

CITY OF COOS BAY URBAN RENEWAL AGENCY

Agenda Staff Report

MEETING DATE July 18, 2017	AGENDA ITEM NUMBER
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TO: Chair Kramer and Board Members

FROM: Rodger Craddock, City Manager

ISSUE: Purchase of Real Property

BACKGROUND:

Front Street once served as the business hub of what is now known as Coos Bay. Due to a devastating fire back in 1922, businesses migrated in a large part away from the Front Street area and moved around Central Avenue near Broadway. Back in 1998, the Coos Bay City Council recognized the need to diversify our economy and foresaw a healthy visitor industry would be important for the future health and vitality of the City. As part of the Council's work towards diversify of the economy, the Front Street Master Plan was developed. While the tourism industry has grown over the years, changes along Front Street have only recently began to occur. Work began last year on a Front Street Action Plan which is scheduled to be adopted by the Council later this year.

A common goal of both the Front Street Master Plan and the draft Front Street Action Plan is increasing access to the waterfront and increased pedestrian access to the area. A parking plan / strategy is a critical component to achieving those goals. On-street parking is limited and complicated by active railroad tracks which runs down the center of Front Street. Thus, the need to create off-street parking (parking lot(s)) will be necessary.

With the blessing of the Agency, I negotiated the potential purchase of a key piece of Front Street property (891 Front Street which located between Cedar and Date Avenues) which could be redeveloped at a time later to be determined into a public parking lot in the future. While the property was listed for sale at a price of \$385,000, the owner has accepted the following conditional offer:

\$320,000 with a 7.5% nonrefundable deposit of which the seller had to use in part to pay two years' worth of back taxes, and that we the purchaser would have one year to complete our due diligence which includes conducting a Phase I and Phase 2 environmental assessments along with obtaining an appraisal. In addition, should the appraisal come in lower than \$320,000 then the City reserves the right to renegotiate the purchase price with the seller.

ADVANTAGES:

Securing the property with the goal of developing a future parking lot is an important step towards revitalizing the Front Street area and providing for increased parking capacity in the area.

DISADVANTAGES:

Given that a portion of the property has been used for a number of years as part of the metal salvage business, it is likely that the property will have some level of contamination and in need of remediation. And until the Phase 1 and Phase 2 environmental evaluations are conducted, the cost for the remediation, if any, is yet unknown.

BUDGET IMPLICATIONS:

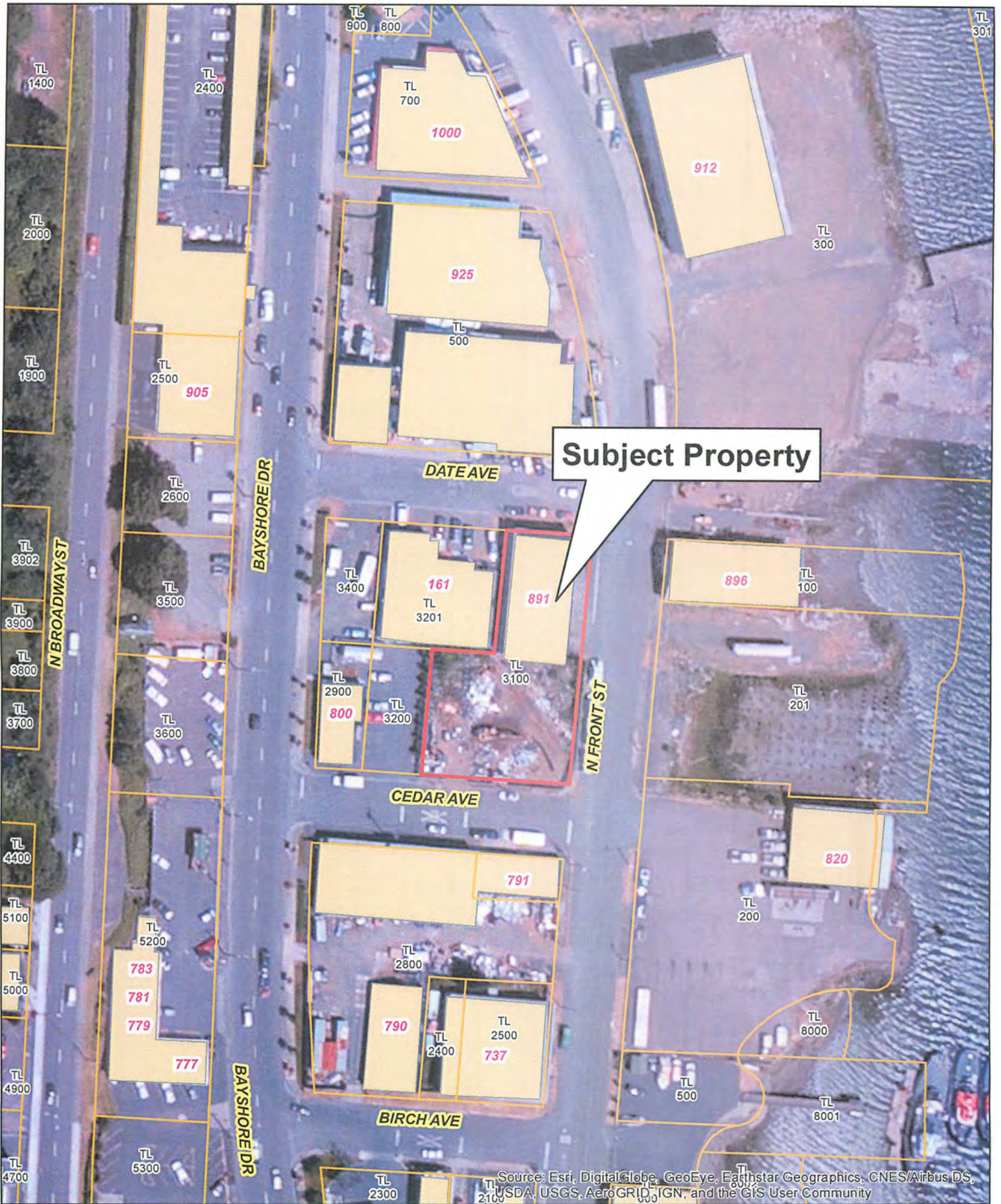
The initial impact to this year's budget is expected to be under \$30,000 (\$24,000 deposit and the cost of an appraisal) and potentially \$196,000 for next budget year. The cost related to the Phase 1 and 2 environmental assessment will be covered by the EPA grant the City received last year.

Additional budgetary impacts should be expected in the future. There will be costs for cleanup of the former salvage yard, cost to take down the building which sits on the northern portion of the parcel, and of course the parking lot development costs.

ACTION REQUESTED:

If it pleases the Agency, approve the conditional offer to purchase the property at 891 Front Street and allow the city manager to execute the necessary agreements.





Location Map

Date: 7/17/2017

Agenda Item #4
1 inch = 100 feet