



Staff Report

January 6, 2025 Council Regular Meeting

Property Acquisition for Future Operations Center

Presenter: Steve Wall, Public Works Director

Time Estimate: 10 minutes

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BACKGROUND: The existing Public Works Operations Center is located at 1620 SE 8th Avenue on approximately 3.2 acres (including room for the Offender Crew and associated equipment). The primary facility was constructed in 1994 and includes approximately 13,000 square feet of space with numerous 3-sided pole barns used for equipment storage. The site currently houses approximately 50 FTEs and their personal vehicles, and millions of dollars' worth of equipment; the majority of which is stored outside. It is bounded on the west by a City park (Oak Park) with sensitive lands, on the south by SR 14, and on the north and east by residential properties.

In March 2022, Staff presented the City Council with an analysis of the existing space at the current Public Works Operations Center as well as preliminary programming and potential costs necessary to acquire land, design, and construct a new Operations Center to serve the needs of the City for the next 40-50 years. Based on the preliminary programming analysis at the time, it was determined that 12-15 acres would be needed to support a new standalone site with consolidated operations. For reference, a full Operations Center would house an administrative crew building, shops, covered vehicle and equipment storage, bulk storage, and wash down facilities, among other operational needs. Alternatively, if adequate land could not be found to support a full buildout of a consolidated site, the analysis included a "split operations" scenario, which would maximize the current site to the extent possible, then include acquisition of additional acreage to house the remaining services. Rough cost estimates provided at the time were in the range of \$54 and \$59 million for the two options. There were no locations or specific site configurations selected as part of the effort in 2022.

Upon completion of the Analysis completed in 2022, staff began a process to identify potential sites within the City and surrounding area that could potentially work for a future Operations Center. Potential sites were evaluated using weighted factors in a matrix that included the following parameters:

- **Location and Route Origination** – Access to primary service routes, fueling, disposal sites, etc.

- **Size, Shape and Access Characteristics** – Can full buildout be accommodated, how many parcels required for buildout, disruptions to adjacent sites, parcel topography (is it flat or hilly), available secondary site access, etc.
- **Environmental and Regulatory Considerations** – Wetlands and other sensitive areas, permitting complications, etc.
- **Economics** – Zoning, future economic development potential, etc.
- **Public Relations** – Neighborhood compatibility
- **Other Considerations** – Any other potential “fatal flaw”

Given the challenges of available land that was both large enough to potentially handle a future consolidated facility and had enough buildable acres not constrained by slopes or sensitive lands, three sites quickly rose to the top. Of those sites, one has long been considered a site that is likely to provide significant economic development opportunities, and another located within the urban growth area (not annexed) was purchased by developers even as the site evaluation process was finishing up. Unfortunately, the type of site that is suited for an Operations Center is also the most likely type of site to be purchased and developed as soon as it becomes available and City provided services are nearby.

The remaining feasible site was identified as the “Weakley Road Area” located on the east side of NE 232nd Avenue in the vicinity of Weakley Road. At the time of the analysis, the property was still in Clark County, but within the City’s Urban Growth Area. The Weakley Road Area consisted of the potential for multiple properties to be combined into one site to meet the needs for ultimate buildout. The site is flat, located on an arterial with immediate access to Green Mountain and the North Shore with suitable access to reach Prune Hill, Grass Valley and Downtown areas, and has very limited sensitive lands, if any. Additionally, the site is located within a non-developed area of the City that will not significantly impact the City’s economic development opportunities or existing neighbors, and ultimately was determined to have willing sellers. After considering multiple options to reach the targeted 12-15 acres, the parcels identified as the best option were 175764-000, 175762-000 and 175723-000. These are shown in Figure 1 below for reference and are owned by the Wheeler, Fricke/Kreiter, and Hitchcock families, respectively.

The total acreage of the three properties is approximately 14.4 acres. Additionally, purchase of the Fricke/Kreiter parcel also allows limited use of the approximately 5-acre Bonneville Power Authority property to the north, as it is technically “sandwiched” between two sections of the Fricke/Kreiter parcel. With completion of the North Shore Sub-Area Plan, the parcels are currently zoned Mixed Use (Hitchcock and Wheeler) and Higher Density North Shore Residential.

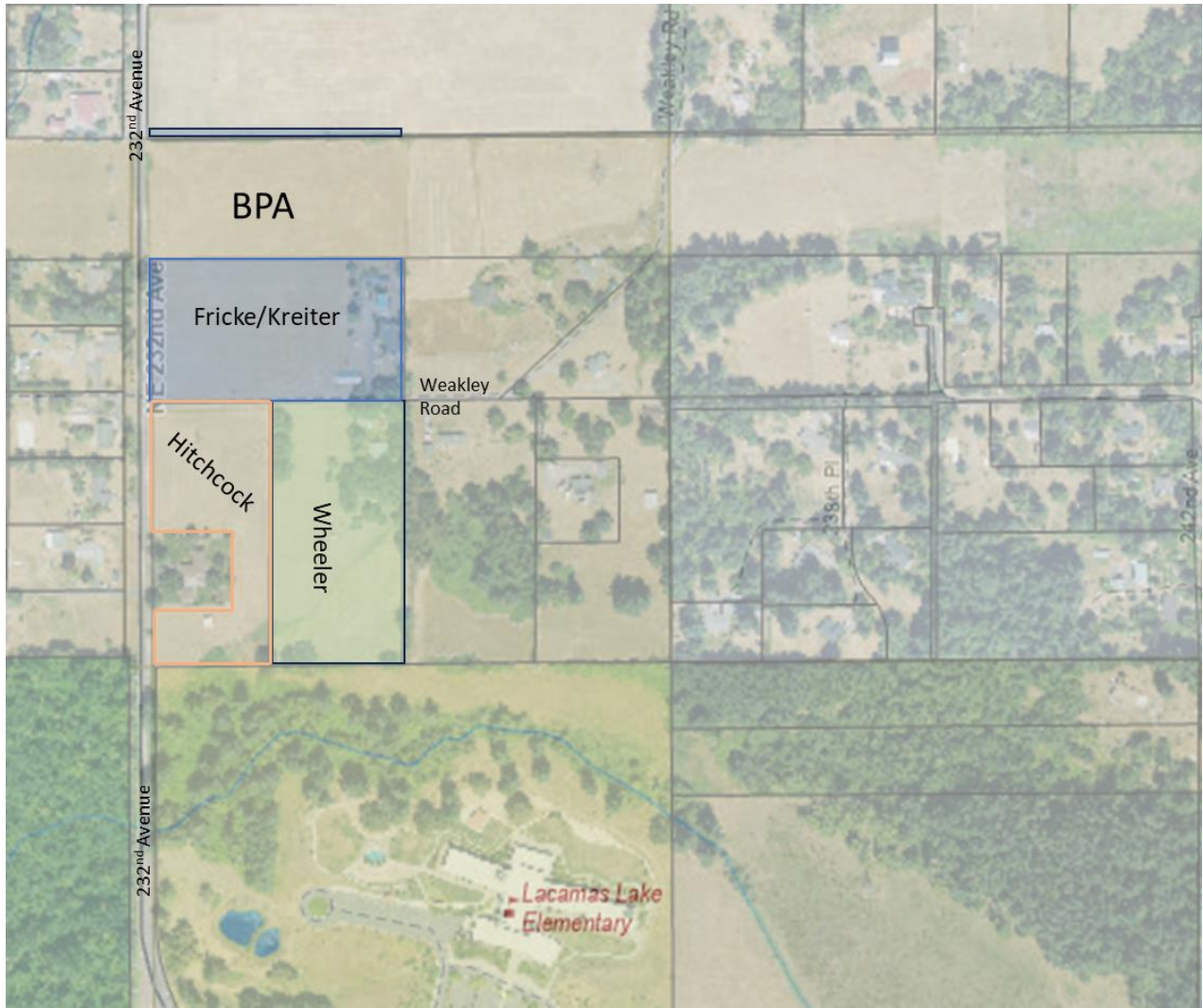


Figure 1: Parcels Proposed to be Acquired for Public Works Operations Center

SUMMARY: The City has been negotiating individually with the Wheeler, Fricke/Kreiter, and Hitchcock families for approximately 1.5 years. Certified appraisals were completed and reviewed by all parties and the City Attorney and staff negotiated the final terms of purchase as identified in the attached Purchase and Sale Agreements, which were all executed subject to final Council approval. . It is noted the final agreement with the Hitchcock's includes 4 acres of the current 5 acre parcel.

BUDGET IMPACT: Based on the appraised values and negotiations, the Purchase and Sale Agreements provide for the following purchase prices:

- Wheeler - \$1.902 million
- Fricke/Kreiter - \$2.637 million
- Hitchcock - \$1.63 million

The total purchase price for all three parcels is \$6.169 million. Staff has considered financing options to complete the purchase and determined that using utilities funding for the initial purchase is the best alternative. This would ultimately be completed through the use of a utility revenue bond to be paid back from all of the funds supporting Public Works functions. Public Works funds include all four utilities (Water, Sewer, Stormwater and Garbage), General Fund, Streets Fund, Cemetery Fund, Equipment Rental Fund, and Central Facilities Fund.

RECOMMENDATION: Staff recommends the City Council approve the Purchase and Sale Agreements for the Wheeler, Fricke/Krieter, and Hitchcock Parcels and authorize the Mayor or designee to execute all closing documents to allow for this acquisition.