

City of Minneapolis
Request for Committee Action

To: Ways & Means
Date: 11/14/2016
Referral: N/A
From: Finance & Property Services
Lead Staff: Rebecca Law, Project Manager
Presented by: Rebecca Law
File Type: Action
Subcategory: City Property

Subject:

Termination of Railroad Easement on City-owned Land at 340 27th Ave NE

Description:

1. Authorizing termination of the Burlington Northern Santa Fe Railway Company (BNSF) easement on City-owned land at 340 27th Ave NE by giving BNSF six months' notice and \$2,375, payable from Capital Budget Fund 07700, Department 9010923, Project PSD17.
2. Authorizing staff to proceed with Torrens Proceedings Subsequent to ensure clear title to this parcel with the transaction costs payable from Capital Budget Fund 07700, Department 9010923, Project PSD17.

Previous Actions:

[16-00060](#) Obtaining architectural and engineering design services for the East Side Storage and Maintenance Facility Project

[15-01524](#) Property Redevelopment in the Vicinity of 340 - 27th Ave NE for Municipal Operations

December 10, 2014 –Approval of the 2015-2019 Capital Budget – Resolution 2014R-520

July 2, 2010: Approval of purchase agreement for the acquisition of 340 27th Ave NE

May 28, 2010: Authorization to acquire real estate at 340 27th Ave NE through negotiations or condemnation.

Ward/Address:

Ward 1
340 27th Ave NE

Background/Analysis:

In 2010, the City acquired the property at 340 27th Ave NE for development of a municipal operations facility. Architectural and engineering design for the East Side Storage & Maintenance Facility is now underway with construction expected to begin in Spring 2017.

The Burlington Northern Santa Fe Railway Company (BNSF), as successor to the Great Northern Railway Company, owns an easement on the easterly portion of the City's land. BNSF has been storing railway materials on that easement, but the City now needs that area for the proposed facility.

The 1956 deed that created the easement (Hennepin County Document No. 492759) specifically gave the City the right to terminate it upon giving six months' notice to BNSF along with a payment of \$2,375. Since the City's land at 340 27th Ave NE is Torrens property, a Proceedings Subsequent process will be required to ensure clear title. All costs are to be paid from Capital Budget Fund 07700, Department 9010923, Project PSD17.

Recommendation

Staff is seeking authorization to terminate the BNSF easement on City-owned land at 340 27th Ave NE with six months' notice and a payment of \$2,375 to BNSF, payable from Capital Budget Fund 07700, Department 9010923, Project PSD17.

Staff is also seeking authorization to initiate a Proceedings Subsequent process with the Hennepin County Registrar of Titles to ensure clear title to that land, payable from Capital Budget Fund 07700, Department 9010923, Project PSD17.

Financial Review:

No additional appropriation required, amount included in current budget.