



# CITY OF BLAINE

## CITY MANAGER'S OFFICE

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# MEMORANDUM

**Date:** February 24, 2020  
**To:** City Council  
**From:** Michael Jones, City Manager  
**Re:** **Disposition of City Property at 665 Peace Portal Drive and 344 H Street (Old City Hall)**

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### Introduction

The City has two properties in downtown Blaine that require attention and the City Manager requests direction from Council on their intent for the properties. One property is 344 H Street (Old City Hall and the adjacent Fire Station). The other is 665 Peace Portal Drive (vacant land).

### 344 H Street

In 2019, we developed and released a request for proposals (RFP) for the property. The RFP allowed for either the redevelopment of the site (including demolition of City Hall), or the refurbishment and reuse of the existing City Hall building. The Fire Station property was not offered for sale through the RFP because the City intended to redevelop that site with a Police Station annex. The RFP outlined numerous goals of a successful project. We did not receive any responses to the RFP. This can be assumed to mean no one wanted to purchase the property with the existing building and the various goals and requirements the City had tied to development through the RFP.

Taking no action on the building, and leaving a vacant and decaying structure is inconsistent with our municipal code, and works against our downtown redevelopment goals. We are currently in the process of designing a Police Station annex, and I am seeking guidance on the design as it relates to the overall property.

The first decision point is, "Should we consider the entire site available for redevelopment as the Police Station annex - or - should we work to restrict the footprint of the annex to leave property available for another use?"

The following decision point is, "Presuming there is property left over after designing the Police Station annex, should we work to sell that property for development – or – retain that property for a possible future municipal use?"

I will ask that Council give me general direction on these questions so that we can complete the building design and take other actions aligned with Council's intent.

### 665 Peace Portal Drive

The City acquired this vacant parcel after a lengthy enforcement action. The owner deeded the property to the City in exchange for relief from the burden of the debt related to the enforcement action (i.e. building demolition and site cleanup). The parcel is approximately 6,500 square feet of water view

property along the City's main street. It is in the heart of the central business district, which is the focus of our downtown redevelopment effort.

There are a number of possible uses for the property. A few of those are to retain it as a view corridor, develop it as a below street level parking lot, or develop it with a public building. There are no doubt other possible uses for the property. It is my strong recommendation that we take steps to put the parcel into active use. I recommend that the property is sold for development.

Putting the property up for sale with a sale restriction that requires quick development would help drive downtown redevelopment. Given the parcel's prime location in the heart of the business district, commercial or mixed-use commercial/residential would be desirable. If Council wants to sell the property, we need to take certain steps to prepare for sale, such as determining the value of the property, declaring the property to be surplus, and contracting with a real estate agent to handle the sale.

The first decision point is, "Should we sell the parcel - or - should we retain the property for some public use?"

Presuming the intent is to sell the property, the second decision point is, "Does Council wish to place restrictions on the sale that would encourage rapid development?"

Presuming the intent is to retain the property for a public use, the second decision point is, "What public use does Council foresee, and how should we begin to make that happen?"

### **Conclusion**

We may not be able to answer all the questions related to the parcels at the study session, and I do not expect that Council make any final decisions at this time. However, in order to plan and move forward I request that Council provide general direction on the disposition of each of these properties.