

Craig, Sondra

From: Elsen, Nikki
Sent: Thursday, January 12, 2023 11:05 AM
To: Craig, Sondra
Subject: FW: 1607 North St final proposal_05.05.2022
Attachments: COVENANTS AND RESTRICTIONS - proposed 05.05.2022.docx

From: Reynolds, Mitch <reynoldsm@cityoflacrosse.org>
Sent: Thursday, January 12, 2023 7:05 AM
To: ZZ Council Members <ZZCouncilMembers@cityoflacrosse.org>
Cc: Matty, Stephen <mattys@cityoflacrosse.org>
Subject: 1607 North St final proposal_05.05.2022

(Please do not reply all to this message)

Hello all, I am unclear who has had access to the attached. I thought it best all should be able to review before tonight's meeting. It is the revised offer made by the city for the \$1 purchase of 1607 North St. This offer was tendered to HJO representatives on 5/5/2022.

Mitch Reynolds

Mayor
City of La Crosse
400 La Crosse Street
La Crosse, WI 54601
(608) 789-7500
www.cityoflacrosse.org

The information contained in this email message may be privileged, confidential and protected from disclosure. The email is intended solely for the intended recipient to whom it is addressed. Any review, retransmission, dissemination, distribution, copying, or other use is strictly prohibited. If you have received this email in error, please respond to the sender at reynoldsm@cityoflacrosse.org and delete the material from any computer and/or server.

COVENANTS AND RESTRICTIONS

Recitations.

The City is selling the property to Harry J. Olson Senior Citizen Center, Inc. (Purchaser) for the sum of \$1.00, which the parties agree is less than fair market value. It is agreed that the purpose of a sale below fair market value is for the continued operation of a Multipurpose Senior Center which serves the needs of the public. Any encumbrances or restrictions to the use or sale of the property are considered to be for the continuation of use for this sole purpose of a Multipurpose Senior Center and to recover public investment of funds within a reasonable amount of time after the sale should the property cease to serve that purpose.

Condition and Repair.

The Purchaser agrees to keep the property in good condition and repair so as not to have a blighting influence on the neighborhood. Purchaser further agrees to not do anything to diminish or impair the value of the property.

Maintenance.

Upon conveyance of the property, the City shall not be responsible for any maintenance of the property. The City will discontinue any contracts in place for the maintenance, including, without limitation, plumbing, heating, ventilation, air conditioning and elevator. The City has provided to the Buyer copies of two A & E reports for the premises.

Transfer and Recapture Provisions:

.

The Purchaser agrees that for the first fifteen (15) years, there shall not be any change of use in the property, without the advance written approval of the City Council of the City of La Crosse.

With respect to any portion of the property, any future sale, transfer of any kind, mortgage, option agreement, management agreement, lien, encumbrance, or lease for a period of 12 months or more, (including all renewals and options contained within the agreement) the following restrictions apply:

Right of First Refusal / Option to Purchase.

1. Purchaser agrees that there will be no sale of the property for the first three (3) years. If Purchaser elects to sell or transfer the property or any portion of the property, the same must first be offered in writing to the City of La Crosse. The City shall have the option to repurchase the property for the initial price of \$1.00 plus the reasonable cost of any improvements paid by purchaser that were not previously reimbursed subject to depreciation and wear and tear and any mortgages on the property, provided the same were approved in advance, in writing, by the City Council of the City of La Crosse. In the case of the lease of the property or any portion thereof, the City may terminate the

lease upon transfer. The City shall have 90 days from the date of receipt to accept or reject said offer unless an extension of time is mutually agreed upon and set forth in writing. In the event of any acceptance of such offer by the City, conveyance shall be free and clear of all liens and encumbrances.

2. The parties mutually agree that the City of La Crosse has used various funds, including, without limitation, Federal Block Grant funds and funds from the City of La Crosse Capital Improvement Budget for the operation, repair and maintenance of the property. The total agreed upon amount that the City shall be entitled to for repayment is Five Hundred Thousand and 00/100 Dollars (\$500,000.00).
3. In order to further protect the investment that the taxpayers have made to the property, the Purchaser and Seller mutually agree that for a period of fifteen (15) years following the recording of the Deed, if the property or any portion of the property is transferred or leased for a period of more than twelve (12) months, including any and all renewals of the lease, the funds from any sale or lease will be divided as follows:

a. To the Purchaser:

1. The purchase price of \$1.00.

Any capital improvements made after the date of the sale, provided the same were approved in advance, in writing, by the City Council of the City of La Crosse; which have not yet been reimbursed from lease payments or other income.

2. Any mortgages on the property, provided the same were approved in advance, in writing, by the City Council of the City of La Crosse; and

3. 25% of any net proceeds of an approved sale.

b. To the City of La Crosse:

75% of any net proceeds after the items list above and the expenses of the sale, up to a maximum amount of \$500,000.00.

4. Voting Center.

- a. For fifteen (15) years, the property shall remain a voting center. The Purchaser agrees to provide to the City a locked room to hold all voting equipment, flags, signs, etc. The key for that room shall be held only by the City. There will be no charge for this service and the use when needed will

be superior to any other use.

- b. After the first three (3) years, if the Purchaser receives a bona-fide offer from an unrelated third party to purchase the property, Purchaser may request that the City release the right to use the property for a voting center.
5. The Purchaser shall not obtain a year-round liquor license for the property of any kind but may apply for special event licenses as allowed under the ordinances of the City of La Crosse.

Compliance with All Laws.

The Purchaser shall, at its own cost and expense, be responsible to promptly comply and conform with all present and future laws, ordinances, rules, requirements and regulations of the federal, state, county and municipal governments and of any and all other governmental authorities or agencies affecting the premises or its use, at their own cost and expense, make all additions, alterations or changes to the premises or any portion thereof as may be required by a governmental authority or agency.

Agreed to by the parties as integral and binding terms and conditions of the sale and as covenants to run with the land.

Purchaser:
Harry J. Olson Senior Center, Inc.

BY: _____
President

BY: _____
Secretary

STATE OF WISCONSIN)
) S.S.
LA CROSSE COUNTY)

Personally, came before me this ____ day of _____, 2022, the above-named _____, and _____, the duly authorized officers of Harry J. Olson Senior Center, Inc., to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public - State of Wisconsin
My Commission expires: _____.

Seller:
CITY OF LA CROSSE, WISCONSIN:

Mayor

Countersigned:

City Clerk

STATE OF WISCONSIN)
) S.S.
LA CROSSE COUNTY)

Personally, came before me this _____ day of _____, 2017, the above-named Mitch Reynolds, Mayor and Nikki Elsen, City Clerk, to me known to be the persons who executed the foregoing instrument and acknowledged the same,

Notary Public - State of Wisconsin
My Commission expires: _____