

Legislation Details (With Text)

File #: 16-187 **Version:** 1

Type: Action Item **Status:** Passed

In control: City Council

On agenda: 8/22/2016 **Final action:** 8/22/2016

Title: Fourth Amendment to the Purchase and Sale Agreement with Sustainable Fairview Associates, LLC

Ward(s): 3
Councilor(s): Nanke
Neighborhood(s): Morningside

Sponsors:

Indexes:

Code sections:

Attachments: 1. Site Map, 2. Purchase and Sale Agreement, 3. First Amendment, 4. Second Amendment, 5. Third Amendment, 6. Proposed Fourth Amendment

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|----------|--------|
| 8/22/2016 | 1 | City Council | approved | |

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Director - Urban Development Department

SUBJECT:

Fourth Amendment to the Purchase and Sale Agreement with Sustainable Fairview Associates, LLC

Ward(s): 3

Councilor(s): Nanke

Neighborhood(s): Morningside

ISSUE:

Shall the City Council approve the attached amendment to the Purchase and Sale Agreement with Sustainable Fairview Associates, LLC to extend the closing date for the acquisition of 29 acres for use as a community park, and require the City to work cooperatively with Seller to provide easements at no cost to Seller for existing and future private utilities located within the property?

RECOMMENDATION:

Approve the attached amendment to the Purchase and Sale Agreement with Sustainable Fairview Associates, LLC to extend the closing date for the acquisition of 29 acres for use as a community park, and require the City to work cooperatively with Seller to provide easements at no cost to Seller

for existing and future private utilities located within the property.

SUMMARY AND BACKGROUND:

In 2001, Sustainable Fairview Associates, LLC (Seller), whose member is Richard S. Hall, submitted the winning bid to lead the redevelopment of the former State of Oregon Fairview Training Center, a portion of which is the proposed acquisition (Attachment 1). The original site consisted of 275 acres of campus and open space. The original concept for the site was to create a community that would be a model for sustainable practices in building resource use, working, living, and learning. Both the City and the Seller have long envisioned a Community Park in the area. Several pieces of the site have been sold and have been, or are in the process of, being developed for residential use. After completion of the proposed acquisition, the Seller will still have acreage with which to complete additional commercial and residential development.

On August 10, 2015, Council authorized the City Manager to execute a Purchase and Sale Agreement (Agreement) (Attachment 2) for 29 acres of land for use as a Community Park. On December 14, 2015, Council authorized the City Manager to execute the First Amendment to the Agreement to provide for an increase in earnest money and demolition of the LeBreton building (Attachment 3). On April 25, 2016, Council authorized the City Manager to execute the Second Amendment to the Agreement extending the closing date to July 1, 2016 (Attachment 4). On June 27, 2016, Council authorized the City Manager to execute the Third Amendment to the Agreement extending the closing date to September 1, 2016 (Attachment 5).

FACTS AND FINDINGS:

The Agreement, as amended, has a closing date of September 1, 2016. Due to longer than expected time lines in completing due diligence by the Seller, it is necessary to extend the closing date to December 31, 2016. Per Section 4.7 of the Agreement, the Seller is required to complete creation of a new parcel and record it with Marion County. Per Section 4.8 of the Agreement, the Seller is required to complete a Refinement Plan for the premises. The Hearings Officer recently approved the Seller's application for the Refinement Plan. The appeal period for the decision passed on August 4, and no appeal has been received.

The Seller and staff have also recently discovered several storm and sanitary sewer improvements on the property which are not formally dedicated through easements. Additionally, the Seller and staff have identified locations which will require future easements for sanitary and storm sewer improvements as well as water detention.

Staff recommends extending the closing date and including new language regarding working cooperatively to locate and create easements at no cost to Seller for existing and future utility infrastructure as described in the proposed Fourth Amendment to the Agreement to allow the Seller additional time to complete its required conditions per the Agreement (Attachment 6).

Clint Dameron
Real Property Services Manager

Attachments:

1. Site Map
2. Purchase and Sale Agreement
3. First Amendment
4. Second Amendment
5. Third Amendment
6. Proposed Fourth Amendment

09/12/2016