Legislation Text

File #: 86853, **Version:** 2

Fiscal Note

The proposed resolution authorizes the execution of a purchase and sale agreement for the property located at 1814 S. Park St. Total expenses are estimated at $4,330,000. Of that total, $550,000 is estimated for demolition costs. Demolition is not expected until 2026 and will be included in the Economic Development Division's (EDD) 2026 Capital Budget request.

The balance of the total expenses ($3,780,000) is available in the TID 51 capital program (program #99011) through carryforward budget authority from 2023 and 2024 and through the 2025 Adopted Capital Budget. Due to TID accounting rules, these funds should be transferred to the capital fund for purchase and maintenance of property within the TID. Therefore, the proposed resolution amends EDD's capital budget to transfer $3,780,000 of budget authority from the TID 51 capital program to the Land Banking capital program (program #12640).

Title

SUBSTITUTE Amending the Economic Development Division's (EDD) 2025 Adopted Capital Budget to transfer $3,780,000 from the TID 51 capital program (program #99011) to the Land Banking program (program #12640) and authorizing the City's execution of a Purchase and Sale Agreement with J & R Properties of Wisconsin LLC for the purchase of the property located at 1814 S. Park Street for land banking purposes, authorizing the expenditure of funds for environmental assessment, title work, closing costs, holding costs, and demolition work for the same property, all totaling $4,330,000, and authorizing the indemnification of the Seller. (District 14)

Body

WHEREAS, J & R Properties of Wisconsin, LLC (the "Seller") is the owner of a property, located at 1814 S. Park Street containing 54,913 square feet of land, as legally described in the Purchase and Sale Agreement attached hereto (the "Agreement") and depicted on Exhibit B to the Agreement (the "Property"); and

WHEREAS, the City of Madison (the "City") desires to purchase the Property for land banking purposes that are contemplated in the recently adopted South Madison Plan; and

WHEREAS, the City's acquisition of the Property would provide expanded opportunities for the City to guide future housing and commercial development; and

WHEREAS, the Seller agrees, to sell the Property to the City in accordance with the terms of the Agreement, which has been executed by the seller, for a purchase price of $3,700,000, which was negotiated based on an appraisal approved by the City's Office of Real Estate Services; and,

WHEREAS, additional acquisition costs, including an environmental site assessment, title work, and miscellaneous closing costs are estimated to total $40,000; and,

WHEREAS, as required by APM 1-1, the Common Council expressly authorizes the City to indemnify Seller as provided for in the attached Agreement; and

WHEREAS, following the City's acquisition of the property, $40,000 of holding costs and building demolition costs of $550,000 are anticipated.

NOW, THEREFORE, BE IT RESOLVED that the City's Common Council hereby authorizes the City's execution of the Agreement, as Buyer, for the purchase of the Property on substantially the same terms and conditions contained in the Agreement attached hereto; and,

BE IT FURTHER RESOLVED that a total of $4,330,000 ~~from TID 51~~ shall be spent as follows: $3,700,000 for the purchase of the Property, $40,000 for due diligence including environmental site assessment and closing expenses including title work to accomplish the purchase of the Property, $40,000 for holding costs, and $550,000 for demolition costs; and,

BE IT FURTHER RESOLVED that the $550,000 for demolition costs will be included in EDD's 2026 Capital Budget request; and,

BE IT FURTHER RESOLVED that the Common Council authorizes the indemnification provisions described in this resolution, as required by APM 1-1; and,

BE IT FURTHER~~INALLY~~ RESOLVED that the Mayor and City Clerk are authorized to sign, accept, and record any and all documents and legal instruments required to complete the transactions contemplated in this resolution, on a form and in a manner that has been approved by the City Attorney.

BE IT FINALLY RESOLVED that EDD's 2025 Adopted Capital Budget is amended to transfer $3,780,000 from the TID 51 capital program to the Land Banking capital program.

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