



Legislation Details (With Text)

File #: 00984 **Version:** 2 **Name:** Authorizing additional funds for the acquisition of an 8-unit apartment building located at 902 Magnolia Lane and the execution of a property management agreement with Broihahn Management & Consulting, LLC.

Type: Resolution **Status:** Passed

File created: 4/12/2005 **In control:** BOARD OF ESTIMATES (ended 4/2017)

On agenda: 5/17/2005 **Final action:** 5/17/2005

Enactment date: 5/24/2005 **Enactment #:** RES-05-00464

Title: AMENDED - Authorizing additional funds for the acquisition of an 8-unit apartment building located at 902 Magnolia Lane and the execution of a property management agreement with Broihahn Management & Consulting, LLC., and appropriating \$10,000 from the contingent reserve for property management and security services.

Sponsors: Tim Buer

Indexes:

Code sections:

Attachments: 1. 7711 Exhibit 902 Magnolia Lane Reso_0001.pdf

Date	Ver.	Action By	Action	Result
5/17/2005	2	COMMON COUNCIL	Adopt With Amendment(s)	Pass
5/9/2005	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
4/19/2005	1	COMMON COUNCIL	Refer	
4/13/2005	1	Community and Economic Development Unit	Referred for Introduction	
4/12/2005	1	Community and Economic Development Unit	Fiscal Note Required / Approval	
4/12/2005	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	

Fiscal Note

Funding in the amount of \$2.5 million was authorized by the Common Council and borrowed by the City in 2004 for the Department of Planning and Development Capital Budget Project No. 32 (Badger-Ann-Park & Todd Drive Revitalization Projects) (Account Number. CD21/810433). Of this amount \$450,000 was authorized for the acquisition of the property. This resolution authorizes the reallocation of an additional \$60,000 of the remaining funds to complete the acquisition, plus an additional \$10,000 for property management and security services. The current balance of the fund is \$2.2 million.

Title
AMENDED - Authorizing additional funds for the acquisition of an 8-unit apartment building located at 902 Magnolia Lane and the execution of a property management agreement with Broihahn Management & Consulting, LLC., and appropriating \$10,000 from the contingent reserve for property management and security services.

Body

PREAMBLE

On September 21, 2004 the Common Council adopted a resolution (Second Substitute Resolution No. 61839 ID No. 3556) determining a public purpose and necessity to acquire an 8-unit apartment building located at 902 Magnolia Lane ("Property") for park purposes. Pursuant to the recommendations of the Badger-Ann-Park Redevelopment Committee, the City has been working cooperatively with the Madison Metropolitan School District ("MMSD") to address the lack of open

space in the neighborhood immediately surrounding the Property and the overall park deficiency in the Badger-Ann-Park Street area by developing an open space area that would include the southeastern corner of the MMSD's Lincoln School property and the Property. As part of this collaborative effort the City and MMSD are also exploring MMSD's use of a portion of Leopold Park for Aldo Leopold School and the City's use of the Lincoln School playground during the summer months. The acquisition of the Property will further strengthen this collaborative effort. In addition to providing open space for the neighborhood this acquisition will eliminate a problem property from the neighborhood. Since January 2005 the City of Madison Police Department have responded to numerous calls to the Property and recently issued drug abatement letters for some tenants of the Property.

The Real Estate Section has negotiated a purchase price for the Property of \$500,000. This price was established through appraisals obtained by the City (\$480,000) and the owner (\$500,000). Funds in the amount of \$450,000 for the acquisition of the Property were authorized by the Common Council and borrowed by the City in the 2004 Department of Planning and Development Capital Budget Project No. 32 (Badger-Ann-Park & Todd Drive Revitalization Projects). Capital Budget Project No. 32 also authorized \$325,000 for pedestrian and traffic safety improvements, streetscape and art projects. In order to close this acquisition additional funds in the amount of approximately \$60,000 are required (\$50,000 towards purchase price, \$1,000 for personal property, \$3,000 for appraisals, \$5,000 for payment of prorated taxes, and \$1,000 for miscellaneous closing costs including title insurance. It is recommended that funds in the amount of \$60,000 be transferred from the funds authorized for pedestrian and traffic safety improvements, streetscape and art projects in Capital Budget Project No. 32 and added to the funds for the purchase of the Property in the same Capital Budget Project No. 32.

Upon acquisition of the Property the City will need to retain a property management firm to manage and provide security for the building for a minimum of six months from the date of closing or until such time during this period that all the tenants move from the Property and the Property is demolished. Broihahn Management & Consulting, LLC have been chosen to manage the Property upon acquisition. Additional funds will be required to supplement rents received from the tenants to pay the property management and security fees. It is estimated recommended that additional funds in an amount not to exceed \$10,000 for property management and security services be transferred from the contingent reserve funds authorized for pedestrian and traffic safety improvements, streetscape and art projects in Capital Budget Project No. 32 and added to the funds within the same Capital Budget Project No. 32 for the acquisition of the Property.

NOW THEREFORE BE IT RESOLVED that funds in the amount of \$60,000 be transferred from those funds allocated and borrowed by the City for pedestrian and traffic safety, streetscape and art projects in the 2004 Department of Planning and Development Capital Budget Project No. 32 (Badger-Ann-Park & Todd Drive Revitalization Projects) to those funds within the same Capital Budget Project No. 32 allocated and borrowed for the acquisition of an 8-unit apartment building located at 902 Magnolia Lane.

BE IT FURTHER RESOLVED that the Common Council authorizes the execution of a property management agreement ("Agreement") with Broihahn Management & Consulting, LLC ("Manager") for property management and security services for an 8-unit apartment building located at 902 Magnolia Lane upon acquisition of the property by the City on the following terms and conditions:

The term of the agreement shall be month-to-month.

The Manager shall be paid a flat fee of \$850 per month and direct costs for security services (estimated maximum cost of \$600 per month).

BE IT STILL FURTHER RESOLVED that funds in an the amount of not to exceed \$10,000 be appropriated transferred from the contingent reserve those funds allocated and borrowed by the City for pedestrian and traffic safety, streetscape and art projects in the 2004 Department of Planning and Development Capital Budget Project No. 32 (Badger-Ann-Park & Todd Drive Revitalization Projects) to those funds within the same Capital Budget Project No. 32 allocated and borrowed for property management and security services for an 8-unit apartment building located at 902 Magnolia Lane.

BE IT STILL FURTHER RESOVLED that the Mayor and City Clerk are authorized to sign any and all documents that may be necessary to accomplish the transactions in this resolution.