



City of Grand Island

Tuesday, April 13, 2010

Council Session

Item E3

Public Hearing for Neighborhood Stabilization Program Property Purchases

Staff Contact: Joni Kuzma

Council Agenda Memo

From: Joni Kuzma, Community Development Administrator

Meeting: April 13, 2010

Subject: Consideration of the Purchase of 522 N. Beal Street and 2811 W. 4th Street

Item #'s: E-3 & G-2

Presenter(s): Joni Kuzma, Community Development Administrator

Background

Community Development is proposing the purchase of the structures and properties at 522 N. Beal Street and 2811 W. 4th Street for demolition as a part of the Neighborhood Stabilization Program using Community Development Block Grant funds. The structures were inspected, deemed to be vacant, meet blighted criteria and are eligible for demolition. The Nebraska Department of Economic Development concurred with the blighted status of the structures and has given approval for the purchase and demolition of such. All structures on the properties are to be demolished and the lots redeveloped into new single-family homes to be sold to low-to-middle income first-time homebuyers.

Discussion

Third-party appraisals of the structures and properties were conducted by Alder Real Estate Appraisals who determined the market value of the properties. Per Neighborhood Stabilization Guidelines, property must be purchased at or below 1% below fair market value. The homeowners have accepted the offers of the City and signed Agreements for Sale of Real Estate.

The structures will be demolished and the properties redeveloped by a non-profit housing developer as was set forth in the original grant contract between the City and the Department of Economic Development as approved by Council.

Alternatives

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

1. Move to approve the purchase of the identified properties and structures
2. Postpone the issue to a future date.
3. Take no action on the issue.

Recommendation

City Administration recommends that the Council approve the purchase of identified properties and structures.

Sample Motion

Move to approve the purchase of identified properties and structures.

AGREEMENT FOR SALE OF REAL ESTATE

THIS AGREEMENT is made between Larry A. and Tami R. Welch, husband and wife, hereinafter called SELLER(S), and the City of Grand Island, Nebraska, hereinafter called the BUYER.

1. **Description.** The Seller agrees to sell to the Buyer and the Buyer agrees to purchase from the Seller the following real property:

Lots One (1) and Two (2), Block Four (4), Evans Addition to the City of Grand Island, Hall County, Nebraska

2. **Default.** It is agreed that if the Buyers default in the payments or in the performance of any other terms of this contract for a period of thirty (30) days after any of the payments are due, the Seller may take any action, including specific performance, afforded to the Seller under Nebraska Law.

3. **Consideration.** The Buyers agree to pay the sum of \$23,000.00 at closing.

4. **Warranty of Real Improvements.** The Buyer acknowledges that Buyer has made a full and complete inspection of all real improvements, including residence, if any, and have received from the Seller all information and data pertaining thereto which the Buyer desires or require. The Buyer acknowledges that neither the Seller nor anyone acting on behalf of the Seller has made any representation with respect to the real improvements including the premises, the physical condition of the real improvements or the state of repair or maintenance. The Buyer acknowledges that Buyer is not relying on any statement or representation with respect to any real improvements other than those obtained by the Buyer from sources other than the Sellers or any one acting on behalf of the Seller. Buyer agrees to accept the real improvements "as is" and in the real improvements' present condition and state of repair. The Buyer acknowledges that the Seller is making no warranties, express or implied, with respect to the conditions of the premises. The Buyer agrees that, except if specifically provided, the Seller is not liable or bound in any manner by express warranties pertaining to any real improvements on the real estate, including the residence. This purchase agreement includes all prior negotiations, conversations, understanding and agreements between the parties, oral or written, which are all merged in this agreement. The Seller has previously disclosed the presence of asbestos in the building

5. **Abstract or Title Insurance.** Title insurance shall be provided and shall be paid 0% by seller and 100% plus riders by the buyer.

6. **Type of Title.** The Seller will execute and convey a Warranty Deed free and clear of all liens and encumbrances except easements of record. The Grantee in the Deed is hereby specified by Buyer as follows:

The City of Grand Island, Nebraska

7. **Taxes.** The City was exempt from ad valorem taxes. However, as part of the consideration, the City will be responsible for all prior and current years' taxes.

8. **Possession - Closing.** Possession of the real property will be given the Buyer by the Seller at closing of the transaction.

9. **Title.** Title to the real property and any personal property conveyed will remain in Seller until closing.

10. **Transfer Tax.** The Buyer agrees to pay any transfer tax required by the State of Nebraska on the purchase price at the time of closing.

11. **Liens and encumbrances.** All parties agree to keep the property described free from any liens and encumbrances unless otherwise stated.

12. **Assignment.** The Buyer may not sell or assign this contract without the written consent of the Seller except that the title being conveyed may be placed in a partnership or a corporation formed by the Buyer, not to include any other parties except the Buyer or her spouse.

13. **Insurance.** Insurance need not be maintained for fire and extended coverage on the improvements until closing.

14. **Condition of Property Disclosure Statement.** The City is acquiring this property for the express purpose of redevelopment. The residential structure will be removed. For that reason, the parties acknowledge that the premises are not habitable and a condition of property disclosure statement is waived.

15. **Water, Sewer, Zoning and Survey.** The property and real improvements are sold and conveyed subject to the following matters which shall not constitute objections to title and will be permitted exceptions.

A. All zoning and building laws, ordinances and regulations of state, local and federal authorities having jurisdiction which effect the improvements and the use of the improvements, including private water sources; private septic tanks either in lands in the county or within city or village limits.

B. Any stated facts or conditions an accurate survey or personal inspection made of the premises at the time of closing would disclose, including any leasehold rights and including easements of record or easily visible or known to the Buyer.

16. **Lease.** The property is not currently subject to a lease.

17. **Covenants.** It is mutually agreed that all of the covenants contained shall extend to and be obligatory upon the heirs, personal representatives and assigns of the parties.

18. **Allocation of Expenses of Sale.** The parties agree that the expenses of closing

the sale transaction shall be allocated as follows: 100% Buyer 0% Seller.


19. **Remonstrance and Public Hearing.** The sale of real estate by the City is subject to the citizens' right of remonstrance. In the event of remonstrance, this agreement shall become void and neither party shall be entitled to damages from the other. The purchase of real estate is subject to public hearing and approval by the Mayor and City Council of Grand Island. In the event such approval is not given, this agreement shall become void and neither party shall be entitled to damages from the other.

20. **FUNDS AT CLOSING.** STATE LAW NOW REQUIRES BUYER AND SELLER TO REMIT PURCHASE PRICE AND CLOSING COSTS BY GOOD FUNDS ONLY. THIS MEANS THAT ALL FUNDS NEEDED AT CLOSING MUST BE IN THE FORM OF A CASHIER'S CHECK, MONEY ORDER, CASH OR CERTIFIED BANK DRAFT. PERSONAL CHECKS WILL NOT BE ACCEPTED AT CLOSING AND WILL RESULT IN THE DELAY OF CLOSING.

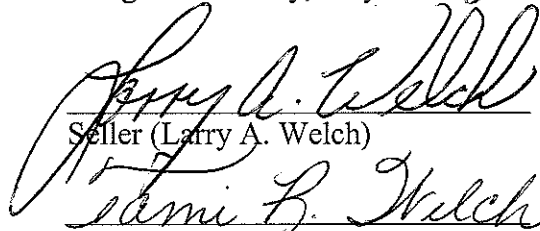
IN WITNESS WHEREOF the parties have hereunto executed this agreement in duplicate original counterparts on the dates as shown by their respective signatures.

The City of Grand Island, Nebraska


Dated: _____


Margaret Hornady, Mayor

Dated: 2/10/10


Seller (Larry A. Welch)

Dated: 2/10/10


Seller (Tami R. Welch)

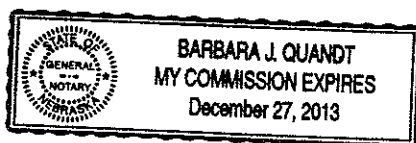
STATE OF NEBRASKA

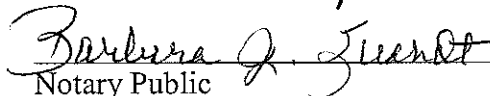
ss:

COUNTY OF HALL

Before me, a notary public duly qualified for said county, personally came Margaret Hornady, Mayor of Grand Island, Nebraska, known to me to be the identical persons who signed the foregoing instrument and acknowledged the execution thereof to be her voluntary act on behalf of the City of Grand Island.

Witness my hand and notary seal on the 10th day of February, 2010.




Notary Public

STATE OF NEBRASKA

SS:

COUNTY OF HALL

Before me, a notary public duly qualified for said county, personally came Larry A. Welch, a married person, known to me to be the identical person(s) who signed the foregoing instrument and acknowledged the execution thereof to be his voluntary act.

Witness my hand and notary seal on the 10th day of February, 2010.



Barbara J. Quandt
Notary Public

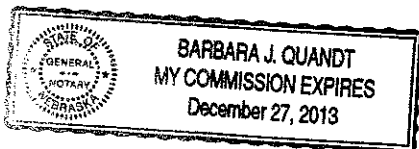
STATE OF NEBRASKA

SS:

COUNTY OF HALL

Before me, a notary public duly qualified for said county, personally came Tami R. Welch, a married person, known to me to be the identical person(s) who signed the foregoing instrument and acknowledged the execution thereof to be her voluntary act.

Witness my hand and notary seal on the 10th day of February, 2010.



Barbara J. Quandt
Notary Public

REAL ESTATE CONTRACT SUPPLEMENTAL INFORMATION

SELLER:

Name(s): Larry A. Welch () Single
Tami R. Welch (X) Husband & Wife

Address: P.O. Box 69

City, State, Zip: Greeley, NE 68842

Phone #: 308-383-7690 Day
 Evening

BUYER:

Name(s): City of Grand Island () Single
 () Husband & Wife
(Names in which Title to be taken) () JT WROS
() Ten. in Common

Address: 100 E. 1st St.

City, State, Zip: Grand Island, NE 68801

Phone #: 308-385-5444, ext. 248 Day
 Evening

LENDER:

Name:

Address:

City, State, Zip:

Phone #:

() Abstract () Title Ins. (Coverage Amt.)
() Owner's \$ () Lender's \$

AGREEMENT FOR SALE OF REAL ESTATE

THIS AGREEMENT is made between Joan Rapp, a single person, hereinafter called SELLER(S), and the City of Grand Island, Nebraska, hereinafter called the BUYER.

1. **Description.** The Seller agrees to sell to the Buyer and the Buyer agrees to purchase from the Seller the following real property:

Lot Forty Two (42) and East Thirty Feet (30') of North One Hundred Thirty Feet (130') of vacated Hancock Street in West Heights Addition to the City of Grand Island, Hall County, Nebraska;

2. **Default.** It is agreed that if the Buyers default in the payments or in the performance of any other terms of this contract for a period of thirty (30) days after any of the payments are due, the Seller may take any action, including specific performance, afforded to the Seller under Nebraska Law.

3. **Consideration.** The Buyers agree to pay the sum of \$28,000.00 at closing.

4. **Warranty of Real Improvements.** The Buyer acknowledges that Buyer has made a full and complete inspection of all real improvements, including residence, if any, and have received from the Seller all information and data pertaining thereto which the Buyer desires or require. The Buyer acknowledges that neither the Seller nor anyone acting on behalf of the Seller has made any representation with respect to the real improvements including the premises, the physical condition of the real improvements or the state of repair or maintenance. The Buyer acknowledges that Buyer is not relying on any statement or representation with respect to any real improvements other than those obtained by the Buyer from sources other than the Sellers or any one acting on behalf of the Seller. Buyer agrees to accept the real improvements "as is" and in the real improvements' present condition and state of repair. The Buyer acknowledges that the Seller is making no warranties, express or implied, with respect to the conditions of the premises. The Buyer agrees that, except if specifically provided, the Seller is not liable or bound in any manner by express warranties pertaining to any real improvements on the real estate, including the residence. This purchase agreement includes all prior negotiations, conversations, understanding and agreements between the parties, oral or written, which are all merged in this agreement. The Seller has previously disclosed the presence of asbestos in the building

5. **Abstract or Title Insurance.** Title insurance shall be provided and shall be paid 0% by seller and 100% plus riders by the buyer.

6. **Type of Title.** The Seller will execute and convey a Warranty Deed free and clear of all liens and encumbrances except easements of record. The Grantee in the Deed is hereby specified by Buyer as follows:

The City of Grand Island, Nebraska

7. **Taxes.** The City was exempt from ad valorem taxes. However, as part of the consideration, the City will be responsible for all prior and current years' taxes.

8. **Possession - Closing.** Possession of the real property will be given the Buyer by the Seller at closing of the transaction.

9. **Title.** Title to the real property and any personal property conveyed will remain in Seller until closing.

10. **Transfer Tax.** The Buyer agrees to pay any transfer tax required by the State of Nebraska on the purchase price at the time of closing.

11. **Liens and encumbrances.** All parties agree to keep the property described free from any liens and encumbrances unless otherwise stated.

12. **Assignment.** The Buyer may not sell or assign this contract without the written consent of the Seller except that the title being conveyed may be placed in a partnership or a corporation formed by the Buyer, not to include any other parties except the Buyer or her spouse.

13. **Insurance.** Insurance need not be maintained for fire and extended coverage on the improvements until closing.

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A. All zoning and building laws, ordinances and regulations of state, local and federal authorities having jurisdiction which effect the improvements and the use of the improvements, including private water sources; private septic tanks either in lands in the county or within city or village limits.

B. Any stated facts or conditions an accurate survey or personal inspection made of the premises at the time of closing would disclose, including any leasehold rights and including easements of record or easily visible or known to the Buyer.

16. **Lease.** The property is not currently subject to a lease.

17. **Covenants.** It is mutually agreed that all of the covenants contained shall extend to and be obligatory upon the heirs, personal representatives and assigns of the parties.

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IN WITNESS WHEREOF the parties have hereunto executed this agreement in duplicate original counterparts on the dates as shown by their respective signatures.

The City of Grand Island, Nebraska

Dated: _____

Margaret Hornady, Mayor

STATE OF NEBRASKA

ss:

COUNTY OF HALL

Before me, a notary public duly qualified for said county, personally came Margaret Hornady, Mayor of Grand Island, Nebraska, known to me to be the identical persons who signed the foregoing instrument and acknowledged the execution thereof to be her voluntary act on behalf of the City of Grand Island.

Witness my hand and notary seal on the _____ day of _____, 2010.

Notary Public

Dated: 3-8-10

Joan Rapp
Seller (Joan Rapp)

STATE OF NEBRASKA

ss:

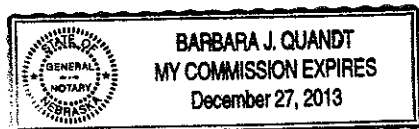
COUNTY OF HALL

Before me, a notary public duly qualified for said county, personally came Joan Rapp, a single person, known to me to be the identical person(s) who signed the foregoing instrument and acknowledged the execution thereof to be her voluntary act.

Witness my hand and notary seal on the 8th day of March, 2010.

Barbara J. Quandt

Notary Public



() Abstract () Title Ins. (Coverage Amt.)
() Owner's \$ () Lender's \$