



## CITY OF WASILLA

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COUNCIL MEMORANDUM NO. 91-09

FROM: Deputy Administrator

DATE: February 22, 1991

RE: City Shop Building

Council may recall that a recent structural evaluation of the leased City shop indicates that it is probably not in our best interest to exercise our purchase option. The City would best be served if we acquired a city-owned shop building.

We propose to solicit proposals to negotiate for construction of a new building or for purchase of an existing building. The proposal will identify some minimum requirements and desired features. The acceptance of any proposal will be at the discretion of Council and will not be based solely on price but will consider other factors, such as location, that will be in the best interest of the City.

Funds for a new shop building have been requested from the legislature on our CIP priority list. However, we should proceed to acquire a new building with or without state funding. The City could borrow \$250,000, 20 years, at 12% and the payment would only increase about \$1,000 per month over our present lease payment. The amount would continue to be spread between the sewer, water, parks and road maintenance budgets. The debt could be prepaid if a legislative grant or other funding becomes available.

Recommend Council approve a solicitation for proposals with a view toward acquiring a new shop building by borrowing the necessary funds, estimated to be about \$250,000.

Robert E. Harris  
Deputy Administrator

*Approved 2/25/91*