

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 173-13

AN ORDINANCE

authorizing an agreement with Heibel-March, LLC for the conveyance of the Heibel-March building and lease of city-owned property located at 900-902 Rangeline Street; directing the City Clerk to have the agreement 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 an agreement with Heibel-March, LLC for the conveyance of the Heibel-March building and lease of city-owned property located at 900-902 Rangeline Street. The form and content of the agreement shall be substantially as set forth in "Exhibit A" attached hereto and made a part hereof as fully as if set forth herein verbatim.

SECTION 2. The City Clerk is authorized and directed to have the agreement 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 _____, 2013.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

CONVEYANCE OF BUILDING AND LEASE OF LAND

This Conveyance of Building and Lease of Land is entered into on this _____ day of _____, 2013, by and between the CITY OF COLUMBIA, MISSOURI, a municipal corporation, hereinafter called "City" (Grantor) and HEIBEL-MARCH, LLC, a Missouri limited liability company, hereinafter called "March" (Grantee):

WHEREAS, City owns the Heibel-March Building located at 900-902 Rangeline Street, which is adjacent to Field Neighborhood Park; and

WHEREAS, City desires to have the historic Heibel-March Building restored and preserved; and

WHEREAS, March desires to take title to the Heibel-March Building (herein the "Building"), lease the land on which it is located and restore and preserve the Building for the uses and purposes specified herein.

NOW, THEREFORE, the City executes the following conveyance and the parties enter into the following lease of land:

A. CONVEYANCE OF HEIBEL-MARCH BUILDING

The City, in consideration of the sum of Ten Dollars (\$10.00) and the agreements and promises set forth in this document, hereby bargains, conveys, sells and delivers to March all its right, title, and interest in and to the Heibel-March Building located at 900-902 Rangeline Street, Columbia, Missouri, and improvements and fixtures attached thereto, including the foundations and utility lines on or under the building that exclusively serve the building (the "Building"), all of which are located on the following described property:

Lot Three (3) of Sarah Hamilton Place Addition as shown by plat recorded in Plat Book 2, Page 38 of the Boone County Records.

The conveyance of this Building does not include the real property on which the Building is located. The Building is conveyed to March in its "as is" condition without warranties as to its condition or habitability.

B. LEASE OF LAND

In consideration of the respective covenants of the parties and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby mutually agree as follows:

1. LEASED PROPERTY: The City hereby leases to March the following described property located at 900-902 Rangeline Street in the City of Columbia, Boone County, Missouri, herein referred to as the "Leased Property," to-wit:

Lot Three (3) of Sarah Hamilton Place Addition as shown by plat recorded in Plat Book 2, Page 38 of the Boone County Records.

together with all rights, easements and privileges appurtenant thereto.

2. TERM: The term of this Lease shall be for a period of ninety (90) years, commencing on _____, 2013 and ending on _____, 2103.

3. RENT: March shall pay to City as rent on the Leased Property the total sum of Nine Hundred Dollars (\$900.00) which March has paid to City concurrently with the execution of this Lease representing rent in the amount of Ten Dollars (\$10.00) per year for a period of ninety (90) years paid in advance.

4. POSSESSION: March shall have the right to possession of the Leased Property under the terms of this Lease on the commencement date of this Lease and on performing the covenants contained herein March may peaceably hold said possession for the term of this Lease.

5. USE OF LEASED PROPERTY: March shall use the Building for commercial office and retail purposes. Any material change in use is subject to the approval of the City, which shall not be unreasonably withheld, conditioned, or delayed. Any other use of the Building shall be subject to the written consent of the City, which may be granted or withheld in its discretion, except the Building shall not in any event be used to sell alcoholic beverages by the drink or as an adult cabaret as defined in Section 67.2540 RSMo.

6. NONINTERFERENCE WITH PARK: March agrees not to interfere with City's development of, access to, or use of Field Neighborhood Park, which is located on property adjacent to the leased premises. Nothing in this Lease shall preclude March from requesting or the City granting access to the park property that is necessary to perform maintenance or repair of the Building.

7. RIGHT OF ENTRY: City has the right upon giving to March not less than twenty-four (24) hours prior written notice to enter upon the leased property to determine

the conditions of the Building and the activities being conducted on the leased property, except no said prior notice is required to be given in the event of an emergency.

8. UTILITIES: March will pay when due for all utilities, including water, sewer, gas, electric current, trash pickup and other utilities, furnished to the Leased Property during the term of this Lease.

9. RENOVATION OF BUILDING: March shall renovate the Building and bring it into compliance with all City codes. To the extent feasible, March shall preserve and restore the historic and architectural characteristics of the Building. March will at its expense install the improvements on the Leased Property described in Exhibit "A" attached hereto. March shall begin renovation of the Building within one (1) year after the date of this document. March shall substantially complete said renovations to the extent that the Building qualifies for a Certificate of Occupancy not later than the _____ day of _____, 20____. City has concurrently herewith issued to March a Building Permit to renovate the Building. March shall not use the Building for the purposes specified herein until the City inspects it and issues a Certificate of Occupancy. March shall comply with all City Ordinances, rules and regulations and all state and federal laws in renovating the Building. The title to and ownership of the improvements to the Leased Property shall remain in March during the term of this Lease.

10. RIGHT OF USE AREA: City grants to March the right to use ten (10) feet on the north side of the Building for access to the exterior of the Building. City will not build any structure in this ten (10) foot wide area. March shall not place any trash containers in this area. During renovation or any required maintenance of the Building, March, after notifying the Director of Parks and Recreation of the City, may enter the adjoining park as necessary to accomplish the renovation or maintenance, including the placement of temporary trash containers. subject to reasonable restrictions of the Director of Parks and Recreation of the City. March shall take steps to minimize any damage caused by the construction project. March shall promptly repair all damage caused by the construction project.

11. MAINTENANCE OF BUILDING: March shall properly maintain and keep the Building in good repair after it has been renovated, reasonable wear and tear excepted. March shall maintain the exterior of the Building in a neat and orderly manner and keep the Leased Property free from trash, broken glass and other nuisances. March shall preserve the historic and architectural characteristics of the Building. March shall not change the exterior appearance of the Building without first obtaining the City's written consent.

12. LIABILITY INSURANCE: March agrees to keep in effect at all times public liability insurance sufficient to protect City from liability for damage to persons or property directly or indirectly caused by March's possession of the Leased Property and ownership of the Building in an amount not less than the limitations on awards for liability provided in Sec. 537.610 RSMo. or any successor statute. This insurance policy shall name March as

the insured and name City as an additional insured. March shall provide City with a current certificate of insurance evidencing the existence of the required coverage.

13. INDEMNIFICATION: March shall defend, indemnify and hold harmless the City, its officers, agents, and employees from any and all claims or damages, suits, costs, liabilities, actions or proceedings of any nature whatsoever in any way resulting from or arising out of, directly or indirectly, March's activities under this Lease or its use or occupancy of any portion of the Leased Property, including acts of commission or omission of employees, representatives or agents of March on the Leased Property.

14. PROPERTY INSURANCE: March agrees to keep in effect at all times a policy of fire and extended coverage insurance upon the Building in an amount not less than the replacement value of the Building. March shall be the named insured on said policy and March's lender may be named as a mortgage loss payee on said policy. March shall provide City with a current certificate of insurance evidencing the existence of the required coverage.

15. ASSIGNMENT: No assignment of this Lease or sublease or transfer of ownership of the Building shall be permitted without the written consent of City, which consent shall not be unreasonably withheld, except March shall have the rights specified in paragraph 16 below. March shall give City sixty (60) days notice of any intended assignment or sale. Upon any such assignment or transfer, March shall be released from any further liability or obligations hereunder.

16. MORTGAGE OF LEASEHOLD INTEREST: March shall have the right from time to time to convey or encumber by one or more mortgages, deeds of trust or other security instruments all or any part of its leasehold interest in the Leased Property and its ownership interest in the Building. March shall notify City in writing of the name and address of each mortgagee, trustee or other holder of any such security instrument. March may substitute one mortgagee, trustee or other holder in the place of another provided written notice thereof is given to City.

The fee simple interest of landlord in the real property on which the Building is located cannot be mortgaged nor pledged by March to any leasehold mortgage holder. Further, City shall have no liability to any such leasehold mortgage holder or its assignee other than the City's obligations to honor the terms of this Lease.

17. BUILDING DAMAGE: If the Building is damaged by fire or other cause during the term of this Lease, March will restore the Building to its original condition as soon as practical after said damage occurs, except in the event the Building is damaged by fire or other cause to the extent of more than fifty percent (50%) of the total replacement cost of the Building, March may elect by written notice to City served within ninety (90) days after the happening of said damage to remove the entire Building from the Leased Property and in the event March timely makes said election, March shall remove the entire

Building from the Leased Property within six (6) months after the date of said damage and thereupon this Lease shall terminate.

18. DEFAULT AND TERMINATION: The following shall be deemed events of default by March under this Lease:

a) If March defaults in the performance or observation of any of the covenants, agreements or conditions set forth in this Lease, City may give a written notice of default to March. If March remains in default sixty (60) days after receiving notice of default, or if March is dispossessed or abandons or vacates the leased premises for a period of ninety (90) days at any time after the period of renovation, or if March becomes bankrupt or makes a general assignment for the benefit of creditors at any time during the term of this Lease, City shall have the right to terminate this Lease.

b) March's failure to begin renovation of the Building within one (1) year of the date of this Lease or March's failure to complete renovation within eighteen (18) months after beginning renovation shall constitute an act of default and City shall then have the right to terminate this Lease by giving written notice of default to March. March shall not be given sixty (60) days to cure a default under this subsection. However, if a deed of trust on the leasehold interest is in effect, the lender shall be given notice of the default and shall be allowed 120 days from notice to cure the defect.

19. QUIET POSSESSION: City agrees that so long as March fully complies with the terms, covenants and conditions herein contained required to be performed by March, March may retain possession of the Leased Property during the term of this Lease.

20. ESTOPPEL CERTIFICATE: City agrees within fifteen (15) days after requested by March to execute and deliver to March an estoppel certificate furnished by March certifying that this Lease is in full force and effect and that there are no defaults hereunder by March.

21. NOTICES: All notices required or permitted herein shall be in writing, sent to the party to whom addressed at the following address(es) and shall be deemed delivered to, and received by the other party when (i) actually received, if hand delivered, (ii) on the next business day when given by Federal Express or other twenty-four (24) hour delivery service, package prepaid, or (iii) two (2) business days after being deposited in the United States Mail by certified mail, return receipt requested, postage prepaid; the address(es) being as follows:

To City: City of Columbia
c/o Director of Parks and Recreation
P.O. Box 6015
Columbia, MO 65205-6015

To March: Heibel-March, LLC
c/o Robert F. Grove
10 S. Eighth Street
Columbia, MO 65201

or at such other address or addresses as may be specified in writing to the other party.

22. SUCCESSORS AND ASSIGNS: This Lease shall be binding upon the parties hereto, and their successors and assigns.

[SIGNATURES ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the City has conveyed the Heibel-March Building and the parties have executed this Lease on the day and year first above written.

City:

CITY OF COLUMBIA, MISSOURI

By: _____
MIKE MATTHES, City Manager

ATTEST:

SHEELA AMIN, City Clerk

APPROVED AS TO FORM:

NANCY THOMPSON, City Counselor

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

On this _____ day of _____, 2013, 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 my hand and affixed my official seal, at my office in Columbia, Missouri, the day and year first above written.

Notary Public

My commission expires: _____

March:

HEIBEL-MARCH, LLC, a Missouri limited liability company

By: _____
Member

By: _____
Member

Being all of the Members of the Company

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

On this _____ day of _____, 2013, before me personally appeared _____ and _____, being all of the Members of HEIBEL-MARCH, LLC, a Missouri limited liability company, known to me to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed as said Members

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

Notary Public

My commission expires: _____

THIS DOCUMENT
THE PROPERTY OF
THE ARCHITECT
AND MAY NOT BE
REPRODUCED

SIMON ASSOCIATES INC.
ARCHITECTURE

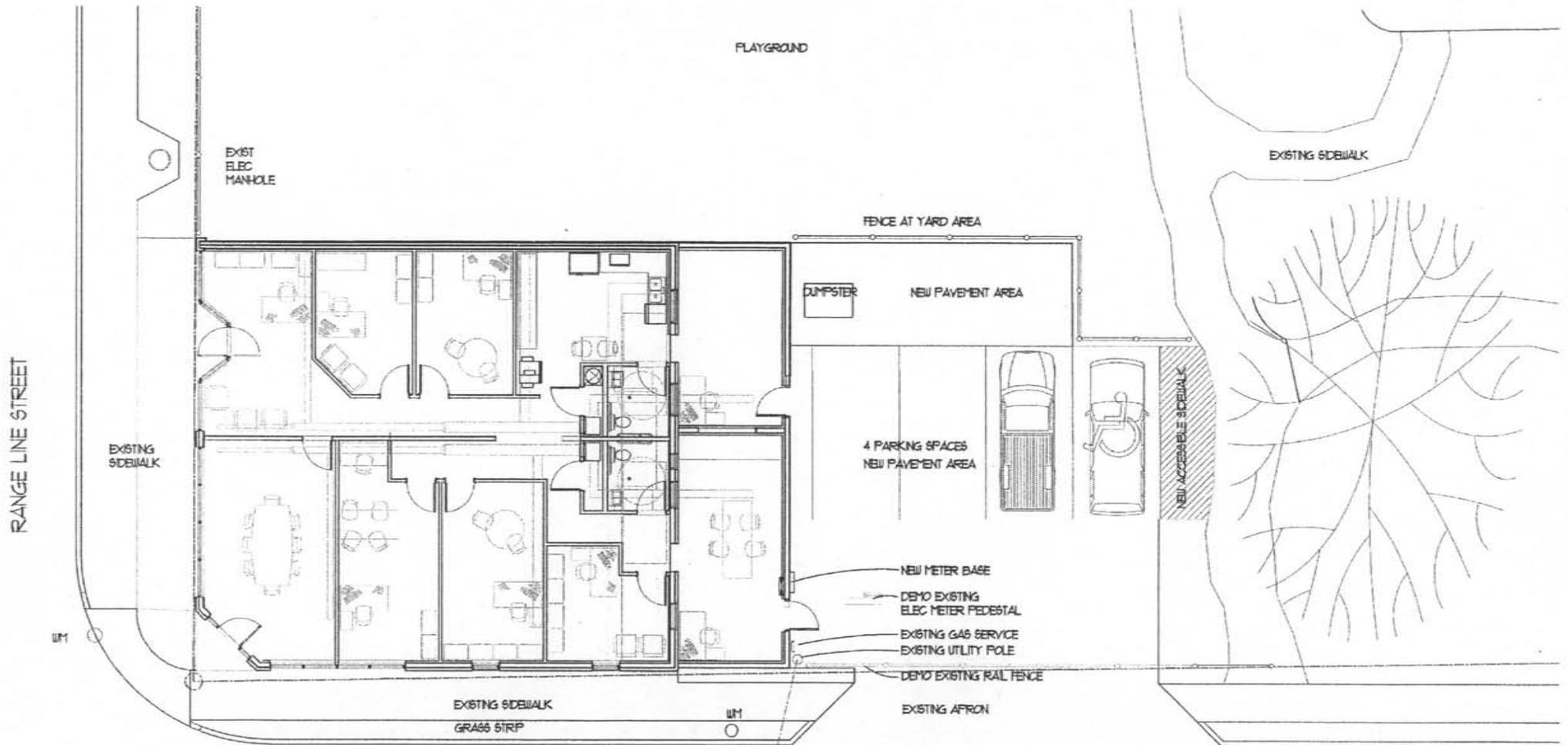


HEIBEL MARCH BUILDING

REVISION



DATE BOUND
04/02/75

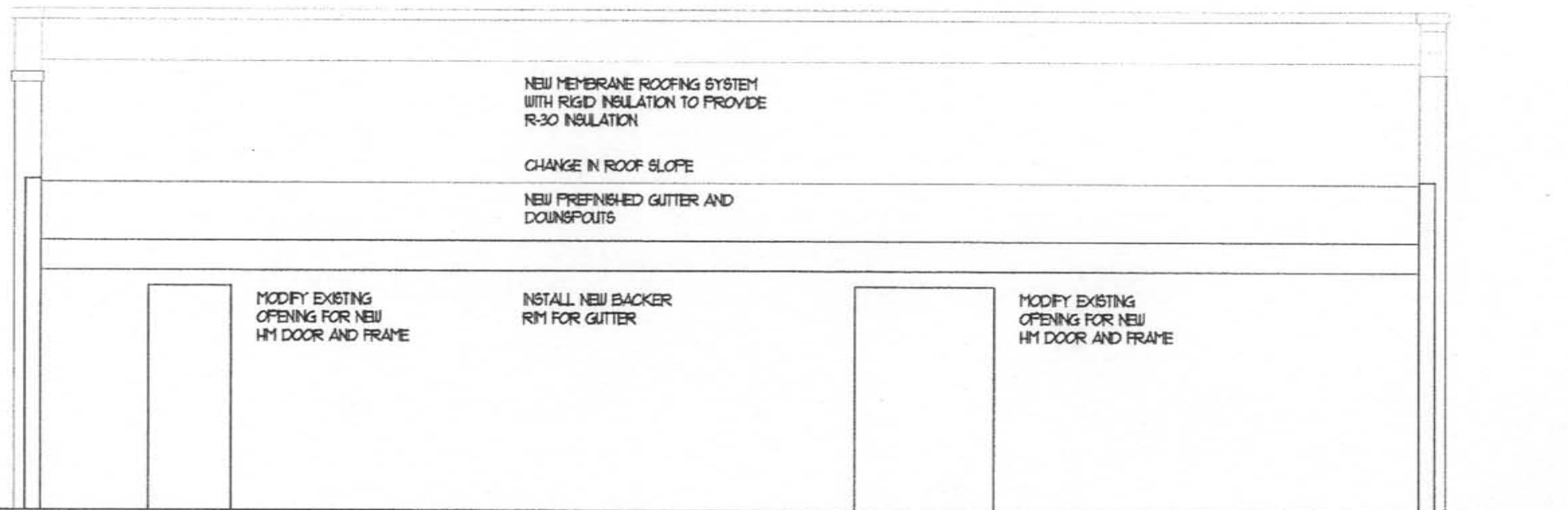


NOTE: SITE PLAN LAYOUT BASED ON ACCESSOR'S AERIAL IMAGE AND IS APPROXIMATE TO ACTUAL CONDITIONS AT SITE. FIELD VERIFICATION OF EXISTING CONDITIONS.

WILKES BLVD



WILKES BLVD



EAST ELEVATION

SCALE: 1/4" = 1'-0"

NEW PREFINISHED METAL COPING
OVER THE EXISTING CONC CAP



REPAIR EXIST MASONRY
-SET NEW BRICK BACK
1" FROM EXIST FACE

3
A4

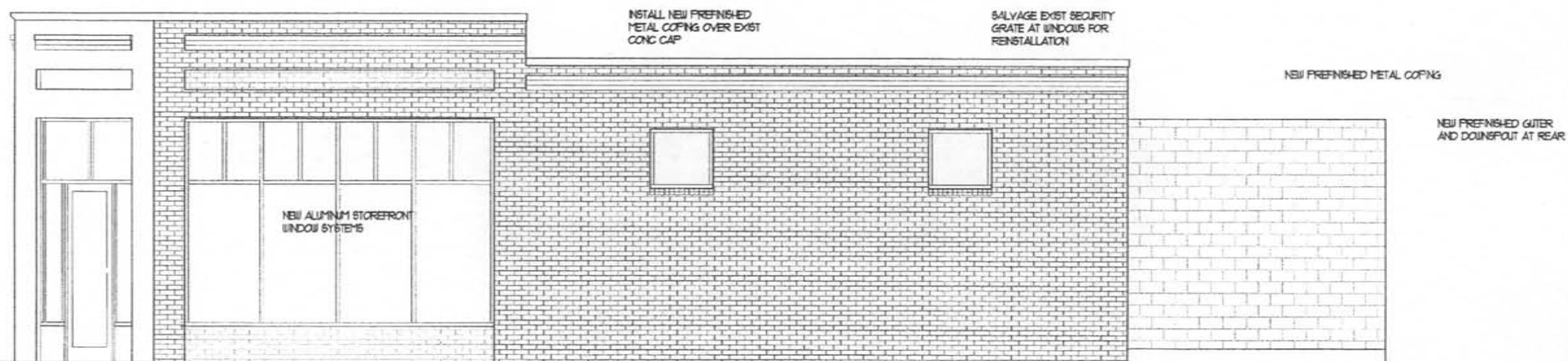
WEST ELEVATION

SCALE: 1/4" = 1'-0"

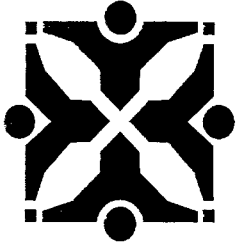
NEW PREFINISHED METAL COPING

DO NOT DISTURB EXISTING MURAL THIS WALL

2 NORTH ELEVATION
A4 SCALE: 1/4" = 1'-0"



1
A4 SOUTH ELEVATION
SCALE: 1/4" = 1'-0"



Source: Parks and Recreation

Agenda Item No:

To: City Council

From: City Manager and Staff

Council Meeting Date: Jun 17, 2013

Re: Agreement for the renovation and use of the Heibel-March Building

EXECUTIVE SUMMARY:

The Parks & Recreation Department is requesting Council ordinance authorizing the City Manager to sign an agreement with Heibel-March, LLC (formerly Grove Construction) for the conveyance of the Heibel-March building and related land lease. At the December 3, 2012 Council meeting, Council authorized staff to proceed with negotiations for an agreement that would transfer ownership of the Heibel-March building to Bob Grove Construction. Staff began negotiations with Bob Grove and believe that the proposed agreement and attachments represent a consensus of Grove, the neighborhood association and staff. Key points of the agreement include: preserving the building's historical and architectural characteristics; using the building for office & retail space with stated restrictions; and allow for the construction of an enclosed area for a trash dumpster and four additional parking spaces on the east side of the building. Mr. Grove's plans for the building are shown as Attachment A to the agreement. One area of concern that Mr. Grove would like to see mentioned is that it appears that when the City installed a water line, the sewer connection between the building and main was interrupted.

DISCUSSION:

The Heibel-March building, located at 900-902 Rangeline Street is a 2,600 square foot building that was acquired as part of the City's 1998 purchase of land for Field Park. Since that time, three agencies or companies entered into negotiations for the preservation and operation of the Heibel-March building. Unfortunately, none of them were able to sustain their efforts. A complete history of the building may be found at the P&R website at: <http://www.gocolumbiamo.com/ParksandRec/Parks/Field/fieldbuilding.php>

In May, 2012 the P&R Commission requested that the Council consider demolishing the building. There was some hesitancy by Council to forgo restoration so Council directed staff to solicit the public to see if there was any further interest in the building. A request for proposals went out in early August 2012. By the August 31, 2012 RFP deadline, no proposals had been submitted. The Parks and Recreation Department checked with a number of those who had initially expressed interest and learned of at least two organizations that had intended to submit proposals, but had missed the deadline. The City agreed to extend the deadline to September 21, 2012.

Two proposals were received by the extended deadline - Recovery Through Discovery and Grove Construction, LLC. A review and evaluation of the two proposals received by the City was completed by City staff, the Historic Preservation Commission, and the Parks and Recreation Commission. A report went to Council on December 3, 2012 recommending that Council accept the proposal submitted by Grove Construction, LLC. Council accepted the recommendation of staff and the commissions and directed staff to negotiate an agreement with Grove Construction.

The attached agreement and associated attachments represent a consensus of Grove Construction, the neighborhood association and city staff. The key points of the agreement include the following:

1. Agreement will be between Heibel-March LLC instead of Grove Construction.
2. Preservation and restoration of the building's historical and architectural characteristics.
3. Use shall be office and retail. The building has C-P zoning.
4. Trash containers and HVAC will be located at the rear or east end of the building or on the roof.
5. Terms of the lease is \$10 per year for 90 years.
6. Heibel-March LLC shall be allowed to construct a four car parking space at the rear or east end of the building as shown on the attached plans.

The one item of concern was the addition of a parking area just east of the building as this was not originally part of the proposal. Several months ago, Mr. Grove met with then Director Mike Hood and Assistant Director Mike Griggs about creating four parking places at the rear of the building. Staff's first response was negative as it removed a portion of the park and there was concern over losing green space. Regardless of staff's position, Mr. Grove has the right to ask Council for permission to construct parking spaces, so staff worked out a compromise parking plan. Ultimately, the goal is to have someone succeed with their renovation and operation of the building. If that means that parking is allowed, then staff would not oppose it. Staff has shared this plan with the North Central Neighborhood Association but they have not had the opportunity to officially meet and review the plan. In speaking with several key members, they are supportive of seeing the project proceed and will make their final comments at the Council meeting.

Council has the option of approving the agreement as submitted, with revisions, or with any other changes as deemed necessary by the Council.

FISCAL IMPACT:

There is no fiscal impact to this proposal.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

2. Vision Statement: Columbia protects and encourages the expression of its historic and natural character, uniting the community with sustainable, healthy planning and design, beautifying the streets and lives of its citizens.

SUGGESTED COUNCIL ACTIONS:

Approve the ordinance that authorizes the City Manager to sign the agreement with Heibel-March, LLC.

| FISCAL and VISION NOTES: | | | | | |
|---|--------|---|----|---|-----|
| City Fiscal Impact Enter all that apply | | Program Impact | | Mandates | |
| City's current net FY cost | \$0.00 | New Program/ Agency? | No | Federal or State mandated? | |
| Amount of funds already appropriated | \$0.00 | Duplicates/Expands an existing program? | No | Vision Implementation impact | |
| Amount of budget amendment needed | \$0.00 | Fiscal Impact on any local political subdivision? | No | Enter all that apply: Refer to Web site | |
| Estimated 2 year net costs: | | Resources Required | | Vision Impact? | Yes |
| One Time | \$0.00 | Requires add'l FTE Personnel? | No | Primary Vision, Strategy and/or Goal Item # | 2 |
| Operating/ Ongoing | \$0.00 | Requires add'l facilities? | No | Secondary Vision, Strategy and/or Goal Item # | |
| | | Requires add'l capital equipment? | No | Fiscal year implementation Task # | |