



Legislation Text

File #: 27878, Version: 2

This resolution authorizes a purchase and sale agreement between the city and Hovde Properties LLC ("the developer") for sale of the current land and buildings occupied by Fire Department Administration. This property will be combined with other property owned by the developer as part of a mixed-use condominium project. The city will purchase and build-out space in the project for Fire Department Administration. The agreement includes incorporating Fire Station No. 1 into the project. The purchase and sale agreement includes a developer financing contingency that includes tax incremental financing assistance. The scope and extent of city support to the developer related to this contingency will be addressed during the contingency period.

Estimated costs of the city elements of the project (proceeds from sale of Fire Department Administration facility and land; Fire Administration condominium purchase, build-out, and furniture, fixtures and equipment (FF&E); purchase of parking condominium; cost to rehabilitate Fire Station 1; costs related to purchase; temporary lease space for Fire Administration during construction; and design costs) total \$13.8 million. Included in the sale price of the current Fire Administration property is a \$100,000 escrow that can be used by the developer to pay for environmental remediation and asbestos abatement on the property.

Architectural and Engineering Pre-Design and Design Services funding was approved in resolutions #25803 and #26870, and is also included in the 2013 capital budget. Funding for the temporary parking costs for Fire Station #1 and temporary lease space for Fire Administration are included in the 2013 adopted budget. Overall project costs are included in the 2013 capital improvement program, with funding sources to be addressed in the 2014 capital budget.

The table below summarizes the estimated costs:

	2012	2013	2014	Total
Fire Administration Condominium Unit Purchase	\$ -	\$ -	\$ 4,572,111	\$ 4,572,111
Fire Parking Condominium Purchase	\$ -	\$ -	\$ 637,602	\$ 637,602
Fire Administration Condominium Unit Build-Out and FF&E	\$ -	\$ -	\$ 4,400,000	\$ 4,400,000
Fire Station #1 Rehabilitation Project and FF&E	\$ -	\$ -	\$ 4,750,000	\$ 4,750,000
Purchase and Closing Costs	\$ -	\$ 20,000	\$ 30,000	\$ 50,000
Architectural and Engineering Pre-Design	\$ 57,240	\$ -	\$ -	\$ 57,240
Architectural and Engineering Design Services	<u>\$ 153,600</u>	<u>\$ 257,400</u>	<u>\$ -</u>	<u>\$ 411,000</u>
	\$ 210,840	\$ 277,400	\$ 14,389,713	\$ 14,877,953
Fire Administration Building Sale Proceeds	\$ -	\$ (1,787,834)	\$ -	\$ (1,787,834)
Environmental Remediation Escrow		<u>\$ 100,000</u>		<u>\$ 100,000</u>
	\$ 210,840	\$ (1,410,434)	\$ 14,389,713	\$ 13,190,119
Fire Administration Temporary Lease Space Costs	\$ -	\$ 246,300	\$ 251,226	\$ 497,526
Temp. Parking Costs during Remodel of Fire Station 1	\$ -	\$ 51,840	\$ 51,840	\$ 103,680
Moving Costs to Temporary Lease Space	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ -</u>
	\$ 12,000	\$ 298,140	\$ 315,066	\$ 601,206

