



## Legislation Text

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**File #:** Res 2019-116, **Version:** 1

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### RESOLUTION APPROVING A PURCHASE AND SALE AGREEMENT FOR THE PROPERTY AT 7111 E. 56TH AVENUE AND PROVIDING FOR RELATED MATTERS

#### **Summary and Background Information:**

The City Council previously gave the City Manager direction to negotiate a purchase and sale agreement with Adams County, owner of the property located at 7111 E 56th ave., commonly referred to as the "Honnen Building".

Staff has negotiated the agreement, which contains the following key highlights (the full agreement is also included in the city council packet for review and consideration:

- \*Property at 7111 E 56th Ave. is on a lot that is approximately 2.8 acres
- \*Building is approximately 16,000 square feet
- \*Purchase price is \$500,000
- \*Earnest Money due upon execution of the agreement is \$7,500
- \*Due diligence period is 180 days, for the City to conduct a facility assessment at its expense
- \*City can terminate the agreement at any time prior to the expiration of the due diligence period.
  - There are 2 current tenants:
    - o Head start has tenancy until 7-10-20 without rent, they also have the option to stay in the facility for an additional year subject to rent at 20% below market rate.
    - o The other tenant is the Food Bank of the Rockies, they have tenancy through 12-21-24, subject to the current lease.
  - Closing must occur no later than 30 days following the inspection period

**Staff Responsible (Department Head):** Deputy City Manager Troy Smith

**Staff Member Presenting:** Deputy City Manager Troy Smith

**Financial Impact:** \$500,000

**Funding Source:** General Budget

**Staff Recommendation:** Approve this resolution authorizing the mayor to sign the purchase of the sale agreement and the city manager or his designee to negotiate and take any actions necessary to effectuate the agreement.

**Suggested Motion:** Approve this resolution.