



Memo

Legal Department

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TO: The Honorable Ann Campbell, Mayor, and Members of the City Council

FROM: Jessica D. Spoden, Assistant City Attorney

RE: Release of Security for Sidewalk Installation from Jordan Motors and Accepting Security for Sidewalk Installation from Lithia Motors

DATE: October 4, 2013

In 2004, the City granted Jordan Ames, LLC (“Jordan Motors”), a deferral of sidewalk installation at 2901 Duff Avenue and 105 Kitty Hawk Drive. As a condition of the deferral, Jordan Motors gave the City a Letter of Credit in the amount of \$5,922.00 as financial security for the cost of future sidewalk installation. At the time, the City had future plans to improve Duff Avenue; therefore, the installation of sidewalks was premature.

On December 26, 2012, Jordan Motors sold the property at 2901 Duff Avenue and 105 Kitty Hawk Drive to Lithia Real Estate Inc. (“Lithia Motors”). As part of the purchase agreement, Lithia Motors agreed to execute a new agreement for the deferral of sidewalk installation with the City. Additionally, Lithia Motors agreed to provide cash as its financial security in the amount of \$5,922.00 rather than the Letter of Credit previously provided to the City by Jordan Motors.

On September 25, 2013, Lithia Motors provided the City with an executed agreement for the sidewalk deferral at 2901 Duff Avenue and 105 Kitty Hawk Drive. Lithia Motors also provided the City with a Cash Security in the amount of \$5,922.00. The Cash Security will be placed in a non-interest bearing escrow account for the cost of future sidewalk installation. The City continues to have future plans to improve Duff Avenue; therefore, the installation of sidewalks remains premature.

Since Jordan Motors is no longer the owner of 2901 Duff Avenue or 105 Kitty Hawk Drive and alternate security has been provided by the new owner, it is therefore appropriate for City Council to release the Letter of Credit in the amount of \$5,922.00 provided by Jordan Motors. Additionally, it is appropriate for City Council to accept the Cash Security in the amount of \$5,922.00 and place it in a non-interest bearing account.