



CITY OF ORLAND STAFF REPORT

MEETING DATE: March 18, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Pete Carr, City Manager

SUBJECT: **City Hall / Public Safety Center Planning** (Discussion/Action)

BACKGROUND:

The goal of providing the Orland Police Department (OPD) with more spacious and suitable facilities has long been an issue of concern and consideration. Background and analysis is in the agenda staff report for the February 18, 2025 meeting.

At that meeting, Council discussed options and heard a proposal from Staff to replace the current building at 824 Fourth Street with a modern, expanded City Hall – thus freeing up OPD to expand its parking, operations and administration into the entire currently shared facility. After public comments, Council tabled the topic.

ANALYSIS:

Several public comments were received encouraging the City to consider 501 Walker Street (a.k.a. 700 Fifth Street, the former home of Honeybee Discovery Center); this property is not and cannot be considered for acquisition by the City. Many other properties have also been explored as potential acquisition sites -- each with its own price, location, remodeling, space limitations and parking issues.

824 Fourth Street offers compelling features including:

- ❖ The City already owns the property;
- ❖ Downtown location with excellent proximity to Library Park, OPD, OFD, Post Office; and
- ❖ 1/3 acre enables ample space for a suitable building with onsite parking.

A downside is that ending lease revenues hampers the planned payoff of the interfund loan used to purchase the property in 2006. Demolition is estimated to cost \$50-125k. Construction could be \$1.5M.

Funding:

- The City has \$144k in City Hall development impact fees (DIF) available now, plus a portion of the \$610k in Public Safety Facility DIF could be made available (50% of the 50% of the portion which is OPD, thus approximately \$150k).
- Measure A reserves are primarily for future Fire Department capital equipment, with a smaller portion building a reserve for the future Public Safety Center (PSC). There is \$339k of unallocated reserve in Measure A, which serves as the emergency reserve, but this could be directed toward the OPD station remodel of this project in consistency with the public safety intent of the fund.

- This leaves \$300k in DIF for the City Hall project and \$489k (\$150k + \$339k) for the OPD expansion/remodel project. Between General Fund reserves and a low-interest loan against future City Hall DIF for the balance of the project cost, the proposed City Hall project is financially feasible.

RECOMMENDATION:

Direct Staff to proceed with planning a project for a new City Hall at 824 Fourth Street.

Alternative Considerations:

If the 824 Fourth Street site is not to become a newly constructed City Hall, the City must proceed immediately with exterior repairs to the west-facing façade of the building. In addition, the building exterior east, south and west sides are in dire need of repainting; this was previously approved by the Council. Also, some other suitable site for City Hall would need to be identified to enable OPD expansion.

FISCAL IMPACT OF RECOMMENDATION:

City Hall: Depends on size and style of the building to be constructed; a duplicate of the Farm Bureau building, for example, is expected to cost \$1.5M after demolition. After \$300k in currently available City Hall DIF, the balance would be from debt against future DIF.

OPD: Expansion/remodel work would need to be bid out but could presumably be kept within the available \$489k DIF and Measure A.