



Staff Report

File #: 18-486

Version: 1

Date: 11/13/2018

Item #: 3.3a.

TO: Urban Renewal Agency Board

THROUGH: Steve Powers, Executive Director

FROM: Kristin Retherford, Director Urban Development Department

SUBJECT:

Agreement with John Saffron, Argo Investment Corporation, Nancy Hasman, Diane Warshal, and Richard Gassner for the acquisition of real property

Ward(s): 1

Board Member(s): Kaser

Neighborhood(s): CANDO

ISSUE:

Shall the Agency authorize the Executive Director to execute an agreement with John Saffron, Argo Investment Corporation, Nancy Hasman, Diane Warshal, and Richard Gassner for the acquisition of real property?

RECOMMENDATION:

Authorize the Executive Director to execute an agreement with John Saffron, Argo Investment Corporation, Nancy Hasman, Diane Warshal, and Richard Gassner for the acquisition of real property.

SUMMARY AND BACKGROUND:

On October 23, 2017, (and as amended), the Agency Board authorized the Executive Director to execute a real estate option agreement (Option) (Attachment 1) with John Saffron, Argo Investment Corporation, Nancy Hasman, Diane Warshal, and Richard Gassner (collectively the "Seller") for the potential acquisition of multiple parcels of real estate for sale in the downtown Salem block bounded by Commercial Street NE, Chemeketa Street NE, Front Street NE, and Center Street NE (Property). The Option was exercised by the Agency on July 26, 2018. The agreement requires that a purchase and sale agreement (Agreement) (Attachment 2) for the Property be executed no later than November 16, 2018.) Staff and Seller have come to terms on an agreement. The recommended purchase price is \$2,092,000.

FACTS AND FINDINGS:

The key terms:

Purchase Price:	\$2,092,000
Environmental Remediation Holdback:	\$100,000
Earnest Money:	\$200,000
Option Fee Credit:	\$56,250
Closing Date:	March 29, 2019

Phase I and Phase II environmental reviews were completed on the subject site and remediation has occurred on portions of the site. There may be additional remediation required outside the previous remediation area. The Agency will address any remaining issues when it has control of both the subject property and the adjacent Union Gospel Mission sites at the time of redevelopment. The scope of remediation will be determined at that time based on the type of development proposed for the site.

Funding for the acquisition will come from the Riverfront-Downtown Urban Renewal Area.

Clint Dameron
Real Property Services Manager

Attachments:

1. Option
2. Proposed Agreement