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City Council

Approval of an Option to Purchase Real Estate Owned by Wonderland Holdings LLC, an Approximately 75-Acre Parcel Previously Known as Kaiser Heights

Agenda Date: 8/18/2015
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Title

Approval of an Option to Purchase Real Estate Owned by Wonderland Holdings LLC, an
Approximately 75-Acre Parcel Previously Known as Kaiser Heights

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the Option to Purchase Real Estate from Wonderland Holdings LLC consisting of approximately 75-acres commonly known as Kaiser Heights, and authorize the City Manager to sign the Option to Purchase agreement.

Report

Issue:

Whether to approve the Option to Purchase Real Estate to secure an opportunity for the City to purchase the Wonderland Holdings property for a future park site.

Staff Contact:

Paul Simmons, Parks, Arts and Recreation Director, 360.753.8462
Mark Barber, City Attorney, 360.753.8223

Presenter(s):

Paul Simmons, Parks, Arts and Recreation Director

Background and Analysis:

Wonderland Holdings LLC owns a 75-acre parcel southwest of Ken Lake located between Kaiser Road SW and Lakemoor Drive, previously referred to as the proposed Kaiser Heights Development. The City desires to purchase this 75-acre parcel to expand its inventory of open space parks.

Wonderland Holdings LLC has listed the property for sale, and is interested in selling it to the City.

Staff has concluded negotiations with the Seller and has prepared the Option to Purchase Real Estate agreement that is attached to the staff report. A summary of the Option terms are below:

Option Terms:

The initial cost of the option is \$150,000, with the first Option term expiring on January 31, 2016. The option can be extended to October 1, 2016, with payment of an additional \$150,000 Option fee on or before January 31, 2016. If the Option is exercised and the balance of the acquisition price is paid in full, the total acquisition price will be \$1,100,000.

At closing, all Option to Purchase fees will be credited towards the purchase price of the property. Staff recommends that the Option payments be paid with open space impact fees and balance of the purchase price is anticipated to be paid with a combination of revenue from the proposed Olympia Metropolitan Park District, if approved by voters, and the 2004 Voted Utility Tax.

Neighborhood/Community Interests (if known):

The Parks, Arts and Recreation Department is in the process of completing an update to the 10-year Parks, Arts and Recreation Plan. This process has included a series of 8 neighborhood meetings with a total of 160 participants, an OlySpeaks online survey, and a Random Sample Survey of 759 respondents. In a summary of this public feedback, some of the dominate themes included:

- Acquire land in general while it is available, in order to achieve current and future park needs.
- Buy open space/natural areas - to provide nearby access to nature.

Additionally, the 2004 Voted Utility Tax ballot measure established a goal to acquire 500 additional acres of new parks. This property acquisition would be a significant step in achieving that goal.

Options:

1. Authorize the City Manager to sign the Option for Purchase Real Estate agreement for the Wonderland Holdings LLC property.
2. Do not authorize the Option agreement.
3. Direct staff to seek other options to satisfy the City's need for park acreage.

Financial Impact:

Staff recommends that the first and second \$150,000 option payments be paid with funds collected as Open Space Impact Fees. Staff also recommends that if the option is executed, that the City utilize a combination of funds generated from the 2004 Voted Utility Tax and the proposed Olympia Metropolitan Parks District, if approved by voters.

In addition to these funding sources, the City will pursue Recreation and Conservation Office grants in the 2016 grant application cycle for the Local Parks category.