



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager
William R. Evans, Assistant City Attorney
Chris Dodd, Facilities Services Manager

Date: April 4, 2019

Subject: Authorization to Execute a Purchase and Sale Agreement for Acquisition of Real Property located at 13118 121st Way NE, Kirkland, WA for Fire Station and Related Public Facilities Purposes and Authorizing Condemnation of the Property if Necessary.

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the City Manager to execute a Purchase and Sale Agreement for the acquisition of real property located at 13118 121st Way NE., Kirkland, WA for fire station and related public facilities purposes and to adopt the attached ordinance authorizing acquisition of the Property by use of eminent domain proceedings if necessary.

BACKGROUND DISCUSSION:

The City of Kirkland has identified the property located at 13118 121st Way NE (Attachment A) as a preferred site for a future Fire Station 27 and potentially related public facilities. The strategic placement of a fire station can profoundly and positively impact public safety. Some of the factors that determine a suitable location include population density, response times, traffic reports, high-value districts, etc. Since the annexation of Kingsgate, North Juanita, and Finn Hill, the City has conducted studies that have identified this property as a necessary location for a new Fire Station 27 and potentially related public facilities. The property meets the criteria to service the residents in the northeast portion of Kirkland. Building a Fire Station, and potentially related public facilities, on the property, in addition to the construction of Fire Station 24 in Juanita, should reduce the fire department's response times and provide the residents of Kirkland with an improved level of service.

Based on these factors, the City believes an eminent domain action would be appropriate for the acquisition of the property and an ordinance authorizing staff to file such an action is attached for adoption should a negotiated purchase not be obtained. Staff initiated negotiations with the property owner in 2017 and have reached the terms defined in the attached draft purchase and sale agreement (Exhibit A to the resolution), including a purchase offer of \$5,560,000 based on a fair market appraisal. Adoption of the attached resolution would authorize the City Manager to

sign this purchase and sale agreement. If the sale of the property under the purchase and sale agreement is concluded, the eminent domain action would not be filed.

The subject parcel (#329140-0020) is comprised of a 38,023 square foot lot with an 8,050 square foot structure that is divided into 6 medical suites. Current leases at the property vary in term with expirations from May 2020 to July 2025.

As noted above, City Staff will continue efforts to close this transaction on a negotiated basis. However, eminent domain proceedings may be necessary for the City to complete the acquisition of the property. RCW 8.12.030 authorizes and empowers Cities to condemn land and property for "public buildings" which includes fire stations and related public facilities. Condemnation authority is not granted to public entities as a coercive measure. Rather, it allows for the acquisition of property for the purposes deemed to be in the public's best interest, and only upon payment of just compensation to the property owner. There are financial benefits to the property owners whose property is acquired through eminent domain and are not opposed to its use to acquire the property. The property owners have been notified of this potential action both by certified mail and publication as required by RCW 8.25.290 made applicable by RCW 8.12.005 for eminent domain actions.

Passing the purchase and sale agreement resolution at this time allows the City to finalize a negotiated agreement with the owners for the sale of the Property, however simultaneously adopting the condemnation ordinance will enable the City to quickly move forward with the eminent domain action if that becomes necessary. The City's priority is to resolve the transaction without undertaking the condemnation option.

Funding

Construction of a relocated Fire Station 27 and potential related public facilities are dependent on a successful fire ballot measure in 2020. Acquiring a site is a key first step in this process. Knowing the specific location of the station and potential related facilities will enhance the City's ability to have a better idea of facility costs and features and allows the community to visualize the improvements. The current budget includes \$1.3 million toward purchase of property for a new Fire Station 27. Staff is proposing that we would use an interfund loan for the purchase, which would need to be repaid to the fund of origin (likely one of the utility funds) within three years. If a ballot measure is successful in 2020, the loan could be repaid with the CIP funds, accumulated rents collected, and with proceeds from the ballot measure. If the ballot measure is unsuccessful, the City's options would include selling the propertyⁱ or retaining the property toward a future measure and continue leasing space, although additional funds would likely be needed to repay the interfund loan. A more detailed analysis of cash flow from the property is in progress and is expected to be available before the property closes or is acquired through condemnation.

Attachments

Attachment A – Map

Resolution and Exhibit A - Purchase and Sale Agreement

Ordinance and Exhibit 1 – Property Description

ⁱ Later sale of the property by the City is an appropriate approach if the property is acquired by negotiated purchase and sale. Additional considerations regarding a subsequent sale may arise if the property is acquired by eminent domain.



ND CT

Hazen Hills Park

NE 33RD PL

NE 132ND ST

VERA WHOLE HEALTH

NE 131ST WAY

121ST WAY NE

122ND LN NE

122ND LN NE

123RD LN NE

124TH AVE NE

NE 30TH LN

NE 30TH WAY

NE

Proposed Fire Station 27 Site

-  Proposed Fire Station 27
-  Parks / Open Spaces
-  Schools
-  Parcels

