

## **City Council Agenda Summary Sheet (Non Purchases)**

**Agenda No:** 2005-0038 Resolution to Enter Into Purchase Agreement for the Sale of 1750 W. Hamlin Rd.  
**Date:** December 15, 2004  
**Prepared By:** Dan Casey, Planning & Development, ext. 2577  
**City File No:** 04-017.2

**Meeting Date:** January 19, 2005

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### **PURPOSE:**

To evaluate and select a finalist from among six companies bidding to purchase City-owned property, located at 1750 W. Hamlin, and to authorize the Mayor to enter into a purchase agreement on behalf of the City after review by the City Attorney as to form.

### **DISCUSSION:**

At the City Council meeting on April 21, 2003, City Council expressed an interest in pursuing the sale of 1750 W. Hamlin to a private party. At that time, three written offers and one verbal offer had been received by the City's Planning and Development Department for the purchase of the property. In subsequent weeks, three additional written offers have been received. Further, the offer from PB & J International Development, LLC, was revised.

Attachment A identifies the six companies who have made offers, their bid and intended use of the building and/or property.

### **FISCAL INFORMATION:**

The City purchased 15-21-353-001 & 15-21-352-002, totaling 2.56 acres, in 1999 for a combined \$399,000, using Water and Sewer funds.

The City intends to retain approximately 46,227 square feet of property for future right-of-way for the boulevard of Hamlin Road. Based on the City's asking price of \$4.60/ square foot, the needed right-of-way is valued at \$212,644.

If the Council accepts the bid of PB & J Investments, the net profit from the sale of the property is \$223,644. (Bid of \$410,000 + R.O.W. value \$212,644 – City purchase price of \$399,000 = \$223,644)

If the Council accepts the bid of Walton Associates, the net profit from the sale of the property is \$323,644. (Bid of \$510,000 + R.O.W. value \$212,644 – City purchase price of \$399,000)

At present, 1750 W. Hamlin is tax exempt. Based on the recommendation below, returning the property to the ad valorem tax roll will generate projected annual tax revenue to the City of \$3,654 after project development. In addition, the proceeds of the sale of the property upon closing will be transferred to the Water and Sewer Fund.

**RECOMMENDATION:**

Staff has carefully evaluated each offer and seeks Council's authorization to conduct final negotiations with either PB & J International Development, LLC, based on its initial offer of \$410,000 and the construction of a new approximately 6,000 square foot office building; or Walton Associates, based on its initial offer of \$510,000 and renovation of the existing building for medical office use.

Further, staff requests that Council authorize the Mayor to enter into a purchase agreement with the successful bidder after completion of final negotiations.

**ATTACHMENTS:**

Attachment A – Evaluation of Offers

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Department Authorization: Ed Anzek, Director of Planning and Development

Reviewed by:

Fiscal: *Jean Farris*

Clerks: *Susan Koliba-Galeczka*

Approved by: *Pat Somerville*

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**