

MEMORANDUM

TO: Programs, Planning & Projects Subcommittee

SUBJECT: Option Purchase Agreement for Blair Office Property

DATE: 8-7-08

From: Dick Sklenar

Although the Board of Directors took action earlier this year to purchase a parcel of land from the Blair YMCA , the District' staff will need several more months to get confirmation from the USDA on their intent to move to the new location. The District has been advised that the current NRCS lease is specific for only the current address, even though the move is about 6 blocks away. Thus the District will have to submit a bid for new office space to the NRCS later this year for the new address.

The process has been slowed however, because the NRCS employee that handles state-wide leases has retired and the position has not been filled. The General Services Administration is also now involved with all USDA leases, which was not the case 3 years ago.

To compensate for the extended length of time needed by the District prior to closing, the Blair YMCA has agreed to provide the District with a 1-year option purchase agreement. The deposit (\$10,000) for the option is 10% of the agreed to purchase price. This amount will be credited to the purchase price upon closing. In the event the property is not purchased within the 1-year time frame, the Blair YMCA retains the deposit and no credit will be made.

It is recommended that the Subcommittee recommend to the Board of Directors that the General Manager be authorized to purchase an option, approved as to form by Legal Counsel, giving the District a 1-year option to purchase from the Blair YMCA for the price of \$100,000 an approximately 1.8 acre parcel of property for a new District field office at the northwest corner of 10th & Wilbur Streets, in Blair, Nebraska, in return for a District payment of an option premium in the amount of \$10,000, such premium to be creditable against the purchase price if the option is exercised.