

WEDNESDAY, AUGUST 7,

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Approved August 20, 2019

The Urbana City School Board of Education met for a special board meeting Wednesday, August 7, 2019, at 711 Wood Street, Urbana, Ohio. President Darrell Thomas called the meeting to order at 6:00 p.m.

Roll call: Mr. Arter, present; Mr. Engle, present; Ms. Finch, present; Ms. Paul, absent; Mr. Thomas, present.

Four members present.

The purpose of this meeting is to consider the approval of an amendment to the purchase and sale agreement concerning the North and South Elementary properties.

(Motion #0819.01) APPROVAL OF AGENDA

It was moved by Ms. Finch and seconded by Mr. Arter to approve the agenda as presented.

Roll Call: Mr. Arter, aye; Mr. Engle, aye; Ms. Finch, aye; Mr. Thomas, aye. Motion carried.

(Motion #0819.02) APPROVAL OF AMENDMENT TO PURCHASE AND SALE AGREEMENT

It was moved by Mr. Engle and seconded by Mr. Arter to approve the following amendment to the purchase and sale agreement concerning the North and South Elementary properties:

WHEREAS, on or about February 12, 2018, Seller and Buyer entered into that certain Purchase and Sale Agreement (the "Agreement"), pursuant to which Seller agreed to sell and Buyer agreed to purchase the Properties (as defined in Exhibit C Purchase and Sale Agreement) from Seller;

WHEREAS, Buyer and Seller desire to amend the Agreement to address certain matters contemplated by the Agreement as set forth hereunder;

WHEREAS, the School Board and the Seller entered into a Purchase and Sale Agreement dated February 8, 2018 whereby the School Board agreed to convey the Properties to Seller in order that Seller can convey them to Buyer (the "School Board PA");

WHEREAS, the School Board and the Seller entered into that one certain Agency Agreement Regarding Sale of Surplus Properties dated February 8, 2018 with CEP (the "Agency Agreement"), whereby CEP is acting as agent for the Seller in connection with the sale of the Properties; and

WHEREAS, the School Board and CEP are consenting to this Amendment to acknowledge the terms hereof and that the School Board PA and the Agency Agreement are deemed amended to conform to the terms hereof.

AGREEMENT

NOW, THEREFORE, in consideration of these premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual undertakings hereinafter contained, the parties do hereby agree as follows:

1. Section 2 of the Agreement is deleted in its entirety and replaced with the following: PURCHASE PRICE. The purchase price for the Properties (the "Purchase Price") shall be Zero and 00/100 Dollars (\$0.00). The transfer of the Properties shall be considered a donation. At closing, to the extent the Earnest Deposit (as set forth in Section 3 of the Agreement) is not used for payment of Buyer's costs and expenses of closing, it shall be returned to Buyer.
2. Section 4 of the Agreement is amended to provide that the closing shall be on or before April 30, 2020, as selected by Buyer.
3. Seller affirms that Buyer is not in violation or default of any provision of the Agreement. Seller further affirms that no event has occurred which, with the passage of time, the giving of notice or both, would be a violation or a default under the Agreement.
4. The School Board and CEP acknowledge and consent to this Amendment and deem that the School Board PA and the Agency Agreement are amended to conform to the terms hereof.
5. This Amendment shall be binding upon and inure to the benefit of the parties hereto, and their respective successors in interest and assigns.

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6. This Amendment may be executed in counterparts which, when combined, shall constitute one instrument. The electronic or facsimile transmission of a signed counterpart of this Amendment shall be binding upon the party whose signature is contained on the transmitted copy.
7. The Agreement remains in full force and effect, except as modified by this Amendment.

Mr. Arter opened the discussion and clarified that this was a zero dollar purchasing arrangement and the final closing was slated for April 30, 2020. Doug Crabill, from the City of Urbana, was in attendance and said the closing could possibly be earlier. Mr. Crabill noted that Flaherty & Collings is applying for additional grant dollars through Federal Home Loan Bank in Cincinnati. He said the application looks favorable and the grant has to show a closing date after December 1, 2019. Mr. Arter said we as a district are incurring carrying costs and asked when the ownership would transfer to the city. Mr. Crabill said the transfer would take place at the closing.

Mr. Thiel said the group has talked with Flaherty & Collins about covering the carrying costs of utilities and the associated legal costs of the transfer. This is what we are expecting as compensation for holding on to these buildings. His understanding is that we will be reimbursed beginning this month by the developer. The CEP has some legal fees it has incurred and will also be seeking reimbursement. Mr. Crabill remarked that the city also has some reimbursable costs to bill.

Mr. Crabill said the donation of the building adds value for the grant application for the developer. Mr. Thiel said the original agreement had a sale price of \$354,000, but fees and costs were to be taken out. Mr. Arter asked if insurance was still being maintained on the buildings. Mr. Thiel said it is and we will maintain insurance until the transfer. Mr. Arter asked if something happened to the buildings, such as collapse, what contingencies are in place. Mr. Thiel said insurance should cover an event of that nature. North and South are in good structural shape.

Mr. Crabill said the application with FHLB looks good and this will create affordable housing in our community. Mr. Arter asked if the land was included with the transfer. It is. Mr. Thiel said the state recommended we get out from under the buildings. Everyone - the district, the city, and the CEP - is working together to push for the same thing. Mr. Arter asked if it was still okay that we had items in the buildings. Mr. Thiel said yes, but now that the Castle is available and stabilized, we can begin the process of using that building.

Mr. Engle said he thinks it is important to communicate that this is a donation. Ms. Finch said she feels it is better to do this donation and see the buildings being used, rather than tearing them down. Mr. Thomas asked what would happen if the entire deal does not go through. Mr. Crabill said it would then be a local decision on what to do with the buildings. They have not been abated and are intact. All parties are trying to make sure it gets done. There is risk involved. Mr. Thiel concurred, noting the district could end up in possession of the buildings if the deal is not completed. If that should occur, the district would continue to work with the CEP to see if there is another end user that could use the property. The co-funded dollars from the state are no longer available for abatement and demolition. As we near closeout on the project, the budget will be analyzed to determine what items will be co-funded and which may be able to be considered locally funded initiatives.

Mr. Thomas remarked that if the deal does fall through, we need to really think about what would happen with the buildings. He said it seems important to the community that we try to do something with the buildings, rather than tear them down. Mr. Thiel said the worst case scenario would be to hold an auction and have no bidders. Ms. Finch said she believes the public will be pleased if this deal can be completed.

Roll Call: Mr. Engle, aye; Ms. Finch, aye; Mr. Thomas, aye; Mr. Arter, aye. Motion carried.

(Motion #0819.03) ADJOURNMENT

Being no further business to discuss, it was motioned by Ms. Finch to adjourn the meeting. Mr. Engle seconded the motion.

Roll Call: Ms. Finch, aye; Mr. Thomas, aye; Mr. Arter, aye; Mr. Engle, aye. Motion carried.

The President declared the meeting adjourned at 6:28 pm.

President

Treasurer