City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Honorable Mayor and City Council Members

FROM: Mike Pogge-Weaver, City Manager MSPW

DATE: December 10, 2020

SUBJECT: 224 N Main Street Property Sale and Redevelopment

At the Council meeting on November 23, 2020, a Resolution was passed setting a public hearing for the proposed sale of the City's interest in real estate to Rowland Real Estate LLC. Public notice was published pursuant to Iowa Code on December 4, 2020 in the Carroll Times Herald and established December 14, 2020 for the public hearing.

Rowland Real Estate LLC of Clive submitted the only bid for the purchase of the former City Hotel/City Apartments site at 224 N Main Street. The bid price was $1,000 and the site is proposed to be redeveloped as a 4-plex rental property. Information on this property sale was widely circulated by the City and was covered by the Carroll Times Herald and Carroll Broadcasting. Prior to the submittal deadline, 101 unique visitors went to the City's website to view the RFP information on this property sale a total of 111 times.

It is proposed that the Council waive its policy requiring an appraisal prior to sale, since the value of this property is minimal and bids were solicited by the City.

Since the meeting on November 23, 2020 staff received the following comments on the proposed sale:

- Matt Wendl commented that while he did miss the deadline, he has a proposal for redevelop the site that is similar to the one presented and would be interested in submitting a bid greater than $10,000.
- Peggy Buman of 209 N Main Street commented that she was disappointed in the design presented by Rowland Real Estate LLC and would prefer that the property be sold to the neighborhood for the price of $1,000 and remain as open space as opposed to being redeveloped.

RECOMMENDATION: After the public hearing the Council may consider approval of the Resolution authorizing the sale of this real estate to Rowland Real Estate LLC for $1,000.00.

RESOLUTION NO. _____

RESOLUTION FOR THE SALE OF THE CITY INTEREST IN REAL ESTATE

WHEREAS, sale of the city's interest in real estate legally described as:

> Lot 9 and the South 11 feet of the West 68 feet of Lot 10, Block 37, Second Addition to the City of Carroll, Carroll County, Iowa

is deemed appropriate, and

WHEREAS, the above-stated real estate is being conveyed to Rowland Real Estate LLC; and

WHEREAS, the public hearing on the proposed sale was conducted on this date, after published notice thereof on December 4, 2020 in the Carroll Times Herald, and the Council has given due consideration to objections and evidence for and against the proposed sale, as reflected by the record of the public hearing, and

WHEREAS, the Council deems the proposed sale to be in the best interest of the City of Carroll, Iowa, and the Council waives policy No. 0307, requiring an appraisal.

NOW, THEREFORE, BE IT RESOLVED that the above-stated real estate be conveyed by real estate contract to Rowland Real Estate LLC for good and valuable consideration, and the Mayor and City Clerk are authorized to execute the real estate contract on behalf of the City, and are further authorized to execute the Deed, upon full satisfaction of the real estate contract.

Passed and Approved this 14th day of December, 2020.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

BY:_____
Eric P. Jensen, Mayor

ATTEST:

By:_____
Laura A. Schaefer, City Clerk

Prepared by/Return to: David S. Bruner, P.O. Box 882, Carroll, IA 51401 (712) 792-1548
Tax Statements to: Rowland Real Estate L.L.C., 15920 Hickman Road Ste 400, Box 422, Clive, IA 50325

REAL ESTATE CONTRACT

IT IS AGREED between the City of Carroll, Iowa, ("Seller"); and Rowland Real Estate L.L.C. ("Buyer").

Seller agrees to sell and Buyer agrees to buy real estate in Carroll County, Iowa, described as:

Lot 9 and the South 11 feet of the West 68 feet of Lot 10, Block 37, Second Addition to the City of Carroll, Carroll County, Iowa (locally known as – 224 N Main Street, Carroll, Iowa 51401)

subject to the following:

a. any zoning and other City ordinances;
b. any covenants and restrictions of record;
c. any easements of record for public utilities, roads and highway

upon the following terms:

1. **PRICE.** The purchase price for the Real Estate is $1,000.00 plus this sale is subject to the below stated conditions. $1,000.00 has been paid at the time of executing this Contract.

2. **CONDITIONS.** In addition to the price of $1,000.00, this contract of sale is subject to and conditioned on the following:

   a. All tree removal, landscaping, surveying or other work desired by the Buyer shall be the sole responsibility of the Buyer.
   b. All unknown or unforeseen conditions shall be the sole responsibility of the Buyer.
   c. The Buyer shall keep this property free of garbage, debris, junk, refuse, old building materials, abandoned, non-operational, or junk vehicles, appliances and household furnishings. The yard must be maintained continuously in a healthy and safe condition.
   d. Redevelopment of this property shall begin within 9 months of the date of this Real Estate Contract or date otherwise approved by the Seller and Buyer and must be completed within 18 months of the date of this Real Estate Contract.
   e. All proposed work and construction requiring permits in accordance with the codes adopted by the City of Carroll must be secured by a licensed registered contractor

who is currently registered with the City of Carroll.

f. The Buyer agrees to construct a 4-plex with detached garages and agrees to add architectural details to the proposed unit including the addition of small dormers above the front entry doors and off set north and south units 3 feet in front of the middle units. Final design must be presented to and shall be approved by the City Manager prior to the start of construction.

3. **COUNCIL APPROVAL.** This Contract is also subject to approval by the Carroll City Council pursuant to Section 364.7 Iowa Code (2019). If the City Council does not approve the sale by Resolution on December 14, 2020, this Contract shall be null and void and all payments made shall be returned to Buyer.

4. **REAL ESTATE TAXES.** Seller shall pay the 2019-2020 real estate taxes. Seller shall pay the prorated taxes for 2020-21 (1st half of 2020-2021), with all subsequent real estate taxes being paid by Buyer.

5. **SPECIAL ASSESSMENTS.** Buyer shall pay all special assessments which are a lien on the Real Estate as of the date of this contract.

6. **POSSESSION CLOSING.** Closing shall be on or before December 31, 2020, with possession of the Real Estate on the same date of closing, provided Buyer is not in default under this contract.

7. **INSURANCE.** Seller shall maintain existing insurance upon the Real Estate until the date of possession and closing. After possession and closing and until full satisfaction of the conditions contained herein, Buyer shall keep the improvements on the Real Estate insured against loss by fire, tornado, and extended coverage for a sum not less than 100 percent of full insurable value payable to the Seller and Buyer as their interests may appear. Buyer shall provide Seller with evidence of such insurance.

8. **ABSTRACT AND TITLE.** Seller, at its expense, shall promptly obtain an abstract of title to the Real Estate continued through date of contract and deliver it to Buyer for examination. It shall show merchantable title in Seller in or conformity with this contract, Iowa law and the Title Standards of the Iowa State Bar Association. The abstract shall become the property of the Buyer when the purchase price and all conditions of this sale are satisfied in full. After examination of the abstract by Buyer, the abstract shall be returned to the Seller, until this contract is satisfied in full and Deed is delivered to the Buyer, at which time the abstract will be delivered to Buyer.

9. **CARE OF PROPERTY.** Buyer shall take good care of the property; shall keep the buildings and other improvements later placed on the Real Estate in good and reasonable

repair and shall not injure or destroy the property during the term of this contract.

10. **DEED.** Upon payment of purchase price and full satisfaction of the above stated conditions and requirements, Seller shall convey the Real Estate to Buyer by Deed.

11. **REMEDIES OF THE PARTIES.**

a. If Buyer (a) fails to make the payments aforesaid, or any part thereof, as same become due; or (b) fails to pay the taxes or special assessments or charges, or any part thereof, levied upon said property, or assessed against it, by any taxing body before any of such items become delinquent; or (c) fails to keep the property insured; or (d) fails to keep it in reasonable repair as herein required; or (e) fails to perform any of the conditions, requirements, and agreements as herein made or required; then Seller, in addition to any and all other legal and equitable remedies which it may have, at its option, may proceed to forfeit and cancel this contract as provided by law (Chapter 656 Code of Iowa). Upon completion of such forfeiture Buyer shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and/or improvements if any shall be retained and kept by Seller as compensation for the use of said property, and/or as liquidated damages for breach of this contract; and upon completion of such forfeiture, if the Buyer, or any other person or persons shall be in possession of said real estate or any part thereof, such party or parties in possession shall at once peacefully remove therefrom, or failing to do so may be treated as tenants holding over, unlawfully after the expiration of lease, and may accordingly be ousted and removed as such as provided by law.

b. If Buyer fails to timely perform this contract, Seller, at its option, may elect to declare the entire balance immediately due and payable after such notice, if any, as may be required by Chapter 654, The Code. Thereafter this contract may be foreclosed in equity and the court may appoint a receiver to take immediate possession of the property and of the revenues and income accruing therefrom and to rent or cultivate the same as the receiver may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Buyer only for the net profits, after application of rents, issues and profits from the costs and expenses of the receivership and foreclosure and upon the contract obligation. It is agreed that if this contract covers less than ten (10) acres of land, and in the event of the foreclosure of this contract and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Seller, in such action file an election to waive any deficiency judgment against Buyer which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Buyer, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this contract shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) The real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this contract at the time of such foreclosure; and (3) Seller in such action file an election to waive any deficiency judgment against Buyer or his successor in interest in such action. If the redemption period is so reduced, Buyer or his successors in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Buyer shall be presumption that the property

is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code. Upon completion of such forfeiture Buyer shall have no right of reclamation or compensation for money paid, or improvements made; but such payments and for improvements if any shall be retained and kept by Seller as compensation for the use of said property, and/or as liquidated damages for breach of this contract; and upon completion of such forfeiture, if Buyer, or any other person or persons shall be in possession of said real estate or any part thereof, such party or parties in possession shall at once peacefully remove therefrom, or failing to do so may be treated as tenants holding over, unlawfully after the expiration of a lease, and may accordingly be ousted and removed as such as provided by law.

c. If Seller fails to timely perform their obligations under this contract, Buyer shall have the right to terminate this contract and have all payments made returned to him.

d. Buyer and Seller are also entitled to utilize any and all other remedies or actions at law or in equity available to them.

e. In any action or proceeding relating to this contract the successful party shall be entitled to receive reasonable attorney's fees and costs as permitted by law.

12. **TIME IS OF THE ESSENCE.** Time is of the essence in this contract.

13. **CONSTRUCTION.** Words and phrases in this contract shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

14. **CERTIFICATION.** Buyer and Seller each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.

15. **INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM.** Seller represents and warrants to Buyer that the Property is not served by a private sewage disposal system, and there are no known private sewage disposal systems on the property.

16. **AS IS.** Buyer acknowledges that Buyer has inspected the property and is fully familiar with the physical condition thereof. Buyer understands and agrees that Seller makes no representations or warranties, express or implied, as to the condition of the property included in this sale. It is expressly understood and agreed that Seller makes no covenant, representation or warranty, express or implied, as to the condition, specific fitness for a particular purpose or intended use, or merchantability, of the property being sold. Buyer hereby agrees that the property is sold "AS IS" and with all faults.

17. **ASSIGNMENT.** Buyer shall not sell, assign or transfer its interest in this Contract prior to the completion and full satisfaction of all conditions and requirements set out herein,

unless Buyer receives prior written consent and approval from the Seller.

Dated: _____, 2020.

ROWLAND REAL ESTATE L.L.C.

_____
Andrew E. Rowland, Manager

CITY OF CARROLL, IOWA

_____
Eric P. Jensen, Mayor

_____
Laura Schaefer, City Clerk

STATE OF IOWA, COUNTY OF _____, ss

This record was acknowledged before me on _____, 2020, by Andrew E. Rowland, as Manager of Rowland Real Estate L.L.C.

_____
Notary Public

STATE OF IOWA, COUNTY OF CARROLL, ss

On this ____ day of_____, 2020, before me, a Notary Public in and for the State of Iowa, personally appeared Eric P. Jensen and Laura Schaefer, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Carroll, Iowa; and that the instrument was signed on behalf of the municipal corporation, by authority of its City Council; and that Eric P. Jensen and Laura Schaefer acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the municipal corporation, by it voluntarily executed

_____
Notary Public

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Rowland Real Estate LLC

15920 Hickman Road

Box 400 Box 422

Clive, IA 50325

REDEVELOPMENT PROPOSAL

224 N Main St. Carroll

Section 4: Bid Amount $1,000, Check included for 10% = $100.00

Section 5: Enclosed letter from Peoples Bank

Section 6: Proposal to build one 4- plex condo unit with detached garages. Each unit would have separate entrances to their condo. See attached proposed site plan

Section 9: Proposal Evaluation

a) Recent project in Jefferson, Iowa. We build three, 4 unit condo buildings. Total of 12 units.
b) 4 plex condo unit to be build with detached garages. Each unit has its own front and back door.
c) See attached sample photo of buildings built (photo shown is two units not 4)
d) Residential multi family condos
e) $1,000
f) Attached letter from Peoples Bank
g) Each unit has individual entry front and back doors

PROPOSAL TO PURCHASE PROPERTY FOR PRIVATE REDEVELOPMENT

Name of Proposer: Rowland Real Estate LLC

Address: 15920 Hickman Rd Suite 400 Box 422 Clive, IA 50325

Telephone: 515-210-2452

Legal Description: Lot 9 and the South 11 feet of the West 68 feet of Lot 10, Block 37, Second Addition to the City of Carroll, Carroll County, Iowa

Land Purchase Offer Price: $1,000.00

Good Faith Deposit: $100.00

Description of Project or Proposed Use of Property: (For example the type of housing proposed – to be rental or owner occupied, amenities proposed, landscaping planned, etc. This explanation of the housing/development project can be attached as separate page)

See Attached

4 Plex Condo units

Estimated Cost of Improvements:

Funding Source (s): Peoples Bank

Estimated Sale Price or Rental Cost, if applicable: Rent $1,000 a month

Estimated Time For Commencement: 6-12 months

Estimated Time For Completion: 6-12 months

Additional Comments:

The City reserves the right to waive informalities in the sale procedures herein provided and to reject any and all Proposals. If this Proposal is accepted, the City shall provide a Real Estate Contract of Sale to the Proposer specifying the terms and conditions of the redevelopment proposal. A deed will be provided upon completion of the terms and requirements set forth within.

In the event this Proposal is accepted by the City Council and the Proposer fails or refuses to enter into a contract of sale for the property within 45 days after notification of acceptance of proposal, the City may terminate all rights of the Proposer hereunder, and, in such event, may retain the good faith deposit of the Proposer as liquidated damages and the City may proceed with other arrangements or plans for the sale of the Property to which this Proposal relates.

The City may withdraw from the sale of the Property at any time prior to conveyance of title and possession of said Property by reason of the City being enjoined or prevented from so doing by any order or decision or act of any judicial, legislative, or executive body having authority in the premises, or by reason of the City not being able to transfer unencumbered title. In such case, the deposit can be refunded to the Proposer.

Failure by the Proposer to perform the requirements set forth above in the required time frame will result in the Property reverting back to the City of Carroll. In such event, the City may retain all improvements and funds paid by the Proposer.

Sale, assignment, or transfer of the Real Estate Contract by the Proposer, prior to the completion of the development requirements, must have prior written approval by the City of Carroll.

If you have questions, contact Mike Pogge-Weaver, 627 N Adams St, Carroll, IA 51401; (712) 775-7505 or email mpoggeweaver@cityofcarroll.com.

Rowland Real Estate
Name of Proposer (type or print)

Signature

11/9/2020
Date

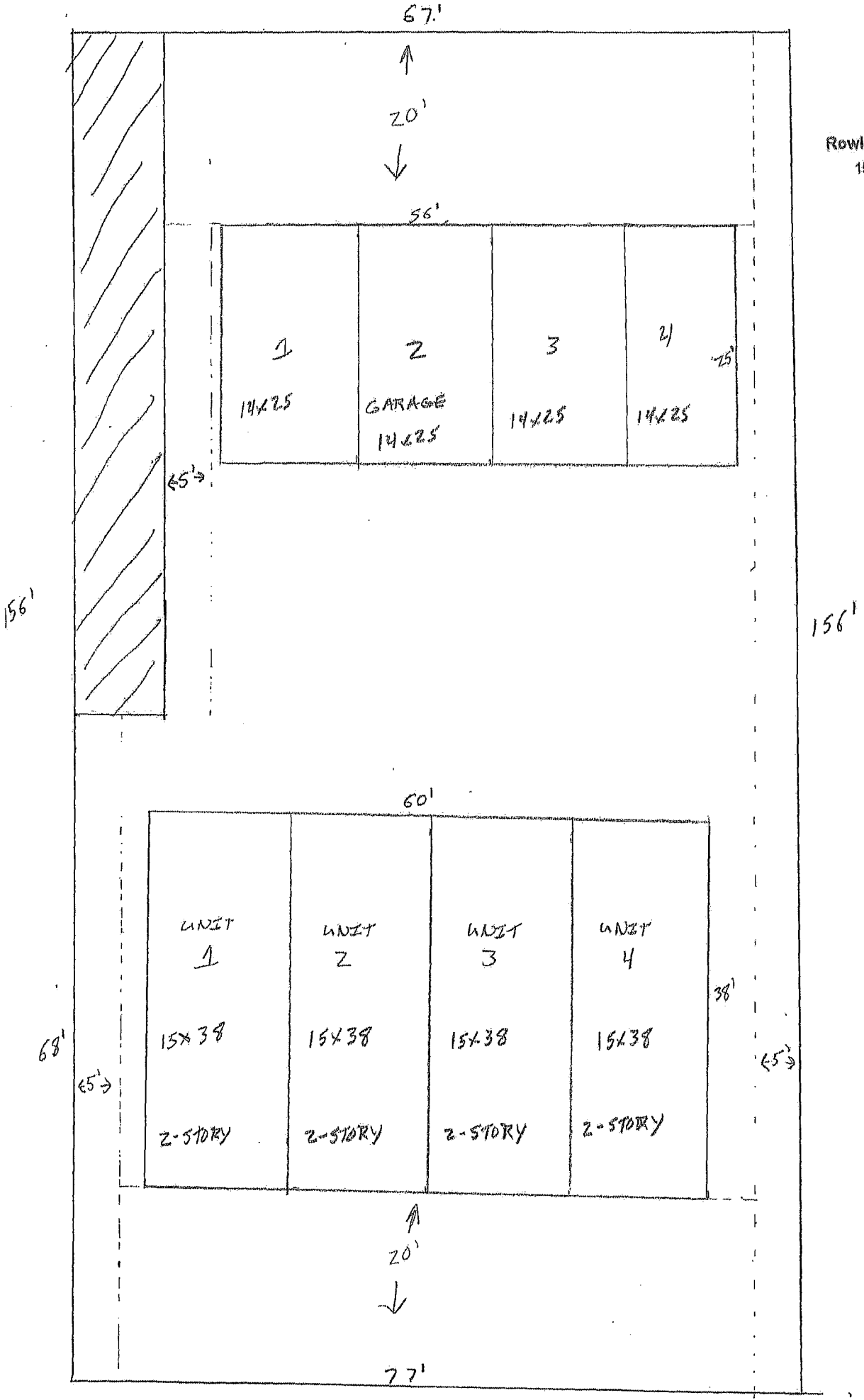
Rowland Real Estate LLC
15920 Hickman Road
Suite 400 Box 422
Clive, IA 50325

Rowland Real Estate LLC

15920 Hickman Road
Suite 400 Box 422
Clive, IA 50325

3/4=10'

Rowland Real Estate L.L.C
15920 Hickman Road
Suite 400 Box 422
Clive, IA 50325



Member FDIC

PEOPLES BANK

EQUAL HOUSING LENDER

Andrew Rowland
1155 SE Grant Woods Court
Waukee, IA 50263

October 20, 2020

Dear Mr. Rowland:

Based on our previous experience financing your successful development on North Olive Street in Jefferson and after learning more about your plans for a similar development in Carroll, Peoples Bank would like to convey our interest in supporting such a project. Our interest is subject to the accuracy of all of the information, data, representations, exhibits and other material submitted in connection with your development. Our interest is also conditioned on the full underwriting and due diligence of the request.

Sincerely,

John P. Rigler III

John P Rigler III
President & COO
Peoples Bank
Direct: 515-327-7727
jprigler@mypeoples.bank