

DATE: January 13, 2015

ITEM: 8.A.

RE: CONSIDERATION AND ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY APPROVING THE TERMS OF THE PURCHASE AND SALE AGREEMENT AND AUTHORIZING THE AGENCY TO ACQUIRE PROPERTY LOCATED AT 14 SOUTH 600 WEST

PROJECT AREA: Depot District

PREPARED BY: Cara Lindsley

EXECUTIVE SUMMARY: Staff is seeking authorization to acquire 0.12 acres of real property located at 14 South 600 West (the "Property"). The Property is bounded by railroad property on the west and north, by 600 West on the east, and by an RDA parcel on the south. RDA owns the adjacent property at 18 South 600 West, and the remainder of the ¼-block is owned by Union Pacific Railroad. RDA staff recommends acquiring the Property to facilitate future development of nearby RDA-owned properties and provide a connection between the north and south ends of the Depot District Project Area. The end use of the Property will be determined as part of the implementation of the Depot District Strategic Plan.

FUNDING: City Creek - \$93,000

ALTERNATIVES: 1) Approve the Term Sheet.
2) Approve the Term Sheet with revisions.
3) Do not approve the Term Sheet.

ANALYSIS AND ISSUES:

Staff recommends the acquisition for the following reasons:

1. **RDA owns adjacent property at 18 South 600 West:** The Property, when added to the adjacent RDA-owned property, will result in a combined acreage of 0.28 acres and increase the number of development options for the area.
2. **North-South Connection in Depot District:** Strong development activity is taking place at the north end of the Depot District near North Temple, and at the south end of the Depot District where the Hub Project is located. Developing this block face would provide a key connection between the two ends of the Depot District project area.
3. **Proximity to RDA-owned Howa Gardens Properties:** Development of the combined 14-18 South 600 West property could be tied into the development plans for the Howa Gardens properties.

SITE DUE DILIGENCE:

The current list price is \$99,000. The appraised value is \$93,000. The RDA will offer appraised value for the property. A Phase I Environmental Site Assessment (ESA) of the property conducted in December 2014 concluded that no Recognized Environmental Conditions (RECs) are likely to exist on the property.

Site Maintenance Costs: Estimated maintenance costs are \$100 per month for utilities, weed control, and trash removal.

ATTACHMENTS:

- A. Term Sheet
- B. Resolution
- C. Map

14 South 600 West Purchase and Sale Term Sheet

Definitions

Seller: Rita Boyer

Buyer: Redevelopment Agency of Salt Lake City

Property: The Property consists of the following parcel

14 South 600 West, Salt Lake City, Utah
Parcel #: 15-01-101-004-0000
Size: 0.12 acres

Zoning: G-MU: Gateway-Mixed Use

Title Company: First American Title Company

Purchase and Sale Terms

Purchase Price: The Purchase Price shall be \$93,000 to be paid to Seller at closing.

Title: The Property's title shall be perfected by Seller at or before closing.

Title Insurance: Prior to closing, Buyer shall have received a title commitment from Title Company, as Title Company is aware of the pending transaction and has prepared a preliminary title report. Title Company shall also be prepared to issue Buyer an ALTA Extended Coverage Owner's Policy of title insurance with permitted exceptions in the full amount of the Purchase Price.

Survey: Buyer shall obtain a boundary survey of the Property, which survey shall be prepared by a surveyor licensed in the state of Utah and shall be certified to Buyer and its designees in a form satisfactory to the Buyer. The boundary survey shall show and certify: 1) the exact square footage of real property contained in the Property; 2) the legal description of the Property with the boundaries being in conformity with the boundaries shown on the site plan of record (it is agreed that the legal description on the survey shall be the description used in the deed conveying the Property to the Agency and in the policy of title insurance); 3) that the legal boundaries of the Property extend to all adjacent streets, alleys and sidewalks; and 4) the location of all existing easements, rights-of-way, encroachments, utility lines, and other similar encumbrances or defects in title affecting the Property or the streets, alleys, and sidewalks adjacent thereto. Buyer shall reserve the right to terminate the Purchase and Sale Agreement based on any findings of the

Survey that impact the title or value of the Property.

License for Entry: Seller shall provide Buyer with a license to enter the Property for all purposes, provided Buyer agrees to repair any damage to the Property arising from its exercise of its right of entry.

Escrow Holder: Promptly following the execution of a purchase and sale agreement consistent with the terms set forth herein, Buyer shall open an escrow account with Title Company. A copy of such purchase and sale agreement shall be provided to Title Company to advise Title Company of the terms and conditions thereof. Within five (5) days after Buyer has advised Seller that the conditions for closing have been waived or satisfied, Seller shall place into the escrow a fully-executed general warranty deed to the Property with Buyer as the grantee for recording and delivery to Buyer at closing. Title Company shall conduct the close of any sale there under pursuant to the escrow instructions of the Buyer and Seller.

Closing: At such time as all conditions precedent have been waived or satisfied or it has been determined that such conditions will be satisfied at closing, Buyer shall advise Seller of the same. The closing shall take place within sixty (60) days thereafter at the office of the Title Company on a date and at a time mutually convenient to Buyer and Seller. At closing, Seller shall convey title to the Property to Buyer by general warranty deed.

Commissions: Buyer represents and warrants that it has not entered into any contracts with any brokers or finders, nor has Buyer obligated itself to pay any real estate commissions or finder's fees. Seller represents and warrants that it has not entered into any contracts with any brokers or finders, nor obligated itself to pay any broker's commission or finder's fee. Based on such representations and warranties, Seller and Buyer agree to indemnify and hold the other harmless from any claims, damages, expenses, liabilities, liens, or judgments (including costs, expenses and attorney's fees defending the same) that arise on account of any claim that real estate commissions or finders' fees (including those identified above) are payable as a result of the actions of the indemnifying party and have not been discharged in their entirety. Any commissions, finder's fees, or other similar charges other than those incurred by Buyer and not specified above shall be paid at closing by Title Company from the proceeds of the Purchase Price.

Closing Costs: Seller shall be responsible for paying prorated real estate taxes. Buyer shall pay for the property insurance ALTA Extended Coverage Owner's Title Insurance Policy and other closing costs.

Other: This transaction shall be subject to all terms, conditions, and documentation required by Buyer's legal counsel, whether represented in this term sheet or not.

Outside Closing

Date:

If closing has not occurred on or before sixty days after executing the Purchase and Sale Agreement, then the obligations for the Buyer outlined in the purchase and sale agreement resulting from this Term Sheet shall terminate.

CONSIDERATION AND ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY APPROVING THE TERMS OF THE PURCHASE AND SALE AGREEMENT AND AUTHORIZING THE AGENCY TO ACQUIRE PROPERTY LOCATED AT 14 SOUTH 600 WEST

WHEREAS, the Redevelopment Agency of Salt Lake City (“Agency”) was created to transact the business and exercise the powers provided for in the Utah Community Development and Renewal Agencies Act; and

WHEREAS, the Redevelopment Agency and the governing body of Salt Lake City (the “City”) adopted a redevelopment plan entitled “Depot District Redevelopment Project Area Plan (“Project Area Plan”)” on October 15, 1998; and

WHEREAS, the Agency desires to purchase property located at 14 South 600 West (the “Property”) for the purpose of redeveloping it in a manner consistent with the Redevelopment Plan; and

WHEREAS, the Property is bounded by rail lines on the west and north, by 600 West on the east, and by Dansie Drive on the south; and

WHEREAS, the Property is adjacent to RDA-owned property located at 18 South 600 West; and

WHEREAS, the Property, when added to the adjacent RDA-owned property, will result in a combined acreage of 0.28 acres and increase the number of development options for the area; and

WHEREAS, the Property will provide a key connection between the North Temple and the hub district development nodes in the Depot District project area; and

WHEREAS, Agency staff has conducted due diligence and negotiated terms for the acquisition of the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, that the Board does hereby authorize the Chief Administrative Officer and Executive Director to execute a Purchase and Sale Agreement between the Redevelopment Agency of Salt Lake City and Rita Boyer for the Agency’s acquisition of the Property in accordance with the Term Sheet attached hereto. The transaction shall also incorporate such other terms and agreements as recommended by Agency counsel.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this 13th day of January, 2015.

Stan Penfold, Chairperson

ATTEST:

D. J. Baxter, Executive Director

Transmitted to the Chief Administrative Officer on _____.

The Chief Administrative Officer

___ does not request reconsideration
___ requests reconsideration at the next regular Agency meeting.

Ralph Becker, Chief Administrative Officer

ATTEST:

D. J. Baxter, Executive Director

Approved as to legal form: _____
Damon Georgelas, RDA Legal Counsel

Depot District Project Area

Redevelopment Agency of Salt Lake City

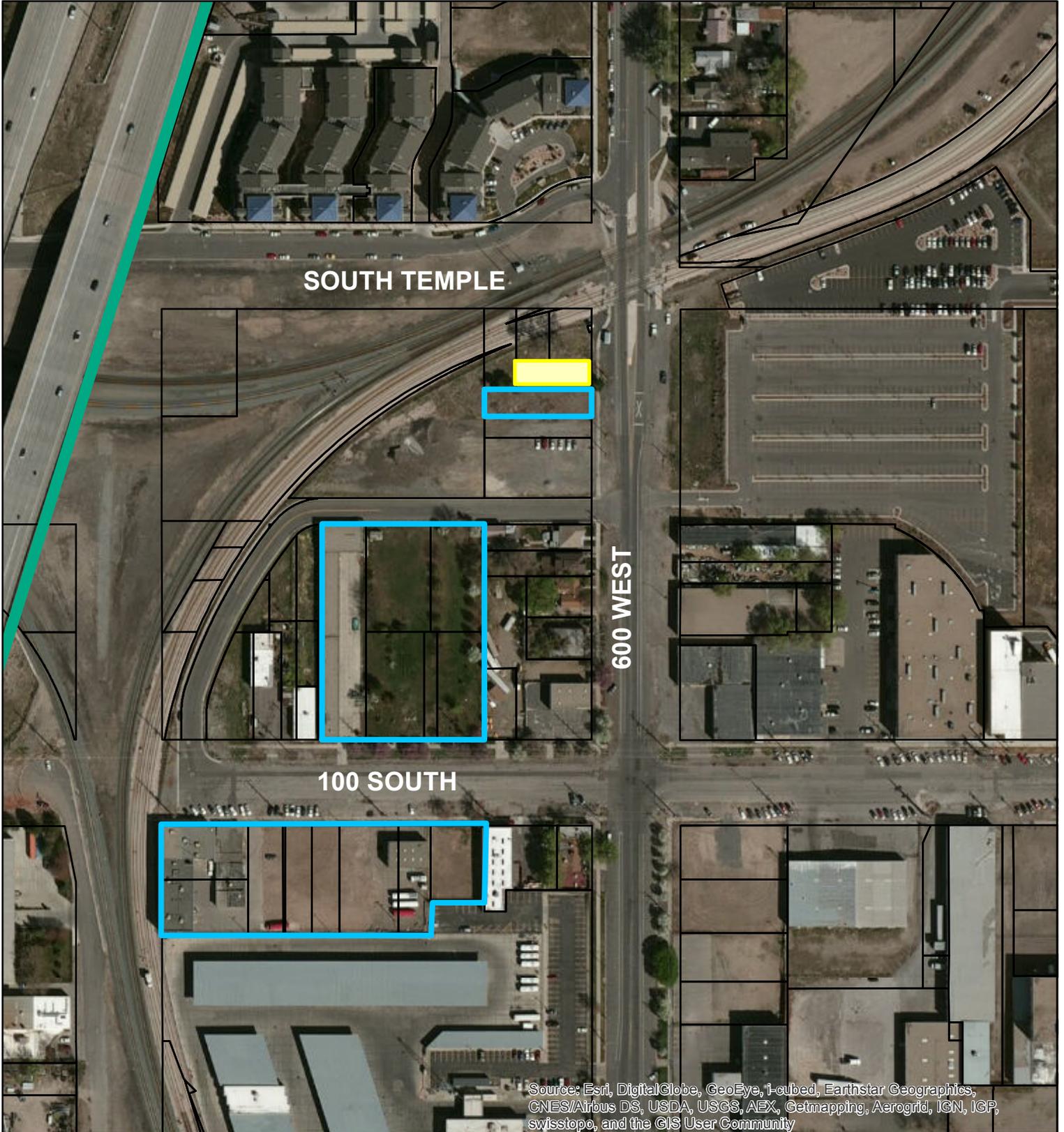


SLCRDA

Consideration of Property Acquisition at 14 South 600 West

KEY

-  RDA Properties
-  Subject Property



Source: Esri, DigitalGlobe, GeoEye, i-cubed, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community