



Staff Report

File #: 17-124

Version: 1

Date: 3/27/2017

Item #: 3.3e.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Ryan Zink, Franchise Administrator

SUBJECT:

Purchase and Sale Agreement with Pons Family Trust, William J. Pons and Sarah McCabe Pons, Trustees, for the Purchase of 1700 and 1770 Water Street NE.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council approve the attached Purchase and Sale Agreement with Pons Family Trust, William J. Pons and Sarah McCabe Pons, Trustees, for the purchase of 1700 and 1770 Water Street NE, Salem, Oregon for use by Capital Community Television?

RECOMMENDATION:

Approve the attached Purchase and Sale Agreement with Pons Family Trust, William J. Pons and Sarah McCabe Pons, Trustees, for the purchase of 1700 and 1770 Water Street NE, Salem, Oregon for use by Capital Community Television.

SUMMARY AND BACKGROUND:

The Mid-Willamette Valley Cable Regulatory Commission (CRC) is an advisory committee formed by Marion County and the City of Salem (the Jurisdictions) through an intergovernmental agreement. The CRC is comprised of two City of Salem councilors and one Marion County commissioner, and is staffed by Marion County employees. The CRC collects Public, Educational, and Government (PEG) access fees from Comcast, which supports the capital equipment and facility needs of Capital Community Television (CCTV). Currently, CCTV has insufficient space to store and maintain its production vehicles. Additionally, the only available space to train staff on the use of these production vehicles is the on-street parking on Trade St. in front of the CCTV building. The CRC instructed its staff to identify an appropriate property, negotiate a purchase price, and bring a

purchase and sale agreement before the board of commissioners and city council for final approval.

FACTS AND FINDINGS:

The property at 1700 and 1770 Water Street NE in Salem (a single facility) is zoned for industrial uses and with a 4,844 square foot warehouse and 0.26 acre lot, is appropriate for CCTV's needs. The property is listed by Berkshire Hathaway Home Services and is owned by Pons Family Trust, William J. Pons and Sarah McCabe Pons, Trustees. All brokerage fees will be paid by the seller. The CRC representative and Berkshire Hathaway Home Services have engaged in negotiations that resulted in the proposed commercial real estate sale agreement (attached). The purchase price for the property is \$550,000 and \$10,000 has been paid in earnest money. After the purchase and sale agreement was executed as approved by the CRC, the county conducted a title review, an appraisal, and had the property inspected as stated in the agreement. City Facilities Division staff also inspected the property and found that aside from minor cosmetic damage to the interior of the building, the structural and mechanical systems of the building appear to be in good condition and meet code standards.

The property will be jointly owned, (77% and 23%) by the City of Salem and Marion County, respectively. CCTV will enter into a lease agreement with the City and County in order for CCTV to occupy the building. The ongoing maintenance of the property will be performed by the City and paid for by CCTV from its operating budget. Funding for the purchase of the property is from accrued PEG fees reserved for capital expenditures.

RYAN ZINK
FRANCHISE ADMINISTRATOR

Attachments:

1. Purchase and Sale Agreement
2. Sales Listing (including property description, photos, and map)
3. Appraisal Report