



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, AICP, Director, Community Development Services

DATE: October 15, 2007

SUBJECT: **Real Estate Option and Contract for 302 West Springfield Avenue (Allman's Auto Repair)**

Introduction and Background

In March 2007, the City entered into a Real Estate Option and Contract (Option) with Carl Allman to purchase the Allman's Auto Repair site at 302 West Springfield Avenue. As part of that Option, the City conducted a "Phase II" environmental assessment on the site. Based on the results of the on-site testing, it has been determined that additional off-site testing should be conducted. Because the due diligence period of the original Option would not allow the necessary time to conduct the additional off-site Phase II testing, the City has requested a time extension for the Option.

Discussion

While the owner has agreed to extend the City's Option, the legal representatives of the current owner have suggested the two parties should enter into a new Real Estate Option and Contract, rather than extend the original Option. City legal staff have reviewed the draft document and are satisfied that it provides the City the same rights and privileges as the original Option with the additional time necessary to complete the off-site Phase II environmental testing.

It should be noted that the redevelopment of this site is consistent with the Tax Increment Finance District Two plan, the Downtown Strategic Plan, and the 2005 Comprehensive Plan.

Fiscal Impact

The costs associated with the Real Estate Option and Contract are budgeted as part of this year's Tax Increment Finance District Two budget.

Options

1. Approve the motion as presented.
2. Approve the motion with changes.
3. Deny the motion.

Recommendation

Staff recommends that the City Council approve the proposed motion.

Prepared by:

Tom Carrino, Economic Development Manager