

## **Memorandum 12-012 Acquisition of Lot 2, Glacier View Subdivision No. 18**

**Memorandum ID:** 12-012

**Memorandum Status:** No Status

MEMORANDUM 12-012

TO: Mayor Hornaday and Homer City Council

FROM: Walt Wrede

DATE: January 16, 2012

SUBJECT: Acquisition of Lot 2, Glacier View Subdivision No. 18

The City of Homer has been offered the opportunity to acquire Lot 2, Glacier View Subdivision No. 18. This parcel is just over one acre in size and it is located on the Sterling Highway immediately West and adjacent to the Public Works Complex. The City has an interest in this parcel for reasons described below. The City Manager has been negotiating with the property owner and has agreed to a purchase price. A preliminary purchase agreement has been signed. This agreement is subject to City Council approval.

Acquiring this parcel is in the public interest for the following reasons:

- **The Public Works Complex:** Expanding and/or creating a new Public Works complex is on the C.I.P. List as a Priority II project. For a variety of reasons (funding, zoning, availability of suitable land), it is difficult to imagine the public works complex moving to another location anytime soon. The current site is extremely crowded and there is little room for expansion or new activities. Acquisition of this adjacent property would allow for the elimination of lot lines and provide new land for expansion. Acquiring this property now might be cheaper than acquiring this or other land later. Expanding the footprint of the existing complex is cheaper than acquiring enough land to relocate the entire complex.
- **New PW Administration Building:** Primary needs at the Public Works Complex include expanded office space, conference rooms, public waiting areas, map rooms, and storage areas. Expanded office space at the current location could be problematic for a variety of reasons and there are many advantages to separating office space and public areas from the motor pool and the shop. This property could provide a suitable location for a new administration building and the existing building could be modified to provide more badly needed shop space.
- **Consolidation of PW Functions:** Council members have expressed an interest in moving the buildings and grounds maintenance shop to a new location and facility so that the old school building could be demolished. This would eventually save on energy costs and improve the value of the City's property at the corner of Pioneer Ave. and the Sterling Highway. Acquiring this parcel might provide the space for a new buildings and grounds maintenance shop on the PW complex or for incorporation into the existing PW Building if administration functions are moved to another location.
- **Possible Trading Stock:** The most suitable land for expansion of the Public Works Complex lies to the east of the existing parking lot. However, that land was purchased by the Exxon Valdez Trustee Council and currently is governed by a conservation easement. The South portion of the property to be acquired contains wetlands, a small stream that empties into the Beluga Slough, Slough frontage with a great view, and an old elevated observation platform. Trail connections with the existing Beluga Slough trail network and in the other direction, toward Bishops Beach, are desirable. Consideration could be given to a potential trade of conservation easement property; this parcel, or a portion of it, for a small piece of property east of the PW Complex.

The Council has been provided with a Title Report and a current appraisal as required by HCC 18.06.020 (c). The appraisal values the property at \$290,000. The purchase agreement stipulates a sale price of \$260,000. The City has not objected to any of the exceptions contained in the title report with the exception of the unpaid property taxes and interest for 2011. The owner had agreed to satisfy unpaid taxes through escrow and have them deducted from the property sale proceeds.

**RECOMMENDATION:** Approve Ordinance 12-05, appropriate \$260,000 for the purchase of this property, and authorize the City Manager to execute the appropriate documents.

Related Ordinances **Memorandum - Related Ordinances:** [Ordinance 12-05 Authorizing Purchase of Kenai Peninsula Borough Parcel, Lot 2, Glacier View Subdivision](#)

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**Source URL (retrieved on 2014-12-20 08:46):**

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