


MEMORANDUM

DATE: January 23, 2020
TO: Mayor White and City Council
FROM: Mercy Rushing, City Manager 
SUBJECT: Discuss moving existing warehouse building to another City owned property and available options

Background information:

A couple of weeks ago Councilman Greg Hollen asked if I could find out from AEP Swepeco if they would be willing to give the City the warehouse building that is on the property that they are purchasing from us. AEP Swepeco said they would be happy to give the building to the City because all they were going to do is tear it down so they can build their new facility, but they would like for us to go ahead and move it before the closing.

In an effort to give the Mayor and Council all the information you need to make the decision how to proceed, I have been working with our building inspector Justin Clower and Lynn Kitchens to get the following information and cost:

Option 1:

To take down the 2,100 sq. ft. building, to move it to a new location and put it back together cost is approximately \$25,000.00 to \$30,000.00. Quote is from James Northcutt professional House moving services from Lone Oak Texas (see attachment). This will not include concrete pad which, according to Chuck Harris, will cost approx. \$12,300.00. Total to move and put back up will be **anywhere from \$37,300.00 to \$42,300.00 and this total is without electricity.**

Option 2:

We contacted Southwest Steel Buildings (Adam Steck) to quote building us a new 2,000.00 sq. ft. metal warehouse turnkey job, complete with concrete floors and electricity. **The cost is \$59,245.00, see attach quote.**

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Option 3:

We could purchase wooden storage building prefab. The largest at \$15,000.00 (See attached)

Option 4:

If we need more storage area than what we now have on MEDC property on Commerce St. and the City's blue building on Front St, we could temporarily rent two (2) 10X20 storage units from Mineola Self Storage. Cost is \$75.00 a month **which for 2 will be \$150.00 x 12 months = \$1,800.00 annual cost.**

Example: If we rent for 20 years at \$1,800.00 a year our total expenditure \$37,800.00.

I have also included the comparisons for the warehouse that AEP Swepco is purchasing and our current MEDC property on West Commerce Street that we purchased and can use for storage. As you can see the new MEDC property total building space is 3,147 sq. ft. and what we are losing is 2,100 sq. ft. So right now we actually have more storage facility available to us by 1,047 sq. ft. of open space. This does not include the blue building on Front Street where we have stored our chairs and tables and other misc. items as we needed. See attach maps.