



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

July 18, 2018

DEPARTMENT:

Utilities

DIVISION:

- ☒ Motion
- ☐ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

TITLE:

Real Property Exchange: Maha, LLC Option Agreement

SUMMARY RECOMMENDATION:

Acquire the second of two parcels of real property located at 1230 S. 2nd Avenue through an exchange for surplus City-owned property along with payment of \$90,000.00 by the City to Maha LLC in accordance with the terms of the attached Option Agreement. Approval of this motion authorizes City staff to exercise the option. (Utilities) (Jay Simonton)

REPORT:

The City has entered into a \$1.00 Option Agreement for the acquisition of the second of two lots located at 1230 S. 2nd Avenue. The City needs the two lots to accommodate the new Utilities Administration Complex and minimize construction costs (one alternative to acquiring the parcels would be to add a second story to the complex at significantly increased construction costs). This is the second of two such option agreements, with the first option agreement presented to Council at the June 20th Regular City Council meeting.

The attached option, if exercised, will allow the City to exchange the City-owned property (a vacant lot) at the southeast corner of Avenue 3E and 40th Street together with payment of \$90,000.00 for the second desired Maha LLC (Maha) parcel. The City-owned parcel being acquired by Maha was previously authorized for exchange through Ordinance No. 2018-026 adopted June 20, 2018. The parcel being acquired by the City in the exchange was previously authorized for acquisition through Ordinance No. 2018-023 adopted May 16, 2018.

Under the terms of this second option, Maha pays for the cost of escrow, closing costs, and a standard policy of title insurance for each of the parcels. The surplus City-owned parcel is 43,997 square feet, more or less, and a remainder from a lot split after the City constructed a retention basin on a larger parcel. The parcel being acquired by the City from Maha is 9,253 square feet, more or less, but is not vacant property and has improvements which the City will have to remove as part of the new Utilities Administration Complex construction.

Approval of this motion authorizes City staff to exercise the option and to acquire the desired parcel in accordance with the terms of the option which is attached.

FISCAL REQUIREMENTS	CITY FUNDS:	\$90,000.00	BUDGETED:	\$90,000.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP: CIP Project No. 421-97-77.8110	
		\$0.00		
		\$0.00		
TOTAL:	\$0.00			
FISCAL IMPACT STATEMENT:				
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK:			
	1. O2018-026 2. 3. 4. 5.			
ADDITIONAL INFORMATION	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?			
	<input checked="" type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Gregory K. Wilkinson		7/10/2018	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		7/9/2018	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
Jay Simonton		6/26/2018		
SIGNATURES	WRITTEN/SUBMITTED BY:		DATE:	
	Erica Rivera		5/22/2018	