

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Consideration of Echo Lake Option Agreement and Purchase and Sale Agreement
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Steve Burkett, City Manager Jesus Sanchez, Operations Division Manager

PROBLEM/ISSUE STATEMENT:

The City has completed its due diligence regarding the feasibility of the Echo Lake site as the site for the new City Hall building. Pursuant to Amendment No. 1 of the Purchase and Sale Agreement between the City of Shoreline and Echo Lake Associates (ELA), the due diligence period was extended from ninety (90) days to one hundred thirty five (135) days.

The City's obligation to purchase the Echo Lake site is subject to the satisfaction of the following contingencies:

- Title Condition
- Documents (Buyer's review and approval of all items required to be delivered to Buyer pursuant to Section 6 of the Purchase and Sale Agreement.
- Inspection of the property (Utilities, Geo-technical Analysis, Environment Impacts, Frontage Improvements, Buffer Requirements, Design Impacts, Common Area Improvements)
- Council Approval (Approval of the Joint Development Agreement, (JDA) Conditions, Covenants and Restrictions (CCR's) and business terms of the Purchase and Sale Agreement.
- Dismissal of Lawsuit (Settlement or dismissal of the existing Mobile Home Park Owners Lawsuit against the Owner

Additionally, project cost containment was paramount. The City Manager is committed to staying within the proposed budget of \$21.4 million for the land acquisition and construction of the new City Hall building.

Although the due diligence period was extended to one hundred thirty five (135) days, it is important to note that under the terms of the Purchase and Sale Agreement, the City will be required to pay to Echo Lake Associates \$15,000 a month beginning April 1, 2005 until closing. These payments are non-refundable, but will apply toward the purchase price at closing should the City make the decision to pursue the purchase of the Echo Lake site. **To be financially prudent, the Council would need to make the purchase decision prior to April 1, 2005.**

RECOMMENDATION

Staff recommends that Council accept or reject the purchase of the Echo Lake site as the site for the construction of the new City Hall based upon a discussion in Executive Session and authorize the City Manager to take the appropriate action.

Approved By: City Manager  City Attorney N/A