



Legislation Details (With Text)

File #: 17-079 **Version:** 1 **Name:**

Type: Resolution **Status:** Agenda Ready

File created: 2/9/2017 **In control:** Town Council

On agenda: 2/14/2017 **Final action:**

Title: A Resolution Authorizing the Town of Erie, Colorado, To Enter Into a Purchase and Sale Agreement with Brothers Redevelopment, Inc. And the Erie Housing Authority for the Sale of Real Property; Authorizing and Directing the Appropriate Town Officers to Sign Said Purchase and Sale Agreement; And, Setting Forth Details in Relation Thereto.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Purchase and Sale Agreement, 2. Resolution

Date	Ver.	Action By	Action	Result
2/14/2017	1	Town Council		

SUBJECT: A Resolution Authorizing the Town of Erie, Colorado, To Enter Into a Purchase and Sale Agreement with Brothers Redevelopment, Inc. And the Erie Housing Authority for the Sale of Real Property; Authorizing and Directing the Appropriate Town Officers to Sign Said Purchase and Sale Agreement; and, Setting Forth Details in Relation Thereto

DEPARTMENT: Administration

PRESENTER: Steve Felten, Finance Director

FISCAL INFORMATION:

Cost as Recommended: n/a
 Balance Available: n/a
 Budget Line Item Number: n/a
 New Appropriation Required: n/a

STAFF RECOMMENDATION: Staff recommends approval of the resolution

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The Town established the Erie Housing Authority (EHA) in 1999 and built a 12-unit senior housing complex in 2001. From January 2002 through November 2012 the complex was managed by the Boulder County Housing Authority. Since then the property has been managed by Pillar Management, a partner of Brothers Redevelopment, Inc. (BRI).

Small housing authorities do not enjoy the same economies of scale experienced by larger authorities. As a result of this and other factors, the Town’s housing authority has never had positive cash flow. In addition, the Town does not have the staff to properly manage and operate a housing authority that receives federal rent subsidies. As a result, the Town has been working with BRI to transfer ownership of the property to BRI and

ultimately expand the number of units.

Recently the Town has agreed in principle to sell the real and personal property of EHA to BRI. In addition, the Town has agreed to sell certain additional real property owned by the Town to BRI to facilitate future expansion plans. The total purchase price for all assets to be sold is \$500,000, payable in cash. Along with cash on hand at EHA, proceeds of the sale will allow for the repayment of both loans with Centennial Bank and Trust, the \$170,000 advance made by the General Fund to EHA in 2014 and approximately \$30,000 in reimbursement to the Town of the \$200,000 transferred to the EHA in 2014.

Staff recommends approval of the related resolutions by the Town and EHA, along with the related purchase and sale agreement, authorizing the Town Administrator to execute all required documents to effect the sale. A closing date has not been established, but closing is anticipated to occur no later than March 31, 2017.

ATTACHMENTS:

Resolution

Purchase and Sale Agreement