



Legislation Text

File #: 32134, **Version:** 1

Fiscal Note

The initial estimated purchase price for the Fire Administration Condominium Unit was \$4,572,111 (see attached RES-12-00873 for details on the initial estimated cost). This amendment authorizes an additional purchase price payment of \$75,000. The 2014 adopted capital budget authorizes \$13,864,100, for the project in 2014.

Title

Authorizing the execution of a Second Amendment to the Purchase and Sale Agreement executed between the City and Hovde West Johnson, LLC.

Body

Hovde West Johnson, LLC, successor-in-interest to Hovde Properties, LLC, and the City are the parties to that certain Purchase and Sale Agreement dated as of December 10, 2012; as amended by First Amendment to Purchase and Sale Agreement dated May 31, 2013 (collectively, the "PSA"). The PSA authorized the recent sale from the City to the Developer of the Madison Fire Department Administration Building located in the 300 Block of West Johnson Street for assemblage into the Developer's mixed-use development condominium project (the "Project") located at 305-309 West Johnson Street. The Madison Fire Administration Building (the "Building") has been demolished by the Developer. The City will purchase a "grey box" condominium unit (the "Fire Admin Condo Unit") and parking stalls within the Project for the purpose of providing administrative office and storage space for the Madison Fire Department. The City shall be responsible for the build out of the Fire Admin Condo Unit. The Madison Fire Department's administration offices have been relocated to leased space until the Fire Admin Condo Unit is built out.

The City desires that the Developer construct a generator pit foundation during construction of the Project, which generator pit shall benefit both the Fire Admin Condo Unit and Fire Station No. 1 (a/k/a the "City Master Condo Unit"), with the added cost of such construction payable by the City to the Developer in conjunction with the City's purchase of the Fire Admin Condo Unit. The parties also desire to amend the PSA to clarify the substantial completion date of the Fire Admin Condo Unit.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Madison hereby authorizes the execution of a Second Amendment to the Purchase and Sale Agreement between the City of Madison and Hovde West Johnson, LLC, successor-in-interest of Hovde Properties, LLC, dated December 10, 2012, as amended May 31, 2013 (collectively, the "PSA"), which will amend the PSA as follows:

1. Paragraph 6.b. of the PSA shall be amended to provide that as part of the Purchase Price of the Fire Admin Condo Unit, the City shall pay to the Developer the additional amount of Seventy-five Thousand and no/00 Dollars (\$75,000.00) (the "Fire Admin Condo Unit Additional Purchase Price"). The Fire Admin Condo Unit Additional Purchase Price is in consideration of the Developer constructing a generator pit foundation (the "Generator Pit"), in accordance with plans and specifications approved by the City, for the benefit of both the Fire Admin Condo Unit and City Master Condo Unit. The City shall be responsible for all costs relating to the equipment to be installed by the City within the Generator Pit. The Fire Admin Condo Unit Additional Purchase Price shall be payable in cash in conjunction with the closing of the Fire Admin Condo Unit. The parties agree that for purposes of calculating the Fire Admin Condo Unit Purchase Price, the square footage area of the Generator Pit shall be excluded from the area calculation of the Fire Admin Condo Unit.
2. The following sentence in Section 5.f. of the PSA (as amended) shall be deleted:

“The Developer shall ensure that the construction of the Fire Admin Condo Unit shall be substantially completed by the last day of the fourteenth (14th) month following the receipt of all required approvals for the Project from all municipal authorities having jurisdiction, including, without limitation, the building permit for the construction of the Project, but in no event, other than provided in this sentence, shall it be substantially completed later than March 1, 2015, provided, however, that the time period shall be subject to extension as a result of force majeure events.”

and replaced with the following:

“The Developer shall ensure that the construction of the Fire Admin Condo Unit shall be substantially completed by no later than March 1, 2015, provided, however, that the time period shall be subject to extension as a result of force majeure events.”

3. The PSA shall remain in full force and effect and the parties shall continue the PSA on the terms contained therein, but subject to the modifications and amendments described in the Second Amendment.

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.