



City Council

Approval of Funding for Isthmus Properties

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Agenda Item:

Approval of Funding for Isthmus Properties

Issue:

Seeking Council approval of proposed funding package for final \$1,060,000 needed to acquire the Isthmus properties.

Committee Recommendation:

N/A

City Manager's Recommendation:

Approve the staff proposed funding package of \$1,060,000 for purchase of Isthmus parcels located at 505 and 529 4th Avenue W, Olympia.

Staff Contact:

Jay Burney, Assistant City Manager, 360.753.8740

Presenter(s):

Jay Burney, Assistant City Manager

Background and Analysis:

On April 23, 2013, Council authorized the City Manager to sign a Purchase and Sale Agreement (PSA) between the City and Capital Shores Investments for acquisition of two properties on Olympia's Isthmus located at 505 and 529 4th Avenue W, Olympia. The PSA contains a clause that the acquisition is contingent upon the City receiving money through the State, with this contingency needing to be removed by May 30, 2013.

Due to the extended legislative session, staff has not received confirmation of State funding. On May 28, 2013, staff presented Council with a funding proposal to close the \$1,000,000 funding gap necessary to acquire the property. The proposal will lead to delays to several Parks projects. Council agreed to remove the contingency and move forward with acquisition, but asked that staff meet with the Parks and Recreation Advisory Committee (PRAC) to review the proposed funding list and receive their feedback and/or recommendation. Staff met with PRAC on June 6th, at which time PRAC approved the \$1,060,000 funding proposal as presented by staff (Attachment 1). The additional \$60,000 covers the appraisal and environmental work completed on the properties. A copy of the PRAC letter addressing the funding is included (Attachment 2). Staff will continue to seek State funding for the project, which will be necessary

to cover the cost of building demolition.

Staff is seeking formal approval by Council of the proposed funding package.

Neighborhood/Community Interests (if known):

The City has worked in partnership with the Olympia Capitol Park Foundation to lobby and secure funding for acquisition of these parcels.

Options:

1. Approve the staff proposed funding package of \$1,060,000 for purchase of the Isthmus parcels located at 505 and 529 4th Avenue W, Olympia.
2. Do not approve the proposed funding package and provide staff with direction for moving forward.

Financial Impact:

Approval of the proposed funding package will result in delays in moving forward with the Parks projects listed.