



Legislation Text

File #: ID-80-18, **Version:** 1

City Manager's Office

Reference: A Resolution approving the Purchase and Sale Agreement for the purchase of 269 E. Bridge Street Property commonly known as The Depot

To: Mayor Kenneth J. Kreutzer and Members of City Council

Through: Philip Rodriguez, City Manager

Marv Falconburg, Assistant City Manager

Prepared By: Ryan Johnson, Executive Director of Urban Renewal

Date Prepared: March 5, 2018

PURPOSE

A Resolution of the City Council approving the Purchase and Sale Agreement (PSA) between the City and G & L Property, LLC, for the Purchase and Sale of certain commercial property and Improvements located at 269 E. Bridge Street, in Brighton, and authorizing and directing the City Manager to execute the PSA.

BACKGROUND

Dating back to the early 1980's the City has recognized the significance of the historic train depot building and sought to preserve it from eventual disrepair and demolition. Initially, this entailed relocating the train depot from its original location (on the west side of the railroad tracks) to its current location. This also involved placing certain covenants on the use of the property such that it may always be an active site for families in the community. For decades, the site housed several restaurants until a change in use was granted by the City Council in 2012.

The City Council in 2012 added certain conditions upon the granting of the change of use and approval of Resolution No. 2012-106. One such condition was that the seller would enter into an agreement with the City for a First Right of Refusal in the event the owner desired to sell the property. As such, the current property owner is desirous to sell the abovementioned property and has approached the City regarding an opportunity to acquire this building along with the existing improvements.

City Staff have been working with an interested user who has indicated an intent to occupy the space for the possible purposes of creating a community innovation and welcome center. The property is located at 269 East Bridge Street in Brighton. The site is bounded by the Union Pacific Railroad on the west, the Armory Performing Arts Center to the north and Anythink Library to the east. The subject site is shown on the attached vicinity map. The City already leases the parking lot from the Union Pacific Railroad that borders this site on the west side of the property. The lot itself is just over 10,000 square feet or .23 acres. The size of the building is approximately 4,900 square feet, with 1,920 square comprising the basement and 2,980 square feet comprising the main level.

Since 2009, substantial public investment has been made in making this campus (excluding the Depot) an anchor in the community. This public investment includes the adaptive reuse of the Armory, the redevelopment leading up to and the construction of the new Anythink Library; both of which are users immediately adjacent to the Depot. Acquisition of the

Depot is one of the last remaining components necessary to achieving a true interconnected campus that serves all aspects and populations in the City.

The attached Purchase and Sale Agreement (PSA) will authorize the City Manager to submit a contingent offer up to \$625,000. The offer will be contingent upon completion of inspections and environmental studies. If approved, Staff will commence the requisite inspections and studies as part of the typical due diligence period. The owners of G & L Property, LLC have agreed to the PSA (attached). Staff have completed an appraisal of the property and have shared the appraised value with the City Council. Closing would be anticipated by the mid-late spring of 2018.

FINANCIAL IMPACT

The purchase price is an amount not to exceed \$625,000. The breakdown of the funding sources is listed below.

\$125,000 - City of Brighton Capital Improvement Fund

\$187,500 - Brighton Urban Renewal Authority (separate budget action is required by BURA)

\$312,500 - Lodging Tax (pending separate action by Lodging Tax)

STAFF RECOMMENDATION

Staff recommends approval of the Resolution as the City and City Council has clearly maintained substantial interest in this property since the 1980's, and was further reiterated during the change of use request in 2012. This building has substantial historic significance to Brighton's founding and further is a critical component to being able to fully integrate this building into the already successful campus with the Armory and Anythink Library as adjacent users.

OPTIONS FOR COUNCIL CONSIDERATION

1. Approve the Resolution - Staff have worked diligently to engage other community partners with funding capacity such that the City's initial risk may be mitigated.
2. Not Approve the Resolution - Should the City Council choose to not approve the resolution, Staff will likely need to bring back a separate action for City Council consideration as the current property owner will likely pursue selling his property to someone else which may entail a proposed change in use or review of the other existing restrictions on the property.

ATTACHMENTS

Resolution Approving the PSA

Purchase and Sale Agreement

Vicinity Map