



City of Grand Island

Tuesday, November 26, 2002

Joint Mtg/Council Session

Item I2

#2002-367 - Approving Purchase Agreement with ProCon for the Former City Hall Building Renovation

This item relates to the aforementioned Ordinance. A purchase agreement has been prepared by attorney Ron Depue, representing ProCon, and has been reviewed by the Assistant City Attorney. Approval is recommended. A MOTION is in order.

Staff Contact: Marlan Ferguson

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT made and entered into _____, 2002, by and between the City of Grand Island, Nebraska, a municipal corporation ("Seller") and Procon Development Company, L.L.C., a Nebraska limited liability company ("Buyer").

RECITALS:

WHEREAS, Seller is the owner of the real estate, building and improvements generally known as the Old City Hall Building, legally described as Lot Eight (8), Block Sixty-six (66), Original Town, an Addition to the City of Grand Island, Hall County, Nebraska, together with all appurtenances and fixtures thereon, collectively referred to as "the Real Estate"; and

WHEREAS, Seller agrees to sell the Real Estate to Buyer and Buyer agrees to purchase the Real Estate from Seller.

IT IS THEREFORE AGREED by and between Seller and Buyer as follows:

1. The purchase price for the Real Estate is One Thousand One Dollars (\$1,001.00).
2. The purchase price shall be paid in full at closing.
3. The obligation of Buyer to close the purchase of the Real Estate is subject to the satisfaction of all of the following conditions:

- A. The binding agreement of Seller to pay Buyer Two Hundred Seventy-five Thousand Dollars (\$275,000.00) which shall be payable as follows:

- (i) One Hundred Thirty Seven Thousand Five Hundred Dollars (\$137,500.00) within thirty (30) days after Buyer completes the exterior of the Building PROVIDED the exterior is completed within eighteen (18) months after date of closing. For purposes of this paragraph "completion of the exterior of the Building" shall mean replacement of all exterior windows on the south and east sides of the Building and refurbishment of the exterior facade on the south and east sides

of the Building.

(ii) One Hundred Thirty Seven Thousand Five Hundred Dollars (\$137,500.00) within thirty (30) days after Buyer completes the interior of the Building PROVIDED the interior is completed within thirty six (36) months after date of closing. For purposes of this paragraph, "completion of the interior of the Building" shall mean electrical wiring to an electrical panel on each floor of the Building and an air tempering system on each floor and plumbing roughed in to each floor suitable to be finished to specific tenant needs.

- B. The binding agreement of Grand Island Community Redevelopment Authority ("CRA") to provide funding to Buyer for facade redevelopment of the building in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) payable as follows: (i) Fifty Thousand Dollars (\$50,000.00) payable within thirty (30) days after Buyer completes the exterior of the Building; and (ii) Fifty Thousand Dollars (\$50,000.00) payable as soon as possible in the current CRA fiscal year or at the beginning of the 2003/2004 CRA fiscal year provided Buyer has completed the exterior of the Building; and (iii) Fifty Thousand Dollars (\$50,000.00) payable as soon as possible in the 2003/2004 CRA fiscal year or at the beginning of the 2004/2005 CRA fiscal year provided Buyer has completed the exterior of the Building. For purposes of the paragraph "completion of the exterior of the Building" is defined as set forth in preceding Paragraph 3.A.
- C. Buyer entering into a redevelopment plan with CRA upon terms and conditions satisfactory to Buyer, which shall include a provision for the use of ad valorem tax for financing the redevelopment of the Real Estate consistent with the Community Development Law (Nebr. Rev. Stat. Sec. 18-2101, et seq.).
- D. Buyer shall be satisfied in Buyer's sole discretion as to the condition of the Real Estate.

- E. Seller shall provided licensed certification by a properly licensed authority at Seller's expense that the interior of the Building is in "asbestos safe condition" no later than February 28, 2003.
- F. In addition, Buyer may have the Real Estate inspected by a party or parties who are qualified to render environmental assessment services and surveys in order to perform a Phase I and/or Phase II environmental audit or other environmental audit or inspection in the discretion of Buyer to disclose contamination. Any such additional assessment or investigative costs shall be at Buyer's sole expense. Seller shall provide to Buyer copies of Seller's environmental and structural assessments, reports and inspections.
- G. The downtown parking variance currently in place for the Real Estate must always remain available for the Real Estate, regardless of its use. This warranty shall survive closing of the sale of the Real Estate.

4. Buyer may obtain a title insurance binder which shall show marketable title in Seller as defined in the Marketable Title Act. Buyer agrees to furnish Seller a written opinion from its attorney showing any objection to the Seller's title which the Buyer claims to exist. If there are defects in title which can be corrected, Seller shall have a reasonable time in which to cure said defects at Seller's expense. If there are defects in title which cannot be corrected to Buyer's satisfaction, this agreement shall become null and void and both parties shall be released from their covenants and obligations hereunder. The cost of the owner's title insurance policy, a lender's endorsement or any other requirements imposed by the Buyer's lender including any surveying costs, loan origination fees, discount points or related costs shall be paid by the Buyer.

5. Seller shall pay all general real estate taxes (if any) for the year 2001 and shall pay 2002 taxes to date of closing. Taxes for 2002 shall be prorated to the date of closing based on the 2002 assessed valuation of the County Assessor's office. Buyer shall be responsible for payment of remaining taxes for the year 2002 and all subsequent years. Seller agrees to pay all special assessments levied against

the Real Estate prior to closing.

6. The closing of this transaction shall occur on the earlier of March 15, 2003 or upon fourteen (14) days written notice from Buyer to Seller that all of the conditions of closing have been fulfilled to Buyer's satisfaction.

7. Seller agrees to convey the Real Estate to Buyer by general warranty deed, free and clear of all liens, encumbrances and special assessments of record and subject to all easements and restrictions now of record against the property as may be accepted by Buyer. Buyer shall pay the Nebraska Documentary Transfer Tax at time of closing.

8. Subject to the terms and conditions set forth herein, Buyer is purchasing the Real Estate in "As Is/Where Is" condition.

9. Risk of loss to the Real Estate shall be upon the Seller until the time of closing and thereafter shall be upon the Buyer. Seller shall continue in force until closing all insurance now in force on the Real Estate. In the event that prior to closing the improvements located upon the Real Estate are burned or otherwise damaged to such an extent that they cannot reasonably be repaired and replaced in substantially the condition that they are now in, the Buyer shall have the right prior to closing to cancel this agreement.

10. Time is an essential element of this agreement.

11. In the event Buyer shall fail to consummate the closing of this transaction for any reason except as provided herein, Seller may pursue such equitable and legal remedies as may be available to the Seller. In the event that Seller fails to consummate the closing of this transaction for any reason, the Buyer shall be permitted to utilize such equitable and legal remedies as are available to the Buyer by reason of such failure including remedies of specific performance.

12. This agreement is not assignable by Buyer without the prior written consent of the Seller. Buyer may negotiate lease terms with prospective tenants upon execution of this Agreement, which leases shall be conditional upon Buyer purchasing the Real Estate.

13. All covenants and conditions herein contained shall survive closing and shall extend to and be binding upon the parties, their assigns, successors in interest and legal

representatives.

IN WITNESS WHEREOF, the parties have hereto set their respective hands the day and year first above written.

SELLER:
CITY OF GRAND ISLAND

BUYER:
PROCON DEVELOPMENT COMPANY,
L.L.C.

BY _____
BY _____

MEMBER

STATE OF NEBRASKA
SS:
COUNTY OF HALL

The foregoing was acknowledged before me on _____, 2002, by _____, of the City of Grand Island, Nebraska, a municipal corporation.

Notary Public

STATE OF NEBRASKA
SS:
COUNTY OF HALL

The foregoing was acknowledged before me on _____, by _____, member of Procon

Development Company, L.L.C., a Nebraska limited liability company, on behalf of the company.

Notary Public

RESOLUTION 2002-367

WHEREAS, the Community Redevelopment Authority of the City of Grand Island invited proposals for Renovations and Modifications to the Existing Former City Hall Building located at 208 North Pine Street, according to Request for Proposals on file with the Director of the Community Redevelopment Authority; and

WHEREAS, proposals were due on June 20, 2002; and

WHEREAS, Procon Development Company, L.L.C. of Grand Island, Nebraska, submitted a proposal in accordance with the terms of the Request for Proposals, such proposal being for the acquisition of the property for the amount of \$1,001, with a total redevelopment cost of \$1,941,001.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of Procon Development Company, L.L.C. of Grand Island, Nebraska for acquisition of the existing former City Hall building located at 208 North Pine Street for the amount of \$1,001, with a total redevelopment cost of such building to be \$1,941,001 is hereby approved as the best proposal received.

BE IT FURTHER RESOLVED, that an Agreement by and between the city and Procon Development Company, L.L.C. be entered into for such project; and the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska on November 26, 2002.

RaNae Edwards, City Clerk

Approved as to Form ? _____ November 21, 2002 ? City Attorney
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