



## REPORT TO TOWN BOARD

**From:** Andrew J. Quarstrom, City of Champaign Township Supervisor

**Date:** March 3, 2015

**Subject:** Sale of Township real estate and purchase of replacement real estate

**A. Introduction:** The purpose of this report is to outline the possibilities and reasoning for selling the current Township properties located at 603 South Randolph and 203 West Green Street in Champaign, Illinois.

**B. Action Requested:** The sale of Township real estate must be approved by the Electors at an Annual or Special Town meeting. Should the Township Board have interest in pursuing this initiative, action could take place at the Annual Town Meeting on April 14, 2015.

**C. Prior Town Board Action:** The current Township buildings at 203 W. Green and 603 S. Randolph were purchased in 1957 and 1960 and make up one property. A Special Town meeting was held in August of 2009 in which approval was granted to sell the current property and purchase replacement real estate. The electors unanimously supported this initiative at the time but no further action was taken.

### **E. Background:**

**1. Current Physical State of Buildings:** The Assessor's building at 203 W. Green is a one story office building. Although functional, many of its mechanicals are old and in need of replacement. The Supervisor's office located at 603 S. Randolph is a refurbished house built in the early 1900's. It is not ADA accessible and would be extremely cost prohibitive to retrofit for ADA accessibility. It is in need of a new roof and its mechanicals are aging and not sufficient for the use of the property. The basement experiences water and a significant amount of tuck pointing repairs need to be accomplished. Heating and cooling costs are excessive due to the use of the building as compared to its intended use as a residence. Lastly, parking is minimal and not satisfactory for either the Assessor's clientele or the Supervisor's clientele.

**2. Fair Market Value and Marketability:** A recent appraisal performed by Whitsitt and Associates indicates of a fair market value of \$365,000 (Attachment 1). Recent real estate transactions in the 200 Block of West Green St. on adjacent properties have taken place and a potential development is possible. The Township has been solicited by potential buyers regarding the property.

**3. Sale Process:** Township real estate can only be sold after approval by the electorate at a Town Meeting. If approved by the electorate, the property is sold by a bid process. This process is set out by the information provided in Attachment 2. The Town Board is not required to accept the highest bid, and it can reject any and all bids. The Town Board will accept or reject bids and conduct the sale after all bids have been opened and received.

**F. Alternatives:**

1. Add resolutions to the agenda of the Annual Town Meeting to request elector approval to sell the current township buildings and pursue purchase of new property to house the Township offices.
2. Do not add resolutions to the Annual Town Meeting agenda to request elector approval for Township property sale, and continue to maintain current properties.

**G. Discussion of Alternatives:**

**Alternative 1.-**Add resolutions to the agenda of the Annual Town Meeting to request elector approval to sell the current township buildings and pursue purchase of new property to house the Township offices.

**a. Advantages**

- Reduction of operating expenses for the Township and Assessor's office by combining utilities and reducing maintenance expenses. This is accomplished by putting both offices under one roof.
- Provide a safer and more comfortable environment for citizens and employees. Ensuring the ability to accommodate citizens with disabilities would be a direct benefit of relocation.
- A larger building could accommodate additional services on site including youth programs, senior programs, as well as more case management services.
- A new location would decrease the long term projected maintenance costs that the current buildings have.

**B. Disadvantages**

- The potential for a significant remodel of a new building to suit the needs of the Township.
- The process of moving Township offices and equipment will be burdensome on Township operations.

**Alternative 2-** Do not add resolutions to the Annual Town Meeting agenda to request elector approval for Township property sale, and continue to maintain current properties.

**a. Advantages**

- Our current location is convenient for citizens due to its central location and easy access.

**b. Disadvantages**

-Significant work would need to be done to bring the Supervisor's office to ADA accessibility. The current Township property is in need of numerous costly repairs including a new roof, tuck pointing, and possible HVAC in the near future. In addition, the likelihood of a remodel being done to provide additional services is minimal.

**H. Community Input:**

Community input will occur at the Annual Town meeting. Numerous clients and visitors to the Township have voiced concern with the lack of ADA accessibility at the Supervisor's office.

**I. Budget Impact:**

The Township budgeted \$125,000 for capital improvements in FY 14/15. Additional money will be allocated for capital improvement in FY 15/16. The Township will only pursue a sale if the net profits of the sale in combination with budget allocations are greater than the cost of new property.

**J. Staffing Impact**

Although the process of moving operations would be a significant undertaking, the net gain for staff is expected to be significant and the overall impact minimal. The Supervisor and Assessor will be the project managers. No overtime costs are expected but some costs may be associated with legal review.

Prepared by: Andrew J. Quarnstrom, Supervisor

Reviewed by:

**Attachments:**

1. Appraisal of 603 S. Randolph and 203 W. Green.
2. Memo-Sale and purchase of Township property
3. Sample Resolution-Sale of property
4. Sample Resolution-Purchase of Property