

**WALDPOR CITY COUNCIL
NOVEMBER 12, 2019
WORKSHOP NOTICE AND AGENDA**

THE WALDPOR CITY COUNCIL WILL MEET ON TUESDAY, NOVEMBER 12, 2019 AT 6:00 P.M. IN THE COUNCIL MEETING ROOM, 125 ALSEA HIGHWAY, TO TAKE UP THE FOLLOWING AGENDA:

1. CALL TO ORDER AND ROLL CALL
2. CITIZEN COMMENTS AND CONCERNS
3. WORKSHOP ITEMS:
 - A. *Former Umpqua Bank Property Discussion*
 - B. *Other Issues**
4. ADJOURNMENT

*Denotes no material in packet

The Council Chambers are accessible to all individuals. If you will need special accommodations to attend this meeting, please call City Hall at (541)563-3561 during normal business hours.

Notice given this 4th day of November, 2019

City of Waldport



CITY COUNCIL MEETING AGENDA COVER SHEET FOR DISCUSSION / ACTION

TITLE OF ISSUE: Former Umpqua Bank Property – Workshop

REQUESTED BY: City Council

FOR MEETING DATE: November 12, 2019

SUMMARY OF ISSUE:

The City of Waldport (“City”) recently acquired the former Umpqua Bank Property (“Property”) via generous donation. This agenda item is to discuss possibilities for reuse of the Property, in conjunction with other City facilities assets and current and future needs.

STAFF RECOMMENDATION or ACTION REQUESTED:

Review and discuss the Property and all City properties and needs and provide direction.

BACKGROUND:

The purpose of today’s meeting is to review the recently acquired former Umpqua Bank Property and direct staff as warranted. While the impetus for today’s workshop is the Property and its disposition, this discussion should not be done independently, and should consider all existing and potential future City needs and priorities, both operationally and financially.

Existing Condition

The building on the Property has been vacant since the bank left. We have been advised by CIS Oregon and Brown & Brown (our insurance agent) that leaving it vacant has two basic impacts: First, a vacancy surcharge will be added to our property insurance, which would be an additional \$805 (approximately triple the regular rate). Second, should there be damage or destruction to the building the dollar amount recovered will be drastically reduced. Our agent therefore has advised us to put in a limited determinate use, even if temporary. Hence, we are having our City management staff schedule fixed time and tasks in the building, to have it actively being used on a limited basis so that it is not deemed vacant.

Consideration of Potential Use

There has been quite a bit of conversation about preparing a Request for Proposals (“RFP”) with the intention of allowing a local non-profit to utilize the Property. This idea germinated from initial interviews and meetings that were held by Umpqua Bank, and has continued. While this may be deemed a worthy action by the City, staff is advised by our insurance agent that to do so could increase the City’s risk of being sued for damages if something should happen and the operator does not have the insurance or financial capacity to pay for them if liable to do so.

In addition, the City should be mindful of assessing its own needs with respect to not only this asset, but all our existing buildings in programs. As has been or should be noted:

1. The City and Central Oregon Coast Fire & Rescue District ("Fire District") share a building that was constructed in 1990. The Fire District lease, which is for a dollar a year, is up in 2022. The District is pursuing a new headquarters and fire station.
2. The Fire and City have teamed up about a potential joint relocation out of the tsunami zone. While we have been evaluating property owned by the Oregon Coast Community College ("OCCC"), this effort has seemingly stalled as we are awaiting the OCCC.¹
3. The existing City Hall facility is outdated and marginally functional with a poor layout and is not large enough to accommodate future growth (unless the Sheriff vacates).
4. Our City Library is also woefully old and too small, lacking adequate collections space, meeting/breakout rooms, events space, and teen area, for examples. There is also inadequate and awkward on-site parking. After the Fire District vacates its part of the building, the facility could house a new library, or used for other purposes.
5. The building on the Property is in very good condition and has tangible potential future market value as a commercial use (in five years the City may sell or lease it).
6. House Bill 3309, recently enacted by the State, allows exceptions for building facilities within tsunami inundation zones.

All these factors should be regarded when evaluating potential uses for the Property.

My recommendation is that the City consider its own needs first and foremost, as it has a pragmatic and fiduciary responsibility to do so for its citizens and its taxpayers. The former bank building on the Property seems quite conducive to relocating city administration, at a reasonable cost. The only new addition that would be someday needed would be a Council Chamber and maybe public restrooms. The existing Chamber could be used in the meantime for meetings.

If, after this assessment, the determination is that the building cannot be practically used by or does not meet the needs of the City, then it would be able to justifiably proceed with pursuing other uses. This process should consider relevant criteria such as the use itself, current and future financial return to the City, financial strength of the user, ability of the user to commit resources to develop and operate the proposed use, etc. Also, if this is the outcome, then City Hall would either stay where it is or move to a new facility, either with or without the Fire District.

Attached for information is a table with basic facilities assessment and data.

¹ While we have not discussed estimated costs, the City of Florence is remodeling its existing city hall and constructing an addition at a total cost of nearly \$3 million, with a blended cost of \$260 per square foot (psf) over 11,500 sf. The new construction component cost is more likely much greater than \$300 psf. At \$300 psf, a new 4,500 sf building would cost \$1.35 million (in today's dollars). This does not include cost to purchase the land.

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CITY OF WALDPOR
 EXISTING FACILITIES INFORMATION & PRELIMINARY ASSESSMENT

Use	Address	Lot Size (acres)	Building Size (s.f.)	Building Value (2017)	Year Built	Estimated Condition	Status/Comments
City Hall	125 NE Aalsea Highway	0.86	4,334	\$724,000	1990	Fair	Includes Sheriff's Office Annex
Fire Station		included above	6,120	\$1,022,000	1990	Fair	Lease up 2022
Library	460 NW Hemlock St	0.24	4,550	\$726,000	1960	Fair to Poor	Former City Hall/School; too small, lack of parking
Community Center	265 NW Hemlock St	0.91	3,920	\$569,000	1993	Fair	Formerly Senior Center
Museum	320 Grant St	0.11	1,664	\$301,000	1941	Fair to Poor	Lease 2009-19 for \$10
Museum Annex	945 NE Broadway	0.11	1,152	\$55,000	1980	Fair	
Shop Building	555 N Lint Slough Rd	0.92	4,650	\$303,000	1990	Good	Former PW Facility; leased to Brewery
Cold Storage	425 N Lint Slough Rd	included above	2,592	\$142,000	1990	Poor	Leased to Brewery; pole building
Public Works Shop	4028 Ann St	1.34	10,584	\$644,000	2000	Very good	Acquired in 2015
"City Annex" former Bank Property	355 NW Alder Street	0.59	3,221	\$614,520	2002	Very good	Acquired in 2019; value 2019; year built est
Totals		5.08	42,787	\$5,100,520			

Floor Area Ratio / Value psf

0.19 \$119.21

SOURCES: Property Schedule (prepared by CIS); City staff/records; Lincoln Co. Assessor Maps

6-Nov-19

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