

AGENDA REPORT

DATE August 6, 2002

ITEM: LAND PURCHASE AGREEMENT WITH CONOCO FOR RAILROAD TRACK RELOCATION FOR THE 18TH AVENUE NORTH AND 52ND STREET NORTH ROADWAY CONSTRUCTION, O.F. 1299

INITIATED BY: PUBLIC WORKS DEPARTMENT / ENGINEERING DIVISION

ACTION REQUESTED: APPROVE LAND PURCHASE AGREEMENT

PRESENTED BY: JIM REARDEN, PUBLIC WORKS DIRECTOR

- - - - -

RECOMMENDATION: Staff recommends that the attached Purchase and Sale Agreement be approved and authorize the City Manager to execute all necessary documents to transfer ownership of the property.

MOTION: “I move the City Commission approve the land Purchase and Sale Agreement with Conoco for the 18th Avenue North and 52nd Street North Roadway Construction, O. F. 1299, and authorize the City Manager to execute the agreements.”

SYNOPSIS: For the last several years, the City has been working with Malmstrom Air Force Base to provide an alternate looped access to the Giant Springs area and Rainbow Overlook. This property purchase will provide land to allow Burlington Northern Santa Fe Railway (BNSF) to relocate their backswitch track that currently crosses 18th Avenue North just east of the Source Giant Springs bottling plant.

The price of the 2.474-acre purchase is \$25,349. Malmstrom, through an intergovernmental agreement with the Federal Highway Administration (FHWA) and the City, will provide \$9,734. City General Fund will provide the remaining \$15,615. An easement covering 0.950 acres will be provided to BNSF to relocate the track. The remaining 1.524 acres will be available to the City to facilitate future economic development opportunities or for other purposes.

This purchase became necessary because Conoco did not want to have a small piece of land physically separated from their main property. FHWA would not pay for the 1.524 acres, since this area is not directly needed for the track relocation. This is the City’s only cost out of the \$1,200,000 project. All other costs, included time expended by City staff, are being paid for by Malmstrom through the FHWA.

BACKGROUND: Malmstrom is relocating their main entrance from 2nd Avenue North to 10th Avenue North. This will cut off the existing looped access to the Giant Springs area and private agricultural land.

To retain looped access, the City entered into an agreement with Malmstrom, Defense Access Roads, and the Federal Highway Administration to have the City manage the construction of 18th Avenue North to reestablish looped access.

The design and road construction phases of the project have gone smoothly. Land acquisition from Conoco and the track work by BNSF are not yet complete. Both Conoco and BNSF have been cooperative, although working through their bureaucracies has proven to be a long process. We are now scheduling track work for late August or September, with final project completion and opening of the roadways to traffic to follow immediately. This schedule will coordinate nicely with the projected opening of the new Malmstrom gate in October.

Attachment: Purchase and Sale Agreement -- not available online; contact City Clerk's Office

File: ARblank / 1299conpurar