CITY OF STOUGHTON, 207 S FORREST STREET, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL

A resolution approving the Summary Report of the Redevelopment Authority of the City of Stoughton ("RDA") regarding the sale of the property located at 314 West Main Street, Stoughton, Wisconsin (commonly known as the Marathon site) (the Property")

Committee Action:	RDA approved the terms of the Offer to Purchase and Counter Offers RDA approved 6-0, with Trow abstaining on October 14, 2020
Fiscal Impact:	Property Sale of $72,000 Anticipated improved value to the tax roll by 12/31/2021 of $900,000 +

File Number:	R-174-2020	**Date Introduced:**	November 24, 2020

WHEREAS, prior to the sale of any real property, the RDA is required pursuant to Wis. Stat. 66.1333(9)(a)1.d, to provide a report as to the terms, conditions and other material conditions of the transaction to the local legislative body for approval; and

WHEREAS, the RDA has negotiated the sale of the Property; and

WHEREAS, attached is a Summary Report which provides the terms and conditions of the transaction, along with a detailed Critical Dates Summary and Closing Checklist, for approval by the City Council; and

BE IT RESOLVED by the Common Council of the City of Stoughton that the Summary Report and attachments submitted by the RDA regarding the terms and conditions of the sale of 314 West Main Street in the City of Stoughton is approved.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____

SUMMARY REPORT
By the REDEVELOPMENT AUTHORITY OF THE CITY OF STOUGHTON
For the Sale of:

Property: 314 West Main Street, Stoughton, Wisconsin

Buyer: Blake George and/or assigns

Purchase Price: $72,000.00

Closing Date: within 30 days after the removal of all contingencies

[Please see attached Critical Dates Summary and Closing Checklist for additional detail.]

Terms: After satisfying all contingencies, Buyer shall purchase the Property and construct two four-unit residential buildings on the Property ("Project").

Conditions:
The following contingencies shall be removed on or before ninety (90) days after the Effective Date (the "Contingency Deadline"), or this Agreement shall, at the Buyer's option, be null and void and the Deposit shall be returned to Buyer. Buyer reserves the right to waive any of Buyer's contingencies by delivering a signed notice of waiver to the RDA.

Buyer or its designated architect, engineer, inspector or other representative, at Buyer's sole cost and expense, being granted access to the Property for a physical inspection of the Property and approval by the Buyer of the physical condition of the Property exercised in the use of the Buyer's reasonable opinion and discretion. This contingency does not include testing, defined as the taking of materials such as soils, water, air, or other materials from the Property and the laboratory or other analysis of those materials.

Buyer will obtain, at Buyer's sole cost and expense, any environmental assessment, investigation or report or update of any prior environmental assessment, investigation or report from qualified independent consultants selected by Buyer, at Buyer's sole expense, which assessment, investigations and/or reports are satisfactory to the Buyer, in the use of the Buyer's reasonable opinion and discretion.

Buyer will determine that the Property is or can be, at Buyer's expense, reasonably served by utilities such as electricity, gas, cable, and telephone at a cost that is satisfactory to Buyer in its sole discretion. This paragraph in no way obligates the RDA to provide such utilities to the Property and Buyer acknowledges the RDA has no obligation to construct or provided any additional utilities.

Buyer shall provide the RDA with evidence of financing for the purchase of the Property and construction of the Project in the form of a loan commitment or similar evidence. The RDA acknowledges that Buyer's financing is premised upon receipt of a grant from the Wisconsin Economic Development Corporation Brownfields Grant Program.

Other Material Provisions:
Buyer's obligations set forth in this Agreement shall survive the Closing Date.

1. Park and Permit Fees. On or before Closing, Buyer shall pay all park and permit fees relating to the Project.

2. Buyer Development/Construction Obligations.

(a) Buyer shall construct the Project with a slab on grade foundation with the top of the slab at or above surface level.

(b) Buyer shall install a vapor barrier beneath the slab of the building and a passive vapor mitigation system will be installed at each building. Buyer shall comply with this and all other requirements of the Wisconsin Department of Natural Resources approval of the Materials Management Plan, dated April 24, 2019 as it may be updated and/or revised. Buyer agrees to maintain the vapor mitigation system and other requirements as set forth in the Access and Indemnification Agreement attached as Exhibit B.

Attachments:

Critical Dates Summary for Vacant Land Offer to Purchase
Closing Checklist

CITY OF STOUGHTON, 207 S FORREST STREET, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL

A resolution approving the Summary Report of the Redevelopment Authority of the City of Stoughton ("RDA") regarding the sale of the property located at 314 West Main Street, Stoughton, Wisconsin (commonly known as the Marathon site) (the Property")

Committee Action:	RDA approved the terms of the Offer to Purchase and Counter Offers RDA approved 6-0, with Trow abstaining on October 14, 2020
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WHEREAS, attached is a Summary Report which provides the terms and conditions of the transaction, along with a detailed Critical Dates Summary and Closing Checklist, for approval by the City Council; and

BE IT RESOLVED by the Common Council of the City of Stoughton that the Summary Report and attachments submitted by the RDA regarding the terms and conditions of the sale of 314 West Main Street in the City of Stoughton is approved.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____

SUMMARY REPORT
By the REDEVELOPMENT AUTHORITY OF THE CITY OF STOUGHTON
For the Sale of:

Property: 314 West Main Street, Stoughton, Wisconsin

Buyer: Blake George and/or assigns

Purchase Price: $72,000.00

Closing Date: within 30 days after the removal of all contingencies

[Please see attached Critical Dates Summary and Closing Checklist for additional detail.]

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Buyer or its designated architect, engineer, inspector or other representative, at Buyer's sole cost and expense, being granted access to the Property for a physical inspection of the Property and approval by the Buyer of the physical condition of the Property exercised in the use of the Buyer's reasonable opinion and discretion. This contingency does not include testing, defined as the taking of materials such as soils, water, air, or other materials from the Property and the laboratory or other analysis of those materials.

Buyer will obtain, at Buyer's sole cost and expense, any environmental assessment, investigation or report or update of any prior environmental assessment, investigation or report from qualified independent consultants selected by Buyer, at Buyer's sole expense, which assessment, investigations and/or reports are satisfactory to the Buyer, in the use of the Buyer's reasonable opinion and discretion.

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Attachments:

Critical Dates Summary for Vacant Land Offer to Purchase
Closing Checklist

CRITICAL DATES SUMMARY
PURCHASE AND SALE AGREEMENT

Seller: Redevelopment Authority of the City of Stoughton

Buyer: Blake George and/or assigns

Property: 314 W. Main Street, Stoughton, Wisconsin

Project: Construction of two (2) four-unit residential buildings

Purchase price: $72,000.00

Effective Date: October 21, 2020

Closing Date: 30 days after removal of all of contingences

Contingency	Description	Due Date	Status
Earnest Money *(Section C.1(a))*	Buyer to deliver earnest money in amount of $5,000 to Title Company within 5 days of Effective Date.	Monday, October 26, 2020	Delivered to title company Nov 16, 2020
Title Insurance Commitment *(Section D)*	Seller, at Seller's expense, to provide title insurance commitment to Purchaser within 20 days after Effective Date.	Tuesday, November 10, 2020	Delivered to Buyer on November 10, 2020
Title Objection Notice *(Section D)*	Buyer to deliver written objections to title within 10 days after receipt of the title insurance commitment ("Buyer's Title Notice"). Seller to give notice of any title objections that cannot be removed within five (5) days after receipt of Buyer's Title Notice. Buyer elects in writing within 15 days thereafter to terminate the Purchase and Sale Agreement or waive title objections and close.	Friday, November 20, 2020	
Physical Inspections *(Section E.1)*	Buyer or its designated architect, engineer, inspector or other representative, to conduct physical inspection of the Property and Buyer to remove this contingency on or before 90 days after the Effective Date.	Tuesday, January 19, 2021	

Contingency	Description	Due Date	Status
Environmental Assessment *(Section E.2)*	Buyer to obtain, at Buyer's sole cost and expense, any environmental assessment, investigation or report or update of any prior environmental assessment, investigation or report from qualified independent consultants selected by Buyer, at Buyer's sole expense, and remove this contingency on or before 90 days after the Effective Date.	Tuesday, January 19, 2021	
Utilities *(Section E.3)*	Buyer to determine that the Property is or can be, at Buyer's expense, reasonably served by utilities such as electricity, gas, cable, and telephone at a cost that is satisfactory to Buyer in its sole discretion, and remove this contingency on or before 90 days after the Effective Date.	Tuesday, January 19, 2021	
Financing *(Section E.4)*	Buyer to provide Seller with evidence of financing for the purchase of the Property and construction of the Project in the form of a loan commitment or similar evidence on or before 90 days after the Effective Date.	Tuesday, January 19, 2021	
Park and Permit Fees *(Section I)*	Buyer to pay all park and permit fees on or before Closing.	On or before Closing	

CLOSING CHECKLIST

Responsible Parties:

Redevelopment Authority of the City of Stoughton (Jamin T. Friedl) **Seller**

Stafford Rosenbaum LLP (Michelle M. Affatati) **SR (Attorneys for Seller)**

Blake George and/or his assigns **Buyer**

First American Title Insurance Company (Maegan Lorentzen & Mallory Virtue) **Title Co.**

	RESPONSIBLE PARTY	DRAFTED/ ORDERED	EXECUTED/ DELIVERED
A. PRE-CLOSING MATTERS/DOCUMENTS			
1. Purchase and Sale Agreement	SR	X	X
a. Exhibit A-Description of Property		X	N/A
b. Exhibit B-Access and Indemnification Agreement		X	X
c. Exhibit C-Environmental Indemnity Agreement	Seller/Buyer	X	X
2. Order title insurance commitment	SR	X	X
3. Review title insurance commitment	SR	X	X
4. Deliver copy of resolution of City Council approving sale of the Property and authorizing execution thereof to Title Co.	SR		
5. Strict Joint Order Escrow Agreement	Title Co.		
6. Provide Seller's wire transfer instructions to Title Co. if net proceeds are to be wired to Seller's account	Seller/SR		
B. CLOSING MATTERS/DOCUMENTS			
7. General Warranty Deed	SR		
8. Electronic Real Estate Transfer Tax Return	SR/Title Co.		N/A
9. Settlement Statement a. Buyer and Seller each pay 1/2 of Title Co.'s closing fee. b. Seller to pay commission to Lee and Associates in amount of 6% of purchase price less $500.	Title Co.		

	RESPONSIBLE PARTY	DRAFTED/ ORDERED	EXECUTED/ DELIVERED
10. Access and Indemnification Agreement (Exhibit B to Purchase and Sale Agreement)	SR	X	**X**
11. Owner's Affidavit	SR/Title Co.		
12. Gap Affidavit	SR/Title Co.		
13. 1099-S Reporting Form	Title Co.		
14. Closing instruction letter	SR		
15. Delivery of closing funds to Title Co.	Buyer		
16. Disbursement of proceeds; Cash to Seller	Title Co.		
C. POST-CLOSING MATTERS			
17. Record documents with Dane County Register of Deeds' office	Title Co.		
18. Buyer to convey copies of all related documentation attached to the Access and Indemnification Agreement upon completion of the Project	Buyer		