Legislation Details (With Text)

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Title:	Ordinance Appropriating $374,000 from the General Fund Capital Reserve Account for the Purchase of 2416 High Point Road for Economic Development Purposes			
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Date	Ver.	Action By	Action	Result
12/16/2014	1	City Council	adopt	Pass

Ordinance Appropriating $374,000 from the General Fund Capital Reserve Account for the Purchase of 2416 High Point Road for Economic Development Purposes

Department: Engineering & Inspections
Council District: 4

Public Hearing: N/A
Advertising Date/By: N/A

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PURPOSE:
City Council is asked to consider the purchase of the parcel located at 2416 High Point Road in order to consolidate City's ownership of this contiguous block for redevelopment purposes and provide the right-of-way necessary to complete the High Point Road/West Lee Street.

BACKGROUND:
The property is located at 2416 High Point Road, Parcel #0016655, (16,988 Sq Ft, 0.39 Acres). The zoning on the property is C-M (Commercial Medium). This parcel occupies the corner adjacent to the former Coliseum Inn Hotel, purchased and demolished by the City in 2008. By purchasing the remainder of this parcel, the City will be able to leverage the right of way investment by providing a superior development site. This site is vital to economic development on the corridor due to its location, road frontage, and size. A portion of the property is currently in the condemnation process for right-of-way related to the streetscape project.

Condemnation of the right-of-way was approved by City Council in 2013 in the amount of $55,995. As a result of this taking, retail parking in front of the building will be lost, resulting in assumed damages. In the condemnation process, an appraisal showed damages in the amount of $157,000 was submitted to the Court by

the owner. The City Attorney's Office has determined damages would likely be awarded if the matter continues through the courts. The condemnation is ongoing in District Court.

The entire property was initially appraised at a value of $500,000 by Foster Appraisal Services, Inc. The owner's independent appraisal of the property was for $531,000. The owner has agreed to settle the condemnation case and sell the property in its entirety for $531,000.

The City intends to sell this property with the adjacent Coliseum Inn property in a competitive Request for Qualifications/ Proposals (RFQ/P) process which will be used to select a master developer to redevelop the site. Developer selection will be based on the proposal's conformance with the adopted corridor plan, its relationship to the market analysis of site, and how well proposed uses relate to those already in the corridor.

Based on recent market analysis, the City anticipates strong interest in a variety of potential uses for the site, including:
- small light industrial and manufacturing operations, with the potential for on-site retail;
- retail uses, such as pharmacy, general merchandise, food and beverage, bank or financial institution;
- restaurants, such as full-service or casual service restaurants; or
- a hotel to serve the Coliseum area.

BUDGET IMPACT:
The total purchase price is $531,000: $157,000 will be paid from 2008 Transportation Bond Funds, Account no. 471-4502-12.6012, Activity no. A13106 and the balance of $374,000 will be paid from the General Capital Projects Fund, Account no. 410-9517-01.6011, subject to appropriation of funds from the General Fund Capital Reserve account.

RECOMMENDATION / ACTION REQUESTED:
Staff recommends approval of this ordinance in the amount of $374,000 for the purchase of 2416 High Point Road.