



## City Council

### Approval of Purchase and Sale Agreement for Purchase of Isthmus Parcels

**Agenda Date:** 4/23/2013  
**Agenda Item Number:** 6.B  
**File Number:** 13-0343

---

**Type:** decision   **Version:** 1   **Status:** Passed

---

**Agenda Item:**

Approval of Purchase and Sale Agreement for Purchase of Isthmus Parcels

**Issue:**

The City and Capital Shores Investments, LLC have mutually agreed upon terms for a Purchase and Sale Agreement for the purchase of properties located at 505 and 529 4<sup>th</sup> Avenue W.

**Committee Recommendation:**

N/A

**City Manager's Recommendation:**

Move to authorize the City Manager to sign the Purchase and Sale Agreement for the acquisition of the Capital Shores Investments parcels located at 505 and 529 4<sup>th</sup> Avenue W, Olympia

**Staff Contact:**

Jay Burney, Assistant City Manager, 360.753.8740  
Tom Morrill, City Attorney, 360.753.8223

**Presenter(s):**

Jay Burney, Assistant City Manager

**Background and Analysis:**

The City Council directed staff to work with partners to develop an acquisition strategy for the Isthmus properties, shown in Attachment 1. Since 2011, staff has been working with the Olympia Capitol Park Foundation, Thurston County, and the State of Washington to look for opportunities to acquire these properties.

Council placed a priority on the acquisition of the Capital Shores Investments (Larida) parcels shown in Attachment 2, committing \$1,700,000 in City funds, matched with \$600,000 in Conservation Futures funding from Thurston County towards these parcels.

Staff has been in active negotiations with the property owner for the past year. During this time, staff has performed due diligence on the properties, including completing both a Phase I and a Phase II environmental assessment.

Staff and Capital Shores Investments have reached agreement on a Purchase and Sale Agreement (PSA), which sets the purchase price at \$3,100,000 plus payment of all real property taxes on the parcels, estimated at around \$200,000. The PSA contains a clause that the acquisition is contingent upon the City receiving money through the State, as well as a clause that purchase is contingent on the City receiving favorable results from its environmental assessment of the properties. Staff is seeking Council authorization to sign the PSA (Attachment 3), which gives the City until June 15 to close on the property. The property owner has already signed the agreement.

**Neighborhood/Community Interests (if known):**

The City has worked in partnership with the Olympia Capitol Park Foundation to lobby and secure funding for acquisition of these parcels.

**Options:**

1. Authorize the City Manager to sign the Purchase and Sale Agreement for the acquisition of the Capital Shores Investment parcels located at 505 and 529 4<sup>th</sup> Avenue W.
2. Do not authorize the City Manager to sign the Purchase and Sale Agreement and provide direction to staff on next steps.

**Financial Impact:**

The PSA sets a purchase price of \$3,100,000, plus the amount required to pay all real property taxes on the properties, currently estimated at around \$200,000, bringing the total purchase price to around \$3,300,000. Council has set aside \$2,300,000 for the purchase of these properties. We are seeking the remaining \$1,000,000 through the State through the 2013 budget cycle. The PSA contains a clause that the acquisition is contingent upon the City receiving money through the State by May 30, 2013.