



Legislation Text

File #: 61906, Version: 1

Fiscal Note

The proposed resolution authorizes an amended Purchase and Sale Agreement for property located at 1810 South Park Street. Adopted RES-20-00371 (File ID 60226) approved an estimated acquisition cost of approximately \$1.2 million. The amendment presented by this resolution sets the purchase price to \$1.05 million. Funding for the purchase and holding costs of the property is in the form of TIF proceeds, funded by TID #42. No additional City appropriation is required.

Title

Amending second Substitute Resolution 20-00371 authorizing the execution of a Purchase and Sale Agreement between the City of Madison and Stopple Revocable Trust for the City's acquisition of the property located at 1810 South Park Street for land banking purposes, and to approve Madison Property Management as temporary property manager. (14th A.D.)

Body

WHEREAS, the Common Council approved Resolution 20-00371 (the "Resolution") authorizing the purchase of property from Stopple Revocable Trust ("Seller") at 1810 South Park Street (the "Property"); and

WHEREAS, as part of the Purchase and Sale Agreement authorized by the Resolution (the "First PSA"), the City performed environmental testing at the Property and found environmental contamination that requires remediation; and

WHEREAS, the City terminated the First PSA and negotiated a new Purchase and Sale Agreement (the "New PSA") that includes a reduced Purchase Price to reflect anticipated environmental remediation expenses; and

WHEREAS, upon acquisition of the Property, the building on the Property will have tenants and will require immediate property management services in advance of the City's ability to conduct a request for proposals ("RFP") process; and

WHEREAS, Madison Property Management, Inc. ("MPM") is the current manager, and can remain as manager while the City conducts a RFP process; and

WHEREAS, in order to receive additional protections under environmental statutes, and as is consistent with the TID 42 Project Plan, this property is considered blighted in accordance with Wis. Stat. § 292.11(9)(e)(1m) (d).

NOW THEREFORE BE IT RESOLVED, that the Common Council hereby amends Resolution 20-00371 to delete Paragraphs 1-17, containing the terms and conditions of the First PSA, and replaced them with the New PSA, attached to this Resolution Amendment as Exhibit A, with a Purchase Price of One Million Fifty Thousand Dollars (\$1,050,000.00).

BE IT FURTHER RESOLVED, that within thirty (30) days of Closing, the City shall issue an RFP for a property management firm stating the following terms and conditions:

1. The selected property manager ("New PM"), shall start as property manager on the first day of the month following execution of a contract with the City.
2. The contract with the New PM shall have a one year term with an option to renew, at the City's

sole discretion.

BE IT FURTHER RESOLVED, that the Mayor and the City Clerk are hereby authorized to execute a Property Management Agreement (“Agreement”) with MPM to provide property management services at the Property under substantially, but not exclusively, the following terms and conditions:

1. The City shall pay to the Manager a monthly management fee equal to six percent (6%) of gross receipts per month. Maintenance services provided by the Manager will be billed at \$66.00 per hour for general maintenance (e.g., carpentry, painting, etc.) and \$44.00 per hour for general labor (e.g., cleaning, lawn care, snow removal, etc.).
2. Management services will begin on the date the City acquires the Property, anticipated to be on or before September 30, 2020, and end at midnight on the day prior to the start date of the New PM.
3. MPM shall, on behalf of the City, perform all services required in connection with the operation of the Property, subject at all times to the City’s general supervision and control.
4. The duties of the MPM shall include securing leases, lease enforcement, collections, payment of bills, maintain records, tenant relations, contract for services, and repair and maintenance of the Property.
5. Both the City and MPM shall have the right to terminate the Management Agreement without cause with 120 days’ written notice. With cause, the City may terminate the Agreement with 30 days’ written notice to the Manager.

BE IT FURTHER RESOLVED, that the Property is hereby declared blighted by the Common Council.

BE IT FINALLY RESOLVED, that the Common Council authorizes the Mayor and the City Clerk to draft, execute and record any documents including, but not limited to, agreements, deeds and escrows, and may indemnify title companies, if necessary, in order to carry out the terms of this resolution.