



Legislation Text

File #: 17831, **Version:** 1

Fiscal Note

Net sale proceeds will be credited to the Water Utility.

Title

Authorizing the execution of a Purchase and Sale Agreement with LT McGrath, LLC for the purchase of the former Water Utility Administration building located at 517 and 523 East Main Street.

Body

The Water Utility declared that its administrative office building located at 517 and 523 East Main Street (the "Property") surplus to its needs when it moved to its new office building on Olin Avenue in 2005. The Surplus Property Procedures in place at that time provided that other City departments had to be notified of the surplus of the Property and provided an opportunity to express their interest in the Property. No City department expressed its interest in the Property and the Surplus Property Procedures provided that the Property, if it was determined to be in the best interests of the City, could be sold to an abutting property owner. Several offers were received but terms of a sale could not be negotiated. The Surplus Property Procedures were codified into an ordinance in 2009. However, the Water Utility was exempted from the ordinance and could list and sell the Property as a market transaction. The Property has been listed for sale. Several offers have been received and rejected by the Water Utility. The terms of a Letter of Intent to purchase the Property have been negotiated with LT McGrath, LLC for the purchase of the Property and its redevelopment as a multi-family development with underground parking. The terms of the Letter of Intent and the purchase price have been approved by the Office of Real Estate Services. This resolution will authorize the execution of a Sale and Purchase Agreement between the City and LT McGrath, LLC incorporating the terms and conditions of the Letter of Intent.

NOW, THEREFORE BE IT RESOLVED that the Common Council of the City of Madison (the "City") hereby authorizes the execution of a Sale and Purchase Agreement between the City and LT McGrath, LLC Madison (the "Buyer"), or its assigns, for the purchase of the former Water Utility Administration office property (the "Property") located at 517 and 523 East Main Street, as shown on the attached map, on the following terms and conditions:

1. The Developer shall purchase and the City shall sell and convey by Quit Claim Deed fee simple ownership of the Property, including all improvements located thereon. The Buyer intends to demolish the existing improvements on the Property and redevelop the Property as a multi-family development with underground parking (the "Buyer's Intended Use").
2. The purchase price for the Property shall be \$410,000.00. Subject to adjustments and prorations set forth in the Purchase and Sale Agreement, the purchase price shall be paid in cash at closing.
3. The closing shall occur within thirty (30) days after the Buyer waives or removes all of the contingencies set forth in paragraph 4 below, but not later than August 1, 2010, unless another date is agreed to in writing by the Buyer and the City.
4. The Purchase and Sale Agreement shall be subject to the following Buyer contingencies: 1) any and all government approvals for the Buyer's Intended Use; 2) Phase I and Phase II environmental site assessments (as needed); 3) soils tests; 4) financing in an amount not less than 80% of the completed value of the Buyer's development project; 5) title and survey review and approval; and 6) confirmation of availability of all public and private utility services for the Buyer's Intended Use. All such contingencies shall be exercised at the Buyer's sole discretion and shall be satisfied or invoked by the Buyer within ninety (90) days of the date of the acceptance of the Purchase and Sale Agreement. Upon written notice to the City, the Buyer shall have the option to extend its due diligence period for an additional forty-five (45) days provided the Buyer is diligently pursuing its contingencies described herein.

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