

Memorandum

Community and Economic Development Department

To: Rock Island City Council
Subject: Sale of City-Owned Real Estate
Date: January 29, 2021



Heart of Hope Ministries of 1740 9th Avenue has applied to purchase 1714 9th Avenue (PARCEL 096807, PIN 0735442002) from the City for \$1,101.00 plus closing costs. When the subject property went up for tax sale, the Ministry asked the City to purchase the property on their behalf before it could be purchased by someone else. The City has “first dibs” on tax sale properties. The subject property is adjacent to the Ministry’s office and they would like to rehabilitate the house for use as an emergency shelter and transitional living facility. Given that the City has a vested interest in furthering the Ministry’s mission to provide needed social services, the City purchased the property and now can sell it to the Ministry in what is effectively a pass-through transaction. The subject property is approximately 4,811 square feet and zoned R-2 (two unit residential). A single-family house in good physical condition is present on the property. A map of the parcel is attached.

The following things are true or will be achieved by this sale.

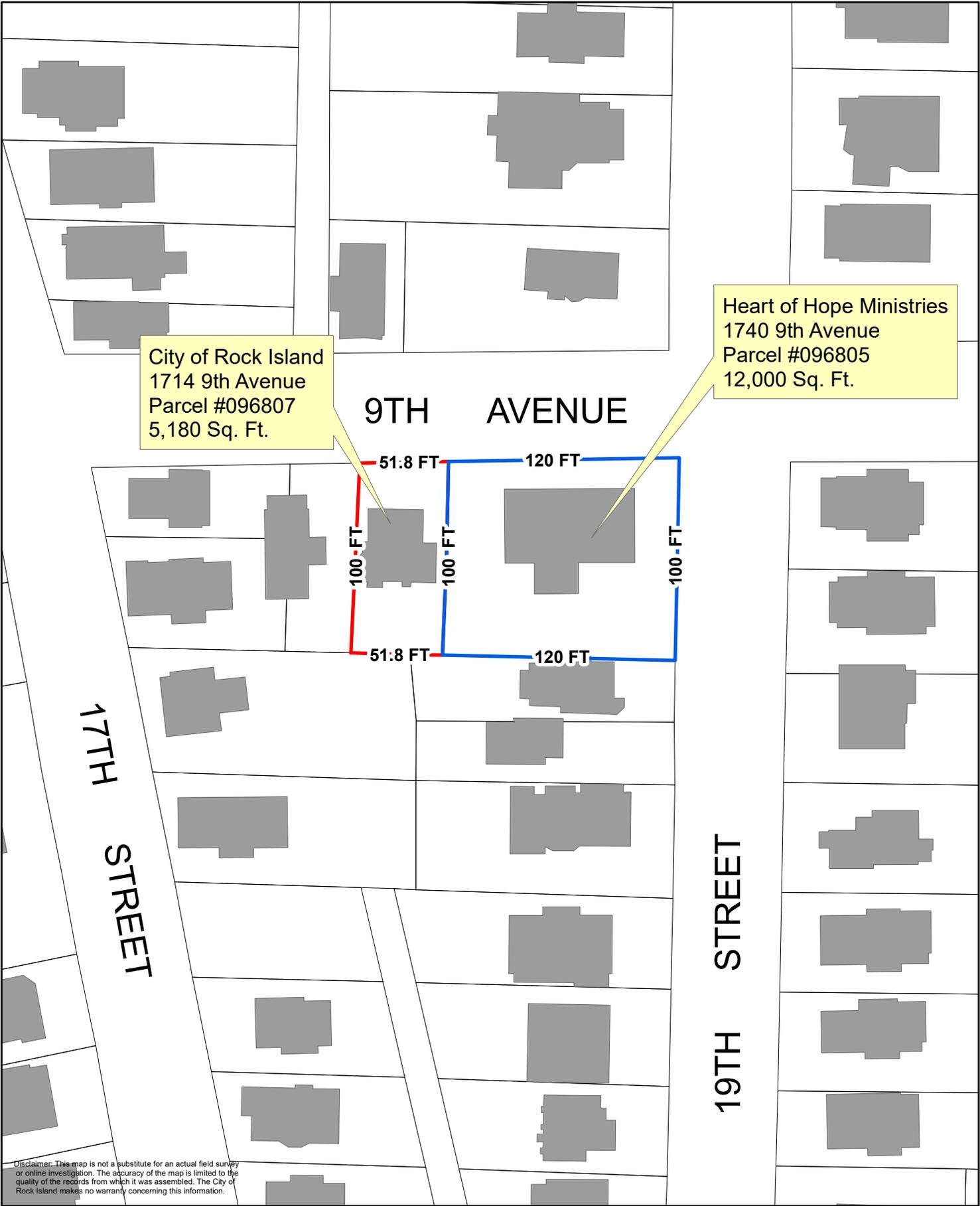
1. The property is not currently used by a City department and/or does not have a municipal function.
2. The property is vacant and/or has no foreseeable use by the City.
3. The property is a non-performing or under-performing asset and value can be generated by its sale.
4. Economic development opportunities can be generated by selling the property.
5. The City will be relieved of potential liabilities and/or costs associated with maintaining a non-income generating property or one that does not provide a public benefit.
6. The proposed use of the property complies with the Comprehensive Plan and other relevant City plans.

Recommendation:

The Community and Economic Development Department recommends that the City Council approve the sale of 1714 9th Avenue to Heart of Hope Ministries for \$1,101.00 plus closing costs; authorize the City Manager to execute the sale agreement; and consider the ordinance.

Submitted by: Miles Brainard, Planning & Redevelopment Administrator

Approved by: Randall Tweet, City Manager



City of Rock Island
 1714 9th Avenue
 Parcel #096807
 5,180 Sq. Ft.

Heart of Hope Ministries
 1740 9th Avenue
 Parcel #096805
 12,000 Sq. Ft.

9TH AVENUE

17TH STREET

19TH STREET

Disclaimer: This map is not a substitute for an actual field survey or online investigation. The accuracy of the map is limited to the quality of the records from which it was assembled. The City of Rock Island makes no warranty concerning this information.

Location Map
 City Owned Lot 096807

- ▭ Potential Buyer
- ▭ City Owned Lot
- Buildings
- Parcels



City of Rock Island,
 Community and Economic Development Department

Drawn By: K. Douglass

Date Created: January 2021

AGREEMENT FOR THE SALE OF CITY-OWNED REAL ESTATE AT 1714 9TH AVENUE

A. Date of Agreement	1-21-2021
B. Seller(s) Address	City of Rock Island 1528 3 rd Avenue Rock Island, IL 61201
C. Purchaser(s) Address	Heart of Hope Ministries 1740 9 th Avenue Rock Island, IL 61201
D. Address of Property Legal Description	1714 9 th Avenue PIN 0735442002 PARCEL 096807 Lot 5 in the Re-plat of Taylor's Ninth Avenue Addition to the City of Rock Island, situated in the County of Rock Island and State of Illinois
E. Purchase Price Earnest Money	\$1,101.00 Purchaser also pays full closing costs.
F. Amount of % of Financing Type of Loan Days to Obtain Commitment	N/A
G. Closing Date	ASAP
H. Possession After Closing Days After Closing Per Diem Liquidated Damages	At Closing
I. Personal Property to Stay	N/A
J. Condition of Premises	As-Is
K. Wood Infestation Report	N/A
L. Riders Attached	N/A
M. Acceptance On or Before Counter Offer	At Presentation

Purchase Agreement for Commercial Real Estate ("Agreement") is entered into on 1-21-2020, between Heart of Hope Ministries, ("Purchaser"), and THE CITY OF ROCK ISLAND, ILLINOIS, ("Seller"). In consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as detailed on the following pages.

AGREEMENT FOR THE SALE OF CITY-OWNED REAL ESTATE AT 1714 9TH AVENUE

TERMS: The Purchaser agrees to purchase from the Seller and the Seller agrees to sell to the Purchaser the real estate described on the attached Exhibit A for the total sum of one thousand on hundred and one dollars (\$1,101.00) to be paid as follows:

\$0	EARNEST MONEY held in escrow by Meridian Title Company as a part of the cash at closing, the receipt of which by said title company shall be evidenced to Seller with delivery of this Offer.
\$1,101.00	CASH PAYMENT at the time of closing.

POSSESSION: Possession shall be at the time of closing.

EVIDENCE OF TITLE: Within a reasonable time, Seller shall deliver a commitment for title insurance issued by a title insurance company regularly doing business in the county where the subject property is located, committing the company to issue an owner's policy in the usual form insuring merchantable title to the subject property in the Purchaser for the amount equal to the purchase price. If title evidence discloses exceptions other than those permitted under the rules for examination for abstracts of title adopted by the local County Bar Association, Purchaser or Purchaser's attorney 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 Purchaser shall have the option to terminate this Agreement in which case Purchaser shall be entitled to a refund of the earnest money. Furnishing a title insurance policy insuring over an exception shall constitute a cure of such exception.

CLOSING: Closing shall take place as soon as possible following the approval of this agreement by the Rock Island City Council. Parties agree to close at the offices of the City Attorney. The purchaser agrees to pay all closing fees charged by the title company.

CONVEYANCE OF TITLE AND DOCUMENTS OF SALE: The title to be conveyed shall be by Quit Claim Deed to Purchaser and free and clear of all liens and encumbrances not herein specifically waived or assumed by Purchaser. The parties agree to execute any transfer declarations or other documents required by the state, county or municipality in which the subject property is located, as well as any documents required by the title insurance company in order to issue title insurance. All parties agree to comply with the provisions of the Real Estate Settlement Procedures Act of 1974 (RESPA).

PRORATIONS AND ADJUSTMENTS: The following items shall be prorated at closing as of the date of delivery of possession:

1. Real estate taxes, based on the most recent tax information available, which, in the absence of fraud, shall be final;
2. Rent, if any, (with transfer in full of any security/damage deposit);
3. Other income and operation expenses, if any;

AGREEMENT FOR THE SALE OF CITY-OWNED REAL ESTATE AT 1714 9TH AVENUE

4. Special assessments, if any.

EXPENSES OF TRANSFER:

Purchaser shall pay:

1. Broker's commission, if any;
2. Cost of owner's title insurance policy;
3. Revenue stamps and recording of any releases; and
4. Seller's Closing Protection Letter, as required.
5. Recording fee for deed;
6. Assumption fee if mortgage assumed;
7. Cost of Purchaser's mortgage title insurance policy as required by mortgagee; and
8. Purchaser's and Lender's Closing Protection Letters, as required.

Each party shall be responsible for their own attorney fees, if any.

DEFAULT: If Purchaser fails to make any payment or to perform any obligation imposed upon Purchaser by this Agreement, Seller may serve written notice of default upon Purchaser and if such specified default is not corrected within ten (10) days thereafter, Seller may accept the earnest money and any additional down payment as damages or may pursue any available legal remedy including specific performance. In the event Seller fails to perform any obligation imposed upon Seller by this Agreement, Purchaser may serve written notice of default upon Seller and if such default is not corrected within ten (10) days thereafter, earnest money and any additional down payment deposit shall be refunded to Purchaser without prejudicing the Purchaser's right to any available legal remedy including specific performance. In the event of default, the defaulting party shall be liable to the other party for reasonable attorney fees and expenses incurred by reason of the default.

CASUALTY CLAUSE: Seller shall cause to be kept in force the existing insurance, including fire and other extended coverage, on improvements, if any, on the subject property until title has passed to Purchaser or possession is delivered to Purchaser, whichever first occurs. Purchaser shall be responsible for insurance coverage upon taking title or possession of the subject property, whichever first occurs.

ESCROW: This Agreement will be closed through an escrow with Meridian Title Company, in accordance with the general custom of the community and in conformity with this Agreement. The funds held in escrow shall be paid out upon recording of the necessary documents and the vesting of merchantable title in the Purchaser.

ASSESSMENTS: Seller shall pay all special assessments which are a lien on the subject property as of the date of closing. Seller acknowledges that prior to the execution of this Agreement, Seller has no knowledge of or no notice has been received from any municipal authority

AGREEMENT FOR THE SALE OF CITY-OWNED REAL ESTATE AT 1714 9TH AVENUE

concerning improvements which could result in a special assessment on the subject property. Tap on fees, if any, which exist for municipal services to the property shall be paid by Purchaser.

GENERAL CONDITIONS: This Agreement shall be binding upon the parties and their successors and assigns. Time is of the essence of this Agreement. This Agreement shall be governed by the enforced in accordance with the laws of the state in which the subject property is located. This Agreement contains the entire Agreement of the parties and no representations, warranties, or Agreements have been made by either party as set forth herein. No modification, waiver, or amendment of the Agreement shall be effective unless made in writing and signed by the parties. All representations, warranties and covenants made by the parties shall survive closing. Paragraph headings are for the convenience of reference and shall not limit or affect the meaning of the Agreement.

NOTICES: All notices required hereunder shall be in writing and shall be served upon the parties at the addresses designated herein by personal service, certified mail (return receipt requested), or Federal Express or other overnight mail.

Seller

City of Rock Island
Randy Tweet, City Manager
1528 3rd Avenue
Rock Island, IL 61201

Copy To

Dave Morrison, City Attorney
1515 4th Avenue, Suite 301
Rock Island, IL 61201

Purchaser

Heart of Hope Ministries
1740 9th Avenue
Rock Island, IL 61201

Copy To

LEGAL ASSISTANCE: The Seller and Purchaser are aware that when fully signed, this is a legally binding Agreement for the sale and purchase of real estate and that in order to protect their respective interests, Seller and Purchaser are advised to consult legal counsel before this Agreement is signed.

APPROVAL: This Offer to Purchase shall be subject to and not binding upon Purchaser pending submission and approval by the City Council of The City of Rock Island, Illinois.

ACCEPTANCE BY SELLER: Until accepted by Seller this document constitutes an offer by Purchaser on the terms stated above. This Agreement must be accepted by Seller within two (2) business days from date shown next to Purchaser's signatures below. If not so accepted, the offer shall be void and the earnest money returned to Purchaser. This Agreement has been read and executed on the dates beside our signatures.

AGREEMENT FOR THE SALE OF CITY-OWNED REAL ESTATE AT 1714 9TH AVENUE

Executed by Purchaser:

Executed by Seller:

Name

Heart of Hope Ministries

City of Rock Island

Signature

Lynda J. Sargent

Date

January 21st, 2021

**A SPECIAL ORDINANCE PROVIDING FOR THE SALE OF CERTAIN REAL ESTATE OWNED BY
THE CITY OF ROCK ISLAND, ILLINOIS**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCK ISLAND, ILLINOIS:

Section One: The City purchased a house at tax sale in 2020 in coordination with Heart of Hope Ministries so that the property, which is near to the Ministries' office, could be quickly secured and passed through to them for rehabilitation. Once complete, the house will function as a shelter for women and children in need of emergency housing.

Section Two: It is hereby determined that the retention of the title to the following real estate owned by the City of Rock Island, Illinois is no longer necessary, appropriate, required for the use of, profitable to, or for the best interests of the City of Rock Island, Illinois:

Legal Description:

Lot 5 in the Re-plat of Taylor's Ninth Avenue Addition to the City of Rock Island,
situated in the County of Rock Island and State of Illinois

Parcel: 096807

PIN: 0735442002

Commonly known as: 1714 9th Avenue

Section Three: The City of Rock Island, Illinois has received an offer to purchase the aforementioned described real estate and it is hereby determined that the purchase price is fair and equitable between the parties and it is in the best interest that said real estate be sold for that purchase price.

Section Four: The Mayor and City Clerk are hereby authorized and directed to execute on behalf of the City of Rock Island, Illinois a Quit Claim Deed conveying the above-described real estate to Heart of Hope Ministries, for the sum of \$1,101.00 plus closing costs.

Section Five: All ordinances and part of ordinances in conflict herewith are hereby repealed insofar as they do so conflict.

Section Six: This ordinance shall be in full force and effect 10 days after its passage and approval, as required by law.

Mayor of the City of Rock Island

Passed: _____

Approved:

Attest:

City Clerk