

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: B 50-15

Department Source: City Manager

To: City Council

From: City Manager & Staff

Council Meeting Date: 2/16/2015

Re: Approving an Ordinance for the appropriation of funds and the Execution of a Contract for Purchase of Property Located at 309 and 307 St. James Street, contingent upon the City successfully exercising its option on a Right of First Refusal on the Union Electric property (recently cleared and environmentally cleaned) located at Park and Orr. This contract is also subject to an appraisal with a value of at least \$200,000.

Documents Included With This Agenda Item

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

Supporting documentation includes: Map

Executive Summary

Council approval of this ordinance will authorize the City Manager to execute a contract for purchase of property located at 309 and 307 St. James Street for \$200,000, and is contingent upon the City exercising its option on a certain Right of First Refusal dated October 10, 2011 on land owned by Union Electric bounded by Park and Orr. This St. James Street property is a rental house that sits on the northeast corner of the Union Electric property. There are no preliminary plans for the St. James Street property other than it would be included in any projected use of the Union Electric block. This contract shall expire on August 1, 2015 if the contingencies are not met.

Discussion

Council approval of this ordinance would result in the ability to acquire the entire block surrounded by Orr Street, Park Avenue, St. James Street, and East Ash Street. This option will only be used should the City exercise its right of first refusal on the adjacent Union Electric parcel to the south (owned by Ameren).

In the event the City does acquire the block, a public master planning process will be conducted to determine the future public use of the land. The Downtown Leadership Council's H3 Charrette envisions using this space for a park and market with adjacent artist live/work space.

Fiscal Impact

Short-Term Impact: The purchase price of this property is \$200,000 subject to appraisal at or above that figure and is contingent upon exercising the option on the Ameren site. Fund Balance from the General Fund is the identified funding source for this purchase.

Long-Term Impact: Unknown

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Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Development

Strategic Plan Impact: Customer Focused Government, Growth Management, Health, Safety and Wellbeing, Infrastructure

Comprehensive Plan Impact: Land Use & Growth Management, Environmental Management, Infrastructure, Mobility, Connectivity, and Accessibility, Economic Development, Inter-Governmental Cooperation, Livable & Sustainable Communities

Suggested Council Action

Should Council agree, staff recommends approval of the ordinance authorizing the City Manager to execute a sales contract for purchase of property at 309 and 307 St. James Street, subject to appraisal and contingent upon the City successfully exercising its option on the Union Electric property.

Legislative History

There is no legislative history associated with this item.

Department Approved

City Manager Approved

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 50-15

AN ORDINANCE

authorizing an agreement for sale of real estate with Vicarious, LLC for the purchase of property located at 309 and 307 St. James Street; appropriating funds; 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 an agreement for sale of real estate with Vicarious, LLC for the purchase of property located at 309 and 307 St. James Street. The form and content of the agreement shall be substantially in the same form as set forth in "Exhibit A" attached hereto.

SECTION 2. The sum of \$200,000.00 is hereby appropriated from Account No. 110-0000-341.01-00 to Account No. 110-6010-505.60-65.

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

CERTIFICATION: I certify there are sufficient funds available in Account No. 110-0000-341.01-00 to cover the above appropriation.

Director of Finance

AGREEMENT FOR SALE OF REAL ESTATE

This agreement is dated this _____ day of _____, 2015, by and between the City of Columbia, Missouri, a municipal corporation (hereinafter referred to as "CITY") and Vicarious, LLC, (hereinafter referred to as "Seller").

WITNESSETH:

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

1. City agrees to buy and Seller agrees to sell the following described real property being: 33 feet off of the South side of the following described tract, a part of the Southwest Quarter (SW 1/4) of Section Seven (7), Township Forty-eight (48), Range Twelve (12), in the City of Columbia, Boone County, Missouri described as follows: BEGINNING at a point on the East line of Survey No. 1277, the same being the Northeast corner of the tract of ground conveyed to Beverly T. Galloway by Western Herndon by deed recorded in Book 67, Page 147, Records of Boone County, Missouri; thence South 71.38 feet to the Northeast corner of tract sold to J.J. Doyle; thence West along the North side of said Doyle tract, 96.90 feet, more or less, to the East line of a tract of land sold to Estill Edwards; thence North along the East line of said Edwards property to the South line of Paris Road; thence North 59 degrees East, along the South line of Paris Road to a point 54 links West of the point of beginning; thence East 54 links to the POINT OF BEGINNING.

AND part of the Southwest Quarter (SW ¼) of Section Seven (7), Township Forty-eight (48), of Range Twelve (12), in the City of Columbia Boone County, Missouri described as follows: BEGINNING at a point on the East line of Survey no. 1277, the same being the Northeast corner of the tract of ground conveyed to Beverly T. Galloway by Western Herndon by deed recorded in Book 67, Page 147, Records of Boone County, Missouri; thence South 71.38 feet to the Northeast corner of tract sold to J.J. Doyle; thence West along the North side of said Doyle tract 96.90 feet, more or less, to the East line of a tract of land sold to Estill L. Edwards; thence North along the East line of said Edwards tract to the South line of Paris Road; thence North 59 degrees East along the South line of Pars Road to a point 54 links East of the Point of beginning; thence East 54 links to the POINT OF BEGINNING.

EXCEPT a tract 33 feet in width north and south off of the South side thereof.

2. The purchase price for the property shall be two hundred thousand dollars (\$200,000) which shall be paid in full at time of closing, subject to the property

appraising for a minimum of two hundred thousand dollars (\$200,000) by City's appraiser.

3. Merchantable title shall be defined by the title standards of the Missouri Bar.
4. City shall obtain a commitment to title insurance issued by a title insurance company acceptable to City. The commitment must obligate the title insurance company to issue a title insurance policy to the City at closing which insures that Sellers' title is free and clear of encumbrances. The amount of the title insurance shall be the purchase price. The premium shall be paid by the seller at closing. The title insurance commitment must describe any exceptions to the policy, which will be issued immediately at closing. City shall pay half the closing fees charged by the title company.
5. In order to establish whether any environmental contamination or hazard exists on any portion of the property, City may obtain, at City's expense, a Phase I Environmental Survey from a reputable environmental engineering firm as soon as reasonably possible after execution of this agreement. The environmental study shall reflect the presence or absence of any hazardous waste, biological or environmental hazard or unsafe condition within the meaning of federal or state environmental protection laws. If the survey reflects the possible existence of hazardous waste or any environmental hazard on the property, the closing date shall be delayed for a reasonable period of time (not to exceed one hundred twenty days). Within this period of time, City, at its expense, shall arrange for additional environmental tests and studies to establish to City's satisfaction that there is no environmental contamination of the soil or groundwater on the property which would impose any liability under any federal or state law for remediation of the condition by the City if City acquires the property. If such tests reveal or recognize environmental condition or contamination on the property that requires remediation under federal or state law, City shall so notify Seller. Within ten (10) days of receipt of such notice, Seller must notify City whether or not Sellers will remediate the contamination. If Seller fails to notify City within the ten (10) days, Seller shall conclusively be presumed to have decided not to remediate the contamination. If Seller decides not to remediate the contamination, City shall have the option of either purchasing the property or declaring this agreement void.
6. This transaction shall be closed on or before August 1, 2015 or at such other time when the parties may agree at the office of the City Counselor, City of Columbia, Second Floor Daniel Boone/City Hall Addition Building, 701 East Broadway, Columbia, MO 65201, at which time title to the property shall be delivered to City and all monies and papers shall be delivered and transferred.
7. Real estate taxes for the year 2015 shall be prorated and Sellers' portion of said taxes shall be withheld from the purchase price at closing.

8. This agreement shall be binding upon and inure to the benefit of the heirs, administrators, successors and assigns of the parties.
9. This agreement and all terms and provisions are contingent upon the Buyers, City of Columbia, Missouri, successfully exercising its option and closing on a certain Right of First Refusal dated October 10, 2011 between City of Columbia, Missouri and Union Electric Company, recorded at Book 3761, Page 4 of the Boone County Recorder of Deeds Office. In the event that option is not exercised by the City of Columbia, Missouri by August 1, 2015, this agreement shall be void.
10. This agreement is also contingent upon seller, Vicarious LLC, taking all necessary legal steps to remove all tenants from the property within four (4) months of notice by City to Seller they are in a position to set a closing date and proceed with closing.
11. This agreement is also contingent upon the property appraising for two hundred thousand dollars (\$200,000) as specified in paragraph 2 of this agreement.

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

[SIGNATURES ON FOLLOWING PAGES]

CITY:
CITY OF COLUMBIA, MISSOURI

BY: _____
Mike Matthes, City Manager

ATTEST:

Sheela Amin, City Clerk

APPROVED AS TO FORM:

Nancy Thompson, City Counselor

CERTIFICATION: I hereby certify that this agreement is within the purpose of the appropriation to which it is to be charged, Account No. _____, and that there is an unencumbered balance to the credit of such appropriation sufficient to pay therefor.

John Blattel, Director of Finance

STATE OF MISSOURI)
) ss
COUNTY OF BOONE)

On this _____ day of _____, 201____ before me appeared Mike Matthes, to me personally known, who, being by me duly sworn, did say that he is the City Manager of the City of Columbia, Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of the City and that this instrument was signed and sealed on behalf of the City by authority of its City Council and the City Manager acknowledged this instrument to be the free act and deed of the City.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal, at my office in Columbia, Boone County, Missouri, the day and year first above written.

Notary Public

SELLER: Vicarious, LLC

Jonathan M. Sturges
member

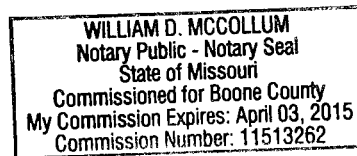
STATE OF Missouri)
COUNTY OF Boone) ss
)

On this 13th day of JANUARY, 2015, before me, a Notary Public in and for said state, personally appeared, Vicarious, LLC, known to me to be the persons who executed the above Agreement for Sale of Real Estate and acknowledged to me that they 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.

William D. McCollum
Notary Public

My commission expires: 4/3/2015.





SUPPORTING DOCUMENTS INCLUDED WITH THIS AGENDA ITEM ARE AS FOLLOWS:

Map



Columbia City View

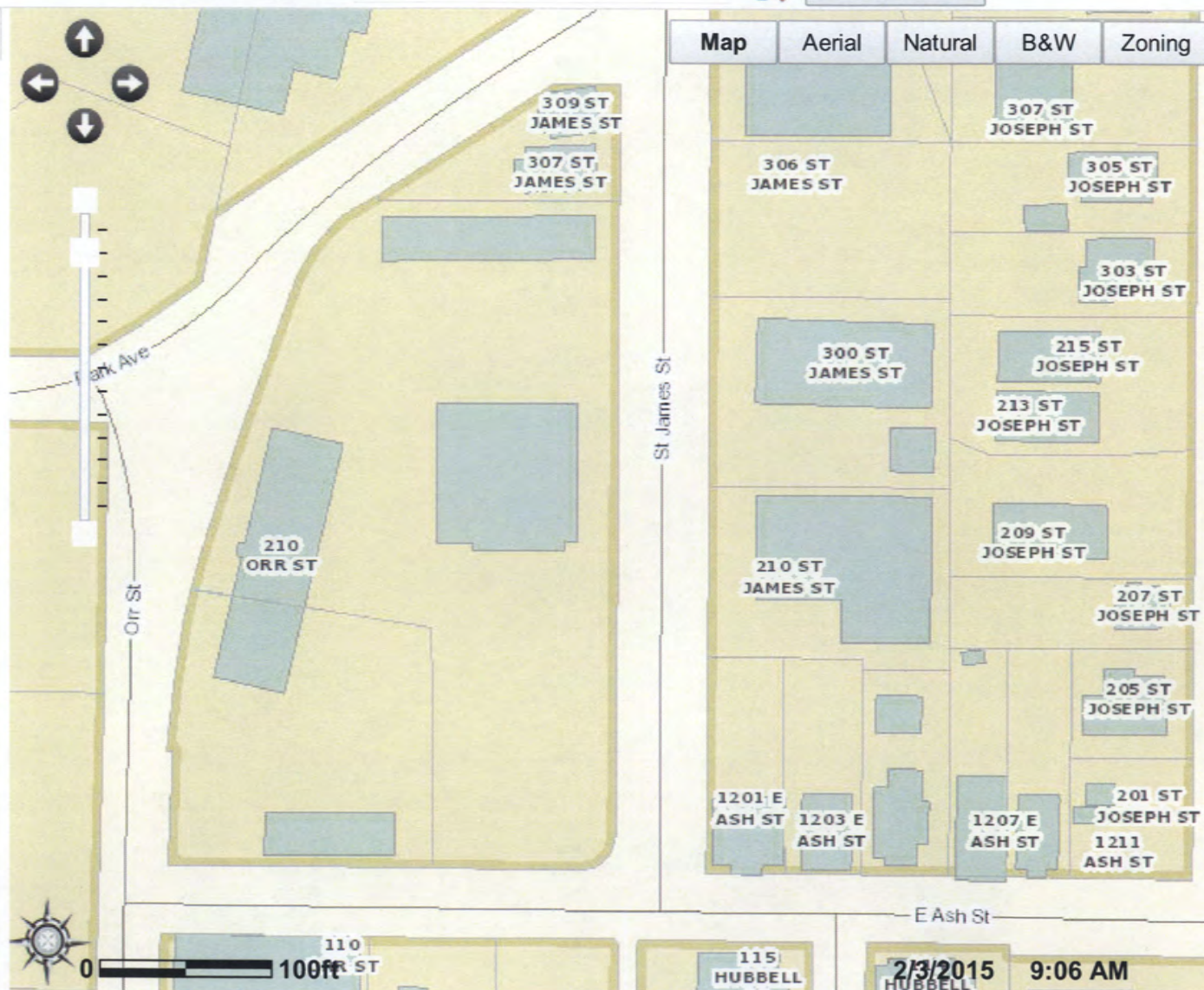
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