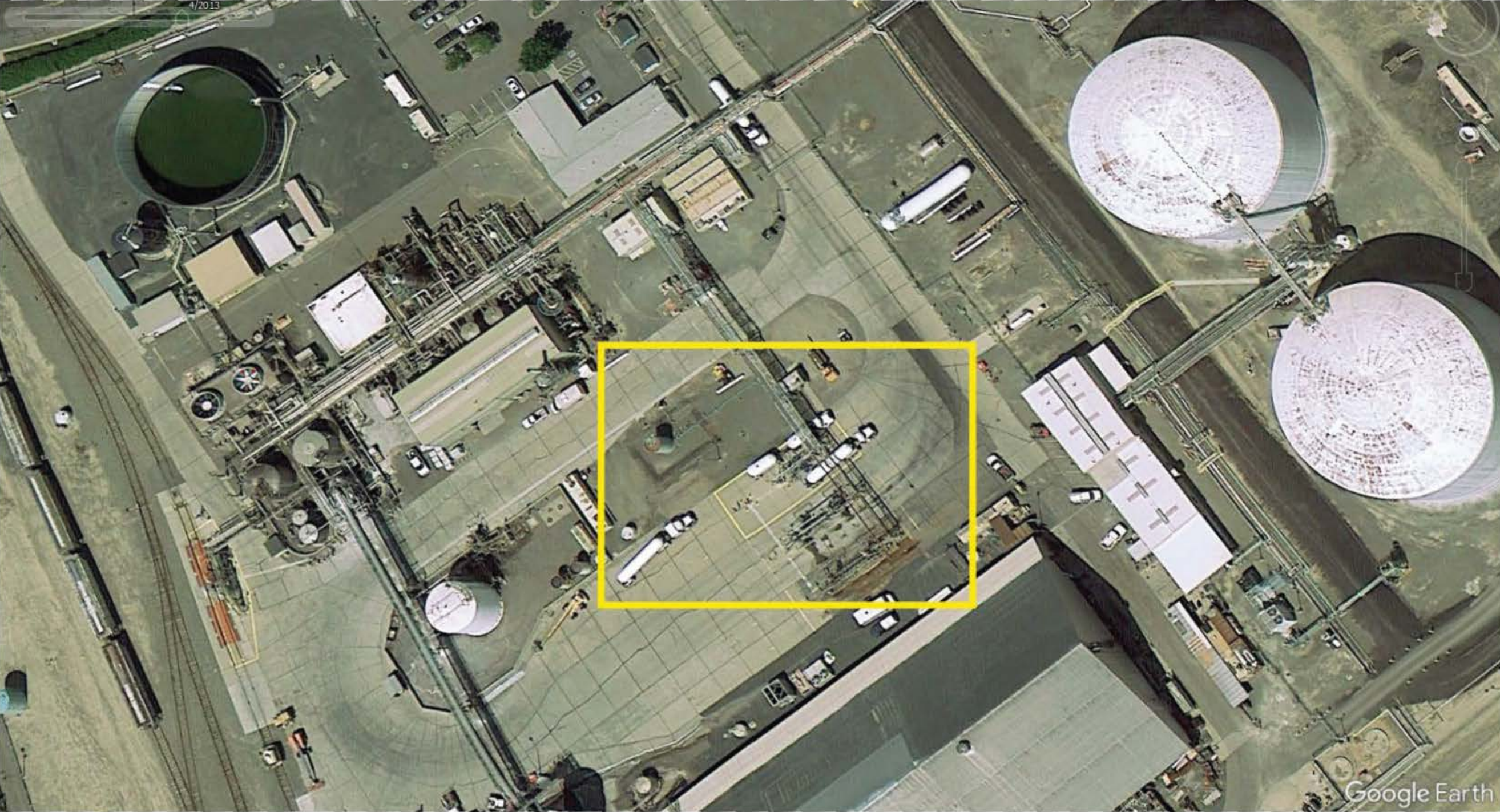
I certify that I have served copies of the Petition to Reject or Revoke Channel Pacific Railroad by electronic delivery and certified mail via their counsel:

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606-3208
rwimbish@fletcher-sippel.com
(312) 252-1500

/s/ Charles Shewmake

Dated: July 31, 2026

Exhibit A



4/2013

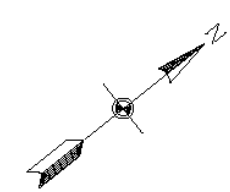
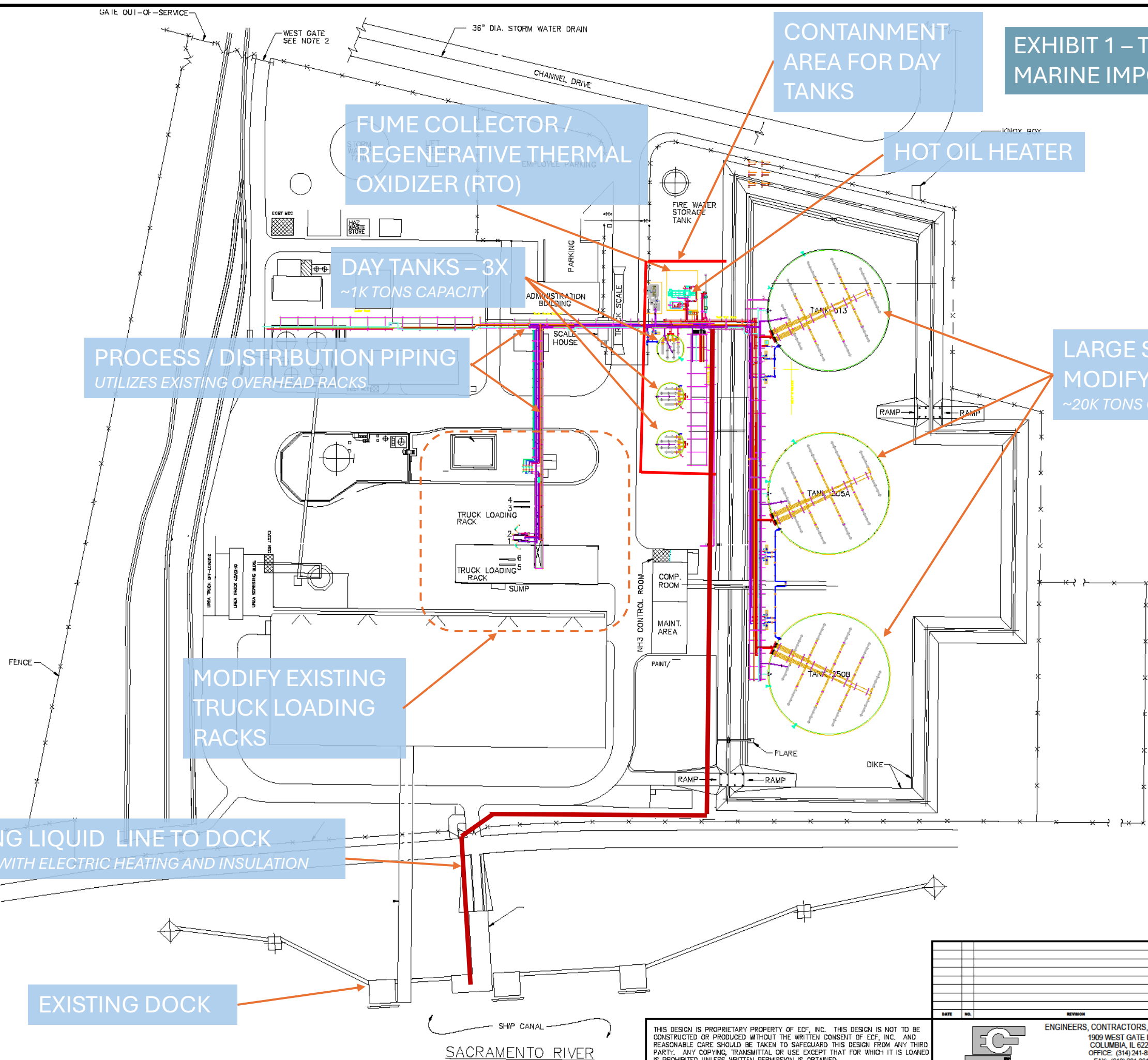


EXHIBIT 1 – TERMINAL AND MARINE IMPORT FACILITY



FUME COLLECTOR /
REGENERATIVE THERMAL
OXIDIZER (RTO)

CONTAINMENT
AREA FOR DAY
TANKS

HOT OIL HEATER

DAY TANKS – 3X
~1K TONS CAPACITY

PROCESS / DISTRIBUTION PIPING
UTILIZES EXISTING OVERHEAD RACKS

LARGE STORAGE TANKS (3)–
MODIFY FOR ASPHALTIC OIL
~20K TONS CAPACITY EACH

MODIFY EXISTING
TRUCK LOADING
RACKS

EXISTING LIQUID LINE TO DOCK
~MODIFY WITH ELECTRIC HEATING AND INSULATION

EXISTING DOCK

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DATE	NO.	REVISION	DRW.	CHG'D	APPR'D



ENGINEERS, CONTRACTORS, FABRICATORS
1909 WEST GATE DR.
COLUMBIA, IL 62236
OFFICE: (314) 241-8500
FAX: (618) 281-3615

TEICHERT SACRAMENTO, CA	
EXHIBIT #1	
DATE:	DESIGNED BY:
SCALE: NONE	REVISION NO.
DESIGNED BY:	REV.

Exhibit B

TAYLOR, WILEY & KEASLING

JOHN M. TAYLOR
JAMES B. WILEY
MATTHEW S. KEASLING
JESSE J. YANG
MARISSA C. FUENTES

A PROFESSIONAL CORPORATION

ATTORNEYS
500 CAPITOL MALL, SUITE 1150
SACRAMENTO, CALIFORNIA 95814
TELEPHONE: (916) 929-5545

August 21, 2025

Aaron Laurel, City Manager
City of West Sacramento
1110 W. Capitol Ave
West Sacramento, CA 95691

Dear Mr. Laurel:

As you are aware, Taylor, Wiley and Keasling represents A. Teichert & Son ("Teichert") and its affiliated companies with respect to its land use matters within the City of West Sacramento. On July 30, 2025, representatives of Teichert and I met with Ms. Ouse, Ms. Adame and you to discuss Teichert's desire to obtain building permits to retrofit one of its existing storage tanks and commence the importation and onsite storage of asphaltic oil at 3961 Channel Drive ("Site"). Notably, the importation of asphaltic oil will be by rail, which triggered a discussion of Teichert's vested right to utilize the existing "Rail Car Loading Facility" at the Site, as well as a discussion pertaining to whether that grandfathered use had been abandoned by nonuse for a prescribed time period of one year. At the conclusion of the meeting, you requested that we provide additional information related to our position that the right to utilize the existing "Rail Car Loading Facility" at the Yara Site has not been abandoned. This letter is intended to respond to that request. In addition, it addresses the related issues of the City's authority over the operation of the rail spur line itself and the lawful establishment and existence of the vested right.

I. Authority to Regulate Rail Operations Lies with the Federal Government.

While it is well recognized that local agencies are granted police powers, including a broad authority to regulate land uses within their jurisdictions, this police power is not without limitation. (See Cal. Const. art. XI, § 7.) Where a state or federal law governs a particular subject matter area, local regulations are preempted. (See U.S. Const. art. VI, cl. 2.) Relevant here, railroad operations are governed primarily by federal law. (See 49 U.S.C. §§ 10101 et seq.) Specifically, federal law vests exclusive jurisdiction over railroad

operations with federal agencies. The Federal Railroad Administration (“FRA”) is responsible for creating and enforcing rail safety regulations, administering rail funding, and implementing rail improvement strategies and technologies. (See Department of Transportation Act of 1966; See also Federal Railroad Safety Act of 1970.) In addition, the Surface Transportation Board (“STB”) is granted exclusive jurisdiction over “rates, classifications, rules, (including car service, interchange, and other operating rules), practices, routes, services, and facilities of such carriers,” as well as over the “construction, acquisition, [and] operation” of tracks and rail facilities. (See 49 U.S.C. § 10501(b)(1)-(2).) Therefore, federal law expressly preempts state and local regulations that seek to govern the operations of railroad lines, a preemption that has been affirmed numerous times by federal courts. (See 49 U.S.C. § 10501(b); See also *City of Auburn v. United States*, 154 F.3d 1025, 1030-1032 (9th Cir. 1998); *Norfolk Southern Ry. Co. v. City of Alexandria*, 608 F.3d 150, 160 (4th Cir. 2010).)¹ Thus, while the initial determination of whether the construction of a spur line and a “Rail Car Loading Facility” is an appropriate land use at a specific location lies with the local agency, once the rail line is approved and established, the rail facility and operations are thereafter regulated under federal law, meaning that the City now lacks authority over the spur line operations and its continued use.

II. Teichert Has a Lawfully Established Vested Right to Operate Its “Rail Car Loading Facility” as an Asphaltic Oil Loading and Unloading Facility.

Teichert’s predecessor at this Site (Unocal Chemical Company) acquired a vested right to operate its “Rail Car Loading Facility” in 1987 when the City of West Sacramento adopted its first zoning code and imposed a conditional use permit requirement for such facilities within the M-3 zone.² At that time, Unocal was already lawfully operating a rail spur and terminal, a use that commenced in 1984 at the property now owned by Teichert where it loaded and unloaded various materials and chemicals. Thus, when, following incorporation, the City imposed a conditional use permit requirement for “Rail Car Loading Facilities”, that use was already occurring on the Yara Site and thus, under California law, qualified for vested right protection. That being so, Teichert is entitled to continue that use so long as it stays within the scope of what was occurring in 1987, which is what will be occurring moving forward.

¹ The Surface Transportation Board has also confirmed the scope of federal preemption in a series of administrative decisions, including in *CSX Transportation, Inc.—Petition for Declaratory Order*, STB Finance Docket No. 34662 (Mar. 14, 2005), in which the Board stated: “State and local permitting or preclearance requirements, including building permits and zoning ordinances, are categorically preempted as to facilities that are an integral part of rail transportation.”

² The chronology of ownership at the Site is as follows: Unocal (1977); Agrium (2001); Yara (2015); Teichert (2024).

To wit: the use itself—the unloading and onsite storage of liquid asphaltic oil and other construction materials components—is substantially similar to the historical use of unloading and storage liquid fertilizer chemicals and associated components. The products are each imported in liquid tanker cars, they are unloaded from rail using the same hoses and pipes, and they are stored onsite in the same tanks. The change in the product being imported and unloaded does not significantly alter the character and nature of that which was occurring in 1987 and thus is, under California law, a permitted change in the nonconforming use.³ Furthermore, there will be no increase in the intensity of activity occurring once the change occurs since the number and frequency of rail cars will remain unchanged from that which has been occurring at the Site. As such, Teichert has a vested right, with which the City cannot interfere, to operate a “Rail Car Loading Facility” on its property and it is allowed to substitute asphaltic oil for the fertilizer chemicals and products.

III. Zoning Code Requirements for Establishing Abandonment of the Rail Car Loading Facility Have Not Occurred.

Moreover, contrary to the theory put forth in our meeting, the vested nonconforming use has not been abandoned because the requirements of Zoning Code 17.26.110(A) have not been met. Subsection A says that the one-year time period will commence when the use ceases to operate “and any one of the following occurs:

1. The site is vacated;
2. The business license expires or is revoked;
3. Utilities are terminated; or
4. The applicable lease is terminated.”

Not one of these plainly enunciated events has occurred to trigger commencement of the one-year period. The Site has never been vacated and, in fact, staff has been retained at the property at all times during the transition in ownership. Furthermore, at no point during the sale from Yara to Teichert has the Site been owned by an entity whose West Sacramento business license expired or has been revoked; Teichert has had an active business license in West Sacramento since 2010. Utilities to the Site have never been terminated. Nor is there an applicable lease associated with the Rail Car Loading Facility

³ “A non-conforming use is not restricted to the identical particular use which was in existence at the time of the enactment of the zoning ordinance but embraces any use substantially the same or similar.” *Endara v. City of Culver City*, 140 Cal.App.2d 33, 38 (1956).

which has been terminated; rather, the spur is owned in fee simple. As such, no abandonment has occurred under the terms of the local zoning provision.

IV. The Rail Car Loading Facility Has Not Been Abandoned Because No Intent to Abandon Has Been Manifested.

The West Sacramento Zoning Code provision indicates that one-year of nonuse, “whether with the intent to abandon the use or not,” results in abandonment. The proposition that a property right can be legislatively taken, despite clear evidence that an owner had no intent to abandon the use, is not supported by law. In fact, to the contrary, numerous court decisions – including a California Supreme Court decision – have applied the law in the opposite fashion, looking at both the passage of time and any words and actions that would indicate a property owner’s intent to preserve or abandon its vested nonconforming use. (See *Hansen Brothers Enterprises, Inc. v. Board of Supervisors*, 12 Cal.4th 533 (1996) [“Hansen Brothers”]; See also *Stokes v. Board of Permit Appeals*, 52 Cal.App.4th 1348 (1997); *Pallco Enterprises, Inc. v. Beam*, 132 Cal.App.4th 1482 (2005); *Summit Media LLC v. City of Los Angeles*, 240 Cal.App.4th 171 (2015).) More specifically, on the topic of abandonment of a vested nonconforming use, the State Supreme Court has stated:

Cessation of use alone does not constitute abandonment. “[A]bandonment of a nonconforming use ordinarily depends upon a concurrence of two factors: (1) An intention to abandon; and (2) an overt act, or failure to act, which carries the implication the owner does not claim or retain any interest in the right to the nonconforming use (8A McQuillin, [*supra*], § 25.192; 1 Anderson, American Law of Zoning, § 6.58). Mere cessation of use does not of itself amount to abandonment although the duration of nonuse may be a factor in determining whether the nonconforming use has been abandoned (101 C.J.S. Zoning § 199).”

(*Hansen Brothers*, p. 569.)

Given this language, and no California cases upholding a code provision that removes any consideration of the intent of property owner, the City’s zoning code provision cannot be applied absent of showing of intent to abandon.

In this case, the intent of both Yara and Teichert to continue the use of the rail car loading facility at the Yara Site is irrefutable. In fact, the only reason that rail operations have temporarily ceased is due to the sale of the property and transitioning from one business

operation to the next.⁴ During the temporary period in which rail cars have not been loaded and unloaded onsite, both buyer and seller met with you and numerous other City and Port officials expressing their clear intent to continue to import and export goods from the Site using the existing rail facility. It was also indicated to you and several City staff how important the existence of a rail loading facility and docking facility were to Teichert's decision to purchase the property. This all reveals an intent not to abandon.

In addition to direct statements to City and Port officials, both Yara and Teichert have engaged in numerous acts evidencing their respective intent to retain rights to the rail car loading facility. Those acts have been preserved in legal declarations from Dan Campbell (Teichert, Director of Operations Support and Development), Mark Darling (Yara North America and now Teichert, Facility Manager), and Henri Groenen (Yara North America, Vice President and Special Projects). These declarations offer testimony to support the position that there has not been any intent to abandon the legal, nonconforming use to operate the "Rail Car Loading Facility" by recounting numerous actions taken by Yara and Teichert to ensure the continuation of this nonconforming use. For example, Yara advertised the Site for sale touting the ability to import and export materials using the existing rail. Teichert hired Yara's former site manager to retain his knowledge of the site – including the rail – and benefit from his existing relationships with rail providers and the Port. Teichert has also engaged an engineer to provide schematic site design for its operations that would maintain and improve the existing facilities and rail terminal. Additionally, Teichert officials have been in ongoing communication with Union Pacific and it has already entered into a track licensing agreement with Union Pacific for ongoing rail service. Finally, Teichert officials have consistently, since its purchase of the Site, been in communications with various third parties interested in short-term leases of the Site's rail terminal. These actions are clear evidence of an intent to retain usage of the vested rail car loading facility which rebuts any evidence of an intent to abandon which may be inferred from the temporary period of nonuse.

Finally, the State Supreme Court has said that, "In construing an ordinance which limits continuation of nonconforming uses, however, the court must also assume that the [locality] did not intend an arbitrary or irrational application of its provisions." (*Hansen Brothers*, p. 568-569.) The court later describes what it considers to be an irrational application of the local ordinance by noting that strict application of the local zoning provision would necessitate mining activities be conducted at regular intervals for no

⁴ The law is well settled that vested property rights run with the land and that transfer of ownership does not impact the continued validity of the use. (See *Hansen Brothers*, at 539, n. 1.) This principle is codified in the City's Zoning Code, Section 17.26.040.A.

legitimate business purpose but, rather, strictly to preserve the ongoing vested right to engage in the use. Specifically, the Court states:

...we would have to assume that the county contemplated that the property would lose its nonconforming use status unless mining operations were renewed every 6 months whether or not additional material was needed. The result in an operation like that of Hansen Brothers would be unnecessary blasting and degradation of the site in order to retain the right to continue a nonconforming use...

The Court concludes that, given the facts of that case, it did not need to contemplate the legitimacy of a local zoning provision requiring such irrational actions, though it is clear that the court would have taken issue with such a result. Yet, a strict interpretation of West Sacramento's ordinance would result in a similarly arbitrary and irrational outcome where, though in the midst of a sale of the property, Yara would lose its nonconforming rail loading facility use unless it ran trains to and from the Site, loading and unloading unnecessary goods, simply to preserve its grandfathered right. Such arbitrary actions may not be required by local ordinance to preserve a vested property right.

CONCLUSION

In sum, while local land use authority lies with local governments, federal law grants exclusive authority over railroad operations to federal agencies, preempting local and state regulations that attempt to govern such uses once they are established. As such, any attempt to regulate the railroad spur going to and from or on the Site is preempted by federal law. Furthermore, none of the required acts identified in code section 17.26.110(A) have occurred to trigger commencement of the period of nonuse for purposes of establishing abandonment. Finally, the City's attempt to remove a property owner's "intent" as a necessary element in finding an abandonment of a vested nonconforming use is unsupported by California case law and is contrary to the constitutional principles that protect citizens from unlawful takings.

Accordingly, Teichert believes that the City is preempted from regulating the established rail spur line and that it has a valid right to continue utilizing the vested nonconforming rail car loading facility on the Site. We anticipate that, upon reviewing this letter, your legal counsel will concur with our position. We would like to commence the importation and storage of asphaltic oil this winter and, therefore, need a prompt resolution to this issue. That said, Teichert is committed to working with the City of West Sacramento to ensure that its operations are compatible with surrounding uses and with the City's long range planning objectives.

Very truly yours,

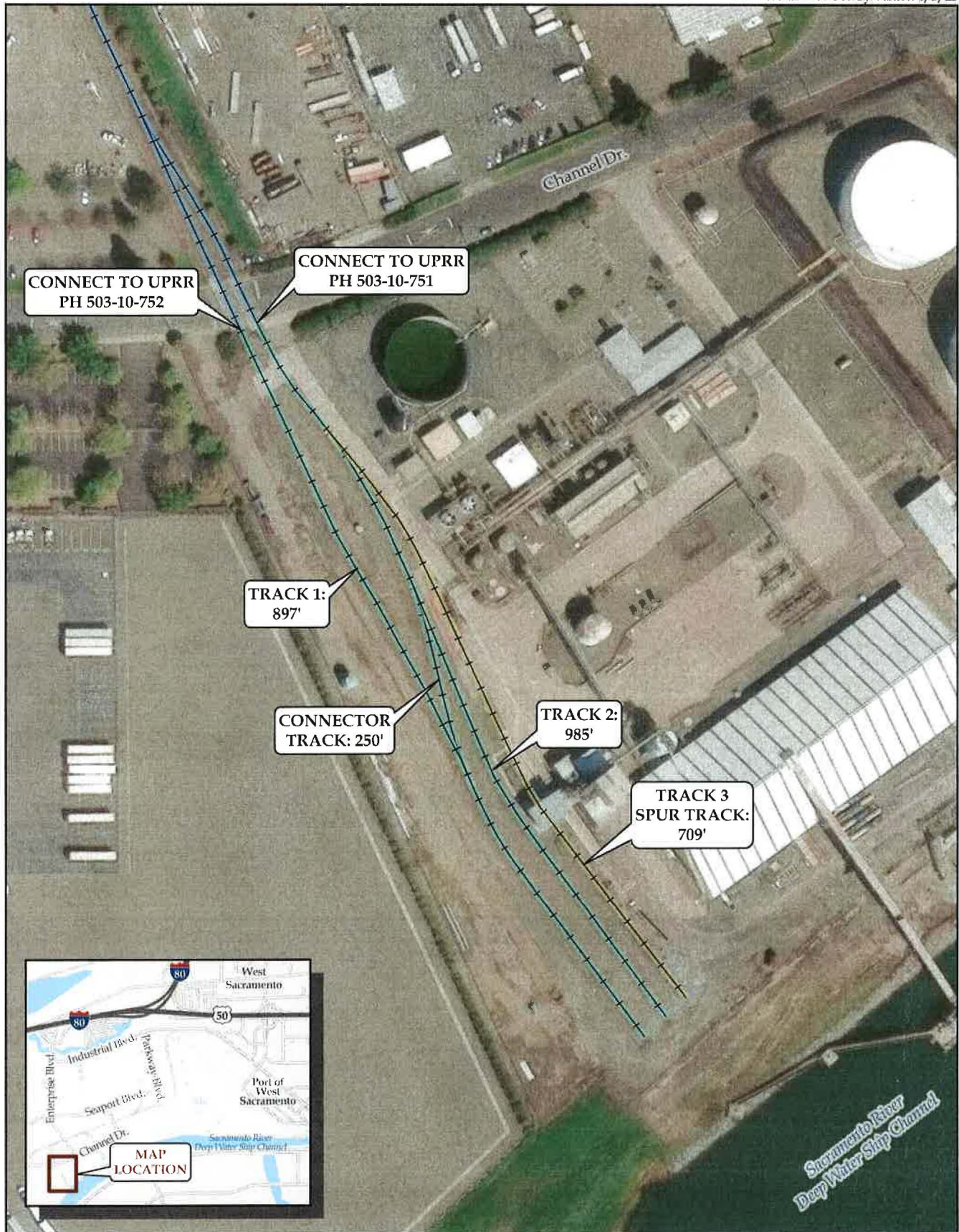
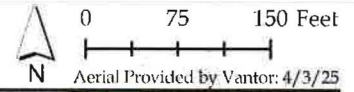
A handwritten signature in blue ink that reads "Matthew Keasling". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Matthew Keasling

Cc: Mayor Guerrero and Councilmembers
Andrea Ouse, Community Development Director
Ariana Adame, Capitol Projects Director
Dan Campbell, Teichert
Michael Smith, Teichert
John Taylor

Exhibit C

Exhibit A- Channel Pacific Railroad Track
 3961 Channel Dr. West Sacramento, California 95691



C. Comejo 5/8/2026 CP_PropertyMaps.aprx (RR)

Disclaimer: The data was mapped for assessment purposes only. No liability is assumed for the accuracy of the data shown.

Exhibit D

[Home](#) > [Shipping Overview](#) > [Connect To Rail](#)

Track Agreement Policy

Union Pacific reserves the right to require an active and valid Track Agreement covering any industrial track, whether privately or railroad-owned, as a prerequisite of receiving Union Pacific rail service at that location. Union Pacific will provide rail service only if the rail-served customer indicated on the Bill of Lading as the Shipper, Consignee or Care of Party has an active and valid agreement, or is covered as a user under another customer's Track Agreement.

These requirements apply to all shipments to/from a new location. Union Pacific defines a new location as:

- A customer who is shipping or receiving freight for the first time on Union Pacific.
- An existing customer shipping to/from a location on Union Pacific for the first time.

Both definitions include shipments to or from either a new or existing facility that may have been served by Union Pacific in the past. This requirement is also being phased in for all Union Pacific customer locations. It does not apply to intermodal shipments or automotive terminals.

A Track Agreement covers such things as ownership of the track, maintenance responsibility and liability. The characteristics of your facility will determine the specific form(s) required.

[Contact Economic & Industrial Development](#) to start the process of securing approval for rail service and preparation of a Track Agreement. Securing a fully executed Track Agreement, in the appropriate form, prior to requesting pick up or delivery of cars will help avoid unnecessary holds placed on shipments and resulting potential service disruptions. Shipments affected by this policy may be held until a Track Agreement has been established. The normal demurrage charge will apply.

Taking these steps will ensure the safety of our employees and our customers' employees; it also will allow UP to manage customers' business effectively.

Contact Us

Our Union Pacific team is here to assist you – from shipping by rail to career opportunities.

[Contact Union Pacific](#)

COMPANY INFO

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[Union Pacific News](#)

[Suppliers](#)

[Rail Safety](#)

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[Frequently Asked Questions](#)

Exhibit E

GREENCYCLE'S PORT LEASE
Project Description

Greencycle, a Teichert affiliate, is seeking a 28-year dock lease to facilitate the marine importation, storage and distribution of asphaltic oil at 3961 Channel Drive in West Sacramento. Asphaltic oil is an essential component in the production of hot-mix asphalt and is critically important for construction projects throughout the region, including, but not limited to, roadway widenings and repair. The asphaltic oil import, storage and distribution use is proposed at an existing materials storage facility in the M-3 "Water-Related Industrial" zone and will primarily utilize existing facilities in its operations.

Background

The lease pertains to an existing dock facility owned by Greencycle which is located on/secured to Sacramento-Yolo Port District ("Port") land. The dock services the existing heavy industrial materials storage and distribution yard that has been in operation at the site since 1977. Collier Carbon and Chemical Corporation entered into the original dock lease at the subject property on April 15, 1976, and, since then, the dock has been continuously utilized by subsequent property owners through a series of dock leases to import materials by ship and barge via the Sacramento River Deep Water Ship Channel. The dock at issue is subject to an active lease between Sacramento-Yolo Port District and Agrium U.S. Inc., to which Greencycle is the successor-in-interest. The existing lease will expire December 31, 2030.

Facilities

The proposed use will not necessitate alteration to the existing dock nor the dock ramp. The existing dock facility has been inspected and is in good condition. Therefore, no modifications to the dock configuration are needed for its continued use by Greencycle. There is an existing 12-inch diameter pipe that is used for unloading liquid cargo. This pipe runs down the ramp, to the dock, under the dock, and emerges on the waterside of the dock structure. This pipe will remain and be used for unloading asphaltic oil from ship or barge and for conveying the product to one of three existing 20,000-ton storage tanks. The pipe alignment will be minimally altered at the dock to run over the dock rather than under the dock, which will allow the entire line to be visible and accessible for inspection and maintenance. The pipe will also be insulated and heat traced to keep the asphaltic oil in a liquid state as it is conveyed to the storage tanks. The dock is currently being evaluated by an engineering firm to ensure compliance with the California Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) to allow for the transfer of petroleum products from ship to shore. The result of this audit may require structural reinforcement which, to the extent required, should consist of minor alterations to the existing structure. Otherwise, no alterations are anticipated at the dock or ramp that are the subject of the lease.

The asphaltic oil will be stored onsite in three existing storage tanks. The tanks will require minor alterations to add features required for the storage of asphaltic oil, which is subject to different specifications than those associated with the highly volatile chemicals previously imported and stored onsite. The storage tank enhancements will require the issuance of building permits and be reviewed by the West Sacramento Fire Department. There is no proposal to increase the size or capacity of the existing tanks. Storage of the asphaltic oil will also require the installation of three 1,000-ton capacity day tanks, heating equipment (hot oil heater and boiler) and a product-specific fume collector known as a regenerative thermal oxidizer. This new equipment will be located adjacent to the existing tanks and within an appropriate containment area.

Materials will be conveyed from the existing storage tanks to the truck loading bay using the existing distribution piping system elevated within the site on overhead racks. This aspect of the site will remain unchanged though some pipes may need to be replaced and/or insulated. Liquid tanker trucks will use the existing truck loading bay to receive the material for export. Material will be sent to asphalt plants throughout the greater Sacramento region. Minor alterations will be made to the truck loading racks to meet the specifications for loading asphaltic oil.

All facilities associated with the use are depicted on the attached Exhibit 1.

Ministerial Permits

It is anticipated that the minor structural alterations necessary for the use will be sought and obtained from the following regulatory agencies:

- Building Permits from the City of West Sacramento
- Air Permits from Sacramento Metropolitan Air Quality Management District
- Hazardous Materials Management Plan approval from West Sacramento Fire Department

There are no discretionary entitlements needed to engage in the general industrial, cargo handling use being proposed at the site. The primary material storage and conveyance facilities have been in existence and use at the site for nearly fifty years.

Exhibit F

Jul 17, 2026 at 3:03:17 PM
West Sacramento
City of West Sacramento
Code Enforcement



Jul 17, 2026 at 3:04:13 PM
West Sacramento
City of West Sacramento
Code Enforcement



Exhibit G



LEE &
ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES

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PEOPLE

PROPERTIES

SERVICES



RESEARCH

NEWS

CONTACT US

INDUSTRIAL



RARE HEAVY INDUSTRIAL PROPERTY AT PORT OF WEST SACRAMENTO SELLS FOR \$17.99M

West Sacramento, CA – September 19, 2024 - Lee & Associates is pleased to announce the successful sale of a unique heavy industrial-zoned property at 3961 Channel Drive, West Sacramento. The 23.55-acre site, which features direct access to the Sacramento Deep Water Ship Channel, was sold to Teichert Inc., a prominent construction firm, for \$17.99 million under its affiliate, Greencycle Properties LLC. Alex Weiss and Greg Pieratt of Lee & Associates represented the Seller, Yara North America.

"Heavy industrial-zoned land is in extremely short supply," said Alex Weiss, a principal at Lee & Associates, who brokered the transaction. "The value of such properties has been consistently rising due to their scarcity."

The site, formerly used by global agribusiness company Yara International as a fertilizer supply port, was decommissioned a year ago. It includes one existing building, rail spurs, and 5.5 acres of undeveloped industrial land. The property's prime location and zoning made it highly attractive to prospective buyers.

Teichert, through its spokesman Clark Hulbert, expressed the company's intention for the site: "We acquired the property to expand our recycling and related business operations." In addition to its industrial land and facilities, the new owner will benefit from a water berth, leased through the Port of West Sacramento, further increasing the site's strategic value. "The property garnered significant interest due to its rarity and ideal zoning," Weiss said. "It's not often that an opportunity like this comes along, and it required thorough due diligence from the buyer."

CATEGORIES

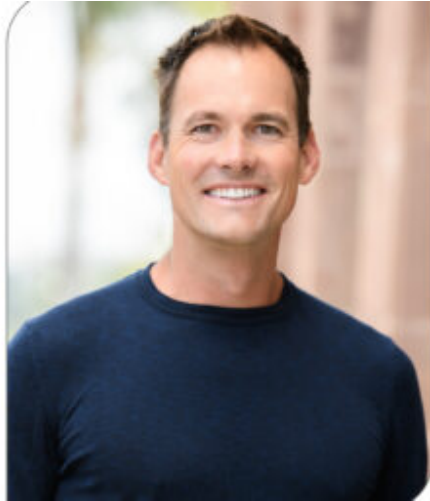
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Alex Weiss



Greg Pieratt

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