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Date: October 2, 2023

To: Mayor & City Council

CC: Thomas J. Sheridan, City Manager

From: Bradley Kosco, PE, PS, City Engineer

**Re: Update on Acquisition of Norfolk Southern Property (Barlow Rd. to Veterans Way)**

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In May 2023, City staff, along with the Mayor and council members, met with Norfolk Southern (NS) Real Estate staff and conducted an on-site review of the existing railroad property from Barlow Road to just north of Veterans Way. The goal of the meeting was to confirm that NS was willing to sell the land, to better understand the existing site conditions and to review the process of the City purchasing the NS property. A map of the property being considered is attached to this memo.

At the July 11, 2023, Council Workshop, City staff discussed that NS is willing to sell the property from Barlow Road to Veterans Way. Based upon the Council Workshop discussion, staff has proceeded to move towards the goal of making an offer to Norfolk Southern to purchase the property which includes:

- 1) Survey and Lot Split of Potential Land to be Acquired.
- 2) Wetland Delineation
- 3) ESA Phase 1 (and possible ESA Phase 2)
- 4) Appraisal of Property (based upon area and site conditions including wetland and environmental assessment findings).

Below is a summary of the items noted above:

**1) Boundary Survey and Lot Split**

Norfolk Southern will require a boundary survey and plat that meets NS standards, of the property to be acquired. In addition, since only a portion of the property currently owned by the railroad is being purchased, a lot split of the property will be required.

Staff has contacted four, Ohio, professional surveying companies to submit proposals for the boundary survey, lot split and plat development. Of the four companies contacted, one was not able to commit to the work given current workloads, and one was not comfortable signing the railroad's Right-of-Entry agreement. Two companies have submitted proposals and staff is reviewing the proposals prior to approaching Council with approval to enter into a professional services contract with the selected surveying firm.

2) **Wetland Delineation**

Staff contacted two professional environmental consultants for wetland mapping and delineation of the property. Davey Resource Group has signed the Norfolk Southern Right-of-Entry Agreement and is currently awaiting approval from NS to access the property and commence with the evaluation.

3) **Environmental Site Assessment (ESA), Phase 1**

Staff contacted two professional environmental consultants for a Phase 1, Environmental Site Assessment (ESA) of the property. The ESA report will identify either potential or existing environmental contamination concerns. TRC Companies, Inc. has signed the Norfolk Southern Right-of-Entry Agreement and is currently awaiting approval from NS to access the property and commence with the evaluation.

4) **Appraisal of Property**

Staff has contacted four professional real estate appraisal consultants to review their experience with railroad property valuations. Based upon interviews, staff is soliciting fees from two real estate appraisers familiar with railroad properties. Staff is holding on authorizing the appraisal until the wetland delineation and Phase 1, ESA screening has been completed.

**Activities Going Forward**

Upon completion of the environmental studies, lot split/plat development and appraisals, staff will then return to Council to review the recommended offer for the purchase of the Norfolk Southern property and enter into negotiations with NS.

After negotiation and pending approval from NS on the property purchase price, the next steps for the City and Railroad are to:

- 1) Enter into a Purchase & Sale Agreement (PSA)
- 2) After PSA signed, NS submits request to have line abandoned with the Surface Transportation Board
  - a. City pays fee which is estimated at \$30,000+/-
  - b. Estimated 9-month timeline for abandonment process to complete
- 3) Complete title work and any remaining survey work or other due diligence.
  - a. City is responsible for survey and title work.
- 4) Close the sale