



EXECUTIVE SUMMARY

Community Development

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Golden Valley City Council Meeting

July 7, 2026

Agenda Item

3F. Adopt Resolution No. 26-050 Reaffirming Public Works Campus Decision

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Summary

On June 17, 2025, the City Council passed Resolution No. 25-058 authorizing the acquisition of property at 6100 Olson Memorial Highway ("Parcel A") as a location for a new Public Works Facility. The owner of the 6100 Property, PFJ, LLC, was a willing seller, and the City acquired the property through a process commonly referred to as a "friendly condemnation proceeding," as described in the staff report accompanying the June 17, 2025, resolution. Parcel A was acquired pursuant to a court order in the condemnation proceeding issued on November 10, 2025.

On December 16, 2025, the City Council passed Resolution No. 25-130 authorizing the acquisition of neighboring property at 6110 Olson Memorial Highway ("Parcel B"), also owned by PFJ, for Public Works Facility purposes. As the staff report accompanying the December 16, 2025, resolution indicates, it was mistakenly believed that PFJ was a willing seller as to Parcel B and that the "friendly condemnation" process would be used again. However, PFJ has objected to the City's condemnation petition in court, challenging the public purpose and necessity for the City's taking Parcel B.

The decision to take private property for a public purpose is a legislative one. Creating an updated and consolidated municipal public works campus is a public purpose. The campus will be occupied by public employees providing important public services. What property is necessary for that public purpose is also a legislative decision. Absolute necessity is not required; the possibility of alternatives is irrelevant. All that is required is that the council find the property is reasonably necessary or convenient for that public purpose.

The resolution now before the City Council provides it with an opportunity to reaffirm its legislative determination that taking Parcel B is necessary for a public purpose, and to summarize the basis for that legislative decision.

Background for Public Works Campus concept

Since 2021, the City Council, staff and consultants have been studying the City's facility needs, including for public works and, in 2023, the City received authority from the state legislature for a \$60

million local sales tax to fund the acquisition and construction of new public works facilities. In December 2021, a team of engineers, architects and builders, including BKV Group, Oertel Architects, HKGi, and Kraus-Anderson, presented a facilities study to the City Council. The facilities study analyzed existing facilities and needs for police, fire, city hall, and public works. For public works, the study examined existing conditions and reported that:

1. Public Works encompasses four divisions: Park Maintenance; Street Maintenance; Utility Maintenance; and Vehicle Maintenance.
2. Public Works operates out of four primary buildings at two different sites: the Civic Campus in downtown Golden Valley; and a “cold storage” site on 10th Avenue over a mile away.
3. The three main vehicle buildings (Parks and Streets Maintenance; Utility Maintenance; and Vehicle Maintenance) are located on the Civic Campus and are beyond capacity. Additional and specialty seasonal vehicles and equipment are stored offsite at the 10th Avenue cold storage site.
4. The 10th Avenue site is home to the City’s primary yard storage: salt; sand; bulk materials; site collection areas for yard waste; and miscellaneous cold storage.
5. Public works departments are not typically located in the heart of a municipal civic center because public works is a high-traffic and often high-noise endeavor, with space use requirements for both buildings and grounds that are expansive.

The study identified three critical issues for public works:

1. Critical Issue #1: Address Operational Space Deficiencies. The size—both in footprint and in vertical height—of equipment and vehicles has increased significantly since the existing facilities were constructed.
2. Critical Issue #2: Consolidate Resources & Relocate from Downtown. The challenges of a two-site public works department add to annual labor and operating costs, and consolidation of primary facilities would be beneficial and provide greater long-term adaptability. The ability to house all major equipment in a single location will allow public works to be more nimble in responding to whatever conditions are required throughout the year.
3. Critical Issue #3: Meet Industry Standards, Regulations and Applicable Codes. To comply with current requirements and best practices, the facilities need to be upgraded, e.g.:
 - a. Locker rooms and restrooms for both male and female employees;
 - b. Equipment bays separated from office spaces for acoustics and air quality management;
 - c. Provide sufficient space for vehicles and equipment, access, and maneuvering;
 - d. Ensure accessible facilities for staff and visitors.

The study also analyzed the space needs for the recommended upgrades and consolidation. It reported that the public works facilities space needs would include functional space of 10+ acres, with a total size of around 12 acres to accommodate necessary setbacks, stormwater easements, utility easements, etc. The study recommended that the City prioritize a total site size of 14 acres for a consolidated public works facility, which would accommodate the proposed consolidated program and provide a measure of flexibility for future evolutions in service. The study also included a conceptual design of the public works campus prepared by Oertel Architects. The concept called for a functional area of 471,616 sf (10.83 acres) and a total area of 607,579 square feet (13.95 acres).

The study represents a reasonable analysis and summary of the City’s present public works facility needs. The existing public works maintenance and operation facilities are more than 40 years old and are inadequate for current needs in terms of both size and function. The new and larger public works maintenance and operation facilities will be consistent with modern and specialized equipment needs

and will comply with current regulations and industry standards.

Additionally, the existing 10th Avenue public works yard is located over 1 mile away from the existing maintenance and operation facilities and roughly 2.5 miles away from Parcel A. The City Public Works Director has consistently recommended that the City consolidate its public works facilities in one location for operational efficiency, or else the existing efficiency problem will become worse when facilities relocate from downtown to Parcel A, since it is over twice as far from the 10th Avenue public works yard. Consolidating all City public works facilities in one location will increase operational efficiency.

Because the existing facilities are located at the civic campus, public works traffic comes into close contact and potential conflicts with pedestrians and private vehicles in and around the civic campus and the downtown area. These conflicts will be addressed by locating public works facilities outside of the downtown area in a location better suited to industrial or light industrial uses.

Purpose of Parcel B acquisition

The acquisition of Parcel B is reasonably necessary in order to create the consolidated public works campus. The City has already acquired Parcel A and acquiring Parcel B will permit co-location all of the necessary facilities on a single campus, including:

- i. Vehicle storage;
- ii. Vehicle maintenance/service;
- iii. Fueling service;
- iv. Administrative/office;
- v. Workshops;
- vi. Salt, Sand storage;
- vii. Bulk material bins (i.e., aggregate and any other cold storage);
- viii. Open yard work space; and
- ix. Site collection area for yard waste.

The Public Works Campus also requires space for setbacks (the site will be rezoned for institutional use, with an applicable front setback of 35 feet and side/rear setbacks of 50 feet) and for site improvements including, e.g., stormwater management, internal circulation, and staff and visitor parking, as well as space for flexibility for future evolution of public works needs in the decades to come.

The City has explored ways to establish a Public Works Campus by acquiring less than all of Parcel B. In 2025, Oertel prepared alternative fit plans to determine what facilities the City could relocate if it acquired only: (i) Parcel A; or (ii) Parcel A plus a southerly portion of Parcel B to square off the site. These fit plans demonstrated that neither alternative had sufficient space for the public works yard, meaning that neither would achieve the objective of creating a single, consolidated Public Work Campus. A site combining Parcel A (7.51 acres) and Parcel B (7.65 acres) would allow for the consolidated Public Works Campus with reasonable flexibility for the future and would be appropriately located between property zoned industrial and railroad tracks (to the east) and property zoned light industrial (to the west).

To meet the Public Works Campus project timeline the City has been aiming for, Parcel B must be acquired in mid-2026. The goal is to commence site preparation and construction in the 2027 construction season. There are more than 20 tenants in the buildings on Parcel B and it will take

substantial time to complete relocations before the buildings can be demolished for site preparation. The City has issued a request for proposals for design of the Public Works Campus; the City intends to have design and tenant relocation proceed at the same time so that the project can proceed with demolition in the winter of 2026-2027.

Financial or Budget Considerations

Costs include the sales price, financial consulting fees, legal fees related to the condemnation action, and relocation fees. Of the \$60 million in sales tax for the new public works campus, up to \$15 million may be used toward acquisition costs. Acquisition costs include not only the purchase price, but relocation costs for tenants, property taxes, closing costs, attorney and relocation consultant costs as well as soft costs. The City paid \$6.9 million for Parcel A (not including relocation and other costs), leaving approximately \$8.1 million available toward the acquisition of Parcel B, relocation and other costs.

The balance of the acquisition costs will be funded with cash reserves and the issuance of bonds. In April 2025, staff provided the City Council with rough estimates of the required tax levy to support bonds for the remainder of the acquisition and construction costs associated with this site. Given the City has multiple facilities, projects, and funding sources, staff will work to find the most advantageous funding model that fits the overall program budget and will bring those options before the City Council for review and staff direction.

The City has already retained Ehlers to provide financial advice and counsel, Kennedy & Graven for legal matters, and SRF Consulting Group to provide relocation services.

Legal Considerations

The City Attorney and condemnation counsel at Kennedy & Graven have reviewed and approved the attached resolution.

Equity Considerations

City facilities are crucial to the successful operation of public services. Facilities need to address the diverse needs of residents and employees not only today, but decades into the future. The City is in the process of engaging a design team that will be required to focus on equity considerations in the building and site design.

Recommended Action

Motion to adopt Resolution No. 26-050 reaffirming public works campus decision.

Supporting Documents

- [Resolution No. 26-050 - Reaffirming Public Works Campus Decision](#)
- [2021 Facilities Study](#)
- [2021 Oertel Site Conceptual Design](#)
- [2025 Oertel Fit Test Graphics](#)
- [January 2025 Ehlers Memoranda](#)
- [April 2025 Ehlers Memoranda](#)