



City of Harrisonburg, Virginia

Office of the City Manager

409 South Main Street
Harrisonburg, VA 22802
(540) 432-7701 / FAX (540) 432-7778

Eric D. Campbell
City Manager

TO: Eric Campbell, City Manager
FROM: Chris Brown
DATE: 01/16/2020
RE: Purchase of land for use in street improvements for entrance to new high school

Summary: Consider approval and ratification of a real estate purchase agreement dated August 21, 2019 between the City and Sylvia Karageorge and Pete t. Karageorge (the Agreement) for the purchase of 2.52 acres for improvements to South Main Street for an entrance to the new high school property. The parcel is the site of the now closed Pano's Restaurant.

Background: On January 23, 2018, City council voted to approve the Harrisonburg City School Board's request to fund a second high school and to authorize the City Manager and City Attorney to negotiate and execute a contract to purchase real estate necessary for the new high school. On August 22, 2018 the City purchased approximately 60 acres for the new school. The City has now entered into a contract with Sylvia Karageorge and Pete T. Karageorge to purchase 2.52 acres of real estate necessary for street improvements to South Main Street for the southern entrance to the new high school property. The purchase price for the property is \$2,200,000.00. The Agreement is subject to ratification by Council and appropriation of the funds for the purchase.

The entire 2.52 acres is not necessary for the needed street improvements. However, staff believes it is appropriate to purchase the 2.52 acres do the significant reduction in value of the parcel, as it currently is configured, which will result from the road improvements. The area needed for the road improvements would take all the parcel's parking abutting Main Street, plus some other parking, and would eliminate an entrance to the parcel from Main Street and the parcel's current sign. Staff believes that by purchasing the 2.52 acres the City can secure the property needed for the road improvements, then improve and reconfigure the residue of the parcel. That residual parcel can then be sold to recoup a significant part of the purchase price the City is paying for the property.

Key Issues: Ratification of the Agreement for the purchase of the 2.52 acres.

Environmental Impact: None

Fiscal Impact: The City will pay \$2,200,000.00 for the property, with closing cost of approximately \$1000. The City will sell the residue of the parcel after the completion of improvements to South Main Street.

Prior Actions: Authorization on January 23, 2018 for the City Manager and City Attorney to negotiate and execute a real estate purchase agreement for land necessary for the new high school.



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Purchase on August 22, 2018 of 60 acres for the new high school. Purchase of 0.751 acres from Bill Neff in September of 2019.

Alternatives: (a) Ratify the Agreement and approve the resolution
(b); or reject the Agreement and the resolution.
(c)

Community Engagement: None

Recommendation: Staff recommends approval of the Agreement and Resolution.

Attachments:

RE: Real Estate Purchase Agreement dated August 21, 2019.

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Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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