

**CONFIDENTIAL
EXECUTIVE SESSION
LAND MATTER**

February 20, 1992

TO: The County Board of Arlington, Virginia

FROM: Anton S. Gardner, County Manager

SUBJECT: Purchase of the Harlan property - northeast corner of 26th Street North and Old Dominion Drive

RECOMMENDATION: Approve the purchase of the subject property and authorize the Real Estate Supervisor to sign a contract consistent with the terms in this report, subject to changes by the County Manager which either clarify or improve the County's position and subject to review and approval by the County Attorney.

MOTION TO ADOPT RECOMMENDATION: The following motion is recommended for use in open session:

I move that the County Board approve the purchase of 4722 26th Street North and 4749 and 4753 Old Dominion Drive under the conditions contained in the County's offer letter dated February 19, 1992, subject to changes by the County Manager which either clarify or improve the County's position and do not adversely affect the County's interest and review and approval by the County Attorney, and authorize the Real Estate Supervisor to sign a contract which incorporates such terms therein. I also move that \$1,045,000 be appropriated from revenue from the sale of land account number 13.039.501 to the General Capital Projects Fund account number 13.039.0651 for the purchase of the property.

ISSUES: None.

BACKGROUND: The subject property is located at the northeast corner of 26th Street North and Old Dominion Drive, contains approximately 47,300 square feet of land, and includes 4722 26th Street North, and 4749 and 4753 Old Dominion Drive. The three properties are either owned or under contract to be purchased by Scot Harlan, the son of the owners of 4722 26th Street North, John C. and Norma J. Harlan. There is an approved site plan on the consolidated site for a seven unit residential cluster.

STAFF: Dennis W. Robinson, Real Estate Specialist
(ADV: BR-Harlan)
Reviewed by County Attorney: CWM

Staff contacted Scot Harlan last summer regarding the purchase of the property after the Board, at its meeting of August 10, 1991, approved the sale to Marymount University of the parking lot bounded by Old Dominion Drive, Yorktown Boulevard, and 26th Street North. At that time, the intent was to use the funds from the sale of the parking lot to acquire the Harlan property. However, Mr. Harlan's asking price for the property was \$1,350,000, which included a premium to compensate him for the loss of a projected profit from the construction and sale of the approved townhouses. The asking price was too high for a negotiated sale and no agreement at a fair market price was attainable. Hence, negotiations were discontinued.

Since then, Mr. Harlan has been unable to obtain the needed financing for the construction of his project because he has not sold any of the units in advance. Consequently, Mr. Harlan recently contacted staff to reopen discussions of a sale of his property to the County. Staff and Mr. Harlan have agreed to the following conditions as stated in the attached February 19, 1992 offer letter, which terms would be incorporated into a detailed contract:

- A sale price of \$1,040,000, contingent on an inspection for hazardous materials. The cost to remove such materials will be deducted at settlement, unless the cost is over \$20,000, in which case, the seller will have the option of terminating the contract.

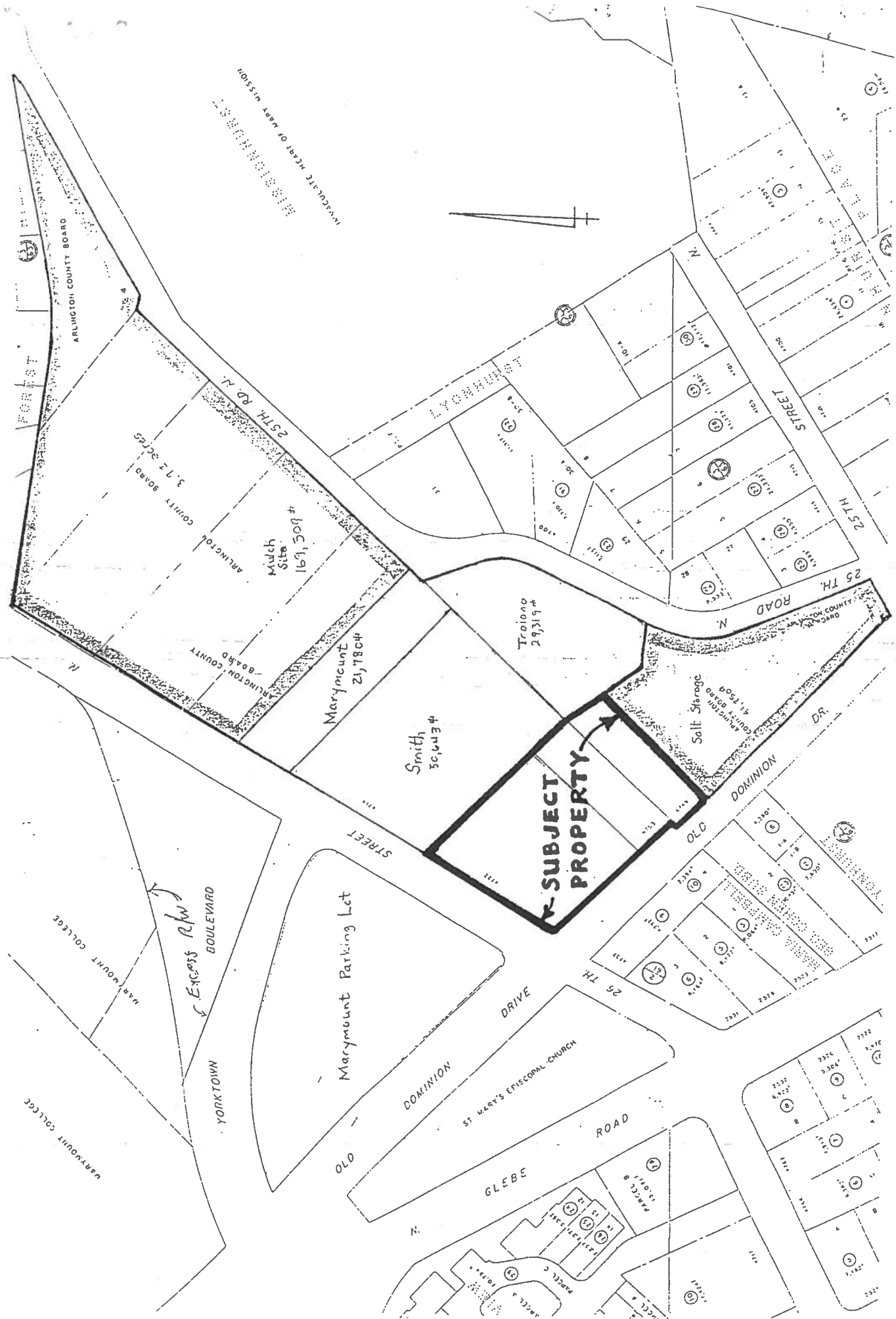
- Settlement would take place within 60 days of Board approval of this agreement to sell.

- Leaseback (rent free), for up to 10 years, for John and Norma Harlan, Scot Harlan's parents, to retain possession of the house they currently occupy at 4722 26th Street North.

- The County would allow Scot Harlan first right of refusal to buy the property at its then fair market value for five years from the date of settlement or from the date Mr. and Mrs. John Harlan relinquish their tenancy, whichever occurs sooner, should the County decide to sell during that time.

- Before demolition of the house by the County, Scot Harlan would be allowed to salvage from his parents' house those items that the County approves of being removed, provided that Mr. Harlan indemnify the County from liability related to such removal, provide security for the site during and after the removal work, and that he not interfere with any County activity on the property. It will be Mr. Harlan's responsibility to coordinate any removal work with the County.

FUNDING: The proceeds (\$1,087,500) from the sale of the parking lot across 26th Street North from the subject property can be used to acquire this site.



HARLAN SITE

SUBJECT PROPERTY

ARLINGTON COUNTY BOARD
 25TH RD N
 3.92 acres
 Match Site # 16,500

Marymount 21,780#

Smith 30,643#

Troiano 29,866#

Salt Storage
 41,750#

MARYMOUNT COLLEGE

YORKTOWN BOULEVARD
 Excess R/W

Marymount Parking Lot

OLD DOMINION DRIVE

ST. MARY'S EPISCOPAL CHURCH

GLEEBE ROAD

DOMINION DR.

25TH STREET

25TH ROAD

26TH STREET

ROAD

ARLINGTON COUNTY BOARD

ARLINGTON COUNTY BOARD

FORREST

N

N

25TH

25TH

26TH

26TH

26TH

26TH

26TH

26TH

26TH

26TH

26TH



TEL. (703) 358-3577
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OFFICE OF SUPPORT SERVICES

**REAL ESTATE SECTION
#1 COURTHOUSE PLAZA, SUITE 704
2100 CLARENDON BOULEVARD
ARLINGTON, VIRGINIA 22201**



**ADJACENT TO
COURT HOUSE
METRO STATION**

February 19, 1992

**Mr. Scot Harlan
6207 18th Road North
Arlington, VA 22205**

Dear Mr. Harlan:

Re: Your counter offer of February 19, 1992

This offer is in response to the issues you raised today and supercedes all other offers to you by the County. The revised terms of Arlington County's offer are outlined below.

The price the County shall pay for the property is One Million Forty Thousand Dollars (\$1,040,000). Settlement shall take place within 60 days of the date of approval of a purchase agreement by the County Board.

This offer includes a non-transferable month-to-month leaseback with free rent for one or both of your parents to retain possession of their house at 4722 26th Street North on a full time basis for 10 years from the date of settlement on the sale of the property. Should the house no longer be used full time as your parents' legal residence for any year of their tenancy, as documented by their tax returns, they would then be allowed only five years from the last year they claimed the house as their full time legal residence to retain possession. In any case, the length of time your parents would remain in possession of the property shall not exceed a maximum of 10 years. Your parents shall provide notary certified true copies of their federal and State tax returns each year to document legal residency. The leaseback shall terminate automatically should your parents not occupy the house for at least six months (180 days) of any calendar year or if the required copies of their tax returns are not furnished to this office within a reasonable period of time for any year of their tenancy.

The lease shall delineate the area leased as the house and grounds and commit your parents to fully maintain the house and the leased property during their tenancy. There shall be no subletting of the property and no person other than your parents shall occupy the house.

Within five days after the County Board approves a contract, the County will deposit with the seller a check in the amount of \$20,000. The deposit shall be non-refundable should the County, as purchaser, fail to fulfill any of its obligations under the agreement. However, such deposit shall be refundable if, for reasons beyond the control of the County, the purchase agreement is terminated within the rights of the County.

Mr. Scot Harlan
February 19, 1992
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After a purchase agreement is signed, the County will order an inspection for hazardous materials on the property. Any estimated removal and disposal costs will be deducted from the purchase price at settlement. Should such costs be in excess of \$20,000, the seller shall have the right to terminate the contract.

The County will allow you first right of refusal to buy back the property at its then fair market value for a period of five years from the date of settlement or until the date your parents relinquish their tenancy, whichever occurs sooner, should the County decide to sell the property.

Immediately prior to demolition of the house at 4722 26th Street North, the County will allow you the opportunity to salvage anything that it does not specifically object to being removed from the property, provided, however, that you indemnify the County from any liability whatsoever from any claim or action related to your entry on the property for such work, that you secure and protect the premises during and after such work, and that such work does not hamper or interfere with any work or activity of the County on the property. Prior to any removal work on the property, you shall provide this office a list of the items that you wish to remove from the house for approval. It will be your responsibility to coordinate any salvage work with the County. The County shall endeavor, but not be obligated, to notify you of any demolition on the property.

This offer and any agreement reached is subject to ratification by the County Board. I hope this offer meets with your approval.

Sincerely,


Dennis W. Robinson
Real Estate Specialist

ACCEPTED:


M. Scot Harlan

2-20-92
Date