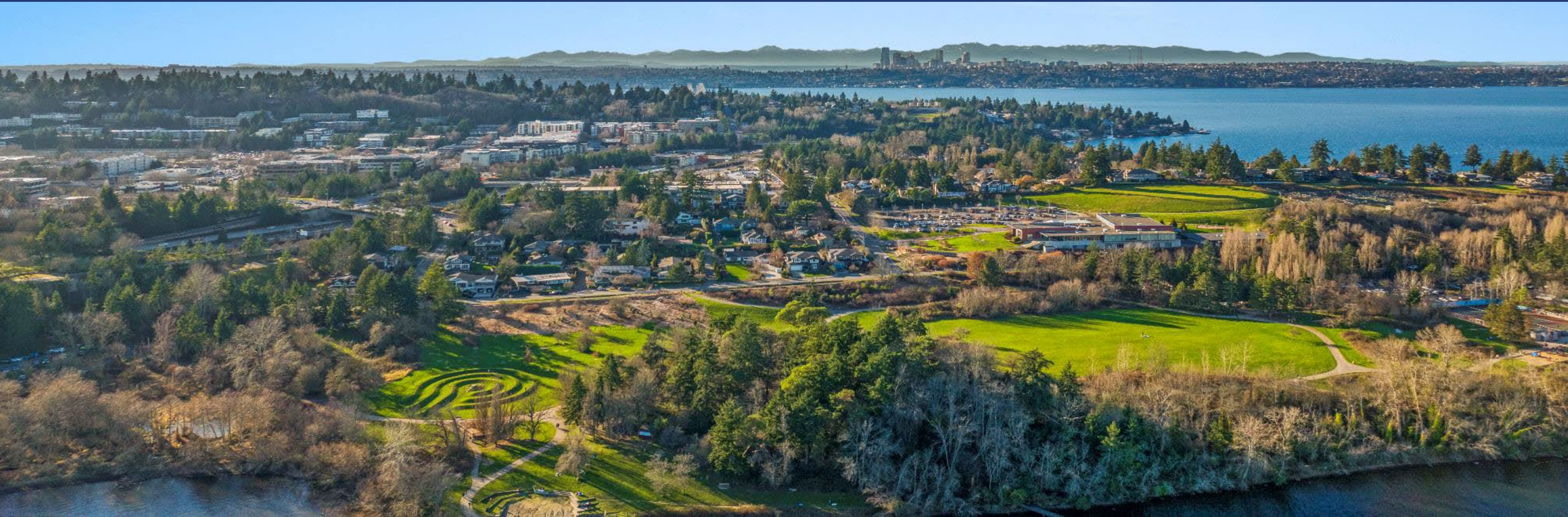
AB 6738

Budget Appropriation for Property Acquisition
First Reading of Ordinance No. 25-21

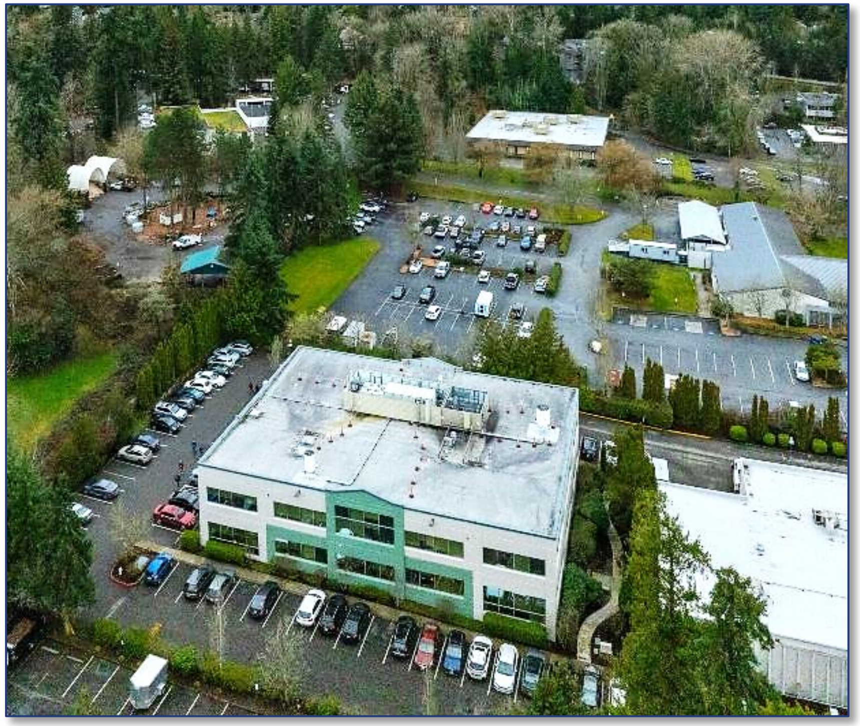
July 15, 2025



9655 SE 36th Street

Acquisition via eminent domain

- Purchase Price $9,060,000
- Estimated closing costs $20,000
- Total cost to the City $9,080,000



- Eventual permanent location for CPD, PW Administration, Capital Projects and Engineering, and Youth and Family Services.

Resources for the Purchase

- The building acquisition is funded with 2024 year-end savings from the General Fund, resources set aside for long-term facility needs, and available capital resources.

- Resources on hand will be deposited into an escrow account.

- Ordinance No. 25-21 authorizes staff to finance $1.6 million of the purchase with outside financing (Exhibit 1).

Resources for the Purchase

Available Unassigned Fund Balance	Total
General Fund	$ 3,302,358
Municipal Facility Replacement Fund	3,362,808
Capital Improvement Fund	1,670,752
Town Center Parking Facilities Fund	744,082
TOTAL	**$ 9,080,000**

Ordinance No. 25-21

- Authorizes $1,600,000 in LTGO bonds to reimburse costs related to the building acquisition.
  - Additional $100,000 to cover the cost of issuance. Remaining resources go to the building acquisition.
  - Term limited to a maximum of 20 years.
  - True interest cost no more than 6.25%.
- Staff aim to issue debt by year-end.

Recommended Action

1. Schedule Ordinance No. 25-21 for second reading and adoption at the September 2, 2025 City Council meeting.

2. Appropriate the following available budget resources to the Municipal Facility Replacement Fund for the acquisition of real property by eminent domain:

    a. $3,302,358 from the General Fund Unassigned Fund Balance.

    b. $1,670,752 from the Capital Improvement Fund Unassigned Fund Balance.

    c. $744,082 from the Town Center Parking Facilities Fund.

Questions

Prepared By

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