



Date: July 7, 2015

To: Thomas J. Bonfield, City Manager

CC: W. Bowman Ferguson, Deputy City Manager

From: Jina B. Propst, Assistant Director, General Services Department

Subject: Presentation – Proposed development at 400 Hunt Street (Parkside at Morris Ridge)

Executive Summary

General Services has received an offer from Lambert Development Hunt Street, LLC (Lambert) to purchase a variety of real property interests on city-owned parcel # 104848 (the Property), which is located at 501 Foster Street and is part of Durham Central Park. Lambert has offered to pay the City \$150,630.00 as compensation for these property interests.

Lambert is under contract to purchase parcel # 104855, which is located at 400 Hunt Street and is adjacent to Durham Central Park. Using both parcel # 104855 and the real property interests Lambert proposes to acquire from the City, Lambert plans construction of a building containing approximately 35 residential condominium units with two levels of underground parking (the Project).

Recommendation

General Services Department recommends that Council receive a presentation introducing the proposed Project and detailing the property interests Lambert requests from the City. Additionally, Staff is seeking direction from Council about whether to move this transaction forward.

Background

In May 2014, General Services received an Offer to Purchase Real Property from Lambert seeking acquisition of a variety of property interests on a city-owned parcel that is part of Durham Central Park. Lambert offered to pay the City \$114,307.00 as compensation for these property interests. Following a lengthy period of research and discussion with multiple city departments and with Lambert, Real Estate staff engaged an appraiser to appraise the various property interests that Lambert was offering to purchase from the City. Based on the results of the appraisal report prepared by Analytical Consultants, Lambert presented a revised offer to the City.

During the next several months, City staff continued evaluating a number of items, such as the value of trees that would be removed from the Property during the Project's construction. General Services' Urban Forestry Division evaluated each potentially affected tree, and after reviewing the valuation report, Lambert submitted a revised offer that included compensation for those trees. Additionally, Lambert will replace approximately 100 feet of sewer line adjacent to the Project as a condition of site plan approval.

In the most recent offer, dated July 16, 2015, Lambert offers to purchase the following property interests from the City for a total amount of \$150,630.00:

1. One fee simple tract containing approximately 2,102 square feet
2. One fee simple tract containing approximately 734 square feet
3. Two 4 foot-wide permanent air rights easements for balconies
4. One 5 foot-wide permanent easement for the building foundation
5. One 25 foot-wide temporary construction and grading easement
6. One 30 foot-wide permanent fire separation easement

Issues/Analysis

Not Applicable

Alternatives

Not Applicable

Financial Impact

Not Applicable

SDBE Summary

Not Applicable

Attachment

Parkside at Morris Ridge presentation