

Legislation Details (With Text)

File #: 18-43 **Version:** 1

Type: Action Item **Status:** Agenda Ready

In control: Urban Renewal Agency

On agenda: 2/12/2018 **Final action:** 2/12/2018

Title: Purchase and Sale Agreements for property located at 4075 and 4107 Fisher Road NE.

Ward(s): 5
Board Member(s): Ausec
Neighborhood(s): Northgate

Sponsors:**Indexes:****Code sections:**

Attachments: 1. Site Map, 2. Purchase and Sale Agreement - Building, 3. Purchase and Sale Agreement - Land

Date	Ver.	Action By	Action	Result
2/12/2018	1	Urban Renewal Agency	approved	Pass

TO: Urban Renewal Agency Board

THROUGH: Steve Powers, Executive Director

FROM: Kristin Retherford, Director Urban Development Dept.

SUBJECT:

Purchase and Sale Agreements for property located at 4075 and 4107 Fisher Road NE.

Ward(s): 5
Board Member(s): Ausec
Neighborhood(s): Northgate

ISSUE:

Shall the Agency authorize the Executive Director to:

- 1) provide funding for the purchase of the property located at 4075 and 4107 Fisher Road NE;
- 2) authorize the purchase and acquisition of the property located at 4075 and 4107 Fisher Road NE; and
- 3) accept assignment of the attached Purchase and Sale Agreements with Ponderosa Leasing Corp. for property located at 4075 and 4107 Fisher Road NE?

RECOMMENDATION:

Authorize the Executive Director to:

- 1) provide funding for the purchase of the property located at 4075 and 4107 Fisher Road NE;
- 2) authorize the purchase and acquisition of the property located at 4075 and 4107 Fisher Road NE; and
- 3) accept assignment of the attached Purchase and Sale Agreements with Ponderosa Leasing Corporation for property located at 4075 and 4107 Fisher Road NE?

SUMMARY AND BACKGROUND:

The Salem Housing Authority (SHA) has identified a 19,336 square foot multi-family building located at 4107 Fisher Road NE (constructed 2014) and adjacent 0.58 acre parcel of vacant land located at 4075 Fisher Road NE (Property) (Attachment 1) as an affordable site to acquire for housing using. Using a "housing first" model, the building will house and offer comprehensive services to residents. The property is currently owned by Ponderosa Leasing Corp., Fedor Ovchinnikoff, President. The building was built to house a senior citizen population in 19 suites on three floors in addition to a full commercial kitchen and first floor flex space, but was never occupied. The Property is within a mile of education, grocery, and medical facilities, and within walking distance to bus lines via walking and bicycle paths along major roadways.

The building is 80% complete, with the second and third floors in roughed-in condition and ready for finish work. The elevator shaft is in place, but requires installation of the elevator car and mechanicals. SHA plans to complete the finish work and convert the building to 38 single-room occupancy units with one restroom for every two units. SHA will seek resources from Oregon Housing and Community Services to finish the building and pursue a land banking tool for acquisition of the vacant land.

FACTS AND FINDINGS:

SHA and Seller have come to terms on separate Purchase and Sale Agreements (Agreements) (Attachment 2 and 3). The key terms of the Agreements are below.

Building

- Sales Price: \$1,425,000 (Urban Renewal and SHA funds)
- Contingency: Purchase of adjacent land at later date
- Earnest Money: \$50,000 (via Promissory Note)
- Inspection Period: 180 days
- Closing Date: 30 days after end of inspection period
- Broker Fees: Paid by Seller

Adjacent Vacant Land

- Sales Price: \$150,000 (SHA financed)
- Contingency: Prior purchase of adjacent building
- Earnest Money: \$5,000
- Inspection Period: 240 days
- Closing Date: November 30, 2018 with one 30-day extension
- Broker Fees: Paid by Seller

SHA has asked the Agency to provide funds in the amount of \$1,200,000 to assist in the acquisition of the Property (building only). The remainder of the funds for the acquisition will come from SHA resources. The Agency's contribution will utilize funds from the North Gateway Urban Renewal Area. Purchase of the property is consistent with the North Gateway Urban Renewal Area Plan Section 601.C.1.s.

A staff report seeking approval to expand the boundary of the North Gateway Urban Renewal Area to encompass the Property is under a separate staff report on today's agenda.

If approved by the Agency Board, the Purchase and Sale Agreements will be assigned to the Agency, who will acquire the properties. Upon acquisition, the Agency and SHA will execute a development agreement to ensure that the properties are developed for affordable housing.

Clint Dameron
Real Property Services Manager

Attachments:

1. Site Map
2. Purchase and Sale Agreement - Building
3. Purchase and Sale Agreement - Vacant land