



Legislation Text

File #: 18937, Version: 2

Fiscal Note

By adoption of this resolution the City relinquishes its existing right to future ownership of this 102 unit townhouse development as such right is set forth in the 1971 Agreement. In lieu of this right, the City will acquire a future right to acquire the property for one dollar if Bayview receives an offer to purchase the property for a use other than affordable housing. No fiscal impact.

Title

SUBSTITUTE - Resolution authorizing the Mayor and City Clerk to execute a Termination of Agreement with Bayview Foundation, Inc. to release the City's future ownership rights in the Bayview Foundation's property located in the Triangle Plat in the City of Madison and accepting a grant of right of first refusal in the property from Bayview.

Body

Preamble

In 1969 the Redevelopment Authority of the City of Madison entered into a Contract for Sale of Land for Private Redevelopment with Bayview Foundation, Inc., a Wisconsin non-profit corporation ("Bayview"). Under this Contract the Redevelopment Authority agreed to convey Lot Three, Block Three, Triangle Plat (the "Property") to Bayview for Bayview's construction thereon of low and moderate income rental housing. The Contract also provided that Bayview was to subsequently enter into an agreement with the City of Madison under which Bayview would convey the Property, including all improvements thereon, to the City at no cost to the City upon Bayview's satisfaction of its mortgage loan. The City and Bayview entered into such an agreement on July 16, 1971 (the "Agreement") requiring Bayview to convey the Property to the City at no cost to the City upon the satisfaction by Bayview of all its mortgage obligations on the Property.

Bayview is a 102-unit townhouse complex located in the Triangle Neighborhood in the Park Street corridor. Since its construction in 1970, Bayview has been occupied by low- and moderate-income families and individuals. Bayview is scheduled to satisfy its mortgage obligations on the Property in 2011, and it has requested that the City release the City's future ownership rights in the Property and terminate the Agreement. Bayview desires to continue to own the Property and serve those needing affordable rental housing.

In order to ensure the Property continues to be operated as affordable housing, Bayview has agreed to execute and record a Land Use Restriction which shall restrict the use of the Property to low and moderate income rental housing and facilities to support the Property's residents for a period of forty years. Bayview has also agreed to grant the City, for a period of forty years, a right to purchase the Property if Bayview receives a bona fide offer to purchase the Property for a use other than as affordable rental housing. If Bayview is willing to accept such an offer, Bayview must notify the City of the offer. The City shall have the right to purchase the Property for the purchase price of one dollar. The election by the City to purchase the Property shall be made by the Common Council. The City must exercise its right to purchase within ninety days of receiving Bayview's notice. If the City does not exercise its right to purchase, Bayview may convey the Property pursuant to the offer.

NOW THEREFORE, BE IT RESOLVED, that the Common Council hereby agrees to release its future ownership rights in Lot Three, Block Three, Triangle Plat in the City of Madison, as provided for in the Agreement, and authorizes the Mayor and City Clerk to execute a Termination of Agreement and a Grant of Right of First Refusal Agreement with Bayview Foundation, Inc.

BE IT FURTHER RESOLVED, that the Mayor and Clerk are hereby authorized to execute any other documentation necessary to implement the release such future ownership rights, subject to the review and approval of the City Attorney.