BILL 2016-56

****** Full Reading ******

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: December 5, 2016

RE: Land Purchase

Background

The City's recent purchase of land consisted of approximately 380 acres. This purchase was made after review of the area for sites with qualifying characteristics. We had some assistance in this work from an independent third party with no financial stake in any potential purchase. Suitable land sites needed to be within or contiguous to the city limits, close to utilities, transportation routes and within a low price range. This makes the site more suitable for our Electric Department location, as well as to provide marketable sites for distribution, manufacturing or commercial use.

Once a parcel was identified, we asked about subdividing, but the owners would only sell the land as one parcel. This was not a critical factor, however, since the parcel can be divided in the future, if the City decides it does not need all of it. The Mayor was authorized to make the purchase at a per-acre price of $6,200, and staff negotiated a price of $6,000 per acre. The land appraised at a value of $6,800 per acre. The City realized a positive difference of over $300,000 saved, between the purchase price and the actual value of the land. We also surveyed the land and verified our record accuracy that it was contiguous with the current city limits. A Phase I environmental study was also conducted as part of our due diligence. At some point, the City will want to have the site(s) certified by the State Dept. of Economic Development. Prospective industry does not wait for this process to happen. They generally want sites to be "shovel ready." Certification requires a Phase I, so we accomplish this portion automatically by having that work done at the beginning.

Bill 2016-56

AN ORDINANCE FOR THE CITY OF CAMERON, CLINTON AND DEKALB COUNTIES, MISSOURI ACCEPTING AN OFFER TO PURCHASE AND ACCEPTANCE AGREEMENT CONCERNING CERTAIN REAL ESTATE

WHEREAS, the City Council of the City of Cameron, Clinton and DeKalb Counties, Missouri ("Council") met in Executive Session on September 19, 2016 to discuss the potential purchase of 380 acres of real estate adjacent to the corporate boundaries of the City for the purpose of locating the City's Electric Department in one location and for future economic growth; and

WHEREAS, the Council in the Executive Session on September 19, 2016 authorized the Mayor to enter into a real estate agreement for the purchase of said 380 acres of real estate contingent on certain conditions; and

WHEREAS, the City entered into an Offer to Purchase and Acceptance Agreement dated October 8, 2016 for the purchase of 380 acres of real estate; and

WHEREAS, the City completed its due diligence concerning certain conditions and the Offer to Purchase and Acceptance Agreement was finalized, executed and closed on November 22, 2016; and

WHEREAS, the Offer to Purchase and Acceptance Agreement was recorded in the Clinton County Recorder of Deeds Office on November 23, 2016 and the Caldwell County Recorder of Deeds Office on November 28, 2016.

NOW, THEREFORE, **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMERON, CLINTON AND DEKALB COUNTIES, MISSOURI**, **AS FOLLOWS:**

Section 1. The Council does hereby accept the Offer to Purchase and Acceptance Agreement dated October 8, 2016 concerning 380 acres of real estate adjacent to the corporate boundaries of the City.

Section 2. That this Ordinance shall be in full force and effect from and after its passage.

Section 3. That all ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed

Read two times, passed, and approved this 5th day of December 2016.

_____
Mayor Jerri Ann Eddins

ATTEST:

_____
City Clerk/Finance Clerk

Full Reading