

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: B 6-15

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: 1/5/2015

Re: Approving an Ordinance for the Execution of a Contract for Purchase of Property Located 110 Lynn Street.

Documents Included With This Agenda Item

Council memo, Resolution/Ordinance, Exhibits to Resolution/Ordinance

Supporting documentation includes: Pictures

Executive Summary

Council approval of this ordinance will authorize the City Manager to execute a contract for purchase of property located at 110 Lynn Street. The property consists of a vacant and dilapidated structure on a 9,995 square foot lot. Rehabilitation of the structure was determined to be cost prohibitive. Upon approval of the ordinance and execution of the sales contract, city staff plans to demolish the structure with CDBG funds and redevelop the site with HOME funding. Preliminary plans include redeveloping the site with an affordable single family residential structure including energy efficiency and universal design features.

There are several past and current CDBG and HOME funded affordable housing projects in close vicinity to 110 Lynn. Removal of this structure and redevelopment will benefit past, current and future affordable housing projects within the surrounding neighborhood.

Discussion

The Community Development Department Division of Neighborhood Services has been working with the 110 Lynn property owners to resolve property maintenance concerns pertaining to the structure. The home has been vacant for several years and is not in livable condition. There is also more debt associated with the property than current value, making this property undesirable for redevelopment through the private market. City staff is recommending purchasing the property for an amount to release the current owners from mortgage debt owed against the property.

The purchase price in the attached contract is for \$34,059.24, which covers mortgage liens on the property, as well as \$500 additional funds for the owner. There is an additional tax lien balance of up to \$3,497.59 associated with the property, making total debt owed against the property amount to \$37,557.08. Upon purchase of the property, City staff plans to work directly with the State to remove the tax liens from the property. Appraisal data utilized for past NSP purchases values central city vacant land at \$3.02 per square foot, which would place land value of 110 Lynn at \$30,184.90. The cost of demolition is estimated to be approximately \$15,000, which decreases the value of the property to approximately \$15,000. Staff is recommending purchase of the property and clearing the

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property of debt in order to improve the surrounding neighborhood and viability of past, current and future affordable housing projects within close vicinity.

If Council does not approve the purchase of this property, the City will be pursuing the demolition of this structure through the administrative process. This process will likely result in the demolition of the structure, however additional debt will be placed on the property, resulting in the property being even less desirable for redevelopment through the private market. City staff has received several inquiries from neighboring properties, regarding plans to remove the home located at 110 Lynn and redevelop the property. City staff is recommending expending NSP funding in an amount that relieves the property of debt in order to facilitate redevelopment of the property.

The City of Columbia has approximately \$27,602 remaining in NSP funds. Upon Council approval of this ordinance, staff will purchase the property with \$25,602 of NSP funds with the remaining portion to be paid with CDBG demolition funds. City staff will be using the remaining \$2,000 in NSP funds for mowing and maintenance costs of remaining NSP properties.

Fiscal Impact

Short-Term Impact: None. Reallocates funding already received.

Long-Term Impact: Maintains compliance with HUD expenditure requirements and ensures the City will not have to repay unspent CDBG or HOME funds.

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Economic Development, Health, Social Services and Affordable Housing

Strategic Plan Impact: Economic Development, Health, Safety and Wellbeing,

Comprehensive Plan Impact: Mobility, Connectivity, and Accessibility, Economic Development, Livable & Sustainable Communities

Suggested Council Action

Approve the attached ordinance authorizing the City Manager to execute a sales contract for purchase of 110 Lynn Street.

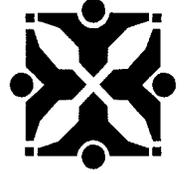
Legislative History

To date the City Council has taken the following action with NSP funds:

13 E. Forest, Rehabilitation, Complete
711 Mikel, Rehabilitation, Complete
904 Madison, Rehabilitation, Complete
102 E. Sexton, Rehabilitation, Complete
603 N. Fourth, Demolition, Land Bank
106-110 W. Sexton, Land Bank

City of Columbia

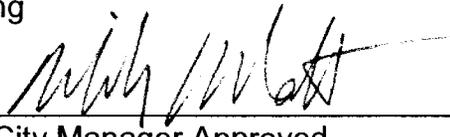
701 East Broadway, Columbia, Missouri 65201



413 W. Ash, Redevelopment Nearly Complete
208 Ridgeway, Redevelopment, Still in Land Bank Status
802 Hirth, Redevelopment, Still in Land Bank Status
3704 Southridge, Redevelopment, Scheduling Closing



Department Approved



City Manager Approved

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 6-15

AN ORDINANCE

authorizing a contract for sale of real estate with Ralph C. Powell and Rodney L. and Beverly J. Hayes for property located at 110 Lynn Street; directing the City Clerk to have the contract recorded; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City Manager is hereby authorized to execute a contract for sale of real estate with Ralph C. Powell and Rodney L. and Beverly J. Hayes for property located at 110 Lynn Street. The form and content of the contract shall be substantially in the same form as set forth in "Exhibit A" attached hereto.

SECTION 2. The City Clerk is authorized and directed to have the contract recorded in the office of the Boone County Recorder of Deeds.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

PASSED this _____ day of _____, 2015.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

CONTRACT FOR SALE OF REAL ESTATE

This agreement is dated this 16th day of DECEMBER, 2014, by and between Ralph C Powell, a single person, Rodney L. Hayes and Beverly J. Hayes, husband and wife (hereinafter referred to as "Seller") and, the City of Columbia, Missouri, a municipal corporation (hereinafter referred to as "Buyer"). Buyer's current address is 701 E. Broadway, Columbia, Missouri 65201.

WITNESSETH:

1. Subject to the terms and conditions set forth herein, the Buyer agrees to purchase and the Seller agrees to sell certain real property and all improvements thereon commonly known as 110 Lynn Street in Columbia, Boone County, Missouri more particularly described as follows:

The West Half (W ½) of Lot Thirteen (13) in John A. Stewart's Subdivision of Lots Twenty-nine (29) and Thirty-two (32) of Garth's Subdivision of Lots forty-nine (49) to Seventy-two (72), both inclusive, of Garth's Addition to the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 1, Page 21, Records of Boone County, Missouri.

2. The real estate offered by Seller and being purchased by Buyer is sold pursuant to all rules and regulations of the City of Columbia Neighborhood Stabilization Program (NSP) and the Department of Housing and Urban Development and certain regulations of 24 CFR 92.252 (a), (c), (e) and (f) and 24 CFR 92.254.
3. The purchase price for the property shall be THIRTY FOUR THOUSAND FIFTY NINE AND 49/100 \$34,059.49 which Buyer agrees to be paid by City check at closing. The two deeds of trust to City Financial Services and United Lending Corporation shall be paid out of sale proceeds at closing.
4. ~~Conveyance shall be by general warranty deed in proper form for recording and shall convey marketable title as defined by the Title Standards of the Missouri Bar.~~

5. Possession of the property shall be delivered to Buyer following closing.
6. Buyer shall pay all recording fees.
7. Buyer shall pay for the title insurance commitment premium. Buyer shall pay the fee charged by the title company to handle the closing.
8. Seller shall, at seller's option, acquire a commitment from a company authorized to issue titles in Missouri agreeing to issue title to the above described real estate in the name of the Buyer and Buyer shall have ten (10) days from receipt of the title commitment to examine title and make any objections to the title exceptions in writing to Seller. If Buyer makes no written objections within that time period, Buyer shall waive any right to make objection. In the event Buyer notifies Seller of a lawful objection, Seller shall have thirty (30) days to remove the encumbrance or defect. If Seller is unable to do so by closing, then Buyer may terminate this contract and this contract shall be void. For purposes of title, marketable title shall be defined by the Missouri Bar Title Examination Standards and any objections must conform to those standards. The cost of the title commitment policy shall be taxed as closing costs to Seller.
9. Buyer shall pay all real estate taxes, penalties and fees assessed.
10. All notices provided for in this contract may be delivered in person or by United States Mail.

Seller's Address is:

Ralph Powell
311 W. Worley
Columbia, MO 65203

Beverly and Rodney Hayes
1214 Juniper Drive
Warrenton, Missouri 63383

Buyer's Address is:

City of Columbia
Community Development
Department, 701 E
Broadway, 5th Floor
Columbia, MO 65201

11. This contract shall not be assignable by Buyer.
12. This contract shall be binding upon the parties hereto, their heirs, personal representatives, successors and assigns.
13. This contract constitutes the entire agreement between the parties and supersedes all previous discussions and agreements and may not be modified except in writing and executed by both parties.

14. This contract shall be construed in accordance with the laws of Missouri. Should any part of this contract be litigated, venue shall be proper only in the Circuit Court of Boone County, Missouri or the U.S. District Court for Western Missouri. If any term of this contract is found by a Court of competent jurisdiction to be void or invalid, such finding shall not affect the remaining terms of the contract which shall remain in effect.
15. This contract is contingent upon formal approval by the Columbia City Council.
16. This contract is also contingent upon approval by the Missouri Department of Economic Development of the Tier II Site Specific Environmental Review for the project.
17. This contract shall be closed at Boone Central Title Company on or before January 30, 2015.

IN WITNESS WHEREOF, the parties hereto have been duly authorized to execute this contract as of the day and year first above written.

SELLER:

Ralph Powell

By: Ralph C. Powell
Ralph Powell

STATE OF Missouri)
COUNTY OF BOONE) ss

On this 19th day of DECEMBER, 2014, before me, a Notary Public in and for said state, personally appeared Ralph Powell, a single person, known to me to be the person who executed the above Contract for Sale of Real Estate and acknowledged to me that she executed the same for the purposes therein stated.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

Eric Hempel

Notary Public

My commission expires: JUNE 14, 2016



ERIC HEMPEL
My Commission Expires
June 14, 2016
Boone County
Commission #12355378

SELLER:

Beverly Hayes

By: Beverly Hayes
Beverly Hayes

Rodney Hayes

By: Rodney Hayes
Rodney Hayes

STATE OF MISSOURI)
COUNTY OF WARREN) ss

On this 16th day of DECEMBER, 2014, before me, a Notary Public in and for said state, personally appeared Beverly and Rodney Hayes, husband and wife, known to me to be the persons who executed the above Contract for Sale of Real Estate and acknowledged to me that she executed the same for the purposes therein stated.

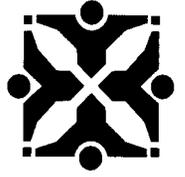
IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

Eric Hempel
Notary Public

My commission expires: JUNE 14, 2016



ERIC HEMPEL
My Commission Expires
June 14, 2016
Boone County
Commission #12355378



SUPPORTING DOCUMENTS INCLUDED WITH THIS AGENDA ITEM ARE AS FOLLOWS:

Pictures

