Legislation Details (With Text)

File #:	06120	**Version:**	1	**Name:**	Authorizing the execution of an Offer to Purchase Real Property with the Estate of Donald Felland for the acquisition of 2305 Winnebago Street and amending the 2007 Capital Budget to authorize the expenditure of additional funds for this acquisition.
Type:	Resolution			**Status:**	Passed
File created:	4/10/2007			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	5/15/2007			**Final action:**	5/15/2007
Enactment date:	5/18/2007			**Enactment #:**	RES-07-00542

Title: Authorizing the execution of an Offer to Purchase Real Property with the Estate of Donald Felland for the acquisition of 2305 Winnebago Street and amending the 2007 Capital Budget to authorize the expenditure of additional funds for this acquisition.

Sponsors: Judy K. Olson

Indexes:

Code sections:

Attachments: 1. 8545 Exhibit.pdf

Date	Ver.	Action By	Action	Result
5/15/2007	1	COMMON COUNCIL	Adopt	Pass
5/7/2007	1	BOARD OF PUBLIC WORKS	Return to Lead with the Recommendation for Approval	Pass
5/7/2007	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER	Pass
5/2/2007	1	BOARD OF PUBLIC WORKS	Refer	
4/17/2007	1	COMMON COUNCIL	Refer	
4/17/2007	1	BOARD OF ESTIMATES (ended 4/2017)	Refer	
4/11/2007	1	Community and Economic Development Unit	Referred for Introduction	
4/10/2007	1	Community and Economic Development Unit	Fiscal Note Required / Approval	
4/10/2007	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	

Fiscal Note

Land acquistion and staff time costs of $100,000 were anticipated and appropriated within the 2006 Capital Budget. Based upon two appraisals, an additional $60,000 has been negotiated to purchase the property located at 2305 Winnebago Street for a total acquisition cost of $160,000. The $160,000 negotiated sales price, $5,000 for closing costs and staff time, are TIF eligible and will be reimbursed from future tax increment generated. Until sufficient TIF increment is generated, funds will be internally borrowed to finance these project costs.

Given the negotiated sales price of $160,000 and $5,000 in closing and staff costs, an amendment of $65,000 shall be authorized and appropriated in the 2007 Capital Budget account CS53-58110-810556-00-53W0387-53TIF037 to acquire the Winnebago Street property.

Title

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Authorizing the execution of an Offer to Purchase Real Property with the Estate of Donald Felland for the acquisition of 2305 Winnebago Street and amending the 2007 Capital Budget to authorize the expenditure of additional funds for this acquisition.

Body

PREAMBLE

On September 6, 2006 the Common Council adopted a resolution (Resolution Enactment No. RES-06-00717 ID No. 04230) determining a public purpose and necessity and adopting a relocation order for the acquisition of a property located at 2305 Winnebago Street (the "Property") for the relocation of Winnebago Street from South Sixth Street to LaFollette Avenue and amending the 2006 Capital Budget to authorize the expenditure of an additional $100,000 for the estimated acquisition costs associated with this project. The Property is owned by the Estate of Donald Felland (the "Owner"). Based on two appraisals, the Office of Real Estate Development has negotiated a purchase price and executed a Letter of Intent with the Owner for the acquisition of the Property. The Letter of Intent provides that, subject to Common Council approval, an Offer to Purchase Real Property will be executed between the parties that will provide for the acquisition of the Property and the escrow of funds for the clean up of any contaminants on the Property by the City. Any escrowed funds remaining after the clean up of the Property shall be disbursed to the Owner. Authorization for the expenditure of additional funds is needed for the purchase of the Property.

NOW THEREFORE BE IT RESOLVED that the Common Council of the City of Madison authorizes an execution of an Offer to Purchase Real Property with the Estate of Donald Felland ("Owner") for the acquisition of a property located at 2305 Winnebago Street, as depicted on the attached Plat of Survey, for the relocation of Winnebago Street from South Sixth Street to LaFollette Avenue, subject to the following terms and conditions:

1. The purchase price for the Property shall be $160,000, payable in cash at closing, as follows:

   a. $120,500, subject to any prorations and adjustments as hereinafter provided, shall be paid to the Owner.

   b. $39,500 shall be deposited into an escrow fund ("Escrow Fund") held by an escrow agent to be agreed upon by the parties. The escrow instructions shall provide for the release of the Escrow Fund to the Estate of Donald Felland, subject to the conditions detailed in Paragraph 12 below.

2. The closing for the purchase of the Property shall be on or before May 31, 2007 at a place to be agreed to by the parties, unless the parties agree upon another date.

3. The Owner agrees to execute and deliver to the City at closing a Personal Representative's Deed conveying the Property to the City.

4. The Owner makes no warranties or representations with regard to the environmental condition of the Property.

5. Any personal property of the Owner remaining on the Property on the date of closing shall become the property of the City.

6. The Owner shall be responsible for any and all liens, mortgages, and judgments recorded or filed against the Property, and any and all special assessments, area assessments, connection charges, interceptor charges or any other charges payable to any municipality or utility with regard to the Property as of the date of closing.

7. Each party shall be responsible for and bear all costs and expenses incurred by each party in connection with the transaction contemplated herein.

8. The City shall pay all recording/filing fees except that the Owner shall pay the recording/filing fees for such documents as are required to be recorded/filed in order to convey title to the Property to the City.

9. The Owner shall pay all real estate transfer taxes payable pursuant to Section 77.25, Wisconsin Statutes, if any.

10. Real estate taxes payable on the Property shall be prorated at time of closing.

11. The Owner agrees to grant to the City, and its agents and contactors, access to the Property for the purposes of

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conducting, at the City's sole expense, a Phase II Environmental Assessment of the Property and any subsequent testing required pursuant to such environmental assessment. Said environmental assessment shall include and require access to the land, the building and the contents of the building.

12. Any and all costs and expenses incurred by the City resulting from the clean up of any contaminants found on the Property, to the extent that the contaminants are determined to originate from activities on the Property, shall be charged against the $39,500 held in the Escrow Fund. Such charges shall exclude all costs and expenses incurred by the City for the Phase II Environmental Assessment and any subsequent environmental testing on the Property. Should it be determined that the Property requires clean up due to the presence of contaminants the City shall provide to the Owner an estimate of the costs and expenses to clean up the Property within five (5) days of receiving said estimate. The City shall provide to the escrow agent invoices and proof of payment of all costs and expenses charged against the Escrow Fund upon completion of clean up activities. The balance of the funds remaining in the Escrow Fund after payment is made to the City for its clean up costs and expenses shall be paid to the Estate of Donald Felland upon the earlier of: (a) the receipt of a closure letter from the Wisconsin Department of Natural Resources; or (b) the third anniversary of the date of closing.

BE IT FURTHER RESOLVED that the 2007 Capital Budget is amended to authorize additional expenditures totaling $65,000 ($60,000 for the acquisition and $5,000 for miscellaneous acquisition and closing costs including appraisals, staff time, proration of taxes and recording fees) for the acquisition of the Property.

BE IT STILL FURTHER RESOLVED that the Comptroller is authorized to internally borrow to finance the TIF eligible portion of these costs until sufficient increment is available to cover project costs.

BE IT STILL FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute any and all documents required to complete the transaction contemplated in this resolution.

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