

December 27, 2016

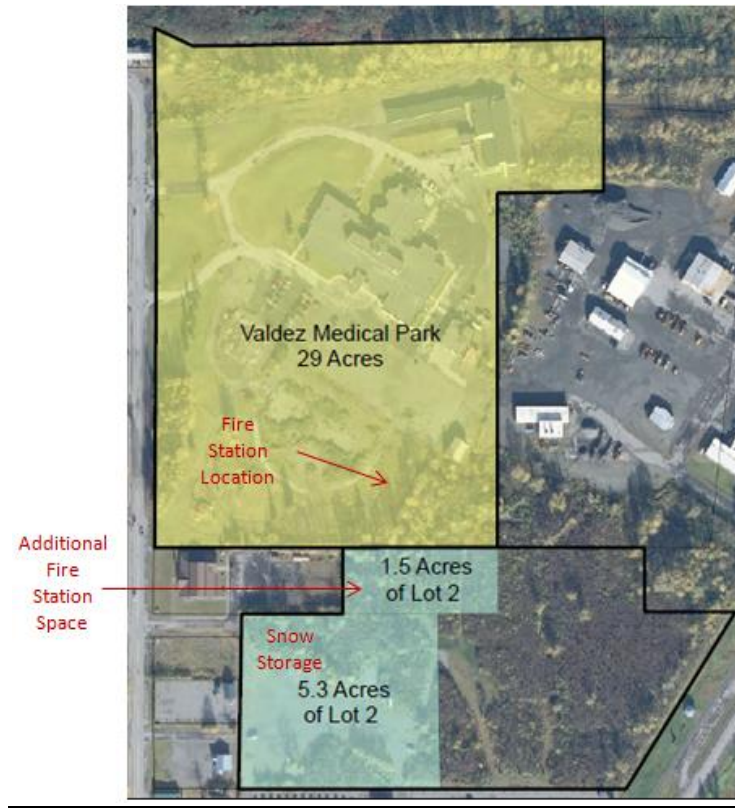
To: Mayor Knight & Valdez City Council
From: Lisa Von Bargen, CED Director
CC: Dennis Ragsdale, City Manager
Re: City Facilities Concept Agenda Statement

On November 22, 2016 the Council granted approval for Administration to negotiate the purchase price of the 14.88 acres known as Lot 2, Sleepy Hollow for development of proposed City facilities including a new fire station, city/agency storage (including Police impound) and snow storage. At that time, the primary concept being explored was to place all of the new facilities on Lot 2. Administration is before the Council tonight with a new concept plan for consideration to accommodate this infrastructure. The primary motivation behind this concept is to use land the City already owns to the maximum degree possible.

This is one of many alternatives to be fully vetted. Administration recognizes the Council is going to need additional information. To that end, Administration would like to schedule a work session with the Council to discuss these matters in much greater detail. However, the Council has asked to be kept up to date on discussions with Gavora, Inc. (owner of the 14.88 acres). It was impossible to provide an update on the potential land acquisition without putting things in context – hence the reason for once concept idea being provided to Council at this time.

It is the preferred alternative of the Fire Department that the new fire station be located in the southeast corner of Medical Park Subdivision. This is a portion of the property where Harborview used to be located. It also happens to be the location of the newly established Karen Davey Stewart Memorial Community Garden. The staff does not take it lightly that under this scenario the Community Garden will have to be relocated. Part of the Fire Station project will need to include assistance in relocation to a new site. Please note that as this is a newly developing idea, the managers of the Community Garden have not been notified that this is under consideration. Administration would also like the Council to know that no substantive conversation has taken place with representative of Providence regarding this idea.

If this concept moves forward a small one-plus acre area will need to be acquired out of the larger 14.88 acre parcel. Additionally, the City needs approximately five acres of land from the 14.88 acres to accommodate snow removal needs. Please see the map section below to understand what portions of this parcel the staff is recommending for acquisition.



This plan requires the City acquire 6.8 acres of the 14.88 acre parcel. It would leave 8.08 acres of prime commercial, highway-fronted, land available for private sector development in the future.

As the Council is aware, an appraisal of the property was completed and the value established at \$975,000. The owners have had the property actively listed for sale at \$1.3 Million. The map above shows the two portions of property being proposed to be purchased from the larger 14.88 acres. This concept was proposed to Rudy Gavora, the representative of the owners in Fairbanks. The owners would prefer to sell the entire area of land, but are willing to subdivide out the area the City needs and sell just a portion of the property, but at a higher per square foot cost. Staff has obtained an offer letter from the owners. They are willing to sell the entire property at \$1.53 per ft² for \$1 Million. Or, they are also willing to sell the portion of the property shown above for \$2.25 per ft² for a total of \$675,000.

Administration is requesting guidance from the Council on if and how to proceed. There is no doubt purchasing the entire property is a better value. The City can subdivide out the portions it needs and put the remaining area back out for sale under a number of different scenarios. Or, the City can purchase the land it needs and allow the remaining land to stay in the private sector.

To accommodate the much-needed storage space for the City and other agencies (including the School District), staff is recommending adding on to the existing school and city maintenance buildings along West Egan Drive. The basic, initial, concept below shows how additions to the existing property is possible. If more space is needed it makes sense to acquire the property directly adjacent to the Maintenance Shops and across the street from Public Works. This would keep all similar needs in one central location. Staff met with John Clark from the Port Valdez Company a couple of weeks ago to inquire about a possible purchase of their land to the west if it becomes necessary.



Staff looks forward to this discussion with the Council. Attachments include: 1) Lot 2 Preferred Property Acquisition Area; 2) Fire Station Layout Concept; 3) Storage Concept Layout; 4) Gavora Inc. Offer Letter; 5) Lot 2 Appraisal.