



Legislation Text

File #: 04547, **Version:** 1

Fiscal Note

The City is currently exercising its option to purchase four industrial lots costing approximately \$2 million in the World Dairy Center. This resolution would extend the time period during which the City could purchase the remaining four lots under option, at a cost of approximately \$1.5 million, until after the adoption of the 2007 budget. This resolution has no direct fiscal impact but would preserve the current option price should the funding needed to purchase the remaining four lots be approved in the 2007 budget.

Title

Authorizing an amendment to an Option to Purchase with FHB Investments, LLC to acquire lots within the World Dairy Center for the Wisconsin BioAg Gateway Project.

Body

PREAMBLE

The Common Council adopted a resolution (File No. 03066) on April 4, 2006 authorizing the execution of two Options to Purchase ("Option 1" and "Option 2", collectively the "Options") with FHB Investments, LLC ("FHB") to acquire lots within the World Dairy Center for the Wisconsin BioAg Gateway Project. The lots are located within TID# 24 (Southeast Industrial Development) and have a total purchase price of \$3,509,001. The 2006 Adopted Capital Budget authorized up to \$2,000,000 in available TIF proceeds for land acquisition costs in TID# 24. Expenditures beyond the authorized \$2,000,000 would require additional Common Council approval. Under the terms of the Options the City is required to exercise the Options to acquire the lots by October 8, 2006 and close within thirty (30) days of this date or at a later date agreed to by the parties. The City intends to exercise its option to acquire all the lots (Lots 4, 5 and 11) under Option 1 and Lot 6 under Option 2 (see attached Exhibit) at a cost of \$1,929,332 plus miscellaneous closing costs of approximately \$7,500 (total cost \$1,936,832). The acquisition of these lots is within the \$2,000,000 authorized in the 2006 Adopted Capital Budget and would leave a balance of approximately \$63,168. Authorization for additional funding in the amount of approximately \$1,521,501 (cost of lots plus miscellaneous closing costs of approximately \$5,000 minus the approximate \$63,168 balance of funds previously authorized) is required to acquire the remaining lots under Option 2 (Lots 9, 10, 12 and Outlot 12) (see attached Exhibit). Funding to acquire the remaining lots has been proposed in the 2007 Executive Capital Budget and Capital Improvement Program submitted by the Mayor to the Common Council on September 5, 2006 for Common Council approval.

FHB has agreed to an amendment to Option 2 that would extend the date on which the City may exercise its option to acquire Lots 9, 10, 12 and Outlot 12 to November 30, 2006. If the Common Council approves the 2007 Capital Budget with authorization for funding to acquire the remaining lots under Option 2 the City will exercise its option by November 30, 2006. All other terms and conditions of Option 2 would remain in effect.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes the execution of an amendment to the Option to Purchase ("Option 2") executed between the City and FHB Investments, LLC for Lots 9, 10, and 12 of the World Dairy Campus Plat and Outlot 12 of Second Addition to World Dairy Center (as shown on the attached Exhibit) extending the date that the City has to exercise its option to November 30, 2006.

BE IT FURTHER RESOLVED that all other provisions of Option 2 will remain in full force and effect.

BE IT STILL FURTHER RESOLVED that the Mayor and City Clerk 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.