

Legislation Text

File #: BILL NO. 21-68, **Version:** 1

An Ordinance approving the purchase agreement between the City of Lee's Summit and Raintree Investors, LLC, for the purchase of property by the City for Fire Station #5. (First read by Council on April 13, 2021. Passed by unanimous vote.)

Issue/Request:

Approval of a Real Estate Agreement for the purchase of property for the new location of Fire Station #5 at the southwest quadrant of Highway 150 and SW Regatta Drive.

Key Issues:

This Real Estate Agreement will provide for the purchase of approximately 1.0 acre of property for the location of Fire Station #5.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving the Real Estate Sale Agreement between the City of Lee's Summit and Raintree Investors, LLC for the Purchase of Property by the City for Fire Station #5.

Background:

Details about the transaction from the Terms Sheet that has been used to negotiate the Agreement:

Buyer
City of Lee's Summit

Seller
Raintree Investors, LLC

Property
801 SW M-150 Highway
Lee's Summit, MO 64082
Tax Parcel No. 70-920-16-01-00-0-00-000 which is Lot 5 of the "Final Plat of Raintree Lake Village, Lots 1 through 6 and Tract A" containing 43,593 square feet which is approximately 1.0 acre

Interest Purchased
Buyer obtains fee simple interest in the Property.

Purchase Price
\$700,000, payable as \$600,000 to the Seller and \$100,000 to the Raintree Lake Village Transportation

Development District at the request of Seller.

Earnest Money Deposit

\$1,000, deposited with Title Company in interest-bearing account with interest paid in favor of Buyer. Earnest Money and accrued interest become part of Purchase Price as stated above. Deposit is refundable during Inspection Period.

Inspection Period

Starts at contract signing, last for 30 days after execution. Buyer will provide access to property for due diligence. Inspection Period may be extended by mutual agreement of the parties.

Inspection Materials

Seller will make available all documentation from third parties related to inspections, environmental reports, engineering data.

Environmental Review

Buyer will conduct review of property during Inspection Period. Seller will provide any previously conducted environmental audits and any other types of studies in Buyer's possession.

Contingencies

Acceptable title and conditions of the property, including acceptable environmental conditions.

Closing Date

June 18, 2021, which may be adjusted by agreement of the parties.

Delivery

City takes immediate possession at closing. Seller has all salvage rights prior to closing, if applicable.

Title & Survey

To be arranged for and paid by City.

Taxes and Assessments

At closing, Property becomes tax-exempt for calendar year during which closing occurs due to City's status as a tax-exempt entity. Seller pays all taxes and assessments prior to closing, to the extent levied and collectible by the County or other entities.

Buyer's Closing Costs

Title and survey of property, owner's title policy, recording fees, buyer's attorneys' fees, title insurance, transfer fees, document stamps, escrow fees related to transaction.

Seller's Closing Costs

Seller's attorneys' fees and brokerage fees.

Title Company

Assured Quality Title Company.

The Real Estate Agreement contains a few special provisions:

- Section 21 provides that at Closing, the parties agree to execute and place of record an Access Easement Agreement effecting that portion of the Subject Premises and neighboring property identified on Exhibit B as the "Easement Area." The Easement Agreement shall provide for the use, operation and maintenance of the Easement Area. Seller shall provide a draft of the Easement Agreement to Purchaser within ten (10) days of the Effective Date. The parties agree to finalize the form of Easement Agreement prior to the expiration of the Inspection Period.
- Section 22 provides that the TDD may seek to expand to the west side of Ward Road for additional commercial development. If the City Council approves a resolution supporting that expansion at a later date, then City staff will cooperate with the expansion effort by filing a favorable answer in circuit court.
- Section 23 provides that traffic congestion and patterns in the area of the Property is a public safety concern. Seller agrees that it will not relocate the drive-through stacking lanes on the Adjacent Property to the west in any manner that would impede ingress or egress from the Property.

Impact/Analysis:

The purchase money for this Agreement will be paid from the proceeds of general obligation bonds which were authorized the qualified voters of the City on at the November 2018 election. In November 2018, the City of Lee's Summit was successful in obtaining approval from the voters to issue approximately \$10.5 million in general obligation bonds to purchase property, professional services, and construction of two new fire stations to replace existing and outdated fire stations no. 4 & 5.

Timeline:

The closing is expected to occur on June 18, 2021.

David Bushek, Chief Counsel of Economic Development & Planning

Mark Dunning, Assistant City Manager

Mike Snider, Fire Chief

Recommendation: Staff recommends approval of the ordinance.

Committee Recommendation: Not applicable.