



Legislation Details (With Text)

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On agenda: **Final action:** 2/19/2009
Title: Rail Spur Property Liquidation (B)

At the City Commission meeting held on January 14, 2008, the City Commission referred disposition of the Deerhaven Rail Spur property to the Recreation, Cultural Affairs and Public Works (RCAPW) Committee for recommendations.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 070806_20080114.pdf, 2. 070806_Memo_20080814_Rec and PWC Committee agenda item 7-31-08.pdf, 3. 070806_Property Liquidation_20090219.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|---|-------------------------|--------|
| 2/19/2009 | 4 | City Commission | Approved as Recommended | Pass |
| 1/8/2009 | 3 | Recreation, Cultural Affairs and Public Works Committee | | |
| 8/14/2008 | 2 | Recreation, Cultural Affairs and Public Works Committee | | |
| 2/7/2008 | 1 | Recreation, Cultural Affairs and Public Works Committee | | |
| 1/14/2008 | 0 | City Commission | | |
| 1/14/2008 | | City Commission | Referred | |

Rail Spur Property Liquidation (B)

At the City Commission meeting held on January 14, 2008, the City Commission referred disposition of the Deerhaven Rail Spur property to the Recreation, Cultural Affairs and Public Works (RCAPW) Committee for recommendations.

In 1993, the City Commission authorized the GRU General Manager to acquire properties needed to facilitate the construction of a rail spur connecting the Deerhaven Generating Station to the Norfolk Southern Railway in Lake Butler. Subsequently, approximately 19 parcels were acquired and/or leased in Alachua and Union Counties for the construction of the rail spur. In 1994, staff successfully negotiated a long term contract with CSX Transportation for the transportation of coal to the Deerhaven Generating Station, eliminating the need for the construction of the rail spur at that time.

Of the 19 parcels acquired and/or leased by the City, 16 were acquired in fee ownership, and permits or lease agreements were secured over the remaining three. In accordance with legal agreements between the City and the property owners, two of the fee owned parcels reverted back to the original land owners in 2003. There are 14 parcels remaining that are owned in fee by the City. Two of those parcels are located in Alachua County, one of which is a 95 acre parcel on the Santa Fe River, and remaining parcels are located in Union County. Complaints of trespassing and illegal dumping have been, and continue to be received from the abutting land owners and other area land owners.

Over the last several years, staff has received inquiries from organizations and individuals expressing interest in purchasing the 95 acre parcel and the linear corridor owned by the City between Hasan (Alachua County) and CR 18 in Union County (See attached drawing). The linear corridor primarily covers an old CSX railroad right-of-way.

Because of the need to protect the City's investment and the original intent of the acquisition, staff has evaluated relinquishing the City's fee ownership in this section of the corridor. This could only be done if the appropriate land rights to construct, operate and maintain utility related facilities are retained by the City, and the utility receives fair market value.

Staff has issued letters to the original land owners or abutting land owners of the linear corridor to determine interest in purchasing back the property, subject to an easement retained by the City for utility related facilities. There is interest by these landowners to purchase this property under the necessary terms determined by the City.

ACT has expressed interest in acquiring the linear corridor for use as a recreational trail. Several options for the transfer of the property were proposed by ACT to staff throughout 2008 and the parties have agreed to proceed as recommended above.

Since 1998 staff has received inquiries from the Suwannee River Water Management District (SRWMD), Alachua County Forever, and ACT about the possible sale of the 95 acre parcel by itself. This has prompted the recommendation to offer any property not purchased by ACT to another public agency or public interest entity having land conservation as its principle purpose.

Staff made presentations to the RCAPW committee at their February 7, 2008, August 14, 2008 and January 8, 2009 meetings.

The Recreation, Cultural Affairs, and Public Works Committee Recommends: 1) find and declare the Deerhaven Rail Spur property as surplus; 2) authorize the General Manager or his designee to enter into a one year Option Agreement with Alachua Conservation Trust (ACT) with the option to extend for one year, for the sale of the portion of the rail spur, for fair market value as determined by the City of Gainesville, that extends from the southernmost part beginning in Alachua County to the Godwin property, located in Union County, including the 95 acre parcel on the Santa Fe River, reserving appropriate easements. Provided, however, should ACT decline to purchase any portion of the above described property, authorize the General Manager, or his designee to offer the same to another public agency or public interest entity having land conservation as its principle purpose; and, 3) authorize the General Manager or his designee to enter into Purchase and Sale Agreements, in accordance with GRU's Real Property disposition guidelines, for the sale of the portion of the rail spur beginning at the northernmost point of the Godwin Property, extending to SR 100 in Union County (as shown in blue on the attached map), with the adjacent property owners, or any other interested parties, reserving appropriate easements.

Staff anticipates receiving payments based on the fair market values of the properties over the next few fiscal years for the sale of the subject property.

The City Commission accept the recommendation to: 1) find and declare the Deerhaven Rail Spur property as surplus; 2) authorize the General Manager or his designee to enter into a one year Option Agreement with Alachua Conservation Trust (ACT) with the option to extend for one year, for the sale of the portion of the rail spur, for fair market value as determined by the City of Gainesville, that extends from the southernmost part beginning in Alachua County to the Godwin property, located in Union County, including the 95 acre parcel on the Santa Fe River, reserving appropriate easements. Provided, however, should ACT decline to purchase any portion of the above described property, authorize the General Manager, or his designee to offer the same to another public agency or public interest entity having land conservation as its principle purpose; and, 3) authorize the General Manager or his designee to enter into Purchase and Sale Agreements, in accordance with GRU's Real Property disposition guidelines, for the sale of the portion of the rail spur beginning at the northernmost point of the Godwin Property, extending to SR 100 in Union County (as shown in blue on the attached map), with the adjacent property owners, or any other interested parties, reserving appropriate easements.