# June 16, 2014

To: Mayor Bemrich and City Council

From: David Fierke, City Manager

Subject: Property Disposition: City-owned property in Rolling Hills Addition



# ACTION: For vote Monday, June 23, 2014

## **Brief History**

In 2008, the City acquired property from Iowa Land Improvement, Inc. for the Rolling Hills Drainage Project. Iowa Land Improvement has requested to purchase the land back with the City retaining easements needed for the infrastructure that was constructed on the site.

#### Analysis of Issue

Disposing of this property and retaining only easements would put it back on the tax rolls and allow the owner to develop Rolling Hills Second Addition for a housing subdivision.

## Budget Impact

Iowa Land Improvement, Inc. has offered \$18,000 to purchase this property with the City retaining the needed easements. Funds received would be placed back into the account where the original purchase was made.

The general fund would realize income from the taxes generated from this property.

#### Strategic Plan Impact

Policy D.6.1: A variety of housing types in locations consistent with their characteristics and level of services required shall be accommodated.

## **Existing Plan Impact**

The disposal of this property is consistent with the Envision 2030 Plan.

## Subcommittee or Commission Review / Recommendation

None

## Staff Conclusions / Recommendations

Staff recommends approving the disposal of this property to Iowa Land Improvement, Inc.

## **Alternatives**

The only alternative would be to not dispose of this property, which is not recommended.

## **Implementation and Accountability**

If this resolution is approved, the property will be deeded to Iowa Land Improvement, Inc. reserving the needed easements.

Signed

Approved

Vickie L. Reeck

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Vickie L. Reeck Community Development Manager

David R. Fierke City Manager

Prepared by Vickie Reeck, Department of Business Affairs & Community Growth, 819 1<sup>st</sup> Ave S, Fort Dodge, IA 50501 (515) 573-8321 Mail recorded documents to: Department of Business Affairs & community Growth, 819 1<sup>st</sup> Ave S, Fort Dodge, IA 50501

### **RESOLUTION NO.**

A RESOLUTION APPROVING THE OFFERING OF PROPERTY FOR SALE AND METHOD OF SELECTING A DEVELOPER FOLLOWING PUBLIC HEARING

WHEREAS, the City is proposing to dispose of the following described real estate parcel:

Lot Eight (8) of Rolling Hills Addition and the North Sixty (60) feet of Lot Five (5) of Haviland and Weiss Subdivision of Section Eight (8), Township Eighty-nine (89) North, Range Twenty-eight (28) West of the 5<sup>th</sup> P.M., City of Fort Dodge, Webster County, Iowa Iying east of said Lot Eight (8) of Rolling Hills Addition and the East One Hundred fifty (150) feet of the South Two Hundred Twenty-five (225) feet of the North Two Hundred Eighty-five (285) feet of said Lot Five (5) of Haviland and Weiss Subdivision of Section Eight (8), containing 3.03 acres more or less, subject to zoning ordinances, building restrictions, restrictive covenants and public and private easements of record, including the following storm sewer easements:

A storm sewer easement across Lot 8 of Rolling Hills Addition to the City of Fort Dodge, Iowa, described as commencing at the NE corner of said Lot 8; thence westerly along the north line of said Lot 8, 36.1 feet; thence southeasterly to a point on the east line of said Lot 8, 37.9 feet south of the NE corner of said Lot 8; thence northerly along the east line of said lot 8, 37.9 feet to the point of beginning, containing 685 square feet more or less.

A Storm Sewer easement, described by the following course over an existing storm sewer centerline, 25 feet in total width, being 10 feet on the right and 15 feet on the left of said course;

Commencing at a point on the east line of Lot 8, Rolling Hills Addition, Plat 1 to the City of Fort Dodge, Iowa, Iying within Section 8, Township 89 North, Range 28 West of the 5<sup>th</sup> P.M., 23.54 feet south of the northeast corner of said Lot 8; and considering the east line of said Lot 8 as bearing S 00°15'02" E and the basis of all other bearings; thence S 49°41'29" E, 9.87 feet; thence N 89°27'17" E, 1264.12 feet; thence S 47°29'05" E, 43.35 feet; thence S 00°36'29" E, 195.12 feet; thence S 45°13'02" E, 22.79 feet; thence N 89°26'01" E, 182.16 feet more or less to the point of termination on the east line of said Section 8, said point being 107.59 feet south of the SW corner of Lot 103, Woodlands Addition to the City of Fort Dodge, Iowa.

and,

WHEREAS, the City has no use for said real estate except as hereinafter set out; and,

WHEREAS, a public hearing was held on the 27<sup>th</sup> day of May, 2014 at 6:00 p.m. pursuant to notice on such disposal pursuant to Section 364.7 of the Code of Iowa; and,

WHEREAS, the following proposal was received for the purchase of the property:

Iowa Land Improvement, Inc., \$18,000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT DODGE, IOWA:

- 1. That objections, if any, presented at the public hearing be and the same are hereby overruled.
- 2. That said property be sold "as is" to Iowa land Improvement, Inc.

PASSED AND APPROVED by the Fort Dodge City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

# CITY OF FORT DODGE, IOWA

By: \_

Matt Bemrich, Mayor

ATTEST:

Jeff Nemmers, City Clerk

THE IOWA STATE BAR ASSOCIATION Official Form No. 180	FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER
OFFER T	O BUY REAL ESTATE AND ACCEPTANCE (NONRESIDENTIAL)
	(Collore)
TO: <u>City of Fort Dodge, Iow</u>	a
-	in Fort Dodge, lowa, locally known as _N/A
See Exhibit "A" attached herete	and legally described as:
for public utilities or roads, a record, if any, herein referred	nd appurtenant servient estates, but subject to any reasonable easements of record ny zoning restrictions customary restrictive covenants and mineral reservations of to as the "Property," upon the following terms and conditions provided BUYERS, on se the Property for
	Purchase Price shall be \$ $18,000.00$ and the method of payment shall be as
follows: $0.00$ with N/A	as earnest SELLERS upon performance of SELLERS' obligations and satisfaction of BUYERS' and the balance of the Purchase Price, as follows:
	as earnest SELLERS upon performance of SELLERS' obligations and satisfaction of BUYERS' and the balance of the Purchase Price, as follows: g.
follows: \$0.00 with <u>N/A</u> money, to be delivered to the contingencies, if any Paid in full at the time of closin <b>2. REAL ESTATE TAXES.</b> and any unpaid real estate taxe Unless otherwise provided given a credit for, taxes from t known actual net real estate tax partial assessment of the pr possession, such proration sha estate tax exemptions that will <b>3. SPECIAL ASSESSMENT</b>	h this offer, to be deposited upon acceptance of this offer and held in trust byas earnest SELLERS upon performance of SELLERS' obligations and satisfaction of BUYERS' and the balance of the Purchase Price, as follows: g. Sellers shall pay <u>N/A</u> es payable in prior years. Buyers shall pay all subsequent real estate taxes. It in this Agreement, at closing SELLERS shall pay BUYERS, or BUYERS shall be he first day of July prior to possession to the date of possession based upon the last exes payable according to public records. However, if such taxes are based upon a esent property improvements or a changed tax classification as of the date of II be based on the current levy rate, assessed value, legislative tax rollbacks and real actually be applicable as shown by the assessor's records on the date of possession. S.
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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 \_\_\_\_\_\_, and any adjustments of rent, insurance, interest and all charges attributable to the SELLERS' possession shall be made as of the date of possession. Closing shall occur after the approval of title by BUYERS 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:

- A. Upon the delivery of the title transfer documents to BUYERS and receipt of all funds then due at closing from BUYERS under the Agreement.
- B. (If "A" is stricken) Upon the filing of the title transfer documents and receipt of all funds 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. Also included shall be the following: <u>N/A</u>

The following items shall not be included: N/A

**7. CONDITION OF PROPERTY.** 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. SELLERS make no warranties, expressed or implied, as to the condition of the property.

- A. BUYERS acknowledge that they have made a satisfactory inspection of the Property and are purchasing the Property in its existing condition.
- B. (If "A" is stricken) Within \_\_\_\_\_ days after the acceptance of this Agreement, BUYERS may, at their sole expense, have the property inspected by a person or persons of their choice to determine if there are any structural, mechanical, plumbing, electrical, environmental, or other deficiencies. Within this same period, the BUYERS may notify in writing the SELLERS of any deficiency. The SELLERS shall immediately notify the BUYERS in writing of what steps, if any, the SELLERS will take to correct any deficiencies before closing. The BUYERS shall then immediately in writing notify the SELLERS that (1) such steps are acceptable, in which case this Agreement, as so modified, shall be binding upon all parties; or (2) that such steps are not acceptable, in which case this Agreement shall be null and void, and any earnest money shall be returned to BUYERS.
- 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 marketable title in SELLERS in conformity with this Agreement, Iowa Iaw, 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. Unless stricken, the abstract shall be obtained from an abstracter qualified by the Guaranty Division of the Iowa Housing Finance Authority.

**9. SURVEY.** If a survey is required under lowa Code Chapter 354, or city or county ordinances, SELLERS shall pay the costs thereof. BUYERS may, at BUYERS' expense prior to closing, have the property surveyed and certified by a registered land surveyor. N/A

\_ If the survey shows

an 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.

#### 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, solid waste disposal sites, hazardous wastes 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 BUYERS 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, substances, 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 <u>Warranty</u> deed, free and clear of all liens, restrictions, and encumbrances except as provided in this Agreement. General warranties of the title shall extend to the time of delivery of the deed excepting liens and 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 rights 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 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 Court approval is not required under lowa law and title standards of the lowa State Bar Association. 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 made 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 the prevailing parties shall be entitled to obtain judgment for costs and attorney fees.

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

**19. 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. This Agreement contains the entire agreement of the parties and shall not be amended except by a written instrument duly signed by SELLERS and BUYERS. 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.

**20. NO REAL ESTATE AGENT OR BROKER.** Neither party has used the service of a real estate agent or broker in connection with this transaction.

**21. 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.

**22 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.

- B. THAX PRODUCTS SAVAN DE TO THE PRODUCT DE TOTOLOGIE DE TOTOLOGIE

#### 23. ADDITIONAL PROVISIONS.

1. The Buyer agrees to grant to Seller the easements contained in Exhibit "B" and attached hereto with said easements to run with the land.

ACCEPTANCE. When accepted, this Agreement shall become a binding contract. If not accepted and delivered to BUYERS on or before the \_\_\_\_\_\_day of \_\_\_\_\_\_\_, this Agreement shall be null and void and all payments made shall be returned immediately to BUYERS. If accepted by SELLERS at a later date and acceptance is satisfied in writing, then this contract shall be valid and binding.

Accepted	Dated
SELLERS City of Fort Dodge, Iowa	BUYERS Iowa Land Improvement, Inc.
Print Name	Print Name
SS#	SS#
Print Name	Print Name
SS#	SS#
Address : 819 First Ave. South Fort Dodge, IA 50501	Address : 1218 - 11th Ave. North, Fort Dodge, IA 50501
Telephone: <u>515-576-8191</u>	Telephone:

#### Addendum for Inspection of Private Sewage Disposal System

Buyer and Seller agree on the following initialed alternative to comply with the time of transfer inspection of private sewage disposal systems:

\_There is a private sewage disposal system on this Property which serves the Property. Seller has obtained or shall obtain at Seller's expense within \_\_\_\_ days a certified inspector's report which documents the condition of the private sewage disposal system, that it is of sufficient capacity to serve the Property, that the continued use of the system is permitted, and whether any modifications are required to conform to standards adopted by the Department of Natural Resources. Seller shall attach the inspection report to the Groundwater Hazard Statement to be filed at closing.

If Seller receives an unsatisfactory report, the basis of which cannot be resolved between Buyer and Seller within \_\_\_\_\_ days of delivery of a copy to Buyer, then upon written notice from Buyer to Seller, this agreement shall be null and void and all earnest money paid hereunder shall be returned immediately to Buyer.

\_\_\_\_\_There is a private sewage disposal system on this Property. Weather or other temporary physical conditions prevent the certified inspection of the private sewage disposal system from being conducted. Buyer shall execute a binding acknowledgment with the County Board of Health to conduct a certified inspection of the private sewage disposal system at the earliest practicable time and to be responsible for any required modifications to the private sewage disposal system as identified by the certified inspection. Buyer shall attach a copy of the binding acknowledgment to the Groundwater Hazard Statement to be filed at closing. When the inspection is completed, an amended Groundwater Hazard Statement shall be filed with the certified inspection and shall include the document numbers of both the real estate transfer document and the original Groundwater Hazard Statement

Seller agrees at closing to deposit the sum of \$ \_\_\_\_\_ Dollars into escrow with ("Escrow Agent")

to reimburse Buyer for expenses incurred for the cost of the inspection and any required modifications to the private disposal system. Escrow Agent shall pay to Buyer, up to the amount held in escrow, amounts for required modifications after any such modifications are completed and upon submission to Escrow Agent of a detailed invoice. If no modifications are required, the entire escrow account shall be returned to Seller. Any funds remaining in the escrow account after any required modifications shall be returned to Seller. Seller shall not be responsible for any cost in excess of the escrow deposit.

\_\_\_\_There is a private sewage disposal system on this Property. The building to which the sewage disposal system is connected will be demolished without being occupied. Buyer shall execute a binding acknowledgement with the county board of health to demolish the building within an agreed upon time period. Buyer shall attach a copy of the binding acknowledgement to the Groundwater Hazard Statement to be filed at closing.

\_\_\_\_There is a private sewage disposal system on this Property. The private sewage disposal system has been installed within the past two years pursuant to permit number \_\_\_\_\_\_.

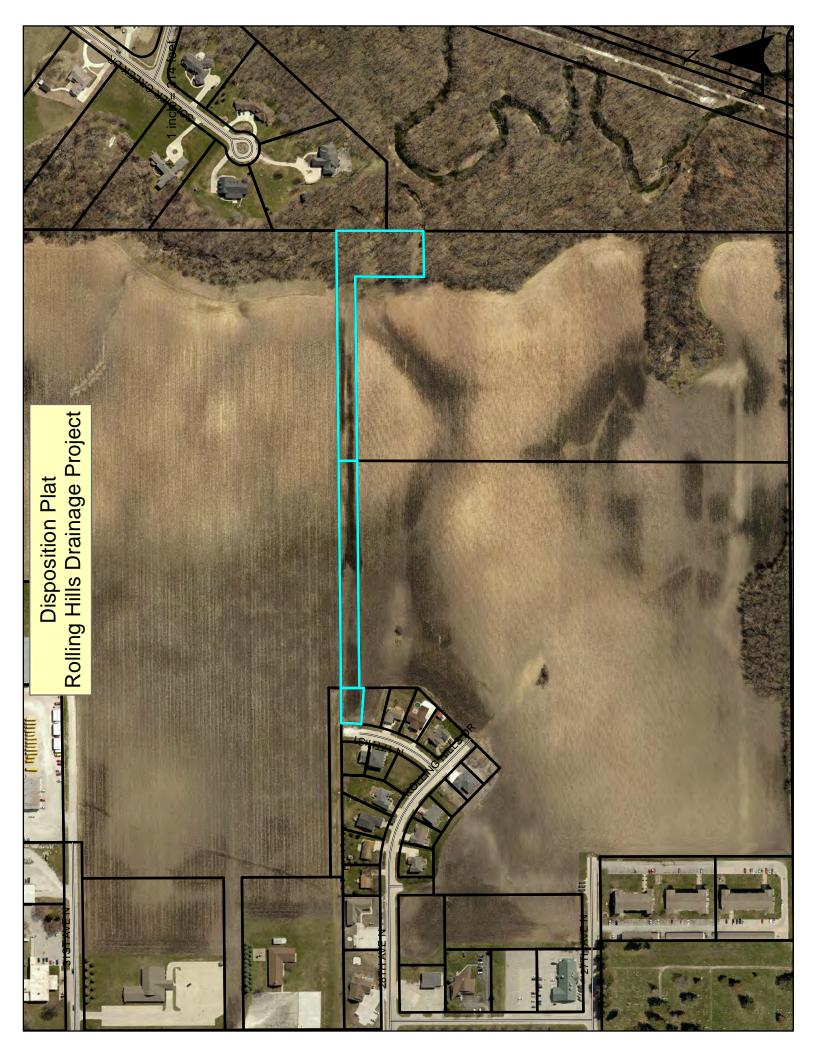
#### Exhibit B

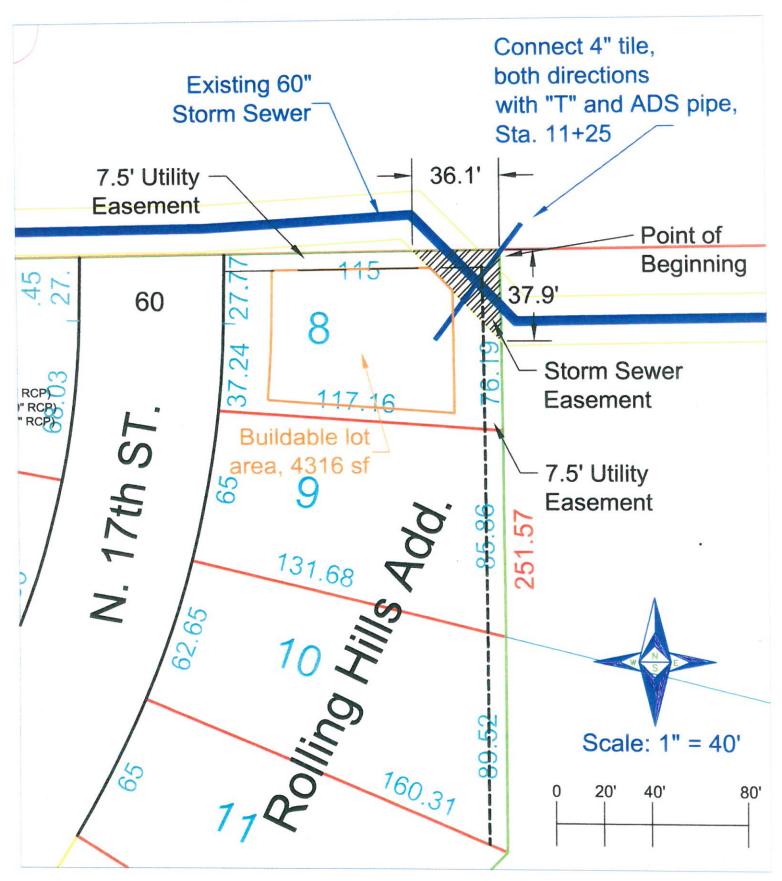
Lot Eight (8) of Rolling Hills Addition and the North Sixty (60) feet of Lot Five (5) of Haviland and Weiss Subdivision of Section Eight (8), Township Eighty-nine (89) North, Range Twenty-eight (28) West of the 5<sup>th</sup> P.M., City of Fort Dodge, Webster County, Iowa lying east of said Lot Eight (8) of Rolling Hills Addition and the East One Hundred fifty (150) feet of the South Two Hundred Twenty-five (225) feet of the North Two Hundred Eighty-five (285) feet of said Lot Five (5) of Haviland and Weiss Subdivision of Section Eight (8), containing 3.03 acres more or less, subject to zoning ordinances, building restrictions, restrictive covenants and public and private easements of record, including the following storm sewer easements:

A storm sewer easement across Lot 8 of Rolling Hills Addition to the City of Fort Dodge, Iowa, described as commencing at the NE corner of said Lot 8; thence westerly along the north line of said Lot 8, 36.1 feet; thence southeasterly to a point on the east line of said Lot 8, 37.9 feet south of the NE corner of said Lot 8; thence northerly along the east line of said lot 8, 37.9 feet to the point of beginning, containing 685 square feet more or less.

A Storm Sewer easement, described by the following course over an existing storm sewer centerline, 25 feet in total width, being 10 feet on the right and 15 feet on the left of said course;

Commencing at a point on the east line of Lot 8, Rolling Hills Addition, Plat 1 to the City of Fort Dodge, Iowa, Iying within Section 8, Township 89 North, Range 28 West of the 5<sup>th</sup> P.M., 23.54 feet south of the northeast corner of said Lot 8; and considering the east line of said Lot 8 as bearing S 00°15'02" E and the basis of all other bearings; thence S 49°41'29" E, 9.87 feet; thence N 89°27'17" E, 1264.12 feet; thence S 47°29'05" E, 43.35 feet; thence S 00°36'29" E, 195.12 feet; thence S 45°13'02" E, 22.79 feet; thence N 89°26'01" E, 182.16 feet more or less to the point of termination on the east line of said Section 8, said point being 107.59 feet south of the SW corner of Lot 103, Woodlands Addition to the City of Fort Dodge, Iowa.





Storm Sewer Easement:

A storm sewer easement across Lot 8 of Rolling Hills Addition to the City of Fort Dodge, Iowa, described as commencing at the NE Corner of said Lot 8; thence westerly along the north line of said Lot 8, 36.1 feet; thence southeasterly to a point on the east line of said Lot 8, 37.9 feet south of the NE corner of said Lot 8; thence northerly along the east line of said Lot 8, 37.9 feet to the point of beginning, containing 685 square feet more or less.

