



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Bruce K. Walden, Chief Administrative Officer

**FROM:** Elizabeth H. Tyler, AICP, City Planner/Director

**DATE:** March 4, 2003

**SUBJECT:** **An Ordinance Authorizing the Sale of Certain Real Estate (1107 N. Gregory and 1109 N. Gregory)**

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### **Description**

Included on the agenda for the March 17, 2003 meeting of the Urbana City Council is the sale of city-owned properties located within the Eads at Lincoln Subdivision to Yvette Gray Brown, owner of the Peter Pan Daycare facility, located at 1108 Harvey Street, for the expansion of a daycare facility. Specifically the properties in question are 1107 N. Gregory and 1109 N. Gregory.

### **Issues**

The issue is whether the Urbana City Council should approve the sale of the subject properties to Yvette Gray Brown, owner of the Peter Pan Daycare facility.

### **Background**

At the March 10, 2003 meeting of the Urbana City Council Committee of Whole two concerns were noted regarding the proposed Contract for Sale of Real Estate.

The first concern was that should Yvette Brown not be able to obtain all necessary and required land use and regulatory permits to expand the Peter Pan Day Care facility onto the subject lots, she would be burdened with the parcels and unable to use them as she had planned.

To address this, staff included a reversion provision in the agreement. Item 11 of the Contract reads as follows:

*11. Reversion. In the event that Brown cannot obtain all required and necessary regulatory and land use approvals to expand the Peter Pan Daycare facility onto the subject lots by December 31, 2003, the City of Urbana agrees to buy back the subject property for \$10,000 if such election is made and notice given in writing to the Mayor prior to March 31, 2004.*

The second concern was in regard to performance related to the use of the property. It was noted that if the City is conveying property for less than market value, provisions should be in place to

assure that the property is used as intended. In this case, the intended use is the expansion of Peter Pan Day Care.

To address this concern, staff included a provision in the agreement. Item 12 of the Contract reads as follows:

12. *Performance. In the event that Brown has not started construction for the expansion of the Peter Pan Daycare facility as of April 1, 2006, or any date established in any modification to this Contract, Brown shall sell subject property to the City of Urbana for \$10,000 within 30 days of a written request to do so addressed to the Buyer in accordance with paragraph 15 below.*

### **Options**

1. Approve the revised sale agreement for 1107 and 1109 N. Gregory to Yvette Gray Brown, per the attached sales contract.
2. Approve the sale agreement for 1107 and 1109 N. Gregory to Yvette Gray Brown, with additional amendments to the sales contract.
3. Do not approve the sale agreement for 1107 and 1109 N. Gregory to Yvette Gray Brown.

### **Fiscal Impacts**

The sale of these properties would result in \$10,000 in proceeds to the City. \$5,000 would be provided to the City's Tax Increment Finance account and \$5,000 would be provided to the Community Development Block Grant account as program income.

Disposition of the parcels would eliminate property maintenance costs currently incurred by the Community Development Block Grant program.

The proposed daycare facilities constructed on these sites would generate real estate taxes.

### **Recommendations**

Community Development staff recommend that the Urbana City Council approved the proposed Ordinance to convey 1107 and 1109 N. Gregory to Yvette Gray Brown.

**Memorandum Prepared By:**

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**Bob Grewe, AICP**  
**Manager, Grants Management Division**

**Attachments:**

- (1) An Ordinance Authorizing the Sale of Certain Real Estate (1107 N. Gregory and 1109 N. Gregory)
- (2) Contract for Sale of Real Estate

ORDINANCE NO. 2003-03-024

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE

(1107 N. Gregory and 1109 N. Gregory)

WHEREAS, Subsection (a), entitled "Sale of real estate," of Section 2-118, entitled "Purchase, sale, lease, etc., of real estate," of the Code of Ordinances, City of Urbana, Illinois, provides that any real estate owned by the City of Urbana may be sold in any manner prescribed by the City Council in an ordinance authorizing such sale; and

WHEREAS, the requirements of said Subsection (a) of Section 2-118 for a public hearing and for the required notice for such public hearing were met by publishing appropriate notice in the News Gazette on January 12, 2003 and a public hearing was held at 7:00 PM on January 28, 2003; and

WHEREAS, the City Council now desires to sell the real estate commonly known as 1107 N. Gregory and 1109 N. Gregory, which said properties have heretofore been acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

WHEREAS, the City Council expressly finds and declares that said real estate is not needed for governmental purposes or proprietary activity of the City of Urbana; and

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

Section 1. That the said real estate be sold to Yvette Gray Brown for \$10,000.

Section 2. That the said real estate dispositions be completed by June 30, 2003.

Section 5. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute all necessary deeds and documents required for the lot dispositions on behalf of the City of Urbana, Illinois.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Tod Satterthwaite, Mayor

## CONTRACT FOR SALE OF REAL ESTATE

This Contract made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2003 by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as the City as Seller, and the Yvette Gray Brown, (hereinafter referred to as Brown as Buyer).

WITNESSETH:

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

1. Sale. The City agrees to sell and convey, and Yvette Gray Brown agrees to buy, the following described parcels of real estate (hereinafter referred to as "Subject Properties"):

**Tract I**

Lot 11 in Frailey's Second Subdivision as recorded.  
PIN: 91-21-07-277-013  
Commonly known as 1109 N. Gregory.

**Tract II**

Lot 10 in Frailey's Second Subdivision as recorded.  
PIN: 91-21-07-277-013  
Commonly know as 1107 N. Gregory.

2. Purchase Price. City agrees to convey title to Subject Properties for Ten Thousand Dollars (\$10,000.00) and other consideration as described herein. Payment shall be made in full at closing.
3. Evidence of Title. Within a reasonable time, the City shall select and deliver one of the following to Brown as evidence of title:
  - a. A copy of a title insurance policy issued to the City in connection with acquisition of Subject Properties by the City; the City warrants that it has done nothing to encumber Subject Properties since its acquisition of Subject Properties; or
  - b. A commitment of 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 Subject Properties in Brown's name for the amount of the City's purchase price or the minimum amount of title insurance, whichever is greater.

Permissible exceptions to title shall include only the lien of general taxes; zoning laws and building ordinances; easements, apparent or of record, which do not

underlie the improvements, if any; and covenants and restrictions of record which are not violated by the existing improvements or the present use of the Properties and which do not restrict reasonable use of the Properties.

Brown shall point out in writing to City within a reasonable time after receipt of the evidence of title any objections which Brown may have thereto and unless so pointed out the evidence of title shall be conclusively presumed to be accepted by Brown.

The City shall have a reasonable time to cure any objections actually interfering with or impairing the merchantability of the title to Subject Properties. If the City is unable to cure such objections and is unable to procure a title policy insuring over such objections, then Brown shall have the option to terminate the Contract.

The evidence of title and title insurance shall be at the sole expense of the City.

4. Conveyance. The City agrees to convey Subject Properties to Brown by good and sufficient Warranty Deed, subject to current taxes, covenants, conditions, restrictions, easements apparent or of record, and to all applicable zoning laws and ordinances. No legal right, title, or interest, except as Contract Purchaser, in the Subject Properties or any improvements thereon, shall vest in Brown until delivery of said Warranty Deed to Brown in the manner and under the conditions prescribed herein.
5. Taxes and Assessments. City shall pay all special assessments confirmed prior to the date of this Contract and real estate taxes assessed against Subject Properties for 2003 payable in 2004 up to the date of possession. Brown shall pay all special assessments and real estate taxes assessed against Subject Properties after the date of possession  
  
Brown shall promptly pay all bills for utilities and taxes associated with Brown's possession and use of Subject Properties, including but not limited to water, gas, electric, recycling, cable television, sewage treatment, and sewer benefit taxes.
7. Condition of Subject Properties. Brown agrees to accept Subject Properties in its "as-is" condition, and the City disclaims all warranties express or implied as to the condition of Subject Properties.
8. Compliance with Development Codes. Any structure constructed pursuant to this Contract shall be constructed in accordance with all applicable land development, zoning, and building codes of the City of Urbana, Illinois, and with any and all covenants recorded for the subdivision in which Subject Properties is located. Brown shall be responsible for obtaining and paying for all permits required under said code.
9. Properties Maintenance. Brown agrees to keep Subject Properties properly mowed and free of excess vegetation and debris at all times. Brown shall neither suffer nor commit any waste on or to Subject Properties. Brown agrees to promptly respond to any notices received from the City of Urbana, Illinois, with regard to violation of the City's nuisance

codes and to promptly correct any violation cited by said City. Brown shall promptly pay all bills or charges incurred for materials, services, labor, or other like items which may create encumbrances against Subject Properties.

10. City Held Harmless. Brown agrees to indemnify and hold the City, its officers, agents, and employees, harmless for any liability or damages of any nature or kind concerning undertaking of any activity pursuant to this Contract, including reasonable attorneys' fees incurred in defending against any such claim.
11. Reversion. In the event that Brown cannot obtain all required and necessary regulatory and land use approvals to expand the Peter Pan Daycare facility onto the subject lots by December 31, 2003, the City of Urbana agrees to buy back the subject property for \$10,000 if such election is made and notice given in writing to the Mayor prior to March 31, 2004.
12. Performance. In the event that Brown has not started construction for the expansion of the Peter Pan Daycare facility as of April 1, 2006, or any date established in any modification to this Contract, Brown shall sell subject property to the City of Urbana for \$10,000 within 30 days of a written request to do so addressed to the Buyer in accordance with paragraph 15 below.
13. Possession. City shall deliver possession of Subject Properties to Brown concurrently with closing of this transaction to be held on or before June 30, 2003.
14. Default. If Brown fails to perform any obligation imposed upon it by this Contract, the City may serve written notice of default upon Brown and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of the City to perform obligations imposed upon it by this Contract, Brown may terminate this Contract upon similar notice served upon the City and similar expiration of time period. The foregoing remedies in the event of default are not intended to be exclusive, and the parties shall have the right to all other lawful remedies, including specific performance. Default by the City or Brown shall entitle the non-defaulting party to claim as damages all reasonable costs, attorneys' fees, and expenses in connection with enforcement of this Contract.
15. Notices. Any notice required under this Contract to be served upon the City or Brown shall be personally delivered, or shall be mailed by certified mail to such parties at the address shown herein following their signatures, or at such other place as the parties may from time to time designate in writing.
16. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
17. Terms Binding. All terms of this Contract shall be binding upon the heirs, legatees, devisees, representatives, and assignees of the parties.



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

SELLER:

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

BUYER:

Yvette Gray Brown  
1108 Harvey Street  
Urbana, Illinois 61801

BY: \_\_\_\_\_  
Tod Satterthwaite, Mayor

BY: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Phyllis D. Clark, City Clerk

ATTEST: \_\_\_\_\_