



Purchase and Sale Agreement for Property Located at 7111 E. 56th Ave. ; “Honnen Building”

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October 9, 2019

Background

- The City Council previously gave the City Manager direction to negotiate a purchase and sale agreement with Adams County, related to the “Honnen Building”.
 - The building is approximately 16,000 square feet.
 - The building sits on a lot that is approximately 2.8 acres.



Honnen Building First Floor



Honnen Building Second Floor



Honnen Sale Points

- \$500,000 purchase price
 - \$7,500 in Earnest Money due upon execution of the agreement.
- Two current tenants
 - Head Start tenancy through 7/10/2020 without rent
 - Option for tenancy until 2021, with rent 20% below market rate
 - Food Bank of the Rockies tenancy through 12/31/24, at current lease
- Due diligence period of 180 days
 - A facility assessment would be conducted, at the City's expense, during the due diligence period.
 - City may terminate the agreement for any reason before the expiration of the period.



Resolution for Council Consideration

- The Resolution, if passed by the City Council, authorizes the Mayor to sign the purchase and sale agreement and gives the City Manager or his designee authorization to negotiate and take all actions necessary to effectuate the Agreement.