

# Proposed Purchase of BNSF Railway Land

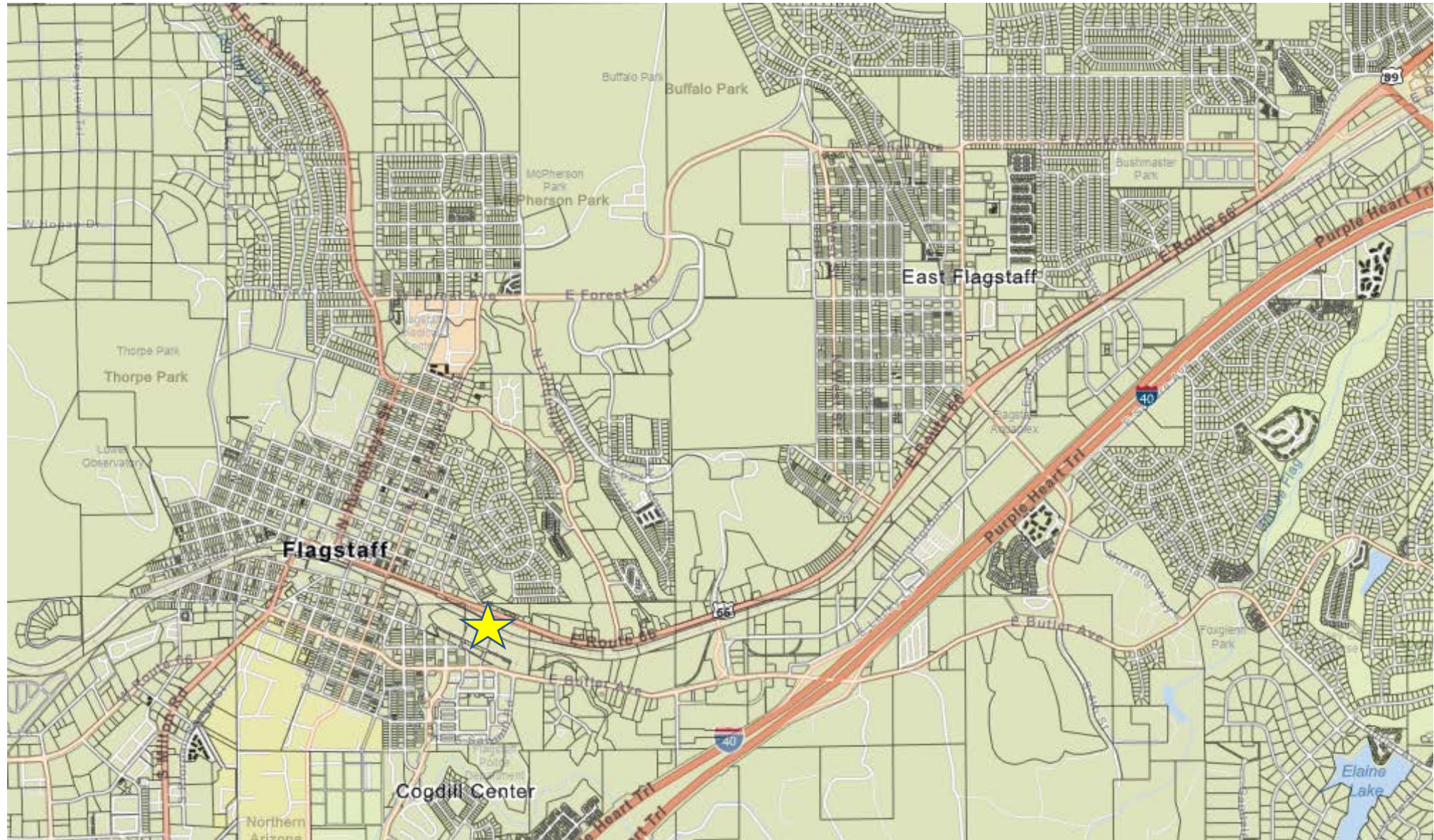
for Redevelopment or  
Relocation of Concrete Plant  
at 840 E. Butler Avenue

April 23, 2024





# Vicinity Map





# Parcel Map





# Arizona Materials Property





# Capital Project Property Needs





# Background

## Lone Tree Overpass & Rio de Flag Flood Control Projects – Property Acquisitions

- RDF cannot be constructed until City obtains all property rights.
- LTO cannot be completed until City obtains all property rights.
- City needs property rights from both BNSF Railway Company
- City filed a condemnation proceeding for AZM's property but still working with AZM to reach an amicable resolution.
- City is providing relocation assistance to AZM and other displaced persons under federal Uniform Relocation Act.



# Background



## AZM Relocation Efforts

- The City and AZM have actively been searching for a replacement location since 2020.
- AZM is a non-conforming use under the current city zoning ordinance.
- City zoning had to be heavy industrial for a concrete batch plant.
- City completed and approved text amendment to allow concrete batch plant in light industrial with a conditional use permit, Council approved on February 7, 2023.
- AZM attempted to obtain a site from the Reich Bros. from April to July 2022. Zoning and Site Plan issues prevented relocation.



# Background



## AZM Relocation Efforts

- AZM commenced concept site plan for property on Huntington Dr. from February 2023 to January 2024.
- City approved Huntington Dr. concept plan on or about January 8, 2024.
- AZM determined Huntington Rd. site was too small and did not meet operational efficiencies for development.



# Relocation Efforts

## Conclusions:

We have been unable to identify a site in our market which is both feasible and desirable for Arizona Materials.

If AZM is not able to find a suitable relocation site, it may need to cease business operations in Flagstaff.

## Legal Considerations:

Under the Uniform Relocation Act the City is required to help find a suitable relocation site but the City is not required to guarantee a suitable site is found.

The City is following standard condemnation procedures, but has deferred efforts to obtain the right to immediate possession of the AZM property, in an effort to help AZM find a suitable relocation site and to avoid putting AZM out of business in Flagstaff.



# Adjacent BNSF Parcels

BNSF is proposing that the City purchase the Orange Parcels adjacent to AZM as part of an overall agreement for purchase of property rights necessary for the City's projects, due to loss of rail-access





# BNSF Site Adjacent to AZ-Mat





# Relocate AZM to East Parcel?

## Concrete Plant allowed with Conditional Use Permit

- Light Industrial (LI) zoning
- The purpose of conditional use permits is to provide a process for reviewing uses and activities that are permitted in an applicable zone, but that require more discretionary review and the possible imposition of conditions to mitigate the effects of the proposed use.
- Concept Plan, Site Plan, CUP Permit (2 neighborhood meetings), Planning & Zoning Commission decision.



# Southside Plan – Considerations

- “Consider land exchanges to allow for continuation of businesses and residences affected by the Lone Tree construction and to create more usable park space for the Southside community.”
- BNSF Parcels are designated as “Live/Make Center”
  - An entrepreneurial craft/manufacturing area which supports commercial and large-scale residential development, a vibrant and creative environment for small businesses...
- Southside Specific Plan is aspirational, except in case of a rezoning.



# Relocate AZM to the East Parcel?

## How this would work:

1. City buys East Parcel.
2. City trades the East Parcel for the AZM parcel, if AZM obtains a conditional use permit for concrete batch plant to operate at this site.
3. Trade needs to be for substantially equal value.



# Arizona Materials

## AZM wants to stay in Flagstaff & in the Southside

- Maintain business operations in Flagstaff
- Maintain existing customer base and market share
- Maintain existing haul routes and delivery times
- Maintain ready mix competitive pricing
- Competitive pricing supports affordable housing and lower building costs
- BNSF site has similar site operations efficiencies.
- BNSF site meets environmental compliances (DAQ, DEQ, etc.)
- Direct Access to Butler Ave.
- Support local tax and employment base
- Long term commitment to support future development



# AZM Site Needs

- Site size and configuration meets operational efficiencies and safety.
- Central location and minimized haul distances to market
- Direct access to major collector roadways
- Site allows AZM to meet environmental permitting requirements



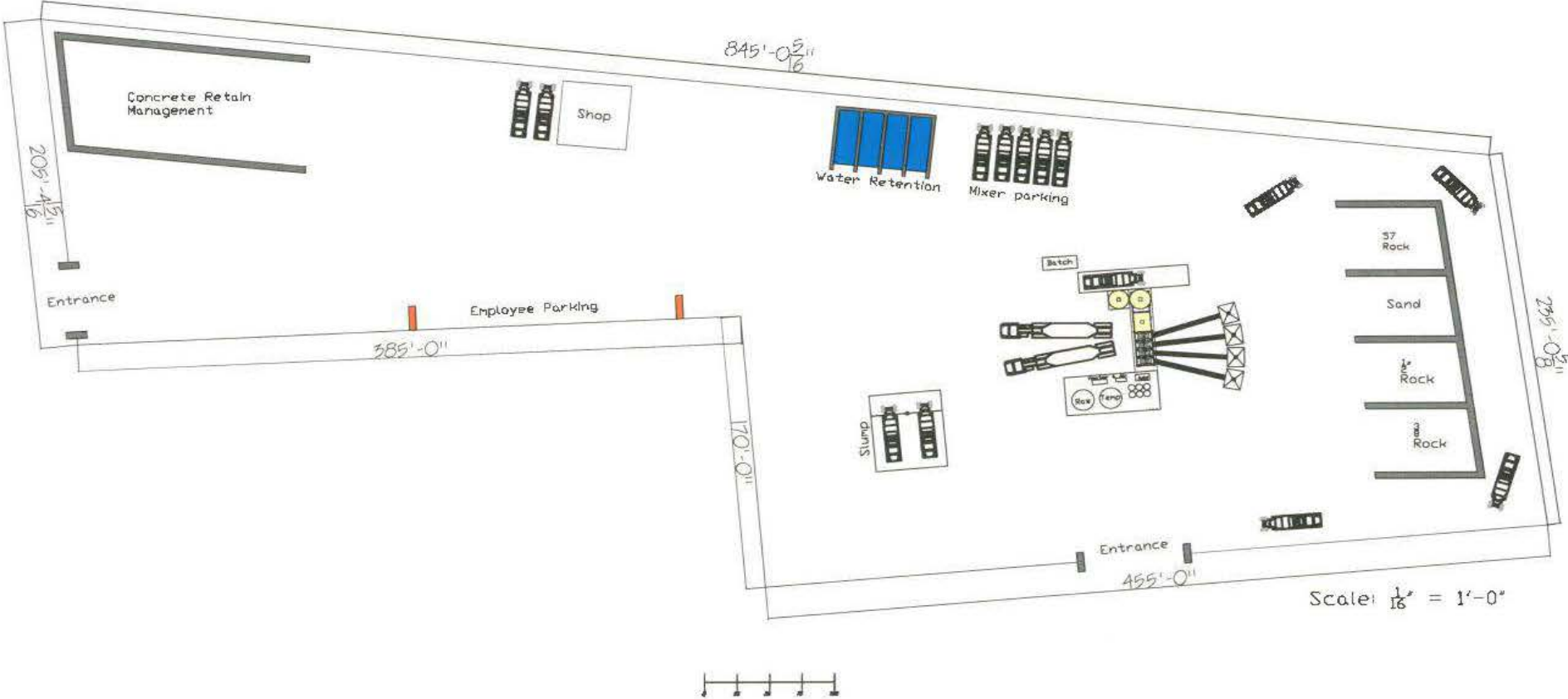
# Relocate AZM to East Parcel?



## AZM in preliminary planning stages

- Informing public on land use changes
- BNSF property available for purchase due to the City's capital projects.
- Expedite construction of overpass project.
- Minimize plant relocation costs.
- AZM is already operating in the neighborhood but will address neighborhood concerns as part of the conditional use permit process for the BNSF site.

# AZM's early thoughts on a Site Plan for East Parcel





# Seeking Public Input & Council Direction



## Options

1. Support efforts to help AZM relocate to East Parcel (so long as it obtains a conditional use permit) or
2. Continue efforts to relocate AZM elsewhere or
3. Seek a court order of immediate possession for use of AZM's property



# Options – Primary Considerations

Option 1: Support efforts to relocate AZM to East Parcel (so long as it obtains a conditional use permit)?

Pro: Keep business in same area and in Flagstaff

Con: Other new development might be preferred

Option 2: Continue efforts to relocate AZM elsewhere?

Pro: Allows for other new development of East Parcel

Con: Could take years to find suitable site if at all (LTO and RDF projects will be delayed until City has obtained property rights from both AZM and BNSF)

Option 3: Seek a court order of immediate possession for use of AZM's property?

Pro: City may obtain right to use AZM's property

Con: Litigation costs and risks; if granted, AZM may leave Flagstaff