

Introduced by: Mayor Cleworth
Finance Committee: June 4, 2013
Date: July 22, 2013

RESOLUTION NO. 4585

**A RESOLUTION AUTHORIZING PURCHASE OF A SNOW
STORAGE SITE IN THE AMOUNT OF \$199,900**

WHEREAS, a well located snow storage site reduces Public Works costs and expedites snow removal services for surrounding City residents; and

WHEREAS, City staff has for several years attempted to locate suitable property for snow storage on the east side of South Fairbanks; and

WHEREAS, after diligent search, a desirable property has been identified and is currently offered for sale by the owner, Fairbanks Community Food Bank Service, Inc. (Food Bank); and

WHEREAS, said property is identified as Lot 3A of Block 6 Bjerremark Subdivision, comprising 1.35 acres, and is efficiently located at 25th and Cushman; and

WHEREAS, the Food Bank's asking price of \$199,900 is supported by broker opinion and the property is currently valued by the FNSB Assessor at \$265,599; and


WHEREAS, City staff will conduct a due diligence inspection of the property by contracting for a Phase II Environmental Assessment; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fairbanks,

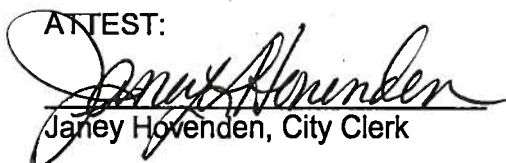
SECTION 1. That the Mayor is hereby authorized to execute a Purchase Agreement substantially in the form of attached "Exhibit A" to purchase said property for \$199,900, and such other documents as approved by the City attorney and being necessary to complete the transaction.

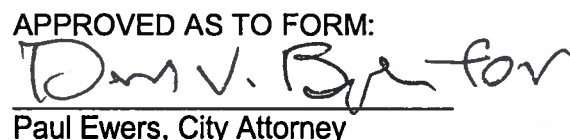
SECTION 2. That the proposed land purchase is subject to Council approval of a Budget Amendment to be submitted by the City's Chief Financial Officer, increasing the 2013 Capital Budget for these purposes.

PASSED, APPROVED and EFFECTIVE this 22nd day of July, 2013.


JERRY CLEWORTH, MAYOR

AYES: PASSED and APPROVED on the Consent Agenda
NAYS:
ABSENT: None
APPROVED: July 22, 2013

ATTEST:

Janey Hovenden, City Clerk

APPROVED AS TO FORM:

Paul Ewers, City Attorney

PURCHASE AGREEMENT
FOOD BANK → CITY OF FAIRBANKS
2416 S. CUSHMAN • LOT 3A BLOCK 6 BJERREMARK

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RESOLUTION No. 4585
EXHIBIT 'A'

1. Parties.

(a) Seller. FAIRBANK COMMUNITY FOOD BANK SERVICE, INC.
 an Alaska nonprofit corporation
 725 26th Avenue
 Fairbanks, Alaska 99701
 Phone: (907) 452-7761 (Sam Kirstein)
 EIN: _____

(b) Buyer. CITY OF FAIRBANKS, an Alaska municipality
 800 Cushman Street
 Fairbanks, Alaska 99701
 Phone: (907) 459-6766 (Pat Smith)
 EIN: _____

2. Property. The Food Bank agrees to sell, and the City agrees to buy, the real property that is commonly known as 2416 S. Cushman St., Fairbanks, Alaska 99701 and that is more particularly described as:

Lot 3A, THE REPLAT OF LOTS 3, 4, 5, 6, 7, 8, 9, & 10 OF
 BLOCK 6 BJERREMARK SUBDIVISION INST.#119.146,
 according to the plat filed February 6, 2006 as Plat Number 2006-25
 in the records of the Fairbanks Recording District, Fourth Judicial
 District, State of Alaska, including appurtenances thereof.

3. Purchase price. The purchase price is \$199,900.00, payable in full at closing.

4. Closing costs and other expenses. The parties allocate closing costs and other expenses as follows:

Item	City	F. Bank	Item	City	F. Bank
Owner's title policy (est. \$882)	50%	50%	Property taxes (see ¶ 9)	Prorate	Prorate
Seller's title policy, if desired (est. \$75)		100%	Inspections (see ¶ 12)	100%	
Title company cancellation fee, if applicable (\$250)	100%		Legal and professional fees	Pay own	Pay own
Title company closing fee (optional) (est. \$350)	50%	50%			
Recording fees	50%	50%			

If this transaction does not close for any reason, closing costs and other expenses remain allocated as indicated in the table above.

5. Closing and recording. The Food Bank's attorney handles closing unless the City wants to have Yukon Title Company handle closing at the City's expense (approximately \$350). Closing takes place as soon as practicable after the parties sign this *Purchase Agreement* and the inspection period (see Paragraph 12) ends.

"Closing" means depositing with the closing agent (the Food Bank's attorney or Yukon Title Company) all documents, signatures, and funds needed to complete the transaction. Recording occurs as soon as practicable after closing.

6. Title report and title insurance. The City orders a preliminary commitment for title insurance (title report) from Yukon Title Company. Yukon Title also provides a copy to the Food Bank's attorney. The City may withdraw from the transaction during the inspection period (see Paragraph 12) if title as described in the title report is not acceptable to the City.

7. Form of deed. The Food Bank conveys title with a special warranty deed prepared by the Food Bank's attorney and approved as to form by the City. The deed warrants that the Food Bank conveys title free of encumbrances and adverse claims arising through the Food Bank but makes no other warranties.

8. Possession. The City has possession of the Property at recording.

9. Property taxes. The parties prorate 2013 property taxes as of the date of recording (the Food Bank pays through and including the date of recording, the City pays thereafter). The closing agent collects each party's pro rata share of 2013 taxes at closing and disburses funds to the Borough after recording.

If the parties do not know the 2013 tax amount at closing because the mill rate has not been set, the parties prorate taxes using the 2012 mill rate and the 2013 assessed value. The party that underpaid (if either) reimburses the other party on request, outside of closing, when the actual amount of 2013 taxes is known.

10. As-is sale. The Food Bank sells the Property as-is, and the City buys the Property as-is. The Food Bank makes no representations or warranties other than the specific representations and warranties contained in this *Purchase Agreement*.

11. Buyer's research; environmental audit. The City has a right and duty to make, at the City's expense, whatever inspections, tests, and inquiries the City needs to satisfy itself that the Property is acceptable and suitable for the purposes for which the City intends to use it.

The City intends to conduct an environmental audit that may include Phase I and Phase II assessments (including sampling of soils and groundwater). The City (or its environmental contractor) gives the Food Bank a written description of the proposed scope of work and obtains the Food Bank's approval before the City (or its contractor) performs any on-site sampling. The City gives the Food Bank all information and reports that the City generates or obtains and gives the City's contractor permission to share information with the Food Bank.

12. Inspection period (ends 7/31). The City's inspection period begins when both parties have signed this *Purchase Agreement* and ends at 5:00 p.m. on Wednesday, July 31, 2013. If the Property is acceptable to the City and the City intends to proceed with this transaction, the City notifies the Food Bank in writing before the inspection period ends. Otherwise, this transaction terminates and the City signs a rescission agreement.

13. No seller improvements required. The Food Bank is not required to make any improvements to the Property (including any environmental cleanup) for this transaction.

14. Waiver of AS 34.70 (disclosure form). To the extent that AS 34.70 (requiring disclosures in certain residential real estate transactions) may apply to this transaction, the parties waive completion of an AS 34.70 disclosure form (the *State of Alaska Residential Real Property Disclosure Statement*, which is available at www.dced.state.ak.us/occ/pub/rec4229.pdf) and sign a waiver form.

15. Marketing and backup offers. The Food Bank may continue to market the Property and accept backup offers while this transaction is pending.

16. Risk of loss. The Food Bank bears the risk of loss and damage to the Property that occurs before recording. If the Property is materially damaged before recording, the City may withdraw from this transaction.

17. Buyer's rights not assignable. The City's rights under this *Purchase Agreement* are not assignable without the Food Bank's written consent.

18. Agents, commissions (none). Neither the City nor the Food Bank is represented by a real estate licensee or other person to whom a commission is owed in connection with this transaction.

19. No merger. The provisions of this *Purchase Agreement* survive closing and recording and do not merge into the deed by which the Food Bank conveys title to the City.

20. Interpretation. This *Purchase Agreement* is not interpreted more favorably for one party than for another party. Captions are not considered when interpreting this *Purchase Agreement*.

21. Copies. For convenience, the parties may sign faxed copies, e-copies, and counterparts of this *Purchase Agreement* and other documents. The parties and other participants (including the closing agent) are authorized and instructed to rely on faxed copies, e-copies, and counterparts.

22. Entire agreement. This *Purchase Agreement* contains the entire agreement between the City and the Food Bank. It supersedes all prior written and oral agreements and understandings relating to this transaction.

23. City Council approval. This transaction is contingent upon approval by the City Council by resolution. The City Council will promptly make and act on a proposed resolution approving this *Purchase Agreement*. The Food Bank may withdraw from this transaction if the City Council has not passed a resolution by _____, 2013.

BUYER:

SELLER:

CITY OF FAIRBANKS

FAIRBANKS COMMUNITY FOOD BANK
SERVICE, INC.

By _____
Title _____
Date _____

By _____
Title _____
Date _____