



Legislation Text

File #: 21384, Version: 1

Fiscal Note

Adoption of this resolution has no direct budgetary impact. If MG&E exercises its First Right of Refusal and the City purchases a slightly smaller East Washington Avenue development site than originally anticipated, as allowed by this resolution, the City's total acquisition cost for the property would be reduced by \$231,000 from the \$5,566,436 originally approved. This reduced price would result in lower general obligation borrowing and correspondingly lower debt service costs charged to TIF district #36 in future years.

Title

Authorizing the revision of the Purchase and Sale Agreement with East Washington LLC and East Washington II, LLC (collectively the "Sellers") for the purchase of properties owned by the Sellers located in Blocks 133, 143 and 144 of the Original Plat of the City of Madison.

Body

On November 30, 2011 the Common Council adopted a resolution (File ID: 20460 Enactment Number: RES-10-00934) that approved the terms and conditions and authorized the execution of a Purchase and Sale Agreement (the "PSA") with East Washington, LLC and East Washington II, LLC (the "Sellers") for the acquisition of properties owned by the Sellers located along East Washington Avenue in Blocks 133, 143, and 144 of the Original Plat of the City of Madison (the "Properties"). The primary reason to acquire the Properties was to preserve, to the fullest extent possible, the principles of coherent urban infill redevelopment that are highlighted in the adopted Comprehensive Plan, the Tenney-Lapham Neighborhood Plan, and the East Washington Capitol Gateway Corridor Plan. Land Banking funds were authorized to be used for the acquisition of the Properties.

Madison Gas & Electric Company has a Right of First Refusal on one of the Properties, shown on the attached Exhibit, located in Block 144 (the "806 East Main Street Property"). The PSA terms and conditions approved by the Common Council resolution do not enable the City to acquire the balance of the Properties should MG&E exercise its Right of First Refusal on the 806 East Main Street Property. The adoption of this resolution will authorize the revision of the PSA terms and conditions to enable the City to acquire the balance of the Properties should MG&E exercise its Right of First Refusal and acquire the 806 East Main Street Property.

NOW, THEREFORE BE IT RESOLVED that the Common Council of the City of Madison hereby authorizes the following revisions to the terms and conditions for the Purchase and Sale Agreement between East Washington, LLC and East Washington II, LLC (the "Sellers") for the purchase of properties owned by the Sellers located in Blocks 133, 143 and 144 of the Original Plat of the City of Madison:

1. Properties. The Buyer shall purchase and the Seller shall sell and convey by Warranty Deed (the "Deed") fee simple ownership of the Properties, including all improvements located thereon and all appurtenances thereto. In the event that Madison Gas & Electric Company exercises its Right of First Refusal, as noted in Paragraph 9 below, Buyer agrees to purchase all the Properties described on Exhibit A attached hereto except for the property located at 806 East Main Street.
9. Title Insurance.
 - b. Buyer has been informed that Madison Gas & Electric Company has a First Right of Refusal with respect to the Properties located at 806 and 820 East Main Street. ~~Seller shall have sixty (60) days after the Effective Date to obtain a waiver from Madison Gas & Electric Company with respect to this First Right of Refusal.~~