



August 13, 2019

**A G E N D A**

**5:30 P.M. LAFAYETTE URBAN RENEWAL MEETING  
CITY COUNCIL CHAMBERS  
1290 S. Public Road**

- I. 5:30 PM - OPENING OF REGULARLY SCHEDULED MEETING**
  - A. Roll Call
- II. PUBLIC INPUT**
  - B. Items from the Public
- III. AGENDA ITEMS**
  - C. Direction on the Contract for 705, 707, 709, and 711 S. Public Road
- IV. NEW BUSINESS/STAFF AND COMMISSIONER REPORTS**
- V. ADJOURN**



**STAFF REPORT**

To: Lafayette Urban Renewal Authority  
From: Roger Caruso, LURA Executive Director  
Date: August 8, 2019  
RE: Contract for 705, 707, 709, and 711 S. Public Road

**Recommendation:** Direction Needed for the Real Property Contract on 705, 707, 709, and 711 S. Public Road

Since 2009, Gerry Morrell and the Morrell Family Trust, owners of 705, 707, 709, and 711 S. Public Road (“Morrell Properties”), have expressed their interest to the City and the Lafayette Urban Renewal Authority (“LURA”) to develop the properties. Their original vision was to build a new building for Morrell Printing on the site. When Morrell Printing had the opportunity to purchase 990 S. Public Road they did so and moved there and that has been their location since then. The owners’ vision for the 700 block then changed to them developing a mixed-use project.

In 2018, Mr. Morrell shared his desire with LURA to put the properties on the market instead of developing them themselves, but still wanted to ensure the property be developed as a mixed-use project. LURA began conversations to explore the possibility of entering into an options contract with Mr. Morrell for these properties.

After purchasing the adjacent lot located at 701 S. Public Road, LURA continued and then finalized negotiations with Mr. Morrell on an options contract for his properties in an effort to aggregate all of the adjoining properties while the opportunity was available. State Statutes allow an urban renewal authority to purchase, dispose, or develop property for the betterment of the authority’s area. LURA, and other urban renewal authorities, can legally place a property under an options contract, and then follow up with a public ratification and contract assignment to a developer (most urban renewal authorities do not usually develop a property themselves).

Assignment of the contract can be done a number of ways. Two common methods used are 1) for the Authority to instruct their staff to negotiate with a developer who will accept the contract and has the wherewithal to move towards development; or 2) to issue a public Request for Proposal. Note that If LURA is putting a property under contract, it’s likely there will be a gap in the financing (i.e. that’s the reason it hasn’t been improved yet) of the redevelopment project.

When LURA has performed this type of transaction in the past, the Redevelopment Agreement (i.e. assignment of the contract to a developer) executed has provided LURA with a first right-of-refusal and options contract on the property should the developer not perform to LURA’s specifications as outlined in the agreement. Therefore, the Redevelopment Agreement provides LURA with great oversight and influence of the development. Said differently, it’s an advantage for LURA to be involved in the transaction up front to be able to influence the outcome. If LURA chose not to take this type of course, LURA would be ‘reactionary’ to any proposal and our influence in the end would be lessened.

Staff conducted the same process under LURA’s direction for the Morrell properties. LURA’s criteria was to have some oversight of what may ultimately occur but not be the developer, have influence to ensure stakeholders were treated fairly, and to have a successful project come to fruition that upheld the Authority’s goals and mission. The owners made it abundantly clear to LURA their desire was to sell all the properties all at one time, in one bundle, to one buyer. Had LURA not stepped in, the owners would have gone to the public commercial market to sell the properties. The developer that LURA would have ended up dealing with may not have held Lafayette’s interests as a

priority, and LURA would not have possessed the prioritized standing for input on the scope of the project. Additionally, it greatly concerned LURA that since all the tenants are on month-to-month leases, a new purchaser was only obliged to give those businesses no more than thirty (30) days' notice to vacate and compensation to these month-to-month tenants would be unlikely.

The Morrell contract currently in place calls for a two-year option on the properties for \$1.395 million with \$10,000 down. Subsequent negotiated amendments to the contract have resulted in a price reduction to \$1.2 million with a \$19,000 down payment.

Since LURA, per the contract, has a property interest in the properties, LURA needs to discuss how to proceed and give staff direction. There are four (4) options staff envisions at this time:

- 1) LURA ratifies the option to purchase the property
  - a. to take some or no action on the property (i.e. leave it the way it is, continue to rent it out, redevelop it)
  - b. to sell to another entity (who will proceed with limited LURA input)
- 2) LURA waives the options contract and does not purchase the property (LURA will have no input on the future development)
- 3) LURA assigns the options contract to another entity (the assignment could be structured to provide LURA with influence)
- 4) LURA issues a Request for Proposals (RFP) to solicit another entity do something to the property (This would give LURA the most oversight and influence)

Each of the options above has pros and cons. As such, staff recommends LURA discuss at their August 13, 2019 meeting and give direction on how to proceed. Staff will follow-up in future meetings given the direction.

Options 1, 2, and 3 above are straight forward for staff to follow through on at a future meeting. Option 4, if chosen by LURA, requires more detailed staff direction. As such, staff recommends if LURA chooses Option 4, we conduct a public 'wordle' exercise, which would help facilitate the drafting of a Request for Proposal (RFP). Below are descriptions of what LURA may like to see on the property, but is not an all-inclusive list. Staff recommends LURA Commissioners think of what they may envision on the property, and be prepared at the August 13, 2019 to propose additional descriptions. The entire commission will then discuss and the 'top X number' of descriptions will be used to help staff in writing a Request for Proposals. The public is encouraged and welcome to provide any description of what they may like to see at the property either to staff in advance, or at the August 13, 2019 meeting.

Mixed-Use	Creative	Diverse	Eclectic
Energy Efficient	Historical Context	Compatible	Affordable
Attainable	Developer's Ability	Flex Space	Infill
Development	Parking Lots to Rear	Pedestrian Connectivity	2-3 Stories
Walkable Neighborhoods	Proximity to Transportation	Dynamic Storefronts	Multi-Use
Connecting N and S	Multi-Use	Vibrant	Balanced
Small Town Character	Right-Sized	Street Facing Commercial	Unique Character
Prominent Art	Good Commercial Signage	Vibrant	Green Space
Existing Tenant Treatment			