

DATE: July 12, 2011

ITEM: 8.B.

RE: CONSIDERATION AND ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY APPROVING A RIGHT OF FIRST PURCHASE AGREEMENT TERM SHEET FOR THE PROPERTY LOCATED AT 858 SOUTH 200 WEST.

PROJECT AREA: West Temple Gateway Project Area

PREPARED BY: Matt Dahl

EXECUTIVE SUMMARY: Staff has negotiated a Term Sheet for a First Right to Purchase Agreement (the "Agreement") securing the right to acquire a 0.1-acre parcel located at 858 South 200 West (the "Property") when the current owners choose to sell the Property in the future. Staff is seeking authorization from the RDA Board to proceed with preparing and executing the Agreement based on the attached Term Sheet.

ALTERNATIVES: 1) Approve the resolution.
2) Do not approve the resolution.
3) Approve the resolution with modifications.

ANALYSIS AND ISSUES: The Property is owned by Rosemary Cooper (the "Seller") and is comprised of one 0.1-acre parcel. The Property is currently the site of a single-family home that is occupied by Ms. Cooper and members of her family. The Property is located in the Downtown Support District zone (D-2), which allows for a wide array of uses and moderate density. The Property is also located across the street from the 900 South Trax Station.

Staff is requesting that the Board authorize the preparation and execution of the Agreement under the terms described in the attached Term Sheet. The right to acquire the Property in the future is being sought as a strategic measure to ensure that development projects immediately adjacent to the 900 South Trax Station and other RDA-owned property fit with the objectives of the West Temple Gateway and Granary District Redevelopment Strategy (the "Strategy"). Additionally, the Property is one of two single-family homes located between a four-story multifamily apartment building and a vacant RDA property that is slated for moderate density development. This right will give the RDA greater ability to ensure that the future development of the Property will be compatible with the density, design, and streetscape of the RDA's development on the corner of 900 South and 200 West.

The following are significant terms included in the Term Sheet:

- 1) The RDA will have the right to acquire the Property for the appraised value at such time as the current Seller is prepared to sell, transfer, or assign the Property.

- 2) The RDA may transfer, sell, or assign the First Right to Purchase to another party, provided the party the right is assigned, sold, or transferred to does not build a project that includes income targeted residential units. (The seller requested that the prohibition on income targeted residential units be included in the term sheet in an effort to encourage the development of market rate units in their neighborhood, which already has a significant amount of subsidized housing. As a long time homeowner in the neighborhood, the Seller feels strongly that there is a value in having a variety of income levels in the West Temple Gateway Project Area.)
- 3) The RDA will pay the Seller \$500 to secure the RDA's First Right to Purchase.

If the RDA Board approves the Term Sheet, RDA Staff will proceed with preparing and executing the Agreement. At such time as the Seller decides to sell the Property, staff will return to the RDA Board to determine whether the right should be exercised and the Property acquired.

If the RDA Board does not approve the Term Sheet, RDA will inform the Seller of the decision and cease discussions regarding the acquisition of the Property.

Staff will be prepared to answer questions concerning the proposed term sheet at the meeting.

ATTACHMENTS: Site Map, Resolution, and Term Sheet

RESOLUTION NO. 698.____

July 12, 2011

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY APPROVING A RIGHT OF FIRST PURCHASE AGREEMENT TERM SHEET FOR THE PROPERTY LOCATED AT 858 SOUTH 200 WEST.

WHEREAS, the Redevelopment Agency of Salt Lake City (the “Agency”) was created to transact the business and exercise the powers provided for in the Utah Community Development and Renewal Agencies Act; and

WHEREAS, the Agency and the governing body of Salt Lake City (the “City”) adopted a redevelopment plan entitled “West Temple Gateway Redevelopment Plan” on August 1, 1987; and

WHEREAS, the City has approved master plans that include the Agency’s redevelopment project areas with the goal of revitalizing the commercial districts of Salt Lake City by improving commercial space and increasing the amount of housing; and

WHEREAS, on June 7, 2011 the Agency adopted the West Temple Gateway and Granary District Redevelopment Strategy; and

WHEREAS, the Agency wishes to obtain a First Right to Purchase the Property located at 858 South 200 West (the “Property”) in order to implement the West Temple Gateway and Granary District Redevelopment Strategy, West Temple Gateway Redevelopment Plan, and the City’s master plan; and

WHEREAS, Rosemary Cooper, the owner of the Property, is willing to provide the Agency with a First Right to Purchase the Property; and

WHEREAS, Agency staff and Ms. Cooper have negotiated terms for a First Right to Purchase Agreement (the “Agreement”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, that we do hereby approve the First Right to Purchase Term Sheet (the “Term Sheet”) attached hereto.

BE IT FURTHER RESOLVED, that we do hereby authorize the Chief Administrative Officer and the Executive Director to execute a First Right to Purchase Agreement between the Redevelopment Agency of Salt Lake City and Rosemary Cooper in accordance with the Term Sheet. The Agreement shall also incorporate such other terms as recommended by Agency legal counsel.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this 12th day of July, 2011.

Luke Garrott, Chairperson

ATTEST:

D.J. Baxter, Executive Director

Transmitted to the Chief Administrative Officer on _____. The Chief Administrative Officer

_____ does not request reconsideration

_____ requests reconsideration at the next regular Agency meeting.

Ralph Becker
Chief Administrative Officer

ATTEST:

D.J. Baxter, Executive Director

Approved as to form: _____
Brian F. Roberts

858 South 200 West
First Right To Purchase Term Sheet

Property Description	Address: 858 South 200 West Size: 0.10 (4,356 s.f.) Current Use: Single Family Home
Seller:	Rosemary Cooper
Buyer:	Redevelopment Agency of Salt Lake City (RDA)
Right to Purchase:	The Seller shall grant the Buyer the exclusive right to purchase the Property upon the terms and conditions included in this term sheet. The RDA shall record the First Right to Purchase Agreement with the Salt Lake County Recorder, as well as any other document required to secure the RDA's right to purchase the Property.
Notification of Intent to Sell:	At such time as the Seller chooses to sell, transfer, or assign the Property to a new owner, the Seller shall notify the RDA in writing. Upon notification, the RDA will have 60 days to inform the Seller in writing if the RDA intends to purchase the Property. In the event the Buyer decides to buy the Property, Buyer and Seller shall enter into a Purchase and Sale Agreement in accordance with the terms and conditions included in this agreement. If the Buyer does not proceed with the purchase of the Property the Seller shall keep the First Right to Purchase Fee.
First Right to Purchase Fee:	\$500.00 – The First Right to Purchase Fee (the "Fee") will be paid by the Buyer upon the execution of the First Right to Purchase Agreement. The Fee will be applied to the purchase price of the Property at closing.
Term of First Right to Purchase:	The RDA's option to acquire the Property shall have a term of 20 years.
Right to Assign, Transfer, or Sell	The RDA shall have the right to assign, transfer, or sell its First Right to Purchase. The RDA shall not assign, transfer, or sell its First Right to Purchase to any person or entity that intends to develop income target residential units on the Property.

Purchase Price: The Purchase Price will be the Fair Market Value as determined by an appraisal. The selection of an appraiser will be agreed to by the Buyer and the Seller, with all appraisal costs being paid by the Buyer.

Closing Costs: Seller shall be responsible for paying standard owner's title policy premium and prorated real estate taxes. Buyer and Seller shall each pay half of the standard closing costs.

Due Diligence: Prior to closing the RDA shall have the right to conduct any due diligence it deems appropriate.

Other: The transaction shall be subject to all terms, conditions, and documentation required by the Buyer's legal counsel, whether represented in this term sheet or not.

COOPER FIRST RIGHT TO PURCHASE
SITE MAP

