



## Legislation Text

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File #: 31639, Version: 1

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### Fiscal Note

The 2014 Executive Capital Budget includes \$1.2 million for purchase of a site for a Police Midtown District Station (Police Department Project No. 3). The purchase price of this property is \$1.2 million. Funding of \$30,000 for earnest money and expenses associated with the buyer's contingencies will be transferred from the General Land Acquisition Fund for expenditure in 2013.

### Title

Authorizing the execution of a Purchase and Sale Agreement between the City of Madison and Mount Olive Evangelical Lutheran Church for the purchase of property located at 4018 Mineral Point Road for the location of a Midtown police station and an amendment to the 2013 Capital Budget to provide \$30,000 for earnest money and buyer's contingencies.

### Body

The Madison Police Department has used a strategic planning effort which included current data and future trends for City population growth, citizen demands for service, and staffing levels to assist in establishing geographical boundaries that define how Police Districts will be organized. While the MPD has been using a five District community-based model to provide primary police services for nearly two decades, data indicates that its current Districts are outgrowing capacity to meet the demands of the City of Madison. With the annexation of portions of the Town of Madison and Blooming Grove and increased City growth, the MPD is proposing to add a police station in the Midtown area of the City to alleviate workload issues in the South, West and Central Districts to maintain efficient response times.

A property located at 4018 Mineral Point Road (the "Property") has been identified by the MPD that, if purchased by the City, would provide a site for a new Midtown police station. The Property has approximately 32,000 sq. ft. of improvements located on 2.19 acres (95,255 sq. ft.) The Property was formerly occupied by the Mount Olive Evangelical Lutheran Church (the "Church"). The Property is currently being leased by the Church on a month-to-month basis. A Letter of Intent (the "LOI") has been executed between the City and the Church with the term and conditions for the purchase of the Property. This resolution, if adopted, will authorize the execution of a Purchase and Sale Agreement between the parties with the terms and conditions agreed to in the LOI. The PSA includes contingencies that include Common Council budget authorization for the purchase of the Property in 2014. The proposed 2014 Capital Budget includes funding for the purchase of a Midtown District Station.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Madison hereby authorizes the execution of a Purchase and Sale Agreement (the "Agreement") between the City (the "Buyer") and Mount Olive Evangelical Lutheran Church (the "Seller") for the purchase of a property owned by the Seller located at 4018 Mineral Point Road, Madison, Wisconsin (the "Property"), legally described in Exhibit A below and depicted on the attached Exhibit B, for the location of a police station, on the following terms and conditions:

1. Deed. The Buyer shall purchase, and the Seller shall sell and convey by Warranty Deed (the "Deed"), fee simple ownership of the Property, including all improvements located thereon and all appurtenances thereto.
2. Effective Date. The "Effective Date" shall be the later date of execution of the Agreement by the Seller or the Buyer, as indicated on the signature page.
3. Purchase Price. The total purchase price for the Seller's interest in the Property (the "Purchase Price")

shall be One Million Two Hundred Thousand Dollars (\$1,200,000). The Purchase Price shall be payable in cash at Closing, subject to the adjustments and prorations herein provided.

4. Earnest Money. Within ten (10) business days of the Effective Date, the Buyer shall pay to the Seller Ten Thousand Dollars (\$10,000) as “Earnest Money”, which will be non-refundable except as otherwise provided in Paragraphs 6 and 10 and the corresponding provisions of the Agreement, to be applied toward the Purchase Price at Closing in accordance with Paragraph 3.
5. Delivery of Documents. Within ten (10) days of the Effective Date and throughout the Buyer’s Contingency Period as described in Paragraph 6, the Seller will reproduce at the Seller’s expense and send to the Buyer at the Buyer’s office copies of all environmental studies, reports, permits, applications and remediation plans or assessments of the Property, and all building plans, studies, reports, or assessments related to the condition of the improvements on the Property including, but not limited to, asbestos, lead-based paint inspections and other hazardous waste inspections related to the physical condition of the improvements in the Seller’s possession or control.
6. Buyer Contingencies. The Buyer shall have ninety (90) days from the Effective Date (the “Buyer’s Contingency Period”) to satisfy or waive the following contingencies (the “Buyer’s Contingencies”) or to otherwise terminate the Agreement if any of the Buyer’s Contingencies are unacceptable, in the Buyer’s sole discretion. If the Buyer timely terminates the Agreement as a result of any of the Buyer’s Contingencies, the Earnest Money shall be promptly refunded to the Buyer.
  - a. Inspections and Testing. The Buyer obtaining various inspections and testing of the Property and any improvements located thereon. The Buyer, at its sole expense, may obtain an inspection of any buildings and related improvements located on the Property, a Phase 1 or 2 environmental site assessment of the Property and related testing, soils testing and any other inspections or testing deemed necessary by the Buyer. In no event shall the Seller be required to cure any matter to which the Buyer objects relating to the condition of the Property or any improvements located thereon.
  - b. Land Use Approvals. The Buyer securing all land use approvals for the use of the Property by the City of Madison’s Police Department for the siting of a police station. Such approvals may include, but not be limited to: approval of a PUD, approval by the Urban Design Commission, and all other zoning, building, engineering, traffic and similar approvals and permits necessary to use the Property for the uses described herein.
  - c. Appraisal. The Buyer obtaining, at its sole cost, an appraisal that supports the Purchase Price.
  - d. Site Plan. The Buyer obtaining, at its sole cost, a site plan showing the suitability of the Property to accommodate the siting of a City of Madison Police Department station.
  - e. Lease. The Buyer receiving and agreeing to purchase the Property subject to the terms and conditions of the lease described in Paragraph 8.
  - f. Budget Authorization. The Buyer obtaining budget authorization from the Common Council of the City of Madison for the purchase of the Property.

The Buyer’s Contingency Period may be extended for an additional thirty (30) days by written notice from the Buyer to the Seller delivered prior to the expiration of the Buyer’s Contingency Period.

7. Access to Property. The Buyer and the Buyer’s authorized agents, engineers, consultants, appraisers, and contractors shall be permitted access to the Property for the purpose of conducting the inspections

and testing anticipated by the Buyer's Contingencies including, but not limited to, a Phase 1 or 2 environmental assessment of the Property and/or a physical inspection of the Property and any building and related improvements located on the Property at reasonable times with at least twenty-four (24) hour notice to the Seller. The Buyer's access to, and inspection of, the Property shall be at Buyer's sole risk and expense and Seller shall have no responsibility therefor. The Buyer will repair, at the Buyer's cost, all damages caused by its inspections or testing so that the condition of the Property is returned to as good or better condition as existed prior to the inspections or testing.

8. Lease. The Seller shall represent that the Property is currently leased to House of Refuge Ministries on a month-to month basis, and the Seller shall agree that it shall not enter into any new lease or rental agreement nor renew the current lease for the Property, or any portion thereof, during the Buyer's Contingency Period and through the date of closing, without the prior written consent of the Buyer. The Seller shall provide to the Buyer within ten (10) days of the Effective Date a copy of the current lease.
9. Survey. Any survey of the Property including, but not limited to, an ALTA/ACSM Land Title Survey that meets the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys effective February 23, 2011 that is required to eliminate all survey related exceptions to the title insurance policy, certified as of a current date in favor of the Buyer and the title company providing the title insurance described in Paragraph 10 shall be at the sole cost and expense of the Buyer.
10. Title Insurance. The Seller shall provide to the Buyer, at the Seller's expense, within thirty (30) days prior to Closing a commitment from First American Title Insurance Company (the "Title Company") to issue an ALTA Owner's Title Insurance Policy in the amount of the Purchase Price upon the recording of proper documents, together with a gap endorsement. The commitment shall show title to the Property, as of a date no more than fifteen (15) days before such title proof is provided to the Buyer, to be in the condition called for in the Agreement, and further subject only to liens which will be paid out of the proceeds of the Closing and to any exceptions acceptable to the Buyer ("Permitted Exceptions"). The Buyer shall notify the Seller of any valid objection to title, in writing, prior to Closing. The Seller shall have a reasonable time, but not exceeding fifteen (15) days, to remove the objections and Closing shall be extended as necessary for this purpose. Should the Seller be unable or unwilling to carry out the Agreement by reason of a valid legal defect in title which the Buyer is unwilling to waive, the Agreement shall be void and the Buyer shall be entitled to a return of the Earnest Money.
11. Closing.
  - a. Closing shall occur within thirty (30) days after the waiver or satisfaction of the Buyer's Contingencies listed in Paragraph 6; however, in no event, shall the closing date be earlier than January 1, 2014, at the office of the Title Company, unless the parties agree in writing to another date or place.
  - b. The Seller agrees to execute and deliver to the Buyer at Closing the Deed conveying the Property to the Buyer free and clear from all liens and encumbrances, excepting the following: Municipal and zoning ordinances and the Permitted Exceptions.
  - c. The Buyer shall pay all recording/filing fees except that the Seller shall pay the recording/filing fees for such documents as are required to be recorded/filed in order to cause title to the Property to be in the condition called for by the Agreement.
  - d. The Property is exempt from real estate taxes and there will be no proration of real estate taxes at Closing. Should the Property's tax status change and it is no longer exempt from real estate taxes such real estate taxes shall be prorated between the Buyer and Seller as of the Date of Closing based upon the latest know Assessment Mil Rate.

- e. The Seller shall be responsible for any and all special assessments, area assessments, interceptor charges or any other charges payable to any municipality or utility with regard to the Property as of the date of Closing.
- f. The Seller shall pay any Wisconsin Real Estate Transfer fee due in connection with the conveyance of the Property.
- g. The Seller shall pay any and all broker commissions or fees due in connection with the sale of the Property.

BE IT 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.

BE IT FINALLY RESOLVED THAT the 2013 Capital Budget is amended by \$30,000 to provide funds in the amount of \$10,000 for the Earnest Money and \$20,000 for expenses associated with the Buyer's Contingencies (appraisal, environmental assessments) from the General Land Acquisition Fund.

CB71-58330-810772	\$30,000	Building Acquisition
CB71-79442-810772	(\$30,000)	Transfer In from Land Fund
CL21-57446-810347	\$30,000	Transfer Out to Buildings
CL21-78320-810347	(\$30,000)	Land Sales