City of Madison

Legislation Details (With Text)

File #:	27878	**Version:**	2	**Name:**	9908 Purchase & Sale Agreement - Dayton & Johnson Streets
Type:	Resolution			**Status:**	Passed
File created:	10/1/2012			**In control:**	PLAN COMMISSION
On agenda:	11/27/2012			**Final action:**	11/27/2012
Enactment date:	11/28/2012			**Enactment #:**	RES-12-00873

Title: Authorizing the execution of a Purchase and Sale Agreement between the City of Madison and Hovde Properties LLC ("Developer") for the acquisition of a portion of City-owned property located at 316 W. Dayton Street by the Developer for assemblage into a mixed-use condominium project ("Project") located at 305-309 W. Johnson Street and the purchase and buildout by the City of a "grey box" condominium unit and condominium parking stalls within the Project for the relocation of Madison Fire Department Administrative offices.

Sponsors: Paul R. Soglin, Michael E. Verveer

Indexes:

Code sections:

Attachments: 1. Link UDC File 26346, 2. Link Ord File 27649, 3. V1 9908 Purchase & Sale Agreement Master13-Nov-2012-07-53-44.pdf, 4. BODY.pdf, 5. 9908 Exhibit A.pdf, 6. 9908 Exhibit B.pdf, 7. 9908 Exhibit C.pdf, 8. 9908 Exhibit D.pdf, 9. 9908 Exhibit E.pdf, 10. 9908 Exhibit F.pdf

Date	Ver.	Action By	Action	Result
11/27/2012	2	COMMON COUNCIL	Adopt	Pass
11/19/2012	1	PLAN COMMISSION	Return to Lead with the Recommendation for Approval	Pass
11/19/2012	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
11/5/2012	1	PLAN COMMISSION	Re-refer	Pass
10/15/2012	1	PLAN COMMISSION	Re-refer	Pass
10/4/2012	1	BOARD OF ESTIMATES (ended 4/2017)	Refer	
10/2/2012	1	COMMON COUNCIL	Refer	Pass
10/2/2012	1	Economic Development Division	Referred for Introduction	

Fiscal Note

This resolution authorizes a purchase and sale agreement between the city and Hovde Properties LLC ("the developer") for sale of the current land and buildings occupied by Fire Department Administration. This property will be combined with other property owned by the developer as part of a mixed-use condominium project. The city will purchase and build-out space in the project for Fire Department Administration. The agreement includes incorporating Fire Station No. 1 into the project. The purchase and sale agreement includes a developer financing contingency that includes tax incremental financing assistance. The scope and extent of city support to the developer related to this contingency will be addressed during the contingency period.

Estimated costs of the city elements of the project (proceeds from sale of Fire Department Administration facility and land; Fire Administration condominium purchase, build-out, and furniture, fixtures and equipment (FF&E); purchase of parking condominium; cost to rehabilitate Fire Station 1; costs related to purchase;

temporary lease space for Fire Administration during construction; and design costs) total $13.8 million. Included in the sale price of the current Fire Administration property is a $100,000 escrow that can be used by the developer to pay for environmental remediation and asbestos abatement on the property.

Architectural and Engineering Pre-Design and Design Services funding was approved in resolutions #25803 and #26870, and is also included in the 2013 capital budget. Funding for the temporary parking costs for Fire Station #1 and temporary lease space for Fire Administration are included in the 2013 adopted budget. Overall project costs are included in the 2013 capital improvement program, with funding sources to be addressed in the 2014 capital budget.

The table below summarizes the estimated costs:

	2012	2013	2014	Total
Fire Administration Condominium Unit Purchase	$ -	$ -	$ 4,572,111	$ 4,572,111
Fire Parking Condominium Purchase	$ -	$ -	$ 637,602	$ 637,602
Fire Administration Condominium Unit Build-Out and FF&E	$ -	$ -	$ 4,400,000	$ 4,400,000
Fire Station #1 Rehabilitation Project and FF&E	$ -	$ -	$ 4,750,000	$ 4,750,000
Purchase and Closing Costs	$ -	$ 20,000	$ 30,000	$ 50,000
Architectural and Engineering Pre-Design	$ 57,240	$ -	$ -	$ 57,240
Architectural and Engineering Design Services	$ 153,600	$ 257,400	$ -	$ 411,000
	$ 210,840	$ 277,400	$ 14,389,713	$ 14,877,953
Fire Administration Building Sale Proceeds	$ -	$ (1,787,834)	$ -	$ (1,787,834)
Environmental Remediation Escrow		$ 100,000		$ 100,000
	$ 210,840	$ (1,410,434)	$ 14,389,713	$ 13,190,119
Fire Administration Temporary Lease Space Costs	$ -	$ 246,300	$ 251,226	$ 497,526
Temp. Parking Costs during Remodel of Fire Station 1	$ -	$ 51,840	$ 51,840	$ 103,680
Moving Costs to Temporary Lease Space	$ 12,000	$ -	$ 12,000	$ -
	$ 12,000	$ 298,140	$ 315,066	$ 601,206
Grand Total	$ 222,840	$ (1,112,294)	$ 14,704,779	$ 13,791,325

Title

Authorizing the execution of a Purchase and Sale Agreement between the City of Madison and Hovde Properties LLC (“Developer”) for the acquisition of a portion of City-owned property located at 316 W. Dayton Street by the Developer for assemblage into a mixed-use condominium project (“Project”) located at 305-309 W. Johnson Street and the purchase and buildout by the City of a “grey box” condominium unit and condominium parking stalls within the Project for the relocation of Madison Fire Department Administrative offices.

Body

SEE ATTACHMENT LABELED "BODY" FOR FULL TEXT - DUE TO LEGISTAR LIMITATIONS, THE BODY IN IT'S ENTIRETY DOES NOT FIT.

The City of Madison (the “City”) has executed a Letter of Intent with Hovde Properties LLC, or an entity owned or controlled by Hovde Master LLC or its principals (the “Developer”), that outlines the principal terms and conditions for a Purchase and Sale Agreement that will be executed between the parties that will provide the following:

1. The Developer will acquire from the City the City-owned property located at 316 West Dayton Street which is the current location of the Madison Fire Department Administration Building and Fire Station No. 1 for

assemblage into the Developer's mixed-use development condominium project (the "Project") located at 305-309 West Johnson Street. The City owned property is identified as "Parcel A", "Parcel B" and "Parcel C" (Fire Station No.1) (collectively, the "MFD Property"), as shown and identified on the attached Exhibit A. The purchase price is supported by an appraisal obtained by the City.

2. The Developer will reconvey to the City, at no cost, Parcel C to enable the City to incorporate Fire Station No. 1 into a condominium unit to be purchased by the City within the Project. The Fire Administration Building will be demolished by the Developer. The Fire Administration offices will relocate to leased space until the Fire Admin Condo Unit as described in Paragraph 3 below is built out.

3. The City will purchase a "grey box" condominium unit (the "Fire Admin Condo Unit") and parking stalls (collectively, the "Fire Parking Condo Unit") within the Project as shown and identified on the attached Exhibit C, for the purpose of providing administrative office and storage space for the Madison Fire Department. The City shall be responsible for the build out of the Fire Admin Condo Unit.