



City of Grand Island

Tuesday, October 25, 2022

Council Session

Item G-12

#2022-300 - Approving Lease Agreement with Union Pacific Railroad for Utility Property at 1209 W. North Front Street

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Tim Luchsinger, Utilities Director
Stacy Nonhof, Assistant City Attorney

Meeting: October 25, 2022

Subject: Approving Lease Agreement with Union Pacific Railroad
for Utility Property at 1209 W. North Front Street

Presenter(s): Tim Luchsinger, Utilities Director

Background

The Electric Underground Department's main campus is located at 1209 W. North Front Street. A portion of the building's warehouse is located on Union Pacific Railroad (UPRR) property and has been leased by the City of Grand Island since January 1, 2003. The current 20-year term lease agreement cost \$16,500.00 and expires on December 31, 2022.

Discussion

The UPRR is offering a new fixed rent lease with the following terms:

- Agreement start date on January 1, 2023.
- Annual fixed rent of \$3,000.00 with an annual escalator of three percent (3%) annually.
- Not more than once every three (3) years, the City may ask for a re-assessment of the rent fee should market valuations change.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

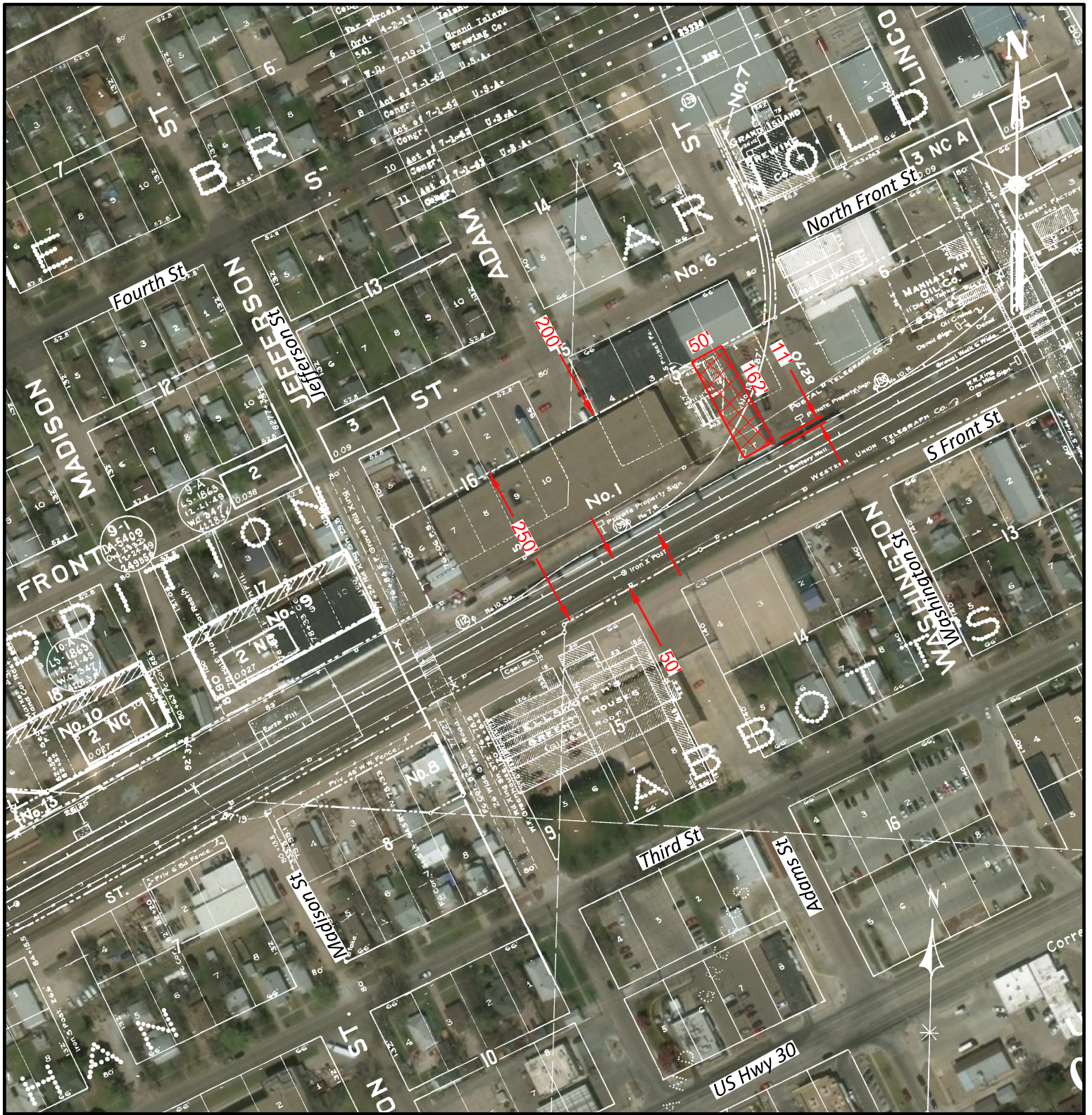
1. Approve the Lease Assignment.
2. Deny the Lease Assignment.
3. Postpone the issue to a future date
4. Take no action on the issue

Recommendation


City Administration recommends that the Council approve the lease agreement with the Union Pacific Railroad for the property adjacent to 1209 W. North Front Street to begin on January 1, 2023.

Sample Motion

Move to approve the lease agreement with Union Pacific Railroad for the property adjacent to 1209 W. North Front Street to begin on January 1, 2023.



LEGEND:

LEASE AREA 

UPRRCO. R/W OUTLINED 

Lease Area = 8,100 Sq. Ft. = 0.18 Acres

NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISIONS.

EXHIBIT "A"

UNION PACIFIC RAILROAD COMPANY

GRAND ISLAND, HALL COUNTY, NE

M.P. 147.54 - KEARNEY SUB

UP NE V-3 / S-17A

SCALE: 1" = 200'

OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 5/11/2018

AJM FILE: 213-91

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RESOLUTION 2022-300

WHEREAS, the Electric Underground Department's main campus is located at 1209 W. North Front Street; and

WHEREAS, a portion of the building's warehouse is located on Union Pacific Railroad property and has been leased by the City of Grand Island since January 1, 2003; and

WHEREAS, the current 20-year term lease agreement expires on December 31, 2022; and

WHEREAS, Union Pacific Railroad is offering a new fixed rent lease to start on January 1, 2023, have a fixed rant of \$3,000.00 with an annual escalator of three percent annually, and not more than once every three years, the City may ask for a re-assessment of the rent fee should market valuations change.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the lease agreement with Union Pacific Railroad for the property adjacent to 1209 W. North Front Street to begin on January 1, 2023 is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, October 25, 2022.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
October 20, 2022	☒ City Attorney