

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 2785

Accepting a grant from the City of Madison to fund acquisition and demolition costs for 2200 South Park Street (the "Property") and authorizing the acceptance of an Offer to Sell from Amarsons Inc. to acquire the Property.

Presented January 10, 2008
Referred _____
Reported Back _____
Adopted _____
Placed on File _____
Moved By _____
Seconded By _____
Yeas _____ Nays _____ Absent _____
Rules Suspended _____

As part of a broad community effort to stabilize and revitalize the South Park Street Corridor, the City and the Community Development authority (CDA) approved a Redevelopment Plan for the Villager Redevelopment District that was adopted by the Common Council on March 30, 2004, through Substitute Resolution 61396. The intent of the Redevelopment Plan was to advance an overall redevelopment strategy for the Villager Shopping Center ("The Villager") that would build upon its community-serving strengths. The creation of the Redevelopment District enables the CDA to use its statutory powers to acquire, stabilize, and revitalize The Villager and make it one of the primary community focal points in South Madison. In December of 2004, the CDA completed the acquisition of The Villager. The CDA's overall development plan, adopted by the CDA in December 2005 and the City in 2006 (Resolution RES-06-0011, Legislative File ID No. 02353, adopted February 7, 2006), requires the acquisition of two gas stations located on the north ("Citgo Gas Station") and south ("Mobil Gas Station) corners of The Villager. The intent is to acquire the Citgo Gas Station located at 2200 S. Park Street (the "Property") in February of 2008 and the Mobil Station located at 2342 S. Park Street by the end of the second quarter of 2008.

Recently soil borings were performed on properties owned by the City of Madison and the CDA abutting the Property. No gasoline organics or petroleum constituents were detected in any of the samples. These results provide some assurance that significant petroleum leaks have not occurred on the Property or have migrated to adjacent properties. If significant soil contamination is encountered during removal of the underground gasoline storage tanks grant funds are available in the Wisconsin Department of Natural Resources Ready for Reuse program. The program requires a minimum of 22% matching funds. This DNR program provides funding of up to \$200,000 to cleanup contamination from hazardous substances that is not eligible for Petroleum Environmental Cleanup Fund Act (PECFA) reimbursement. In the event additional funds are needed for such eligible uses, this resolution authorizes the submission of an application for such funds.

NOW THEREFORE BE IT RESOLVED, that the CDA accepts a grant in the amount of \$ 1,100,000 to fund acquisition and demolition costs for 2200 S. Park Street, Madison Wisconsin (the "Property")

BE IT STILL FURTHER RESOLVED, that proceeds resulting from the future sale of the Property by the CDA shall be returned to the City of Madison's general fund.

BE IT STILL FURTHER RESOLVED, that the CDA (Buyer) accepts an Offer to Sell the Property from Amarsons Inc. (Owner).

BE IT STILL FURTHER RESOLVED, that the terms of the Offer to Sell the Property are as follows:

1. The total purchase price of the Owner's interest in the Property shall be \$ 876,000.00 payable in cash at closing, subject to the adjustments and prorations provided in the Offer.
2. As provided in Wisconsin Statutes 32.19, the Owner is eligible to receive relocation payments up to an amount of \$70,000.
3. The Owner retains salvage rights to equipment and other improvements associated with the existing facility.
4. The Owner makes no warranties or representations with regard to the environmental condition of the Property.
5. Real estate taxes payable on the Property shall be prorated at time of closing.
6. The closing shall occur on or before February 15, 2008 or at a later date acceptable to the Owner and the Buyer.

BE IT STILL FURTHER RESOLVED, the CDA declares its intent to complete eligible Ready for Reuse program activities and formally request funds and assistance available from the Wisconsin Department of Natural Resources under the Ready for Reuse Program and will comply with State rules for the program,

BE IT STILL FURTHER RESOLVED, that the staff of the Department of Planning and Community and Economic Development is hereby directed and authorized, to submit an application to the State of Wisconsin for financial aid for Ready for Reuse purposes,

BE IT STILL FURTHER RESOLVED, that the Chairperson and Executive Director and Secretary of CDA are hereby authorized to execute, deliver and record such documents and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution.