



Patrick R. McGill
Senior Counsel - Real Estate

November 10, 2009

VIA FACSIMILE (503) 625-0629 and
hajdukj@ci.sherwood.or.us

Ms. Julia Hajduk
Planning Manager
Planning Department, City Hall
22560 SW Pine Street
Sherwood, OR 97140

Re: Notice of Public Hearing of City of Sherwood Planning Commission ("City") of application of Capstone Partners LLC for rezoning in Old Town Sherwood, northwest of Willamette Street, southeast of the railroad tracks, southwest of the Field House and generally northeast of Washington Street, Pine Street and Columbia Street run through the subject properties ("Project")

Dear Ms. Hajduk:

Union Pacific Railroad Company ("UP") provides this letter in response to the above Project. UP has operating right of way in the area. Accordingly, UP wishes to raise the following issues.

Any development near operating right of way can negatively impact freight rail service and create unintended consequences that are in neither the railroad's nor the public's best interests, including land use conflicts due to the nature of rail operations that may cause mechanical odor, noise and vibration. Also, the Project will attract more cars and pedestrians to the areas around the railroad tracks, and people may trespass onto the railroad right of way as well.

In addition to the obvious safety concerns of which UP remains vigilantly aware, these factors also have the result that trains may be forced to proceed more slowly, and/or to make more frequent emergency stops, which makes rail service less effective and efficient. In

Exhibit G

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the event of train slow-downs or stoppages, train cars may be forced to block at-grade roadway intersections, causing traffic disruptions. UP will not support any new at-grade crossing in this area.

UP requests that the City analyze and seek to mitigate the impacts that the Project will have on the UP lines and rail service by requiring appropriate mitigation measures. Possible mitigation measures that should be provided by developers of the Project include, for example, sound walls, setbacks, fences and other barriers, public education and disclosure. For example, a traffic study should be completed to help determine how the Project will increase traffic over any at-grade street crossings of the railroad tracks in the area of the Project, and the applicant should be required to construct, at the applicant's expense, any grade separations of such crossings where projected increases in traffic counts warrant grade separated crossings. At a minimum, the applicant should be required to install and maintain a fence barrier between the Project and the railroad tracks adjacent to the Project.

Please give notice to UP of all future hearings and other matters with respect to the Project as follows:

Ms. Rebecca Hoffman
Manager, Real Estate
Union Pacific Railroad Company
1400 Douglas Street - STOP 1690
Omaha, NE 68179

With a copy to:

Ms. Donna Coltrane
Union Pacific Railroad Company
1400 Douglas Street - STOP 1580
Omaha, Nebraska 68179-1580

Please do not hesitate to contact the undersigned if you have any questions or concerns.

Sincerely,



Patrick R. McGill
Senior Counsel
Union Pacific Railroad Company

cc: Ms. Rebecca Hoffman
Union Pacific Railroad Company