



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana
Members, Urbana City Council

FROM: Elizabeth H. Tyler, AICP, Director

DATE: September 20, 2007

RE: A Resolution Authorizing the Purchase of Certain Real Estate With A
Contribution of Tax Increment Financing Funds (911 North Lincoln Avenue)

Summary

Attached to this memorandum is a resolution (“Exhibit A”) authorizing the purchase of a house by the Urbana Park District on the City’s behalf located at 911 N. Lincoln Avenue and within Tax Increment Finance District #3 (“TIF #3”). The subject property is located directly south and contiguous to King Park and is shown in Exhibits “B” and “C”. It is proposed that upon purchase of the property, the property would be leased to the Urbana Park District in order to expand King Park in accordance with their goals. The property is situated in a key gateway into Urbana and the proposed use is compliant with the goals set forth in the Tax Increment Finance District #3 Redevelopment Plan, Comprehensive Plan, and Downtown Strategic plans.

Background

The Urbana Park District has been investigating the purchase of the subject property in order to expand King Park as part of the park’s master plan. Because it is adjacent to King Park and fronts along the west side of Lincoln Avenue, this is a logical property to acquire in order to expand the frontage and visibility of the park.

In late 2006, the Park District inquired as to whether there were any Tax Increment Finance District funds available for the purchase of property within the TIF. Because property acquisition is an eligible TIF expenditure when in accordance with goals of the TIF redevelopment plan, it was determined that the City could potentially assist in the proposal to expand King Park. Upon discussions with the Legal Division and Park District staff, it was determined that it would be in the best interests of the City to maintain ownership of the property in order to facilitate obtaining the necessary right-of-way for future widening of Lincoln Avenue (an additional 7 feet is required) and to have control over the property should there ever be a proposal to use it for non-park purposes.

In July 2007, the Park District made an offer to the owner, Arvella McGee, to purchase the property. The offer was accepted and a contract for sale was drafted (attached as "Exhibit D") in consideration of the amount of \$102,000. The transaction would be completed upon the approval of Council and the homeowner would move in January upon the scheduled closing.

Financial Impacts

The purchase of the property would be paid from a \$100,000 2006/7 TIF#3 grant for a park project that has been previously budgeted. The Park District has funds left over from a previous project that will cover the balance of the purchase and demolition costs. No budget amendments would be required for the purchase. Lease back of the property to the Park District would occur administratively.

Recommendations

Given the established commitment of the City of Urbana thus far to work with the Urbana Park District and the positive contribution of this project to King Park and the neighborhood as a whole, staff requests that Council approve the resolution, as described herein.

Prepared by:

Ryan L. Brault, Redevelopment Specialist

Exhibits:

- A. Proposed Resolution
- B. Location Map
- C. Aerial Map
- D. Copy of Sales Contract

Cc: Vicki Mayes
Betsy Wong

RESOLUTION NO. 2007-09-019R

**A RESOLUTION APPROVING THE PURCHASE OF CERTAIN REAL ESTATE WITH A
CONTRIBUTION OF TAX INCREMENT FINANCING FUNDS
(911 NORTH LINCOLN AVENUE)**

WHEREAS, the City of Urbana desires to acquire the single family home located at 911 North Lincoln Avenue in Urbana, Illinois, such structure to be demolished so the property can be leased to the Urbana Park District for expansion of King Park, for creation of a public right-of-way, and for other governmental purposes; and

WHEREAS, a real estate contract, attached hereto and made a part hereof as Exhibit D and captioned "Residential Sales Contract," has been proposed with the owner for purchase of the property; and

WHEREAS, the owner has offered to sell the property to the City of Urbana for \$102,000 and upon the other terms and conditions of the Residential Sales Contract; and

WHEREAS, the Urbana Park District agrees to pay all costs in excess of \$100,000 for the purchase of the property and all demolition costs; and

WHEREAS, the property lies on Lincoln Avenue between West Wascher Drive and South Fairview Avenue and immediately east of and adjacent to the Urbana Park District property known as King Park, and the property is more particularly described in the attached Residential Sales Contract; and

WHEREAS, the Illinois General Assembly has adopted the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, (the "Act"), which Act allows the financing of public improvements to stimulate private investment in certified "Conservation Areas" by debt to be repaid by future increases in property tax revenue due to growth in those areas; and

WHEREAS, in accordance with the provisions of the Act, the Urbana City Council has approved the Urbana Tax Increment Area ("TIF") #3 in Ordinances No. . 8990-59, as amended and restated by Ordinance 9091-65, and as further amended by Ordinance No. 2002-06--065; and

WHEREAS, the Mayor and the City Council find that the best interests of the community will be served by use of TIF funds for the purchase of this property.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

The purchase of the house located at 911 North Lincoln Avenue in Urbana, Illinois, on such terms as provided in the Residential Sales Contract, is hereby approved.

Section 2.

The Executive Director of the Urbana Park District is hereby authorized to execute the Residential Sales Contract on behalf of the City of Urbana.

Section 3.

The Mayor is hereby granted authority to negotiate and approve such revisions to said Residential Sales Contract as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the Residential Sales Contract are not altered.

Section 4.

City staff members are authorized to do all things necessary on behalf of the City to perform the obligations of the City under the Residential Sales Contract and are further authorized to execute and deliver any and all documents necessary to effect the purchase of the property under the terms and conditions of said Residential Sales Contract.

Section 5.

The contribution of one hundred thousand dollars (\$100,000) in Tax Increment Financing funds from Urbana Tax Increment Area #3 for the purchase of the property is hereby approved.

Section 6.

City payment for the property shall be made subject to the terms of the Residential Sales Contract and any necessary budgetary transfers or supplementary budgets and appropriations in accordance with state law. Such City payment is subject to and conditioned upon satisfaction of all conditions in the Residential Sales Contract.

Motion was made by Alderman _____, seconded by Alderman _____ that the Resolution be adopted.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSENT:

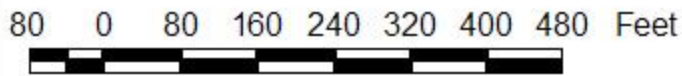
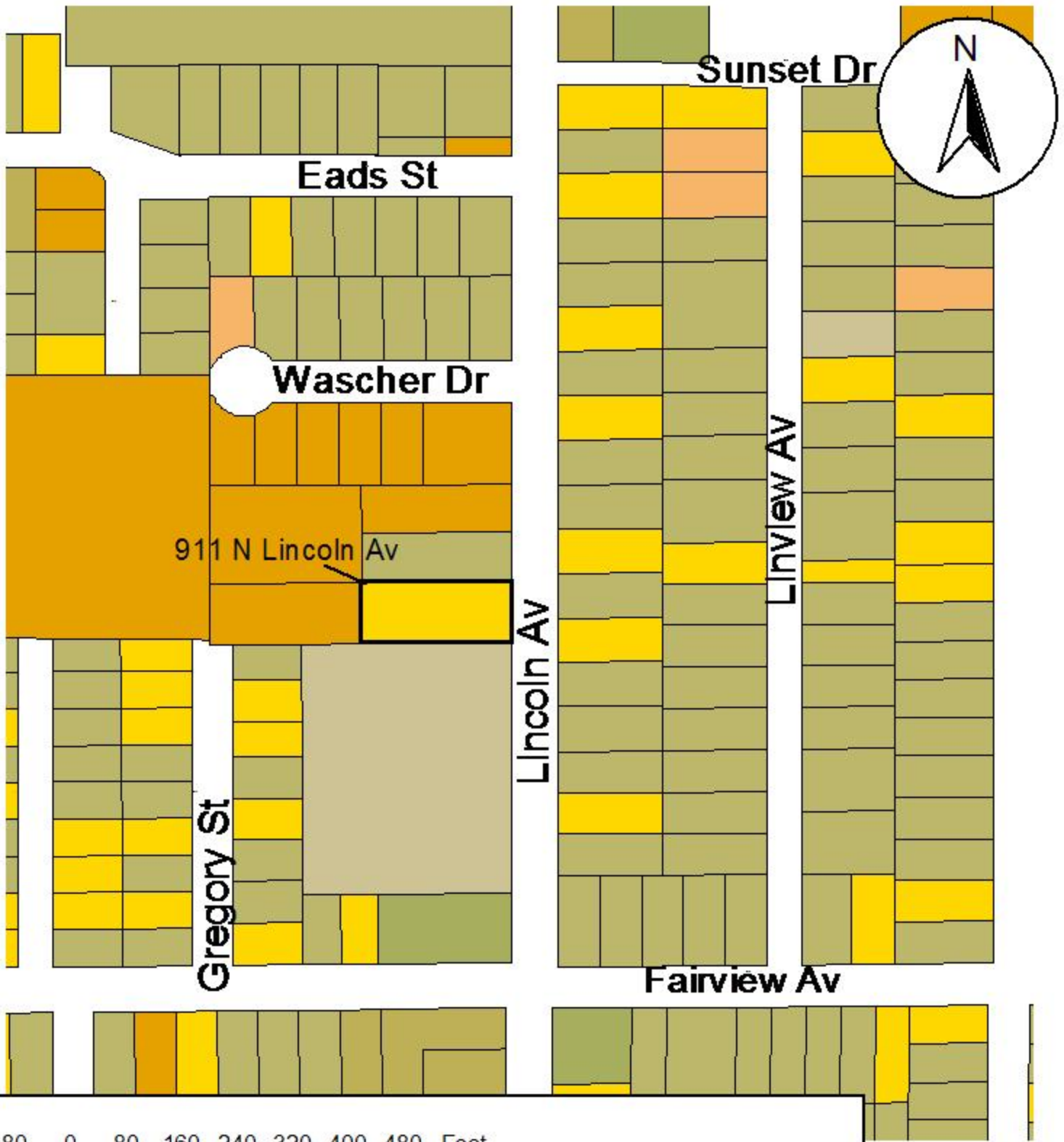
ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor

Exhibit B: Location Map



911 N Lincoln Avenue - Arvella McGee Property

Exhibit C: Aerial Map



911 N Lincoln Ave - Arvella McGee Property

RESIDENTIAL SALES CONTRACT

**Seller: Arvella McGee
911 N. Lincoln Avenue
Urbana, Illinois 61801**

**Buyer: Urbana Park District as an agent of
City of Urbana, Champaign County
400 S. Vine Street
Urbana, Illinois 61801**

1. **Real Estate (Premises) Description.** Seller agrees to sell and Buyer agrees to purchase the following described real estate located at:

Address: **911 N. Lincoln Avenue, City of Urbana, State of Illinois.**

Legal Description: (to come)

Approximate Lot Size: (to come) Permanent Index #: **91-21-07-282-019**, Champaign County, together with all improvements and appurtenances thereon, upon the terms set forth in this Contract.

2. **Purchase Price.** Buyer agrees to pay to Seller the sum of **One Hundred and Two Thousand Dollars (\$102,000)**. Buyer has paid **\$500** as earnest money to be held in the Trust Account of Betsy Pendleton Wong for delivery to Seller at time of closing. The balance of the purchase price, adjusted by prorations and credits allowed the parties by this Contract shall be paid to Seller at closing in cash, by cashier's check, by check issued by a lending institution, or other form of payment acceptable to Seller.
3. **Possession and Closing.** Seller shall deliver possession of the premises to Buyer concurrently with the closing of this transaction which shall be held on or before **October 31, 2007** at the offices of Buyer' attorney Betsy Pendleton Wong or at such other place as the parties may agree. At or before closing, Seller shall deliver to Buyer all available keys and all of the following which are in the Seller's possession: surveys; equipment and appliance warranties; subdivision Covenants, Conditions and Restrictions; and By-laws and Regulations of any association to which property is subject.
4. **Condition of Premises. It shall be Seller's responsibility to have all utilities on continuously during any inspection period.**

- (a) **Buyer's Inspection.** Buyer acknowledges that it has inspected the real estate and the improvements thereon, and is acquainted with the condition thereof. Subject to normal wear and tear, Buyer accepts the premises as of the time they executed this

contract in **as-is condition**.

(b) Final Walk- Through. Buyer shall have the right to inspect the premises during 48 hour period immediately prior to possession.

(c) Disclosures. Buyer acknowledges receipt of the following, which Seller certifies to be accurate at this time: Residential Real Property Disclosure Report dated _____, and (for structures built before 1978) Lead Based Paint Disclosure dated _____.

5. **Deed of Conveyance.** Buyer or Buyer' attorney shall promptly advise Seller's attorney of the desired form of deed. As soon as practicable thereafter, Seller's attorney shall prepare and Seller shall execute a recordable Warranty Deed sufficient to convey the real estate to Buyer or their nominee, in fee simple absolute, subject only to exceptions permitted herein. The deed shall then be held by the listing broker or the Seller's attorney, as escrow agent for both parties with copies of executed deed to be delivered to attorneys for both parties. The deed shall be delivered to Buyer at the closing of this transaction upon Buyer' compliance with the terms of this Contract.
6. **Encumbrances.** Seller warrant that no contracts for the furnishing of any labor or material to the land or the improvements thereon, and no security agreements or leases in respect to any goods or chattels that have been or are to become attached to the land or any improvements thereon as fixtures, will at the time of closing be outstanding and not fully performed and satisfied, and further warrant that there are not and will not at the time of the closing be any unrecorded leases or contracts relating to the property, except as heretofore disclosed to Buyer in writing.
7. **Taxes, Assessments and Notices.** Real estate taxes apportioned through 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. All special assessments which are a lien upon the real estate 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. **Buyer agrees to pay transfer taxes.**

The Seller expressly warrant that Seller have received no notice from any city, village, or other governmental authority of a current dwelling code or other ordinance violation or pending rezoning, reassessment, or special assessment proceeding affecting the premises.

8. **Insurance and Risk of Loss.** If requested by Buyer in writing, Seller shall obtain a Contract of Sale Endorsement to the existing hazard insurance upon the improvements insuring Buyer' interest; and Seller shall maintain such insurance until the closing of this transaction. Seller shall provide evidence of such insurance to Buyer upon request. Buyer may obtain additional coverage at their expense.

If, prior to the earlier of delivery of possession or closing hereunder, the improvements on said Premises shall be destroyed or materially damaged by fire or other casualty, then the Buyer shall have the option of (a) declaring this Contract null and void and receiving a refund of earnest money or (b) accepting the premises as damaged or destroyed, with the proceeds of any insurance payable as a result of the destruction or damage, which proceeds the Seller agrees to assign for payment to the Buyer. In no event shall the Seller be obligated to repair or replace the damaged improvements. The provisions of the Uniform Vendor and Purchaser Risk Act of the State of Illinois shall be applicable to this Contract except as specified in this paragraph.

9. **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 doing business in the county where the premises are located, committing the company to issue a policy in the usual form insuring title to the real estate in Buyer' names for the amount of the purchase price. **Buyer will pay title work 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; 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; existing mortgages to be paid by Seller or assumed by Buyer at closing; and limitations and conditions imposed by the Illinois Condominium Property Act.

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 exception which may be removed by the payment of money may be cured by deduction from the purchase price at the time of closing. If Seller is unable to cure such exception, then Buyer shall have the option to terminate this contract in which case Buyer shall be entitled to refund of the earnest money.

10. Wood Infestation Report. Buyer waives.

11. Default.

- a. If Buyer fail to make any payment or to perform any obligation imposed upon them by this Contract, Seller may serve written notice of default upon Buyer, and if such default is not corrected within ten (10) days thereafter, Buyer are deemed in default and Seller may take one or more of the following actions: re-sell the premises to another party; maintain a claim for monetary damages for breach of contract; maintain a specific performance action against Buyer; and maintain any other or different remedy allowed by law.
- b. In the event of the failure of Seller to perform the obligations imposed upon them by this Contract, Buyer may serve written notice of default upon Seller and if such default is not corrected with ten (10) days thereafter, Seller are deemed in default and Buyer may take one or more of the following actions: maintain a claim for monetary damages for breach of contract; maintain a specific performance action against Seller; and maintain any other or different remedy allowed by law.
- c. The foregoing remedies in the event of a default are not intended to be exclusive and the parties shall have the right to all other lawful remedies.
- d. In the event of such breach, the non-defaulting party shall be excused from further performance of the contract, unless he elects the remedy of Specific Performance.
- e. Default by any party to this Contract shall also entitle the non-defaulting party to reasonable costs, attorney's fees and expenses incurred by reason of the default (breach) of this contract.
- f. In the event of a dispute over the disposition of earnest money, the earnest money shall continue to be held in the trust account of the escrow agent until: (a) the agent has a written release from all parties consenting to the disposition, or (b) a civil action is filed, by either the broker or one of the parties, to determine the disposition of the earnest money, at which time payment may be made into court; or (c) deposit is made with the Illinois Department of Financial Institutions in accordance with the law. Similarly, the executed warranty deed shall continue to be held by the escrow agent for such deed until the agent has been provided a written release from all parties consenting to its disposition, or until a civil action is filed, by either the escrow agent or one of the parties, to determine its disposition, at which time the warranty deed may be filed with the court.

12. Notices. Any notice required under the contract to be served upon Seller or Buyer shall be in writing and shall be deemed effective when either actually received or when mailed to such party evidenced by certified mail or upon postal certification of mailing to such party;

information copies of all such notices shall be sent or delivered to office of the attorneys and REALTORS ® named herein and such information copies may be sent by facsimile transmission. Notice to or from one of multiple Buyer shall be effective as to all Buyer. In the event Seller's address is not shown herein, notices as provided in this paragraph may be sent to the Seller at the common address of the real estate. In the event any certified mailing is indicated "Return Receipt Requested", such mailing shall also be made by first class mail.

13. Compliance. Seller and Buyer hereby agree to make all disclosures and to sign all documents necessary to allow full compliance with all applicable laws. ***In the event the sale price herein exceeds the threshold exception of Section 1445 of the Internal Revenue Code, as amended, Seller hereby certify (under penalties of perjury) that Seller are not foreign persons and agrees upon request to execute an affidavit so stating.

14. Entirety of Agreement. This Contract contains the entire agreement between the parties and NO ORAL REPRESENTATION, warranty or covenant exists other than those herein set forth. References to plural parties shall apply to singular parties as well. References to a specific number of days shall mean calendar days.

15. Time of the Essence. The time for performance of the obligations of the parties is of the essence of this Contract.

16. Attorney Fees. Buyer will pay up to \$500 of the Seller's attorney fees.

17. Offer and Acceptance Deadline. This will be a legally binding Contract if all parties sign it and initial any changes on or before _____, 2007. Otherwise, it is void and all earnest money shall be returned to Buyer.

Seller's signature:

Buyer's signature:

Date: _____ **Time:** _____

Date: _____ **Time:** _____
