

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2021-521 – Approval of a Real Estate Contract

MEETING DATE

September 20, 2021

ORIGINATING DEPT

Finance

ATTACHMENTS

CB 2021-521 Ordinance; Exhibit “A” Real Estate Purchase Contract; Map of 2202 South Jackson Ave; Community Support Services Bid Response Package

REVIEWED BY

Department Head: Leslie Haase; Planning and Development Director: Troy Bolander; City Attorney: Peter Edwards; City Manager: Nick Edwards

SUMMARY

This Council Bill approves a real estate contract for the sale of 2202 South Jackson Avenue.

BACKGROUND

Following the EF-5 tornado that struck Joplin on May 22, 2011, a new Senior Center was built utilizing CDBG-DR funds to replace the former Senior Center located at 2202 South Jackson Avenue. The former Senior Center was acquired with Community Development Block Grant Funds (CDBG) from the United States Department of Housing and Urban Development (HUD). As such, a change in use of the property is required to meet a national objective as outlined in CFR 570.208 or the City must repay the value of the property to the CDBG program. The appraised value of the property is \$330,000.00.

Under these guidelines, the City let a bid for the former Senior Center with two bid options. The first option was a cash offer with a minimum bid price of \$297,000.00. The second option was a cash offer of less than the minimum bid price, along with a detailed proposal for the intended use of the facility that meets a CDBG national objective.

The City received one bid from Community Support Services (CSS) under the second bid option. Community Support Services submit a bid to utilize the facility to expand its community-based services and programs to persons with developmental disabilities in the Joplin area, which meets a CDBG national objective. This facility will allow CSS to expand the Adult Day Program Center services to over 100 persons with developmental disabilities in various programs. Community Support Services bid a cash sale of \$10,000.00, along with a detailed plan to update and renovate the facility at an estimated cost of \$275,000.00 to \$300,000.00.

Under CDBG guidelines, this bid response and proposed purpose allows the City to sell the

property as long as CSS continues to meet the national objective for five years from the date of transfer. If the national objective is not met during this time period, the buyer will be required to pay to the City the fair market value, which is set forth in the contract as \$280,000.00.

Closing of the contract shall take place on or before October 29, 2021. Buyer shall also submit earnest money in the amount of \$500.00 with the title company within five days of the execution of the Real Estate Contract.

FUNDING SOURCE

This item is not applicable for this council bill.

RECOMMENDATION

Staff recommends approval of this council bill on an emergency basis.