

## AGENDA ITEM SUMMARY

Urban Renewal Authority



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### STAFF

Clay Frickey, Redevelopment Program Manager

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### SUBJECT

**Albertsons Update.**

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### EXECUTIVE SUMMARY

The URA Board gave staff permission to begin conducting due diligence related to potentially acquiring the former Albertsons site in July. Staff have completed the three tasks initially authorized by the Board. Staff requests an Executive Session to share the findings of the appraisals of the three properties along with potential financing options for acquisition.

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### STAFF RECOMMENDATION

Staff recommends entering Executive Session to discuss details related to potential acquisition of the former Albertsons property.

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### BACKGROUND / DISCUSSION

At the Board's regular meeting in July, the Board provided direction for staff to pursue three courses of action related to acquiring the former Albertsons site at 1636 N College Avenue:

1. Begin discussions for acquiring the Albertsons site and two adjoining buildings
2. Discuss funding options with City staff and the City Council Finance Committee
3. Conduct a commercial real estate appraisal of the Albertsons site and two adjoining buildings

This agenda item summary provides an update on the three actions approved by the URA Board.

#### **Begin Discussions for Acquiring the Albertsons Site and Two Adjoining Buildings**

Staff began reaching out to all the property owners in August. Staff has discussed redevelopment opportunities with the property owners of the two adjoining buildings. Both property owners have been responsive and wish to keep communication channels open as discussions continue about the future of Country Club Corners.

Staff has made numerous attempts to contact the property owner of the former Albertsons. Albertsons and the property owner have not responded to URA staff. Staff were able to talk on the phone with the listing agent for the Albertsons site in late August. The listing agent indicated Albertsons retained them to find a sub-lease for the site or someone who would be able to buy Albertsons out of their lease. The listing agent indicated to staff that they are not in communication with the property owner. Staff will

continue to pursue opening lines of communication with the property owner and Albertsons.

### **Discuss Funding Options with City Staff and the City Council Finance Committee**

URA and City Finance staff met to discuss funding options on November 17. City staff indicated a willingness to consider partnership opportunities to fund potential acquisition of the properties while expressing a preference for the URA to seek financing in the private market. URA staff are exploring private financing options to see which financing option is most viable. Staff will present these financing options when they become available.

### **Conduct a Commercial Real Estate Appraisal of the Albertsons Site and Two Adjoining Buildings**

The URA's on-call appraiser completed appraisals of the three properties in October and November. Staff would like to share the details of these appraisals in an Executive Session. This will give the Board a sense of the amount of capital it will require to potentially acquire all three sites and discuss how to proceed.

### **COMMITTEE RECOMMENDATION**

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NA

### **AUTHORITY FINANCIAL IMPACTS**

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NA

### **PUBLIC OUTREACH**

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NA

### **ATTACHMENTS**

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1. Presentation