



City Council

Approval of Resolution to Authorize Exercise of Option to Purchase Real Estate Owned by the Dawley Trusts, Commonly Known as Bentridge

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Title

Approval of Resolution to Authorize Exercise of Option to Purchase Real Estate Owned by the Dawley Trusts, Commonly Known as Bentridge

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the resolution to authorize the City Manager to exercise the option to purchase real estate owned by the Dawley Trusts and purchase the real property for the City.

Report

Issue:

Whether to exercise the option to purchase and proceed with the purchase of the property commonly known as Bentridge.

Staff Contact:

Paul Simmons, Parks, Arts and Recreation Director, 753.8462

Mark Barber, City Attorney, 753.8338

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

On September 27, 2016, the City Council approved an Option to Purchase real property owned by the Dawley Trusts. The 71.86-acre parcel is located in the 3900 block of Boulevard Road SE, immediately adjacent to LBA Park, and is the last remaining portion of the "LBA Woods."

Pursuant to the terms of the Dawley Trusts Option, the option agreement will expire on January 31, 2017. Should the City choose not to exercise the option, the City forfeits the entire option payment of

\$1 million. If the Option is exercised, the balance of the acquisition will be made in three installment payments. The City of Olympia will receive title to the property upon closing.

If the City exercises the option, the intent is to use this property for three primary purposes. The majority of the property (approximately 59 acres) would be dedicated to expanding the City's inventory of park land. A much smaller portion of the property (approximately 2.8 acres) would be dedicated to the future extension of the Log Cabin Road from Boulevard Road to Wiggins Road, as outlined in the Regional Transportation Plan. The remaining portion of the property (approximately 10 acres) is located adjacent to Boulevard Road and would be set aside for development of multi-family housing, and potentially some neighborhood-oriented commercial uses.

Neighborhood/Community Interests (if known):

In 2004, the citizens of Olympia voted in favor of creating a new 2 percent utility tax in order to generate funding for the acquisition, development, and maintenance of new parks. A goal of that ballot initiative was to increase the park system by 500 acres. Exercising these options is a significant step in achieving that goal.

In 2013, a citizen's group known as the "LBA Woods Coalition" formed to encourage the City to acquire two large parcels in southeast Olympia commonly known as "The LBA Woods." These properties have served for many years as "de-facto" open spaces for neighboring residential areas. The coalition wants the City to purchase both sites before they are developed and presented City Council with a petition containing over 5,000 signatures supporting the acquisition.

In 2015, the Parks, Arts & Recreation Department facilitated an extensive public process in an effort to update the Parks, Arts, & Recreation Plan. This process included a series of 8 neighborhood meetings with a total of 160 participants, an Olyspeaks online survey, a random sample survey that included 759 responses, and approximately 121 independently written email comments. The most dominant themes of this process were:

- Buy the LBA Woods property (the DR Horton and the Boulevard Road site);
- Acquire land in general while it is available; and
- Buy open space/natural areas - provide nearby access to nature

The random sample survey also highlighted that "trails" and "natural open space" were the highest priority for new projects.

In 2015, the citizens of Olympia once again voted in favor of creating a new Olympia Metropolitan Parks District. The goals of this ballot initiative were to create additional funding for parks acquisition, development, maintenance, and safety. Support for this funding measure demonstrates ongoing community support for parks acquisition and a willingness to pay additional taxes for that purpose.

In summary, exercising the option is consistent with community support demonstrated through two ballot initiatives, an extensive public process, and also has received ongoing support from a large community stakeholder group.

Options:

1. Approve the Resolution Authorizing Exercise of the Option to Purchase Real Estate Owned by the Dawley Trusts and purchase the property.
2. Do Not Approve the Resolution Authorizing Exercise of the Option to Purchase Real Estate Owned by the Dawley Trusts.

Financial Impact:

If the Option is exercised, the balance of the acquisition will be made in three installment payments:

Installment Payment #1 - \$3,700,000 - February/March 2017

Staff recommends funding from three different funding sources:

Parks Portion - \$2,473,334 - Parks Bond Anticipation Note (BAN)
Log Cabin Extension Portion - \$268,333 - Transportation Impact Fees
Boulevard Road Development Portion - \$958,333 - Non-Park General Fund

Installment Payment #2 - \$1,200,000 - March 2018

Staff recommends using cash generated by the 2004 Voted Utility Tax for Parks.

Installment Payment #3 - \$1,000,000 - March 2019

Staff recommends using cash generated by the 2004 Voted Utility Tax for Parks.

Should the City choose to exercise the option to purchase, the full cost (\$6.9 million) is considered debt and goes against the City of Olympia's debt limit.

Staff also recommends pursuing future grant opportunities such as Thurston County's Conservation Futures Program and the State's Washington Wildlife and Recreation Program to support this acquisition.

Attachments:

Resolution