



City of Muscatine



AGENDA ITEM SUMMARY

DATE:10-15-20

City Council

STAFF

Andrew Fangman, Assistant Community Development Director

SUBJECT:

A Resolution Authorizing the Sale of City Property to The Stanley Foundation, d/b/a/ Stanley Center for Peace and Security- Former Musser Public Library Building – 304 Iowa Avenue

EXECUTIVE SUMMARY:

This resolution will allow for execution of the sale of the former Musser Public Library building to the Stanley Center for Peace and Security in accordance with purchase agreement between the City and Stanley Center that was approved by City Council on September 10th.

STAFF RECOMMENDATION

Staff recommends approval of the attached resolution as it is necessary to execute the approved purchase agreement.

BACKGROUND/DISCUSSION

On September 10th City Council approved a purchase agreement for the old library. This purchase agreement sets a closing date of October 22, 2020 and establishes a sale price of \$120,000.

CITY FINANCIAL IMPACT

Execution, which is contingent on approval of this rezoning, of the purchase agreement for the old library, will result in a \$120,000 payment to the City, the negotiated purchase price. Between utility costs and staff time for the upkeep and maintenance of this building it costs the City approximately \$10,000 to maintain ownership of this building, this sale will eliminate these costs.

ATTACHMENTS

1. Memo
2. Resolution Authorizing the Sale of City Property to The Stanley Foundation, d/b/a/ Stanley Center for Peace and Security
3. Deed
4. Purchase agreement
5. Statement from the Stanley Center explaining their project



COMMUNITY DEVELOPMENT DEPARTMENT

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Planning • Zoning • Building Safety • Construction Inspection Services • Public Health • Housing Inspections • Code Enforcement

MEMORANDUM

To: Mayor and City Council Members

From: Andrew Fangman, Assistant Community Development Director

Cc: Carol Webb, City Administrator
Jodi Royal-Goodwin, Community Development Director

Date: October 15, 2020

Re: A Resolution Authorizing the Sale of City Property to The Stanley Foundation, d/b/a/ Stanley Center for Peace and Security- Former Musser Public Library Building – 304 Iowa Avenue

INTRODUCTION: The attached resolution will allow for execution of the sale of the former Musser Public Library building to the Stanley Center for Peace and Security in accordance with purchase agreement between the City and Stanley Center that was approved by City Council on September 10th.

BACKGROUND:

In June of 2018, the new Musser Public Library and HNI Community opened at 408 E. 2nd Street, relocating from its former location at 304 Iowa Avenue. This ended 117 continuous years of the City of Muscatine operating a library at the northwest corner Iowa Avenue and Third Street.

On June 7, 2018 City Council passed a resolution declaring the building and property that formerly housed the Musser Public Library, located at 304 Iowa Avenue, as surplus and which authorized and directed City staff to take the necessary steps to dispose of this property. On June 21, 2018, City Council approved a resolution setting a public auction to dispose of this property. This auction was held on July 27, 2018 and no bids were received. During the subsequent two years City staff has engaged in a number of informal conversations with a number of parties about their potential interest in purchasing this property. However, none of these inquires resulted in an offer to purchase this surplus property.

This summer the Stanley Center for Peace and Security (formerly the Stanley Foundation), an endowed, private operating foundation funded by the long-term investment of its founders, Max and Betty Stanley, and the Stanley family, determined that the former Musser Public Library would make ideal location, after significant renovation, to become the Center's permanent headquarters. The Stanley Center currently operates out of leased spaced at Laurel Building in downtown Muscatine. The Center is anticipating investing more than \$6 million in renovation of the old library, which upon completion of the renovation, be occupied by a staff of 24. The Stanley Center have also set a goal of this renovation creating Iowa's first fully-certified Living Building. Living Building certification is the world's most rigorous proven-performance standard for buildings. To achieve certification, Living Buildings must connect occupants to light, air, food, nature, and community, be self-sufficient and remain within the resource limits of their site, and create a positive impact on the human and natural systems that interact with them. The renovated structure would also include space dedicated to the

center's educational programming in Muscatine. Construction is targeted to begin in the spring of 2021, and for the renovation to be completed in the spring of 2022.

On September 10th City Council approved a purchase agreement for the old library. This purchase agreement sets a closing date of October 22, 2020 and establishes a sale price of \$120,000. Closing is contingent on the successful rezoning of the property from R-5 Multi-Family Residential, to C-2 Downtown Commercial, and completion by the Stanley Center of structural and environmental due diligence on the property. Prior to closing City Council will be asked to approve a resolution executing this purchase agreement and resulting deed. Additionally, prior to closing City Council will be asked to create an easement for the West Branch Trunk Sewer which runs underneath the old library building. There currently is no easement for this sewer as City ownership of this parcels predates to the construction of the West Branch Trunk Sewer. Now that both these actions have been completed it is necessary for Council to approve a resolution authorizing the sale of this property directing the Mayor and City Clerk to sign the resulting deed. Once this is done, closing in accordance with approved purchase agreement will occur

RECOMMENDATION:

Staff recommends approval of the attached resolution as it is necessary to execute the approved purchase agreement.

BACKUP INFORMATION:

1. Resolution Authorizing the Sale of City Property to The Stanley Foundation, d/b/a/ Stanley Center for Peace and Security
2. Deed
3. Purchase agreement
4. Statement from the Stanley Center explaining their project

RESOLUTION NO. 2020-0343

A Resolution Authorizing the Sale of
City Property to The Stanley Foundation, d/b/a/ Stanley Center for Peace and Security

WHEREAS, as Resolution was adopted by the City Council of Muscatine, Iowa, on May 17, 2018, concerning the proposed sale of all the City's right, title, and interest in and to the real property described in the copy of the Deed attached to this Resolution and incorporated by reference; and

WHEREAS, the Resolution provided that notice of intention to sell the real property should be given by publication of a Public Notice in *The Muscatine Journal* no less than 4 or more than 20 days before the City Council meeting to be held on June 7, 2018, and the notice was published as specified in the Resolution and as required by law; and

WHEREAS, the Resolution provided for a public hearing on the proposed sale of real property, and such public hearing has been held; and

WHEREAS, the City Council of Muscatine, Iowa, on September 10, 2020 approved a purchase agreement between City of Muscatine and the Stanley Foundation, d/b/a/ Stanley Center for Peace and Security for \$120,000.

IT IS, THEREFORE, RESOLVED, by the City Council of Muscatine, Iowa, as follows:

1. The City of Muscatine, Iowa, will sell and convey all its right, title, and interest in and to the real property described as **LOTS 4 AND 5 OF BLOCK 55 OF ORIGINAL TOWN, CITY OF MUSCATINE, MUSCATINE COUNTY, IOWA, PARCEL ID# 0835460011**, to the Stanley Foundation, d/b/a/ Stanley Center for Peace and Security in exchange for \$120,000.

2. The Mayor is authorized and directed to sign the Deed for the conveyance identified above, and the City Clerk is authorized and directed to attest to the Mayor's signature; and will be in substantially the same form as the copy of the Deed attached to this Resolution as "Exhibited A".

4. The deed will be delivered upon receipt of \$120,000.

5. Any resolution or part thereof in conflict or inconsistent with this Resolution is repealed.

PASSED, APPROVED, AND ADOPTED on October 15, 2020.

(CITY SEAL)

ATTEST:

Diana L. Broderson, Mayor

Carol Webb, City Clerk

Prepared by: Andrew Fangman, 215 Sycamore Street, Muscatine, IA 52761; 563.262.4141
Return and Tax Statement to: The Stanley Foundation, d/b/a/ Stanley Center for Peace and Security, 209 Iowa Ave,
Muscatine, IA 52761

WARRANTY DEED

The City of Muscatine, Iowa, a municipal corporation situated in Muscatine County, Iowa, for valuable consideration, transfers and conveys to The Stanley Foundation, d/b/a/ Stanley Center for Peace and Security all its right, title, and interest in the following real property in Muscatine County, Iowa:

LOTS 4 AND 5 OF BLOCK 55 OF ORIGINAL TOWN, CITY OF MUSCATINE, MUSCATINE COUNTY, IOWA, PARCEL ID# 0835460011.

Exempt from transfer tax per Iowa Code Section 428A.2(21).

The City covenants with the grantee, its successors and assigns, to warrant and defend the real property against the lawful claims of all persons claiming by, though, or under the City.

IN WITNESS WHEREOF, the City of Muscatine, Iowa, has caused this instrument to be executed in its corporate name by its Mayor and City Clerk and its seal to be affixed on October 15, 2020.

CITY OF MUSCATINE, IOWA

(CITY SEAL)

By _____
Diana L. Broderson
Mayor

ATTEST:

Carol Webb
City Clerk

STATE OF IOWA, MUSCATINE COUNTY, ss.

This instrument was acknowledged before me on _____, 2020, by Diana L. Broderson and Carol Webb as Mayor and City Clerk, respectively, of the City of Muscatine, Iowa.

Notary Public in and for the State of Iowa

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (“**Agreement**”) is entered into by and between the City of Muscatine, Iowa, a municipal corporation organized under the laws of the State of Iowa whose address for the purposes of this Agreement is 215 Sycamore Street, Muscatine, Iowa 52761 (“**SELLER**”) and The Stanley Foundation, d/b/a/ Stanley Center for Peace and Security, an Iowa nonprofit corporation whose address for the purposes of this Agreement is 209 Iowa Avenue, Muscatine, Iowa 52761 (“**BUYER**”).

SELLER agrees to sell and convey to BUYER, and BUYER agrees to purchase from SELLER the real property situated in Muscatine County, Iowa, locally known as 304 Iowa Avenue, Muscatine, Iowa 52761 and legally described as:

LOTS 4 AND 5 OF BLOCK 55 OF ORIGINAL TOWN, CITY OF
MUSCATINE, MUSCATINE COUNTY, IOWA, PARCEL ID# 0835460011

together with any easements and appurtenant servient estates, and subject to any reasonable easements of record for public utilities or roads or easements not of record but evidenced by usage, any zoning restrictions, restrictive covenants, and mineral reservations of record, if any, herein referred to as the “Property,” upon the following terms and conditions:

1. **Purchase Price.** The Purchase Price shall be One Hundred Twenty Thousand Dollars (\$120,000.00) to be paid in cash, in good and immediately available funds by wire transfer or cashier's check, at the time of closing.
2. **Property Due Diligence.** SELLER shall provide to BUYER such information and records, already in possession of the SELLER prior to execution of this Agreement, regarding the Property reasonably necessary to enable BUYER to complete its due diligence review of the transaction (“Due Diligence Review”), such as information regarding building assessments, structural plans, West Branch Trunk Sewer or other utility and such similar items as may be reasonably requested by BUYER. SELLER shall also permit the BUYER to conduct its own expense any inspection of the Property that the BUYER deems necessary to complete its Due Diligence Review. BUYER shall not perform any invasive or intrusive inspection without the prior written consent of SELLER, which consent shall not be unreasonably withheld or delayed. BUYER shall promptly restore any damage to the Property and return the Property to the condition prior to any such invasive or intrusive inspection. The BUYER agrees to protect, indemnify, defend and hold the SELLER harmless from and against any claim for liabilities, losses, costs, expenses (including reasonable attorneys’ fees), damages, injuries, liens or claims of lien arising out of or resulting from the inspection of the Property by the BUYER or their agents or consultants. Such obligation to indemnify and hold harmless shall survive any termination of this Agreement. At any time prior to closing, but following the full execution hereof, BUYER may terminate this Agreement if BUYER, in its sole discretion, is not satisfied with its Due Diligence Review.

Additional Terms. SELLER shall retain a utility easement for the West Branch Trunk Sewer and any other utility which easement shall be agreed to by the BUYER prior to closing. As a condition of closing, BUYER requests the following from SELLER: (a) That Property be rezoned C-2; (b)

That the Seller shall not prohibit the installation of a potable water well upon the Property, if such a potable water well complies with all applicable state and federal regulatory requirements; the plumbing code as adopted and amended by the City of Muscatine; and the requirements on any applicable easement;

3. **Abstract and Title.** If the BUYER desires an abstract of title to the Property, the BUYER shall obtain said abstract at no cost to the SELLER.
4. **Survey.** If a survey is required under Iowa Code Chapter 354, or city or county ordinances, SELLER shall pay the costs thereof. BUYER may, at BUYER'S expense prior to closing, have the Property surveyed and certified by a registered land surveyor.
5. **Possession and Closing.** This transaction shall be considered closed and possession of the Property shall be delivered to BUYER upon the filing of title transfer documents and SELLER'S receipt of all funds due at closing from BUYER under this Agreement. Closing to be held on October 22, 2020 or such other date as the parties may agree and shall take place at a location mutually agreed upon by the parties.
6. **Commission.** SELLER and BUYER each represent and warrant to the other that no brokerage commission, finder's fee or other compensation is due and payable with respect to the transaction contemplated by this Agreement. BUYER represents to SELLER that it knows of no fee, commission or payment due to any broker, finder, agent or other person or entity, in connection with the transactions contemplated. SELLER represents to BUYER that it knows of no fee, commission or payment due to any broker, finder, agent or other person or entity, in connection with the transactions contemplated herein. SELLER and BUYER each, one to the other, indemnify, protect, defend and hold the other harmless from and against all losses, claims, costs, expenses and damages (including but not limited to reasonable attorney fees) resulting from the claims of any broker, finder or other such party claiming, by, through or under the acts or agreements of the indemnifying party. The warranties and obligations of the parties pursuant to this paragraph shall survive the termination of the closing. Should any third-party claim a commission is due and owing, both parties agree to cooperate in challenging such claim. Such cooperation shall not be deemed to alter the indemnifications contained in this paragraph in any manner.
7. **Environmental Matters.** SELLER warrants to the best of its knowledge and belief that there are no abandoned wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks located on the Property, and SELLER has done nothing to contaminate the Property with hazardous wastes or substances. SELLER warrants that the property is not subject to any local, state, or federal judicial or administrative action, investigation or order, as the case may be, regarding wells, solid waste disposal sites, hazardous wastes or substances, or underground storage tanks. SELLER shall also provide BUYER with a properly executed GROUNDWATER HAZARD STATEMENT showing no wells, private burial sites, solid waste disposal sites, private sewage disposal system, hazardous waste and underground storage tanks on the Property unless disclosed here: _____
8. **Condition of Property.** The property as of the date of this Agreement, including buildings, grounds, and all improvements, will be preserved by the SELLER in its present condition until

possession, ordinary wear and tear excepted. SELLER make no warranties, expressed or implied, as to the condition of the property. BUYER acknowledges to and agrees with SELLER that BUYER's purchase of the property shall be "as is," "where is," and "with all faults" and with all patent or latent defects.

9. **Deed.** Upon payment of the Purchase Price, SELLER shall convey the Property to BUYER by a warranty deed subject only to such reasonable title exceptions meeting the title standards of the Iowa State Bar Association and encumbrances as provided herein or as have been approved by BUYER.
10. **Closing Costs.** BUYER shall pay the recording fees in connection with the Deed conveying title to BUYER, and any financing documents encumbering or relating to the Property and other documents BUYER desires to record. BUYER shall pay the premium for issuing the Iowa Title Guaranty or title policy (if any) described herein. Each party shall be responsible for paying its own attorney fees. BUYER shall cause an appropriate closing statement to be prepared in advance of closing for proper execution by both BUYER and SELLER consistent with the terms of this Agreement. BUYER shall be responsible for any settlement fees associated with closing.
11. **Risk of Loss.** SELLER shall bear the risk of loss or damage to the Property prior to closing or possession, whichever first occurs. SELLER agrees to maintain existing insurance and BUYER may purchase additional insurance. In the event of substantial damage or destruction prior to closing, this Agreement shall be null and void; provided, however, BUYER shall have the option to complete the closing and receive insurance proceeds regardless of the extent of damages. The Property shall be deemed substantially damaged or destroyed if it cannot be restored to its present condition on or before the closing date.
12. **Existing Tenancy or Other Interests.** SELLER confirms the Property is not subject to an existing lease or other possessory interest not shown of record. If such an interest exists, SELLER agrees to provide documentation executed by the party holding such interest in which such interest is terminated prior to closing.
13. **Statement as to Liens.** If BUYER intends to assume or take subject to a lien on the Property, SELLER shall furnish BUYER with a written statement prior to closing from the holder of such lien, showing the correct balance due.
14. **Notice.** Any notice under this Agreement shall be in writing and be deemed served when it is delivered by personal delivery or mailed by certified mail, addressed to the parties at the addresses given above.
15. **Remedies of the Parties.**
 - a. If BUYER fails to timely perform this Agreement, SELLER may forfeit it as provided in the Iowa Code (Chapter 656), and all payments made shall be forfeited; or, at SELLER'S option, upon thirty days written notice of intention to accelerate the payment of the entire balance because of BUYER'S default (during which thirty days the default is not corrected), SELLER may declare the entire balance immediately due and payable.

Thereafter this Agreement may be foreclosed in equity and the Court may appoint a receiver.

- b. If SELLER fails to timely perform this Agreement, BUYER has the right to have all payments made returned to them.
- c. BUYER and SELLER are also entitled to utilize any and all other remedies or actions at law or in equity available to them, and the prevailing party shall be entitled to obtain judgment for costs and attorney fees.

16. **General Provisions.** In the performance of each part of this Agreement, time shall be of the essence. Failure to promptly assert rights herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default. This Agreement shall apply to and bind the successors in interest of the parties. This Agreement shall survive the closing. This Agreement contains the entire agreement of the parties and shall not be amended except by a written instrument duly signed by SELLER and BUYER. Paragraph headings are for convenience of reference and shall not limit or affect the meaning of this Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.
17. **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.
18. **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.
19. **Approval by Muscatine City Council.** In the performance on this Agreement, SELLER, as an Iowa municipal corporation, shall take all action legally required of a municipal corporation relative to the disposal of real property, including but not limited to required resolutions. This Agreement shall be contingent upon the approval by the Muscatine City Council.
20. **Counterparts and Effectiveness.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, and this Agreement shall only be effective if a counterpart is signed by both BUYER and SELLER and approved by the Muscatine City Council.

ACCEPTANCE. When executed by both BUYER and SELLER, this Agreement shall become a binding contract. If not executed by SELLER and delivered to BUYER on or before the ____ day of _____, 2020 this Agreement shall be null and void.

SELLER

City of Muscatine, Iowa

By: _____
Carol Webb, City Clerk

Date: _____

By: _____
Diana L. Broderson, Mayor

Date: _____

BUYER

The Stanley Foundation
d/b/a Stanley Center for Peace and Security

By: _____
Patrick K. Porter, President.

Date: _____



Stanley Center Headquarters Aspiration

The Stanley Center for Peace and Security (formerly the Stanley Foundation) has occupied two floors of the Laurel Building since 1998 as tenants of the building's owners, Stanley Consultants. As our lease approached the time for renewal in late 2019, we began a collaborative, staff-wide process that led to a description of our ideal workspace, including a prioritized list of desired features and elements. Reflecting on [our core values](#), we confirmed that we wanted a space rooted in our community, designed to be as environmentally-friendly and ecologically-sustainable as possible, and inclusive of the amenities, accommodations, and accessibility that communicate and reinforce our commitment to diversity, equity, and inclusion.

Based on the values we share and experience they have with the kind of space we are seeking, we chose [Neumann Monson Architects](#) of Iowa City to assist in further evaluating our needs and available spaces to meet those needs. After reviewing several options, we agreed that the former Musser Public Library (304 Iowa Avenue) is the ideal space for our future home. Its location in downtown Muscatine, historical connection to education and learning, size and cost, and potential for renovation and rehabilitation of the structure were strong factors in our selection.

We are now seeking to invest more than \$6 million into our local community through the acquisition and renovation of the building, to become the center's permanent headquarters. The project would support construction and engineering jobs and culminate in Iowa's first fully-certified [Living Building](#).¹ It would be integrated into the community and include space dedicated to the center's educational programming in Muscatine. It would be occupied by a staff of 24.

Based on recent assessments, we would expect to complete the design and contracting phases of the project over the winter months with construction beginning in Spring 2021. Construction and finishing would be expected to take approximately one year, and we hope to move into our new space in Spring 2022. In the meantime, our offices would remain in the Laurel Building.

The Stanley Center is an endowed, private operating foundation funded by the long-term investment of our founders, Max and Betty Stanley, and the Stanley family. It is our intention to use a portion of our endowment to pay for all costs associated with the project and to not involve other public or private financing.

For the benefit of the community, we are planning to dedicate a portion of our website to the project which, along with updates on our intentions and timeline, will feature educational content about the building's cutting-edge green technologies and community integrations. We will maintain open lines of communication with the project site's neighbors and work with our contractors to mitigate any possible disruptions throughout the construction phase.

The Stanley family intentionally based the center in Muscatine—home to the two global companies begun by Max Stanley. Building on the legacy established by our founders in 1956, we celebrate our local heritage and further the interests of its citizens and youth through global education. We respectfully seek endorsement for the acquisition of our new home. For more information about the center's local efforts or global policy work on climate change, nuclear weapons, and mass violence prevention, please [visit our website](#) or contact mseaman@stanleycenter.org.

¹ Living Building certification is the world's most rigorous proven-performance standard for buildings. To achieve certification, Living Buildings must connect occupants to light, air, food, nature, and community, be self-sufficient and remain within the resource limits of their site, and create a positive impact on the human and natural systems that interact with them.