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Railway wants new proposal from city

Before the “Tweetsie Trail” project picks up any more steam, the rail company owning the property where it could end up wants to see a new offer from the city for the purchase of the land.

Tuesday, Johnson City Assistant City Manager Charlie Stahl received a letter from William Jasper, president of Genesee & Wyoming which is the parent company of East Tennessee Railway, requesting the city update its proposal to purchase 10 miles of track the rail company owns between Johnson City and Elizabethton.

In the letter, ETRY offers two options to the city for submitting proposals. In the first, the city can submit a proposal for the purchase of the land only. Through this option, ETRY would remove and salvage cross-ties and steel from the tracks. The second option allows the city to submit a proposal for both the land and tracks in their entirety. The city can submit proposals on either one or both options and has until Nov. 30 to do so.

In late 2007 Johnson City offered \$1.8 million to Genesee & Wyoming to purchase the right-of-way and track materials. But in summer 2008, Genesee & Wyoming considered hanging on to the track material, particularly the steel, which led to the city submitting an offer of \$600,000 in October 2008 for the right-of-way only.

Stahl said the reason for ETRY’s request is a recent reappraisal it had conducted on the property in question which values the land alone at a little more than \$1.2 million. Stahl said the city commissioned an appraisal of the property in 2007, which valued the land at \$370,800. The appraiser reduced the value to this amount from around \$740,000 because it was determined there was no economic use for the property, Stahl said.

The ETRY letter states the difference in appraisal amounts appears to stem from a discrepancy in the total amount of land appraised. According to ETRY, its right-of-way consists of around 140 acres while the 2007 city appraisal looked at only about 74 acres.

Now ETRY intends to send a set of railroad maps for the city to review before any new proposals are submitted. Stahl said he expects to receive these soon and officials will review them before making any decisions.

“I think we need to look at the information the railroad is going to send us and contemplate that,” Stahl said, “and revisit our proposal from last year, seek guidance from the City Commission and respond accordingly by the end of the month.”

The city would like to see the 10 miles, which begins at the intersection of Alabama and Legion streets and ends near the State Line Drive-In in Elizabethton, converted into a multi-purpose trail, similar to the Virginia Creeper Trail.

“Our interest is rail banking it and one day converting it into a trail system,” Stahl said.

Last month, ETRY filed a legal notice announcing its intent to abandon the line, and the letter to Stahl states that final filing is planned for today. The letter also states ETRY is “not currently negotiating with any other parties for the sale of the property.”

However, Stahl said there is still no indication this move for abandonment is related to the city’s interest in acquiring the property.

“It indicates for sure that they’re interested in selling the property, and it does show progress toward abandonment of the property before any sale is completed,” he said.

Until recently, there had been no correspondence between the city and Genesee & Wyoming since the October 2008 offer. About a month prior to the abandonment intent notice, Stahl spoke with Jasper to reiterate the city’s interest in converting the railway into a trail, and Stahl said he was told by Jasper that proposal would again be reviewed.

Should the city decide to move forward with a new proposal and if the offer is satisfactory, the envisioned “Tweetsie Trail” could be a step closer to reality.

“We are now geared up to finalize the transaction, assuming that we can come to reasonable terms,” the letter states.