

AGENDA ITEM #: \_\_\_\_\_

DATE: October 5, 2020

CAR #: 2020-6846



## CITY COUNCIL ACTION REPORT

**SUBJECT:** Letter of Intent to Convey Original Fire Station to the United Goodyear Firefighter Charities

**STAFF PRESENTER(S):** Paul Luizzi, Fire Chief

**OTHER PRESENTER(S):**

**Summary:** Approval of the Letter of Intent to convey the original fire station located at Litchfield Road and Western Avenue to The United Goodyear Firefighter Charities and authorization to negotiate and execute conveyance agreement consistent with the Letter of Intent.

**Recommendation:** ADOPT RESOLUTION NO. 2020-2037 APPROVING A LETTER OF INTENT SETTING FORTH THE TERMS FOR THE CONVEYANCE OF THE ORIGINAL FIRE STATION PROPERTY TO THE UNITED GOODYEAR FIREFIGHTERS CHARITIES; AUTHORIZING AND DIRECTING THE PREPARATION AND EXECUTION OF A CONVEYANCE AGREEMENT CONSISTENT WITH THE TERMS OF THE LETTER OF INTENT APPROVED HEREIN; PROVIDING AUTHORIZATION AND DIRECTION FOR FUTURE ACTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

**Fiscal Impact:** Under the terms of the Letter of Intent, there will be no new expense to the city resulting from the conveyance of the Property because The United Goodyear Firefighter Charities shall pay 100% of all escrow fees, closing costs, recording fees, and the cost of UGFFC's Owner's Title Insurance Policy. However, prior to conveyance, work will need to be completed to make the Western Avenue structures stand-alone. The structures share utilities and were not developed to meet set back requirements along the lot lines that will be created by the Minor Land Division. On February 10, 2020, Council approved \$119,900 in One-time General Funds to accomplish this work by creating the Western Avenue Property Improvements CIP project (42020). If the Letter of Intent is approved, work will commence to expend the \$119,900.

### Background and Previous Actions

The city currently owns property located on the east side of Litchfield Road north of the intersection of Litchfield Road and Western Avenue, which formerly housed public safety facilities, including the Old Squad Room, Original Fire Station Property, and Old City Hall (commonly referred to as the Western Avenue Properties). The Western Avenue Properties are all unoccupied and there are on-going costs associated with city's continued ownership of the

properties. During a work session on May 20, 2019, directions were given to dispose of these structures, with the goal of having the Original Fire Station Property conveyed to a non-profit, to be operated as a fire museum and the other two buildings to be sold as a combined unit.

In furtherance of Council's direction, city staff hired a professional engineer to prepare a minor land division, which will need to be recorded to create a separate lot for the portion of the Western Avenue Properties upon which the Original Fire Station is located. The Minor Land Division of Properties of Properties on Pico Drive (the "Minor Land Division") was approved by Council on February 10, 2020, and when recorded will create two lots from the site of the Western Avenue Properties; Lot 2 upon which the Original Fire Station is Located (the "Fire Station Property") and Lot 1 upon which the other two buildings are located. Before the Minor Land Division can be recorded, work needed to separate the structure on Lots 1 and 2 of the Minor Land Division (the "Separation Work") needs to be completed. Council approved a budget transfer for the Separation Work on February 10, 2020.

Since council approved the Minor Land Division and the budget transfer for the Separation Work on February 10, 2020, staff and representatives of the United Goodyear Firefighter Charities, an Arizona non-profit corporation, have been working on the terms of conveyance.

### **Staff Analysis**

Resolution 2020-2037 provides for the approval of a Letter of Intent ("LOI"), which sets forth the terms and conditions under which the City of Goodyear is prepared to convey Lot 2, of the Minor Land Division of Properties on Pico Drive (the "Fire Station Property") to The United Goodyear Firefighter Charities, an Arizona non-profit corporation ("UGFC"). Resolution 2020-2037 also provides authority for the preparation and execution of a conveyance agreement that is consistent with the LOI. The terms of the conveyance agreement will include, but is not limited to the following terms:

- The Property is being conveyed "As Is" without any warranties, and the conveyance agreement will include waiver and indemnification provisions to protect the city from claims related to the condition of the property.
- The Property is being conveyed primarily for use as a firefighters' museum but can be used for ancillary uses permitted for a charitable organization as defined in the Internal Revenue Code Section 501(c)(3). The museum is to be open to the public for a minimum of eight (8) hours each month and shall be free to residents of the City of Goodyear. The museum is to be open and operational within two years of the date of conveyance of the Property.
- The property cannot be conveyed to another entity unless the city is paid the fair market value of the property, which value will be determined as of the date of conveyance.
- The property cannot be mortgaged or liened without the city's written consent.

- The City will retain the right to remove the time capsule that is buried on the property and to hold a ceremony for the removal of the time capsule.
- The limitations and requirements regarding the use of the property will be in effect for 25 years.

The conveyance agreement will be executed after the work needed to separate the improvements on Lots 1 and 2 of the Minor Land Division have been completed and the Minor Land Division of Properties on Pico Drive has been recorded. Under the terms of the LOI, the conveyance agreement, consistent with the terms of the LOI must be completed by October 5, 2021 or the LOI terminates and will have no further force or effect.

**Attachments**

- Resolution 2020-2037
  - Letter of Intent with exhibits