City of Madison

Legislation Details (With Text)

File #:	41824	**Version:**	1	**Name:**	10069 Gorman Union Corners Phase 6
Type:	Resolution			**Status:**	Passed
File created:	2/16/2016			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	3/15/2016			**Final action:**	3/15/2016
Enactment date:	3/21/2016			**Enactment #:**	RES-16-00195

Title: Authorizing the execution of an agreement to terminate the option rights with respect to Phase 6 at Union Corners provided to Gorman & Company in the Second Amendment to the the Purchase and Sale Agreement executed between the City of Madison and Gorman & Company.

Sponsors: Marsha A. Rummel

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
3/15/2016	1	COMMON COUNCIL	Adopt	Pass
3/7/2016	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
2/23/2016	1	COMMON COUNCIL	Refer	Pass
2/16/2016	1	Economic Development Division	Referred for Introduction	

Fiscal Note

No fiscal impact.

Title

Authorizing the execution of an agreement to terminate the option rights with respect to Phase 6 at Union Corners provided to Gorman & Company in the Second Amendment to the the Purchase and Sale Agreement executed between the City of Madison and Gorman & Company.

Body

WHEREAS, on October 30, 2013 the City of Madison (the "Seller") executed a Purchase and Sale Agreement (the "PSA") with Gorman & Company, Inc. (the "Buyer") for the conveyance and redevelopment of properties owned by the City located at 2504, 2507 and 2340 Winnebago Street, Madison, WI (collectively, the "Property") for a mixed-use redevelopment project. Under the terms of the PSA the Buyer was required to develop the Property in four phases.

WHEREAS, the First Amendment to the PSA, which among other items, provided that the number of phases be increased from four to six. In the Second Amendment to the PSA, only Phases 1 through 4 were acquired by the Buyer, and an option to purchase Phases 5 & 6 independently were granted to the Buyer.

WHEREAS. the City and Buyer also entered into a Memorandum of Option to Purchase (the "***Memorandum***") which was recorded in the Office of the Dane County Register of Deeds on August 17, 2015 as document No. 5176971, and which Memorandum provides public notice of the Option Agreement.

WHEREAS, now, the City and the Buyer have come to a mutual agreement to terminate the Buyer's rights to acquire Phase 6 per the terms described below.

NOW THEREFORE BE IT RESOLVED that the Common Council authorizes the execution of an agreement

(the "Definitive "Agreement") between the City of Madison (the "City") and Gorman & Company, Inc. ("Gorman"), with regards to a parcel of real estate currently owned by the City, which has an address of 2340 Winnebago Street, Madison, Wisconsin (hereinafter "Union Corners Phase 6"), and which is legally described in that certain Option to Purchase between Gorman and the City dated effective August 14, 2015 (the "Option Agreement"). Pursuant to the Option Agreement Gorman has certain rights to acquire Union Corners Phase 6 from the City, as well as another parcel which is also legally described in the Option Agreement and which is known as "Union Corners Phase 5". The Definitive Agreement, shall contain the following terms and conditions:

A. Scope and Term of Definitive Agreement. Notwithstanding the terms of the Option Agreement, the City shall have the right to negotiate the sale of Union Corners Phase 6 with any prospective buyer(s) (a "Prospective Buyer") on such terms as the City may determine in its discretion, and may enter into a purchase and sale agreement with regard to the sale of Union Corners Phase 6 (a "Sale Agreement"), provided that any such Sale Agreement shall require that the closing of the sale of Union Corners Phase 6 (such closing shall be referred to herein as the "Phase 6 Closing"), must occur no later than December 31, 2016, unless Gorman agrees otherwise in writing, or the Sale Agreement shall be null and void and of no effect.

B. Release of Union Corners Phase 6 from the Option Agreement. Simultaneously with the Phase 6 Closing, Gorman and the City will execute a document pursuant to which Gorman will release its option to purchase Union Corners Phase 6; however, the Option Agreement shall remain in full force and effect with regard to Union Corners Phase 5.

C. Amendment to the Memorandum. Simultaneously with the Phase 6 Closing, Gorman and the City will also execute an amendment to the Memorandum, in recordable form, which will provide public notice that Union Corners Phase 6 has been released from the Option Agreement.

D. Disbursements/Payments to be made at the time of the Phase 6 Closing. At the time of Phase 6 Closing, the City will cause the sum of $100,000.00 to be paid to Gorman as reimbursement for Gorman's unrecovered costs relating to Union Corners Phase 6, including but not limited to costs Gorman incurred in the master planning process for Union Corners project, and with regard to negotiations on a tax increment financing agreement and other agreements with the City.

E. Termination of the Definitive Agreement. In the event the Phase 6 Closing does not occur on or before December 31, 2016, then Gorman may terminate the Definitive Agreement by giving written notice to the City, in which case the Definitive Agreement shall be null and void; the Option Agreement shall remain in full force and effect and the Memorandum shall remain unchanged and of record with the Dane County Register of Deeds.

BE IT FINALLY RESOLVED that Mayor and City Clerk are authorized to execute, deliver, accept and record any and all documents and take such other actions as shall be necessary or desirable to accomplish the purpose of this resolution in a form approved by the City Attorney.

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