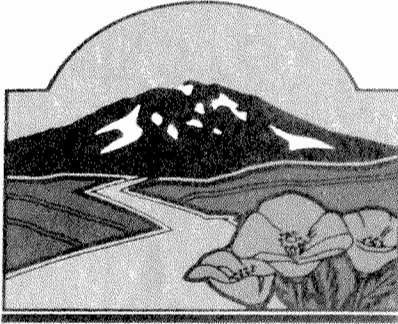


CITY OF
ANDERSON



AGENDA ITEM

May 5, 2009 City Council Meeting

Approved for Submittal By:

City Manager Scott Morgan

To Be Presented By:

Dana Shigley Dana Shigley

To: Honorable Mayor and Members of the Anderson City Council

Through: Scott Morgan, City Manager
Telephone 378-6646

From: Dana Shigley, Assistant City Manager
Telephone 378-6670

Date: May 5, 2009

SUBJECT

Purchase of Property for Future Police Department Expansion

RECOMMENDATION

The Assistant City Manager recommends that the City Council:

Adopt a resolution amending 2008/2009 appropriations for the acquisition of real property located at 2258 North Street.

FISCAL IMPACT

This acquisition will be funded by the Police Facilities and Corp Yard Expansion Fund. This fund was created in 2005 to collect impact fees paid by developers for the purpose of expanding the corporation yard and building a new police department building that will be required as the City grows. As of June 30, 2009, we anticipate the fund will have \$165,000 in cash available in this fund for this purchase, with additional revenues expected during the next two fiscal years. The purchase price of \$300,000 will require more cash than currently available in the fund; however, cash is available on a short-term basis from other capital improvement funds, and Police Facility and Corporation Yard impact fee revenues projected to be received during 2009/2010 and 2010/2011 are anticipated to be sufficient to replenish the fund balance in the fund by June 30, 2011.

In addition to the purchase price of \$300,000, the City will incur a minor amount of closing costs (less than \$2,000) as well as the cost to demolish the burned building and repair the pavement so the site can be used on an interim basis as public parking. In a separate item tonight, it is proposed that the Anderson Redevelopment Agency approve a budget amendment of \$100,000 to cover all these related costs.

DISCUSSION AND BACKGROUND

In 2005, the City Council recognized the long-term need to provide improved facilities for our Police Department as well as to expand the City's corporation yard. At that time, the City Council established the Police Facilities and Corp Yard Expansion Development Fee. This fee is imposed on all new development for the purpose of financing the long term expansion of these two important facilities. These fees were used in late 2006 to acquire land adjacent to the corporation yard to provide additional room for equipment and storage.

In 2004, the building on North Street that was formerly the Golden Room and City Grill suffered substantial damage from a fire. In 2008, a private businessman acquired the remains of the building and developed plans to rehabilitate the building into office and restaurant space. Unfortunately, the owner has not been able to complete his plans and has been seeking a buyer for the property.

Although the City will not be able to finance construction of a new Police Department building for many years, the former City Grill building, located very close to the existing Police Department facility, would be a good location for future expansion and the City Council authorized the negotiation with the seller to acquire this site. Until the City can finance construction of a new building, the site will be used for parking.

After negotiations, the City Council and the seller of the property have settled on a price of \$300,000 for the property in its current condition. As of this writing, escrow for this transaction has been opened and is expected to close very quickly. The attached resolution provides budget appropriations in the Police Facility and Corp Yard Expansion Fund for this acquisition.

After acquisition, the City will demolish the remains of the building then repair the parking lot and prepare the former building site for use as a parking lot. Staff is estimating total costs for demolition and site work to be \$100,000 and recommends that the Redevelopment Agency use Tax Increment Bond Proceeds for this work.

ATTACHMENTS

1. Resolution

RESOLUTION NO. 09-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANDERSON
AMENDING THE 2008/2009 ADOPTED BUDGET**

WHEREAS, The City Council recognizes the long-term need to provide improved facilities for the Police Department; and

WHEREAS, in order to facilitate future expansion of the Police Department building, the City Council has negotiated the purchase of a site very near to the existing Police Department building; and

WHEREAS, the City Council now wishes to amend the 2008/2009 fiscal year budget to provide budget appropriations for this acquisition.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Anderson, hereby amends the adopted budget for 2008/2009 by appropriating \$300,000 in account 108-4250-5700.

PASSED AND ADOPTED by the City Council of the City of Anderson this 5th day of May 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Butch Schaefer, Mayor

ATTEST:

Scott Morgan, City Clerk