

COUNCIL ACTION FORM

SUBJECT: CONVEYANCE OF CITY OWNED PARCEL LOCATED AT 1420 LINCOLN WAY TO METRO FIBERNET, LLC

BACKGROUND:

At the October 22, 2019, City Council meeting, the Council directed City staff to negotiate with MetroNet regarding the acquisition of property at 1420 Lincoln Way. MetroNet wishes to acquire this property for use as its “hut site” for its fiber internet service operations. This hut will house internet switching equipment and a 79-foot communications antenna. MetroNet is in the process of obtaining a Special Use Permit from the Zoning Board of Adjustment for the antenna. The ZBA will consider approval at its January 8th meeting. Should ZBA deny the antenna, City staff expects MetroNet to not follow through regarding the sale of this property.

The property is approximately 0.5 acres in size. It was acquired in 1924 and was formerly used by the City as a water booster pump station. The pumping station became obsolete in the 1990s with a reconfiguration of the water pressure zones. A number of water mains on the property have been abandoned. The Water and Pollution Control Department anticipates demolishing the structure and the abandoned mains in 2024 at a cost of up to \$125,000.

The City has a process to establish the value of rights-of-way for sales to adjacent property owners. In sales of City-owned houses, the City typically evaluates individual offers. The 1420 Lincoln Way property is a former utility site, rather than a house or right-of-way. Therefore, City staff requested that MetroNet obtain an appraisal of the property. **The appraisal report indicates the market value of the property to be \$21,600.**

The appraisal report notes the significant limitations on the property due to the terrain. As part of the sale, City staff proposes that the northern 20 feet of the property would be retained by the City as right-of-way. At least three-fourths of the property area would need to be maintained in easements for electric, water main, and drainage/bridge infrastructure/surface flowage.

A date of public hearing must be established where the conveyance can be approved by the City Council. The City would not provide an abstract for the property, and would convey the property via quitclaim deed.

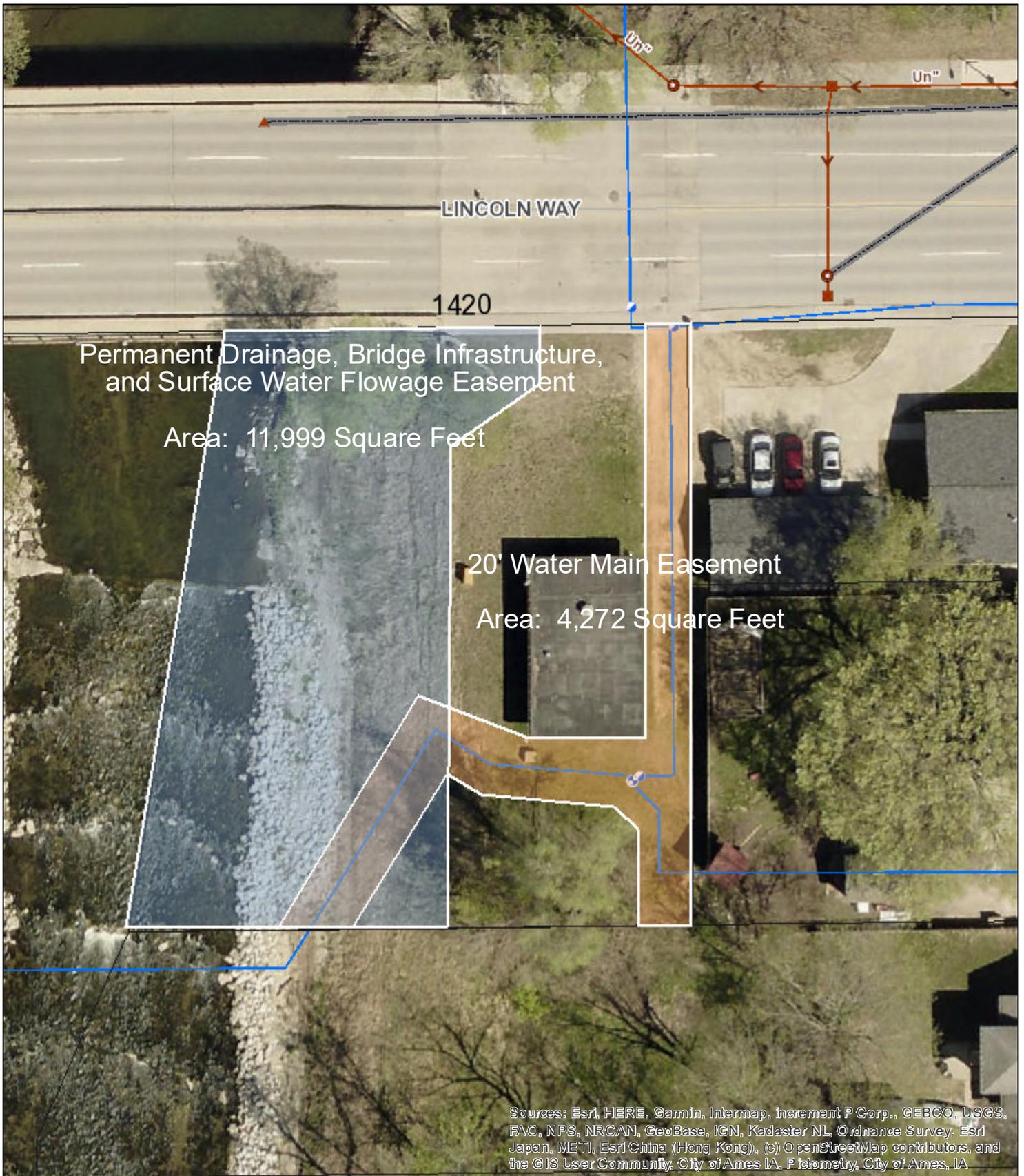
ALTERNATIVES:

1. Establish January 14, 2020, as the date of public hearing on the conveyance of City owned property located at 1420 Lincoln Way to Metro FiberNet, LLC, in the amount of \$21,600. The conveyance would be contingent upon Metro FiberNet, LLC recording a right-of-way acquisition plat and granting easements to the City at the time of the sale.
2. Establish January 14, 2020, as the date of public hearing on the conveyance of City owned property located at 1420 Lincoln Way to Metro FiberNet, LLC, in some other amount.
3. Do not set a date for public hearing, and provide further instruction to City staff.

CITY MANAGER'S RECOMMENDED ACTION:

The City no longer has any use planned for this property. The site conditions make this property very difficult to repurpose into another City use, and there are limited private uses that would be compatible with it. Selling this property to MetroNet eliminates a sizeable expense for the City in the future and provides a site acceptable to MetroNet for its operations. MetroNet has obtained an appraisal report that values the property at \$21,600.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.



1420 Lincoln Way



NORTH

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Date: 12/11/2019

1 inch = 47 feet