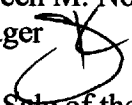


ADMINISTRATIVE MEMORANDUM

#08-02

May 2, 2008

TO: Honorable Mayor Kathleen M. Novak and City Council Members
FROM: A.J. Krieger, City Manager 
SUBJECT: Resolution Authorizing Sale of the Residential/Mixed Use Parcel

RECOMMENDATION:

Attached to this memorandum is a resolution which, if approved, would authorize the sale of the approximately 6 acre parcel owned by the City north of Webster Lake to Prime West Development, Inc. and Zing Development Strategies, LLC. City staff recommends approval.

BACKGROUND:

The 3-party development agreement entered into by the City, NURA, and Prime West/Zing last year contemplates the development of the approximately 6 acre parcel north of Webster Lake as being of a residential mixed-use nature. The development agreement identifies the parcel as the Residential/Mixed Use Parcel.

As part of its development efforts Prime West and Zing have entered into a sale/purchase agreement with Total Long Term Care. While there are references in the development agreement to the Property and District that include the 6 acre piece as a parcel to be developed by Prime West/Zing, the agreement is less explicit about a sale price.

Section 6.1 of the agreement confirms a \$7 per sqft price for the 11 acre Town Center Parcel. Section 3.2 (a) of the agreement contemplates the sale of the Property (defined earlier in the agreement as consisting of 17 acres) at *approximately* \$7 per sqft. The Residential/Mixed Use Parcel is a part of the Property. Approval of the resolution will authorize the sale of the parcel for the \$7 per sqft price.

Previously the City Council and NURA were briefed about Prime West/Zing's efforts with Total Long Term Care and their interest in locating a PACE center and eventually senior housing on the parcel. The City and Total Long Term Care have also had preliminary discussions about the possibility of partnering to develop a new, dedicated senior center. Those discussions however are separate from the purpose of the resolution. Representatives of Total Long Term Care will be present at the May 8 meeting to answer questions about the project.

POTENTIAL OBJECTION:

City staff is not aware of any specific opposition to the resolution authorizing the sale of the parcel.

BUDGET/TIME IMPLICATIONS:

Subject to final work to more completely define the property, the purchase price will be approximately \$1,759,000. TLC would immediately begin efforts to develop the property.

STAFF REFERENCE:

If Council members have any comments or questions they may contact A.J. Krieger at akrieger@northglenn.org or 303.450.8709.

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-81
Series of 2008

Series of 2008

A RESOLUTION AUTHORIZING THE SALE OF THE RESIDENTIAL/MIXED USE PARCEL OF PROPERTY BY THE CITY TO PRIME WEST DEVELOPMENT, INC. AND ZING DEVELOPMENT STRATEGIES, LLC AS SUBDEVELOPER PURSUANT TO THE DEVELOPMENT AGREEMENT BY AND BETWEEN THE PARTIES

WHEREAS, the City of Northglenn and the Northglenn Urban Renewal Authority as "Developer" and Prime West Development, Inc. and Zing Development Strategies, LLC as Subdeveloper entered into a Development Agreement approved by the City pursuant to Resolution No. 07-32 (the "Agreement"); and

WHEREAS, the Agreement specifically contemplates the sale and development of an approximately seventeen (17) acre site identified as the "District" or the "Property"; and

WHEREAS, Section 6.1 of the Agreement specifically obligates the Developer to sell an approximately eleven (11) acre portion of the Property known as the Town Center Property to Subdeveloper at seven dollars (\$7.00) per square foot, and specifically at Section 3.2, subsection A. contemplates the sale of the six (6) acre parcel known as the Residential/Mixed Use Parcel at approximately seven dollars (\$7.00) per square foot; and

WHEREAS, Section 4.4 of the Agreement contemplates the phasing of the Property so as to develop the Town Center Property first, but specifically reserves the Subdeveloper's right, with the City's concurrence, to develop the Residential/Mixed Use Property without said phasing; and

WHEREAS, Subdeveloper has requested and the City has provided a Certificate of Commencement in accordance with the Agreement for the entire Property; and

WHEREAS, the Subdeveloper has solicited the potential acquisition and development of the Residential/Mixed Use Parcel, and therefore seeks the specific authorization from the City to acquire the Residential/Mixed Use Parcel at seven dollars (\$7.00) per square foot consistent with the Agreement.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The City Council hereby authorizes and approves the sale by the City of the approximately six (6) acre parcel known as the Residential/Mixed Use Parcel and located generally east of Grant Street to the Subdeveloper at a purchase price of seven dollars (\$7.00) per square foot, and authorizes the Mayor and the City Manager to execute the necessary documents to complete the sale of the Residential/Mixed Use Parcel to Subdeveloper.

DATED at Northglenn, Colorado, this ____ day of _____, 2008.

KATHLEEN M. NOVAK
Mayor

ATTEST:

JOHANNA SMALL, CMC
Acting City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney