



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Building Safety 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

**DATE:** February 6, 2014

**SUBJECT: A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN CHAMPAIGN COUNTY AND THE CITY OF URBANA CONCERNING INSPECTION OF CERTAIN PROPERTY AND FORECLOSURE ON A JUDGMENT LIEN**

---

#### **Description:**

On the agenda of the February 10, 2014, meeting of the Urbana Committee of the Whole is an Ordinance Authorizing the Mayor to Execute an Intergovernmental Agreement with Champaign County relating to the inspection of certain property and foreclosure on a judgment lien. The proposed agreements provides that the City of Urbana Building Safety Division inspection staff would provide limited inspection services for a building in Champaign County and the County agrees to represent the City in the County's larger effort to demolish certain property located outside the City and collect on a City judgment lien recorded against that property.

#### **Background & Discussion**

Several years ago, the City experienced significant problems with buildings owned by Bernardo and Eduardo Ramos and/or Osococo, Inc. ("Osococo"), a company owned by the Ramos's. During that time, Community Development Services cited the properties for violation of City Code and issued notices of fines against Osococo. The Legal Division sought to collect the fines and the City was awarded a judgment against Osococo to collect in the amount of \$5,000. A memorandum of judgment in favor of the City was recorded in the Office of the Recorder of Deeds, with liens attached in favor of the City against all properties owned by Osococo that are located in Champaign County. To date, no portion of the City's judgment has been paid. The City has liens in the amount of \$5,000 (together with interest at the judgment rate of 9% per annum from the date the judgment was entered) against all property owned by Osococo located in Champaign County.

Champaign County also experienced serious problems with a property owned by the Ramos's or Osococo located just south of the Town of Rantoul. Known as the Jones Building, this property is located adjacent to the small strip of property on which the City has a lien. This property is also adjacent to the Cherry Orchard Apartments which was cited for numerous health and safety violations by Champaign County and the Public Health District in 2010. The County is

concerned that the Jones Building presents a serious immediate threat to the life, health, and safety of persons in the surrounding area. The County plans to conduct an inspection and a structural evaluation of the building to determine whether it should be demolished. If demolition is needed, the County intends to undertake and complete the demolition at its own expense in accordance with law (55 ILCS 5/5-1121(a)).

Because the County does not have its own inspection department, it has requested assistance of the City for its building/housing inspectors to inspect and evaluate the building's condition. As part of the consideration for the City's cooperation, the County has offered the services of the State's Attorney's office to collect the City's judgment if the County proceeds with demolition process. To do this, the County would need to obtain a demolition lien, foreclose on said lien, and sell the property at or after a demolition lien foreclosure auction. The County has offered to tender some or all of the proceeds of such sale to reduce or payoff the City's judgment lien. It should be noted that there is a pending sale of Ramos' property elsewhere in Champaign County that may also serve as an opportunity for the City to collect on its lien. However, that action would be dependent on that sale being fully executed later in Spring 2014.

In addition to the provisions outlined above, City staff believe that it is important to offer mutual aid to other nearby agencies for the purposes of protecting the public, health, safety and welfare of residents. The City of Urbana administration have advocated in the past for Champaign County to adopt building and property maintenance codes, and providing technical assistance in this area helps to educate and encourage County officials to consider these functions.

In accordance with the Illinois Constitution of 1970 (Article VII, Section 10), the County and the City are authorized to enter into intergovernmental agreements providing for mutual and joint cooperation. The attached agreement outlines the services to be provided by the City building/housing inspection staff to assist the County in addressing this situation, and the services to be provided by the County. The County Board approved the agreement during its January 23 2014 meeting.

## **Options**

1. Approve the Resolution Authorizing Execution of the Intergovernmental Agreement.
2. Approve the Resolution with changes.
3. Do not approve the Resolution.

## **Fiscal Impacts**

There is no direct impact to the City budget as funds have been already been allocated for building inspection staff. If the County is successful with this process the City would receive some or all of the proceeds from the eventual sale of the property toward the judgment lien.

## **Recommendations**

Staff recommends Council approve the Resolution Authorizing Execution of the

Intergovernmental Agreement with Champaign County. In the interest of time, it is hoped that the City Council would be able to accept the agreement without necessitating the need to return to Champaign County for modifications.

---

Prepared by John Schneider  
Building Safety Manager

Cc: Joel Fletcher, Champaign Co. State's Attorney's Office  
John Hall, Champaign County Planning and Zoning

**Attachments:**

1. A Resolution Authorizing the Execution of an Intergovernmental Agreement Between Champaign County and the City of Urbana Concerning Inspection of Certain Property and Foreclosure on a Judgment Lien
2. Intergovernmental Agreement between Champaign County and the City of Urbana.

RESOLUTION NO. 2014-02-014R

**A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN CHAMPAIGN COUNTY AND THE CITY OF URBANA CONCERNING INSPECTION OF CERTAIN PROPERTY AND FORECLOSURE ON A JUDGMENT LIEN**

**WHEREAS**, Section 10 of Article VII of the Illinois Constitution of 1970 and the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, authorize intergovernmental cooperation in any manner not prohibited by law or by ordinance; and

**WHEREAS**, the City Council finds that the best interests of the City are served by approving an intergovernmental agreement between the City of Urbana and Champaign County concerning inspection of certain property and foreclosure on a judgment lien.

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

Section 1.

An Agreement between the City of Urbana and Champaign County concerning inspection of certain property and foreclosure on a judgment lien, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated 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 and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

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

**PASSED BY THE CITY COUNCIL** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

**INTERGOVERNMENTAL AGREEMENT BETWEEN CHAMPAIGN COUNTY  
AND THE CITY OF URBANA RELATING TO INSPECTION OF CERTAIN  
PROPERTY AND FORECLOSURE ON A JUDGMENT LIEN**

**THIS INTERGOVERNMENTAL AGREEMENT** is made by and between the City of Urbana (“Urbana”); and the County of Champaign, Illinois, (“County”).

**WHEREAS**, pursuant to Article VII, Section 10 of the Illinois Constitution of 1970, and 5 ILCS 220/1, et seq., the parties to this contract are authorized to enter into an intergovernmental agreement;

**WHEREAS**, the Champaign County Board is authorized to demolish, repair, or enclose, or cause the demolition, repair, or enclosure of dangerous and unsafe buildings within the territory of the County but outside the territory of any municipality, and may remove or cause the removal of garbage, debris, and other hazardous, noxious, or unhealthy substances or materials from those buildings. 55 ILCS 5/5-1121(a).

**WHEREAS**, Urbana staff has expertise that would be useful to the County in determining whether and how to exercise this power with respect to certain property described in Attachment A (“subject property”).

**WHEREAS**, both the County and Urbana wish to promote the welfare of the residents of the County by ensuring the County has accurate information about possible risks to its residents.

**WHEREAS**, Urbana holds a judgment lien in the amount of \$5,000.00 which has been entered in Champaign County Cause 2010-OV-1180 (“judgment lien”) against all property in Champaign County owned by Osococo, Inc. (“Osococo”), an entity which may hold property interests in the subject property.

**NOW, THEREFORE**, it is agreed as follows:

1. Urbana will make available the services of a qualified building inspector to perform at least one, but no more than three, inspections on the subject property, including any structures thereon, and to testify truthfully, as needed, in any legal proceedings relating to the appropriateness of any demolition or repair of said property, removal of debris from said property, or the recovery of costs for such work performed on said property.
  - a. Within ten days after any inspection, the Urbana inspector shall provide the County a written report describing any dangerous or unsafe conditions, if any, on the subject property.
  - b. Urbana warrants that this inspector, at the time of each such inspection, is a salaried employee of Urbana whose compensation will not vary based on the truthful content of the report.
2. Subject to the approval of the State's Attorney, the County shall provide legal services, and appear as counsel on behalf of Urbana, as needed, to foreclose on the judgment lien as to any legal interest which Osococo may have in the subject property, if and when the County initiates action under 55 ILCS 5/5-1121(b) or 55 ILCS 5/5-1118 to foreclose on any demolition or debris removal lien on the subject property, and if said foreclosure would not otherwise extinguish the interest of Osococo in the subject property. If the County forecloses on the interest of Osococo in the subject property, it shall remit to Urbana all proceeds of the foreclosure on this interest under 735 ILCS 5/15-1512(c), subject to deductions for reasonable non-labor costs. Nothing in this

paragraph shall: (1) compromise the right of the County to compensation for any demolition and debris removal liens on the subject property; (2) oblige the County to foreclose on Osococo's interest in the subject property should it file no other foreclosure action on the subject property; or (3) oblige the County to seek foreclosure of any interest in property other than the subject property.

3. Nothing in this agreement shall bar Urbana from using its own legal staff to initiate an action to foreclose on its judgment lien. If and when it chooses to do so, Urbana shall provide written notice to the County, and the County will have no further obligations under Paragraph 2.

4. This agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which, taken together, shall constitute one and the same agreement. It is effective as of the last date signed.

**SO AGREED**, this \_\_\_\_\_ day of February, 2014.

URBANA

CHAMPAIGN COUNTY BOARD

By: \_\_\_\_\_

By: \_\_\_\_\_  
County Board Chair

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_  
County Clerk

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

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

## ATTACHMENT A

### **Tract 1:**

Part of the Southwest Quarter of the Southwest Quarter of Section 15, Township 21 North, Range 9 East of the Third Principal Meridian, described as follows:

Commencing at the Southwest corner of Section 15, Township 21 North, Range 9 East; thence Northerly along the West line of Section 15, Township 21 North, Range 9 East, 216.82 feet; thence Easterly and parallel with the South line of Section 15, Township 21 North, Range 9 East, 55.0 feet to the True Point of Beginning; thence continuing Easterly and parallel with the South line of Section 15, 178.17 feet; thence Northerly and parallel with the West line of Section 15, 122.24 feet; thence Northerly and parallel with the West line of Section 15, 122.24 feet; thence Westerly and parallel with the South line of Section 15, 178.17 feet; thence Southerly and parallel with the West line of Section 15, 122.24 feet to the Point of Beginning, in Champaign County, Illinois.

### **Tract 2:**

Part of the Southwest Quarter of the Southwest Quarter of Section 15, Township 21 North, Range 9 East of the Third Principal Meridian, described as follows:

Commencing at the Southwest corner of Section 15, Township 21 North, Range 9 East; thence Northerly along the West line of Section 15, 339.06 feet; thence Easterly and parallel with the South line of Section 15, 55.0 feet for a True Point of Beginning; thence continuing Easterly and parallel with the South line of Section 15, 178.17 feet; thence Northerly and parallel with the West line of Section 15, 122.24 feet; thence Westerly and parallel with the South line of Section 15, 178.17 feet; thence Southerly and parallel with the West line of Section 15, 122.24 feet to the Point of Beginning, in Champaign County, Illinois.

Commonly known as 1518B CR 2700N, Rantoul, Illinois 61866. The Real Property tax identification numbers are 20-09-15-300-001 and 20-09-15-300-002.

### **Tract 3:**

A non-exclusive right-of-way easement for the benefit of Tract1 and Tract 2 over and upon, and with the right to construct and maintain a roadway thereon, traverse, travel upon, across, and use for road purposes, a strip of land described as follows:

Outlot "A" of Prairie Junction Subdivision, as per Plat recorded in Plat Book "CC" at Page 64, situated in Champaign County, Illinois.