

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: Sept 22, 2011**

SUBJECT: Purchase of 8466 E Long Mesa Property

SUBMITTING DEPARTMENT: Town Manager's Office

PREPARED BY: Ryan Judy, Deputy Town Manager for Larry Tarkowski, Town Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: A) Letter from Huck Appraisal

SUMMARY/BACKGROUND: The Town recently became aware that the owner of 8466 E Long Mesa was interested in selling their property. The property is contiguous to the existing Town complex that houses Streets Maintenance, Parks Maintenance, and Utilities (OMI).

On August 18th, the Town Council and Staff visited the site to discuss the property as a possible expansion site for Town services.

Purchase of the property would allow for expansion as the Town continues to grow and provide for safety enhancements as the traffic flow is changed to reduce employee/vehicle conflicts.



The Town has negotiated a price of \$289,000 to purchase the property, including the land and building, a favorable price compared to just a few years ago when property was at a premium. The seller has indicated that this is his lowest selling price and he does not “need” to sell the property at this time. This price is above the appraised price of \$260,000, but per the letter from Huck Appraisal Office, there are other factors to consider when purchasing property, including:

- ◆ Use Value
- ◆ Public Interest Value
- ◆ Assemblage & Plottage

The Town stands to create greater value and use of its existing property by adding this contiguous parcel. Funding for the purchase would come from accumulated civic development impact fees and will not negatively impact the general fund.

OPTIONS ANALYSIS: Council may approve the purchase of property and transfer of funds, **OR** not approve the purchase and transfer of funds, **OR** direct staff to attempt to negotiate a lower price.

ACTION OPTION: Motion to approve the purchase of property at 8466 E Long Mesa Drive and the associated budget transfer, **OR** Motion not to approve the purchase. **VOTE**

RECOMMENDATION: Staff recommends purchase of the property in this favorable real estate environment.

FISCAL ANALYSIS: Funding for this purchase would come from accumulated civic development impact fees and will not have a negative impact on the general fund. In addition to the purchase price of the property, staff is requesting an additional transfer of \$51,000 to cover costs to modify the site for immediate use. This additional funding would be used for driveway, fencing, and other improvements.

This project was not anticipated during the budget process. However, Public Works has excess capacity in the Engineering: Streets account. \$1,250,000 was budgeted in this account, including \$1,050,000 for the Western Blvd Drainage Improvements Ph 2 and \$200,000 for the Agua Fria Drainage Outfall project. The Town only anticipates receiving \$600,000 from the Yavapai County Flood Control District for the Western Blvd project, creating the additional capacity. It is therefore proposed to transfer \$340,000 of the \$1,050,000 budgeted for the Western Blvd Project to the Public Works: Building Purchase and Public Works: Site Improvements accounts. A transfer would then be made from the civic development impact fee fund to the general fund to cover the purchase.

Table 1

Western Boulevard Stormwater Management Project		
HTE Code: 101-5530-700.73-40 (Improvements Other Than Building: Streets)		
FISCAL YEAR 2011/2012	Budgeted Amount: \$1,050,000.00 Expended & Encumbered: (\$1,064.74) Proposed Transfer <u>(\$340,000.00)</u> < (this action) Balance: \$708,935.26	FISCAL YEAR 2011/2012

Table 2

Purchase of 8466 E Long Mesa Property		
HTE Code: 101-5530-700.72-10 (Building: Building Purchases)		
FISCAL YEAR 2011/2012	Budgeted Amount: \$0.00 Expended & Encumbered: \$0.00 Proposed Transfer \$289,000.00 < (this action) Expenditure <u>(\$289,000.00)</u> < (this action) Balance: \$0.00	FISCAL YEAR 2011/2012

Table 3

Improvements to 8466 E Long Mesa Property		
HTE Code: 101-5530-700.73-20 (Improvements Other Than Building: Site Improvements)		
FISCAL YEAR 2011/2012	Budgeted Amount: \$0.00 Expended & Encumbered: \$0.00 Proposed Transfer \$51,000.00 < (this action) Expenditure <u>\$0.00</u> Balance: \$51,000.00	FISCAL YEAR 2011/2012

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____