



Legislation Text

File #: 44236, Version: 1

Fiscal Note

The proposed amendment does not alter the previously approved fiscal note in RES-16-00567, File No. 43702: The total purchase price is \$965,842.50. Proceeds from the sale will be distributed to the General Land Acquisition Fund (Munis account no. 14006010-48110-00000). Roughly \$227,637 of sale proceeds will be applied towards outstanding special assessments on the six lots sold. In addition, a brokerage fee of \$28,975.28 will be paid to CBRE Brokerage Services. After paying \$1667 for title and closing costs, the remaining net proceeds of \$707,563.23 will be applied towards paying off special assessments on properties owned by the City of Madison located elsewhere within the Center for Industry and Commerce.

Title

Amending Resolution Enactment No. RES-16-00567, File No. 43702, which authorizes the execution of a Purchase and Sale Agreement between the City and Greywolf Partners, Inc. for the purchase of City-owned Lots 21-23 and Lots 32-34 in The Center for Industry & Commerce.

Body

WHEREAS, on August 2, 2016 the execution of a Purchase and Sale Agreement with Greywolf Partners, Inc ("Buyer") to acquire the City owned lots 21-23 and Lots 32-34 in The enter for Industry and Commerce ("Property") was approved by the Common Council via Resolution Enactment No. RES-16-00567, File No. 43702; and

WHEREAS, subsequent to the approval of the aforementioned Resolution, it was determined by Planning Division and City Engineering that Graaskamp Way south of John Wall Drive to Merchant Street is not needed as originally platted and will be discontinued and vacated by the City of Madison prior to closing; and

WHEREAS, the Buyer agrees with this change and does not require any portion of the area of Grasskamp Way to be discontinued and vacated for its development, and the vacated area could be used by adjoining developments; and

WHEREAS, subsequent to the approval of the Resolution, a farm lease was discovered that expires on December 31, 2016. Per Paragraph 11 of the Resolution, the City represented that the Property was not leased. The City agrees to amend the farm lease to remove the Property from the farm lease prior to Closing, and the Buyer accepts this modification.

NOW, THEREFORE, BE IT RESOLVED that numbered Paragraphs 11 and 15 of Resolution Enactment No. RES-16-00567, File No. 43702 are hereby amended to read as follows:

11. Lease. City shall represent that the Property is not leased or occupied, and City shall agree that it shall not enter into any lease or rental agreement for the Property, or any portion thereof, or allow the occupation of the Property during the Due Diligence Period and through the date of Closing, without the prior written consent of Buyer. Notwithstanding the foregoing, the City acknowledges that the Property is currently subject to a farm lease, which lease is scheduled to expire on December 31, 2016. The City agrees to amend the farm lease to remove the Property from the farm lease prior to Closing.

15. Limited Representations and Warranties: AS-IS Condition. Except as otherwise provided in herein, Buyer shall purchase the Property in "AS-IS, WHERE-IS" condition and "with all faults," and shall agree that it relied upon no warranties, representations or statements by City, its agents or employees, in

entering into this Agreement or in closing the transaction described therein. Except as provided below, Buyer's closing on the acquisition of the Property shall constitute conclusive evidence that Buyer is satisfied with the condition of and title to the Property and has waived or satisfied the due diligence requirements provided in Paragraph 6 above.

Notwithstanding the foregoing, City agrees to provide the new streets, to be referred to as John Wall Way and the northern portion of Graaskamp Way from Hoepker Road to John Wall Drive ("New Streets"), and related infrastructure via a special assessment against the Property. Buyer shall be responsible for its prorated share of the cost of the New Streets and related infrastructure via a special assessment against the Property. The timeframe for a commencement and completion date of the New Streets will be established in writing between the Buyer and the City once the Buyer establishes a construction timeline and ground breaking date. The City and Buyer have come to an agreement not to build the southern portion of Graaskamp Way, from John Wall Drive south the Merchant Street. The City will be responsible for all costs of said discontinuance and vacation of Graaskamp Way south of John Wall Drive and the replating of the discontinued right of way.

BE IT FURTHER RESOLVED that all other terms and conditions of Enactment No. RES-16-00567, File No. 43702 shall remain the same; and,

BE IT FINALLY 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 all in a form to be approved by the City Attorney.