



TO: T.C. Broadnax, City Manager
FROM: Martha Anderson, Assistant Director, Community and Economic Development Department
Ricardo Noguera, Director, Community and Economic Development Department
COPY: City Council; City Clerk
SUBJECT: Request for Resolution; Modification of Agreement with Kellogg Sicker Pochert, LLC, January 14, 2014
DATE: December 27, 2013

SUMMARY:

City Council approved entering into a Purchase and Sale agreement with Kellogg Sicker Pochert, LLC (KSP) on August 13, 2013 for property located at 1110 and 1114 Martin Luther King Jr. Way (Resolution No. 38718). The City and KSP would like to amend the agreement to extend the buyer’s feasibility period and to extend the closing date until February 28, 2014.

BACKGROUND:

The City intends to sell two parcels of property located at 1110 and 1114 Martin Luther King Jr. Way (MLK) to KSP. The City Council approved the purchase and sale agreement at its meeting on August 13, 2013. The agreement provided for a 60-day feasibility review period, with a 30-day extension allowed. Closing was to occur in December, 2013. The sale price of the two parcels is \$50,000 each. The proposed development is ground-level restaurant and retail and second floor apartments. Both properties are listed on the Tacoma Register of Historic Places.

ISSUE:

The buyers have been conducting a review of the property including building and site inspections. They have also met with representatives of the Planning and Development Services Department and participated in project scoping meetings to understand requirements for building, site and land use permits. The buyers have requested additional time to complete their analysis and proceed with the project.

ALTERNATIVES:

Not granting an extension of the due diligence and closing period will result in the City re-starting the process of attracting a new buyer for the property.

RECOMMENDATION:

It is recommended that the City Council approve this extension, allowing the buyers to complete their due diligence process and receive reasonable assurance that permits for the project on the property can be issued prior to the scheduled closing date.

FISCAL IMPACT:

No Fiscal Impact.