



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Bruce K. Walden, Chief Administrative Officer

FROM: Elizabeth H. Tyler, Community Development Director

DATE: April 24, 2003

SUBJECT: An Ordinance Approving and Authorizing the Execution of a Real Estate Contract With Homestead Corporation of Champaign-Urbana for Purchase of a 13,200 ± Square Foot Outlot

Description

City staff have negotiated a draft real estate contract with Homestead Corporation for purchase of a 13,200 ± square foot outlot located behind the Homestead Single-Room Occupancy project on Griggs Street for MVPS purposes for a price of \$15,000. The Real Estate Contract is attached for approval via Ordinance authorizing its execution.

Issues

This outlot is located contiguous and to the west of City of Urbana MVPS parking lot 25 and may be used for expansion of this parking lot. Expansion of this parking lot can help make up for the anticipated loss of MVPS parking lot 8 located on the east side of Race Street for the development of the Stratford Center Project. Homestead Corporation is interested in selling this outlot to the City to reduce their annual maintenance burden and to provide much-needed funds. The proposed sale would both help to promote downtown redevelopment and assist in the financial and operational challenges faced by one of our non-profit Community Housing Development Organizations.

The anticipated sale price of \$15,000 is based upon an appraisal of the lot prepared by James H. Webster & Associates, Ltd. The Homestead Corporation Board has passed a resolution supporting the proposed transaction.

A copy of the Final Plat of the Homestead Replat depicting the location of the Outlot is attached along with a map showing MVPS locations.

Background

Homestead Corporation staff approached City staff several months ago regarding the potential sale of the outlot to assist the corporation in reducing their tax and maintenance burden. As an outlot, the property can be used only in conjunction with adjacent parcels since it does not currently have public road access. The SRO project is not proposing any expansion on this property. Because the outlot is adjacent to MVPS 25 it provides for a logical expansion site of this lot. Nearby businesses (e.g., Silver Creek Restaurant) have requested that additional parking be provided in the area. In addition, nearby MVPS spaces will be lost with proposed development of the Stratford Center project.

Construction of the expanded parking lot will be a future capital improvement project requiring substantial grading of the site and, ultimately, improvement of Central Avenue to the west of the outlot.

Fiscal Impact

The real estate contract will involve a City cost of \$15,000 to be paid for by MVPS funds. No budget amendment would be necessary for this purchase. Future development costs associated with the parking lot will be funded as an eligible expense under Tax Increment Finance District funds, as the site is located in TIF District No. 2.

Acquisition of the outlot and improvement of the parking lot will be beneficial to the overall economic health of the downtown area as it will help to promote redevelopment of the Stratford lot by providing replacement parking and will also help provide needed parking for existing businesses.

Recommendation

Staff recommends that Council approve the attached ordinance authorizing the execution of a real estate contract with Homestead Corporation for purchase of the site.

Cc: Jim Rose, Homestead Corporation
Dick Joy, Attorney for Homestead Corporation

Attachments:

Ordinance
Real Estate Contract
Final Plat of Homestead Replat – Not available in digital form
MVPS Location Map – Not available in digital form

ORDINANCE NO. 2003-04-046

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A REAL ESTATE
CONTRACT WITH HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA

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

Section 1. That a Real Estate Contract between Homestead Corporation
of Champaign-Urbana and the City of Urbana, in substantially the form of the
copy of said Contract attached hereto and hereby incorporated by reference,
be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the
same is hereby authorized to execute and deliver said Agreement as so
authorized and approved for and on behalf of the City of Urbana, Illinois.

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

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

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

Tod Satterthwaite, Mayor

REAL ESTATE CONTRACT

Seller: Homestead Corporation of Champaign-Urbana, a not-for-profit corporation

Buyer: City of Urbana, Illinois, a municipal corporation

304 North Central Avenue, Urbana, Illinois

PIN: 91-21-08-382-013

1. Seller agrees to sell and Buyer agrees to purchase the following-described real estate:
Outlot "A" of Homestead Replat of Lots 3, 4, 5, and 6 of S. T. Busey's Addition to the City of Urbana, as per plat recorded in book "CC" at page 180, situated in Champaign County, Illinois.
2. At time of closing, Buyer shall pay to Seller as Purchase Price the sum of Fifteen Thousand Dollars (\$15,000.00), less any amount allowed as a credit against such purchase price under this contract.
3. As part of the consideration hereunder, the Buyer hereby releases the Seller from any and all obligation that Seller has as successor in interest/assignee of the Mental Health Center of Champaign County, an Illinois not-for-profit organization, under a certain agreement between the said Mental Health Center and the City of Urbana executed by the parties in January, 1996, respecting the obligation therein set forth in paragraph 14 thereof for the payment of a total amount of Six Thousand Dollars (\$6,000.00) to the City of Urbana upon the development of a certain portion of the said subdivision plat.
4. The Seller shall deliver possession of the premises to Buyer at the time of closing of this transaction which shall be on or before June 1, 2003, at the Urbana City Building, 400 South Vine Street, Urbana, Illinois, or such other place as the Attorneys for the respective parties may agree.
5. As part of the consideration hereunder, the Seller shall grant to Buyer an easement 5' of even width along and upon the east side of Lot 1 of the final plat of Homestead Replat, said

easement extending on the north from the premises herein conveyed to the south line of Lot 1 of the final plat of Homestead Replat.

6. Evidence of Title. Within a reasonable time, Sellers shall deliver to Buyers as evidence of Seller's title, a Commitment for Title Insurance issued by a title insurance company regularly 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's name for the amount of the purchase price. Sellers shall be responsible for payment of the owner's premium and Seller's 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; 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 Sellers.

If title evidence discloses exceptions other than those permitted, Buyers shall give written notice of such exceptions to Sellers within a reasonable time. Sellers 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 Sellers are unable to cure such exception, then Buyers shall have the option to terminate this Contract in which case Buyers shall be entitled to refund of the earnest money.

7. At closing, upon payment of all sums due Seller from Buyer, Seller shall deliver to Buyer a recordable Quit Claim Deed sufficient to convey all of Seller's interest in the subject real estate. Seller shall also deliver to Buyer a copy of the appropriate corporate resolution authorizing the conveyance of the subject real estate to Buyer.

8. Taxes. Seller shall be responsible for payment of the taxes for 2002/payable 2003. Buyer shall be responsible for payment of all real estate taxes for the year 2003/payable 2004.

DATED at Urbana, Illinois, this ____ day of _____, 2003.

HOMESTEAD CORPORATION

CITY OF URBANA, ILLINOIS

Of Champaign-Urbana

By: _____

By: _____