



City of Grand Island

Tuesday, August 24, 2004

Council Session

Item G10

**#2004-204- Approving Addendum to Sales Agreement for 1209 -
1219 W. North Front Street (Thompson Bldg). - Utilities
Department**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Doug Walker, City Attorney

Meeting: August 24, 2004

Subject: Property Acquisition: 1209 – 1219 W. North Front Street

Item #'s: G-10

Presenter(s): Gary R. Mader, Utilities Director

Background

The Electric Department, Line Division and Underground offices, shops and storage facilities are located in the 1100 block of West North Front Street. The current buildings were first built over 35 years ago. As the City has grown, so have the Utility's electric distribution divisions. Rather than abandon the current site and build new to meet this growth, the Utilities Department has acquired suitable adjacent properties as they have become available and integrated those facilities into the previously constructed facilities. The old YMCA property, which was located on the same block, was acquired in the 70's. A private residence in that same block was acquired in the 80's, and a commercial business in the block just east was acquired in the 90's. These acquisitions have been fully integrated into the Line Division's operations, and have provided well for the needed growth.

The property located at 1209 – 1219 West North Front, generally referred to as the Thompson Building, was approved for purchase to continue the expansion of the Line Division facilities in the area at the Council meeting of March 23, 2004.

Discussion

The Purchase Agreement approved in March contained several contingencies required by the City to protect its interests in the proposed purchase. Subsequent investigation revealed that there were some problems to be addressed by the seller; concerning the legal description and the presence of asbestos containing materials. The proposed addendum to the Purchase Agreement addresses those problems and provides a firm date for the building tenant to vacate the property. A copy of the proposed addendum is attached.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the addendum to the Purchase Agreement.
2. Deny the addendum.
3. Modify the addendum to meet the wishes of the Council.
4. Table the issue.

Recommendation

City Administration recommends that the Council approve the addendum to the Purchase Agreement for the property at 1209 – 1219 West North Front Street and that the Mayor be authorized to execute the Purchase Agreement addendum.

Sample Motion

I move to approve the addendum to the Purchase Agreement for property at 1209 – 1219 West North Front Street and authorize the Mayor to execute the addendum.



Addendum to Purchase Agreement

The Seller and Buyer named in the Purchase Agreement dated March 16, 2004,
for the sale of 1219 W. North Front Street, Grand Island, NE 68801
agree to the following terms in addition to or as modifications of those stated in the Agreement:

1. buyer understands that all rent monies from the current tenant (Infast) will be payable to Tony Wald (TOBA, Inc.) Current tenant will vacate the building on August 9, 2004.
2. seller will provide to buyer and Grand Island Abstract, prior to closing, an affidavit of marketable title or possession that includes a small triangular shaped parcel not previously included in prior legal descriptions.
3. seller will be responsible for asbestos cleanup on the subject property as described in the MILCO Environmental Services report (attached).
4. All other terms of the contract remain the same.

Dated 8/9/2004

Dated _____

Anthony J. Wald
Seller -- Anthony Wald

Buyer _____

Gene Reab
Seller -- Gene Reab

Ellenor Reab
Seller -- Ellenor Reab