Legislation Details (With Text)

File #:	03066	**Version:**	2	**Name:**	Options to Purchase - Wisconsin BioAg Gateway Project SUBSTITUTE
Type:	Resolution			**Status:**	Passed
File created:	2/28/2006			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	4/4/2006			**Final action:**	4/4/2006
Enactment date:	4/7/2006			**Enactment #:**	RES-06-00309

Title: SUBSTITUTE - Authorizing the execution of two Options to Purchase with FHB Investments, LLC to acquire lots within the World Dairy Center for the Wisconsin BioAg Gateway project. 16th Ald. Dist.

Sponsors: David J. Cieslewicz, Judy Compton, Noel T. Radomski, Larry Palm

Indexes:

Code sections:

Attachments: 1. 8382 BioAg Option.pdf

Date	Ver.	Action By	Action	Result
4/4/2006	2	COMMON COUNCIL	Adopt	Pass
3/27/2006	2	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
3/27/2006	2	Community and Economic Development Unit	Fiscal Note Required / Approval	
3/27/2006	2	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office (SUBSTITUTES)	
3/20/2006	1	PLAN COMMISSION	Return to Lead with the Recommendation for Approval	Pass
3/7/2006	1	COMMON COUNCIL	Refer	
3/7/2006	1	BOARD OF ESTIMATES (ended 4/2017)	Refer	
3/1/2006	1	Community and Economic Development Unit	Referred for Introduction	
2/28/2006	1	Community and Economic Development Unit	Fiscal Note Required / Approval	
2/28/2006	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	

Fiscal Note

This Resolution would authorize the Mayor and Clerk to execute option agreements and purchase several parcels of land with a total price of approximately $3.5 million. The 2006 Adopted Capital Budget for the Department of Planning and Development authorizes up to $2,000,000 in available TIF proceeds for land acquisition costs in TID 24 (Project# 10, "TID 24-Southeast Industrial Development"). Expenditures beyond the authorized $2,000,000 will require additional Common Council approval in the form of an amendment to the capital budget.

Title

SUBSTITUTE - Authorizing the execution of two Options to Purchase with FHB Investments, LLC to acquire lots within the World Dairy Center for the Wisconsin BioAg Gateway project. 16th Ald. Dist.

Body

Preamble

When the City created Tax Increment Finance District #24 (TID 24), one of the original objectives was to create the World Dairy Center, a business park/campus for agriculture corporate offices, research and

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development, high technology, showroom and support services for agri-businesses. Although TID 24 has been very successful in retaining and attracting a variety of manufacturing businesses, the focus on agriculture-related business and manufacturing has not happened. The Wisconsin BioAg Gateway project offers the opportunity to accomplish the City's original objectives for investing in this area and to leverage additional private sector investment, more tax base and more direct revenue to the City.

The Wisconsin BioAg Gateway Campus is a major economic development initiative proposed for Madison's World Dairy Center business park located in TID 24. Through the facilities that would be available at this campus, cutting edge technologies in agriculture, biotechnology, and manufacturing will be brought together to produce and commercialize products and services.

The campus as currently proposed will have 3 components and be developed in phases:

- A Controlled Environment Agriculture (CEA) Incubator and an Advanced Commercialization Greenhouse - the Midwest BIOLINK.
- A business park that will serve both as a location for businesses growing out of the incubator/greenhouse and for attracting related businesses that will contribute to the campus.
- A discovery center and agricultural showcase for field testing, education, and training.

Oversight, marketing, and implementation of projects will be provided by the Wisconsin BioAg Institute, an organization comprised of stakeholders and experts in the field of bio-agriculture.

To move ahead with this project three actions need to occur:

1. Secure the land identified for this initiative.
2. Complete a rigorous market feasibility/business operations plan for the lynchpin project in this initiative, the Biolink facility (a controlled environment incubator / greenhouse).
3. Complete the concept development, presentation/marketing materials and initial commitments from other funders.

In order to accomplish Number 1 above, the City has negotiated two Options to Purchase with FHB Investments, LLC to secure land within the World Dairy Center that have been identified for this initiative.

WHEREAS, the City of Madison supports economic development within the City; and

WHEREAS, TID 24 was established to make Madison more attractive to manufacturers, research and development firms, and other industrial firms; and

WHEREAS, the heritage of innovation in the agricultural and life sciences has been a cornerstone in the economic development of the City of Madison; and

WHEREAS, the potential to build on that heritage and grow the local economy through the support of agricultural and bio-technology businesses; and

WHEREAS, the Madison area is in a unique position to become a center for the commercialization of these new technologies in the bio and ag-business sectors; and

WHEREAS, the potential for the support of this industry cluster was specifically identified in the "2002 Capitol Region Technology Zone" application the City of Madison, in partnership with the cities of Middleton, Fitchburg, Monona, the Town of Madison and Dane County made to the State to establish a Technology Zone tax credit program within the service area; and

WHEREAS, to take advantage of the opportunities within this emerging technology industry, it is necessary to study and plan for the Wisconsin BioAg Gateway; and

WHEREAS, due to its proximity to the Wisconsin Department of Agriculture, Trade, and Consumer Protection and its consistency with the adopted TID 24 project plan, the Wisconsin BioAg Gateway is proposed for lands within the World

Dairy Center; and

WHEREAS, creating, retaining and facilitating the expansion of agriculture and biotechnology-based businesses is important to the continued development of the local economy; and

WHEREAS, incubator facilities and research centers are key for the retention and commercialization of our technologies; and

WHEREAS, the City wishes to support the implementation of the Wisconsin BioAg Gateway by securing land within the World Dairy Center for the location of such facilities; and

WHEREAS, the City has negotiated two Options to Purchase with FHB Investments, LLC for the acquisition of the lands identified within the World Dairy Center to facilitate the implementation of the Wisconsin BioAg Gateway project.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes the execution of two Options to Purchase with FHB Investments, LLC for Lots 4, 5 and 11 of the World Dairy Campus Plat (Option 1) and a portion or all of Lot 6, Lots 9, 10, and 12 ~~and Outlot 12~~ of the World Dairy Campus Plat and Outlot 12 of Second Addtion to World Dairy Center (Option 2) (as shown on the attached Exhibit) to facilitate the implementation of the Wisconsin BioAg Gateway project, located within TID 24, on the following terms and conditions:

Option 1.

1. Purchase Price: The total purchase price of the Seller's interest in Lots 4, 5 and 11 (collectively the "Property') shall be $2.75 per square foot multiplied by the number of square feet comprising the Property or such portion of the Property acquired by the City (the "Purchase Price"), payable in cash at closing.

Lot 4	4.463 acres	202,192 sq. ft.	$556,028
Lot 5	4.749 acres	206,626 sq. ft.	$568,222
Lot 11	3.001 acres	130,540 sq. ft.	$358.98
Total	**12.21 acres**	**539,358 sq. ft.**	**$1,483,235**

2. Option Fee: The City shall pay a non-refundable "Option Fee" equal to the amount of the real estate taxes on the Property (estimated based on the prior year's taxes to be $5,750) prorated for the period that the Property is under option (the "Option Period"). The Option Period shall commence on the date of the parties' execution of the Option and shall expire ninety (90) days thereafter (the "Option Expiration Date"). The Option Fee shall be applied against the Purchase Price.

3. Option Extension: There shall be one "Option Extension." The Option Extension shall be exercisable at the discretion of the City by providing the Seller written notice a minimum of thirty (30) days prior to the Option Expiration Date and payment of an "Option Extension Fee" equal to the amount of the real estate taxes on the Property (estimated based on the prior year's taxes to be $5,750) prorated for the Option Extension period. The "Option Extension Period" shall expire ninety (90) days from the Option Expiration Date. The Option Extension Fee shall be applied against the Purchase Price.

4. Exercise of Option. The City may exercise the Option on any number or combination of the lots constituting the Property by providing the Seller written notice ~~a minimum of thirty (30) days~~ prior to the Option Expiration Date or the expiration of the Option Extension Period.

5. Closing. The closing shall occur within thirty (30) days of the expiration of the Option Expiration Date or the Option Extension Period.

Option 2.

1. Purchase Price: The total purchase price of the Seller's interest in a portion or all of Lot 6, Lots 9, 10, 12 and Outlot 12 (collectively the "Property") shall be $2.75 per square foot multiplied by the number of square feet comprising the Property or such portion of the Property acquired by the City (the "Purchase Price"), payable in cash at closing.

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Lot 6	3.724 acres	162,217 sq. ft.	$446,097
Lot 9	5.855 acres	255,044 sq. ft.	$701,371
Lot 10	2.630 acres	114,562 sq. ft.	$315,046
Lot 12	3.311 acres	144,227 sq. ft.	$396,624
Outlot 12	1.390 acres	60,592 sq. ft.	$166,628
Total	**16.910 acres**	**736,642 sq. ft.**	**$2,025,766**

2. Option Fee: The City shall pay a non-refundable "Option Fee" equal to the amount of the real estate taxes on the Property (estimated based on the prior year's taxes to be $4,876) prorated for the period that the Property is under option (the "Option Period"). The Option Period shall commence on the date of the parties' execution of the Option and shall expire ninety (90) days thereafter (the "Option Expiration Date"). The Option Fee shall be applied against the Purchase Price.

3. Option Extension: There shall be one "Option Extension." The Option Extension shall be exercisable at the discretion of the City by providing the Seller written notice a minimum of thirty (30) days prior to the Option Expiration Date and payment of an "Option Extension Fee" equal to the amount of the real estate taxes on the Property (estimated based on the prior year's taxes to be $4,876) prorated for the Option Extension period. The "Option Extension Period" shall expire ninety (90) days from the Option Expiration Date. The Option Extension Fee shall be applied against the Purchase Price.

4. Exercise of Option. The City may exercise the Option on any number or combination of the Lots, Outlot and that portion of Lot 6 constituting the Property by providing the Seller written notice ~~a minimum of thirty (30) days~~ prior to the Option Expiration Date or the expiration of the Option Extension Period.

5. Closing. The closing shall occur within thirty (30) days of the expiration of the Option Expiration Date or the Option Extension Period.

6. Lot Division. The Seller may, at its sole cost and expense, subdivide Lot 6 into two lots with the Option applying to the northernmost lot that is created. Said lot shall be a minimum of two acres.

7. Access Road. Should the Seller exercise its option to purchase Lot 9, the City shall grant to the Seller a permanent access easement extending from the terminus of the improved road at the property line of Lot 9 to Outlot 9. The extension of the road across Lot 9 shall be built to City standards at the sole cost and expense of the Seller.

8. Secondary Offer. The Seller may continue to market the Property during the Option Period and the Option Extension Period. In the event that the City exercises the Option Extension and the Seller obtains a bona fide secondary offer to purchase any portion of the Property ("Secondary Offer"), during the Option Extension Period only, the Seller may give notice to the City of acceptance of the Secondary Offer. If the City fails to exercise the Option for the portion of the Property subject to the Secondary Offer within five (5) business days of the Seller's delivery of said notice to the City, the Option shall be null and void as to the portion of the Property subject to the Secondary Offer.

BE IT FINALLY 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.

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