



Dane County Land & Water Resources Department

Administration • Land Conservation • Office of Lakes & Watersheds • Parks • Water Resource Engineering

Kevin F. Connors, Director

DATE: October 20, 2015

TO: Josh Wescott, Chief of Staff to County Executive Parisi

FROM: Laura Hicklin, Deputy Director

RE: Summary of negotiations of the Messner property

Given the interest in the property proposed for acquisition in 2015 Res-248, authorizing the Purchase of Property for a Day Resource Center, I have prepared the following summary of events that culminated with an accepted offer to purchase the property. Please note that the listing broker, Marty Rifken, has stated that there are multiple buyers interested in the property and he is negotiating secondary offers that will be in place in the event that the County does not purchase the property.

1. County and city staff first toured the property on September 2, 2015. The following county staff were present: Jeff Kostelic, Casey Becker, Chuck Hicklin, Lynn Green, and Laura Hicklin. The following city staff were present: Jim O'Keefe and Matt Wachter.
2. In the days following the tour, Mr. Rifken informed the County that others were actively considering the property for purchase.
3. The County submitted an Offer to purchase on September 9, 2015.
4. Mr. Rifken called after receiving the Offer to let us know that there were several areas of concern that made the offer unacceptable. The primary issues were: 1. No earnest money payment and 2. Six months to remove contingencies (including any land use approvals, such as a conditional use permit, from the City of Madison).
5. The County submitted a revised Offer on September 11th. The revised Offer tightened the contingency deadline to March 15th and also included a \$10,000 nonrefundable earnest money payment (the earnest money payment would only be made if the County Board approved the purchase. It would be applied as a credit at closing).
6. Between September 11th and September 21st, the property owner was mostly out of town and could not be reached directly. Mr. Rifken was in contact with the County during this time but without any direct communication from the seller, the County was not in a position to disclose information regarding the purchase due to the concern that public discussions could disrupt the county's negotiating position.
7. The County received a multiple counter-proposal from Mr. Rifken on September 21, 2015. A multiple counter-proposal indicates that the owner received more than one offer and is negotiating with multiple parties simultaneously. At that point, prospective buyers have to respond quickly if they want to continue pursuing the property. Communications with Mr. Rifken made it clear that the county was in the midst of an incredibly competitive bidding environment and the County had to respond promptly in order for the seller to consider the county's offer.
8. The County accepted the counter-proposal from the Seller later in the day of September 21st. The counter-proposal increased the purchase price from \$1,350,000 to \$1,425,000 and required removal of all contingencies by January 31, 2016. However, Mr. Rifken called the evening of September 21st to let the County know that the Seller would not accept the terms of their own counter-proposal, as other interested buyers indicated a willingness to remove contingencies sooner and therefore close sooner. The fact that the seller was no longer willing to consider their own terms made it clear that there was an urgency to act quickly.
9. On September 22nd, the County submitted an amended Offer that called for removal of any contingencies by November 30, 2015 and a purchase price of \$1,425,000. The Seller accepted the amended Offer late in the evening of September 22nd.
10. The property owner has full use and control of the property until it is sold.