

ORDINANCE NO. 2014 - 39

AUTHORIZING THE CITY MANAGER TO NEGOTIATE THE TERMS OF A PURCHASE AND SALE AGREEMENT WITH PROPERTIES OF TERRA FIRMA, INC., RELATED TO APPROXIMATELY 178 ACRES OF REAL PROPERTY

WHEREAS, Properties of Terra Firma, Inc., and the City of Mason have negotiated the basic terms of a Purchase and Sale Agreement related to approximately 178 acres of real property; and

WHEREAS, Council for the City of Mason desires for the City Manager to negotiate the remaining terms of a Purchase and Sale Agreement.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Mason, Ohio, four members elected thereto concurring:

Section 1. That the City Manager is hereby authorized to negotiate the full terms of a Purchase and Sale Agreement with Properties of Terra Firma, Inc., so long as the terms of said Purchase and Sale Agreement are consistent with the Term Sheet attached hereto as Exhibit "A" and incorporated herein by reference.

Section 2. That if the final Purchase and Sale Agreement includes the required terms, as set forth in Exhibit "A" and is in all other ways materially consistent with said terms as determined by the City Manager and the Law Director, the City Manager is further authorized to execute said Purchase and Sale Agreement.

Section 3. That the Finance Director is hereby authorized to make payment to Properties of Terra Firma, Inc., pursuant to the terms of the final Purchase and Sale Agreement and the attached Term Sheet.

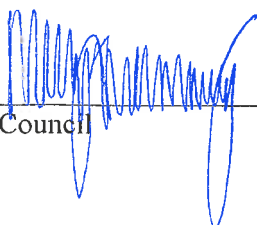
Section 4. The funds authorized by this Ordinance become and they are hereby set aside and appropriated from the General Capital Improvement Fund for the payments as described in this Ordinance.

Section 5. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.

Passed this 12th day of May, 2014.



Mayor

Attest: 

Clerk of Council

TERM SHEET

1. Mason will purchase Parcels A and B, consisting of approximately 178 acres, at a total purchase price of \$3,115,000. Final price to be \$17,500 per acre based on Survey to be provided by Terra Firma.
2. Terra Firma's offer to sell shall expire if a Purchase Contract is not executed by June 12, 2014.
3. Mason will post a refundable \$300,000.00 Earnest Money Deposit applicable to the Purchase Price.
4. Terra Firma will retain a right of first refusal to repurchase Parcels A & B in the event that Mason decides to develop the property as residential.
5. The Purchase Contract will include language giving Mason an environmental inspection period with a right of termination.
6. The Purchase Contract will include standard due diligence language in favor of Mason.
7. The Purchase Contract will require a proration in the future (post-Closing) for CAUV Recoupment due to a change in the use of the Property to the extent City is required to pay any recoupment for periods prior to Closing and Terra Firma shall be responsible for any recoupment charged to the City for periods prior to Closing.
8. The Purchase Contract will include language acknowledging the current farm lease, which is a verbal arrangement with Fred Vonderharr wherein such tenant farms the property on a season by season basis and splits farming profits with the landowner. In addition, if the tenant is required to turn over the property or any portion thereof prior to harvest, the landowner is required to reimburse the tenant for expenses. The City shall assume the farm lease.
9. The Purchase Contract will include language acknowledging the Klasmulch lease and right of first refusal and that the City will assume the Klasmulch lease if the right of first refusal is not exercised. The Purchase Contract will also include language prorating the purchase price if Klasmulch exercises its right of first refusal on a per acre basis.
10. Mason and Terra Firma will use good faith efforts to pursue the most efficient, cost-effective form of annexation of Parcels A, B, and C, and will work with Union Township to further such efforts.
11. Terra Firma will retain the option of including the 65 acre Lebanon parcel (Parcel D) in the annexation and development of the residential property east of SR 42 (Parcel C).
12. Any zone change on Parcel C can only be initiated by Terra Firma.
13. The Closing Date shall be July 1, 2014.
14. Parcel C and Parcel D, if annexed into Mason, will be developed under the Mason R-1 classification or such zoning as Terra Firma may seek and obtain from Mason.
15. The Contract will require that sewer mains to be installed to the boundary of Parcel C by the City on or before October 1, 2014 with pumps, lift stations and other items installed as necessary for Parcel C and Parcel D to have sufficient sewer service for residential development of such property.

