



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES
ADMINISTRATION AND PLANNING DIVISION
MEMORANDUM**

TO: Bruce K. Walden, Chief Administrative Officer
FROM: Bob Grewe, Manager, Grants Management Division
DATE: August 7, 2001
RE: Acquisition of Property through Community Development Block Grant/HOME Program – 808 North Romine Street

Brief Description of the Issue(s)

Included on the August 13 agenda of the Committee of the Whole is a proposed acquisition through the Community Development Block Grant/HOME programs of property located at 808 North Romine Street. If the city were to purchase this property, the structure there would be cleared and the lot would be built upon at a later date by an affordable housing developer.

Identification of the Issue(s) and Any Approvals Required

The issue before the committee is whether to purchase the property located at 808 North Romine Street. City Council authorization is necessary for the city to acquire property. The issue requires the affirmative vote of a majority of seated councilpersons

Background/Facts

The subject property is located within the King School Neighborhood (see accompanying map). The lot is approximately 66 feet by 132 feet and zoned R-2, single-family residential. A single-family house is located on the lot; which would be cleared after acquisition. The Estate's Administrator offered to sell the property to the city.

At a later date, the City of Urbana will discuss entering into an agreement with the Illinois Center for Citizen Involvement for the construction of five homes in Urbana through the HomeBuild4 Program. As with previous HomeBuild agreements, an integral part of the program is the city's donation of land to the program. The acquisition of this property would partially fulfill that requirement. If the city chooses not to enter into the HomeBuild4 agreement, the property may be donated either to Habitat for Humanity of Champaign County or the Urbana School District's Construction Trades Program. Council would be able to consider the disposition of this parcel at a later date.

Fiscal Impact

Acquisition of the subject property would cost \$17,000 (its appraised value). An asbestos inspection costing \$750 must be completed before demolition. Demolition costs are estimated at \$10,000. Administrative costs are estimated at \$500. Since the house is vacant, no relocation

benefits will need to be paid. The total estimated costs would be \$28,250. The project will be financed with a combination of Community Development Block Grant and HOME funds. Property maintenance (mowing) would cost approximately \$15 per week until the property is donated to a non-profit developer. The funds for maintenance have already been budgeted through the CDBG program.

Recommendation

At its July 24 meeting, the Community Development Commission recommended that City Council approve acquisition of the subject property subject to the conditions described in this staff memorandum. Community Development Services staff also recommend City Council approval of the attached ordinance authorizing this purchase

Prepared By: _____
Michael J. Loschen
Grants Coordinator II

Attachments: *Site Map*
 Contract for the Sale of Real Estate
 An Ordinance Authorizing the Purchase of Certain Real Estate

ORDINANCE NO. 2001-08-094

AN ORDINANCE AUTHORIZING THE PURCHASE OF CERTAIN REAL ESTATE
(808 North Romine Street)

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that acquisition of the real estate specified in the attached agreement is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of the *King Park Neighborhood Plan*, the *Urbana HOME Consortium and the City of Urbana Consolidated Plan for Program Years 1995-1999*, and the *Urbana HOME Consortium and the City of Urbana Consolidated Plan for Program Years 2000-2004*.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

1. That the City of Urbana hereby approves the agreement attached hereto and authorizes the Mayor of the City of Urbana to execute the same on behalf of the City of Urbana. The attached agreement relates to the following described premises, located in Urbana, Illinois.

Lot 5 in Block 26 of Seminary Addition, situated in Champaign County, Illinois;

more commonly known as 808 North Romine

Street, Urbana, Illinois

PIN: 91-21-07-406-001

2. This Ordinance is hereby passed by the affirmative vote, the "ayes"

and "nays" being called, or a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council on the _____ day of _____, 2001.

PASSED by the City Council this _____ day of _____, 2001.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2001.

Tod Satterthwaite, Mayor

CONTRACT FOR SALE OF REAL ESTATE

This Contract is made and entered into this _____ day of _____, 2001, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois, hereinafter referred to as "Buyer," and Arnetta McClain, as administrator of the Estate of Woodrow Chambers, hereinafter referred to as "Seller."

WITNESSETH:

IT IS MUTUALLY UNDERSTOOD AND AGREED BETWEEN THE PARTIES HERETO as follows:

1. Sale. The Seller agrees to sell and convey, and Buyer agrees to buy, the following- described parcel of real estate:

Lot 5 in Block 26 of Seminary Addition, situated in Champaign County, Illinois;
PIN: 91-21-07-406-001;

more commonly known as 808 North Romine Street, Urbana, Illinois (hereinafter referred to as "Subject Property").

2. Purchase Price. The agreed purchase price of Seventeen Thousand and 00/100 Dollars (\$17,000.00) shall be paid in cash at closing but from such purchase price shall be first deducted the credits and other deductions allowed in this Contract.

3. Evidence of Title. Within a reasonable time, Seller shall deliver to Buyer as evidence of Seller's title a Commitment for Title Insurance issued by a title insurance company regularly doing business in Champaign County, committing the company to issue a policy in the usual form insuring title to the Subject Property in Buyer's name for the amount of the purchase price. Buyer shall be responsible for payment of the owner's premium and any and all search charges.

Permissible exceptions to title shall include only the lien of general taxes and special assessments; zoning laws and building ordinances; easements, apparent or of record, which do not underlie the improvements, if any; covenants and restrictions of record which are not violated by the existing improvements or the present use of the property and which do not restrict reasonable use of the property; and existing mortgages to be paid by Seller or assumed by Buyer at closing.

If title evidence discloses exceptions other than those permitted, Buyer shall give written notice of such exceptions to Seller within a reasonable time. Seller shall have a reasonable time to have such title exceptions removed, or, any such exceptions which may be removed by the payment of money may be cured by deductions from the purchase price at the time of closing. If Seller is unable to cure such exceptions, then Buyer shall have the option to terminate this contract.

4. Conveyance Conveyance shall be by a general warranty deed to the Buyer, with release of dower and homestead rights.
5. Taxes and Assessments. Real estate taxes apportioned up to the date of possession shall be Seller's expense. The proration thereof shall be calculated upon the basis of the most current tax information, including confirmed multipliers. Transfer tax and all special assessments which are a lien upon the Subject Property as of the date of this Contract shall be Seller's expense. All such taxes and special assessments shall constitute a credit to Buyer against the purchase price and shall release Seller from any further liability to Buyer in connection therewith.
6. Closing. Closing shall be at the office of the City of Urbana Grants Management Division, Urbana, Illinois, or at any other place mutually agreeable between the parties, on or before December 31, 2001. Possession of the premises shall be delivered to Buyer upon closing.
7. Leases. Seller affirms that the Subject Property is vacant as of the date of this Contract. Seller further affirms that it is not party to a lease or contract sale with respect to Subject Property as of the date of this Contract. Seller shall not permit or allow or create any leases or allow or permit the renewal or extension of any lease, with respect to the Subject Property. It is agreed that the non-leasing provisions of this Contract are material, and, if Seller violates this provision regarding the non-leasing of the Subject Property, Buyer may, at its option immediately declare this contract null and void.
8. Condition of Property. Buyer agrees to accept the Subject

Property in its "as-is" condition, and Seller disclaims all warranties express or implied as to the condition of the premises.

IN WITNESS WHEREOF, the parties have executed this Contract as of the day and year first above written.

SELLER:
Arnetta McClain, Administrator
Woodrow Chambers Estate
604 East Washington Street
Champaign, Illinois 61821

BUYER:
City of Urbana
400 South Vine Street
Urbana, Illinois 61801

BY: _____
Arnetta McClain

BY: _____
Tod Satterthwaite, Mayor

ATTEST: _____
Phyllis D. Clark, City Clerk