



EXECUTIVE DEPARTMENT

TO: Mayor Laurel Prussing and Members of the City Council

FROM: Michael Monson, Mayor's Chief of Staff

DATE: July 16, 2015

RE: Resolution to Authorize Execution of an Amendment to Contract for Real Estate Purchase (Barnes Mobile Home Park).

Introduction and Background

On July 6, the final remaining resident of the Barnes Mobile Home Park was moved to another mobile home park in Champaign, completing the successful relocation of nine households over a period of 11 months. The city council set aside \$50,000 in Social Service funds in June 2014 to assist in the relocation of the residents, and approximately \$28,000 of that amount was spent assisting residents, including paying for moving costs, rental deposits, application fees and, in a few cases, providing used furniture or appliances to help them set up their new households.

Four of the households were relocated to other mobile home parks in the Urbana-Champaign area; one family moved out on their own and sold their trailer to the city; and four residents were awarded and used federal Housing Choice (formerly known as Section 8) vouchers issued by the Housing Authority of Champaign County to move into rental homes or apartments.

The contract for sale of real estate between the city and the current owner of Barnes, the Weisiger Family Trust, called for the mobile home park to be clear of all mobile homes and other existing residential buildings and personal property by June 30, 2015, or else the contract would automatically become null and void. Because the last resident only began taking steps to move in late June, the June 30 deadline was not met.

Description

Both the city and representatives of the Weisiger Family Trust want to complete the sale of the property for the original terms, \$113,000, approved by the city council on Dec. 20, 2013. The attached amendment to the contract for sale would extend the deadline for clearing the site to Oct. 15, 2015, with a closing to occur within 30 days after the site is fully cleared. The site is mostly cleared and it's possible a closing could occur as soon as August, but the longer deadline leaves extra time in case of any unanticipated delays.

Fiscal Impact

As mentioned above, the purchase price would remain \$113,000 and the city spent roughly \$28,000 assisting residents in relocating. Considerable staff time was also spent helping residents explore housing

options and arranging for moves. Money to pay for the purchase of the park is included in the fiscal 2016 budget.

Options:

1. Approve the Resolution authorizing purchase of the Barnes property. This would allow the Public Works Department to absorb the property and eventually extend its outdoor storage yard to include the mobile home park property.
2. Not approve the amendment. The sale of the property would not go through

Recommendation:

It is recommended that a Resolution to Authorize Execution of an Amendment To Contract For Real Estate Purchase be approved.

RESOLUTION NO. 2015-07-037R

**A RESOLUTION TO AUTHORIZE EXECUTION OF AN
AMENDMENT TO CONTRACT FOR REAL ESTATE PURCHASE**

**(City's Purchase of Barnes Mobile Home Park Property
Between City of Urbana and the Weisiger Family Trust)**

WHEREAS, the City of Urbana ("City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health, safety, and welfare; and

WHEREAS, from time to time, the City Council deems it necessary and appropriate for the City to purchase or sell certain real estate in furtherance of its governmental functions and operations; and

WHEREAS, on or about December 20, 2013, the City and the Weisiger Family Trust Under Agreement Dated January 2nd, 1987 (hereinafter, "Seller") (collectively, the "Parties") entered into and executed a Contract for Sale of Real Estate (hereinafter, "Agreement") concerning certain real property commonly known as 610 S. Glover Avenue, Urbana, Illinois as more fully described in the Agreement and Exhibit A appended to the Agreement (hereinafter, the "Property");

WHEREAS, the Agreement provided, *inter alia*, that Seller shall be responsible for clearing all leases and tenancies of any kind, the residential building located on the Property, and all above ground manmade objects excepting only concrete pads located on the Property; and

WHEREAS, the Parties agreed, *inter alia*, that a closing on the sale of the Property to the City shall occur on or before June 30, 2015; and

WHEREAS, the Parties further agreed, *inter alia*, that should Seller fail to remove all the structures on the Property as described in the Agreement on or before June 30, 2015, the Agreement shall automatically become null and void; and

WHEREAS, due to efforts to relocate residents of certain mobile homes located on the Property from their then-residences to residences located off the property that extended beyond June 30, 2015, the Parties were unable to close on the sale and purchase of the Property as provided in the Agreement; and

WHEREAS, there still remains on the Property certain manmade structures that the Seller is obligated to remove prior to closing on the sale of the Property to the City; and

WHEREAS, the Parties wish to extend the aforesaid removal date and closing in light of the Seller and City's efforts and difficulties in relocating residents with mobile homes on the Property.

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

Section 1. The Mayor shall be and hereby is authorized to enter into and execute on behalf of the City of Urbana an Amendment to Contract for Sale of Real Estate in substantially the form as appended hereto.

Section 2. That the Mayor shall be and hereby is authorized to undertake such other actions as are necessary to carry out the purpose and intent of this Resolution.

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

AMENDMENT TO CONTRACT FOR SALE OF REAL ESTATE

This Amendment to Contract for Sale of Real Estate (hereinafter, "Amendment") is entered into this ___ Day of _____, 2015 by and between the Weisiger Family Trust Under Agreement Dated January 2nd, 1987 (hereinafter, "Seller") and the City of Urbana, a municipal corporation (hereinafter, "City") (collectively, the "Parties").

WHEREAS, on or about December 20, 2013, the Parties entered into and executed a Contract for Sale of Real Estate (hereinafter, "Agreement") concerning certain real property commonly known as 610 S. Glover Avenue, Urbana, Illinois as more fully described in the Agreement and Exhibit A appended to the Agreement (hereinafter, the "Property");

WHEREAS, the Agreement provided, *inter alia*, that Seller shall be responsible for clearing all leases and tenancies of any kind, the residential building located on the Property, and all above ground manmade objects excepting only concrete pads located on the Property; and

WHEREAS, the Parties agreed, *inter alia*, that a closing on the sale of the Property to the City shall occur on or before June 30, 2015; and

WHEREAS, the Parties further agreed, *inter alia*, that should Seller fail to remove all the structures on the Property as described in the Agreement on or before June 30, 2015, the Agreement shall automatically become null and void; and

WHEREAS, due to efforts to relocate residents of certain mobile homes located on the Property from their then residences to residences of the property which extended beyond June 30, 2015, the Parties were unable to close on the sale and purchase of the Property as provided in the Agreement; and

WHEREAS, there still remains on the Property but for which Seller shall remain responsible for removing certain manmade structures including, but not necessarily limited to one or more residential structures and utilities which service or serviced the one or more residential structures; and

WHEREAS, the Parties wish to extend the aforesaid removal date and closing in light of the Seller and City's efforts and difficulties in relocating residents with mobile homes on the Property.

NOW for good, valuable and mutual consideration with each Party has in hand received and for the exchange of the mutual covenants, terms and conditions contained herein, the Parties agree as follows:

1. Except as hereinafter provided, all covenants, terms and conditions contained in the Agreement shall remain in full force and effect.

2. Paragraph 3 of the Agreement shall be and hereby is stricken in its entirety and the following covenants, terms and conditions shall be substituted therein and shall be binding upon the Parties.

Seller has terminated any and all leases of and tenancies on the Property and any part thereof. The City has undertaken its due diligence in investigating any environmental concerns it may have had and hereby waives its right to terminate the Agreement on grounds of the existence of environmental concerns. Notwithstanding the immediate foregoing, the City retains its right to terminate the Agreement should it find that, following completion of the City's environmental due diligence (including the City's Environmental Site Assessment Report dated January 28, 2014), Seller has caused, created, or allowed to occur any environmental condition which, if present at the time of the City's heretofore due diligence would have been grounds for the City to terminate the Agreement. In the event that the City discovers or finds that an unacceptable environmental condition has been caused, created or allowed to occur by Seller since the date the City completed its environmental due diligence, the City will have the right to either compel Seller to remediate the said unsatisfactory and unacceptable environmental condition or terminate the Agreement and this Amendment thereto.

3. Paragraph 5 of the Agreement shall be and hereby is stricken in its entirety and the following covenants, terms and conditions shall be substituted therein and shall be binding upon the Parties.

Seller shall give possession of the premises to the City at the time of closing of this transaction at the offices of the title company that issued the title commitment as provided for in Paragraph 9 below, or such other place as the Parties may agree. Closing shall be at a time and date mutually agreed upon to occur within thirty (30) days after the Property is free and clear of (a) all leases and tenancies of any kind and of whatever nature; (b) any and all residential structures and any and all above ground manmade objects excepting concrete pads; (c) all above ground utility equipment; and (d) all personal property of any lessee, tenant or resident of or on the Property. If the Property is not free and clear of all the immediate foregoing by October 15, 2015, this Agreement shall automatically become null and void without any further action by either party unless otherwise agreed to in a writing executed by the Parties.

4. Paragraph 9 of the Agreement shall be amended to provide:

Seller shall update any Commitment for Title Insurance which may have heretofore been provided by Seller to the City. Such Commitment for Title Insurance shall be tendered to the City at least seven (7) days prior to the date the Parties schedule for the closing.

5. The City may and is hereby authorized, in its sole discretion, to file in the appropriate real estate records, either a copy of the Agreement and this Amendment and an appropriate memorandum of the existence of the Agreement and this Amendment which identifies the Property, the City, and which provides a brief description of the Agreement and this Amendment.

6. This Amendment may be amended or otherwise modified only in a writing executed by the Parties hereto.

7. This Amendment shall not become effective unless and until it has been approved by the City Council for the City of Urbana. This Amendment shall become effective upon the later date of the City Council for the City of Urbana approving the same or the date of when the last Party hereto executes the same.

FOR SELLER:

FOR CITY OF URBANA, ILLINOIS:

By: Mary E. West
Title: WFO Temporary Trustee

By: _____
Laurel Lunt Prussing, Mayor.

Dated: July 9, 2015

Dated: _____

Attested to: _____
Phyllis Clark, City Clerk.

CONTRACT FOR SALE OF REAL ESTATE

The Weisiger Family Trust Under Agreement Dated January 2nd, 1987 (hereinafter "Seller") and the City of Urbana, a municipal corporation (hereinafter "City"), have reached an agreement regarding the sale of the parcel commonly known as 610 S. Glover Avenue, Urbana, Illinois, (See attached Exhibit A) which agreement accommodates the concerns of the parties that at closing the parcel be free of all above ground improvements, personal property, tenancies and totally cleared of any and all manmade objects excepting only concrete pads, and the Seller's concern that actual possession be delayed for the time necessary for Seller to provide all notices to interested parties as required by law once consummation of the contract is assured. The parties desire to reduce their agreement to writing and therefore it is agreed as follows:

1. Seller agrees to sell and City agrees to purchase the following described real estate located at 610 S. Glover Avenue, Urbana, Illinois, 61802 with legal description as follows:

Lot Thirteen (13) of Archie J. Hartle's First Subdivision, as per plat recorded in Plat Book "F" at Page 87, situated in the City of Urbana, Champaign County, Illinois, and bears the PIN number of 92-21-16-182-006.

2. City agrees to pay to Seller the total sum of One Hundred Thirteen Thousand and 00/100 (\$113,00.00), minus the proration and credits allowed by the parties in this contract which amount then shall be paid to Seller at closing.

3. There are threshold concerns of each party: (1) the Seller does not want to terminate existing tenancies unless and until the City confirms its decision to consummate the purchase of the subject parcel, and (2) the City is unwilling to confirm its intent to purchase the subject parcel without first performing its due diligence in investigating any environmental concerns and therefore it is agreed that the City has the right to terminate this contract after considering the results of an Environmental Audit. It is thus agreed that within sixty (60) days of the effective date of this contract, the City will, at its sole expense, obtain an Environmental Audit Report of

the subject parcel and within sixty (60) days of obtaining the report of such an Environment Audit, will advise Seller in writing that either: (1) The City confirms, in writing, its decision to consummate the purchase or (2) The City gives written notice to the Seller that the City is terminating this agreement. It is agreed that the Environmental Audit is the proprietary property of the City and its contents will not be revealed except with the express written consent of the City.

4. Environmental Audit and Disclosure.

(a) The City's agent or agents shall be granted access to the property for environmental inspections at all reasonable times. City shall also be entitled to conduct a Phase II environmental audit of the Property, at its own option and expense.

(b) The Seller shall disclose to the City any and all information known to the Seller, whether oral or written, of any environmental condition or contamination which may affect the marketability or usability of the Property. Such disclosure shall include, but not be limited to, any notice or inquiry made to or received from, the Illinois Environmental Protection Agency, the United States Environmental Protection Agency, the State Fire Marshal's Office, the Illinois Department of Public Health, or any other local, state or federal agency in regard to any hazardous condition, industrial process, or use of chemicals on or about the Property or any business operating thereon. The Seller shall provide an affirmative declaration to the City 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.

(c) If the City becomes aware of the existence of any environmental concern or violation of any environmental law or regulation other than disclosed in the Environmental Audit at any time prior to closing which affects either the value of the Property or its use for the City's Public Works Department, City shall notify 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 City shall have the right to terminate the agreement by written notice to the Seller.

5. Seller shall give possession of the premises to City at the time of closing of this transaction at the offices of the title company that issued the title commitment as provided for in paragraph nine below, , or such other place as the parties may agree. Closing shall be at a time and date mutually agreeable to occur within thirty (30) days after the subject property is free and clear of all leases and tenancies of any kind, the existing residential building, and any and all above ground manmade objects excepting only concrete pads. If the property is not free and

clear of all mobile homes, and existing residential building and personal property of tenants and Seller by _____, 20_____, this contract shall automatically become null and void.

6. Deed of Conveyance. The City's attorney shall promptly advise Seller's attorney of the desired form of deed. As soon as practicable thereafter, Sellers' attorney shall prepare and Sellers shall execute a recordable Warranty Deed sufficient to convey the real estate to City, in fee simple absolute, subject only to exceptions permitted herein. The deed shall then be held by the Seller's attorney, as escrow agent for both parties. The deed shall be delivered to City at the closing of this transaction upon City's compliance with the terms of this Contract.

7. Encumbrances. 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 warrant that there are not and will not at the time of the closing be any unrecorded leases or contracts relating to the property, including the existing residential building.

8. Taxes, Assessments and Notices. 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. Transfer tax and all special assessments which are a lien upon the real estate as of the date of this Contract shall be Seller's expense. All such taxes and special assessments shall constitute a credit to City against the purchase price, and shall release Sellers from any further liability to City in connection therewith. The Seller expressly warrant that Seller has received no notice from any city, village or other governmental authority of a current dwelling code or other ordinance violation or pending rezoning, reassessment, or special assessment proceeding affecting the premises.

9. Evidence of Title. Within a reasonable time, Seller shall deliver to City 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 a company to issue a policy in the usual form, including ALTA coverage, insuring title to the real estate in City's name for the amount of the purchase price as of the date of closing. Seller shall be responsible for payment of the owner's premium and Seller's search charges, including any update costs. The balance of the costs of providing title insurance for City shall be borne by City. The title company fee for closing service shall be paid by the parties in equal shares.

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 premises; existing mortgages to be paid by Seller at closing.

If title evidence discloses exceptions other than those permitted, City 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 of closing. If Seller is unable to cure such exception, then City shall have the option to terminate this contract. The title insurance commitment shall be updated ten (10) days in advance of the closing date.

10. Default.

(a) If City fails to make any payment or to perform any obligation imposed upon them by this Contract, Seller may serve written notice of default upon City, and if such default is not corrected within ten (10) days thereafter, City is 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 City; and maintain any other different remedy allowed by law.

(b) In the event of the failure of Seller to perform the obligation imposed upon them by this Contract, City 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 of and City 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.

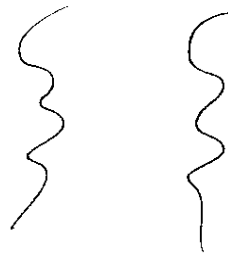
(e) Default by any party to this Contract shall also entitle the non-defaulting party to reasonable costs, attorney's fees and expenses incurred by reason of the default (breach) of this contract.

11. (a) All notices to the City shall be addressed as follows:

Public Works Director
City of Urbana
400 South Vine Street
Urbana, IL 61801

(b) All notices to Seller shall be addressed as follows:

Weisiger Family Trust, c/o Mary West, Temporary Trustee, P.O. Box 301, Urbana, IL 61803.



(c) All notices provided for herein shall be deemed to have been duly given, if and when deposited in the U.S. Mail, postage prepaid and addressed to the Seller at the above listed address, or when delivered personally to such party.

12. The City may and is hereby authorized to file in the appropriate real estate records, either a copy of this Contract or an appropriate memorandum of the existence of this Contract, identifying the Real Estate, the Seller, the City and a brief summary of this contract.

13. Execution and Counter Parts. This Contract 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 contract, the persons executing it as Seller covenant that they are

the record owners of the Real Estate, and all of the record owners thereof, and have full power and authority to so execute and deliver this Contract.

14. This Contract shall not be effective unless and until it has been approved by the Urbana City Council.

This Contract is made as of the date of the last to execute of the parties hereto, which date then is the "Effective Date".

Seller: Weisiger Family Trust

City: The City of Urbana
Champaign County, Illinois

BY: Mary E. West
Title: Temporary Trustee

BY: _____
Laurel Lunt Prussing, Mayor

Dated: October 30, 2013

Dated: _____



EXHIBIT A