

**ROCHELLE CITY COUNCIL
REGULAR MEETING 9/24/18
AGENDA ITEM NO. 6**

SUBJECT: Resolution Approving the Purchase of the Brossman Rail Right-of-Way

Staff Contact: Jason Anderson

Summary: The 2018 CIR Budget has \$700,000 budgeted for the purchase of additional rail right of way. In conjunction with the plans to expand the City of Rochelle Railroad and advance the \$6M in grants, additional rail right of way had to be purchased for the project. In 2016 GREDCO was able to acquire a 200' X 4,350' parcel +/- 20 acres so the project and the grant applications could move forward. The purchase was funded by a \$700,000 loan which GREDCO secured through three local banks. Today the rail capital fund has over \$2M in reserve which will cover the cost of purchasing the rail right of way and cover the City's portion of the cost of the rail expansion.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
CIR Rail Revenues	\$725,000*	\$720,000
	*\$25K budgeted for interest on loan	

Strategic Plan Goal Application: Under the category Economic & Business Development the Goal to Develop & Improve Strategies for industrial Growth the City and GREDCO are committed to continue to find ways to expand the City Rail System. This acquisition is directly tied to this goal. The expansion of the CIR is expected to be completed by Q1 2019 at which time additional CIR revenue can be derived from the expansion.

Recommendation: Approve a Resolution Approving the Purchase of the Brossman Rail Right-of-Way

Supporting Documents:

Resolution Approving the Purchase of the Brossman Rail Right-of-Way
Purchase and Sale Agreement