

CONFIDENTIAL MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: DANIELLE MAHONEY, ASSISTANT CITY MANAGER
SUBJECT: PROPERTY ACQUISITION OPTIONS FOR FIRE STATION LOCATIONS
DATE: FEBRUARY 6, 2025

Station #3 – Overview of Potential New Location

City administration is exploring a strategic land “exchange” to optimize the location for the future Fire Station 3 while supporting a potential business expansion in the Venture Drive corridor. This proposal would leverage City-owned property on the west side of Venture Drive, which was acquired (through donation) in 2020 and is currently designated for Fire Station 3, by making it available to an adjacent property owner who wants to expand. Boll Filter, located to the south of the City-owned parcel, is looking to expand their operations and remain in the City. Their desired expansion is larger than their current footprint can accommodate, hence their interest in purchasing the City's property to the north. At the time of its acquisition, the City parcel was valued at \$326,000.

To acquire an alternative location in the same area, the City would engage the owner of three parcels on the east side of Venture Drive who has previously indicated the assembled property might be available. This alternative property would actually better accommodate the needs of the new fire station. From initial conversations through a realtor, the property owner is interested in selling and is looking for a price over \$500,000.

Rationale for the Exchange

- **Supporting Business Growth:** By making City-owned land available to the adjacent property owners, we facilitate potential business expansion and economic development in the area.
- **Efficient Land Utilization:** This exchange ensures that both public safety infrastructure and private sector development are positioned for long-term success.

Next Steps

If City Council is amenable to this course of action City administration will initiate discussions with the property owners and conduct due diligence to assess feasibility, including property valuations and any necessary zoning considerations. We will return to Council with an update on these findings, and then pursue a formal agreement and terms for approval once negotiations progress. The process for the sale of the city parcel is still being determined, but an RFP may need to be involved.

Station #2 Search Status

The options for a new location for Station #2 are limited. In order to keep response times close to where they currently are, identifying a site near the current station is ideal. The former Rite Aid pharmacy sits 0.2 miles or 1,000 feet from station #2 and has been on and off the market for some time. Inquiries on the building generated an asking price of \$2.9 million. Plante Moran Realpoint has been assisting the City with the process. Their recent conversations have identified that the owners have found an entity to lease the building for five years; however, the owner is still interested in selling and, most likely, thinking that if they can sell the property with a leaseholder, it would be advantageous for potential investors. We are looking for direction on continuing with our efforts to evaluate this property as a potential location for a new station #2.

We look forward to discussing both of these matters with Council on Monday night.