



Legislation Text

File #: 35323, **Version:** 1

Fiscal Note

No appropriation is required. The City will forego sale proceeds of \$23,880 from the sale of surplus property to support the buyer's efforts to relocate and preserve a historic property.

Title

Approving the sale of a vacant parcel of land located at 153 Proudfit Street to 151, LLC.

Body

151, LLC (the "Buyer") has expressed an interest to acquire a parcel of City-owned vacant land located at 153 Proudfit Street and depicted on Exhibit A attached hereto (the "Property"). City surplus property procedures provide that other City departments must be notified of the surplusing of the Property and provided an opportunity to express their interest in the Property. If no City department expresses its interest in the Property the EDD Director, with the assistance of the Director of the Department of Planning and Community and Economic Development and in consultation with the alderperson of the district in which the Property is located may determine that it is in the best interests of the City to sell the Property by direct sale to an abutting owner. If these parties determine that it is in the best interests of the City to sell the Property to the owner of the abutting property, the intent to sell the Property upon those terms is submitted to the Common Council for approval.

Other City departments have been notified that the Property has been declared surplus and no department expressed interest in the Property. The Buyer, an abutting owner, expressed interest in acquiring the Property. It has been determined that selling the Property to the Buyer upon the terms expressed herein is in the best interests of the City.

The Property was transferred to the City in 1961 from the Wisconsin Department of Transportation (WISDOT) for the sale price of \$1.00. When the Property was transferred to the City, there were three deed restrictions recorded on the property. The deed restrictions state:

- No ingress or egress from (the Property) onto Proudfit Street of a private nature shall be permitted.
- The (Property) shall be held available for public purposes.
- No advertising signs or billboards of any type will be permitted within the (Property).

WISDOT has agreed to remove these three deed restrictions if it is paid 60% of the sale price of the Property, based upon the appraised value. The appraised value of the Property is \$59,700. Based upon this appraised value, WISDOT would receive \$35,820.00.

In addition, the Buyer has agreed to relocate the Lannon-Hill Home Store that was previously located at 502 East Main Street, a Civil War era home to the parcel adjacent to the Property. To help facilitate saving this historic structure, the City has agreed to forego its portion of the sale price (\$23,880).

NOW THEREFORE BE IT RESOLVED that the Common Council hereby approves the sale of the Property to the Buyer under the following terms and conditions:

1. The Property. The Buyer shall purchase and the City (the "Seller") shall sell and convey by Quit Claim Deed (the "Deed") fee simple title to 153 Proudfit Street located in Madison, Wisconsin (the "Property"), as legally described on the attached Exhibit, including all related improvements, if any, located thereon and all

appurtenances thereto.

2. Effective Date. The “Effective Date” shall be the later date of execution of this Agreement by the Seller or the Buyer, as indicated on the signature page.

3. Purchase Price. The total purchase price of the Seller’s interest in the Property (the “Purchase Price”) shall be Thirty Five Thousand Eight Hundred Twenty and 00/100 Dollars (\$35,820.00). The Purchase Price shall be payable in cash at closing, subject to the adjustments and prorations herein provided. The appraised value is \$59,700. The City is foregoing its portion of the sale price, approximately \$23,880, as 151, LLC has moved the historic Lannon-Hill Home Store from 502 West Main St to 151 Proudfit St. The \$23,880 is the City’s contribution towards saving the Lannon-Hill Home Store.

4. Representations and Warranties. The Buyer is purchasing the Property in “AS-IS, WHERE-IS” condition and “with all faults”, and agrees that it relied upon no warranties, representations, or statements by the Seller in entering into this Agreement or in closing on the transaction described herein.

5. Buyer’s Contingencies. The Buyer shall have sixty (60) days from the Effective Date (the “Buyer’s Contingency Period”) to satisfy or waive the following contingencies or to otherwise terminate this Agreement:

a. Environmental. The Buyer obtaining, at its sole cost and expense, a Phase 1 environmental assessment of the Property, that is satisfactory to Buyer.

b. Deed Restrictions. The Wisconsin Department of Transportation (“WISDOT”) holds three deed restrictions (the “Deed Restrictions”), as recorded at the Dane County Register of Deeds Office on Document #1022270, Vol. 772, Page 584. In exchange for the Seller paying an agreed-upon release price of \$35,820.00, WISDOT has agreed to remove these Deed Restrictions at closing. If WISDOT does not remove the Deed Restrictions on or before Closing, Buyer may terminate this Agreement.

6. Seller’s Contingencies. The Seller shall have sixty (60) days from the Effective Date (the “Seller’s Contingency Period”) to satisfy or waive the following contingencies or to otherwise terminate this Agreement:

a. Common Council Approval. The Common Council of the City of Madison approving the sale of the Property.

7. Access to the Property. The Buyer and the Buyer’s authorized agents and contractors shall be permitted access to the Property for the purpose of conducting a Phase 1 environmental assessment of the Property at reasonable times with at least twenty-four (24) hour notice to the Seller. The Buyer will repair all damages caused by its inspections, at the Buyer’s cost, so that the condition of the Property is returned to as good or better condition as existed prior to the inspection.

8. Title Insurance. The Seller shall provide to the Buyer at the Seller’s expense at least ten (10) business days prior to closing a commitment from a title insurance company (the “Title Company”) licensed in Wisconsin to issue title insurance in the amount of the Purchase Price upon the recording of proper documents, together with a gap endorsement. The commitment shall show title to the Property, as of a date not more than fifteen (15) days before the date the Commitment is provided to the Buyer, to be in the condition called for in this Agreement, and further subject only to liens which will be paid out of the proceeds of the closing and to any standard title insurance exceptions acceptable to the Buyer. The Buyer shall notify the Seller of any valid objection to title, in writing, prior to closing. The Seller shall have a reasonable time, but not exceeding fifteen (15) days, to remove the objections and closing shall be extended as necessary for this purpose. Should the Buyer be unable or unwilling to carry out this Agreement by reason of a valid legal defect in title which the Seller is unwilling to waive, this Agreement shall be void.

9. Lease. The Seller represents that the Property is currently not leased, and the Seller agrees that it shall not enter into any new lease or rental agreement for the Property, or any portion thereof, during the Buyer's Contingency Period and through the date of closing, without the prior written consent of the Buyer.

10. Closing.

a. Closing shall occur within thirty days (30) days after the satisfaction or waiver of the Buyer's Contingencies and seller's Contingencies unless an extension to the closing date for up to an additional thirty (30) days is agreed to by the parties.

b. The Seller agrees to execute and deliver to the Buyer at closing the Deed conveying the Property to the Buyer free and clear from all liens and encumbrances, excepting the following: Municipal and zoning ordinances and agreements entered under them; recorded easements for the distribution of utility, municipal services; easements; recorded building and use restrictions and covenants; and, any matters reflected on the title insurance commitment referenced in Paragraph 8, to which the Buyer does not timely object.

c. The Buyer shall pay all recording/filing fees except that the Seller shall pay the recording/filing fees for such documents as are required to be recorded / filed in order to cause title to the Property to be in the condition called for by this Agreement.

d. The Seller shall be responsible for any existing, area assessments or any other charges payable to any municipality or utility with regard to the Property as of the date of closing.

e. The Seller shall pay any Wisconsin Real Estate Transfer fee due in connection with conveyance of the Property.

11. Default. If the Seller defaults in the full and timely performance of any of its obligations hereunder, the Buyer shall be entitled to all remedies available hereunder or otherwise at law or in equity, including, without limitation, the right to terminate this Agreement or seek specific performance. If the Buyer defaults in the full and timely performance of any of its obligations hereunder, the Seller shall be entitled to all remedies available hereunder or otherwise at law or in equity, including, without limitation, the right to terminate this Agreement or seek specific performance.

12. No Assignment. The Buyer may not assign its rights under this Agreement without the Seller's prior written consent, which may be withheld in the Seller's sole discretion.

BE IT FURTHER RESOLVED that the City is hereby authorized to pay \$35,820 to WISDOT for the removal of the Deed Restrictions, and;

BE IT FURTHER RESOLVED that the Mayor and City Clerk are authorized to sign any and all necessary documents to effectuate this sale.