

# CLARK COUNTY STAFF REPORT



**DEPARTMENT:** County Manager's Office

**DATE:** July 28, 2015

**REQUESTED ACTION:** Declare the Dolle Building at 500 West Eighth surplus and authorize staff to dispose of the building using established procedures.

Consent  Hearing  County Manager

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## BACKGROUND

Clark County purchased the Dolle Building, a multi-story office building located in downtown Vancouver, in 1996 for \$2,218,000. At that time, the building was used to house county offices. These offices, with the exception of the Board of Equalization (BOE), were moved to the Public Service Center after its completion in 2003. The building has since been leased to public, non-profit, and private organizations with 79% to 85% occupancy.

The building was built in two different sections dating from 1973 and 1979. Basic building upgrades such as HVAC, new carpet, interior paint and landscaping have occurred since the county purchased the property. Other upgrades and building improvements will be required as the building continues to age.

## ALTERNATIVES

- I. Keep the building as is.

The average annual operating revenues and expenses for the Dolle Building for the 2013-2014 are as follows:

Gross Revenue from leases: \$375,500  
Operating Expenses: \$113,800  
County average maintenance costs: \$82,336  
Net Operating Revenue: \$179,364

This represents an annual return on our original investment of approximately 8.08%. Net operating revenue from Dolle Building rents is used to defray maintenance and operations (M&O) costs of the Public Service Center and CCH, in lieu of general fund. As a comparison our original \$2,218,000 investment would have earned the rates of return below if invested in the Investment Pool:

2013 0.38%  
2014 0.47%

In short, while the Dolle Building is not currently serving as a core county asset, it is operating at a net profit and is helping to offset operating expenses for the county. The building could become a core asset again by housing staff displaced during a potential future renovation/expansion of the county jail. Otherwise, during construction, we would need to lease space which could be costly and

not in the same vicinity of the jail and court system. The Dolle Building offers ideal temporary space if and when needed.

II. Keep the building and repurpose it.

With the downtown Vancouver area growing and attracting more business an alternative to selling the building would be to seek a private partner to help us redevelop the property with a more substantial mixed use building which could include retail, office space, and living quarters. Existing mixed use developments have fared pretty well in the downtown core. This would be a speculative move that could subject the county to downside risk. It would also keep the county in the landlord business, which is not a core county function.

III. Surplus the building and sell it using established procedures.

Comparable properties in the area have been sold for 2 – 4.3 million dollars. An internal appraisal conducted by our Assessor’s Office was within this range.

If sold, a significant portion of the proceeds would need to be set aside to fund M&O for the Public Service Center and CCH. If proceeds are not set aside, new additional general fund support for M&O would need to be found. Excess proceeds from the sale could be used to cover the cost of urgent one time budget requirements. The immediate realization of sale proceeds benefits the county more than the continued revenue stream generated by the building. The BOE, the sole remaining county office in the Dolle Building, could easily be relocated to the PSC.

**Recommendation: That the Board of County Councilors declare the Dolle Building surplus and direct staff to dispose of the building using established procedures.**

**COUNCIL POLICY IMPLICATIONS**

None

**ADMINISTRATIVE POLICY IMPLICATIONS**

None

**COMMUNITY OUTREACH**

None

**BUDGET IMPLICATIONS**

YES	NO	
		Action falls within existing budget capacity.
		Action falls within existing budget capacity but requires a change of purpose within existing appropriation
		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.


**BUDGET DETAILS**

Local Fund Dollar Amount	N/A
Grant Fund Dollar Amount	N/A
Account	N/A
Company Name	N/A

**DISTRIBUTION:**

Board staff will post all staff reports to The Grid. <http://www.clark.wa.gov/thegrid/>

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Mark McCauley  
Acting County Manager

  
**APPROVED:** \_\_\_\_\_  
**CLARK COUNTY, WASHINGTON**  
**BOARD OF COUNTY COUNCILORS**

DATE: July 28, 2015  
SR# SR 151-15

**APPROVED:** \_\_\_\_\_  
Mark McCauley, Acting County Manager

DATE: \_\_\_\_\_