



Folsom City Council Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11381 - A Resolution Authorizing the City Manager to Execute an Agreement to Purchase 1 Natoma Street (APN 071-0310-014-0000) for Police Department Use
FROM:	Police Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council pass and adopt Resolution No. 11381- A Resolution Authorizing the City Manager to Execute an Agreement to Purchase 1 Natoma Street (APN 071-0310-014-0000) for Police Department Use.

BACKGROUND / ISSUE

The existing Police Department Building was constructed in 1991 as part of the overall City Hall Campus and has served the Department for over 30 years. From 1991 to present time there have been many changes in growth of the City, growth of the Department, Technology, and Policing Standards. The current facility is no longer large enough to house the personnel needed to provide police services to Folsom. In 2023, we began using rental space inside 11 Natoma Street to house our Neighborhood Services Unit, consisting of our Traffic Bureau, School Resource Officers, Homeless Outreach Team, Problem Oriented Policing Team and Animal Control Officers.

The building at 11 Natoma Street has been recently sold to a new owner, with plans to use the building for other purposes. We have been notified that we need to move out of that current space. A separate building in that complex is available, located at 1 Natoma Street. Additionally, this investment directly addresses the substantial and sustained growth our city is experiencing, particularly in the Folsom Plan Area.

POLICY / RULE

Section 2.36.080 of the Folsom Municipal Code requires that contracts above \$75,049 be awarded by the City Council.

ANALYSIS

Over the past several years, our city has experienced one of the most significant growth periods in its history. Since 2018, the population has increased by approximately 17,500 residents—a 23 percent rise from our base of approximately 75,000. Much of this growth has been concentrated in the Folsom Plan Area, where new development continues at a strong pace. 4,299 building permits have been issued in the area as of March 2025. With an estimated 2.6 occupants per unit, this accounts for roughly 11,000 new residents currently living in the Folsom Plan Area. At full buildout, this area is expected to house approximately 34,500 residents within the next six to ten years. This growth was anticipated, and the City collected impact fee revenue to meet the city facility demands created by this growth.

As the population has grown, so too have traffic volumes, calls for service, and demand for law enforcement. To keep up, the Police Department has expanded its staffing, which quickly exceeded our existing office capacity. We reached a point where specialized teams were working out of spaces designed for individual staff members or much smaller units. In 2023, the department began leasing space at 11 Natoma Street to house our Neighborhood Services Unit. This unit includes the Traffic Bureau, School Resource Officers, Homeless Outreach Team, Problem-Oriented Policing Team, and Animal Control Officers. Recently, however, the ownership of these buildings changed, and the new owner has informed us that we will need to vacate the space by the end of 2025 due to new plans for the property.

Fortunately, a nearby building in the same complex, 1 Natoma Street, is now available for purchase. The building is approximately 8,148 square feet and represents a rare opportunity to secure permanent space for our Neighborhood Services Unit. Ownership would provide long-term stability, protect the City from future displacement, and eliminate ongoing rental expenses. It would also allow us to design the interior to suit our operational needs as our services continue to evolve alongside population growth.

The building is currently configured with several large, single offices, and would require some interior reconfiguration to accommodate our staff and work groups. Additionally, upgrades to IT infrastructure and security systems will be necessary to support safe and effective police operations. The purchase price of the building has been negotiated at \$2,700,000 and we estimate the cost of improvements at approximately \$1,000,000.

The Folsom Plan Area is responsible for the majority of this increased service demand. Based on call volume and service patterns since the area's development began, we estimate that approximately 90 percent of the need for this project stems directly from the growth in that area. This estimate is supported because from 2018 to the current budget year, we added an Animal Control Officer, 7 Police Officers, two Community Service Officers, one Sergeant, one Corporal and one Communications Supervisor, which were all attributed to the

growth in the Folsom Plan area. Additionally, we expect continued growth in personnel to adequately serve the Folsom Plan Area, 25 more personnel by 2035. This purchase addresses that expected need.

The purchase of 1 Natoma Street would also provide a solution to another challenge facing the Police Department. Our Communications Center has outgrown its current space due to the increased volume of emergency and non-emergency calls. There is no feasible way to expand within our current facility without sacrificing some other capability. If we acquire 1 Natoma Street, we would be able to relocate the Investigations Division there, which would in turn free up space to expand the Communications Center at our main police facility. This shift would also allow us to enlarge the Records Department while continuing to maintain front-counter services to the public.

Without adequate space to support our staff and services, our ability to respond promptly and maintain service quality will suffer. Delays and inefficiencies could ultimately erode public trust and diminish quality of life. Securing a permanent facility now ensures that we can continue to deliver the high standard of police services our community expects and deserves.

It's important to recognize that the need for a long-term police presence in the Folsom Plan Area is apparent to us. The population will continue to grow, and the demand for public safety services—emergency response, traffic enforcement, school safety, homeless outreach, and more—will grow with it. As a companion to the 1 Natoma Street acquisition, we also plan to open a Police Services counter inside Fire Station 34, located in the heart of the Folsom Plan Area. A portion of the project's improvement funds would be used to build out a small office and signage. The substation would be open to the public and staffed by a Records Technician or police volunteer, providing assistance with reports, questions, and potentially other City services.

This is a financially responsible and strategic decision. The funds needed to purchase 1 Natoma Street were specifically collected to support facility investments related to growth in the Folsom Plan Area. Acting now allows us to avoid higher future costs, protect against inflation, and ensure that we are being good stewards of taxpayer resources. Continuing to lease short-term space carries the risk of rising rents, disruption to services, and operational instability.

The City is at a critical decision point. With continued growth in the Folsom Plan Area, the upcoming loss of our leased space, and the rare opportunity to purchase a well-located facility, the case for action is clear. For these reasons, I respectfully recommend that the City Council approve the use of impact fee funds to purchase 1 Natoma Street. This will allow us to maintain essential police operations, respond to a growing community, and invest in long-term stability for our City.

FINANCIAL IMPACT

The purchase price of the building has been negotiated at \$2,700,000 with an additional \$1,000,000 needed for improvements. Staff estimates that population growth in the Folsom Plan Area, and related growth in Police Department staffing, accounts for 90% of the need for additional office space. Staff is requesting an appropriation of \$370,000 in the Police Capital Improvement Fund (Fund 428) for 10% of the funds and an appropriation of \$3,330,000 in the Folsom Plan Area Capital Improvement Fund (Fund 472) for 90% of the funds needed for the purchase of this building and related improvements, totaling \$3,700,000. Both the Police Capital Improvement Fund and the Folsom Plan Area Capital Improvement Fund have sufficient funds available for this purchase and related building improvements.

ATTACHMENT

Resolution No. 11381- A Resolution Authorizing the City Manager to Execute an Agreement to Purchase 1 Natoma Street (APN 071-0310-014-0000) for Police Department Use.

Submitted,

Richard Hillman, Chief of Police