

City of Sedgwick
City Council Meeting
March 4, 2026

TO: Mayor and City Council

SUBJECT: Purchase Agreement – 513/515 N. Commercial Avenue

INITIATED BY: Administration

AGENDA: New Business

Background: The City entered into a purchase agreement with Andi Elmore for the purchase of 513/515 N. Commercial Avenue. The sales price on the building was for a total of \$19,560 which included \$10,000 of completed improvements, \$9,000 cash at closing, and \$560 for half of the closing costs. The purchase agreement stated a closing date of March 31, 2026.

Jon and Becky Broadhurst approached the city looking for space to establish a restaurant in Sedgwick. Staff showed the Elmore property to them and reached an agreement for the purchase of both buildings to establish two businesses instead of one.

Analysis: The agreement stipulates that renovations are to begin within six (6) months of closing with renovations of one side of the property and an occupancy permit completed and issued within eighteen (18) months of closing. The remaining side of the property is to be completed, and occupancy permit issued within thirty-six (36) months of closing. In the event that one business fails to open within eighteen (18) months of closing, the Buyer agrees to repay 50% of the Grant Funds. In the event that both businesses fail to open within thirty-six (36) months of closing, Buyer agrees to repay 100% of the Grant Funds.

It is agreed that a double closing will take place on March 31, 2026. In the event that closing date is missed, due to no fault of the Seller, an adjusted closing date will set.

Financial Analysis: JBJJ LLC will pay \$19,560 for the property. The City will hold \$15,000.00 from the proceeds of the sale of the property to utilize as grant funding for the replacement of the roof. City Staff secured a \$2,000 donation from a local roofing contractor to go towards the replacement of the roof that will be added to the grant funding from the City. All funds will be distributed directly to the roofing company once receipt of completion of work is issued.

Furthermore, the City agrees to file a grant application with the Kansas Department of Commerce for the 2026 Round of HEAL funding. It is understood by the Buyer, that grant awards, or lack thereof, do not alter the timeline as called out in Section 3 of the Purchase Agreement.

Recommended Action: It is recommended that City Council approve the agreement as presented.

Attachments: Draft Agreement

PURCHASE AGREEMENT

This agreement (the "Agreement") is made and entered into by and between the CITY OF SEDGWICK, KANSAS, hereinafter referred to as the "SELLER" and JBJJ LLC hereinafter referred to as the "BUYER" together the "PARTIES."

WHEREAS, Seller is the record owner of the following described real property located in the City of Sedgwick, Kansas (the "Property"):

Twenty-three (23) Feet off the North Side of the entire length of Lot One Hundred Thirty-Five (135), Commercial Avenue, City of Sedgwick, Harvey County, State of Kansas,

AND

All that part of Lot One Hundred Thirty-seven (137) on Commercial Avenue in the City of Sedgwick, Harvey County, Kansas, lying South of a line extending and running East and West the entire length of said lot, through the North Wall of the Two-story brick building now on said lot, parallel, with and six (6) inches south of the North line of said wall, said line supposed to be 21 inches South of the North line of said lot, Commercial Avenue, City of Sedgwick, Harvey County, State of Kansas.

WHEREAS, Seller wishes to sell and Buyer wishes to purchase the Property upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Buyer and the Seller agree as follows:

- 1. Consideration.** The total purchase price for the purchase of the Property is \$19,560.00 (the "Purchase Price"). Seller agrees to issue to buyer \$17,000.00 in the form of a grant to be used towards repairing the roof (the "Grant Funds"). (The "Consideration"). Grant funds will be held in an account at the City and paid directly to the roofing contractor upon presentation of an invoice.
- 2. Additional Grant Applications.** Seller agrees to apply for the State of Kansas Department of Commerce Heal Grant (the "Heal Grant") on behalf of Buyer within the next available grant application window, subject to budgetary conditions of the Seller. The inability of Seller to apply for the Heal Grant due to adverse budgetary conditions will not invalidate the remainder of this Agreement.
- 3. Renovation and Use.** Buyer agrees that the Property will be used to establish two businesses: one boutique shop and one restaurant. Buyer agrees to begin renovation of the Property within six (6) months of closing. Buyer further agrees to complete renovation of one side of the Property and file for an occupancy permit within eighteen (18) months of closing; with the remaining side of the Property to be completed and filed for an occupancy permit within thirty-six (36) months of closing.

In the event that one business fails to open within eighteen (18) months of closing, Buyer agrees to repay 50% of the Grant Funds. In the event that both businesses fail to within thirty-six (36) months of closing, Buyer agrees to repay 100% of the Grant Funds.


4. **Closing; Delivery of Deed.** Closing shall occur by the latter of March 31, 2026, or within seven (7) days after Seller closes on and takes possession of the Property (the "Closing Date"). Seller agrees to properly execute and deliver to Buyer a Warranty Deed and such other documents reasonably necessary to complete the closing. In the event that the Seller is unable to close on and take possession of the property, Seller will notify Buyer in writing and this contract will become void, each party to bear their own costs.
5. **Closing Costs.** The Buyer agrees to pay the closing costs. In the event a title or abstract company prepares a Deed, Affidavit of No Liens, or other necessary documents to complete this transaction, the charge for the same, in addition to the cost of closing the transaction, will be paid by the Buyer.
6. **Right Of First Refusal.** In the event the Buyer intends to enter into a transaction to sell all or any portion of the Property, Buyer must provide written notice to Seller thereof, extending an offer to Seller to purchase the Property. Seller must respond to the Buyer, in writing, whether they desire to purchase the Property within thirty (30) days of receipt of such notice. If the Seller elects not to purchase the Property or does not respond to the Buyer within thirty (30) days, Buyer shall sell the Property to a third party, however, Seller shall continue to have the right of first refusal on all subsequent transfers of any portion of the Property in accordance with this agreement.
7. **Non-Transferability.** This Agreement is non-transferable.
8. **Termination.** Except as otherwise provided in this Agreement, neither party has the right to terminate this Agreement except by a separate written agreement signed by both parties.
9. **Entire Agreement and Manner of Modification.** This Agreement, and any attachments, constitutes the entire agreement of the parties with respect to the subject matter of this transaction. It supersedes all other representations or agreements. It may be modified only by a separate written agreement signed by both parties.
10. **Default and Remedies.** Seller or the Buyer shall be in default under this Contract if either fails to comply with any material covenant, agreement or obligation within any time limits required by this Agreement. Following a default by either Seller or Buyer under this Agreement, the other party shall have all remedies provided by law for such breach, including specific performance, each party to bear their own costs and attorneys' fees.
11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

- 12. Severability.** In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.
- 13. Environmental Conditions.** Seller has disclosed to buyer the existence of hazardous chemicals located on the Property. Buyer is purchasing property in its "where is, as is" condition. Seller has not made any other representations concerning the environmental conditions of the property including the presence of noxious weeds as defined in K.S.A. 2-1314.
- 14. Additional Property Rights.** If Seller possesses any water rights, wind rights, and or mineral rights in or to the Property, all such rights will transfer to Buyer at closing without warranty of any kind.
- 15. Inspection.** The Buyer agrees to waive all rights to inspection of the Property. The Buyer is purchasing the Property in its "AS IS, WHERE IS" condition. The Seller is making no representations or warranties, express or implied, regarding the value, profitability, merchantability, fitness, environmental or physical condition or usefulness of the property, other than as expressly made in this Agreement. The Buyer acknowledges receipt of a title insurance commitment and all other pertinent documents. In making the decision to buy the Property, Buyer is relying wholly and completely on Buyer's own judgement and the judgement of any agents Buyer may have selected.
- 16. Waiver.** The Buyer freely makes the following waiver: BUYER ACKNOWLEDGES THAT BUYER HAS WAIVED INSPECTION OF THE PROPERTY AND THE BUYER AGREES TO PURCHASE THE PROPERTY IN ITS PRESENT CONDITION ONLY, WITHOUT WARRANTIES OR GUARANTEES BY SELLER CONCERNING THE CONDITION OR VALUE OF THE PROPERTY, OTHER THAN AS EXPRESSLY MADE IN THIS AGREEMENT. THE BUYER HAS BEEN ADVISED TO HAVE THE PROPERTY EXAMINED BY PROFESSIONAL INSPECTORS. THE BUYER ACKNOWLEDGES THAT SELLER IS NOT AN EXPERT AT DETECTING OR REPAIRING PHYSICAL DEFECTS IN THE PROPERTY. EXCEPT AS EXPRESSLY DISCLOSED IN THIS AGREEMENT, SELLER HAS MADE NO REPRESENTATIONS REGARDING THE PROPERTY OR ITS CONDITION, INCLUDING BUT NOT LIMITED TO, ANY ENVIRONMENTAL CONDITION THEREON AND BUYER DECLARES THAT NO REPRESENTATIONS CONCERNING THE CONDITION OF THE PROPERTY ARE BEING RELIED UPON BY BUYER EXCEPT AS EXPRESSLY MADE IN THIS AGREEMENT.

THIS AGREEMENT is hereby executed on this 4th day of March, 2026.

Buyer, City of Sedgwick, Kansas
Mayor, Bryan Chapman

THIS AGREEMENT was approved by vote of the City Council of the City of Sedgwick, Kansas on the 4th day of March, 2026, and is hereby executed on this ____ day of _____, 2026.



Jon & Becky Broadhurst
Owners, JBJJ LLC