

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a real estate purchase and sale agreement between Crigeon Industries LLC, and the City of Bellevue, for the sale of the “Old Fire Station No. 3” property, located at 14822 Bellevue Redmond Road, in Bellevue.

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Finance & Asset Management Department

EXECUTIVE SUMMARY

Following Council’s authorization on February 16 to have Colliers International market the property for sale, Colliers and City staff selected an offer from Crigeon Industries LLC and negotiated the purchase and sale agreement.

RECOMMENDATION

Move to adopt Resolution No. 9980.

BACKGROUND/ANALYSIS

Old Fire Station No. 3 was built in 1960 and is located at 14822 Bel-Red Rd. This Fire Station was vacated by the Fire Department in 1983, when the current Fire Station No. 3 was constructed. The Old Fire Station No. 3 building was used by the City’s Fleet & Communications division through 2009 and is currently being leased by Mighty Media (a video production company) to generate rental income. The property includes approximately 30,800 sq. ft. of land with a 6,976 sq. ft. structure that needs a new roof. The property does not have an identified future public use and the building’s ongoing rental potential is limited due to the design and age of the structure.

The Old Fire Station No. 3 property was evaluated for disposition by a cross-department team of staff to identify whether the City should retain ownership of the property for any current or future City use. It was determined that for each of the possible City uses the site was either not viable, building repairs and modifications would be too costly, or the use did not provide enough benefit to offset the proceeds of a cash sale. The final recommendation from staff was that the greatest benefit to the City would be to dispose of the property. On February 16, Council authorized the execution of an Exclusive Sale Listing Agreement with Colliers International for Brokerage Services relating to the marketing and sale of the property.

Following execution of the listing agreement, Colliers International marketed the property and solicited offers. Colliers and City staff evaluated the offers and determined that Crigeon Industries, the parent company of Mighty Media, submitted the best offer. Following additional negotiation, Crigeon has submitted a signed purchase and sale agreement.

If execution of the purchase and sale agreement is authorized by Council, City staff will sign the purchase and sale agreement and open escrow, then proceed with closing the transaction pursuant to the agreement.

POLICY & FISCAL IMPACTS

Policy Impact

Under Bellevue City Code 4.32.060, City Council must approve the sale of real property.

Fiscal Impact

The attached purchase and sale agreement from Crigeon Industries LLC reflects a sales price of \$3,950,000, and a roof replacement reserve of \$200,000, for an effective price of \$3,750,000. After a 5 percent brokerage commission, and other closing costs, net proceeds to the City are expected to be about \$3,525,000. If execution of the purchase and sale agreement is authorized by Council, funds from the sale will be deposited into the Land Purchase Revolving Fund.

OPTIONS

1. Adopt the Resolution authorizing execution of a real estate purchase and sale agreement between Crigeon Industries LLC, and the City of Bellevue, for the sale of the “Old Fire Station No. 3” property, located at 14822 Bellevue Redmond Road, in Bellevue.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Purchase and Sale Agreement
Proposed Resolution No. 9980

AVAILABLE IN COUNCIL LIBRARY

N/A