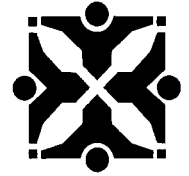


City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: B124-14

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: May 5, 2014

Re: Approving an Ordinance for the Execution of a Contract for Purchase of Property Located at 802 Hirth Avenue.

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 802 Hirth Avenue. The property consists of a vacant and dilapidated structure on a 6,498 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.

Discussion

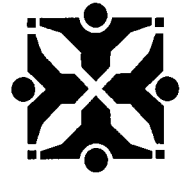
The Community Development Department Division of Neighborhood Services has been working with the 802 Hirth property owners to resolve property maintenance concerns pertaining to the structure. The home has been vacant for several years and is not in livable condition.

City CDBG staff approached the owners with the option to purchase the site with Neighborhood Stabilization Program (NSP) funds. City staff utilized previous appraisal data analysis valuing vacant residential land in the central City at \$1.04 to \$3.02 per square foot. The attached contract includes an agreed to offer of \$3.02 per square foot ($\$3.02 \times 6,498 = \$19,623.96$), less the estimated cost of demolition (\$15,000). The agreed to sales contract price is \$4,623.96. The seller also agreed to have unpaid 2013 and 2014 real estate property taxes taken from the balance due to the seller at closing. The estimated settlement costs and balance due seller is seen below:

Contract Sales Price	\$4,623.96
2014 County Taxes Jan.-May	(\$335)
2013 Tax Assessment	(\$794)
Owners title policy	(\$175)
Settlement closing fee to title company	(\$150)

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Balance due to seller \$3,169.92

Upon Council approval of the ordinance and execution of the sales contract, the City plans to demolish the structure with CDBG funding and redevelop the lot with HOME funds. Preliminary plans are to develop the lot with a single family residential structure that includes energy efficiency and Universal Design features.

Fiscal Impact

Short-Term Impact: NSP funds: \$4,465.96 estimated purchasers balance due at closing
NSP funds: \$1,600 mowing and additional disposition costs
CDBG funds: \$15,000 for demolition

Long-Term Impact: HOME funds: Up to approximately \$75,000 in HOME funds for redevelopment, if the City utilizes a Community Housing Development Organization (CHDO).

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Health, Social Services and Affordable Housing

Strategic Plan Impact: Health, Safety and Wellbeing

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

Suggested Council Action

Approve the attached ordinance authorizing the City Manager to execute a sales contract for purchase of 802 Hirth Avenue.

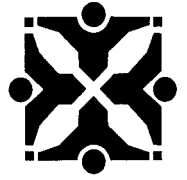
Legislative History

To date the City of Columbia has purchased the following properties with NSP funds:

13 E Forest, Rehabilitation, complete
711 Mikel, Rehabilitation, complete
904 Madison, Rehabilitation, complete
102 E. Sexton, Rehabilitation, complete
908 Madison, Demolition and Redevelopment, complete
603 N. Fourth, Demolition, land bank
106-110 W Sexton: Demolition, land bank
413 W Ash, Demolition and Redevelopment, in-progress
208 Ridgeway, Demolition and Redevelopment, in-progress

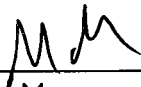
City of Columbia

701 East Broadway, Columbia, Missouri 65201





Department Approved



City Manager Approved

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 124-14

AN ORDINANCE

authorizing a contract for sale of real estate with Robert E. Dunn and Laura Mae Dunn for property located at 802 Hirth Avenue; 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 Robert E. Dunn and Laura Mae Dunn for property located at 802 Hirth Avenue. 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 _____, 2014.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

CONTRACT FOR SALE OF REAL ESTATE

This agreement is dated this 28~~th~~ day of March, 2014, by and between Robert E. Dunn, a single person and Laura Mae Dunn, a single person (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 802 Hirth Avenue in Columbia, Boone County, Missouri more particularly described as follows:

Lot Four (4) of T.N. Coats Subdivision of part of Lot Forty-five (45) of Garth's Subdivision of Garth's Addition to the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 4, Page 22, 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 FOUR THOUSAND SIX HUNDRED TWENTY THREE DOLLARS AND 96/100 (\$4,623.96) which Buyer agrees to be paid by cashier's check 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 the real estate taxes assessed from the closing date for the year of purchase and subsequent years. Seller shall pay prorated amount for real estate taxes beginning January 1, 2014 through date of closing.
8. The Seller shall pay and satisfy special assessment tax bill # 16-314-00-06-004.00 in the amount of \$794.04, due to the City of Columbia.
9. Seller shall pay for the title insurance commitment premium. Seller shall pay the fee charged by the title company to handle the closing.
10. Seller shall, within thirty (30) days from the date of this contract, 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 sixty (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, merchantable 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.
11. Seller will maintain and insure the property until closing and Buyer shall have and produce evidence of hazard insurance effective as of the date of closing. In the event the property or some portion thereof is materially damaged, Seller shall notify Buyer and at Buyer's election may void the contract by giving written notice to Seller within seven (7) days of Seller's notice of damages whether she is electing to close and take the insurance proceeds. If Buyer does not elect to proceed, the insurance proceeds shall belong to Seller and the contract is void. In the event Buyer elects to proceed to close, the insurance proceeds must be used to restore the property to its original habitable condition within a reasonable time.

12. All notices provided for in this contract may be delivered in person or by United States Mail.

Seller's Addresses are:

Robert E. Dunn
405 McBaine Ave.
Columbia, MO 65203

Laura Mae Dunn
Parkside Manor 1201 Hunt Ave.
Columbia, MO 65202

Buyer's Address is:

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

13. This contract shall not be assignable by Buyer.
14. This contract shall be binding upon the parties hereto, their heirs, personal representatives, successors and assigns.
15. 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.
16. 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.
17. This contract is contingent upon formal approval by the Columbia City Council.
18. This contract is contingent upon approval by the Missouri Department of Economic Development of the Tier II Site Specific Environmental Review for the project.

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

SELLER:

Robert E. Dunn

By: [Signature]
Robert E. Dunn, A Single Person

Robert E. Dunn

STATE OF MISSOURI)
) ss
COUNTY OF BOONE)

On this 28th day of March, 2014, before me, a Notary Public in and for said state, personally appeared Robert E. Dunn, 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 he 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.

Kathy E. Sides
Notary Public

My commission expires: 1/8/2015.

KATHY E. SIDES
Notary Public - Notary Seal
STATE OF MISSOURI
COUNTY OF BOONE
My Commission Expires: January 08, 2015
Commission # 10516067

SELLER:

Laura Mae Dunn

By: [Signature]
Laura Mae Dunn, A Single Person

STATE OF MISSOURI)
) ss
COUNTY OF BOONE)

On this 31 day of MARCH, 2014, before me, a Notary Public in and for said state, personally appeared Laura Mae Dunn, 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.



Notary Public

My commission expires: June 14, 2016.



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

BUYER: City of Columbia, Missouri

By: _____
Mike Matthes, City Manager

ATTEST:

APPROVED AS TO FORM:

Sheela Amin, City Clerk

Nancy Thompson, City Counselor

Certification: I hereby certify that this contract 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.

By: _____
Director of Finance

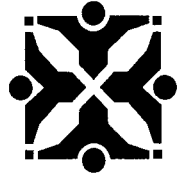
STATE OF MISSOURI)
) ss
COUNTY OF BOONE)

On this _____ day of _____, 2014, 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

My commission expires: _____.



SUPPORTING DOCUMENTS INCLUDED WITH THIS AGENDA ITEM ARE AS FOLLOWS:

Map

City of Columbia

701 East Broadway, Columbia, Missouri 65201

