

REQUEST FOR COUNCIL ACTION

SUBJECT: Surplus and Sale of City-Owned Property Located at 1970 West 7800 South (the "Property").

SUMMARY: City staff was directed to advertise the Property for sale to the highest bidder, subject to the City Council declaring the Property surplus and approving a contract. The Property was advertised, sealed bids were received and publicly opened and staff is now prepared to sell the Property to the highest bidder, subject to the City Council declaring the Property surplus and approving the contract.

FISCAL IMPACT: Sale proceeds in the amount of _____.

STAFF RECOMMENDATION:

Staff recommends approval.

MOTION RECOMMENDED:

"I move to adopt Resolution No. 15-02, declaring the Property surplus to the City's needs, authorizing and directing the Mayor to sign the attached Real Estate Purchase Contract (the "Contract") after the buyer's name and bid amount have been inserted, after it has been fully executed by the buyer and after it has been approved as to legal form by the City Attorney, and authorizing the City's Real Estate Services Manager to close the transaction according to the terms of the Contract.

However, if the highest bidder does not sign the Contract or otherwise backs out of the purchase, then City staff shall accept the second highest bid as long as it meets the minimum criteria set forth in the advertisement. If no other bids were received or are acceptable, then this Resolution becomes null and void and the Property is not declared surplus."

Roll Call vote required

Prepared by:


David Clemence
Real Estate Services Manager

Recommended by:


for Bryce Haderlie
Interim City Manager

Reviewed as to legal sufficiency:


Jeffrey Robinson
City Attorney

BACKGROUND DISCUSSION:

The City recently acquired the Property with the intention of converting it into a cultural arts facility, but has since decided to build a cultural arts facility nearer its City Hall campus. As such, City staff was directed to advertise the Property for sale to the highest bidder, with the intention of using the sale proceeds to begin designing and constructing a new cultural arts facility.

City staff advertised the Property for sale in accordance with both the Utah State Code and the West Jordan Municipal Code, the public was given the opportunity to submit sealed bids to purchase the Property based on a minimum set of criteria, the bids were opened in a public forum and an acceptable bid was received, subject to the City Council declaring the Property surplus to the City's needs.

If the City Council declare the Property surplus and accepts the highest bid received, City staff recommends the City Council approve the Contract after the buyer's name and bid amount have been inserted, after it has been fully executed by the buyer and after it has been approved as to legal form by the City Attorney, and authorize the City's Real Estate Services Manager to close the transaction according to the terms of the Contract.

However, if the highest bidder does not sign the Contract or otherwise backs out of the purchase, then City staff recommends that the City Council accept the second highest bid as long as it meets the minimum criteria set forth in the advertisement. If no other bids were received or are acceptable, then City staff recommends that the Resolution become null and void and the Property not be declared surplus until the City is prepared to enter into a contract to sell the Property.

Attachments:

Resolution
Real Estate Purchase Contract
Exhibit

THE CITY OF WEST JORDAN, UTAH

A Municipal Corporation

RESOLUTION NO. 15-02

**A RESOLUTION DECLARING A REAL PROPERTY SURPLUS AND
AUTHORIZING ITS SALE TO THE HIGHEST BIDDER**

Whereas, the City of West Jordan owns real property located at 1970 West 7800 South, West Jordan, Utah, which is legally described in the Real Estate Purchase Contract attached hereto and by this reference incorporated herein (the "Property"); and

Whereas, the Property was purchased with the intention of converting it into a cultural arts facility, but it has been determined that the Property is not suitable in the long term for the arts facility the City originally envisioned, so the City has instead decided to build a cultural arts facility nearer its City Hall campus; and

Whereas, it has been determined that the best and most cost effective method of constructing a new cultural arts facility is to declare the Property surplus and to sell it to the highest bidder so the sale proceeds can be used to begin designing and constructing a new arts facility; and

Whereas, City staff has advertised the Property for sale to the highest bidder, based on a minimum set of criteria; and

Whereas, sealed bids were received and publicly opened and at least one bid met the minimum requirements; and

Whereas, the City is authorized to surplus and dispose of the Property pursuant to the West Jordan City and Utah State Codes.

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

Section 1. The Property is hereby declared surplus to the City's needs and the Mayor is hereby authorized and directed to sign the attached Real Estate Purchase Contract after the buyer's name and bid amount have been inserted, after it has been fully executed by the buyer and after it has been approved as to legal form by the City Attorney, and the City's Real Estate Services Manager is authorized to close the transaction according to the terms of the Contract.

Section 2. If the highest bidder does not sign the Contract or otherwise backs out of the purchase, then City staff shall accept the second highest bid as long as it meets the minimum criteria set forth in the advertisement. However, if no other bids were received or are acceptable, then this Resolution becomes null and void and the Property is not declared surplus.

REAL ESTATE PURCHASE CONTRACT

This Real Estate Purchase Contract (the "Contract"), dated the _____ day of _____, 2015, is by and between the CITY OF WEST JORDAN, a Utah municipal corporation (hereinafter referred to as the "City"), whose principal office address is 8000 South Redwood Road, West Jordan, Utah 84088, and _____ (hereinafter referred to as the "Buyer"), whose principal office address is _____.

RECITALS

- A. The City is the owner of approximately 1.90 acres of certain real property located at 1970 West 7800 South, West Jordan, Utah 84088, and which is legally described in Exhibit "A" attached hereto and by this reference incorporated herein (the "Property").
- B. The City has determined that the Property is no longer necessary or useful for the City's purposes and is therefore surplus to the City's needs.
- C. The City and the Buyer (also referred to individually as a "Party" or collectively as the "Parties") have agreed to proceed with a purchase and sale of the Property pursuant to the terms and conditions of the Contract.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, as well as other good and valuable consideration, the sufficiency of which is described below, the parties agree as follows:

- 1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into the Contract and are made a part hereof.
- 2. Acquisition Amount. In exchange for the City conveying the Property to the Buyer by Quit Claim Deed, which shall be in a form and format substantially similar to that which is shown in Exhibit "B", attached hereto and by this reference incorporated herein (the "Deed"), the Buyer agrees to pay the City the total sum of _____, exclusive of closing, inspection and other related costs and fees (the "Acquisition Amount"), and subject to the terms and conditions set forth herein.
- 3. Personal Property. The Parties agree that any and all personal property situated on the Property will be transferred to the Buyer as part of this transaction.

4. Conveyance Documents. The City shall cause title to the Property to be transferred to the Buyer by the Deed, free and clear of all liens and encumbrances, subject only to the following: (a) all zoning regulations, restrictions, rules and ordinances, land use regulations, building restrictions, and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction, and (b) 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; and (c) any and all recorded reservations, easements, rights-of-way, declarations, covenants, conditions, restrictions, encroachments, liens, and encumbrances and all other matters of record or enforceable at law or in equity.

5. Closing Costs, Prorations and Possession. The closing of this transaction shall take place on or before February 4, 2015 (the "Closing"), and the Acquisition Amount shall be due in full at Closing. The date of Closing shall be used for proration of all property taxes and assessments accruing, due and owing on the Property, if any, which shall be paid at the City's sole cost and expense. The City does not intend to pay for any owner's policy of title insurance, nor shall the City pay any escrow fees to close this transaction. If the Buyer desires title insurance or escrow assistance, the Buyer shall pay all fees associated with said services. The Buyer is responsible for the payment of all fees associated with filing the Deed in the office of the Salt Lake County Recorder, and shall have possession of the Property upon Closing.

6. Taxes. The Buyer is responsible for all real property taxes and assessments that begin accruing on the Property upon the date of transfer.

7. Inspection Rights. The Buyer has had full opportunity to inspect and investigate the Property prior to Closing. The Buyer is fully satisfied with the condition of the Property and has agreed to accept the Property in its present condition, "as is - where is". The City hereby makes no representation or warranties as to the condition of the Property or its suitability for the Buyer's intended use.

8. Broker's Commission. The City has not used a broker or finder for this transaction; therefore, no commissions are due by the City. If the Buyer used a broker or finder for this transaction, the Buyer is solely responsible for any commissions due.

9. Time is of the Essence. Time is of the essence for the Contract. The Buyer has until 5:00 p.m. on Monday, January 12, 2015, to deliver the signed and notarized Contract to the City, posted to the name and address listed below:

David Clemence
Real Estate Services Manager
City of West Jordan, Utah
8000 South Redwood Road
West Jordan, Utah 84088

10. Execution of the Contract. The Contract shall be valid only after it has been executed by the Parties, pursuant to authorization by the Buyer and the West Jordan City Council.

11. Effect of the Contract. Nothing in the Contract shall be construed to relieve the City or the Buyer of any obligations imposed by federal, state or local laws, ordinances, regulations or standards.

12. Assignment. The Contract shall not be assigned by either Party.

13. Attorneys' Fees. If either Party brings an action or proceedings for the interpretation, review, enforcement, resolution of a dispute hereunder, or for a breach of the Contract, the prevailing Party in any such action, proceedings, reference, trial or appeal shall be entitled to its reasonable attorneys' fees, to be paid by the non-prevailing Party as fixed by the court.

14. Controlling Law, Jurisdiction, Venue. The Contract shall be governed by the laws of the state of Utah. The venue shall be in Salt Lake County, Utah.

15. Entire Agreement. The Contract shall constitute the entire agreement between the City and the Buyer and supersedes all prior written or oral agreements, representations, promises, inducements, or understandings between the Parties with regard to this transaction. Any modification of the Contract shall be binding upon the Parties only when said modification is reduced to writing, signed by the Parties and is attached hereto as an Addendum.

16. Advice of Counsel. The Parties confirm, represent and warrant that they (a) have carefully read the Contract, (b) understand the terms hereof, (c) have had the opportunity to seek the advice from legal counsel of their own choosing, (d) find it to be a fair and reasonable compromise of the disputed claims, defenses and issues, (e) are executing the Contract as a voluntary act, and (f) agree to be bound by and to faithfully execute the terms of the Contract. The Parties further confirm, represent and warrant that they are not under duress, and they acknowledge that to the extent they have waived any rights or defenses by entry into the Contract, that such waiver was made voluntarily and with full knowledge of the ramifications of such waiver.

17. Binding Effect. The Contract shall run with the land and shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns, and any persons or entities claiming rights by, through or under them.

18. Counterparts and Signatures. The Contract may be executed in counterparts, each of which when executed and delivered shall be deemed to be an original, binding between the executing parties, and all of which shall together constitute one and the same instrument. Original or power of attorney signatures shall be binding upon the executing party.

19. Reservations. No water rights are being transferred with the Property; the City reserves unto itself all water rights associated with the Property, if any.

IN WITNESS WHEREOF, the Parties have executed the Contract effective the date and year first above written.

Buyer:

By: _____
Name: _____
Title: _____

STATE OF _____)
: SS
COUNTY OF _____)

On this _____ day of _____, 2015, personally appeared before me _____, who being by me duly sworn did say that s/he is the _____ of _____, a Utah corporation, and that the foregoing instrument was signed in behalf of said corporation, and s/he acknowledged to me that said corporation executed the same.

NOTARY PUBLIC
Residing in _____ County, _____
My commission expires: _____

CITY OF WEST JORDAN, a Utah municipal corporation

By: _____
Kim V. Rolfe, Mayor

STATE OF UTAH)
: SS
COUNTY OF SALT LAKE)

On this _____ day of _____, 2015, personally appeared before me KIM V. ROLFE, who being by me duly sworn did say that he is the Mayor of the CITY OF WEST JORDAN, a Utah municipal corporation, and that the foregoing instrument was signed in behalf of said municipal corporation, and he acknowledged to me that said corporation executed the same.

NOTARY PUBLIC
Residing in _____ County, _____
My commission expires: _____

Exhibit "A"
(the "Property")

Beginning at the intersection of the Northerly right-of-way line of 7800 South Street and the West line of Jordan Valley Subdivision, which point is located 1330.18 feet South 89° 57' 00" East along the Section line and 53.00 feet North 00° 00' 40" East from the Southwest corner of Section 27, Township 2 South, Range 1 West, Salt Lake Base and Meridian; thence North 00° 03' 00" East along the West line of said Jordan Valley Subdivision 398.0 feet, more or less, to the South line of West Acres Subdivision No. 1; thence North 89° 57' 00" West 208.42 feet; thence South 00° 03' 00" West 398.00 feet, more or less, to the Northerly right-of-way line of 7800 South Street; thence South 89° 57' 00" East 208.42 feet along said Northerly right-of-way line to the point of beginning.

Exhibit "B"
(the "Deed")

WHEN RECORDED, PLEASE RETURN TO:

Parcel Number: 21-27-357-022

QUIT CLAIM DEED

CITY OF WEST JORDAN, a Utah municipal corporation (hereinafter referred to as "Grantor"), whose principal office address is 8000 South Redwood Road, West Jordan, Utah 84088, hereby conveys and quit claims to _____ (hereinafter referred to as "Grantee"), whose principal office address is _____, for the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following described tract of land in Salt Lake County, State of Utah, to wit:

[See Exhibit "B-1" attached hereto and by this reference made a part hereof.]

RESERVING UNTO THE GRANTOR all water rights appurtenant to and associated with the above described property, if any.

SUBJECT TO the following: (a) all zoning regulations, restrictions, rules and ordinances, land use regulations, building restrictions, and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction, and (b) 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; and (c) any and all recorded reservations, easements, rights-of-way, declarations, covenants, conditions, restrictions, encroachments, liens, and encumbrances and all other matters of record or enforceable at law or in equity; and (d) all real property taxes and assessments that begin accruing on the Property upon the date of transfer.

Signed and delivered the _____ day of _____, 2015.

CITY OF WEST JORDAN, a Utah municipal corporation

By: _____
Kim V. Rolfe, Mayor

STATE OF UTAH)
 : SS
COUNTY OF SALT LAKE)

On this _____ day of _____, 2015, personally appeared before me KIM V. ROLFE, who being by me duly sworn did say that he is the Mayor of the CITY OF WEST JORDAN, a Utah municipal corporation, and that the foregoing instrument was signed in behalf of said municipal corporation, and he acknowledged to me that said corporation executed the same.

NOTARY PUBLIC

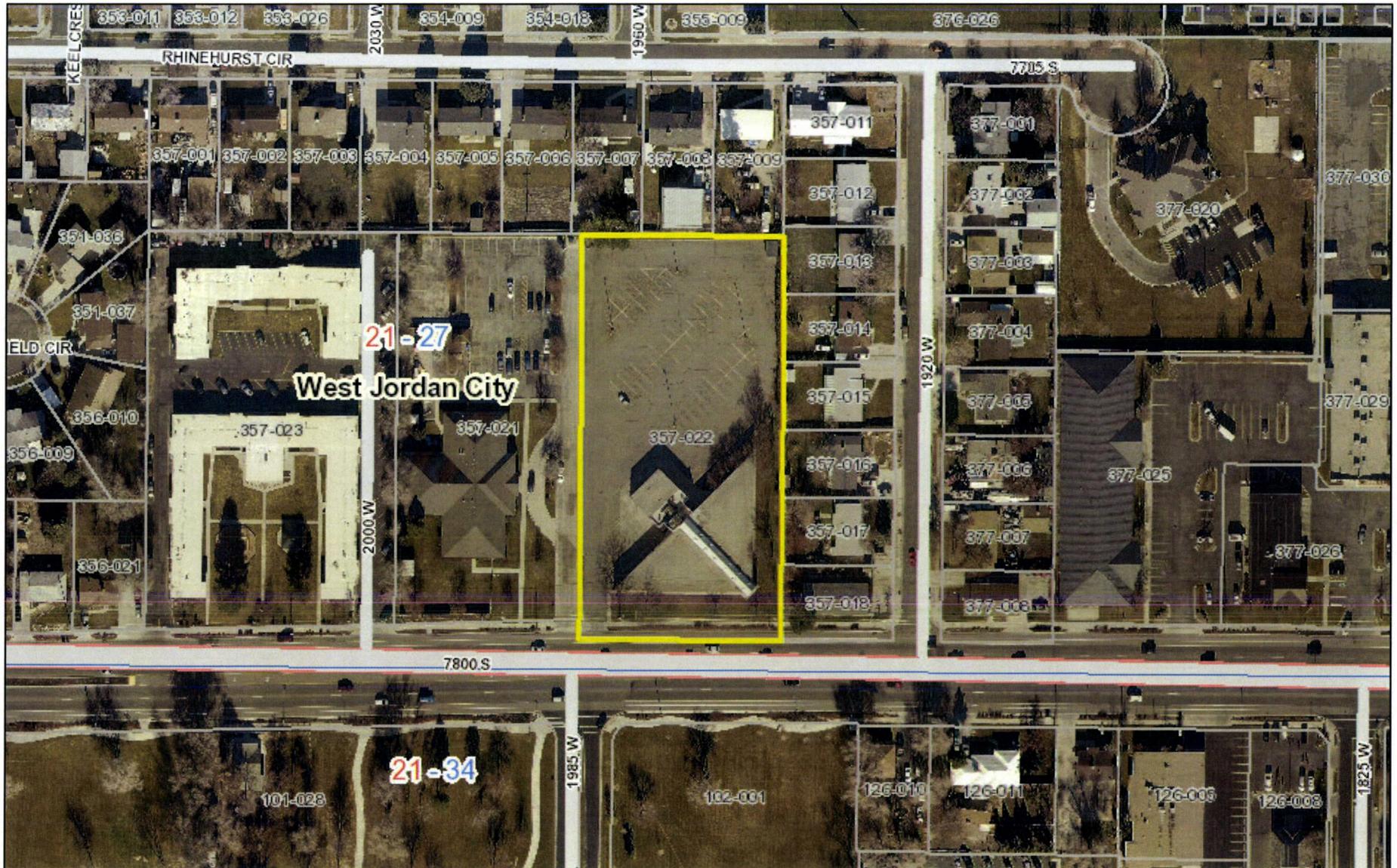
Residing in _____ County, _____

My commission expires: _____

Exhibit "B-1"

Beginning at the intersection of the Northerly right-of-way line of 7800 South Street and the West line of Jordan Valley Subdivision, which point is located 1330.18 feet South $89^{\circ} 57' 00''$ East along the Section line and 53.00 feet North $00^{\circ} 00' 40''$ East from the Southwest corner of Section 27, Township 2 South, Range 1 West, Salt Lake Base and Meridian; thence North $00^{\circ} 03' 00''$ East along the West line of said Jordan Valley Subdivision 398.0 feet, more or less, to the South line of West Acres Subdivision No. 1; thence North $89^{\circ} 57' 00''$ West 208.42 feet; thence South $00^{\circ} 03' 00''$ West 398.00 feet, more or less, to the Northerly right-of-way line of 7800 South Street; thence South $89^{\circ} 57' 00''$ East 208.42 feet along said Northerly right-of-way line to the point of beginning.

My Map



December 29, 2014

