



## REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:**

February 15, 2017

**DEPARTMENT:**

City Administration

**DIVISION:**

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

**TITLE:**

Vacating of Right-of-Way, Surplus and Sale of Property and Amendment of Resolution R2016-041

**SUMMARY RECOMMENDATION:**

Vacate certain 4 ½ E right-of-way, declare as surplus two parcels of City-owned real property totalling approximately 28,009.564 square feet at the northwest corner of Avenue 4 ½ E and 36th Street, authorize the sale of the surplus real property, and amend Resolution No. R2016-041 to include the sale of the additional property to ST Partners, LLC (Almark Foods). (Administration) (Ricky Rinehart)

**REPORT:**

In response to a public Request for Proposal/Request for Offers, Resolution R2016-041 authorized the sale of approximately 17 acres (742,670.436 square feet total parcel size) of land to ST Partners, LLC through a Real Property Sale and Economic Development Agreement (Agreement) attached to the Resolution as Exhibit A. The purchase price for the 17 acres is established in the Agreement at \$1.90 per square foot. Under the terms of the Agreement, ST Partners will construct a 120,000 square foot food processing plant at a capital cost of \$27.5 million dollars creating 100 full-time, non-seasonal jobs.

As the site plan is being engineered, ST Partners has requested to purchase additional property from the City, approximately 28,009.564 square feet at the same price per square foot, to accommodate the construction and siting of the plant.

The 17 acres is located at the northwest corner of 36<sup>th</sup> Street and Avenue 4 ½ E. City staff has recognized that Avenue 4 ½ E should be classified as a collector street rather than a minor arterial, which creates an additional 10 feet of surplus right-of-way on the eastern boundary of the 17 acres for a total of 14,350 square feet. This proposed ordinance will vacate the City's right-of-way along the west 10 feet of Avenue 4 ½ E, declare the vacated right-of-way surplus for City use, and authorize the sale of the surplus right-of-way to ST Partners through an amendment to the Agreement approved through Resolution R2016-041. (See attached Location Map).

The Agreement also originally contemplated a local street on the western boundary of the 17 acres. City Administration and staff has recognized that a 20-foot driveway instead of a local street will serve the City's access needs to the northern (City-owned) parcel. This proposed ordinance therefore recommends that approximately 13,659.564 square feet of City-owned real property along the west boundary of the original 17-acre parcel be declared surplus and sold to ST Partners through an

amendment to the Agreement. (See attached Location Map).

ST Partners has indicated that their purchase of this additional 28,009.564 square feet will meet their design and construction needs for the 120,000 square foot food production facility. The proposed ordinance therefore authorizes amending the legal description for the sale of the additional surplus property described in Exhibit 1 of the Agreement and Exhibit A to the Special Warranty Deed from the City to ST Partners LLC (Exhibit 2 of the Agreement), increasing the total square footage from 742,670.436 square feet to 770,680 square feet. The proposed ordinance also adjusts the total purchase price accordingly: at \$1.90 per square foot for 770,680 square feet, the total purchase price is now \$1,464,292.00.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	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. 2. 3. 4. 5.			
	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 type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Gregory K. Wilkinson		1/24/2017	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		1/23/2017	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
Ricky Rinehart		11/1/2016		
WRITTEN/SUBMITTED BY:		DATE:		
Erica Ruiz		10/24/2016		