



**ECONOMIC DEVELOPMENT AUTHORITY**

<b>AGENDA SECTION</b>	<b>BUSINESS ITEMS</b>
<b>MEETING DATE</b>	01/05/2026

<b>ITEM:</b>	<b>3901 Central Right of First Refusal Discussion.</b>		
<i>Presenting Item:</i> CD Director Mitchell Forney			
<b>DEPARTMENT:</b> Community Development		<b>BY/DATE:</b> Mitchell Forney, 12/30/2025	
<b>CORE CITY STRATEGIES:</b>			
_Community that Grows with Purpose and Equity		_Engaged, Effective and Forward-Thinking	
_High Quality Public Spaces		<input checked="" type="checkbox"/> Resilient and Prosperous Economy	
_Safe, Accessible and Built for Everyone		_Inclusive and Connected Community	

**BACKGROUND**

Over the past year, Community Development staff have been in ongoing discussions with Heights Rental, as the business owner has been exploring retirement and the sale of the business to another rental company. Heights Rental occupies a prominent corner within the downtown area and is a well-established, valued business in the community. During prior business updates presented at EDA meetings, staff informed the Authority that the EDA holds a Right of First Refusal (ROFR) on the Heights Rental property and business.

The ROFR was established as part of the EDA’s acquisition of the neighboring property for the redevelopment of the City library. As part of that negotiated transaction, the EDA secured a Right of First Refusal to purchase the Heights Rental building and business should the owner decide to sell.

In the December 2025 business update discussion, the EDA directed staff to explore whether the ROFR could be waived for the current sale while continuing the ROFR into the future under new ownership. Staff discussed this option with the seller. However, the seller is not interested in continuing the ROFR, citing concerns that it could negatively impact future sale opportunities for any prospective buyers.

The current business owner has now formally initiated the EDA’s Right of First Refusal process by submitting a Letter of Intent from a prospective buyer. Under the terms of the ROFR, the EDA has 30 days from receipt of the notice to determine whether it will exercise its right to purchase the property and business under the same terms.

Based on the submitted Letter of Intent:

- The purchase price for the land is \$1,070,000
- The purchase price for the business is \$1,250,000
- Exercise of the ROFR would require the EDA to purchase the land, business operations, and inventory
- The total acquisition cost would be approximately \$2,320,000

If the EDA were to exercise its Right of First Refusal, it would be required to fund the full purchase price. At this time, staff are unaware of a readily available funding source for an acquisition of this magnitude and would need to conduct further analysis with Finance to pull funding from a variety of sources. Additionally, the EDA is already planning a redevelopment opportunity directly across 39<sup>th</sup> Ave NE to the south. Staff believe maintaining the operational continuity of Heights Rental under private ownership, while focusing EDA resources on existing redevelopment priorities, best aligns with current economic development objectives. Community Development staff recommend that the EDA decline to exercise its Right of First Refusal for the purchase of Heights Rental. Staff are available to answer questions and conduct additional research if the EDA wishes to further evaluate alternatives.

**RECOMMENDED MOTION(S):**

MOTION: Move to exercise the Economic Development Authority's Right of First Refusal for the property located at 3901 Central Avenue NE and to authorize staff to provide written notice to the seller of the EDA's intent to purchase in accordance with the terms of the Right of First Refusal.

- OR -

MOTION: Move to decline exercising the Economic Development Authority's Right of First Refusal for the property located at 3901 Central Avenue NE and to authorize staff to provide written notice to the seller of the EDA's intent not to purchase.