

Legislation Text

File #: 15-6216, Version: 1

Sale of City-owned Property on Belmont Avenue and Harrill Street

Action:

- A. Adopt a resolution approving the private sale of two City-owned parcels located at 919/923 Belmont Avenue and 1025/1035 Harrill Street (parcel identification numbers 081-129-02 and 081-124-10) to MPV II, LLC, for \$440,300,**
- B. Authorize the City Manager to negotiate and execute all documents necessary to complete the sale of property, and**
- C. Adopt a budget ordinance appropriating the proceeds to the Affordable Housing Program.**

Staff Resource(s):

Mike Davis, Engineering and Property Management
Pat Mumford, Economic Development
Tony Korolos, Engineering and Property Management
Todd DeLong, Economic Development

Explanation

- MPV II, LLC, has proposed to purchase and redevelop two City-owned parcels in the Belmont Neighborhood; 1025 and 1035 Harrill Street (parcel identification number 081-124-10), is 0.52 acres and contains a residential duplex and former convenience store, and 919 and 923 Belmont Avenue (parcel identification number 081-129-02), is 0.32 acres and contains a single-family residence and former automotive garage.
- The two properties were purchased in 2014, with plans to demolish the structures and dispose of the properties to further the City's housing diversity goals.
- Based on market conditions and feedback from the Belmont community, City Council approved a solicitation process on June 27, 2016, authorizing staff to seek proposals from developers interested in preserving and repurposing the commercial structures for more vibrant economic uses instead of the original housing plan.
- The solicitation was released on March 8, 2017, with proposals due on April 21, 2017. Four proposals were received, and the proposed redevelopment by MPV II, LLC, was the most consistent with the objectives of the Belmont Area Revitalization Plan, adopted by City Council in 2003.
- The proposal by MPV II, LLC, includes plans to demolish the residential structures on both properties, and to preserve the commercial structures for retail and restaurant use while preserving the building façades.
- The two City-owned parcels were appraised together in May 2016 for \$440,300.
- The offer from MPV II, LLC, includes the following terms:
 - Price of \$440,300,
 - Earnest money deposit of \$15,000,
 - Due diligence of 180 days, with the option for two, 30 day extensions for an applicable \$2,500 each, and
 - Closing shall occur no later than 30 days after the expiration of due diligence.
- Since the property was originally purchased using \$295,000 from the Affordable Housing Program's

Housing Trust Fund, the sale price of \$440,300 will reimburse the Housing Trust Fund for the original cost and provide an additional \$145,300 to help achieve the City's housing goals.

- As part of the mandatory referral process, the Planning Commission reviewed the transaction on February 16, 2016, and provided no additional comments.
- These transactions are consistent with the *City-Owned Real Estate and Facilities Policy*, adopted by City Council in June 2017.

Fiscal Note

Funding: Proceeds to be deposited into the Affordable Housing Program's Housing Trust Fund

Attachment(s)

Map
Budget Ordinance
Resolution