



City of Santa Barbara
Community Development Department

Signalman's Bldg.

www.SantaBarbaraCA.gov

April 25, 2006

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423 W. Victoria St.
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Patrick Merrill, Chief
Capital Projects, South Branch
Department of Transportation
Division of Rail
1120 N Street
P.O. Box 942874-0001
Sacramento, CA 94274-0001

**SUBJECT: AGREEMENT NO. 75A0164/A1
SANTA BARBARA RAIL STATION MUSEUM**

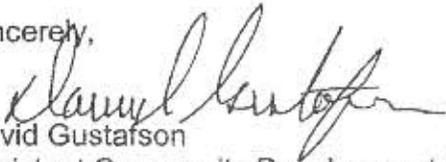
Dear Mr. Merrill:

This letter is to officially notify you that the City of Santa Barbara Redevelopment Agency (Agency) will not proceed with the Santa Barbara Rail Station Museum project under the State of California Department of Transportation Agreement No. 75A0164/A1.

The Agency had planned on developing the Santa Barbara Rail Station Museum in the Signalman's Building which is located adjacent to the Santa Barbara Train Station. The Signalman's Building sits on Agency-owned property and lies within the Union Pacific Railroad Company's easement for railroad operations. The Agency has been in negotiations with Union Pacific regarding the use of the Signalman's Building as a railroad museum. The Union Pacific proposed lease includes certain clauses that the Agency finds unacceptable and negotiations have ceased.

Thank you for all your assistance with this project. We continue to look forward to a positive relationship with your office and working together on future California Department of Transportation projects in Santa Barbara.

Sincerely,


David Gustafson
Assistant Community Development Director/Housing and Redevelopment
Manager

cc: Michael Powers, Santa Barbara County Association of Governments
James Armstrong, City Administrator
Paul Casey, Community Development Director