

**CITY OF BURIEN  
AGENDA BILL**

<b>Agenda Subject:</b> Discussion of and potential action to authorize the City Manager to execute a revised Purchase and Sale Agreement for 12.44 Acres of Property at 860 and 1010 S. 146th Street, Burien, WA.		<b>Meeting Date:</b> January 25, 2016
<b>Department:</b> City Manager	<b>Attachments:</b>	<b>Fund Source:</b> n/a
<b>Contact:</b> Dan Trimble, Economic Development Manager		<b>Activity Cost:</b>
<b>Telephone:</b> 206-248-5528		<b>Amount Budgeted:</b> <b>Unencumbered Budget Authority:</b>
<b>Adopted Initiative:</b> Yes	<b>Initiative Description:</b> NERA	

**PURPOSE/ REQUIRED ACTION:**

The City entered into a Purchase and Sale Agreement with Latitude Development, LLC to purchase approximately 12 acres of City owned land in the Northeast Redevelopment Area (NERA) for \$4,850,000. The buyers are asking for a price reduction to \$4,500,000 based on additional site and project development costs.

**BACKGROUND (Include prior Council action & discussion):**

The Northeast Redevelopment Area (NERA) was created in 1997 through the adoption of the City of Burien Comprehensive Plan. Community workshops, public meetings and stakeholder meetings were conducted throughout 2008 and 2009, and a Redevelopment Plan and Implementation Strategy was prepared in April 2010.

The City Council authorized the purchase of the former Sunny Terrace property for \$2,300,000 from the Highline Public Schools on July 15, 2013. The City Council also authorized the purchase of a neighboring 4 acre parcel at 860 S 146th Street for \$750,000 on December 2, 2013. The proceeds from the property sale would be directed towards the repayment of the line of credit used for acquisition, demolition, and for other transaction costs. An appraisal for the property was conducted for the City on August 5, 2014 which resulted in an opinion of value of \$4.5 million.

On August 3, 2015, the City Council authorized the City Manager to sign a Purchase and Sale Agreement (PSA) with the buyer to purchase the property for \$4.85 million. They have completed the initial 90 day due diligence period and have exercised a 30 day extension option through notice to the City and a non-refundable \$25,000 payment. The potential developer has been very active investigating the property, preparing plans, and working with tenants. Latitude has requested a price reduction based on additional site and project development costs. Those costs are driven, in part, by a desired tenant for a portion of the building that would provide more employment but would also need a more expensive building type. The buyer requested price of \$4.5 million is consistent with the appraised value.

A key interest for the City is to promptly bring the land into productive use. Without a change in price terms, there is a risk of the project not moving forward. Staff recommends that the Council authorize the change in price and authorize the City Manager to execute the amendment to the Purchase and Sale Agreement to reflect that price.

**OPTIONS (Including fiscal impacts):**

1. Discuss and authorize the change in terms.
2. Decline to authorize the change in terms.

**Administrative Recommendation:**

Discuss and take actions needed to authorize the City Manager to execute a revised Purchase and Sale Agreement reflecting a price change from \$4,850,000 to \$4,500,000.

**Advisory Board Recommendation:**

None.

**Suggested Motion:**

Move to authorize the change in price from \$4,850,000 to \$4,500,000 and authorize the City Manager to execute a revised Purchase and Sale Agreement with Latitude Development, LLC to reflect that change in price.

**Submitted by:**

Administration

City Manager

**Today's Date:** January 25, 2016

**File Code:** [012516cm-es NERA PSA.docx](#)