

April 6, 2015

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Property Acquisition
Crosstown Connector Project



ACTION: For Vote Monday, April 13, 2015

Brief History

The plans and specifications for the Crosstown Connector Project have been completed by Snyder & Associates, Inc.

Analysis of Issue

Additional right-of-way will be needed in order to complete the project.

Budget Impact

An agreement has been reached with the following property owner for the acquisition of real estate needed for the project:

Lester Lacina and Doug Lacina, 1102 1st Avenue South, total fee acquisition
\$235,000 + moving and relocation expenses

Strategic Plan Impact

Policy D.4.2: Advanced planning for all infrastructure facilities shall be supported and routinely updated. Facilities benefited by advanced planning shall include, at minimum, schools, health care, residential areas, roads, water, sewer, storm water management, parks, recreation, and greenways.

Existing Plan Impact

Consistent with Downtown Improvement Plan.

Subcommittee or Commission Review / Recommendation

None

Staff Conclusions / Recommendations

Staff recommends approval of the acquisition of this property and payment of the associated documented moving and/or relocation expenses.

Alternatives

The only alternative would be to not acquire this property and delay the project, but it is not recommended.

Implementation and Accountability

If approved, conveyance documents will be signed with the affected property owner. Associated moving expenses will be paid upon submittal of appropriate documentation.

Projected Timeline:

Closing on or before June 1, 2015

Demolition June, 2015

Signed



Vickie L. Reeck,
Community Development Mgr.

Approved



David R. Fierke, City Manager

RESOLUTION NO. _____

RESOLUTION APPROVING THE ACQUISITION OF REAL PROPERTY NEEDED FOR THE CROSSTOWN CONNECTOR PROJECT AND THE PAYMENT OF ASSOCIATED MOVING AND/OR RELOCATION EXPENSES

WHEREAS, the plans and specifications for the Crosstown Connector Project have been prepared by Snyder & Associates, Inc.; and,

WHEREAS, additional right-of-way is needed from the affected property owner in order to complete the project; and,

WHEREAS, the following has been negotiated with the property owner:

Lester Lacina and Doug Lacina, 1102 1st Avenue South, total fee acquisition \$235,000 + moving expenses and relocation expenses

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Dodge, Iowa, hereby approve the acquisition of the above-referenced real property.

Be it further resolved that the associated moving expenses and relocation expenses as required by the Uniform Relocation Act are hereby approved and shall be paid following submittal of appropriate documentation from the occupants.

Passed this _____ day of _____, 2015.

Ayes: _____

Nays: _____

Other: _____

CITY OF FORT DODGE, IOWA

By: _____

Matt Bemrich, Mayor

ATTEST:

Jeff Nemmers, City Clerk





RESIDENTIAL PURCHASE AGREEMENT

TO: Lester Lacina and Doug Lacina (SELLERS)

The undersigned BUYERS hereby offer to buy and the undersigned SELLERS by their acceptance agree to sell the real property situated in Webster County, Iowa, locally known as 1102 - 1st Ave. So., Fort Dodge, IA 50501 and legally described as:

The South 1/2 of Fractional Block No. 12 in East Fort Dodge, Iowa

together with any easements and appurtenant servient estates, but subject to any reasonable easements of record for public utilities or roads, any zoning restrictions, customary restrictive covenants and mineral reservations of record, if any, herein referred to as the "Property," upon the following terms and conditions provided BUYERS, on possession, are permitted to use the Property for residential purposes:

1. PURCHASE PRICE. The Purchase Price shall be \$ 235,000.00 and the method of payment shall be as follows:

\$ 0.00 with this offer to be deposited upon acceptance of this offer and held in trust by N/A as earnest money to be delivered to the SELLERS upon performance of SELLERS' obligations and satisfaction of BUYERS' contingencies, if any; and the balance of the Purchase Price:

(a) in cash at the time of closing with adjustment for closing costs to be added or deducted from this amount. This Agreement is not contingent upon BUYERS obtaining such funds.

(b) ~~in cash at the time of closing with adjustment for closing costs to be added or deducted from this amount. This Agreement is not contingent upon BUYERS obtaining such funds.~~

2. REAL ESTATE TAXES.

A. SELLERS shall pay all real estate taxes that are due and payable as of the date of possession and constitute a lien against the Property, including any unpaid real estate taxes for any prior years.

B. SELLERS shall pay their prorated share, based upon the date of possession, of the real estate taxes for the fiscal year in which possession is given (ending June 30, _____) due and payable in the subsequent fiscal year (commencing July 1, _____).

BUYERS shall be given a credit for such proration at closing (unless this agreement is for an installment contract) based upon the last known actual net real estate taxes payable according to public record. However, if such taxes are based upon a partial assessment of the present property improvements or a changed tax classification as of the date of possession, such proration shall be based on the current millage rate, the assessed value, legislative tax rollbacks and real estate tax exemptions that will actually be applicable as shown by the Assessor's Records on the date of possession.

C. BUYERS shall pay all subsequent real estate taxes.

3. SPECIAL ASSESSMENTS.

A. SELLERS shall pay in full all special assessments which are a lien on the Property as of the date of acceptance _____.

B. If "A" is stricken, then SELLERS shall pay all installments of special assessments which are a lien on the Property and, if not paid, would become delinquent during the calendar year this offer is accepted, and all prior

installments thereof.

C. All charges for solid waste removal, sewage and maintenance that are attributable to SELLERS' possession, including those for which assessments arise after closing, shall be paid by SELLERS.

D. Any preliminary or deficiency assessment which cannot be discharged by payment shall be paid by SELLERS through an escrow account with sufficient funds to pay such liens when payable, with any unused funds returned to SELLERS.

E. BUYERS shall pay all other special assessments.

4. RISK OF LOSS AND INSURANCE. SELLERS shall bear the risk of loss or damage to the Property prior to closing or possession, whichever first occurs. SELLERS agree to maintain existing insurance and BUYERS may purchase additional insurance. In the event of substantial damage or destruction prior to closing, this Agreement shall be null and void; provided, however, BUYERS shall have the option to complete the closing and receive insurance proceeds regardless of the extent of damages. The property shall be deemed substantially damaged or destroyed if it cannot be restored to its present condition on or before the closing date.

5. POSSESSION AND CLOSING. If BUYERS timely perform all obligations, possession of the Property shall be delivered to BUYERS on June 1, 2015, and any adjustments of rent, insurance, taxes, interest and all charges attributable to the SELLERS' possession shall be made as of the date of possession. Closing shall occur after approval of title by buyers' attorney and vacation of the Property by SELLERS, but prior to possession by BUYERS. SELLERS agree to permit BUYERS to inspect the Property within _____ hours prior to closing to assure that the premises are in the condition required by this Agreement. If possession is given on a day other than closing, the parties shall make a separate agreement with adjustments as of the date of possession. This transaction shall be considered closed (upon the filing of title transfer documents) ~~upon the delivery of the title transfer documents to BUYERS~~ and receipt of all funds then due at closing from BUYERS under the Agreement.

6. FIXTURES. Included with the Property shall be all fixtures that integrally belong to, are specifically adapted to or are a part of the real estate, whether attached or detached, such as: attached wall-to-wall carpeting, built-in appliances, light fixtures (including light bulbs), water softeners (except rentals), shutters, shades, rods, blinds, venetian blinds, awnings, storm windows, storm doors, screens, television antennas (including satellite dishes), air conditioning equipment (except window type), door chimes, automatic garage door openers, electrical service cables, attached mirrors, fencing, gates, attached shelving, bushes, trees, shrubs and plants. Also included shall be the following:

The following items shall not be included:

7. CONDITION OF PROPERTY.

A. The property as of the date of this Agreement including buildings, grounds, and all improvements will be preserved by the SELLERS in its present condition until possession, ordinary wear and tear excepted.

~~B. XXXXX days after the closing of this Agreement BUYERS shall have the right to inspect the Property and the SELLERS shall permit the BUYERS to conduct such inspection. The SELLERS shall not be liable to the BUYERS for any damage to the Property or any loss of any kind resulting from the BUYERS' inspection. The SELLERS shall not be liable for any damage to the Property or any loss of any kind resulting from the BUYERS' inspection.~~

C. If "B" is deleted, BUYERS acknowledge that they have made a satisfactory inspection of the Property and are purchasing the Property in its existing condition.

D. NEW CONSTRUCTION: If the improvements on the subject property are under construction or are to be constructed, this Agreement shall be subject to approval of plans and specifications by the parties within _____ days of acceptance of this Agreement. New construction shall have the warranties implied by law, those specifically made by suppliers of materials/appliances, and those specifically tendered by the contractor.

8. ABSTRACT AND TITLE. SELLERS, at their expense, shall promptly obtain an abstract of title to the Property continued through the date of acceptance of this Agreement, _____, and deliver it to BUYERS' attorney for examination. It shall show merchantable title in SELLERS in conformity with this Agreement, Iowa law, and Title Standards of the Iowa State Bar Association. The SELLERS shall make every reasonable effort to promptly perfect title. If closing is delayed due to SELLERS' inability to provide marketable title, this Agreement shall continue in force and effect until either party rescinds the Agreement after giving ten days written notice to the other party. The abstract shall become the property of BUYERS when the purchase price is paid in full. SELLERS shall pay the costs of any additional abstracting and title work due to any act or omission of SELLERS, including transfers by or the death of SELLERS or their assignees.

9. SURVEY. BUYERS may, at BUYERS' expense prior to closing, have the property surveyed and certified by a Registered Land Surveyor. If the survey shows any encroachment on the Property or if any improvements located on the Property encroach on lands of others, the encroachments shall be treated as a title defect. If the survey is required under Chapter 354, SELLERS shall pay the cost thereof.

10. ENVIRONMENTAL MATTERS.

(a) SELLERS warrant to the best of their knowledge and belief that there are no abandoned wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks located on the Property, the Property does not contain levels of radon gas, asbestos or urea-formaldehyde foam insulation which require remediation under current governmental standards, and SELLERS have done nothing to contaminate the Property with hazardous wastes or substances. SELLERS warrant that the Property is not subject to any local, state, or federal judicial or administrative action, investigation or order, as the case may be, regarding wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks. SELLERS shall also provide BUYERS with a properly executed GROUNDWATER HAZARD STATEMENT showing no wells, private burial sites, solid waste disposal sites, private sewage disposal system, hazardous waste and underground storage tanks on the Property unless disclosed here: _____

(b) BUYERS may at their expense, within _____ days after the date of acceptance, obtain a report from a qualified engineer or other person qualified to analyze the existence or nature of any hazardous materials, substances, conditions or wastes located on the Property. In the event any hazardous materials, substances, conditions or wastes are discovered on the Property, BUYERS' obligation hereunder shall be contingent upon the removal of such materials, substances, conditions or wastes or other resolution of the matter reasonably satisfactory to BUYERS. However, in the event SELLERS are required to expend any sum in excess of \$ _____ to remove any hazardous materials, substances, conditions or wastes, SELLERS shall have the option to cancel this transaction and refund to BUYER all Earnest Money paid and declare this Agreement null and void. The expense of any inspection shall be paid by BUYERS. The expense of any action necessary to remove or otherwise make safe any hazardous material, substance, conditions or waste shall be paid by SELLERS, subject to SELLERS' right to cancel this transaction as provided above.

11. DEED. Upon payment of the purchase price, SELLERS shall convey the Property to BUYERS by Warranty deed, free and clear of all liens, restrictions, and encumbrances except as provided in this Agreement. General warranties of title shall extend to the time of delivery of the deed excepting liens or encumbrances suffered or permitted by BUYERS.

12. JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE. If SELLERS, immediately preceding acceptance of the offer, hold title to the Property in joint tenancy with full right of survivorship, and the joint tenancy is not later destroyed by operation of law or by acts of the SELLERS, then the proceeds of this sale, and any continuing or recaptured rights of SELLERS in the Property, shall belong to SELLERS as joint tenants with full rights of survivorship and not as tenants in common; and BUYERS in the event of the death of any SELLER, agree to pay any balance of the price due SELLERS under this contract to the surviving SELLERS and to accept a deed from the surviving SELLERS consistent with Paragraph 15.

13. JOINDER BY SELLER'S SPOUSE. SELLER'S spouse, if not a title holder immediately preceding acceptance, executes this agreement only for the purpose of relinquishing all rights of dower, homestead and distributive share or in compliance with Section 561.13 of the Code of Iowa and agrees to execute the deed or real estate contract for this purpose.

14. STATEMENT AS TO LIENS. If BUYERS intend to assume or take subject to a lien on the Property, SELLERS shall furnish BUYERS with a written statement prior to closing from the holder of such lien, showing the correct balance due.

15. USE OF PURCHASE PRICE. At time of settlement, funds of the purchase price may be used to pay taxes and other

liens and to acquire outstanding interests, if any, of others.

16. APPROVAL OF COURT. If the Property is an asset of an estate, trust or conservatorship, this Agreement is contingent upon Court approval unless declared unnecessary by BUYERS' attorney. If the sale of the Property is subject to court approval, the fiduciary shall promptly submit this Agreement for such approval. If this Agreement is not so approved by _____ either party may declare this Agreement null and void, and all payments made hereunder shall be returned to BUYERS.

17. REMEDIES OF THE PARTIES.

A. If BUYERS fail to timely perform this Agreement, SELLERS may forfeit it as provided in the Iowa Code (Chapter 656), and all payments made shall be forfeited; or, at SELLERS' option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of BUYERS' default (during which thirty days the default is not corrected), SELLERS may declare the entire balance immediately due and payable. Thereafter this agreement may be foreclosed in equity and the Court may appoint a receiver.

B. If SELLERS fail to timely perform this Agreement, BUYERS have the right to have all payments made returned to them.

C. BUYERS and SELLERS are also entitled to utilize any and all other remedies or actions at law or in equity available to them and shall be entitled to obtain judgment for costs and attorney fees as permitted by law.

18. NOTICE. Any notice under this Agreement shall be in writing and be deemed served when it is delivered by personal delivery or by certified mail return receipt requested, addressed to the parties at the address given below.

19. CERTIFICATION. Buyers and Sellers each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.

20. GENERAL PROVISIONS. In the performance of each part of this Agreement, time shall be of the essence. Failure to promptly assert rights herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default. This Agreement shall apply to and bind the successors in interest of the parties. This Agreement shall survive the closing. Paragraph headings are for convenience of reference and shall not limit or affect the meaning of this Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

21. INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM. Delete inappropriate alternatives below. If no deletions are made, the provisions set forth in Paragraph A shall be deemed selected.

A. Seller represents and warrants to Buyer that the Property is not served by a private sewage disposal system, and there are no known private sewage disposal systems on the property.

B. ~~THE PROPERTY IS SERVED BY A PRIVATE SEWAGE DISPOSAL SYSTEM, AND THERE IS A PRIVATE SEWAGE DISPOSAL SYSTEM ON THE PROPERTY. SELLER AND BUYER AGREE TO THE PROVISION SELECTED IN THE ATTACHED ADDENDUM FOR INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM.~~

C. ~~SELLER AND BUYER AGREE THAT THIS TRANSACTION IS EXEMPT FROM THE STATE OF IOWA'S TRANSFER INSPECTION REQUIREMENTS BY REASON THAT _____~~

22. ADDITIONAL PROVISIONS: (check if applicable)

 A. SALE OF BUYERS' PROPERTY. This Agreement is contingent upon the sale and settlement of the BUYERS' property locally known as _____ on or before _____. If settlement has not been made by this date, the SELLERS may rescind this Agreement by giving notice to BUYERS that unless sale and settlement of BUYERS' property is made within five (5) business days of such notice, then this Agreement shall be null and void. Unless SELLERS give such written notice, this Agreement shall remain valid until the sale of BUYERS' property.

SELLERS reserve the right to continue to offer the Property for sale. Should SELLERS receive another offer which they desire to accept, BUYERS shall have _____ days from the delivery of written notice to waive the "contingency of sale." Notice from the BUYERS to the SELLERS, removing the contingency of sale, shall be timely delivered to the SELLERS along with reasonable assurance that BUYERS can complete the purchase without the sale of the property referenced above.

If BUYERS do timely remove such contingency, this Agreement will remain in full force and effect (but without being contingent on the sale of BUYERS' property). If BUYERS do not timely remove such contingency, SELLERS will immediately return to BUYERS all earnest money paid, this Agreement will be of no further force and effect, and neither party will have any further obligation to the other hereunder.

 B. TERMITE INSPECTION. _____ at their expense shall have the Property inspected for termites or other wood destroying insects by a licensed pest inspector prior to closing. If active infestation or damage due to prior infestation is discovered, SELLERS shall have the option of either having the Property treated for infestation by a licensed pest exterminator and having any damage repaired to the BUYERS' satisfaction or, declaring this Agreement null and void and returning all earnest money to BUYERS. This provision shall not apply to fences, trees, shrubs or outbuildings other than garages. BUYERS may accept the property in its existing condition without such treatment or repairs.

 C. WELL TEST. SELLERS, at SELLERS' expense, shall provide BUYERS, within _____ days after acceptance of this offer, a report issued by the county health department, or a qualified testing service, indicating the location of any well on the Property and that water from each well (1) is safe for its intended use and (2) is in sufficient quantity for its intended use. If BUYERS receive an unsatisfactory report, the basis for which cannot be resolved between BUYERS and SELLERS within _____ days of receipt thereof, then upon written notice from BUYERS to SELLERS, this agreement shall be null and void and all earnest money paid shall be returned immediately to BUYERS.

 D. RADON TEST. Within _____ days after the date of acceptance of this offer, SELLERS, at their expense, shall have the property tested for the presence of Radon gas by a qualified professional and shall provide the written results of such test to BUYERS within the same time period. If said results reveal the presence of Radon in the Property at a level greater than 4.0 pCi/L and SELLERS do not agree to remediate the Property at SELLERS' expense such that the Radon levels in the Property are reduced to a level below 4.0 pCi/L, then BUYERS shall have the option to terminate this agreement, in which case all earnest money shall be returned to BUYERS and this Agreement shall be of no further force or effect.

E. NO REAL ESTATE AGENT OR BROKER. Neither party has used the services of a real estate agent or broker in connection with this transaction. Each party agrees to indemnify and save harmless the other party from and against all claims, costs, liabilities and expense (including court costs and reasonable attorney's fees) incurred by the other party as a result of a breach of this representation, which shall survive closing.

 F. OWNERS' ASSOCIATION. If the property is subject to control by an association of owners, this Agreement is contingent upon the timely satisfaction or waiver of those conditions set forth on the Owners' Association Addendum attached hereto and by this reference made a part hereof. Buyers may, before closing and no later than _____ days after receipt of all responsive documents, elect to cancel this Agreement by written notice of cancellation to Sellers. If Buyers elect to so cancel this Agreement, then this Agreement shall be null and void and the earnest money paid by Buyers shall be refunded. In the event Buyers do not timely notify Sellers of cancellation, this Agreement shall be binding and remain in full force and effect.

G. OTHER: Attach Addendum. See 1 in Addendum

ACCEPTANCE. When accepted, this Agreement shall become a binding contract. If not accepted and delivered to BUYERS on or before the April 30, 2015, this Agreement shall be null and void and all payments made shall be returned immediately to BUYERS.

Accepted April 2, 2015

Dated _____

CITY OF FORT DODGE, IOWA

Lester Lacina

SELLERS
Lester Lacina

SS#:



Doug Lacina

SELLERS
Doug Lacina

SS#:

BUYERS

SS#:

BUYERS

SS#:

1102 - 1st Ave. So., Fort Dodge, IA 50501

Address

(515) 955-8821

Telephone

819 First Ave. So., Fort Dodge, IA 50501

Address

(515) 576-8191

Telephone

Addendum

1. Buyer will pay moving expenses to Seller, as authorized by the Uniform Relocation Act. This offer is contingent upon the City of Fort Dodge City Council's approval.

2. Seller has salvage rights to existing building and will coordinate with demolition contractor.

A. A. DC