

## REQUEST FOR COUNCIL ACTION

**SUBJECT:** Discussion and possible action to approve Resolution No. 16-154 authorizing the Mayor to execute a Real Estate Purchase Agreement for 6.73 acres of Surplus Property located at approximately 7800 South and New Sycamore Drive (Sycamores).

**SUMMARY:** Consider approving and authorizing the Mayor to sign the Real Estate Purchase Agreement for surplus city property located at approximately 7800 South and New Sycamore Drive.

**FISCAL IMPACT:** Revenue of \$1,278,700.

**STAFF RECOMMENDATION:**

Staff recommends that City Council approve the agreement as prepared.

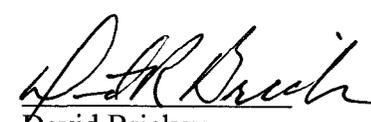
**MOTION RECOMMENDED:**

"I move to approve Resolution No. 16-154 authorizing and directing the Mayor to execute the Real Estate Purchase Agreement between the City of West Jordan and Urban Chase Property Management, LLC and their respective parties, subject to the final approval of staff, and authorizing the City's Real Estate Services Manager to sign all documents reasonably necessary to close the transaction through a title company acceptable to both parties."

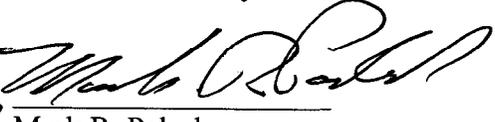
**Prepared by:**

  
David Oka  
Development Director

**Reviewed by:**

  
David Brickey  
City Attorney

**Recommended by:**

  
Mark R. Palesh  
City Manager

**BACKGROUND DISCUSSION:** On January 13 of 2016, the City Council approved the surplus of City owned property near the Sycamores development. In June of this year staff published an invitation for bids on the property, however, none of the bid were in compliance with the parameters of the notice. The property was rezoned in order to eliminate some of the uncertainties regarding the land and a new notice was published in September.

Staff has received two bids; however, one bid did not qualify because the purchase amount was significantly low. The prevailing bid was submitted by Urban Chase Property Management, LLC in the amount of \$190,000 per acre. The total is approximately \$1,278,700.

Staff met with the purchaser and discussed a change to the term of sale as submitted by the purchaser. The purchaser would like to pay \$50,000 up front with the balance to be paid 30 days after final approval of the final plat. This was not anticipated in the notice for bids as we had asked for a non-refundable payment of \$50,000 within 10 days of approval with final payment 90 days after council approval of the purchase and sale agreement. The purchaser explained that financing could not be completed until the plat is final. Staff was able to negotiate the final payment to be made 120 days after the approval of the agreement by the City Council or 2 days after final plat approval, whichever occurs first. Staff feels that risk of this particular issue is minimal. There is also an allowance for extensions upon mutual consent.

# THE CITY OF WEST JORDAN, UTAH

A Municipal Corporation

RESOLUTION NO. 16-154

## A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PURCHASE AGREEMENT BY AND BETWEEN THE CITY OF WEST JORDAN AND URBAN CHASE PROPERTY MANAGEMENT, LLC,

WHEREAS, the City Council for the City of West Jordan declared 6.73 acres of property located at approximately 7800 South and New Sycamore Drive, January 2016; and

WHEREAS, the City of West Jordan submitted the property for an Invitation to Bid September 17, 2106, with the opening on September 27, 2016, 2:00 pm; and

WHEREAS, two bids were received, with only one meeting the minimum required bid amount; and

WHEREAS, the minimum bid was received by Urban Chase Property Management, LLC, whereupon a Real Estate Purchase Agreement was drafted; and

WHEREAS, the City Council desires that the agreement be executed by the Mayor,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST JORDAN, UTAH, THAT:

Section 1. After approval as to legal form by the City Attorney, the Mayor is hereby authorized and directed to execute the Real Estate Purchase Agreement between the City of West Jordan and Urban Chase Property Management, LLC.

Section 2. This Resolution shall take effect immediately upon passage.

Adopted by the City Council of West Jordan, Utah, this 12<sup>th</sup> day of October 2016

KIM V. ROLFE  
Mayor

ATTEST:

MELANIE S. BRIGGS, MMC  
City Clerk

Voting by the City Council

"AYE"

"NAY"

Council Member Dirk Burton

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Council Member Jeff Haaga

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Council Member Zach Jacob

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Council Member Chris McConnehey

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Council Member Chad Nichols

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Council Member Sophie Rice

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Mayor Kim V. Rolfe

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## REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement (“agreement”) is entered into between Urban Chase Property Management, LLC, a Utah limited liability company (“Buyer”), and the City of West Jordan, a municipal corporation and political subdivision of the State of Utah (“Seller”).

It is hereby agreed as follows:

1. Agreement To Sell and Purchase Certain Real Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller, upon the terms and for the consideration set out in this agreement, real property (“Property”), situated in the City of West Jordan, County of Salt Lake, State of Utah, and legally described in the “Public Notice: Advertisement for Bid,” attached hereto as **Exhibit “A,”** and which is incorporated herein by reference. All of the terms of said “Public Notice: Advertisement for Bid,” as well as all of the ordinances and standards of the City of West Jordan, shall apply to this agreement unless this agreement specifically states otherwise.

2. Approval by Buyer. Once Buyer signs this agreement, Seller shall place this agreement on the next available West Jordan City Council agenda for consideration by the West Jordan City Council.

3. Approval by Seller; Timing of Initial Payment. If the West Jordan City Council approves of this agreement during a City Council meeting, then Seller shall immediately sign this agreement. Buyer shall then pay Seller the initial non-refundable payment of \$50,000.00, which shall be paid to Seller by cash or check within 30 calendar days after said City Council approval.

4. Total Purchase Price. The total purchase price is \$1,278,700.00, which is based upon 6.73 acres (more or less) and \$190,000.00 per acre. Buyer and Seller agree that this total purchase price shall not change if the approximate number of acres is not completely accurate. The balance (“remainder payment”) shall thus be \$50,000.00 less that the total purchase price, which is \$1,228,700.00.

5. Timing of Remainder Payment. The remainder payment (\$1,228,700.00) shall be paid by the Buyer to the Seller within: (a) 120 calendar days after said City Council approval; or (b) two (2) calendar days (48 hours) after final subdivision plat approval; whichever occurs first. This time period allows for the anticipated time needed for the subdivision plat application and approval process for this real property, and it reflects an extension from what is identified in the “Public Notice: Advertisement for Bid.”

6. Additional Mutually Agreed Extensions; Adherence to Ordinances. Up to three additional time extensions, of thirty (30) days each, may be mutually agreed upon, in writing, and signed by the parties, with the West Jordan City Manager or his appointee signing on behalf of the Seller. The reasons for any such extension shall be discussed in good faith and neither party shall unreasonably request or deny such extension. Nothing in the timing of the remainder payment or extensions shall imply, infer, or cause the City staff of the City of West Jordan to ignore or violate any established ordinances, standards, guidelines, and procedures for the subdivision plat application and approval process for this real property.

7. Reasonable Speed And Effort. The parties shall make good faith efforts to act with reasonable speed and effort to accomplish the purposes of this agreement.

8. Remainder Payment by Check; Conveyance of Title. If the remainder payment is provided by check, the City shall hold the Quit Claim Deed in the West Jordan City Attorney's office until the check clears.

9. Quit Claim Deed; Buyer's Possession of Real Property. The Seller agrees to execute and deliver to Buyer a recorded Quit Claim Deed within 15 calendar days of receipt by Seller of the remainder payment (assuming the payment has cleared). Upon the City's delivery of the Quit Claim Deed, the Buyer shall take possession of the Property.

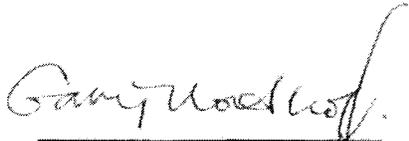
10. Title Insurance Policy; Fees, Charges and Costs. The Buyer shall obtain a standard coverage policy of title insurance from Metro National Title, with Rod Newman as Escrow Agent. The Buyer shall pay the entire premium and other costs charged for and associated with the policy. The Buyer shall also pay any and all other costs associated with the closing, including but not limited to recording fees, transfer fees, title searches, reconveyance fees, trustees' fees, forwarding fees, and other fees, charges and costs.

11. Integration. This agreement, together with any attached Exhibit(s), constitutes the entire agreement between the parties and neither party relies upon any warrants or representation not contained herein.

IN WITNESS HEREOF, the parties sign and cause this agreement to be executed on this 11 day of October, 2016:

**BUYER:**

Urban Chase Property  
Management, LLC



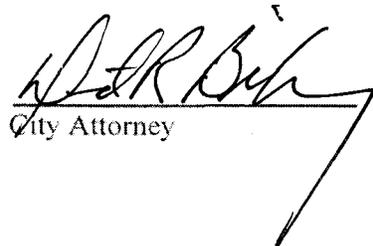
Buyer's signature

**SELLER:**

CITY OF WEST JORDAN

\_\_\_\_\_  
Mayor's signature

**Approved as to Legal Form:**

  
City Attorney

**Attest:**

\_\_\_\_\_  
City Clerk

## **EXHIBIT "A"**

### **City of West Jordan Public Notice Advertisement for Bid**

The City of West Jordan, Utah (the "City"), hereby offers for sale to the highest bidder its surplus vacant real property located at 7049 West 7800 South, West Jordan City, Salt Lake County, State of Utah, located in Section 33 and 34, Township 2 South, Range 2 West of the Salt Lake Base and Meridian (the "Property"), which can be found under the following Salt Lake County Parcel Number: 20-34-101-001, with conceptual legal description as follows:

Beginning at a point on the Westerly Right of Way Line of New Sycamore Drive, said point being South 01°03'02" East 392.40 along the East line of the Northeast quarter of Section 33, and North 88°56'58" East 1134.01 feet from the Northeast corner of said Section 33; Township 2 South, Range 2 West, Salt Lake Base & Meridian and running thence North 89°59'38" West 197.84 feet, thence South 86°53'42" West 151.97 feet, thence South 59°40'29" West 336.70 feet, thence North 88°49'28" West 246.49 feet, thence North 224.84 feet, thence North 59°40'29" East 514.22 feet, thence North 89°59'48" East 420.46 feet, thence South 89°56'09" East 35.16 feet, thence South 00°08'05" East 31.20 feet, thence South 00°07'59" East 162.46 feet to a point of curvature on a 419.97 foot radius curve to the right, thence Southwesterly along arc of said curve 118.74 feet; (Note: Chord to said curve bears South 06°26'25" West 118.34 feet) to point of beginning.

Contains 293,048 Square feet or 6.73 acres more or less

The City is selling the Property – "where is" and "as is," with no representations, warranties or guarantees of any kind, including but not limited to the suitability for the successful bidder's intended use.

Title to the Property shall be transferred to the successful bidder by Quit Claim Deed, free and clear of all liens, but shall be subject to the following: 1) All zoning regulations, restrictions, rules and ordinances, land use laws, building restrictions, and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction; 2) Any state of facts that an accurate and complete ALTA/ASCM survey (with all Table A items) and physical inspection of the property might disclose; 3) Any and all recorded reservations, easements, rights-of-ways, declarations, covenants, conditions, restrictions, encroachments and encumbrances, and all other matters of record or enforceable at law or in equity.

No water rights are included in the sale or transfer of the Property.

The City has no intention of using any title or escrow service company during the course of this transaction. If the winning bidder desires such services, all costs and fees associated with said services shall be at the winning bidder's sole cost and expense. In no event shall the City pay for title or escrow services, or other professional services, nor shall the City pay for any costs or fees associated with this transaction.

The City has not used any third party agents, brokers or finders during the course of this transaction; therefore, no commissions will be paid by the City. If the winning bidder uses any attorneys, third party agents, brokers or finders, then all costs and fees associated with said services shall be at the winning bidder's sole cost and expense.

Sealed bids will be received by the City of West Jordan, City Clerk/Recorder's Office, City Hall Third Floor, 8000 South Redwood Road, West Jordan, Utah 84088, until 2:00 P.M. on Tuesday, September 27, 2016, at which time the sealed bids shall be publicly opened and read aloud.

Any bids, modifications, or corrections received after 2:00 P.M. on Tuesday, September 27, 2016, will be considered late and will not be opened. Any bids submitted by facsimile or email will not be considered.

The minimum bid price shall be One Hundred Ninety Thousand Dollars and no/100 per acre (\$190,000.00/acre). The Property was zoned to R-1-10-F on August 24, 2016. If two or more of the highest bids are equal, then the winning bid shall be the earliest of the highest bids received. However, the City reserves the right to reject any or all bids.

The winning bidder shall provide a non-refundable payment of \$50,000 to the City by cash or check within ten (10) calendar days from the effective date of a fully-executed real estate contract. The balance of the bid price shall be paid within ninety (90) calendar days from the effective date of a fully-executed real estate contract. If payment is provided by check, the City shall hold the Quit Claim Deed in the West Jordan City Attorney's office until the check clears. Upon the City's delivery of the Quit Claim Deed, the winning bidder shall take possession of the Property.

The winning bid is subject to review and approval by the West Jordan City Council.

Please contact the West Jordan City Real Estate Services Manager, Matt Williams, at (801) 569-5132, or at [mattheww@wjordan.com](mailto:mattheww@wjordan.com), for any questions about this advertisement or to make an appointment to inspect the Property.