



Legislation Text

File #: 63716, Version: 1

Fiscal Note

The purchase price for the proposed purchase and sale agreement is \$800,142. The net proceeds from the sale will be used to pay off any special assessments on City-owned property in the Center for Industry and Commerce (CIC). The net proceeds will also fund, subject to City approvals, the acquisition of the Lot 60 in the CIC, which is owned by the Water Utility. Any remaining proceeds will be transferred to the City's Land Banking capital fund. No additional City appropriation is required with the sale of this property.

Title

Authorizing a Purchase and Sale Agreement with Greywolf Acquisitions, LLC and/or its assigns for the sale of Lots 3 of Certified Survey Map 14573 within the Center for Industry and Commerce ("CIC"). (17th AD)

Body

WHEREAS, The Common Council adopted a resolution (RES-13-00460) on June 18, 2013 which authorized the execution of an Agreement to Terminate the 'Agreement to Purchase and Undertake Development of the Northeast Industrial Property' ("Purchase and Development Agreement") which was executed between the City of Madison ("City") and The Center for Industry & Commerce, LLC ("LLC") for the development of a mixed-use industrial park; and,

WHEREAS, the City assumed ownership of the remaining vacant properties located within The Center for Industry & Commerce, LLC ("CIC") at that time; and,

WHEREAS, the City has since been selling vacant property within CIC for light industrial and business uses; and,

WHEREAS, Greywolf Acquisitions, LLC and City staff have agreed to the principal terms of a sale of property within CIC.

NOW THEREFORE BE IT RESOLVED, that the Common Council authorizes the Mayor, Clerk and approved City staff to execute Purchase and Sale Agreement with the Purchaser on substantially the following terms and conditions:

Purchaser: Greywolf Acquisitions, LLC and/or assigns, with the prior written notice of the City of Madison.

Seller: City of Madison ("City")

Property: Lot 3 of Certified Survey Map ("CSM") 14573, totaling 393,524 square feet ("SF") (approximately, 9.034 acres).

Purchase Price: Purchase Price for the Property shall be \$800,142.

Due Diligence: Purchaser shall have ninety (90) days from the date of the execution of the Purchase and Sale Agreement ("Agreement") to satisfy itself as to obtaining acceptable financing, title, survey, and any physical, environmental or governmental conditions and approvals necessary for Purchaser's intent to use the Property (to be further defined in the Agreement) ("Due Diligence Period"). Seller shall provide all available Property related documents (if applicable), plans/drawings, reports, service contracts, leases, etc., currently in its possession to Purchaser within ten (10) business days after the execution of the Agreement. Further, Seller shall provide to Purchaser copy of existing Title Insurance Policy, any existing environmental reports and/or soil reports, and CSM upon execution of the Agreement.

- Closing Date:** Closing to occur within thirty (30) days after Purchaser's completion of its Due Diligence Period, or earlier waiver of all contingencies.
- Closing Costs:** Purchaser and Seller shall share the closing costs in a manner consistent with the market. Real estate taxes will be handled on an accrual basis at closing with the Seller providing the Purchaser with a credit for any unpaid real estate taxes. Purchaser shall pay for the Lender's Title Policy and any required endorsements and lender's fees, Seller shall pay for the Owner's Title Policy. Purchaser to pay Hanson Road connection fees due at closing. The 2021 Hanson Road connection rate is \$102.0177/1000 square feet of land area.
- Earnest Money:** Purchaser will deposit \$25,000 with a mutually acceptable title insurance company within five (5) business days of an executed Agreement. In the event of default by Purchaser, Seller may seek to retain the Earnest Money Deposit as its sole remedy.
- Broker Representation:** Purchaser hereby discloses that one or more members/principals of Purchaser are licensed real estate broker(s) in the State of Wisconsin. Joe Wagner is the principal Broker of this transaction. At Closing, Seller will pay a brokerage fee of \$24,004.26 to Greywolf Brokerage.
- Exclusive:** Seller agrees to withdraw the Property from the market until execution of the Agreement or negotiations are otherwise terminated, during which time, Seller agrees not to offer the Property or any interest therein, for sale to any other party and to cease all negotiations for the sale of the Property.
- Construction Contingency:** Purchaser shall agree to commence construction onsite (this involves "pouring of footings and foundation) within six (6) months of the date of purchase. In the event Purchaser fails to commence construction in that timeframe, Seller shall have the right, but not the obligation, to purchase the Property back at 100% of the Purchase Price plus any reasonable out-of-pocket costs and expenses incurred by Purchaser with respect to site planning and Due Diligence costs but less any of the following costs incurred by Seller: closing fees, brokerage fee to Greywolf Brokerage, title and transfer costs.
- Private Drive Access Easement Agreement:** The City is under contract with Weldcorp Mfg, LLC ("Weldcorp") to purchase the City owned adjacent Lots 27 and 28 of The Center of Industry and Commerce Plat dated April 24, 2003 ("Lots 27 & 28"). As part of that sale, Weldcorp asked the City to establish a private drive access agreement on the Property ("Easement"). The City has shared the Easement with Weldcorp and Purchaser, and all parties are in agreement with the terms therein. The resolution for the Easement will be presented to the City for approvals when the legal description and illustration of the Easement Area are completed and approved by City Engineering.
- In the event that Weldcorp purchases Lots 27 & 28 from the City, then Seller will record the Easement at or after said closing on Lots 27 & 28 and the Property. In the event that Weldcorp does not purchase Lots 27 & 28, then Seller shall not enter into and record the Easement on the Property.
- Purchaser agrees to share the Private Drive within the Easement Area on the Property and will comply with the terms of the Easement as a condition of both sales.
- Special Assessments:** Seller shall pay, or waive, any and all special assessment fees attributable to the Property, as of the day of closing. Purchaser is responsible for any future special assessments after closing.

Purchase & Sale Agreement: Seller agrees to provide Purchaser with a draft Agreement within five (5) business days of Common Council approval of the terms stated herein.

BE IT FINALLY RESOLVED, that the Mayor, Clerk and City staff are authorized to perform any and all duties necessary to carry out this transaction including recording documents, execution of title documents including a gap affidavit, which includes an indemnification provision, or other required documents in a form approved by the City Attorney.