



REGULAR AGENDA ITEM NO. 8.A.

FOR COUNCIL: June 10, 2024

WARD IMPACTED: City-Wide Impact

SUBJECT: Consideration and Action on (1) An Ordinance Amending the Budget Ordinance for the Fiscal Year ending April 30, 2025, in the Amount of \$5,425,000 for both the General Fund, to Transfer to the Capital Improvement Fund, and the Capital Improvement Fund where the Purchase will be Executed; and (2) An Ordinance Approving a Real Estate Transaction and Agreement for the Purchase of Owens Nursery for the Relocation of the City's Public Works Campus, in the Amount of \$5,425,000, as requested by the Administration Department.

RECOMMENDED MOTION: The proposed Ordinances be approved.

STRATEGIC PLAN LINK:

Goal 1. Financially Sound City Providing Quality Basic Services

STRATEGIC PLAN SIGNIFICANCE:

Objective 1d. City services delivered in the most cost-effective, efficient manner

Objective 1a. Budget with adequate resources to support defined services and level of services

BACKGROUND: Although the need for a new Public Works campus has been evident for some time, a practical location was not identified. That said, the need to find a new location was heightened again recently when the location of the current campus was identified as the best location for a water detention basin to address flooding and provide storm water management. Accordingly, City staff have been working diligently over the last year to identify suitable property for the new campus.

At \$5.4 million, the site is able to meet all of the current and future needs at a price that is \$66 million to \$78 million less than was estimated in today's dollars although the City will have to make some other improvements not included in this price. Due to the size of the property and to create additional efficiencies, the City will also explore utilizing the property to meet the additional operational needs of other departments.

In December 2023, Owens Nursery, located south of the City, closed its doors. The Nursery is located on approximately 34 acres, and has several different warehouses/shed buildings, totaling approximately 110,776 square feet of storage space, with approximately 20,000 square feet of office space. The property is strategically located on the edge of the City but near Veterans Parkway for quick access throughout the community. Accordingly, the site was identified as serving the City's operational needs for Public Works both effectively and efficiently. In addition, the site includes a number of existing buildings that can be used for storage and operations, reducing the need for new construction and providing for immediate operational capabilities. Although some work will need to be done to the property, utilizing the existing structures will result in significant cost savings compared to building new facilities from scratch.

In 2019, the City had BKV Group complete a study to determine needs related to Public Works, including the identification of potential new sites for a new campus. The study found that "the Public Works facilities are too small, spread across a number of buildings and sites, in poor physical condition, not fully-compliant with modern building codes, organized in a way that does not provide efficient workflows, and not supportive of the latest approaches to safety and long-term health of the employees." To be in compliance with national standards and best practices for the next 20 years, BKV determined the facility should encompass a minimum of 20 acres with office/shop space totaling between 60,000 and 160,000 square feet. To best plan beyond the 20-year threshold, BKV recommended finding a site of 25 to 30 acres in size. A variety of cost options were projected, ranging at the low end of \$68,008,000 and at the high end of \$80,940,000. It should be noted these were in 2019 dollars and the report noted a delay of 5 years would likely result in additional costs of \$13,000,000.

The City plans to make phased improvements to the property, including the eventual construction of a new Fleet facility. The City's current fleet facility lacks sufficient space to accommodate several of our vehicles, forcing mechanics to perform maintenance and repairs in the parking lot, exposing them to extreme weather conditions (e.g., hot summer and bitter winter temperatures). Additionally, the current Fleet facility does not include the necessary infrastructure such as pits for underneath vehicle work, locker rooms, or proper storage for parts. As the addition of a Fleet facility is likely to exceed \$10,000,000, this will be budgeted for and completed in a future fiscal year.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: If approved, the City will enter into a Real Estate Transaction and Agreement for the Purchase of Owens Nursery for the Relocation of the City's Public Works Campus for \$5,425,000. This will be executed from the Capital Improvement Fund-Land account (40100100-72510). Please see Ordinance Exhibit A for specifics on all accounts adjusted for the budget amendment.

AMERICAN RESCUE PLAN FUNDING IMPACT: N/A

COMMUNITY DEVELOPMENT IMPACT: This request meets the following goals and objectives of the Bloomington Comprehensive Plan 2035: N/A

Respectfully submitted for consideration.

Prepared by: Jeff Jurgens, City Manager

ATTACHMENTS:

[ADMIN 2B Ordinance - Budget](#)

[ADMIN 2C Ordinance - Budget Exhibit A](#)

[ADMIN 2D Ordinance - Purchase Contract](#)

[ADMIN 2E Purchase Contract](#)