



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

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

**TO:** Laurel Lunt Prussing, Mayor

**FROM:** Elizabeth H. Tyler, FAICP, Director Community Development Services *John ET*

**DATE:** July 20, 2011

**SUBJECT:** **AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (107 East Oregon Street, Urbana, Illinois)**

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#### **Description**

Included on the agenda of the July 25, 2011 meeting of the Urbana City Council Committee of the Whole is an Ordinance authorizing the sale of the City-owned property located at 107 East Oregon Street to Angela Kent and Anthony Yannarell, the owners and occupants of 105 East Oregon Street.

#### **Issues**

The issue is whether the Urbana City Council should approve the Ordinance authorizing the sale of the City-owned property to Angela Kent and Anthony Yannarell.

#### **Background**

Community Development Block Grant funding was used to acquire the subject property as part of the Grants Management Division's Property Acquisition Program. One of the Program's goals is to acquire properties to remove dilapidated structures that are a blighting influence on the surrounding neighborhood. From time to time, the City may acquire an undersized property which, after demolition and site clearance, results in a lot that is too small for redevelopment and has minimal resale value.

The subject property, located at 107 East Oregon Street, was purchased to eliminate a blighted, deteriorated house that was in disrepair. The structure was subsequently demolished and the site cleared. The resulting 57.75 feet x 57.75 feet vacant parcel is located at the corner of Oregon and Walnut. Because of the size and location of the property (corner lot), new housing construction on this site is not practical. The current cost to maintain this property is approximately \$440.00 per year.

Staff received approval from the Urbana City Council at its June 13, 2011 meeting to proceed with possible disposition of the property as required by Section 2.118 of the Urbana Code of Ordinances. On July 10, 2011 a request for proposals inviting statements of interest in purchasing the property was published in the News-Gazette. Also published at that time was the Notice of Public Hearing scheduled for Monday, July 25, 2011 requesting input regarding the proposed sale of the property.

The City received only one proposal, from Angela Kent and Anthony Yannarell (copy attached) in response to the request for proposals. Ms. Kent and Mr. Yannarell, the owner occupants of the adjacent property at 105 East Oregon Street, Urbana, propose to purchase the lot from the City for \$13,000.00. If the sale is approved, Ms. Kent and Mr. Yannarell intend to use the property to expand their yard and incorporate landscaping, turf and flowerbeds, to improve the value of their residence and help maintain the neighborhood aesthetics.

The amount offered for the property of \$13,000 is slightly more than the appraised value of \$12,500.00 that was completed on May 25, 2011.

### **Options**

1. Approve the Ordinance authorizing the sale of 107 East Oregon Street to Angela Kent and Anthony Yannarell.
2. Approve the Ordinance authorizing the sale of 107 East Oregon Street to Angela Kent and Anthony Yannarell with amendments to the contract.
3. Do not to approve the Ordinance and provide further direction to staff.

### **Fiscal Impacts**

Selling this lot to Angela Kent and Anthony Yannarell would eliminate ongoing property maintenance costs that are incurred by the CDBG Program and would provide CDBG program income for use in the City's affordable housing programs. If the sale is not approved, the property would remain in the City's land portfolio and the City would continue to incur maintenance costs.

### **Recommendations**

Staff recommends that the Urbana City Council approve the Ordinance authorizing the sale of the City-owned property to Angela Kent and Anthony Yannarell.

**Memorandum Prepared By:**



**Randy Burgett**

**Housing Rehabilitation Coordinator  
Grants Management Division**

**Attachments:**

1. Location Map – 107 East Oregon Street, Urbana
2. Proposal letter from Angela Kent and Anthony Yannarell
3. AN ORDINANCE AUTHORIZING THE TRANSFER OF CERTAIN REAL ESTATE  
(107 East Oregon Street)
4. Sales Contract
5. Warranty Deed



Angela Kent and  
Anthony Yannarell  
105 E. Oregon St.  
Urbana, IL 61801

July 12, 2011

City of Urbana,  
Grants Management Division  
400 S. Vine St.  
Urbana, IL 61801

Dear Sir or Madam:

This letter is in response to the Request for Proposals posted in the July 10, 2010 edition of the News Gazette and regarding the property at 107 E. Oregon St. in Urbana. We are the current occupants and owners of the adjacent property at 105 E. Oregon St., and we would like to purchase the property at 107 E. Oregon St. in order to expand our yard and gardens.

In purchasing this lot, we intend to add landscaping, turf, and flowerbeds to supplement those already present on our current property. Thus, in addition to improving the value of our own home, we believe that our intended use of the property will help maintain the West Urbana neighborhood aesthetic that we value so much.

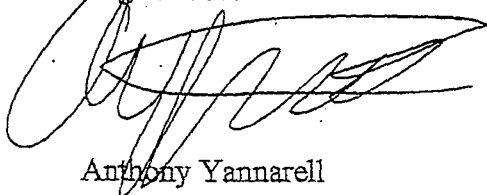
To this end, we propose to purchase the property at 107 E. Oregon St. for the sum of \$13,000. This sum includes the 2010 assessed value of the land (\$9040) and additional allowances for potential land value increase since the prior assessment and some of the costs that the City may have incurred in the maintenance of the property. We have arranged for financing of this amount through our credit union.

We are very pleased to have this opportunity, and we hope that we can work with you to find a mutually agreeable arrangement regarding this property. We look forward to hearing from you regarding this proposal.

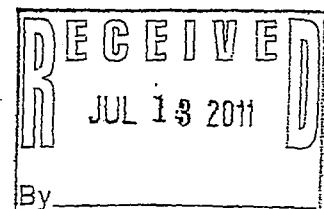
Sincerely,



Angela Kent



Anthony Yannarell



AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE

(107 East Oregon Street)

WHEREAS, pursuant to Subsection (b) of Section 2-118 of the Urbana City Code, any real estate now owned by the City may be sold in any manner prescribed by the City Council in an ordinance authorizing such sale; and

WHEREAS, the City is desirous of selling certain real property (the "parcel"), commonly known as 107 East Oregon Street, Urbana, Illinois, and legally described in Exhibit "A" attached hereto; and

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

WHEREAS, Angela Kent and Anthony Yannarell are desirous of purchasing said parcel; and

WHEREAS, after due publication of notice in accordance with Subsection (a) of Section 2-118 of the Urbana City Code, a regular standing Committee of the Whole of the City Council held a public hearing to consider the proposed sale on July 25, 2011; and

WHEREAS, the Mayor and City Council find that the best interests of the city are served by sale of the Subject Property to Angela Kent and Anthony Yannarell.

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

Section 1. The contract between the City of Urbana, Angela Kent and Anthony Yannarell, for a Real Estate Parcel located at 107 EAST Oregon Street, Urbana, Illinois, in substantially the form of the copy of said

contract attached hereto as Exhibit A, 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 and the City Clerk of the City of Urbana, be and the same is authorized to attest to said execution of said contract as so authorized and approved for an on behalf of the City of Urbana, Illinois.

Section 3. This Ordinance is hereby passed by the affirmative vote, the ayes and nays being called, of three-fourths of the members of the Council of the City of Urbana, Illinois at a regular meeting of said Council.

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

AYES:

NAYS:

ABSTAINS:

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

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

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

REAL ESTATE CONTRACT

This Contract made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as SELLER), and Angela Kent and Anthony Yannarell of 105 East Oregon Street, Urbana, IL (hereinafter referred to as BUYERS).

WITNESSETH

WHEREAS, SELLER is the owner of certain real estate as later more specifically described in this contract, and

WHEREAS, BUYERS desire to purchase said real estate on such terms and conditions as are provided for herein, and

WHEREAS, the parties agree upon the terms and conditions relating to the purchase of the property and now wish to reduce their agreement to writing.

NOW THEREFORE in consideration of the mutual promises and undertakings set forth in this contract, SELLER and BUYERS hereby agree as follows:

1. That legal title to the subject property is vested in SELLER. The persons executing this contract on behalf of the SELLER represents that they have full legal authority to sell the said property without requiring consent of the court.

2. SELLER agrees to sell and BUYERS agree to purchase the following described real estate located at:

DESCRIPTION OF REAL ESTATE:

The East Half of Lot 23 of Laban Littler's Addition to the Town, now the City of Urbana, as per Plat Book "T" at page 50, situated in Champaign County, Illinois.

PIN: 92-21-17-263-015

Commonly known as 107 East Oregon Street, Urbana, Illinois.  
(hereinafter referred to as Subject Property).

together with all improvements and appurtenances thereon upon the terms set forth in this contract.

3. BUYERS agrees to pay to SELLER the total sum of \$13,000 as purchase price, adjusted by proration and credits allowed the parties by this contract. This sum shall be paid to SELLER at closing by check issued to the City of Urbana.



4. SELLER shall deliver possession of the premises to BUYERS at the time of closing of this transaction, which shall be on or before the 1<sup>st</sup> day of September, 2011. Closing shall be at such place as the parties may agree.

5. It is understood and agreed that the SELLER previously razed the residential structures located on the subject property and therefore the BUYERS waive receipt of any lead paint disclosure statements, or other statements regarding the condition of the premises as otherwise required by law. BUYERS agree to accept Subject Property in its "as-is" condition, and SELLER disclaims all warranties express or implied as to the condition of Subject Property.

6. BUYERS or BUYERS' 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 recordable Deeds sufficient to convey the real estate to BUYERS or their nominee, in fee simple absolute, subject only to exceptions permitted herein. The deed shall be delivered to BUYERS at the closing of this transaction upon BUYERS' compliance with the terms of this Contract.

7. SELLER warrants that no contracts, or unpaid bills, 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.

8. 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 such taxes and special assessments shall constitute a credit to BUYERS against the purchase price, and shall release SELLER from any further liability to BUYERS in connection therewith.

9. Within a reasonable time, SELLER shall deliver to BUYERS 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 BUYERS' names for the amount of the purchase price. SELLER 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; 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 premises and which do not restrict reasonable use of the premises; existing mortgages to be paid by SELLER.

If title evidence discloses exceptions other than those permitted, BUYERS 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 closing. If SELLER is unable to cure such exception, then BUYERS shall have the option to terminate this contract.

10. Default.

(a) If BUYERS fail to make any payment or to perform any obligation imposed upon it by this Contract, SELLER may serve written notice of default upon BUYERS, and if such default is not corrected within ten (10) days thereafter, BUYERS 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 BUYERS; 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, BUYERS 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 and BUYERS 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. Any notice required under the contract to be served upon SELLER and BUYERS shall be in writing and addressed to the address provided below and shall be 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 offices of the attorneys and such information copies may be sent by facsimile transmission. Notice to or from one of multiple SELLER shall be effective as to all SELLER.

12. 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.

13. The time for performance of the obligations of the parties is of the essence of this Contract.

14. BUYERS may, at their own expense, obtain an environmental evaluation of the property and BUYERS' agent shall be granted access to the property for such purpose at all reasonable times. If any such environmental evaluation of the property indicates the existence of environmental concerns or a violation of environmental laws or regulations, and the BUYERS are unwilling to accept the property in its current condition, then the BUYERS shall have a right to terminate this agreement by written notice of such election delivered to the SELLER.

15. This Contract shall not be effective until signed by all parties and may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. This contract may contain more than one counterpart of the signature page, and this contract may be executed by the affixing of the signature of each of the parties to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one and they shall have the same force and effect as though all of the signers had signed a single signature page. A telefaxed or other electronic copy of a counterpart signature page shall be deemed for all purposes to be an original.

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

BY: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

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

BUYERS:

Angela Kent and Anthony Yannarell  
105 East Oregon Street  
Urbana, Illinois 61801

BY: \_\_\_\_\_  
Angela Kent

BY: \_\_\_\_\_  
Anthony Yannarell

WARRANTY DEED

THIS INDENTURE WITNESSETH, that the Grantor, THE CITY OF URBANA, ILLINOIS, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Illinois, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and pursuant to authority given by the City Council of the City of Urbana, Illinois, by virtue of Ordinance No. \_\_\_\_\_, CONVEYS AND WARRANTS to Angela Kent and Anthony Yannarell of Champaign County, Illinois, the following described real estate, to-wit:

DESCRIPTION OF REAL ESTATE

The East Half of Lot 23 of Labal Littler's Addition to the Town, now the City of Urbana, as per Plat recorded in Plat Book "T" at page 50, situated in Champaign County, Illinois, ;

PIN: 92-21-17-263-015;

More commonly known as 107 East Oregon Street,  
Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2011 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

IN WITNESSETH, said Grantor has caused its corporate seal to be affixed, and has caused its name to be signed to these presents by LAUREL LUNT PRUSSING, its Mayor, and attested by Phyllis D. Clark, its City Clerk, this \_\_\_\_ day of \_\_\_\_\_, 2011.

CITY OF URBANA, ILLINOIS

By: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

ATTEST:

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

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that LAUREL LUNT PRUSSING, personally known to me to be the Mayor of the City of Urbana, Illinois, the GRANTOR, and PHYLLIS D. CLARK, personally known to me to be the City Clerk of the City of Urbana, Illinois, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as Laurel Lunt Prussing, Mayor, and Phyllis D. Clark, City Clerk, they signed and delivered the said instrument and caused the corporate seal of the City to be affixed thereto, pursuant to authority given by the City Council of said City by virtue of Ordinance No. \_\_\_\_\_ as their free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Notary Public

Exempt under provisions of Paragraph 4, Section (e), Transfer Tax (35 ILCS 200/31-45

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Deed Prepared By:  
Jack Waaler, Special Council  
City Attorney's Office  
City of Urbana  
400 South Vine Street  
Urbana, Illinois 61801

Return Deed, Send Tax Bill To:  
Angela Kent and Anthony Yannarell  
105 East Oregon Street  
Urbana, Illinois 61801