



Legislation Text

File #: 52957, Version: 1

Fiscal Note

The proposed resolution amends Resolution Enactment No. RES-18-00349, which authorizes the execution of a Purchase and Sale Agreement between the City of Madison and the owner of the property located at 6444 Nesbitt Road for the expansion of Apple Ridge Park. The Purchase and Sale Agreement estimated acquisition cost at \$267,000 for the parcel plus \$20,000 in additional real estate costs for environmental site assessment, title work, miscellaneous closing costs, and staff time for a total cost of \$287,000. The Seller has since received a second-opinion appraisal which valued the property at \$325,000. The Seller requests, and the proposed resolution authorizes, that the difference between the City's purchase price of \$267,000 and the second opinion value of \$325,000 be accepted by the City as a non-cash charitable donation. The resolution also extends the closing date by 120 days.

The Parks Division 2018 capital budget includes \$9,000,000 in the Land Acquisition project (Munis project 17128), funded by Park Impact Fees. Funding is available in this project for the purchase of the parcel. This amendment does not require any additional outlay by the City.

Title

Amending Resolution Enactment No. RES-18-00349 which authorizes the execution of a Purchase and Sale Agreement between the City of Madison and the owner of the property located at 6444 Nesbitt Road for the expansion of Apple Ridge Park.

Body

WHEREAS, on May 1, 2018, a Purchase and Sale Agreement ("PSA") between the City of Madison ("City") and James R. Weber and Susan Weber ("Seller") was approved by Resolution Enactment No. RES-18-00349, File No. 51003 (copy attached as Exhibit A), which authorized the City to pay \$267,000 for the purchase of property located at 6444 Nesbitt Road ("Property") for the expansion of Apple Ridge Park; and

WHEREAS, subsequent to executing the PSA, the Seller engaged Bussen Company to provide a second-opinion appraisal which valued the Property at \$325,000; and

WHEREAS, the City's Office of Real Estate Services reviewed the Bussen Company appraisal and determined that the value was supported and reasonable; and

WHEREAS, the City and the Seller desire to amend the purchase price in the PSA to reflect the fair market value of the Property in the amount of \$325,000, as supported by appraisal; and

WHEREAS, the Seller requests that the difference between the City's purchase price of \$267,000 and the Bussen Company's opinion of value of \$325,000 be accepted by the City as a non-cash charitable donation by issuing a credit to the City in the amount of \$58,000 at closing ("Closing"); and

WHEREAS, pursuant to Paragraph 14.a of the PSA, the Closing was to occur on or before forty-five (45) days from the expiration of the defined Due Diligence Period which was July 10, 2018 ("Closing Date"); and

WHEREAS, the City and the Seller desire to amend the PSA to extend the Closing Date by one hundred twenty (120) days.

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

to the Purchase and Sale Agreement between the City and the Seller for the purchase of the Property upon revision of the following terms:

Paragraph 3. Purchase Price. The Purchase Price shall change from \$267,000 to \$325,000.

Paragraph 14.a. Closing. This paragraph is hereby amended to revise the first sentence to read:

Closing shall occur on or before one hundred twenty (120) days from (a) the expiration of the Due Diligence Period..."

BE IT FURTHER RESOLVED that the Common Council authorizes the acceptance of a non-cash charitable donation in the amount of \$58,000, with the required IRS Form 8283 prepared and executed by the City to memorialize said donation.

BE IT STILL FURTHER RESOLVED that the City's Mayor and Clerk are hereby authorized to execute such documents as necessary to carry out the intent of this resolution amendment in a form approved by the City Attorney.

BE IT FINALLY RESOLVED that all other terms and conditions of Enactment No. RES-18-00349 shall remain the same.