



MEMORANDUM

TO: Mayor Laurel Lunt Prussing and Members of the City Council
FROM: William R. Gray, Public Works Director
DATE: December 5, 2013
RE: Contract For Sale of Real Estate – 610 South Glover Avenue (Barnes Mobile Home Park)

Introduction

Representatives of the Barnes Mobile Home Park, located at 610 South Glover Avenue, approached city staff in 2009 to see if there was any interest in acquiring the site. (See attached Exhibit A location map.) Since the site is adjacent to and north of existing city-owned property and there is a future need for land area to accommodate the public works department and other department space needs, pursuing this offer was attractive. In the ensuing four years, the mobile home park representatives and the city have agreed to a sales contract. (See attached contract.)

Pertinent details in the contract include:

1. The site is one acre in area.
2. The purchase price is \$113,000.
3. Upon approval of this sales contract, the city will have a Phase I environmental audit performed on the site.
4. Pending notice of a “clean” site from the audit, the city will notify the seller to proceed with terminating existing tenancies and remove all above ground improvements.
5. If City Council approves the attached ordinance on December 16, 2013, the sellers have agreed to include the date of June 30, 2015 in Paragraph 5 of the contract.
6. Once the site is free and clear of all above ground improvements, the seller and city will close on the property no later than June 30, 2015.

The 610 South Glover Avenue site is zoned R4, Medium Density Multiple Family Development and a municipal or government building is permitted by right in this zone. The Comprehensive Plan shows this site as Light Industrial/Office, so the site is anticipated to transition away from residential use. The seller will contact the existing tenants (12) and they will be given one year to vacate the premises. All above ground trailers, carports, decks, sheds and the existing home will be removed or demolished at the seller’s expense.

There are no immediate plans to utilize this space with constructing any above ground structures. It is the department's intent to eventually screen any city use of this property from the existing homes to the north.

Fiscal Impact

The city's future fiscal impact to the General Fund is \$113,000. This amount of money will be budgeted in the next fiscal year's (14/15) budget.

Recommendation

It is recommended that an Ordinance Authorizing the Purchase of Certain Real Estate (610 South Glover Avenue, Barnes Mobile Home Park) be approved.

ORDINANCE NO. 2013-12-107

**AN ORDINANCE AUTHORIZING THE PURCHASE OF CERTAIN REAL ESTATE
(610 South Glover Avenue, Barnes Mobile Home Park)**

WHEREAS, Urbana City Code Section 2-118, Subsection (d), provides that the City may purchase real estate for any corporate purposes found and declared by the City Council, and that the City Council may authorize the purchase thereof under any terms and any conditions by ordinance duly passed; and

WHEREAS, the City Council desires to purchase the real estate commonly known as 610 South Glover Avenue for future expansion of the Public Works facility; and

WHEREAS, the City Council expressly finds and declares that said real estate is needed for governmental purposes of the City of Urbana.

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

Section 1.

The purchase of the real estate commonly known as 610 South Glover Avenue in Urbana, Illinois, and legally described below, substantially on such terms as contained in the Contract for Sale of Real Estate attached hereto and incorporated herein, is hereby approved:

Lot Thirteen (13) of Archie J. Hartle's First
Subdivision, as per plat recorded in Plat Book
"F" at Page 87, situated in the City of Urbana,
Champaign County, Illinois,

Permanent Parcel Number 92-21-16-182-006

Section 2.

The Mayor, or her designee, be and hereby is authorized to perform all acts necessary on behalf of the City of Urbana to effectuate the acquisition of the real estate, and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

Section 3.

This Ordinance shall be in full force and effect from and after its passage.

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

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

CONTRACT FOR SALE OF REAL ESTATE

The Weisiger Family Trust Under Agreement Dated January 2nd, 1987 (hereinafter "Seller") and the City of Urbana, a municipal corporation (hereinafter "City"), have reached an agreement regarding the sale of the parcel commonly known as 610 S. Glover Avenue, Urbana, Illinois, (See attached Exhibit A) which agreement accommodates the concerns of the parties that at closing the parcel be free of all above ground improvements, personal property, tenancies and totally cleared of any and all manmade objects excepting only concrete pads, and the Seller's concern that actual possession be delayed for the time necessary for Seller to provide all notices to interested parties as required by law once consummation of the contract is assured. The parties desire to reduce their agreement to writing and therefore it is agreed as follows:

1. Seller agrees to sell and City agrees to purchase the following described real estate located at 610 S. Glover Avenue, Urbana, Illinois, 61802 with legal description as follows:

Lot Thirteen (13) of Archie J. Hartle's First Subdivision, as per plat recorded in Plat Book "F" at Page 87, situated in the City of Urbana, Champaign County, Illinois, and bears the PIN number of 92-21-16-182-006.

2. City agrees to pay to Seller the total sum of One Hundred Thirteen Thousand and 00/100 (\$113,00.00), minus the proration and credits allowed by the parties in this contract which amount then shall be paid to Seller at closing.

3. There are threshold concerns of each party: (1) the Seller does not want to terminate existing tenancies unless and until the City confirms its decision to consummate the purchase of the subject parcel, and (2) the City is unwilling to confirm its intent to purchase the subject parcel without first performing its due diligence in investigating any environmental concerns and therefore it is agreed that the City has the right to terminate this contract after considering the results of an Environmental Audit. It is thus agreed that within sixty (60) days of the effective date of this contract, the City will, at its sole expense, obtain an Environmental Audit Report of

the subject parcel and within sixty (60) days of obtaining the report of such an Environment Audit, will advise Seller in writing that either: (1) The City confirms, in writing, its decision to consummate the purchase or (2) The City gives written notice to the Seller that the City is terminating this agreement. It is agreed that the Environmental Audit is the proprietary property of the City and its contents will not be revealed except with the express written consent of the City.

4. Environmental Audit and Disclosure.

(a) The City's agent or agents shall be granted access to the property for environmental inspections at all reasonable times. City shall also be entitled to conduct a Phase II environmental audit of the Property, at its own option and expense.

(b) The Seller shall disclose to the City any and all information known to the Seller, whether oral or written, of any environmental condition or contamination which may affect the marketability or usability of the Property. Such disclosure shall include, but not be limited to, any notice or inquiry made to or received from, the Illinois Environmental Protection Agency, the United States Environmental Protection Agency, the State Fire Marshal's Office, the Illinois Department of Public Health, or any other local, state or federal agency in regard to any hazardous condition, industrial process, or use of chemicals on or about the Property or any business operating thereon. The Seller shall provide an affirmative declaration to the City that to the best of its knowledge and belief, the Property is free of pollution and/or contamination and/or any environmental condition that might affect the marketability or usability of the Property for commercial or residential purposes.

(c) If the City becomes aware of the existence of any environmental concern or violation of any environmental law or regulation other than disclosed in the Environmental Audit at any time prior to closing which affects either the value of the Property or its use for the City's Public Works Department, City shall notify Seller in writing of such concern or violation. If the parties do not come to an agreement regarding an adjustment of the purchase price based upon the cost of environmental remediation and associated costs within thirty (30) days of written notice to the Seller, the City shall have the right to terminate the agreement by written notice to the Seller.

5. Seller shall give possession of the premises to City at the time of closing of this transaction at the offices of the title company that issued the title commitment as provided for in paragraph nine below, , or such other place as the parties may agree. Closing shall be at a time and date mutually agreeable to occur within thirty (30) days after the subject property is free and clear of all leases and tenancies of any kind, the existing residential building, and any and all above ground manmade objects excepting only concrete pads. If the property is not free and

clear of all mobile homes, and existing residential building and personal property of tenants and Seller by _____, 20_____, this contract shall automatically become null and void.

6. Deed of Conveyance. The City's attorney shall promptly advise Seller's attorney of the desired form of deed. As soon as practicable thereafter, Sellers' attorney shall prepare and Sellers shall execute a recordable Warranty Deed sufficient to convey the real estate to City, in fee simple absolute, subject only to exceptions permitted herein. The deed shall then be held by the Seller's attorney, as escrow agent for both parties. The deed shall be delivered to City at the closing of this transaction upon City's compliance with the terms of this Contract.

7. Encumbrances. Seller warrants 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, including the existing residential building.

8. 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. Transfer tax and 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 City against the purchase price, and shall release Sellers from any further liability to City in connection therewith. The Seller expressly warrant that Seller has 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.

9. Evidence of Title. Within a reasonable time, Seller shall deliver to City 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 a company to issue a policy in the usual form, including ALTA coverage, insuring title to the real estate in City's name for the amount of the purchase price as of the date of closing. Seller shall be responsible for payment of the owner's premium and Seller's search charges, including any update costs. The balance of the costs of providing title insurance for City shall be borne by City. The title company fee for closing service shall be paid by the parties in equal shares.

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 do not restrict reasonable use of the premises; existing mortgages to be paid by Seller at closing.

If title evidence discloses exceptions other than those permitted, City 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 City shall have the option to terminate this contract. The title insurance commitment shall be updated ten (10) days in advance of the closing date.

10. Default.

(a) If City fails to make any payment or to perform any obligation imposed upon them by this Contract, Seller may serve written notice of default upon City, and if such default is not corrected within ten (10) days thereafter, City is 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 City; and maintain any other different remedy allowed by law.

(b) In the event of the failure of Seller to perform the obligation imposed upon them by this Contract, City may serve written notice of default upon Seller and if such default is not corrected within ten (10) days thereafter, Seller is deemed in default of and City 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.

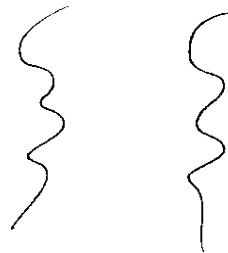
(e) Default by any party to this Contract shall also entitle the non-defaulting party to reasonable costs, attorney's fees and expenses incurred by reason of the default (breach) of this contract.

11. (a) All notices to the City shall be addressed as follows:

Public Works Director
City of Urbana
400 South Vine Street
Urbana, IL 61801

(b) All notices to Seller shall be addressed as follows:

Weisiger Family Trust, c/o Mary West, Temporary Trustee, P.O. Box 301, Urbana, IL 61803.



(c) All notices provided for herein shall be deemed to have been duly given, if and when deposited in the U.S. Mail, postage prepaid and addressed to the Seller at the above listed address, or when delivered personally to such party.

12. The City may and is hereby authorized to file in the appropriate real estate records, either a copy of this Contract or an appropriate memorandum of the existence of this Contract, identifying the Real Estate, the Seller, the City and a brief summary of this contract.

13. Execution and Counter Parts. This Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. By executing this contract, the persons executing it as Seller covenant that they are

the record owners of the Real Estate, and all of the record owners thereof, and have full power and authority to so execute and deliver this Contract.

14. This Contract shall not be effective unless and until it has been approved by the Urbana City Council.

This Contract is made as of the date of the last to execute of the parties hereto, which date then is the "Effective Date".

Seller: Weisiger Family Trust

City: The City of Urbana
Champaign County, Illinois

BY: Mary E. West
Title: Temporary Trustee
Dated: October 30, 2013

BY: _____
Laurel Lunt Prussing, Mayor
Dated: _____



EXHIBIT A