

Purchase and Sale Agreement
1636 North College Avenue



- **2019 - 2020: CSU Institute for the Built Environment and The Family Center/La Familia led series of community workshops**
- **Identified three broad categories for investment:**
 - *Complete & Vibrant Neighborhood*
 - *Infrastructure Improvements*
 - *Community Hub*
- **Former Albertsons property identified as challenge, opportunity, and logical location for future community hub (“focal point”)**

- 50,907 square feet building on 4.68 acres
- Former grocery store constructed in 1994, closed in 2014 and vacant since
- Owned by a REIT (“Seller”), and leased by Albertsons (“Tenant”)

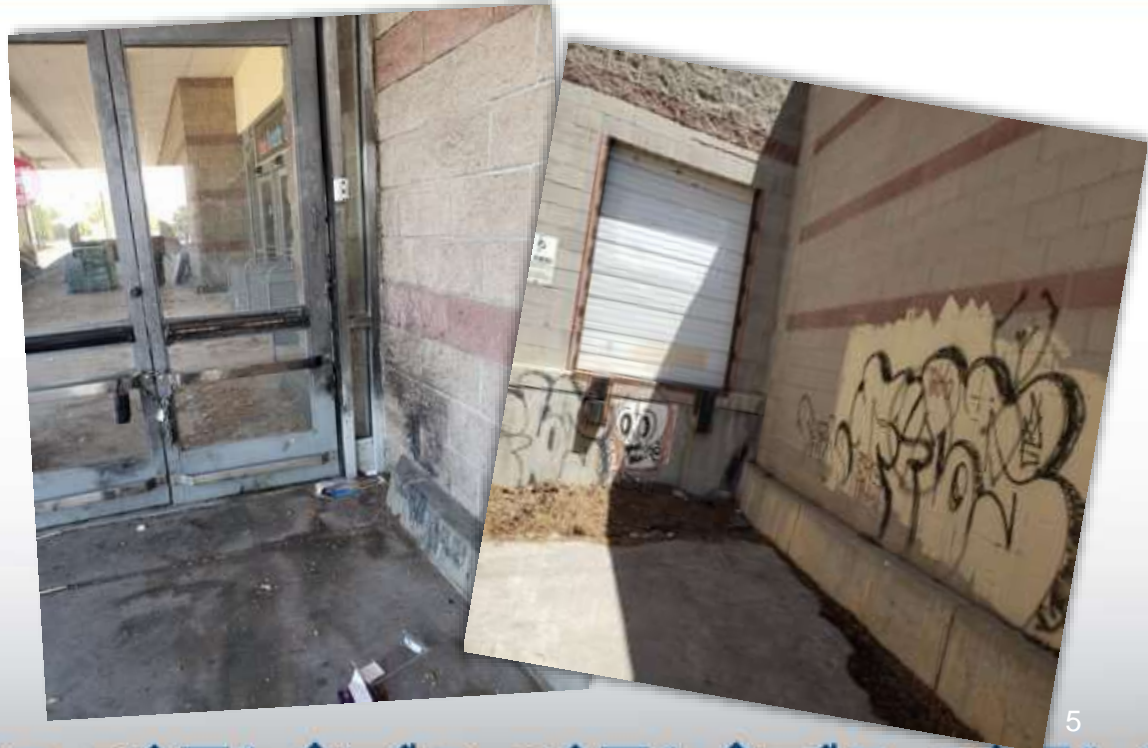


- In mid-2022, URA Staff began discussions with Seller to explore a potential sale between “willing” seller and buyer
- Signed a non-binding Letter of Intent (not a contract) in September 2023
- Purchase and Sale Agreement (“PSA”) negotiations began, but then stalled



June 2024:

- ✓ Statutory blight conditions confirmed at the property
- ✓ URA Board authorized use of eminent domain, only if necessary



Purchase and Sale Agreement

- ✓ URA Staff and Seller have continued to negotiate PSA terms
- ✓ Seller and Tenant negotiated a termination of their lease agreement
- ✓ Seller and URA staff agreed on PSA terms to be considered by URA Board; Seller signed their part of the PSA
- ✓ PSA provides URA right to purchase the Property, but does not obligate



KEY TERMS

- **Price: \$7,636,050**
- **Due Diligence (Inspection) Period: 180 days**
- **Closing: 35 days after end of Due Diligence**
- **Earnest Money Deposit: \$250,000 (*refundable*)**

KEY TERMS

- **Price: \$7,636,050**
 - ⑩ *\$150 per square foot of building*
 - ⑩ *Within range of internal and external valuation exercises*
- **Due Diligence (Inspection) Period: 180 days**
 - ⑩ *URA Board enjoys sole discretion to proceed or terminate*
 - ⑩ *PSA provides URA **right** to purchase the Property, but does not create an **obligation** to purchase*

- ✓ **North College Urban Renewal Plan Area fund balance is currently estimated at \$8.3 million, approximately \$660,000 more than PSA purchase price**
 - *\$2.4 million of revenue anticipated in 2025*
- ✓ **Refundable earnest money deposit of \$250,000 is due 3 days after contract is signed by URA; remainder of purchase price due at closing**
- ✓ **URA Board may consider assortment of financial options to fund the purchase, including but not limited to refunding of existing bond debt and/or a loan**



- ✓ **URA Board to consider 3 resolutions:**
 1. *Approval of PSA (authorize URA staff to sign)*
 2. *Appropriate PSA contract purchase price*
 3. *Appropriate earnest money deposit*

- ✓ **URA staff and service providers to conduct inspections and due diligence (physical, legal, financial, etc.)**

- ✓ **Continue strategic visioning process to identify use and/or redevelopment concepts, finances, and potential partners**



Questions?

