

Item 23-0783: Request to approve Amendment #6 to the Offer to Purchase from Hayden Properties, LLC to purchase Lot 26, Lot 27, Lot 28 Southpoint Commerce Park Plat No. 3 and Tax Id #31-9-5712-00 to modify and amend the property purchased by replacing Exhibit A with the new Exhibit A comprising approximately 16 acres

Item 23-0784: Request to approve the Offer to Purchase from F Street Manager 3, LLC to purchase a portion of the vacant land described as Lot 26, Lot 27, Lot 28 and Lot 29 Southpoint Commerce Park Plat No. 3 and Tax Id #31-9-5712-00, such portion consisting of approximately 14 acres, as shown on the attached Exhibit A, at a purchase price of \$574,000.00 (\$41,000 per acre)

Community & Economic Development Committee

Wed, Jul 12, 2023, 6:53PM

Alderson Denise Fenton (District 6) 01:17

We have no public hearings or appearances are—so we'll move to our first action item. I want to make a note that since both of these two action items involved negotiations for the sale of land in Southpark [note: she meant to say Southpoint] Commerce Park, we do have the option to go into closed session if there are any, you know, disagreements, any need for any discussion like that. So just want to have that on the table in case it's needed.

Alderson Denise Fenton (District 6) 01:55

All right, so on our action item, which is a critical—number 23-0783 which there is critical timing. It's a request to approve amendment number six to the offer to purchase from Hayden properties LLC, to purchase lot 26 Tax ID Number 31-9-5712-26 lot 27. And I'm not going to read all the tax IDs if that's sufficient. Lot 28 And lot 29 at Southpoint Commerce Park plat number three, and to modify and amend the property purchase by replacing Exhibit A with the new Exhibit A comprising approximately 16 acres. And this is associated with our next action item as well. And who is speaking to us on this? Okay, what microphone? All right. Okay.

Matt Rehbein (Economic Development Specialist) 02:58

Thank you, Chair. So, we have an accepted offer on roughly 30 acres in the Southpoint commerce park with Hayden properties. This is for the parcel that's bounded by Vantage, Eisenhower, Milis, and Alliance. That offer was accepted back in October of 2021. It's been amended five times since, primarily to extend the closing date and to keep it under contract.

Matt Rehbein (Economic Development Specialist) 03:30

And Hayden properties is an entity controlled by F Street Development. So, I know that we've talked about F Street development before, as you're familiar, they've built two buildings in Southpoint to date. They also have a third one under construction on the roughly 55 acres that they had previously purchased. Excuse me.

Matt Rehbein (Economic Development Specialist) 03:54

F Street has an agreement for a build-to-suit project, which will take roughly 16 of those 30 acres. And so, what they are looking to do is close on the 16 western most acres. That's shown on one of the exhibits. They would like to close on that under the terms of the existing purchase contract which is at \$38,000 per acre. And the next agenda item is for a new offer to purchase, so that they can retain control of the other 14 acres that would still remain. I don't know if it's appropriate to talk about that one or wait till the next agenda item.

Alderson Denise Fenton (District 6) 04:43

Any objections to going ahead and hearing about that? Attorney Glad, is that okay?

Darrin Glad (Assistant City Attorney) 04:59

I mean, they're both noticed to the public. The current item that's on the table right now, at least for discussion purposes, is the is what you've already discussed, but there's some overlap as my understanding.

Matt Rehbein (Economic Development Specialist) 05:12

Correct.

Darrin Glad (Assistant City Attorney) 05:13

So, it's, it's—as long as there's the overlap, it should be fine. I don't know, if we get to a point where that overlap ends, I'll let you know.

Matt Rehbein (Economic Development Specialist) 05:23

Then let me know.

Alderson Denise Fenton (District 6) 05:25

Thank you. Appreciate it.

Matt Rehbein (Economic Development Specialist) 05:26

Thank you. And really all that I wanted to point out is, we have the current accepted offer for the entire 30 acres, 16 of which they'd like to close on, is currently at \$38,000 per acre. At the time that was approved, our except—our asking price was 40,000 an acre. In the new offer to purchase for the remaining 14 acres, that is at \$41,000 an acre. And the—our current ask price for land is 43,000. So, we're retaining that \$2,000 discount, recognizing the fact that they've made significant investment in the city already. But we are getting a little bit closer to our current ask price than the existing offer. So, I just wanted to point that pricing out. We can certainly discuss that more with the next agenda item but just wanted to make those connections.

Alderson Denise Fenton (District 6) 06:20

Okay. Thank you. Okay, can we get a motion?

Alderson Nate Wolff (District 12) 06:24

Motion to approve.

Alderson Denise Fenton (District 6) 06:25

On 783?

Alderson Israel Del Toro (District 4) 06:26

Second.

Alderson Denise Fenton (District 6) 06:27

Okay. Is there any discussion? Any questions? Okay, hearing none, we'll go ahead and vote on the first action item. All those in favor, please signify by saying aye. Aye. That passes five zero.

Alderson Denise Fenton (District 6) 06:44

So, we will move on to the companion item number 23-0784, also critical timing. Request to approve the offer to purchase from F Street manager three LLC to purchase a portion of the vacant land described as lot 26—I am going to leave out the tax IDs—lot 27, lot 28, and lot 29 Southpoint Commerce Park plat number 3 and tax ID

number 31-9-57112-00 Such portion consisting of approximately 14 acres as shown on the attached exhibit A at a purchase price of \$574,000 or \$41,000 per acre and then associated with our previous action item.

Alderson Nate Wolff (District 12) 07:33

Motion to approve.

Alderson Denise Fenton (District 6) 07:35

All right, we have a motion.

Alderson Vaya Jones (District 10) 07:36

Second.

Alderson Denise Fenton (District 6) 07:37

Second. We have a motion and a second. Is there any further discussion? Anything staff has to add to that?

Matt Rehbein (Economic Development Specialist) 07:44

I think I'll just field questions.

Alderson Denise Fenton (District 6) 07:46

Okay. Any questions? Alder Del Toro.

Alderson Israel Del Toro (District 4) 07:49

As I understand it, then Hayden Properties will be the sole owner of this entire area? We're talking 30 acres, right? If we approve this?

Matt Rehbein (Economic Development Specialist) 08:00

So, Hayden Properties, LLC is an entity that's controlled by F Street Development.

Alderson Israel Del Toro (District 4) 08:05

Sorry, F Street. Okay.

Matt Rehbein (Economic Development Specialist) 08:06

Yes. And so, they—often they will use different LLCs for each individual parcel or each individual property. But they still control the LLCs. So, I guess technically, you could say that F Street development would be the owner of all of those parcels.

Alderson Israel Del Toro (District 4) 08:27

And that's the entirety of the South Park?

Alderson Israel Del Toro (District 4) 08:30

No.

Alderson Israel Del Toro (District 4) 08:31

Okay. Good

Matt Rehbein (Economic Development Specialist) 08:31

No. It would be the entirety of that 30 acres if they ended up closing on that 14.

Aldersperson Israel Del Toro (District 4) 08:38

Just for reference, how big is the rest of the industrial park area?

Matt Rehbein (Economic Development Specialist) 08:45

So, the plat four area that we're talking about expanding? Correct, yeah. There it is.

Director Kara Homan (Community And Economic Development) 08:52

You're looking at your map. It's bounded Vantage Drive to the north Eisenhower Drive to the East. Milis Drive— Milis drive to the south, and then Alliance drive to the west. So, they're buying the red now and then maintaining an offer to purchase on the balance. Is that correct, Matt?

Matt Rehbein (Economic Development Specialist) 09:16

That's correct.

Aldersperson Israel Del Toro (District 4) 09:19

Thank you.

Aldersperson Denise Fenton (District 6) 09:22

Any other questions, comments? Okay, hearing none, we'll go ahead and vote. All those in favor please signify by saying aye. Chair votes aye. That passes five zero.