



# Memorandum

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**To:** Mayor Nelson and Members of the City Council

**From:** Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

**Date:** March 4, 2025

**Subject:** 8406 Sunset Road NE

## Background

Optimize Physical Therapy and Elite Sports Performance is considering purchasing the former RISE building located at 8406 Sunset Road NE. They are proposing to utilize the property as a combined outpatient orthopedic physical therapy clinic and sports training facility. This includes use for physical therapy treatment, youth sports training (softball, baseball, basketball, volleyball), a home-school co-op, and potential community access to the gym and weight room during daytime hours.

Optimize is currently under contract to purchase the building, with the end of their initial due diligence period approaching. They are requesting feedback from the City regarding whether their intended use aligns with the City's long-term vision for this property.

## Zoning Consideration

The property is zoned I-1, Light Industrial. The intended use by Optimize PT is not currently permitted within the I-1 district, either as a permitted or conditional use. According to City Planner Phil Carlson, the proposed use is most similar to a medical clinic or athletic training facility, both of which are typically found in commercial districts, not industrial ones.

While the proposed use does not align with the specific employment/manufacturing uses intended by the I-1 district, staff and the City Planner have noted that the building, originally developed and used by RISE (a non-profit with a specialty use), is not well-suited for typical industrial users. The broker representing Optimize indicates that the property has been on the market since August 2023 with limited interest from industrial users, despite several price reductions.

The City would need to consider a zoning code amendment to add clinics or athletic/sports performance training facilities as a conditional use in the I-1 district. If the Council is supportive, this could be coordinated concurrently with a Conditional Use Permit (CUP) process to allow the use at this specific site.

## Site Suitability and Use Details

Optimize has provided detailed responses regarding their proposed operation:

- Hours of Operation: Weekdays 9am–9pm (split between general therapy during the day and youth training in the evenings); weekends 9am–9pm.
- Occupancy: Estimated peak occupancy of 150 individuals during weekday evenings (athletes and staff), primarily drop-off/pick-up with minimal lingering traffic.
- Staffing: 6 full-time employees, with additional part-time staff during peak seasons.
- Parking: 97 parking stalls exist on site. Peak traffic appears manageable based on provided use patterns.
- Interior Use: Offices, treatment rooms, three basketball/volleyball courts, turfed areas for softball/baseball, two weight rooms, and bullpen area. No changes are planned for the building exterior.
- Additional Uses: Occasional youth sports tournaments (primarily weekends); operation of a small apparel company and home-school co-op (both owned by Optimize's principal).

Optimize has provided a graphic depiction of how their use would fit within the building.



### **Parking Consideration**

While the site includes 97 parking spaces, staff has some concern about whether this will be sufficient during peak usage—particularly on Saturdays when youth basketball tournaments are expected to occur. These events may result in overlapping use of all three courts, potentially drawing significant vehicle traffic in a short timeframe. This issue could be further evaluated and addressed as part of the Conditional Use Permit process through parking management strategies, occupancy limitations, or event scheduling conditions.

### **Other Considerations**

As you know, the RISE property is tax exempt. The sale of the RISE property will bring this property onto the property tax rolls for Pay 2026 property taxes. This classification change will add between \$3.5-\$4 million in new taxable market value to the City, generating approximately \$18,000/year in new tax revenue.

### **Next Steps**

Staff seeks direction from the City Council on whether to proceed with a zoning code amendment to allow clinic/sports training uses in the I-1 district. If the Council is supportive, we can work with Optimize to process both a zoning code amendment and CUP simultaneously. A complete application would allow for potential Council consideration by the June 2 or June 16 meetings.

Abby Rehberger, owner of Optimize Physical Therapy and Elite Sports Performance, will attend the April 7, 2025, work session to answer any specific questions regarding the proposed use of the property and her business operations.

If you have any questions, please do not hesitate to contact me at 763-784-6491.