



City of Omaha
Jean Stothert, Mayor

RECEIVED

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CITY CLERK
OMAHA, NEBRASKA

Planning Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140

James R. Thele
Director

September 23, 2014

Honorable President
and Members of the City Council

The attached Ordinance authorizes the City of Omaha to sell the Blue Lion Center facility at 2403, 2411, 2423 and 2425 North 24th Street, parcels at 2215 Lake Street, 2218 Willis Avenue, 2411 and 2413 Lizzie Robinson Avenue, and portions of parcels at 2318 and 2322 North 24th Street to R H Land Management Company, L.L.C., a Nebraska Limited Liability Company, 11301 Davenport, Omaha, NE 68154.

The property was originally acquired with federal Community Development Block Grant (CDBG) funds. The Blue Lion Center was used for the offices of job training service organizations serving low- and moderate-income people until 2012. The City's leasing agent was unable to rent the facility. Subsequently the property was appraised and the City retained the services of a real estate firm to publically market the property. A purchase agreement in an amount in excess of the appraised value was received from R H Land Management Company, L.L.C.

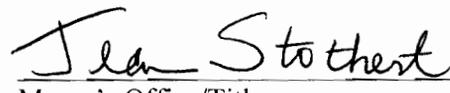
This Ordinance authorizes the acceptance of the attached Uniform Purchase Agreement and the sale of the property for \$650,000.00. As required by the terms of the CDBG grant program, proceeds from the sale will be deposited into the Community Development Block Grant account, Fund 12186, Organization 129112.

Your favorable consideration of this Ordinance is requested.

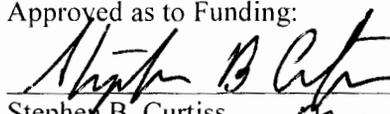
Sincerely,

Referred to City Council for Consideration:

 9/4/14
James R. Thele Date
Planning Director

 9/10/14
Mayor's Office/Title Date

Approved as to Funding:

 9/9/14
Stephen B. Curtiss Date
Finance Director

2083 dlh

ORDINANCE NO. _____

AN ORDINANCE providing for the sale of City-owned real property acquired with federal Community Development Block Grant funds; to provide that notwithstanding any provisions of the Omaha Municipal Code to the contrary, the City is authorized to accept and receive the offer of R H Land Management Company, L.L.C., a Nebraska Limited Liability Company, 11301 Davenport, Omaha, NE 68154, for the purchase of real property at 2403, 2411, 2423 and 2425 North 24th Street, 2215 Lake Street, 2218 Willis Avenue, 2411 and 2413 Lizzie Robinson Avenue and portions of parcels at 2318 and 2322 North 24th Street as shown in the attached Uniform Purchase Agreement for the sum of Six Hundred Fifty Thousand and 00/100 Dollars (\$650,000.00) and to provide the effective date hereof. The project account is the Community Development Block Grant, Fund 12186, Organization 129112.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

Section 1. Notwithstanding any portion of the Omaha Municipal Code to the contrary, the attached Agreement with R H Land Management Company, L.L.C. is hereby approved and the Mayor is authorized to execute, and the City Clerk to attest, any documents necessary or appropriate to convey property located at 2403, 2411, 2423 and 2425 North 24th Street, 2215 Lake Street, 2218 Willis Avenue, 2411 and 2413 Lizzie Robinson Avenue, and portions of parcels at 2318 and 2322 North 24th Street as shown in the attached Agreement in consideration of the sum of Six Hundred Fifty Thousand and 00/100 Dollars (\$650,000.00). The net proceeds directly associated with the sale of the property shall be deposited in the Community Development Block Grant account, Fund 12186, Organization 129112.

Section 2. Upon completion of the conditions in the attached Agreement, the Mayor of the City of Omaha is hereby authorized and empowered to execute a Warranty Deed to said property, and the City Clerk to attest the same, to R H Land Management Company, L.L.C.



ORDINANCE NO. _____

PAGE 2

Section 3. That this Ordinance, not being legislative in character, shall take effect upon the date of its passage in accord with Section 2.12 of the Omaha Municipal Code.

INTRODUCED BY COUNCIL MEMBER

APPROVED BY:

MAYOR OF THE CITY OF OMAHA

PASSED _____

ATTEST:

APPROVED AS TO FORM:

CITY CLERK OF THE CITY OF OMAHA

 9 SEP 14

CITY ATTORNEY

2083 dlh



UNIFORM COMMERCIAL PURCHASE AGREEMENT
(This is a legally binding contract. If not understood, seek legal advice)

Investors Realty, Inc., Broker

August 11, 2014

The undersigned Buyer, (whether one or more) agrees to purchase the Property described as follows:

1. **Address:** 2423 North 24th Street; 2425 North 24 Street; 2411 North 24th Street; 2403 North 24th Street; 2218 Willis Ave; 2318 North 24th Street (parcel to be re-platted according to Exhibit A to include a portion of the parking lot only); 2411 Lizzie Robinson; 2413 Lizzie Robinson Ave: and 2215 Lake Street, Omaha, NE 68110. See attached revised Exhibit A.
2. **Legal Description (Property):** Legal to be provided by Title Binders including all fixtures and equipment permanently attached to the Property. (See Exhibit "A" for location of the properties)
3. **Personal Property:** The only personal property included is as follows: None
4. **Conveyance:** Seller represents that they have good, valid and marketable title, in fee simple, and agrees to convey title to Property to Buyer or his nominee by warranty deed free and clear of all liens, encumbrances or special taxes levied or assessed, and subject to all building and use restrictions, utility easements not exceeding ten (10) feet in width abutting the boundary of the Property, and covenants now of record.
5. **Assessments:** Seller agrees to pay any assessments for public improvements previously constructed, or ordered or required to be constructed by the public authority, but not yet assessed. Seller is not aware of any public improvements ordered or required to be constructed but not yet constructed.
6. **Purchase Price:** Buyer agrees to pay Six Hundred and Fifty Thousand and No/100 Dollars (\$650,000.00) on the following terms: \$25,000.00 (Deposit) deposited with First American Title Company within four (4) business days of acceptance of this Agreement. In the event of refusal or failure of the Buyer to consummate the purchase, the Seller may retain the Deposit as liquidated damages as Seller's sole remedy for failure to carry out the agreement of sale; it being the agreement of the parties that upon the happening of such event, the Seller may have sustained damages, the exact amount of which would not be easily ascertained and the Deposit set forth above is agreed by the parties to be equitable compensation to Seller for the actual loss which may have been sustained. Balance to be paid in immediately available funds at closing of the sale.
7. **Applicable Conditions:** This Agreement is conditioned upon the happening of each of the following events. If each of the same have not occurred within the time stated, or if receiving the information or inspecting the Property, the Property is no longer acceptable to the Buyer, this offer shall be null and void, and any Deposit returned to Buyer. The Buyer shall waive contingencies.
 - (A) **Survey:** The Buyer may obtain a current staked "as built" survey showing all improvements, easements and encroachments, adequate to satisfy the standard ALTA exclusions, prepared by a registered land surveyor within forty-five (45) days after receiving documentation from Section 7(D). Cost of the survey will be paid by the Buyer. Buyer shall notify Seller in writing within ten (10) days after receipt of the survey if the survey discloses material items inconsistent with previous representations, in which case Buyer may terminate this Agreement and the Deposit will be returned to Buyer.
 - (B) **Inspection:** Buyer shall have the right to make a complete inspection of the Property and equipment within thirty (30) days after receiving documentation from Section 7(D). In the event Buyer, in Buyer's sole discretion finds the condition of the Property or equipment unacceptable, Buyer may notify Seller in writing within said time period and terminate this Agreement and the Deposit will be returned in full.
 - (C) **Environmental Hazards:** Buyer may at his expense, cause an Environmental Study or survey of the Property to determine any Environmental Hazards or Liabilities, and such study or survey will be completed within forty-five (45) days after receiving documentation from Section 7(D). Buyer will act in good faith to see that the study is diligently and expediently completed. When an Environmental Study or Survey of the Property is obtained by the Buyer, a copy of such Environment Study or Survey, together with all related documents, reports and test results shall be delivered to the Buyer and Seller. If hazardous defects are found by the Study, notice shall be given to the Seller and the Seller shall have the option to correct such defects, at his expense. If the Seller refuses or declines to correct the defects, then the Buyer may, at his option, waive the defects and complete the purchase of the Property. If the Buyer does not waive the defects and complete the purchase, then this Purchase Agreement shall terminate and the Deposit shall be promptly refunded to Buyer. In the event that the Seller determines to correct such Environmental Defects, then the closing shall be postponed until such defects have been removed; providing further that if such Environmental Defects may not be cured within a reasonable period of time, then the Buyer may rescind this Agreement and the Deposit shall be refunded in full.



- (D) **Documentation:** Within ten (10) days following the effective date hereof, Seller shall deliver to Buyer copies of the following documents, if in Seller's possession or control:
- (a) Existing surveys of the Property
 - (b) Existing Leases
 - (c) Rent roll
 - (c) Past three years operating statements
 - (d) Existing environmental surveys, studies and notices
 - (e) Any notices from governmental agencies received within the past two years regarding zoning, eminent domain, life safety or traffic
 - (f) Building plans & permits
 - (g) Copies of contracts and warranty agreement
 - (h) Existing covenants of record.

Buyer shall have twenty (20) days after receipt of documents to review and accept documents. If the information is not acceptable at Buyer's sole discretion, Buyer may rescind this agreement and the Deposit shall be refunded in full to the Buyer.

8. **Taxes:** Urban Taxes: All consolidated real estate taxes which become delinquent in the year in which closing takes place shall be treated as though all are current taxes, and those taxes shall be prorated as of the date of closing, and all the prior years' taxes, interest, and other charges, if any, will be paid by Seller.

9. **Rents, Deposit and Leases, If Rented:** Any tenant deposits and leases shall be assigned to Buyer at no cost. All scheduled rents shall be prorated to date of closing. Copies of all current leases shall be provided to the Buyer ten days after execution. The original leases shall be provided to Buyer at closing.

10. **Sanitary and Improvement District (S.I.D.):** Intentionally deleted

11. **Conveyance of Title:** Seller shall furnish a current title insurance commitment to Buyer as soon as practical from First American Title Company. If title defects are found, Seller must cure them within a reasonable time. If title defects are not cured within a reasonable time period, the Buyer may rescind this Agreement and the Deposit shall be refunded. Closing will occur within 20 days after all the contingencies have been removed.. **Time is of the essence.** Possession shall be delivered at closing. The cost of an Owner's title insurance policy shall be equally divided between Buyer and Seller.

12. **Escrow Closing:** Buyer and Seller acknowledge and understand that the closing of the sale may be handled by First American Title Company, as Escrow Agent and that the Broker is authorized to transfer the Deposit or any other funds it receives to said Escrow Agent. After said transfer, Broker shall have no further responsibility or liability to Buyer or Seller for the accounting for said funds. Escrow Agent's charge for the escrow closing shall be equally divided between Buyer and Seller.

13. **State Documentary Tax:** The State Documentary Tax on the deed shall be paid by the Seller.

14. **Insurance:** Any risk of loss to the Property shall be borne by the Seller until title has been conveyed to the Buyer. In the event, prior to closing, the structures on the Property are materially damaged by fire, explosion or any other cause, Buyer shall have the right to rescind this agreement, and Seller shall refund the Deposit to Buyer. Buyer agrees to provide his own hazard insurance.

15. **Wood Infestation:** Within forty-five (45) days of receiving documentation in 7(D), Buyer, at Buyer's cost, may obtain a wood destroying insect inspection of the building, attached and detached structures, and Seller agrees to pay for any treatment or repair work found necessary for issuance of a warranty against wood destroying insects up to \$1000.00. If cost of treatment and/or repair work exceeds \$1,000.00, Buyer may pay the cost over the \$1,000.00 or cancel this agreement.

16. **Smoke Detector:** Building currently has a functional smoke detection and fire sprinkler system. Buyer has the right to inspect the system.

17. **Condition of Property:** Seller represents to the best of Seller's knowledge, information and belief, there are no latent defects in the Property. Seller agrees to maintain the heating, air conditioning, water heater, sewer, plumbing, electrical systems and any built-in appliances in working condition until delivery of possession.

18. **Environmental:** Seller represents to the best of the Seller's knowledge, information and belief, there are no conditions present or existing with respect to the Property which may give rise to or create Environmental Hazards or Liabilities and there are no enforcement actions pending or threatened with respect thereto.

19. **Assignment of the Purchase Agreement:** The Buyer shall have the privilege of assigning this Agreement to any person, partnership, limited liability company or corporation prior to closing. Buyer shall deliver to Seller an executed copy of any such assignment in which event the Seller shall close the transaction with the Assignee of the Buyer.



20. **Extension:** If any of the above contingencies are not satisfied within the time period allowed, but the parties are acting diligently and in good faith to complete said contingencies, the respective time periods shall be extended for up to an additional sixty (60) days. If an extension is granted, \$5,000.00 of the deposit shall be non-refundable for any reason.
21. **Estoppel:** Seller agrees to obtain an Estoppel Certificate from the tenants on a form reasonably satisfactory to the Buyer. The request shall be made immediately after the Buyer removes the contingency for inspection set forth in Paragraph #7(C) above. Closing is conditioned upon the Buyer receiving acceptable Estoppel Certificate.
22. **Exchange:** Seller agrees to cooperate with Buyer to complete a tax deferred "like kind" exchange pursuant to Section 1031 of the Internal Revenue Code of 1986. The Seller agrees to sign documents as reasonably required to complete the exchange, providing that Seller's obligation and liability will be limited to the purchase price and closing costs provided for herein.
23. **Changes in Condition of Property:** There shall not have occurred prior to closing, without Buyer's prior written consent (i) any changes to title or survey matters previously reviewed, or (ii) any material changes to the condition of the Property or its occupancy or operations, except as may be expressly provided for in this Agreement, or agreed to by Buyer.
24. **Covenants and Restrictions:** Property sale is subject to the attached Covenants, Conditions, and Restrictions. See attached Exhibit "B".
25. **Purchase Contingency:** Final terms and conditions of the fully executed purchase agreement are subject to Omaha City Council approval. The parties understand that Closing is contingent upon this approval.
26. **Lot Splits:** The cost of any lot splits completed for this transaction shall be paid by the Seller.
27. **Easements:** Buyer shall grant the City of Omaha an easement over the park area where the park maintenance facilities are located. The Buyer shall also allow public parking for visitors of the park to use the parking lot along Lizzie Robinson Avenue. The cost of the lot split and recording of the easement shall be paid by the Seller.

THIS OFFER IS BASED UPON BUYER'S PERSONAL INSPECTION OR INVESTIGATION OF THE PROPERTY AND NOT UPON ANY REPRESENTATION OR WARRANTIES OF CONDITION BY THE SELLER OR SELLER'S AGENT.

28. **Agency:** The REALTOR(S) involved in this transaction are:
 Marty Patzner and Justin Riviera of the Lund Company is acting as limited agent for Seller.
 Jerry Heinrichs of Investors Realty, Inc is acting as limited agent for Buyer.
29. **Broker Compensation:** Buyer and Seller acknowledge that the Seller will pay the Lund Company its Real Estate Fee and the Buyer will pay Investors Realty, Inc its Real Estate Fee.
30. **Offer Expiration:** This offer to purchase is subject to acceptance by Seller on or before August _____, 2014 at 5:00 o'clock PM.

WITNESS: Jerry Heinrichs BUYER: R H Land Management Company, LLC DATE: 8/11/14
 By: Shari Lecci
 Shari Lecci

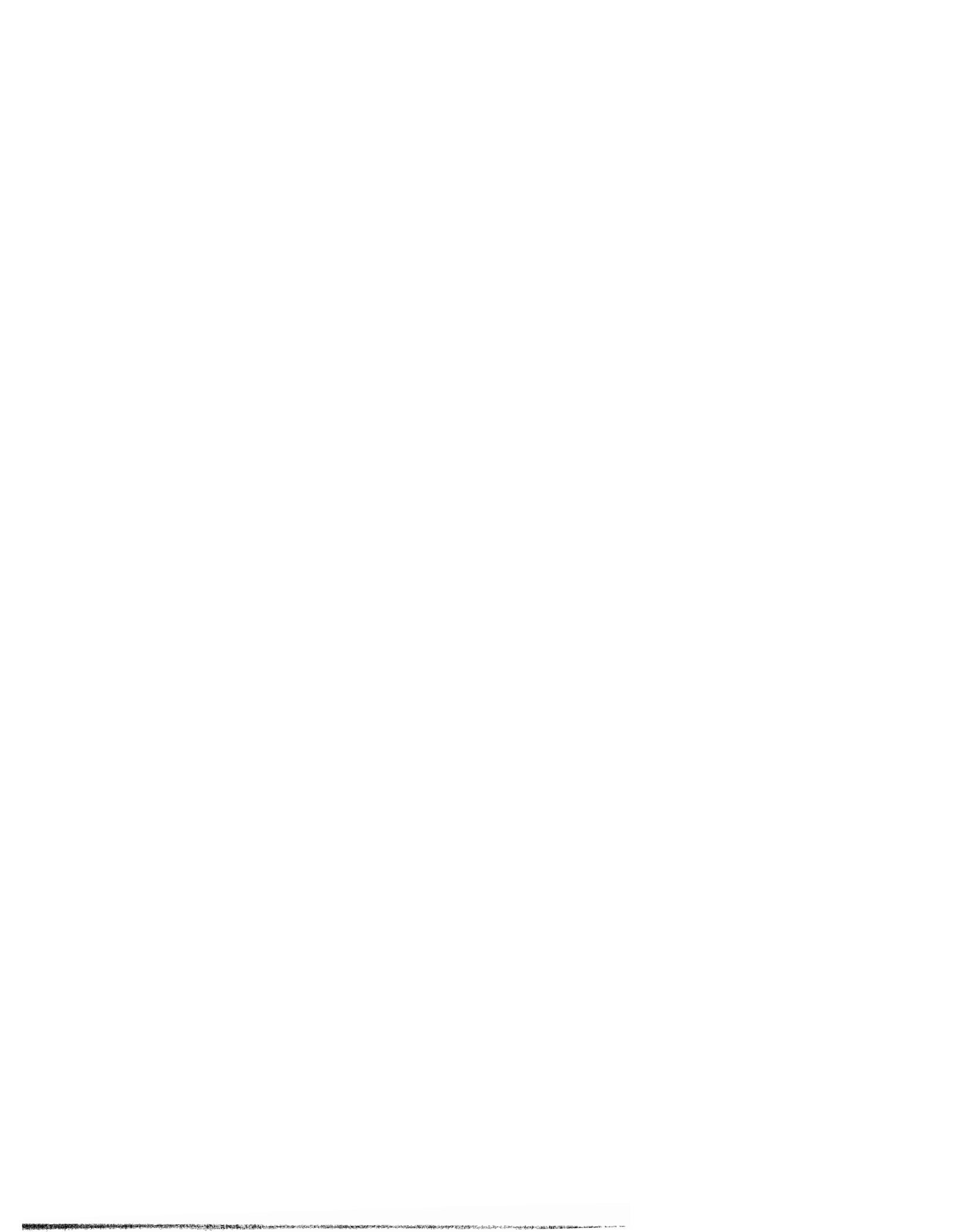
ADDRESS: PO Box 31565 CITY: Omaha STATE: NE ZIP: 68131 PHONE: _____

ACCEPTANCE

_____, 2014

The Seller accepts the foregoing proposition on the terms stated and agrees to convey title to the Property, deliver possession, and perform all the terms and conditions set forth, and acknowledges receipt of an executed copy of this agreement except for the following modifications: _____

WITNESS: _____ SELLER: City of Omaha DATE: _____



By: Jean Stothert

PRINT NAME: Jean Stothert

ADDRESS: 1819 Farnam Street CITY: Omaha STATE: NE ZIP: 68183 PHONE: 402-444-5000

BUYER RECEIPT AND ACCEPTANCE

Buyer acknowledges a fully executed copy of this agreement and accepts Counter Proposal as set out above, if any.

DATE: _____ BUYER: _____

APPROVED AS TO FORM:

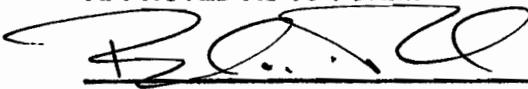
 8/12/14
DEPUTY CITY ATTORNEY



Exhibit "A"



BLUE LION BUILDING
OMAHA, NE





DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration of Covenants, Conditions and Restrictions (Protective Covenants) is made as of this ___ day of _____, 2014, by the City of Omaha, Nebraska, a municipal corporation, hereinafter referred to as (City) and , hereinafter referred to as (Purchaser).

RECITALS:

WHEREAS, the City of Omaha has listed for sale the property located at 2423 North 24th Street; 2425 North 24th Street; 2411 North 24th Street; 2403 North 24th Street; 2218 Willis Ave; 2318 North 24th Street (parcel to be re-platted according to Exhibit A to include a portion of the parking lot only); 2411 Lizzie Robinson Ave; 2413 Lizzie Robinson Ave; and 2215 Lake Street, Omaha, NE 68110

WHEREAS, Purchaser submitted a proposal to purchase the property; and,

WHEREAS, on _____, 2014, the City Council of the City of Omaha, by Ordinance No. _____ authorized the execution of an agreement between the City and Purchaser which included the transfer of the property located at the above referenced location to Purchaser; and,

WHEREAS, as part of the conditions of that agreement and of the transfer, Purchaser is to enter into this Declaration of Covenants, Conditions and Restrictions.

NOW, THEREFORE, PURCHASER HEREBY IMPOSES THE FOLLOWING COVENANTS, CONDITIONS AND RESTRICTIONS ON THE PREMISES WHICH SHALL RUN WITH THE EQUITABLE AND LEGAL TITLE TO THE LAND AND SHALL BE FOR THE BENEFIT OR BURDEN AS THE CASE MAY BE, OF PURCHASER, ITS SUCCESSORS AND ASSIGNS AS THE CITY OF OMAHA:

1. Property conveyed by the City of Omaha to Purchaser as legally described as:
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.
 - g.
 - h.
 - i.
2. The Purchaser for itself, its successors and assigns agrees that for a period of ten (10) years after the date of conveyance of the property by the City, the property shall be used in substantial conformance with the purchase agreement and/or these covenants.
3. Purchaser for itself, its successors and assigns agrees for a period of ten (10) years after date of conveyance of the property, the property shall not be used for the following purposes:



- a. Liquor sales. Defined as establishments or places of business engaged in retail sales for off premises consumption of alcoholic beverages. Typical uses include: liquor stores, bottle stops, or any licensed sales of liquor, beer or wine for off site consumption; and,
 - b. Cocktail Lounge: Defined as a use engaged in the preparation and retail sale of alcoholic beverages for consumption on the premises, including taverns, bars, cocktail lounges and similar uses other than a restaurant as that term is defined hereafter.
 - c. Notwithstanding the limitations above, the property may be used for a restaurant. A restaurant is defined as, a use engaged in the preparation and retail sale with food and beverages, including the sale of alcoholic beverages when conducted as a secondary feature of the use, producing less than fifty percent (50%) of the establishment's growth income.
4. Failure to comply with covenants. The Purchaser, its successors and assigns fails to comply with covenants contained herein; the City of Omaha shall have at its full option the ability to request that the property be conveyed back to it in its entirety. The City of Omaha will reimburse the Purchaser the purchase price minus any outstanding taxes or assessments at that time.
 5. Termination. These covenants shall run with the land or remain in effect for a period of ten (10) years after the date of conveyance of the property pursuant to said purchase agreement between the City and Purchaser. At the end of that ten (10) year period, without any further action, these covenants shall terminate.
 6. These covenants may be amended only upon the written approval of City and the Purchaser, its successors and assigns. Such amendment must be in proper form and appropriately recorded.
 7. Enforcement. The City of Omaha shall have the right to enforce by proceedings at law or in equity all restrictions, conditions, covenants and reservations now and hereinafter imposed by the protective covenants either to prevent or restrain any violation or to recover damages of said violation. Failure by the City to enforce any covenant or restriction therein contained shall in no event be deemed as a waiver of the right to do so thereafter in the event an entity which is entitled to the benefit of this declaration brings any action at law or equity to enforce the declaration, the prevailing of such action shall be entitled to recover from the other party its reasonable attorney fees and all court costs in addition to all other appropriate relief.

In witness whereof declaring causes this instrument to be executed as of this date and year above written.

CITY OF OMAHA,

PURCHASER



NOTARY BLOCKS FOR BOTH PARTIES.

