



Legislation Text

File #: 02202, Version: 1

Fiscal Note

Sale of this surplus City property will result in estimated proceeds of \$94,100 less closing costs. Sale proceeds will be deposited in the City General Land Acquisition Fund, unless the Council directs the proceeds be used for some other purpose, such as the Affordable Housing Trust Fund.

Title

Accepting an Offer to Purchase from Kennedy Point, LLC, for the purchase of City-owned surplus parcels of land located on Eastwood Drive and First Street. 6th Ald. Dist.

Body

PREAMBLE

On October 11, 2005, the Common Council approved a resolution (File Number 01969) to declare portions of Eastwood Drive and South First Street as surplus right-of-way and authorizing the Real Estate Section to negotiate and sell the surplus portions to Kennedy Point, LLC. The Real Estate Section has completed negotiations with Kennedy Point, LLC. Based on a previous appraisal prepared for the City involving the sale of property in the Kennedy Manor development, the Real Estate Section recommends a sale price of \$94,100.

NOW, THEREFORE BE IT RESOLVED that the Common Council of the City of Madison (the "City") hereby accepts an Offer to Purchase (the "Offer") from Kennedy Point, LLC (the "Buyer") for the purchase of surplus right of way remnants located on First Street and Eastwood Drive (the "Property"), as shown on the attached map, for the siting of a residential 43-unit development subject to the following terms and conditions:

1. The City agrees to sell to the Buyer and the Buyer agrees to purchase from the City the Property.
2. The purchase price shall be based on approximately 6,969 square feet of property at a price of \$ 13.50 per square foot. The total purchase price for the Property shall be Ninety Four Thousand One Hundred and no/00 Dollars (\$94,100), payable in cash at closing, subject to the adjustments and prorations set forth in the Offer.
3. The Buyer shall be responsible for obtaining a commitment from a title insurance company for the property within the proposed Kennedy Point development. The City shall pay a portion of the title insurance fees associated with the \$94,100 sale price. The commitment shall show title to the Property to be in the condition called for in this Offer, subject only to liens which will be paid out of the proceeds of the closing and to any standard title insurance exception, as appropriate, together with a gap coverage endorsement. The Buyer shall notify the City of any valid objection to title, in writing, prior to closing. The City shall have a reasonable time, but not exceeding fifteen (15) days, to remove the objections, and closing shall be extended as necessary for this purpose. Should the City be unable or unwilling to carry out this Offer by reason of a valid legal defect in title which the Buyer is unwilling to waive, this Offer shall be void.
4. The Buyer shall be responsible for all survey costs.
5. The sale is subject to the Common Council approving PUD-SIP Zoning for the proposed Kennedy Point development.
6. Prior to the date of closing, the Buyer and its agents shall be given the opportunity to conduct such inspections of the Property as the Buyer deems reasonably necessary related to matters such as, but not limited to, the physical condition of the improvements located upon the Property, soil conditions, location of flood plain/wetlands boundaries, environmental conditions (adverse or otherwise), matters which would be revealed by survey, zoning, building or land use restrictions and other laws, ordinances, rules or regulations affecting the Property or the Buyer's intended use thereof. The Buyer acknowledges that it does not now, and will not hereafter, rely upon any warranty, promise, guaranty or representation regarding any aspect of the Property (including, but not limited to,

those matters referred to immediately above) made by the City or anyone acting or claiming to act on the City's behalf, except as expressly and specifically otherwise provided in this Offer. The Buyer shall rely exclusively upon the results of the inspections and evaluations it is entitled to make pursuant to this Offer, whether or not such inspections and evaluations are made. The Property shall be conveyed to the Buyer without warranty, express or implied, or in reliance on any representation given by the City, excepting those matters expressly and specifically provided for in this Offer. Notwithstanding the foregoing, in the event the results of such inspections and evaluations of the Property shall be unacceptable to the Buyer, the Buyer may terminate this Offer by giving written notice to the City at any time prior to the date of closing.

7. Closing shall take place on or before December 15, 2005, or at a later date agreed to by the parties, at the offices of the title company providing the title insurance described in Paragraph 3 above.
8. The City agrees to execute and deliver to the Buyer at closing a Quit Claim Deed conveying the Property to the Buyer free and clear from all liens and encumbrances, excepting the following: municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, and general taxes levied in the year of closing.
9. The Buyer shall pay all recording/filing fees except that the City shall pay the recording/filing fees for such documents as are required to be recorded/filed in order to cause title to the Property to be in the condition called for in the Offer.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are 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; and

BE IT FINALLY RESOLVED that the net sale proceeds be deposited in the City General Land Acquisition Fund (unless the Council directs the proceeds be used for another purpose).