



## Staff Report

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**File #:** 17-615

**Version:** 1

**Date:** 1/8/2018

**Item #:**

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**TO:** Urban Renewal Agency Board

**THROUGH:** Steve Powers, Executive Director

**FROM:** Kristin Retherford, Director Urban Development Dept.

### **SUBJECT:**

Amendment to development agreement with S&V Garcia Investments, LLC for property located at 2385 Fairgrounds Road NE.

Ward(s): 1

Board Member(s): Kaser

Neighborhood(s): Highland

### **ISSUE:**

Shall the Agency authorize the Executive Director to execute the attached amendment to the Purchase and Sale Agreement with S&V Garcia Investments, LLC?

### **RECOMMENDATION:**

Authorize the Executive Director to execute the attached amendment to the Purchase and Sale Agreement with S&V Garcia Investments, LLC.

### **SUMMARY AND BACKGROUND:**

The property located at 2385 Fairgrounds Road NE, formerly known as the Cadle's property (Property)(Attachment 1), was designated in the North Gateway Urban Renewal Plan as a property to be acquired. The Agency acquired title to the 0.32 acre Property through condemnation in 2004. At that time, the Property was abandoned, derelict, and badly contaminated with petroleum products. Over the next few years the Agency remediated the Property with financial and technical assistance from the Oregon Department of Environmental Quality (DEQ), and in October 2007 a No Further Action letter was issued.

In 2008, the Agency offered the Property for sale through a competitive bid process, and North Pacific Forestry, Inc. was the winning bidder. On September 15, 2008, the Agency authorized the sale of the Property to the buyers for their bid amount of \$140,000. Proceeds from the sale were split evenly with the DEQ to reimburse it for work performed on the premises. The sale of the

Property closed on November 6, 2008.

Under the original agreement (Agreement) dated October 13, 2008, the buyer was required to develop the Property in compliance with the North Gateway Urban Renewal Plan with construction commencing within two years of the close of escrow and completion within four years. Through three separate amendments (Attachment 2), the Agency Board approved extending the construction commencement date to August 1, 2017, and the construction completion date to August 1, 2018. On July 13, 2015, the Agency Board approved an assignment of the Agreement to a new Property owner, S&V Garcia Investments, LLC (Buyer), whose principals are Servando and Veronica Garcia.

## **FACTS AND FINDINGS:**

As Buyer purchased the Property subject to the existing Agreement, it was bound by a relatively short timeline for development and was unable to meet the construction commencement deadline stated in the Agreement and has requested an amendment to the Agreement extending the commencement and completion deadlines by one year to August 1, 2018, and August 1, 2019, respectively. Buyer has completed architectural plans and is working with DEQ on final approval. Staff has prepared an amendment to the Agreement (Attachment 3) for consideration. Should the Agency desire not to approve the proposed amendment, the Agreement permits the Agency to take back the Property at no cost.

Clint Dameron  
Real Property Services Manager

### **Attachments:**

1. Map
2. Agreement and Amendments
3. Proposed Amendment