



Department Source: City Utilities - Solid Waste

To: City Council

From: City Manager & Staff

Council Meeting Date: May 21, 2018

Re: Acquisition of 912 East Walnut for a Solid Waste Collection Site and Appropriating Funds – Supplemental Information

Executive Summary

Staff has prepared for Council consideration an ordinance authorizing a contract for sale of real estate to allow the City to acquire the property at 912 East Walnut Street. Solid Waste Staff is proposing for the property to be platted, the southern half to be used for a refuse, cardboard and recycling collection site in the Downtown Community Improvement District (CID) and the north portion to be sold to offset total cost. The acquisition is anticipated to cost approximately \$675,000. An additional \$15,000 is requested to be appropriated to cover closing costs and site improvements necessary to install the refuse and recycling collection facilities. Funding will be from Solid Waste Enterprise Revenue. This item was tabled at the April 16, 2018 Council meeting to allow the Historic Preservation Commission time to look at the property and provide input and allow staff to provide additional information.

Discussion

The Solid Waste Utility can develop a permanent solid waste collection site on the property at 912 East Walnut if the purchase is approved. This collection site would serve properties in the CID, particularly those properties in the 800 and 900 blocks between Walnut and Broadway. This collection site is anticipated to include a compactor for trash, a compactor for cardboard recycling and two dumpsters for the collection of plastic, glass and metal containers intended to be recycled. The property currently has an existing structure on the north half and the south half is used for parking. The solid waste collection site can be located entirely on the south half of the property. The intent would be to subdivide the property, in accordance with the development codes, install the collection site on the south portion and sell the north portion to offset the total cost to the utility. The potential purchase was discussed at the April 16, 2018 Council meeting and was tabled to allow the Historic Preservation Commission time to look at the property and provide input and allow staff to provide additional information. The discussions regarding the potential acquisition of this property included discussion on R60-18 regarding the adoption of the Downtown CID Compactor Location Master Plan. Additional information regarding the compactor location plan was also requested and is included.

Staff scheduled building access for the Historic Preservation Commission to perform a visual assessment on April 28, 2018 with one staff member from Solid Waste present.

During discussion on April 16, the Council asked the asking price for the property when it was listed for sale and how \$690,000 was decided on as the proposed purchase price for the



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property. The property was previously listed for sale at \$750,000. When staff initially became interested in the south portion of the property, an appraisal was completed and the value for the south half was \$305,000. Following the appraisal, the owner requested \$400,000 for the south portion of the property, with many conditions and restrictions. Staff inquired what the price would be for the entire parcel and received a response of \$675,000. Evaluating the purchase of the entire parcel in the long term, staff determined that by subdividing it and selling the northern portion with the building would be less expensive overall.

Also during Council discussion, there were questions regarding the terms of the leases for the existing building spaces and parking. Currently there are four tenant spaces in the buildings, one space is vacant and three of the four tenant spaces are leased through September 2018, when all the leases will expire. The parking spaces on the south portion of the property are not leased to any of the building tenants. These spaces are leased to individuals on a monthly basis.

During the Council meeting on April 16, 2018 the impact to collection rates was discussed. If the purchase of this property is authorized, the cost would be applied only to customers within the CID. If the purchase was to be recovered on a 30 year schedule, the maximum rate increase would be 4.8%. At this time, it is proposed that no rate increase be imposed to recover the cost until a cost of service study is completed in 2020. This will allow the study to include the cost of acquisition of the property used for the collection site and include the offset due to the sale of the northern portion of the property. Utility rate increases may be requested in other areas prior to the cost of service study being completed, an example would be the potential to increase landfill tonnage fees to cover costs of landfill expansion.

Staff believes there are three options available for refuse and recycling collection in this area of the CID.

Option 1:

Purchase the property at 912 East Walnut and use the southern portion for a refuse and recycling collection including a compactor for refuse, a compactor for fiber and two containers for glass, metal and plastic container recycling. The property would be platted and the northern portion sold.

Option 2:

Leave the existing containers in place, increase educational efforts on use and increase enforcement for improper disposal.

Option 3:

Place a compactor for trash and two containers for recycling glass, metal and plastic containers in the alley, approximately midblock. This would result in the alley not being available for through traffic by vehicles. Pedestrian access would still be available and all properties would have vehicular access.



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Staff believes that Option 1 would provide the highest level of service and recommends this as the best long term solution for this area of the CID. This option does have support of the CID Board. Option 3 would be recommended if Option 1 is not acceptable.

R60-18 Adopting the Downtown CID Compactor Location Master Plan – additional information:

Included is a copy of the CID Compactor Location Plan both the overview sheet and the individual grids. The scope of the compactor location plan was intended to be limited only to identifying locations for compactors in the CID. In addition, there are two additional maps provided, each having an overview sheet and individual grids sheets. The first, labeled "CID Existing", shows the locations of all the existing compactors and other containers for refuse and recycling collection. The second, labeled "CID Proposed", depicts full implementation of the CID Compactor Location Plan. It shows the additional compactors being placed in service and the existing containers that would be removed as a result. These maps should provide the additional information necessary to determine the impacts of the implementation of the plan.

As submitted, the CID Compactor Location Master Plan was not intended to identify or address other disposal issues such as inappropriate use of the existing solid waste facilities or the inappropriate disposal of grease that occurs in the CID. These issues need to be addressed by staff in several divisions within the City. Solid Waste, Public Works, Law, Office of Neighborhood Services, Columbia/Boone County Health and Human Services, Police, Building and Site Development and the City Manager's Office have been meeting and working on solutions to these issues, which may include revisions to the City Code and changes to current procedures. Once the potential solutions have been identified, they will need to be presented to the CID residents, businesses and Board to determine which would be the most beneficial and appropriate for the CID. Educational efforts have been initiated and in February the Solid Waste Division mailed every customer in the CID a letter answering frequently asked questions about the use of facilities in the CID. A map of existing facilities and a brochure explaining proper use was included. A copy of these materials is attached. In addition, Columbia/Boone County Health and Human Services is planning to provide education to food service establishments in the CID regarding proper grease and refuse disposal. Once the potential solutions have been presented to the CID and the most appropriate solutions determined, they will be presented to Council for consideration.

Fiscal Impact

Short-Term Impact: \$690,000 will need to be appropriated from the Solid Waste Utility to fund this acquisition and site improvements.

Long-Term Impact: It is estimated that the annual maintenance cost of the solid waste collection site that is planned for this property will be \$3,000 per year.

Strategic & Comprehensive Plan Impact



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Strategic Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
04/16/2018	B72-18 Authorizing a contract for sale of real estate 912 East Walnut – Tabled until May 21, 2018.

Suggested Council Action

Authorize the City Manager to execute the contract to purchase 912 East Walnut and authorize the appropriation of funds.