



AGENDA MEMO

Business of the City Council City of Sweeny, Texas

Meeting Date	02.21.2023	Agenda Item	
Approved by City Manager	Yes	Presenter(s)	Lindsay Koskiniemi, City Manager
Reviewed by City Attorney	Yes	Department	Administration
Subject	Discussion and possible action on renewal of a 20-year lease agreement between the City of Sweeny and Union Pacific Railroad for the use of 41,670 square feet of right-of-way to the south of Chick Anderson Park and spanning a portion of Pecan Street and possibly part of Peach Street.		
Attachments	<ul style="list-style-type: none"> - Existing lease agreement executed in June 2004 - City Attorney opinion 		
Financial Information	Expenditure Required:	N/A	
	Amount Budgeted:	N/A	
	Account Number:		
	Additional Appropriation Required:		
	Additional Account Number:		

Executive Summary

A representative from Union Pacific Railroad contacted the City in January 2023 to notify the City of a 20-year right-of-way lease agreement terminating in June 2024. While the termination of the agreement is sixteen (16) months into the future, UP Railroad would like an answer as early as possible. For the time being, the city manager gave a tentative, non-binding answer of yes, the city is interested in renewing the lease.

The City Attorney has reviewed the lease and opined there are stringent requirements. The city's current liability insurance limitations meet the requirements in Exhibit C. The lease agreement does not propose any rental fees.

If this lease is not renewed, there may be adverse impacts on community events that take place at the Chick Anderson Park. For example, the County-wide Veterans Day parade the City hosted on November 11, 2022 began with a parade lineup at the affected area.

Recommended Action

City staff recommends approval.