

Facility and Support Services

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Item #11
11/9/21

November 8, 2021

To: Mahesh Sharma
County Administrator

From: Tammy Speidel, FMP
Director, Facility and Support Services

Subj: Approval of Offer and Acceptance- Real Estate Purchase

As you will recall, David Farmer and I have been working with QC Iowa Realty and Attorney Steven Pace with Shuttleworth & Ingersoll, PLC Cedar Rapids on further negotiations with RBD LC to purchase parcels G0063-15, G0063-14, G0063-13, G0063-11, G0062-01D, G0062-01B, G0063-01, G0063-12, and G0063-02, commonly known as Burke Dry Cleaners 936 W Fourth Street Davenport, IA.

After conversations with the seller's attorney we have reached agreement on an Offer and Acceptance for purchase. The formalized Purchase Agreement will follow, however to meet the sellers tight turn around date for closing of 12/31/2021 I would like the board to approve based on this agreement.

Terms of the agreement are as follows:

- Purchase price \$1,750,000.00.
- County will lease the existing building back to Burke for two years at the rate of \$3,000.00 per month.
- The purchase agreement and the lease will be between Scott County as buyer/lessor and RDB LC, as seller. Burke Cleaners, Inc. will also sign on as a party to the lease to ensure the conditions of the lease can be met and are fully enforceable as to Burke Cleaners, Inc. as the operator of the business located on premises.
- The lease will be a triple net lease. Burke will pay all real estate taxes, maintenance, snow removal, insurance, utilities, and the like on the leased premises.
- Burke and RBD LC will be responsible for the cleanup of any environmental contamination which occurs during the term of the lease. Said environmental cleanup includes but is not limited to any investigation,

assessment, cleanup, remediation, and the like ordered or required by USEPA Region 7, the Iowa Department of Natural Resources and any other Federal, State, County, or Municipal authority. RDB LC and/or Burke shall also be responsible for removal of any such contamination which occurs during the term of the lease from the premises, whether required by environmental regulators or not.

- RDB LC and/or Burke shall deposit \$200,000.00 in escrow at a mutually agreeable financial institution which amount will be set aside to pay for any environmental cleanup, assessment, remediation, and removal of contamination which occurs during the lease term. Said environmental fund shall be in excess of and secondary to the requirement by Burke and RDB LC to pay for any environmental cleanup. At the end of the lease term if no contamination has occurred and no cleanup has been required the escrow shall be released to Burke.
- The County will pay that portion of the real estate commission due to Andrew Doyle, Ted Rebitzer, and QC Realty. Burke will pay that portion of the real estate commission due to Jeff Miller and Newmark Realty.
- The county will be allowed access to the property to perform Environmental Due Diligence. That Due Diligence will consist of a Phase 1 and Phase 2 Environmental Site Assessment and corresponding reports. In the event that the Environmental Due Diligence reveals that there is an environmental condition that is unacceptable to the County, the County can terminate the Purchase Agreement and any of its obligations thereunder.
- Closing will occur, subject to the Environmental Due Diligence, on or before December 31, 2021.
- Burke will cause its environmental consultant, Environet, to produce, implement, and monitor a safety plan and monitoring plan for the dry cleaning operations to be conducted by Burke so that extra precautions will be taken with respect to the handling of hazardous waste on the Leased Premises during the terms of the lease. Said plan shall be made available to Scott County and information regarding compliance with the plan shall also

I will be in attendance at the next Committee of the Whole meeting to answer any questions you or the Board may have.

CC: FSS Management Team

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N
SCOTT COUNTY BOARD OF SUPERVISORS

November 9, 2021

A RESOLUTION APPROVING THE PURCHASE OF REAL PROPERTY LOCATED AT 936 WEST FOURTH STREET FROM RDB, LC IN THE AMOUNT OF \$1,750,000.00.

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

- Section 1. That the purchase of real estate, commonly known as 936 West Fourth Street Davenport, IA (parcels G0063-15, G0063-14, G0063-13, G0063-11, G0062-01D, G0062-01B, G0063-01, G0063-12, and G0063-02) from RDB, LC for \$1,750,000.00 is hereby approved.
- Section 2. That the Real Estate Commission for QC Iowa Realty in the amount of \$43,750.00 is hereby approved.
- Section 3. That the Facility and Support Services Director is hereby authorized to sign documents for the legal closing on the purchase of the above property is hereby approved.
- Section 4. This resolution shall take effect immediately.