



INTER-OFFICE COMMUNICATION
General Manager's Office

DATE: July 31, 2008

TO: Recreation, Cultural Affairs and Public Works (RCAPW) Committee

FROM: Robert E. Hunzinger, General Manager

SUBJECT: Rail Spur Property Liquidation

Executive Summary:

During the January 14, 2008 regular meeting, the City Commission approved a referral to the RCAPW Committee for review and recommendation for the disposal of the City's fee ownership of a portion of the Deerhaven Rail Spur located between Hasan and County Road 18. On February 7, 2008 staff presented the background information regarding the rail spur to the RCAPW committee and requested that the members provide a recommendation to GRU for the disposal of the property to bring back to the City Commission for its consideration. At that meeting the RCAPW committee directed GRU staff to:

- Attempt to contact the former property owners of the 95 acres of the rail spur that is on the Santa Fe River to determine if they would be interested in buying the property back.
- If unsuccessful in contacting the prior owners of the 95 acres then contact Suwannee River Water Management District (SRWMD) about its interest in purchasing the property.
- Work to convey the portion of the rail spur in Alachua County that was formerly CSX property currently in the possession of GRU to the Alachua Conservation Trust (ACT).
- Offer the property in Union County beginning at the Hillandale property north to the end of the proposed rail spur to the landowners who abut the GRU property.

Recommendation:

The Recreation, Cultural Affairs and Public Works Committee: 1) Review and make a recommendation to the City Commission for GRU to dispose of the City's fee owned interest in the Deerhaven Rail Spur corridor located between Hasan (Alachua County) and SR 100 (Union County) as follows:

- Offer to the Alachua Conservation Trust (ACT) for fair market value, and retaining utility easement rights, the portion of the rail spur that extends from the southern most part beginning in Alachua County into Union County where the property has reverted back to Mr. Godwin including the 95 acres on the Santa Fe River. Establish a time certain date of completion of this sale by June 30, 2009.

- Offer the remaining property in Union County north of Mr. Godwin's property to the end of the proposed rail spur (SR 100) to the landowners who abut the GRU property retaining utility easement rights.

Explanation:

Since the February 8, 2008 RCAPW committee meeting staff attempted to contact the prior owners of the 95 acres of the rail spur on the Santa Fe River but we were unable to reach them. Subsequently staff approached the SRWMD and inquired as to its interest in purchasing this property. SRWMD indicated some interest in the property, but ultimately failed to respond to repeated requests to provide a letter of interest to purchase the property. Since that time ACT approached GRU about purchasing this property along with the remaining GRU rail spur property located in Alachua County and the property north of the Santa Fe River in Union County to the Mr. Godwin's property.

GRU met with ACT and has sent a letter of support indicating that GRU is willing to negotiate the sale of the rail spur property indicated above to ACT for fair market value and retaining utility easement rights subject to the approval of the City Commission. ACT has submitted grant requests to the Office of Greenway and Trails and Florida Communities Trust and expects a decision to be reached in September of this year.

The remaining Union County rail spur property will be offered to the landowners that abut the GRU rail spur.

Prepared by:

Stephen J. Stagliano, Utilities Administrative Services Director

Submitted by:

Robert E. Hunzinger, General Manager

SJS:kaw