



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Administrative 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, FAICP, Director

DATE: July 7, 2011

RE: An Ordinance Authorizing the Sale of Certain Real Estate to the Urbana Park District (915 North Lincoln Avenue)

Description

Attached to this memorandum is an Ordinance authorizing the sale of City-owned real estate at 915 North Lincoln Avenue to the Urbana Park District for purposes of public park and recreational use. The subject parcel has been in use as a part of King Park for many years and the sale will allow for this use to continue indefinitely.

Background

This Ordinance will allow the City to sell 915 North Lincoln Avenue to the Urbana Park District for park and recreational purposes. The sale is a result of an informal arrangement between the Urbana Park District and City of Urbana that dates back to at least 1994. Under this informal arrangement, the City of Urbana purchased and cleared the two lots that comprise this address, using TIF 3 funds and CDBG grant funds. As a part of this arrangement, the City also allocated grant funds and conducted preliminary studies related to the possible location of a community center in the vicinity. The City invested a total of approximately \$60,000 towards the purchase and clearing of these lots. According to communications at the time, the Urbana Park District was to then purchase the property from the City at a total cost of \$25,000. While the property continued to be used for park purposes, the transfer of ownership never occurred.

As the City has now completed long-term lease arrangements for the adjacent properties at 911 and 909 North Lincoln, resolution of the status of 915 North Lincoln Avenue is timely. Because the prior arrangement and expenditure of City funds anticipated the sale of the property to the Park District, it is important that a sale, rather than a lease be executed. The Park District is now prepared to complete this purchase arrangement. In order to minimize any impact upon other Park District projects, the District has asked that the purchase be made over time with ten equal annual installments of \$2,500 payable to the City. Transfer of the property to the Park District will occur at the closing rather than at the conclusion of the payment schedule and the Park

District will continue to provide for maintenance and upkeep of the property as it has done for many years. The Urbana Park District Board passed a Resolution (Resolution 2011-08) at their June 14, 2011 meeting to authorize their staff to negotiate the purchase of the properties from the City as presented here.

Options

1. Adopt the attached Ordinance Authorizing the Sale of Certain Real Estate.
2. Adopt the attached Ordinance Authorizing the Sale of Certain Real Estate, with changes.
3. Do not adopt the attached Ordinance Authorizing the Sale of Certain Real Estate.

Fiscal Impacts

Completion of the sale of 915 North Lincoln Avenue to the Urbana Park District will have a positive fiscal impact upon the City and will bring to a conclusion an informal real estate arrangement that has been anticipated for many years. The sale recognizes the joint responsibilities that the Urbana Park District and City of Urbana undertook to implement the TIF 3 Redevelopment Plan, Consolidated Plan, and King Park Master Plan. Under the terms of the sale, City will receive a total payment of \$25,000 spread out over ten annual payments.

Recommendation

City staff recommends that the City Council APPROVE the Ordinance, as attached.

Exhibits:

Draft Ordinance
Contract for Sale of Real Estate
Site Location Map

cc: Vicki Mayes, UPD Executive Director
Betsy Wong, UPD Legal Counsel

**AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE
TO THE URBANA PARK DISTRICT
(915 North Lincoln Avenue)**

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 do not, pursuant to the terms thereof, apply to the sale of residential property acquired under the Community Development Program; and

WHEREAS, the City Council desires to sell the real estate commonly known as 915 North Lincoln Avenue, which said property has 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 thereof; 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.

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

Section 1. An Ordinance approving the Contract for Sale of Real Estate by and between the City of Urbana, Illinois, and the Urbana Park District, in substantially the form of the copy of said Contract attached hereto and incorporated herein by reference, be and the same is hereby authorized and approved.

Section 2. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute said Contract together with all necessary deeds and documents required by said Contract for and on behalf of the City of Urbana, Illinois.

Section 3. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute minor modifications and extensions of time set forth in the said Contract for and on behalf of the City of Urbana, Illinois.

Section 4. This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of three quarters of the corporate authorities of the City of Urbana, Illinois (6 of 8 members of the Council), at a regular meeting of said Council.

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

CONTRACT FOR SALE OF REAL ESTATE

THIS CONTRACT is made between THE CITY OF URBANA, ILLINOIS (the "Seller"), and the URBANA PARK DISTRICT (the "Buyer") effective on the last date signed by a party hereto. In consideration of the covenants hereinafter set forth, the parties agree as follows:

1. **Property.** The Seller hereby agrees to sell, and the Buyer hereby agrees to purchase the following described property (the "Property"):

A part of the Northeast Quarter of Section 7, Township 19 North, Range 9 East of the Third Principal Meridian, being more particularly described as follows:

Lot 6 of Waller's Subdivision, as per plat recorded in Plat Book "O" at page 76 in the Office of the Recorder of Deeds, Champaign County, Illinois.

EXCEPT;

The easterly 7.00 feet of even width of said Lot 6.

All being situated in the City of Urbana, Champaign County, Illinois, and having the PIN: 91-21-07-282-027, commonly known as 915 North Lincoln Avenue, Urbana, IL 61801

2. **Payment.** The Buyer agrees to pay for said property the sum of twenty-five thousand dollars (\$25,000), payable as follows: Two thousand five hundred dollars (\$2,500) payable at closing, and two thousand five hundred dollars (\$2,500) payable on each 1st day of April thereafter, at an interest rate of zero percent (0%), until full payment is made. The Buyer agrees to execute a promissory note in the amount of twenty-two thousand five hundred dollars (\$22,500) made payable to the Seller. The Buyer agrees to pay the Seller at the office of the comptroller of the Seller or its successor.

3. **Deed.** The Seller agrees to convey the Property to Buyer by a good and sufficient Warranty Deed, subject only to covenants, conditions, restrictions and easements apparent or of record, and to all applicable zoning laws and ordinances.

4. **Evidence of title.** Within a reasonable time, the Seller shall deliver to the Buyer as evidence of title 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 Property to Buyer for the amount of the Seller's purchase price or the minimum amount of title insurance, whichever is greater.

5. **Taxes and assessments.** The Property is exempt from payment of real estate taxes in accordance with 35 ILCS 200/15-75, and thus there is no need for provision of real estate tax payment.

6. **Possession.** The Seller shall deliver possession of the Property to the Buyer concurrently with the closing of this transaction, said closing to take place not later than August 31, 2011.

7. **Waiver of required disclosures.** Because the Property is vacant and without any improvements, there is no need to provide for the possible loss of or damage to any improvement, and the Buyer waives the Seller's compliance with any required disclosures.

8. **Default.**

- A. If the Buyer fails to make any payment due to the Seller hereunder or fails to perform any acts required by it hereunder by the due date thereof, then the Seller may, at its option by written notice, demand that said defaults be cured within thirty (30) days. If said defaults are not cured within thirty (30) days from said notice, then the Seller may, at its option, declare the full amount due hereunder, whether otherwise due and payable or not, to be immediately due and payable. If the Buyer does not then pay the full amount declared due within fifteen (15) days of said written declaration, this contract shall thereby become null and void.
- B. If either party defaults in any of its obligations under this contract, then the party not in default shall be entitled to recover its costs and attorneys' fees caused by the other's default from the defaulting party.
- C. In the event of the Seller's default, the Buyer may enforce the contract by an action for specific performance.

9. **Notices.** Any notice required under the contract to be served upon the Seller or Buyer will be effective when actually received or when mailed by certified mail to such parties at the addresses shown herein following their signatures, or at such other place as the parties may from time to time designate in writing.

10. **Condition of property.** The Buyer agrees to accept the Property in its "as-is" condition, and the Seller disclaims all warranties express or implied as to the condition of the Property.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the dates indicated below.

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

Buyer
 Urbana Park District
 303 West University Avenue
 Urbana, Illinois 61801

BY:

BY:

 Laurel Lunt Prussing, Mayor

 Vicki J. Mayes, Executive Director

 Date

 Date

ATTEST:

ATTEST:

 Phyllis D. Clark, City Clerk

 Secretary for the Urbana Park District Board

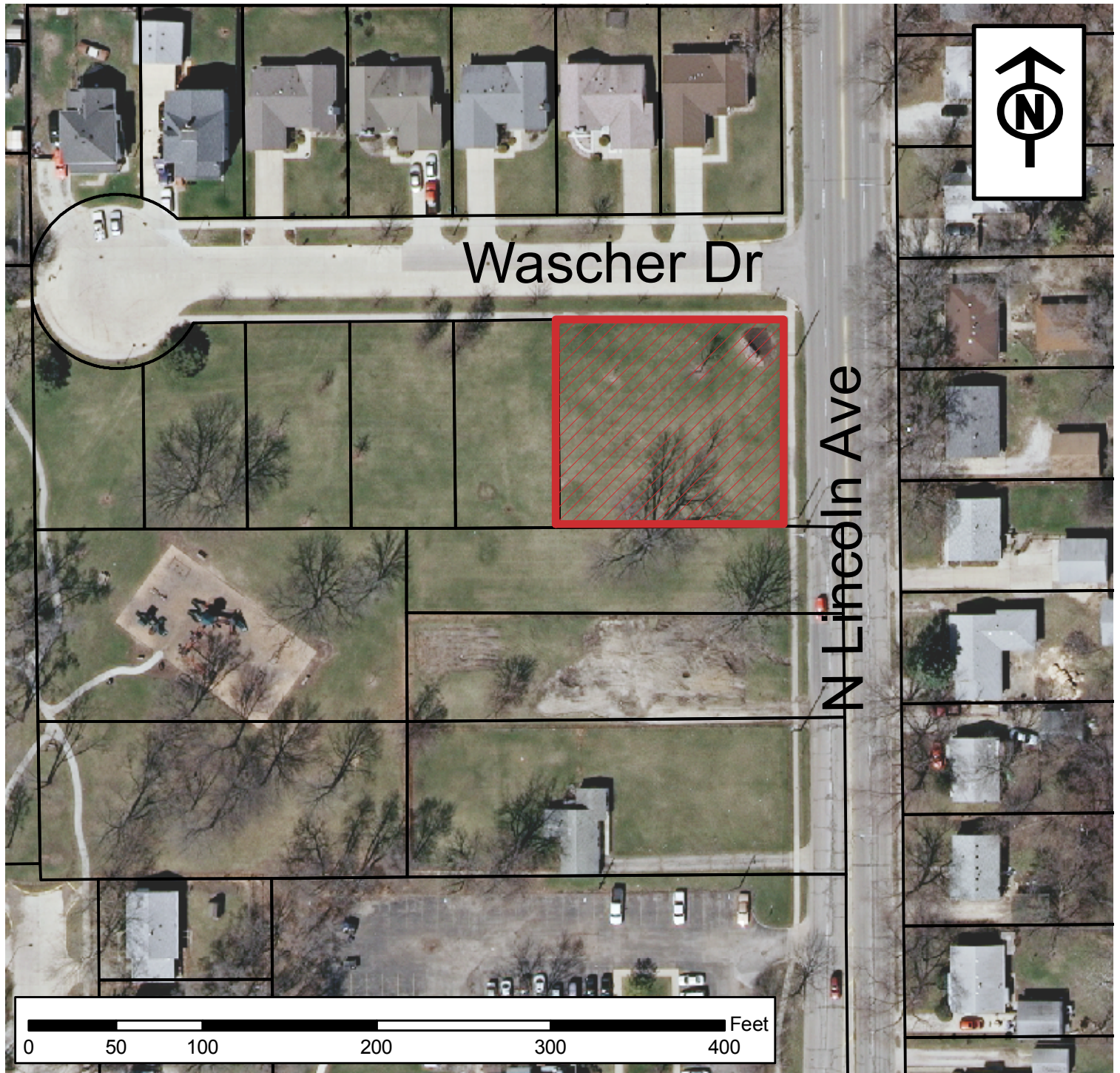
APPROVED AS TO FORM:

APPROVED AS TO FORM:

 Acting City Attorney

 Attorney for the Urbana Park District

915 North Lincoln Location Map



 Subject Property