



Agenda Item: Agreement

Title: Letter of Understanding with Union Pacific Railroad Company for the Purchase of Real Property

Recommended Council MOTION:

I move to approve the Letter of Understanding with Union Pacific Railroad Company for the Purchase of Real Property in the amount of \$799,956.80, amend the budget as appropriate, and authorize the Mayor to sign.

Administrative or Policy Goal:

Resolution 2022-15. Maintain and Improve Municipal Infrastructure
Protect and Improve the Municipal Water System.

Background:

City staff has been working with Union Pacific Railroad Company (UPRR) for many years regarding the purchase of two pieces of real property known as City Springs and the High-Level Reservoir. The property is approximately 22.956 acres. Both parcels contain city water infrastructure required to provide drinking water to the community.

UPRR acquired the property in the mid-1880s to supply water to their steam engines. At that time, the water free flowed heavily from City Springs. The City has partnered with UPRR regarding water management on the property since the late-1880s and we currently have a well, treatment facility, and multiple water storage tanks on the property.

Due to the lack of steam engines and an extensive water supply system near the railroad today, UPRR's interest in the property has diminished. UPRR has drafted and City staff has reviewed a Letter of Understanding (LOU) for the purchase of the two parcels. The sale price is under the appraised value. Per the LOU, a survey of the property has been completed and submitted to UPRR for verification.

Legal/Statutory Authority:

BUDGET/FISCAL INFORMATION:**REVENUE**

Source	Amount	Type
Fees/Charges for Service	\$500,000.00	Fees for Service. FY23 Budget
Grants for Projects		
Loans on Project		
Other		
Total	\$500,000.00	

EXPENSE

Proposed Project Cost.

Project Budget	Amount	Funds
Project Cost	\$799,956.80	510-7015-461-7100. WTPCSP
Loans on Project		
Grants for Project		
Total Amount	\$799,956.80	

Amount spent to date (approved and adopted by Council)

Budget	Amount	Funds
Total Budget Allocation	\$500,000.00	510-7015-461-7100. WTPCSP
Less Amount Spent to Date	\$0.00	
Remainder of Budget	\$500,000.00	

Proposed Cost (Approval of this item authorizes preparation of a budget revision for the proposed amount)

Expenditures	Amount	Fund
Proposed Expenditure	\$799,956.80	
Current Budget	\$500,000.00	WTPCSP
Additional Amount Requested	\$299,956.80	WT Reserves
Total Proposed Budget	\$799,956.80	

Responsible Staff:Brooks Webb, Public Works Director
Robert Southard, City Attorney

Attachments:

Letter of Understanding