

## **RESOLUTION NO.**

### **A RESOLUTION OF THE CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO A RAIL PURCHASE AGREEMENT WITH BNSF RAILROAD**

WHEREAS, since March 5, 2019, the City Manager has been negotiating with BNSF regarding a purchase of eight separate former railroad parcels located along Sheila Street, Washington Boulevard, Jillson Street, and Eastern Avenue described as Los Angeles County Assessor Parcel Numbers 6335-022-800, 6335-022-801, 6335-023-800, 6335-023-801, 6335-025-805, 6335-025-807, 6335-014-805, and 6335-014-806 (the "Subject Properties"); and

WHEREAS, on June 25, 2019, BNSF informed the City that it would consider the purchase if the City acquired all eight BNSF properties that comprise the Subject Properties; and

WHEREAS, the acquisition would provide flexibility in allowing potential new future development to maximize what is currently undeveloped blighted areas in the City; and

WHEREAS, the Subject Properties are zoned either commercial manufacturing (C/M1) or heavy industrial (M2) and range from 3,549 square feet (approximately 0.08 acres) to 36,822 square feet (approximately 0.85 acres) with a combined area of 103,857 square feet (approximately 2.38 acres); and

WHEREAS, four parcels within the Subject Properties totaling 52,706 square feet (approximately 1.20 acres) are adjacent to properties currently owned by the City and a part of negotiations for future development that include a vision for new housing; and

WHEREAS, on July 8, 2019, the City Manager received an appraisal report valuing the fee simple interest in the Subject Properties to be \$2,290,000; and

WHEREAS, the City Manager is prepared to enter into an agreement with BNSF to acquire the Subject Properties for the lump sum of \$2,225,000.00; and

WHEREAS, an appropriate environmental review of any proposed repurposing of the Subject Properties will be required pursuant to the requirements of the California Environmental Quality Act ("CEQA") to analyze the potential environmental impacts of a proposed project before it is considered by the City's Planning Commission and City Council; and

WHEREAS, the acquisition would be contingent upon an agreement by the City pursuant to federal law, that the use of railroad property acquired will not impair the potential of any future restoration of rail service within the Subject Properties under the purchase agreement. The City shall be reimbursed its investment in the unlikely event this occurs.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The City Manager is authorized to execute any and all documents necessary to implement the purchase agreement with BNSF Railroad for BNSF property interests in the City of Commerce; and

Section 2. The Mayor is authorized to execute the purchase agreement, as approved as to form by the City Attorney, for the acquisition of all of the ownership interests of BNSF right-of-way herein referred to as the Subject Properties.

**PASSED, APPROVED and ADOPTED this 15th day of October 2019.**

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John Soria  
Mayor

ATTEST:

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Lena Shumway  
City Clerk