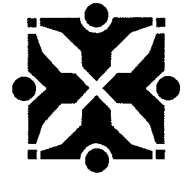


City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: B 378-14

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: December 15, 2014

Re: Approving an ordinance to execute a real estate agreement to accept donation of property at 3704 Southridge Drive and to authorize use of Community Development Block Grant Demolition program funds outside of the Neighborhood Response Team (NRT) area for demolition of the structure.

Documents Included With This Agenda Item

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

Supporting documentation includes: Maps, Photo, Title work

Executive Summary

Approval of this ordinance authorizes the City Manager to execute a real estate agreement accepting donation of the property at 3704 Southridge Drive. Approval also authorizes use of CDBG Demolition program funds outside of the NRT area. Future intended use of the site is redevelopment with a new, single-family, affordable housing unit.

Discussion

Wells Fargo Home Mortgage contacted the Department of Community Development about donating property at 3704 Southridge Drive to the City. This property was the site of methamphetamine manufacture and a Boone County Sheriff Department raid in 2012. Remediation of the property is in process and will be completed before the property is accepted by the City of Columbia. The donation agreement includes an addendum to this effect. Staff has received the attached letter report on the title for the property which indicates no clouds on the title other than 2014 property taxes which will be paid by Wells Fargo at closing.

As with all HUD funded projects, an environmental review is required. The review of this property is currently underway and includes a Phase I Environmental Site Assessment performed by Terracon Consultants, Inc. Due to the additional concern of possible byproducts of methamphetamine manufacture present on site, staff has consulted directly with HUD to determine the appropriate actions and review for the demolition of the structure. Terracon is also aware and will be closely monitoring these potential environmental hazards. If environmental clearance is not or cannot reasonably be achieved, the donation agreement will not be executed.

The Community Development Department's Demolition program guidelines limit the use of CDBG funds for demolition to the NRT area (see attached NRT area map). The subject property is outside the area and therefore use of CDBG funds to demolish requires council approval.

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Fiscal Impact

Short-Term Impact: The Donation Agreement, attached, states Wells Fargo will pay for closing costs and taxes. Community Development will pay disposition costs (lot mowing, etc.) out of remaining Neighborhood Stabilization Program (NSP) funds until transfer to a housing development organization or homeowner occurs. NSP fund balance is approximately \$25,000 and is budgeted to acquire one more property and disposition costs associated with current and future properties. Yearly disposition costs are estimated at \$800.

Long-Term Impact: No long term impact. The property should be transferred to a housing development organization or a homeowner within 2 years.

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Health, Social Services and Affordable Housing

Strategic Plan Impact: Growth Management

Comprehensive Plan Impact: Livable & Sustainable Communities

Suggested Council Action

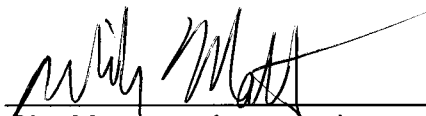
Staff recommends approval of this ordinance.

Legislative History

No legislative history.



Department Approved



City Manager Approved

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 378-14

AN ORDINANCE

authorizing a donation agreement with Wells Fargo Bank, N.A. for property located at 3704 Southridge Drive; authorizing Addendum Nos. 1 and 2 to donation agreement with Wells Fargo Bank, N.A.; authorizing the use of CDBG demolition program funds outside the boundaries of the Neighborhood Response Team (NRT) area for demolition of the structure; 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 donation agreement with Wells Fargo Bank, N.A. for acceptance of the donation of property located at 3704 Southridge Drive. The form and content of the agreement shall be substantially as set forth in "Attachment A" attached hereto and made a part hereof.

SECTION 2. The City Manager is hereby authorized to execute Addendum No. 1 to donation agreement with Wells Fargo Bank, N.A. The form and content of the addendum shall be substantially as set forth in "Attachment B" attached hereto and made a part hereof.

SECTION 3. The City Manager is hereby authorized to execute Addendum No. 2 to donation agreement with Wells Fargo Bank, N.A. The form and content of the addendum shall be substantially as set forth in "Attachment C" attached hereto and made a part hereof.

SECTION 4. The City Council hereby authorizes the use of Community Development Block Grant (CDBG) demolition program funds for the demolition of the property referenced in Section 1 above located outside the Neighborhood Response Team (NRT) area.

SECTION 5. 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

DONATION AGREEMENT

This is a Donation Agreement (the "Donation Agreement") for certain real property located at **3704 SOUTHRIDGE DR, COLUMBIA, MO 65202** ("Property"), dated and effective as of this day of , 2014, between **Wells Fargo Bank, N.A.**, a national banking association ("Donor") and **CITY OF COLUMBIA**, a **municipal corporation** ("Donee").

RECITALS

This Donation Agreement is made and entered into on the basis of the following facts and understandings of the parties hereto:

- A. Donor acquired the Property identified on Exhibit A through the foreclosure process.
- B. Donor did not originally construct any of the improvements forming part of the Property. Donor has not occupied the Property for its own use.
- C. Due to Donor's lack of familiarity with the Property, Donor is unwilling to make any representations or warranties whatsoever regarding the Property and Donor is only willing to grant Donee the Property on an "**as is, where is**" and "**with all faults**" basis.
- D. Donee has been given a full and complete opportunity to conduct its own investigation as to any matter, fact or issue that might influence Donee's decision to accept the Property from Donor. Accordingly, Donee is willing to accept the Property from Donor without any representations or warranties whatsoever regarding the Property and on an "**as is, where is**" and "**with all faults**" basis.

AGREEMENT

1. DONATION.

- 1.1 **Closing Costs.** Donor shall pay all costs associated with the transfer of the Property, including but not limited to attorney's fees, agents fees and recording costs ("Closing Costs").
- 1.2 **Transfer.** Donor agrees to donate the Property to Donee and Donee agrees to accept the Property from Donor on the terms and conditions set forth herein. In consideration of Donor's transfer of the Property to Donee, Donee shall perform all of Donee's obligations hereunder including but not limited to the release set forth in Section 2.2 of this Donation Agreement.
- 1.3 **Title.** Title shall be transferred on the Closing Date via a quit claim deed or its equivalent.

- 1.4 **Further Assurances.** Donee and Donor agree to execute all instruments and documents and to take all actions reasonably necessary and appropriate to consummate the transfer and donation of the Property and shall use their best efforts to close in a timely manner.

2. **ACKNOWLEDGMENTS, AND RELEASE.**

- 2.1 **DONEE'S ACKNOWLEDGMENTS.** DONEE ACKNOWLEDGES THAT DONEE IS ACCEPTING THE PROPERTY SOLELY IN RELIANCE ON DONEE'S OWN INVESTIGATION, AND THE PROPERTY IS IN "AS IS, WHERE IS" CONDITION WITH ALL FAULTS AND DEFECTS, LATENT OR OTHERWISE. DONEE EXPRESSLY ACKNOWLEDGES THAT, IN CONSIDERATION OF THE AGREEMENT OF DONOR HEREIN, AND EXCEPT AS OTHERWISE SPECIFIED HEREIN, DONOR MAKES AND HAS MADE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, OR (WITHOUT LIMITATION) TO ANY OF THE FOLLOWING MATTERS:

- (a) Soils, Etc. Soils, seismic, hydrological, geological and topographical conditions and configurations.
- (b) Artifacts. Archeological, prehistoric and historic artifacts, remains and relics.
- (c) Endangered Species. Endangered plant, animal and insect species.
- (d) Hazardous Materials. Hazardous Materials and other environmental conditions, including without limitation, lead-based paint, asbestos and mold.
- (e) Physical Defects. Physical and mechanical defects in or on any Property, including without limitation, the plumbing, heating, air conditioning and electrical systems and the roof, floor, ceilings, walls and other internal structural components of any buildings or improvements.
- (f) Land and Floor Area. The area of the land and the square footage contained in any buildings or improvements.
- (g) Utilities, Schools, Etc. Availability of adequate utilities, water, schools, public access, and fire and police protection.
- (h) Assessment Districts. The status and nature of any assessment districts and the amount of any assessment liability.

- (i) Planning and Zoning. Present, past or future conformity of any Property with planning, building, zoning, subdivision and development statutes, ordinances, regulations and permits, the general plan and the specific plan.
- (j) Development Fees. The character and amount of any fee, charge or other consideration which must be paid by Donee to develop any Property.
- (k) Title. The condition of title to any Property, including but not limited to the existence of any easement, license or encroachment whether or not a matter of public record, and whether or not visible upon inspection of such Property.
- (l) Taxes. The status of any general or special real property taxes or assessments or personal property taxes or any other taxes and assessments applicable to the Property.
- (m) Owner's Association. The financial condition of any owner's association, including, without limitation, the adequacy of any reserves held by any owner's association.
- (n) Other Matters. Any other matter relating to any Property or to the development or operation of any Property, including, but not limited to, value, feasibility, cost, governmental permissions or entitlements, marketability and investment return.

2.2 **RELEASE.**

- (a) **RELEASE.** DONEE FULLY RELEASES AND DISCHARGES DONOR FROM AND RELINQUISHES ALL RIGHTS, CLAIMS AND ACTIONS THAT DONEE MAY HAVE OR ACQUIRE AGAINST DONOR WHICH ARISE OUT OF OR ARE IN ANY WAY CONNECTED WITH THE CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION (A) ANY MATTER SET FORTH IN SECTION 2.1 ABOVE, (B) THE PRESENCE OF HAZARDOUS MATERIALS ON, UNDER OR ABOUT ANY PROPERTY (INCLUDING BUT NOT LIMITED TO ANY UNDISCOVERED HAZARDOUS MATERIALS LOCATED BENEATH THE SURFACE OF THE PROPERTY) AND (C) VIOLATIONS OF ANY HAZARDOUS MATERIALS LAWS PERTAINING TO THE PROPERTY OR THE ACTIVITIES THEREON. THIS RELEASE APPLIES TO ALL DESCRIBED RIGHTS, CLAIMS AND ACTIONS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, PRESENT OR FUTURE.

- (b) **MEANING.** FOR PURPOSES OF THIS SECTION 2.2, ALL REFERENCES TO "DONOR" SHALL INCLUDE: (A) DONOR'S PARENT, SUBSIDIARY AND AFFILIATE CORPORATIONS, (B) DONOR'S DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES AND AGENTS, AND (C) THE HEIRS, SUCCESSORS, PERSONAL REPRESENTATIVES AND ASSIGNS OF DONOR'S DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES AND AGENTS.
- (c) **EFFECTIVENESS.** THE PROVISIONS OF THIS SECTION 2 SHALL BE EFFECTIVE AS OF THE CLOSING DATE AND SHALL SURVIVE THE CLOSING DATE OR TERMINATION OF THIS DONATION AGREEMENT.
3. **CLOSING DATE.** IF THE CLOSING DATE DOES NOT TIMELY OCCUR DUE TO THE DEFAULT OF DONEE, (A) DONEE SHALL HAVE NO FURTHER RIGHT TO RECEIVE THE PROPERTY AND (B) DONOR SHALL BE FREE TO DISPOSE OF THE PROPERTY IN ANY WAY IT SEES FIT.
4. **GENERAL PROVISIONS**
- 4.1 **Successors and Assigns.** This Donation Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties. Notwithstanding the foregoing, Donee may not transfer, assign or encumber Donee's rights under this Donation Agreement without Donor's prior written approval.
- 4.2 **Entire Agreement.** This Donation Agreement contains the entire agreement between the parties concerning the Donation and sale of the property, and supersedes all prior written or oral agreements between the parties to this Donation Agreement. No addition to or modification of any term or provision shall be effective unless in writing, signed by both Donor and Donee.
- 4.3 **Time of Essence.** Donor and Donee hereby acknowledge and agree that time is strictly of the essence with respect to each term and condition of this Donation Agreement and that the failure to timely perform any of the terms and conditions by either party shall constitute a breach and default under this Donation Agreement by the party failing to so perform.
- 4.4 **Partial Invalidity.** If any portion of this Donation Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Donation Agreement and the remaining parts shall remain in full force as fully as though the invalid, illegal or unenforceable portion had never been part of this Donation Agreement.

- 4.5 **Governing Law.** The parties intend and agree that this Donation Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located.
- 4.6 **No Third Parties Benefits.** No person other than Donor and Donee, and their permitted successors and assigns, shall have any right of action under this Donation Agreement.
- 4.7 **Waivers.** No waiver by either party of any provision shall be deemed a waiver of any other provision or of any subsequent breach by either party of the same or any other provision.
- 4.8 **Captions.** The captions and Section numbers of this Donation Agreement are for convenience and in no way define or limit the scope or intent of the Sections of this Donation Agreement.
- 4.9 **Counterparts.** To facilitate execution, this Donation Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this instrument to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.
- 4.10 **No Presumption.** All the parties hereto and their attorneys have had full opportunity to review and participate in the drafting of the final form of this Donation Agreement and all documents attached as exhibits. Accordingly, such documents shall be construed without regard to any presumption or other rule of construction whereby any ambiguities within this Donation Agreement would be construed or interpreted against the party causing the document to be drafted.
- 4.11 **Notices.** Any notices or other communication required or permitted under this Donation Agreement shall be in writing, and shall be (a) personally delivered, or (b) sent by certified or registered United States mail, postage prepaid, return receipt requested, or (c) by overnight delivery by a reputable courier to the address of the party set forth in this Section or (d) telecopied to the Fax number of the party set forth in this Section. Such notice or communication shall be deemed given (i) if sent by personal delivery or by overnight courier, when delivered in person, (ii) if sent by telecopier, when evidence of successful transmission by telecopier has been received by sender or, (iii) in the case of mailed notice, forty-eight (48) hours following deposit in the United States mail. Notice of change of address shall be given by written notice in the manner detailed in this Section.

If to the Donee: **CITY OF COLUMBIA**

701 E Broadway
PO Box 6015
Columbia MO
65205-6015

If to the Donor:

Wells Fargo Bank, N.A.
1 Home Campus
Des Moines, Iowa 50328-0001
Attention: Laura Krogh, MAC# X2301-049

With a copy to:

Wells Fargo Bank, N.A.
800 Walnut Street
Des Moines, Iowa 50309
Attention: Assistant General Counsel, MAC N0001-11B

- 4.12 **Joint and Several.** If more than one person or entity has executed this Donation Agreement as Donee, the obligations of all such persons or entities hereunder shall be joint and several.

[Signatures on the next page]

DONEE:

CITY OF COLUMBIA, MISSOURI

By: _____
Mike Matthes, City Manager

Date: _____

ATTEST:

By: _____
Sheela Amin, City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Nancy Thompson, City Counselor

Date: _____

DONOR:

WELLS FARGO BANK, N.A.

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A"

PROPERTY ADDRESS

3704 SOUTHRIDGE DR
COLUMBIA, MO 65202

LEGAL DESCRIPTION

Lot Seven (7) in Block One (1) of North Ridge Subdivision Part No. 2 as shown by plat recorded in Plat Book 7, page 18, records of Boone County, Missouri, and now known as Blue Ridge Subdivision Part No. 2 according to Instrument recorded in Book 337, Page 304, records of Boone County, Missouri.
APN: 12-715-00-03-122.00

Addendum No. 1

ADDENDUM TO DONATION AGREEMENT

PROPERTY ADDRESS: 3704 SOUTHRIDGE DR, COLUMBIA, MO 65202

DATE OF DONATION AGREEMENT DECEMBER 15, 2014

DONEE CITY OF COLUMBIA

DONOR WELLS FARGO BANK, N.A

☐ Closing date to be extended to on or before _____

☐ Adjusted sales price to be _____

☒ Other: **METHAMPHETAMINE REMEDIATION WILL BE COMPLETE PRIOR TO CLOSING.**

DONOR:
WELLS FARGO BANK, N.A

DONEE:
CITY OF COLUMBIA
a municipal corporation

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

ATTEST:

By: _____
Sheela Amin, City Clerk

APPROVED AS TO FORM:

By: _____
Nancy Thompson, City Counselor

Addendum No. 2

ADDENDUM TO DONATION AGREEMENT

PROPERTY ADDRESS: 3704 SOUTHRIDGE DR, COLUMBIA, MO 65202DATE OF DONATION AGREEMENT DECEMBER 15, 2014DONEE CITY OF COLUMBIADONOR WELLS FARGO BANK, N.A☒ Closing date to be extended to on or before JANUARY 31, 2015☐ Adjusted sales price to be _____☒ Other: **DONOR WILL PAY TAXES AND UTILITIES CURRENT TO THE DAY OF CLOSING. DONEE MAY CONDUCT ANY NECESSARY INSPECTIONS OR ENVIRONMENTAL ASSESSMENTS DEEMED NECESSARY.**DONOR:
WELLS FARGO BANK, N.ADONEE:
CITY OF COLUMBIA

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

ATTEST:

By: _____
Sheela Amin, City Clerk

APPROVED AS TO FORM:

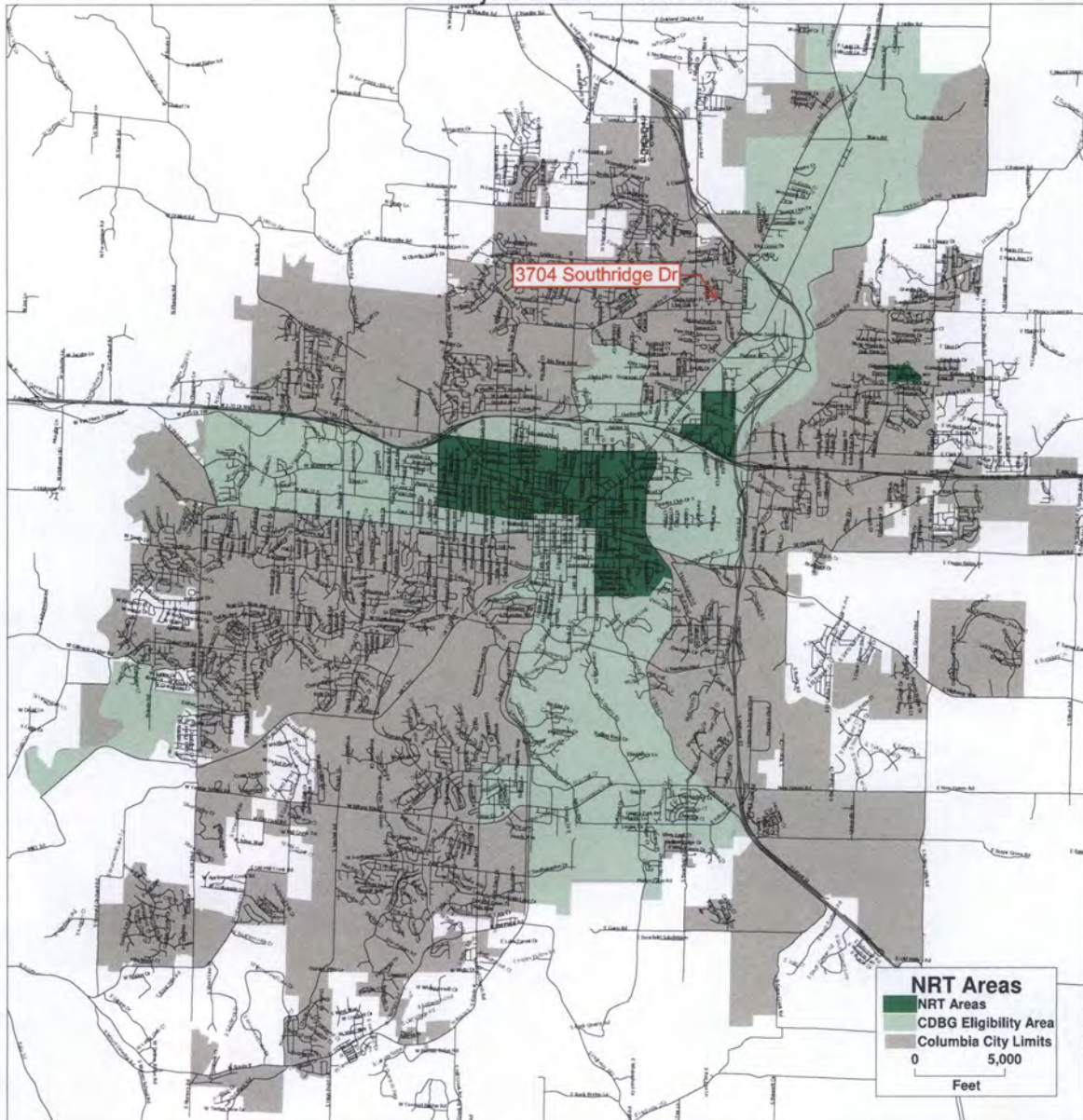
By: _____
Nancy Thompson, City Counselor



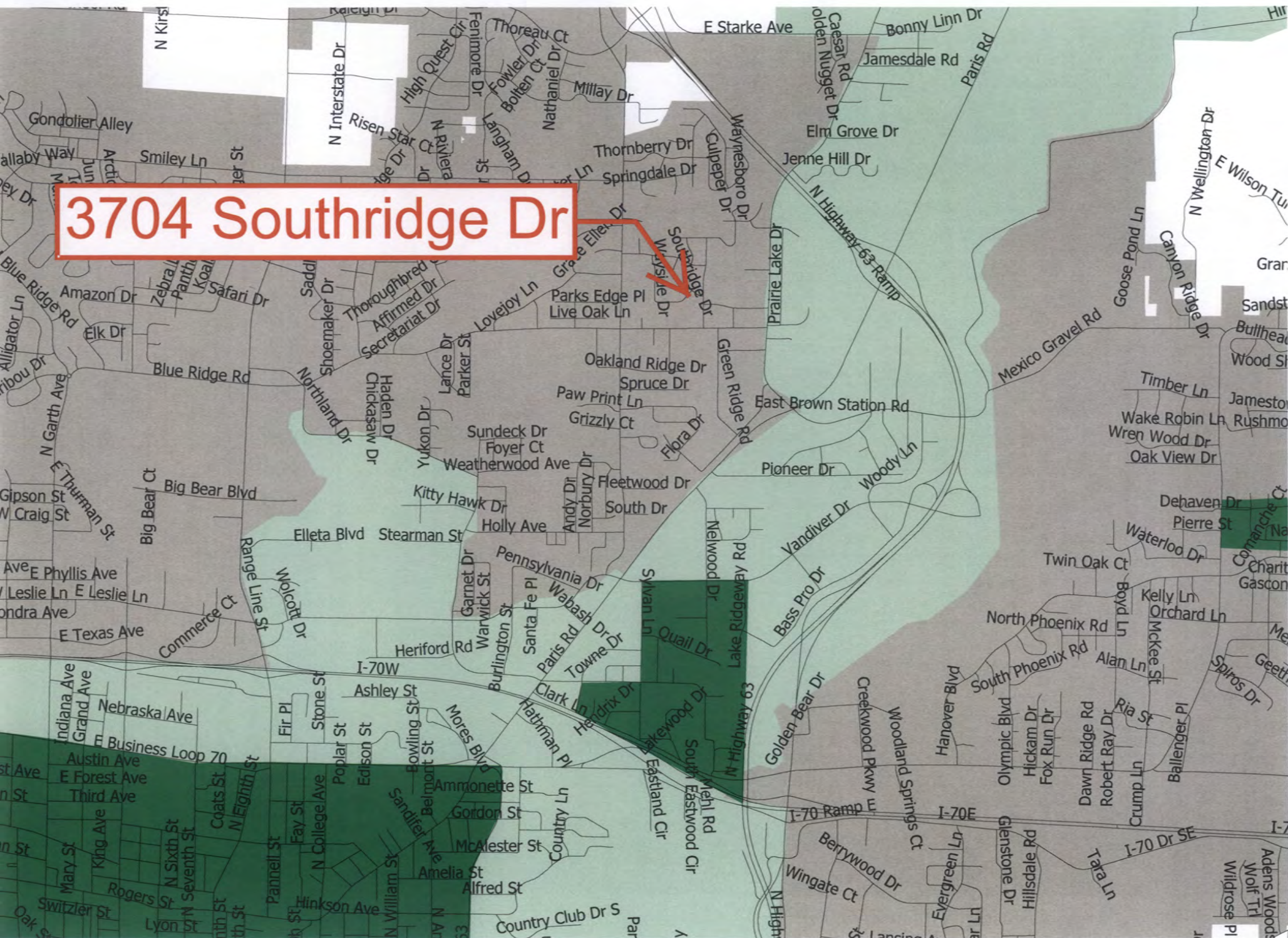
SUPPORTING DOCUMENTS INCLUDED WITH THIS AGENDA ITEM ARE AS FOLLOWS:

Maps, Photo, Title work

Project and NRT Location



3704 Southridge Dr





BOONE-CENTRAL TITLE COMPANY
601 E. BROADWAY, STE 102
COLUMBIA, MO 65201



PHONE (573) 442-0139

CLOSING FAX (573) 874-7090

LETTER REPORT

To: CITY OF COLUMBIA
ATTN:

File # 1405935

RECORD INFORMATION CERTIFICATE

The undersigned company hereby certifies that the records in the County of Boone, State of Missouri concerning the following real estate, are as follows:

LEGAL DESCRIPTION:

LOT SEVEN (7) IN BLOCK ONE (1) OF NORTH RIDGE SUBDIVISION PART NO. 2 AS SHOWN BY PLAT RECORDED IN PLAT BOOK 7, PAGE 18, RECORDS OF BOONE COUNTY, MISSOURI, AND NOW KNOWN AS BLUE RIDGE SUBDIVISION PART NO. 2 ACCORDING TO INSTRUMENT RECORDED IN BOOK 337, PAGE 304, RECORDS OF BOONE COUNTY, MISSOURI.

OWNER: Wells Fargo Bank, N.A.

DEEDS OF TRUST:

- NONE.

TAXES: 12-715-00-03-122.00 Taxes for 2013 and prior paid; 2014 tax amount \$782.29

SPECIAL ASSESSMENTS: None of Record

REQUEST FOR NOTICE: None of Record

Bankruptcy, Judgments, Mechanics Liens, State and/or Federal Tax Liens of record in Boone County, Missouri as follows: None of Record

We certify to the above report as of November 12, 2014 @ 8:00 AM.

BOONE-CENTRAL TITLE COMPANY