



## MEMORANDUM

TO: Mayor Burch and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: National Guard Armory Purchase—Future Acquisition

DATE: January 29, 2015

During the discussion about the Armory Purchase at the January 26 meeting, I responded to a question about the prospects for acquiring the Armory at a later date if the City were to forego the purchase at this time. In thinking about my answer, I realized that I omitted some information that should have been noted.

If the City Council does not authorize the purchase of the Armory at this time, and the property is sold to someone else, it might still be able to acquire the property through condemnation, assuming that the intended use is for a recognized public purpose. There is a financial risk associated with a condemnation action, particularly if it goes to trial. In addition to paying fair market value of the property, which could be higher or lower than the present price, the City could incur costs for attorney fees, expert witnesses, court costs and the like that will increase the total price it pays for the property. These additional costs can be expected to exceed the return the City would realize if it were to invest the current purchase price of the property.

If we ignore the value of the property for storage and only consider its potential to address future needs, the decision to proceed now will depend on the likelihood additional facility locations will be required in the future (for, say, a water treatment facility) and the availability of alternatives at the same or a lower price. Staff views the likelihood an additional facility location will be needed in the vicinity in the next 20 years as high.

Alternative sites do exist but they would be found primarily in Bennett Park

or on property current leased to Charlotte Junior Orioles and the Fair Board.

If the facility for which an additional site is needed is for water treatment, it could be located within northwest portion of Bennett Park. Although there might be some additional costs related to security, the operations associated with such a facility could probably be managed to minimize negative effects on the park. If the facility were needed for an expansion of Public Works garage operations, this would likely be incompatible with park operations. Locating either type of facility on fair grounds or CJO properties would likely result in adverse impacts to their primary operations.

If the Council elects not to proceed with the Armory purchase, it might wish to consider undertaking a more comprehensive study of expected facility needs and the means of addressing them. Such a study would be useful for future budget and debt service planning.