

Date: November 28, 2022
Amount: \$80,000.00
Account Number: 8350-5010
2510-1480

EXPLANATION TO COUNCIL BILL

ORIGINATING DEPARTMENT: Planning & Community Development

PURPOSE: To authorize execution of a Real Estate Purchase Agreement and a Warranty Deed with Stealhead Holdings, LLC in the amount of \$80,000.00 for the sale of real property located at 3308 Mitchell Avenue and an amendment to the General Fund Fire Administration Program budget to utilize the funds for fire department vehicle maintenance.

REMARKS: As part of the recent replacement of former Fire Station No. 8 at 3308 Mitchell Avenue and opening of a new Fire Station at 4500 Mitchell Avenue, the City of St. Joseph issued a request for proposals for the sale of 3308 Mitchell Avenue on October 7, 2022.

The sale of Fire Station 8 followed the City's standard bid process. A request for proposals was issued on October 7, 2022 with a closing date of November 7, 2022. Interested potential bidders were provided tours of the station upon request. All bids were submitted in sealed envelopes that remained sealed until after the bid deadline. The date and time each bid was received was recorded and is reflected in the attached RFP Summary. The bids received are listed below.

Stealhead Holdings, LLC	\$80,000
Broken Pot LLC	\$78,000
Goldie Lynn Imagery	\$75,500
Summers Holdings LLC	\$66,500
HL Buch LLC	\$65,005
Jeff Williams	\$65,000
Michael Brownfield/Brent Knisley	\$65,000
Blue Stem Property Management	\$62,500
Full Circle GIS, LLC	\$60,000

The highest bidder was Stealhead Holdings, LLC, which submitted a bid in the amount of \$80,000 and proposes to utilize the building for temporary guest space (e.g. Airbnb) on the upper level and event space on the lower level. Stealhead Holdings, LLC is owned by Councilmember Andy Trout, who has refrained from participating in discussions regarding the selection of a bidder and who has stated that he will continue to abstain from participating in City Council discussions and votes related to the sale of Fire Station 8.

Staff reviewed proposals based on two factors: use and price. Based on the proposed use by Stealhead Holdings, LLC to utilize the second floor for residential use and the ground floor as an event space, the intended use does comply with the zoning code and would allow the public access to this historic structure in the future to remember its place in St Joseph history.

The Real Estate Purchase Agreement requires Stealhead Holdings, LLC to issue payment

upon closing. Those funds will be deposited in the General Fund, Fire Department and be utilized to purchase and maintain Fire Department vehicles.

THIS ORDINANCE HAS BEEN CERTIFIED THAT THE FOREGOING CONTRACT OR ORDER IS WITHIN THE PURPOSE OF THE APPROPRIATION TO WHICH IT IS TO BE CHARGED, AND THAT THERE IS AN UNENCUMBERED BALANCE TO THE CREDIT OF SUCH APPROPRIATION SUFFICIENT TO PAY THEREFORE.