

CITY OF WASHINGTON, ILLINOIS City Council Agenda Communication

Meeting Date: November 7, 2022

Prepared By: Jon Oliphant, AICP, Planning & Development Director

Agenda Item: First Reading Ordinance - W. Holland/S. Wood Purchase and Sale Agreement

Explanation: The City undertook a Special Assessment project in 1996 to reconstruct S. Wood Street.

As part of that project, the City approved a real estate swap agreement with American Allied Railway Equipment Company (now Alliance Wheel Services—AWS) where the City received land on S. Wood and W. Holland in order to allow for right-of-way to be dedicated and for the construction to occur. In exchange, American Allied received the western 25' of width of a 50'x107' property the City owned at the intersection of S. Wood and W. Holland Street. The City retained ownership of the eastern 25' of width of that parcel. ROW was dedicated on the American Allied piece but it does not appear to have been dedicated on the City's parcel, though GIS does show ROW on it. Two maps showing this area are attached. Also attached are the two plats included in the 1996 agreement.

Staff received a complaint in 2020 about the need to mow the property at the corner of S. Wood and W. Holland. It appears that the prior owner/tenant of the neighboring property at 209 W. Holland had been maintaining the property for many years and as a result, our staff was not aware of the ownership situation. There are no utilities within the property and there does not appear to be a public need to retain ownership. Neither of the 25' wide lots are buildable. There was some question as to the ownership of the eastern 25' in width. However, a title search completed does show that the City has continued to retain ownership.

The 209 W. Holland owner, Justin Bay, expressed interest in purchasing it in order to expand a single-car garage. An appraisal was previously completed that established a fair market value of \$1,200. Per state statute, the City cannot sell the property for less than 80% of its appraised value. The Council approved a resolution on September 6 that declared the property as surplus and authorized its sale, which was a necessary step to allow for its sale. While AWS understands that its lot is not buildable, it has indicated an interest in retaining ownership of the western 25' of width.

Please note that because of the prior question about the ownership, this agreement is between the City and AWS at the recommendation of the City Attorney to resolve any title dispute. The property would then be conveyed to Mr. Bay in a separate transaction that would not involve the City.

Fiscal Impact: The offer received from AWS is for \$960, which is 80% of its appraised value. The closing would occur within 90 days following approval of the agreement.

Action Requested: Approval of the attached purchase and sale agreement. A first reading ordinance is scheduled for the November 7 City Council meeting with a second reading to be scheduled for approval at the meeting on November 21.

ORDINANCE NO.	0	R	D	I	V.	A	ľ	V	CE	3	NO.	
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(Synopsis: Adoption of this ordinance will approve the sale of the real estate near the intersection of S. Wood Street and W. Holland Street, Washington, Illinois for a price of \$960.00)

AN ORDINANCE AUTHORIZING AN AGREEMENT FOR THE SALE OF A PARCEL NEAR THE INTERSECTION OF S. WOOD STREET AND W. HOLLAND STREET, WASHINGTON, ILLINOIS

WHEREAS, the City of Washington (the "City") is a home rule municipality pursuant to the 1970 Illinois Constitution, Article VII, Section 6(a); and

WHEREAS, pursuant to its home rule power, the City may exercise any power and perform any function relating to its government and affairs; and

WHEREAS, the City Council of the City hereby determines that it is advisable, necessary, and in the best interests of the public health, safety, and welfare of the City and its citizens that the City sell certain property located in the City that is legally described in Exhibit 1 attached hereto (the "Property").

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNTIL OF THE CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS, as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council.

Section 2. The Agreement for Purchase and Sale of Real Property attached hereto as Exhibit 2 is by reference expressly made a part hereof (the "Agreement"), and the City Council hereby approves the sale of the Property as set forth in the Agreement. The Mayor, City Clerk and the City Administrator of the City of Washington are hereby authorized and empowered to make, execute and deliver any and all documents necessary to effectuate the sale of the Property pursuant to the Agreement and to consummate all other transactions contemplated by the Agreement.

Section 3. This ordinance shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Section 4. That all ordinances or parts thereof in conflict h	nerewith are hereby expressly
repealed.	
PASSED AND APPROVED THIS day of	, 2022.
AYES:	
NAYS:	
	MAYOR
ATTEST:	
CITY CLERK	

Exhibit 1 – Legal Description

A part of the Northeast Quarter of Section 23, Township 26 North, Range 3 West of the Third Principal Meridian, Tazewell County, Illinois, being a part of the former Illinois Central Gulf Railroad's right of way, being a part of Tract III as described in Document Number 880787, Book 4015, page 89, more particularly being the Easterly 25 feet of even width of the Tract described as follows:

Beginning at a point on the South line of Lot 45, said point being 100 feet normally distant easterly from the centerline of the Illinois central Gulf Railroad Company's Dwight district Main Track, said point also being the Northwesterly corner of Block 7 of Holland's 2nd Addition; thence South along a line parallel with and 100 feet normally distant from said centerline of main track, said line also being the Westerly line of said Block 7, a distance of 107 feet more or less, to the Southerly line of said Block 7; thence Westerly along the Westerly extension of the South line of said Block 7, also being the North right of way line of Holland Street, a distance of 50 feet more or less to the Southerly Extension of the Westerly line of Denhart's Addition; thence Northerly along a line parallel with the Westerly line of said Block 7, a distance of 107 feet, more or less, to the South line of Lot 45; thence Easterly 50 feet, more or less, to the point of beginning.

Parcel Identification Number: Part of 02-02-23-212-031

Common Address: W. Holland Street, Washington, IL 61571

Exhibit 2 – Agreement for Purchase and Sale of Real Property

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (this "Agreement") is made and entered into as of the _____ day of ______, 2022 (the "Effective Date"), by and between the City of Washington, an Illinois home rule municipal corporation ("Seller"), and Alliance Wheel Services L.L.C., an Illinois limited liability company ("Purchaser").

WHEREAS, Purchaser desires to purchase and Seller desires to sell real property, improvements, fixtures and appurtenances thereto described in Section 1 below, and in connection therewith, Seller and Purchaser desire to enter into this Agreement to set forth the terms and conditions of such purchase and sale.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. <u>Sale Agreement</u>. Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller, subject to all the terms and conditions of this Agreement, that certain real property legally described on <u>Exhibit A</u> attached hereto this Agreement, together with all privileges, rights, easements, hereditaments and appurtenances thereunto (the "Real Property"). Seller shall convey title to the Real Property to Purchaser by quit claim deed subject to the covenants, restrictions and easements of record, all applicable zoning laws and building ordinances relating to the Real Property, and the general real estate taxes which are levied or assessed against the Real Property with respect to calendar year 2022 and subsequent calendar years (the "Permitted Objections").
- 2. <u>Purchase Price</u>. The agreed purchase price of the Real Property ("**Purchase Price**") shall be Nine Hundred Sixty Dollars (\$960.00) to be paid by Purchaser at Closing (which is defined herein), plus or minus credits and prorations provided for herein, in cash or by cashier's check or bank wire transfer of collected federal funds.
 - 3. Closing. The purchase of the Real Property shall be consummated as follows:
 - 3.1. <u>Closing Date</u>. The closing (the "Closing") shall take place on or before ninety (90) days after the Effective Date, or such earlier date as may be agreed upon by Purchaser and Seller in advance (the "Closing Date").
 - 3.2. <u>Seller's Deliveries</u>. At Closing, Seller shall deliver to Purchaser the following:
 - 3.2.1. <u>Deed</u>. An executed quit claim deed to the Real Property (in the form required by Section 1 of this Agreement) prepared by Seller and in a form reasonably acceptable to Purchaser.

- 3.2.2. Other Documents. Such other documents, instruments, certifications and confirmations as may be reasonably required by Purchaser to fully effect and consummate the transactions contemplated by this Agreement.
- 3.3. <u>Purchaser's Deliveries</u>. At Closing, Purchaser shall deliver to Seller the following:
 - 3.3.1. <u>Purchase Price</u>. The Purchase Price as set forth in Section 2 of this Agreement, plus or minus prorations provided for in this Agreement.
 - 3.3.2. Evidence of Authorization. Evidence satisfactory to Seller that Purchaser is authorized to execute this Agreement and proceed with the transactions provided for in this Agreement.
 - 3.3.3. Other Documents. Such other documents, instruments, certifications and confirmations as may reasonably be required by Seller or Title Insurer to fully effect and consummate the transactions contemplated by this Agreement.
- 3.4. <u>Joint Deliveries</u>. At Closing, Seller and Purchaser shall jointly deliver to each other the following:
 - 3.4.1. Closing Statement: An agreed-upon closing statement.
 - 3.4.2. <u>Transfer Tax Filings</u>. Executed documents complying with the provisions of all federal, state, county and local law applicable to the determination of transfer taxes.
- 3.5. <u>Possession</u>. Sole and exclusive possession of the Real Property shall be delivered to Purchaser on the Closing Date.

3.6. Property Taxes.

- 3.6.1. <u>Payments by Seller</u>. All installments of real property taxes on the Real Property which are due and owing on or prior to the Closing Date shall be paid by Seller prior to or at Closing.
- 3.6.2. <u>Credits to Purchaser</u>. There shall be no credits against the Purchase Price for installments of real property taxes on the Real Property for the calendar year immediately preceding the Closing Date which are not yet due and owing as of the Closing Date or for real property taxes for the calendar year of the Closing.
- 3.7. <u>Closing Costs</u>. Seller shall pay the following costs: Seller's attorneys fees, if any, any county and state transfer taxes or sales taxes, and the cost of documentary stamps. Purchaser shall pay the following costs: Purchaser's attorneys fees and recording fees for recording the deed.

- 3.8. <u>Brokerage Commissions</u>. Seller represents to Purchaser that no real estate broker has been engaged by Seller with regard to this transaction. Purchaser represents to Seller that no real estate broker has been engaged by Purchaser. Each party (the "Indemnifying Party") agrees to indemnify and hold the other harmless against any brokerage commissions due to any real estate broker claiming to have been engaged by the Indemnifying Party with regard to this transaction.
- 3.9. <u>Special Assessments</u>. Seller will pay any unpaid special assessments confirmed prior to the Closing Date. Seller knows of no proceeding for special assessments against the Real Property.
- 4. <u>Condition of the Real Property</u>. Purchaser expressly agrees to purchase the Real Property "AS IS", it being fully understood that Seller has made no warranties or representations of any kind pertaining to the Real Property or the condition of the Real Property.
- 5. <u>Default</u>. If either party wrongfully refuses to close the sale of the Real Property or is unable to close the sale of the Real Property under the terms of this Agreement, the same shall constitute a breach of this Agreement and the non-defaulting party shall be entitled to all remedies under Illinois law at the time of the breach, including, without limitation, termination of this Agreement; specific performance, with the rights, but not the obligation, to perform the defaulting party's agreements under this Agreement and to deduct or add, as the case may be, the cost and expense of such performance to and from the Purchase Price payable under this Agreement; and the right to recover as an element of its damages, reasonable attorneys fees and court costs and all other damages that the non-defaulting party may suffer as a result of the defaulting party's breach or default under this Agreement. For purposes of this paragraph, the term "attorneys fees" shall mean and include, but not necessarily be limited to, attorney and paralegal fees whether incurred for the purpose of preparation, research, negotiation, trial, appellate, collection or otherwise.
- 6. <u>Assignment</u>. Purchaser may not assign its rights under this Agreement with the prior written consent of Seller.
- 7. Casualty. If the buildings and improvements forming a part of the Real Property are damaged or destroyed by fire or other casualty from and after the Effective Date and such damage cannot be repaired to the reasonable satisfaction of Purchaser within twenty (20) days thereafter as determined by Purchaser after consultation with Seller, Purchaser shall have the right to either (i) accept the damaged Real Property without abatement of the Purchase Price or (ii) declare this Agreement null and void. If Purchaser accepts the Real Property, any insurance or other settlement proceeds collected by Seller (less all reasonable costs and expenses, including without limitation, attorney's fees, expenses and court costs, incurred by Seller to collect such proceeds), shall be credited to Purchaser on account of the Purchase Price. If Purchaser declares this Agreement null and void, the parties shall have no further rights, liabilities, or obligations under this Agreement. If it is determined that the damage to the buildings and improvements forming a part of the Real Property can be repaired as aforesaid within said twenty (20) day period, Seller shall promptly commence and diligently proceed with the completion of such repairs (it

being recognized that Seller shall be entitled to collect for Seller's own account and use in such work any and all insurance or other settlement proceeds). If such work cannot be completed by the Closing Date anticipated under this Agreement, then the Closing Date shall be extended by the parties to this Agreement by the number of days required for Seller to complete such work.

- 8. <u>Condemnation</u>. If any portion or portions of the Real Property shall be taken by condemnation or any other proceeding in the nature of eminent domain from and after the Effective Date, Purchaser, within fifteen (15) days after Purchaser receives notice of such taking, shall be entitled to declare this Agreement null and void upon fifteen (15) days' written notice to Seller. In the event of termination, the parties shall have no further rights, liabilities, or obligations under this Agreement. If Purchaser has not notified Seller of its election to terminate within the aforesaid time period, this Agreement shall continue in full force and effect and there shall be no abatement of the Purchase Price. Seller shall be relieved, however, of the duty to convey title to the portion or portions of the Real Property so taken, but Seller shall, at Closing, assign to Purchaser all of Seller's rights and claims in and to any unpaid awards arising from such taking and credit to Purchaser on account of the Purchase Price all awards therefor collected by Seller (less all reasonable costs and expenses, including, without limitation, attorneys fees, expenses and court costs incurred by Seller to collect such awards).
 - 9. Miscellaneous. It is further understood and agreed as follows:
 - 9.1. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and such counterparts together shall constitute one and the same instrument.
 - 9.2. <u>Survival</u>. The representations, warranties, covenants and agreements contained in this Agreement shall survive the Closing and the delivery of the deed, without limitation.
 - 9.3. <u>Severability</u>. If any provision of this Agreement shall be held to be void or unenforceable for any reason, the remaining terms and provisions of this Agreement shall not be affected thereby.
 - 9.4. Time. Time is of the essence of this Agreement.
 - 9.5. <u>Binding Effect</u>. The provisions of this Agreement shall inure to the benefit of and bind the successors and assigns of the parties to this Agreement.
 - 9.6. <u>Amendment and Waiver</u>. This Agreement may be amended at any time in any respect only by an instrument in writing executed by Seller and Purchaser. Either party may waive any requirement to be performed by the other under this Agreement, provided that said waiver shall be in writing and executed by the party waiving the requirement.
 - 9.7. <u>Integrated Agreement</u>. This Agreement constitutes the entire agreement between Purchaser and Seller relating to the purchase of the Real Property, and there are

no agreements, understandings, restrictions, warranties or representations between Purchaser and Seller other than those set forth in this Agreement.

- Choice of Law. It is the intention of Seller and Purchaser that the laws of Illinois shall govern the validity of this Agreement, the construction of its terms and interpretation of the rights and duties of Purchaser and Seller.
- 9.9. Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including email) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, emailed, or mailed by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to Seller: City of Washington Attn: City Administrator 301 Walnut Street Washington, IL 61571

Email: jsnider@ci.washington.il.us

With a copy to: Davis & Campbell L.L.C. Attn: Derek A. Schryer 401 Main Street, Suite 1600 Peoria, IL 61602

Email: daschryer@dcamplaw.com

If to Purchaser:

Alliance Wheel Services L.L.C Attn: Kevin Deany 302 W. Holland Street Washington, IL 61571

or to such other address as any party may designate by notice complying with the terms of this Section. Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery; (b) on the date of transmission with a sent confirmation if by email; and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

- 9.10. Waiver of Tender. Formal tender of an executed deed and the Purchase Price each is hereby waived.
- 9.11. Delivery by Facsimile or PDF. This Agreement, and each other agreement or instrument entered into in connection with this Agreement, to the extent signed and delivered by means of emailed PDF, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding, legal effect as if it were the original signed version thereof delivered in person. No party to this Agreement or to any such agreement or instrument shall raise the use of email to deliver a signature or the fact that any signature or agreement or instrument was transmitted through

the use of email as a defense to the formation or enforceability of the agreement and each such party forever waives any such defense.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, as of the day and year first above written.

SELLER:	PURCHASER:
CITY OF WASHINGTON, an Illinois home rule municipal corporation	ALLIANCE WHEEL SERVICES L.L.C.,
By: Gary W. Mainer, Mayor	By:
Attest:	Its:
Valeri L. Brod, City Clerk	

EXHIBIT A

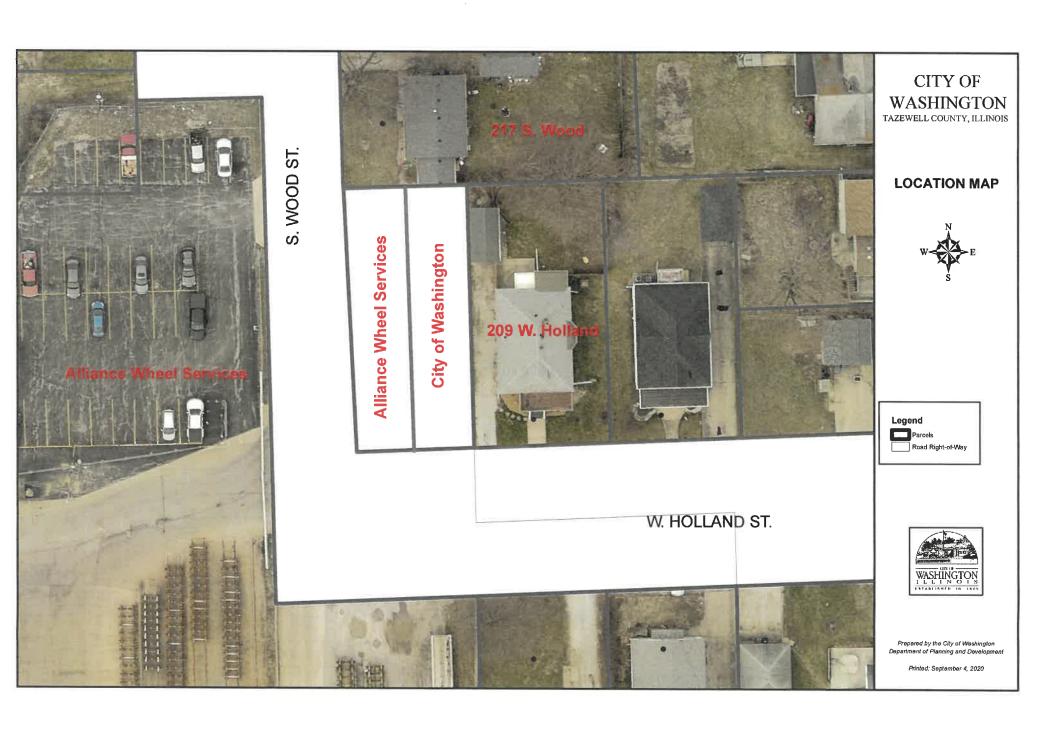
LEGAL DESCRIPTION OF REAL PROPERTY

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Parcel Identification Number: Part of 02-02-23-212-031

Common Address: W. Holland Street, Washington, IL 61571





CITY OF WASHINGTON TAZEWELL COUNTY, ILLINOIS

LOCATION MAP

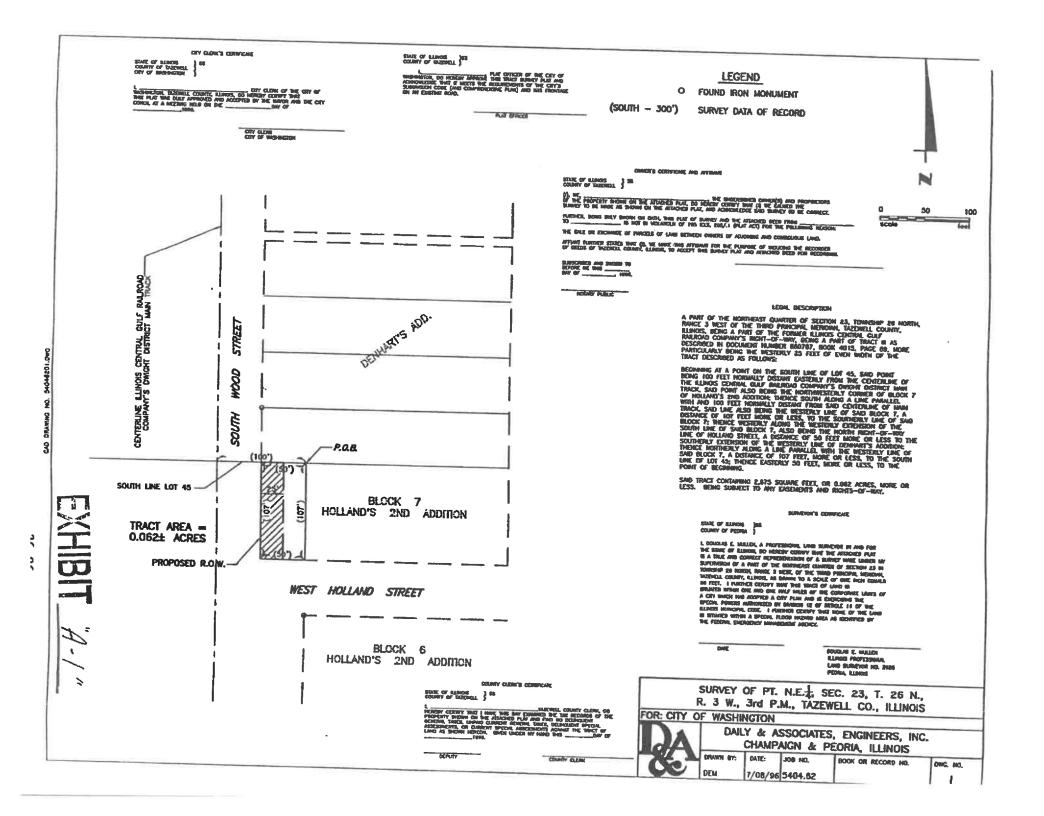






Prepared by the City of Washington Department of Planning and Development

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CITY OF WASHINGTON, ILLINOIS