



## 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

**DATE:** February 19, 2015

**SUBJECT: AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (908 East Oregon Street, Urbana, Illinois)**

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### **Description**

Included on the agenda of the February 23, 2015 meeting of the Urbana City Council Committee of the Whole is an Ordinance authorizing the sale of the City-owned property located at 908 East Oregon Street, which is currently a vacant lot, to Maron Keith Harris, Hearthstone Homes. Mr. Harris has intentions of constructing a new single family home at this location.

### **Issues**

The issue is whether the Urbana City Council should approve the Ordinance authorizing the sale of the City-owned property to Maron Keith Harris.

### **Background**

The City began working with the previous owner of this dilapidated property in 2010. The owner was not able to financially make repairs to render the house safe and livable and the mortgage holder started the foreclosure process. The City subsequently condemned the property and the owner vacated the home.

City staff then worked with the owner and lenders' representatives to request that they either make the necessary repairs or demolish the home. The home was secured by the lender and a property management company was hired to care for the property during the foreclosure process. In June 2012, the City secured a court ordered demolition judgment and had the property demolished and a lien placed on the property for \$8,038.17. The lender cancelled the foreclosure process and released the mortgage to the owner. The City Legal division worked with the owner to purchase the property for \$4,000.00 in April 2013.

In October 2014, staff received an inquiry from Mr. Harris about the possible purchase of the property with intentions of constructing a new single family home. The subject buildable lot is

51 feet by 117 feet. On December 29, 2014, Mr. Harris made a written offer to purchase the property for \$12,500. Staff contacted a Champaign County Realtor to perform a Comparative Market Analysis for the property. The results of the analysis confirmed that the offer was in line with the analysis. A contract for sale was generated and signed by Mr. Harris pending Urbana City Council approval. The Notice of Public Hearing was published on February 1, 2015 in accordance with Urbana City Code to consider the proposed sale of the property.

## **Options**

1. Approve the Ordinance authorizing the sale of 908 East Oregon Street to Maron Keith Harris.
2. Approve the Ordinance authorizing the sale of 908 East Oregon Street to Maron Keith Harris with amendments to the contract.
3. Do not to approve the Ordinance and provide further direction to staff.

## **Fiscal Impacts**

Selling this lot to Maron Keith Harris would eliminate ongoing property maintenance costs that are incurred by the City and would reimburse the City for its purchase and demolition costs. The construction of a new single family home on the lot would also provide neighborhood stabilization and add another property back onto the tax roll.

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 associated with the property.

## **Recommendations**

Staff recommends that the Urbana City Council approve the Ordinance authorizing the sale of the City-owned property to Maron Keith Harris.

**Memorandum Prepared By:**

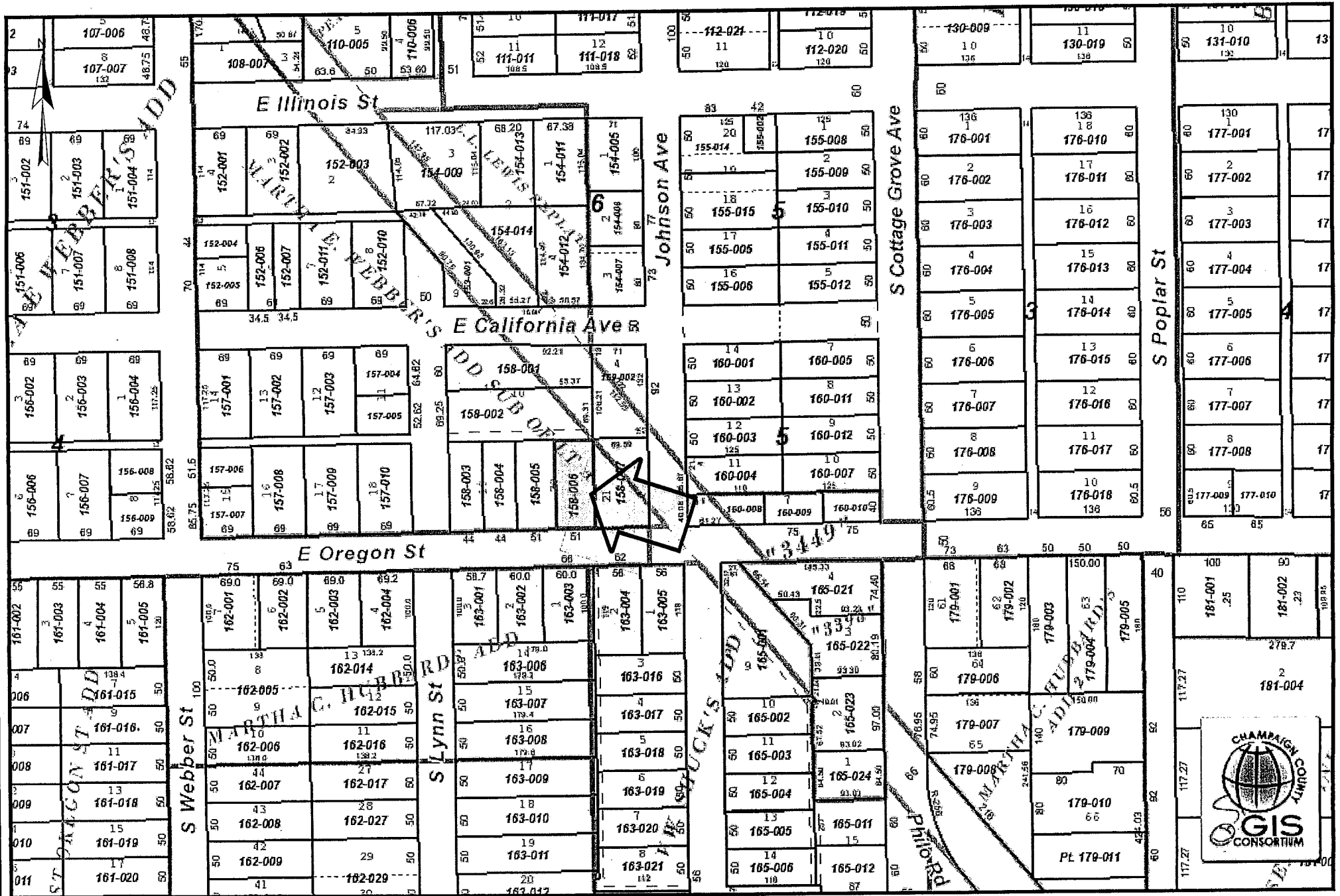
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**Randy Burgett**  
**Housing Rehabilitation Coordinator**  
**Grants Management Division**

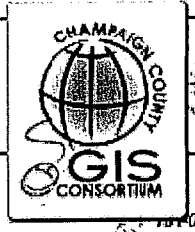
## **Attachments:**

1. Location Map – 908 East Oregon Street, Urbana
2. Proposal letter from Maron Keith Harris
3. AN ORDINANCE AUTHORIZING THE TRANSFER OF CERTAIN REAL ESTATE (908 East Oregon Street)
4. Sales Contract

# GIS Webmap Public Interface Champaign County, Illinois

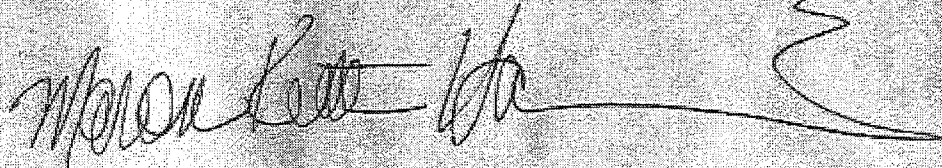


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I, Maron Keith Harris, would like to purchase 908 E. Oregon in Urbana, Illinios at the purchase price of \$12,500. This Lot will be used for the construction of a single family home in the near future.

Maron Keith Harris, Hearthstone Homes.

A handwritten signature in cursive script, appearing to read "Maron Keith Harris", followed by a long horizontal line that ends in a stylized, wavy flourish.

ORDINANCE NO. 2015-02-019

**AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE**

(908 East Oregon Street)

WHEREAS, Subsection (a) of Urbana City Code Section 2-118 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 City Council desires to sell the real estate commonly known as 908 East Oregon Street to Maron Keith Harris; 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; and

WHEREAS, after due publication of notice in accordance with Urbana City Code Section 2-118(a), a regular standing Committee of the Whole of the City Council held a public hearing to consider the proposed sale on February 23, 2015; and

WHEREAS, the City Council finds that the best interests of the City are served by the sale of the said real estate to Maron Keith Harris.

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

Section 1.

The sale of the real estate commonly known as 908 East Oregon Street in Urbana, Illinois, and legally described below, substantially on such terms as contained in the Real Estate Sale Agreement attached hereto and incorporated herein, is hereby approved:

The East Half of Lot 20 of a Subdivision of Lot "A" of Martha E. Webber's Addition to Urbana, as per plat recorded in Book "B" at page 145, in Champaign County, Illinois.

Permanent Parcel Number 92-21-16-158-006

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 Real Estate Sale Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

Section 3.

The Mayor of the City of Urbana, Illinois, or her designee, be and hereby is

authorized to perform all acts necessary on behalf of the City of Urbana to effectuate the sale of the real estate.

Section 4.

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

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of three-fourths of the corporate authorities (6 of 8 votes) of the City of Urbana, Illinois, at a meeting of said corporate authorities.

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

## REAL ESTATE SALE AGREEMENT

This agreement is made between the CITY OF URBANA, an Illinois municipal corporation (the "Seller"), and MARON KEITH HARRIS (the "Buyer") and is effective on the last date signed by a party hereto. The parties agree as follows:

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

908 East Oregon Street, Urbana, Illinois 61801-4407  
Permanent Index Number: 92-21-16-158-006

Legally described as follows:

The East Half of Lot 20 of a Subdivision of Lot "A" of Martha E. Webber's Addition to Urbana, as per plat recorded in Book "B" at page 145, in Champaign County, Illinois.

2. **Payment.** The Buyer shall pay to the Seller at closing the sum of \$12,500, minus credits and prorations, as provided in this agreement.

3. **Deed.** The Seller shall convey said Property to the Buyer by a good and sufficient Warranty Deed, subject only to those exceptions listed in Paragraph 4(B).

4. **Evidence of title.**

A. As evidence of title, the Seller shall deliver to the Buyer a copy of the title insurance policy issued to the Seller in connection with its acquisition of the Property. The Seller warrants that it has done nothing to encumber the Property since its acquisition of the Property.

B. 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 Property; existing mortgages to be paid by the Seller at closing.

C. If title evidence discloses exceptions other than those permitted, the Buyer shall give written notice of such exceptions to the Seller within a reasonable time. The 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 the Seller is unable to cure such exception, the Buyer may terminate this agreement.

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

April 13, 2015, at the Urbana City Building, 400 S. Vine Street, Urbana, Illinois, 61801, or at such other place as the parties may agree.

7. **Encumbrances.** The 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 warrants that there are not and will not at the time of the closing be any unrecorded leases or contracts relating to the property.

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

9. **Environmental disclosure.** The Seller warrants 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. If the Buyer becomes aware of the existence of any environmental concern or violation of any environmental law or regulation not previously disclosed at any time prior to closing which affects either the value of the Property or its use for a commercial or residential purpose, the Buyer shall notify the 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 Buyer shall have the right to terminate the contract by written notice to the Seller.

10. **Default.**

- A. If the Buyer fails to make any payment due to the Seller under this agreement or fails to perform any acts required by this agreement by the due date thereof, the Seller may, at its option by written notice, demand that said defaults be cured within ten (10) days. If said defaults are not cured within ten (10) days from said notice, the Seller may take one or more of the following actions: re-sell the Property to another buyer; maintain a claim for monetary damages for breach of contract; maintain a specific performance action against the Buyer; and maintain any other different remedy allowed by law.
- B. In the event of the Seller's default, the Buyer 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 the Seller; and maintain any other or different remedy allowed by law.
- C. If either party defaults in any of its obligations under this agreement, the party not in default will be entitled to recover its costs and attorneys' fees caused by the other's default from the defaulting party.

11. **Notices.** All notices required or permitted by this agreement shall be in writing and shall be addressed as set forth below. Notices will be deemed given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier.



12. **Condition of property.** Except as provided in Paragraph 9 (Environmental disclosure), 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.

13. **Execution and counterparts.** This agreement 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 agreement, the person executing it as Seller covenants that he or she is the duly authorized agent of the record owner of the Property and has full power and authority to so execute and deliver this agreement.

14. **City Council approval.** This agreement will be valid only after its approval by resolution or ordinance of the Seller's City Council.

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

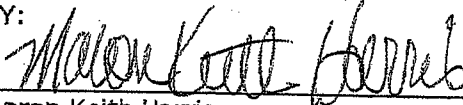
Buyer

Maron Keith Harris  
413 North Abbey Road  
Urbana, Illinois 61802-2270

Seller

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

BY:

  
\_\_\_\_\_  
Maron Keith Harris

1/20/15  
\_\_\_\_\_  
Date

BY:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
Attorney for Buyer

ATTEST:

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney  
Ordinance No. 2015-