



## REPORT TO TOWN BOARD

**FROM:** Pamela Borowski, City of Champaign Township Supervisor

**DATE:** July 30, 2009

**SUBJECT: SALE OF TOWNSHIP REAL ESTATE/PURCHASE OR LEASE OF REPLACEMENT REAL ESTATE**

**A. Introduction:** The purpose of this Memo is to outline the issues involved in selling the current Township properties and replacing those buildings with purchased or leased properties.

**B. Action Requested:** The Town Board is requested to call a Special Town meeting to obtain Elector approval to sell the current Township properties. The Town Board is also requested to approve an agenda for the Special Town meeting which includes Elector approval of sale and purchase of real estate for relocating the Township offices.

**C. Prior Town Board Action:**

- The current Township buildings at 603 South Randolph and 201 West Green was purchased by the Township in 1957 and 1960.

**D. Background:**

**1. Current Physical State of the Buildings.** The Assessor's building is an office building purchased in the late 1950's. Although functional, it is suffering from obsolescence and long-term maintenance needs. For instance, an air conditioning unit went out this spring and required expensive replacement parts since parts were no longer readily available. It cost \$3,500 for the repair. The Supervisor's building has long deferred maintenance needs in regard to heating, necessary roof repairs and has accessibility issues. Consequently it is not well suited for Township needs. It is ADA accessible, but the electric chair lift is located in the garage and not readily accessible to the General Assistance clientele who are frequently disabled and struggle to get up the front stairs. It was originally a single-family house and much space is wasted in conversion to office use. Most of the upstairs is not used and this building is not well insulated so it is very expensive to heat and cool. The Township buildings will also soon require expensive repairs if they are going to be continued in use by the Township. The roof needs a total tear off and replacement with an estimated cost of \$15,000 to \$19,000. Both buildings are in need of tuck pointing and the basement of the Township building leaks and has some standing water.

**2. Fair Market Value and Marketability.** The appraisal report by Steve Whitsitt indicates a fair market value of \$450,000 (Attachment 1). In addition, there appears to be some market interest in the properties; the Township Supervisor has been approached by two separate commercial realtors with investor clients interested in redeveloping the entire block on Green Street between State and Randolph.

**3. Sale Process.** The Township property can only be sold after approval by the Electors at a Town Meeting. A Special Meeting can be called by the Town Board. After a vote by the Town Board that such a meeting is necessary for the interests of the Township, filed in the Town Clerk's office, a Special Town Meeting can be held 14 days after notice given. If approved by the Electors, the property is sold by a bid process. This process is set out in the memo form by the Legal Department (Attachment 2). The Town Board is not required to accept the highest bid; it can reject all bids.

**4. Purchase or Lease.** Since a sale is being considered, the Supervisor has also been looking at relocation options. The search has been concentrated in the core area of the City in order to accommodate both the customers of the Assessor and the clientele of the Supervisor. Two of the buildings that are currently available would be able to accommodate both the Assessor's Office and the Township Office. One of those buildings (the lease option) is located at 314 South Neil Street (the former Urban League Building) and the purchase option is at the corner of Springfield and First (the Twin City Auto Body Shop). Information on both of these buildings is attached. Decisions on whether to purchase or lease cannot be made final until after the sale, since the funds provided by the sale would be the source of purchase money.

**E. Alternatives:**

1. Call for a Special Town Meeting to request elector approval: 1. to sell the current Township buildings; and 2. to authorize the Town Board to purchase a replacement property with the funds received as a result of the sale, if in the best interests of the Township.
2. Budget to maintain the current properties.

**F. Discussion of Alternatives:**

**Alternative 1.** Alternative 1 would be for the Town Board to call a Special Town Meeting for the purpose of having Elector authorization to sell the current Township properties. The Resolution Calling for a Special Meeting and Adopting an Agenda for the Special Town Meeting is Attachment 4 and the Resolution which would be submitted to the Electors is Attachment 5. . The Electors at the Special Town Meeting could also authorize a purchase of property if such property could be purchased and remodeled for a cost less than the amount received as a result of the sale. The sale would be conducted by a closed bid process. If the sale is authorized, the Town Board would review the bids received and make a final decision about whether the sale is in the best interests of the Township. The Town Board would not be required to accept any bid, if it determined the price was not right. The action of the Electors regarding purchase would also

be subject to review by the Town Board when all the information concerning sale and purchase is available.

**a. Advantages**

- Reduce operating expenses for the Township and Assessor's Office by combining utility expenses and reducing maintenance expenses.
- Provide a safer environment for clients and staff.

**b. Disadvantages**

- Having to purchase/remodel or lease a building to suit Township requirements.
- Expense and work effort of moving.

**Alternative 2.** Alternative 2 would be not to call a Special Town Meeting. Although a Special Town Meeting could also be called by 15 Electors, the ultimate action of approving a purchase would always be required to be done by Town Board action, so calling such a meeting without Town Board approval of the sale process would be ineffective.

**a. Advantages.**

No moving expenses.

**b. Disadvantages**

Deferred maintenance items would have to be budgeted.  
Accessibility issues with the Supervisor's office must be addressed.

**G. Community Input:** Community input will occur at the Special Town Meeting, and at this Town Board Meeting.

**H. Budget Impact:** Based on the appraised value, the sale of the current buildings should be enough to cover the entire cost of a new building and any improvements that may have to be done. In the event of leasing, the proceeds from the sale will be invested. This will assist the overall budget and provide a source of funds, although not specifically dedicated, to pay for the monthly rent.

- Attachments:
1. Appraisal of 603 South Randolph and 201 West Green
  2. June 15, 2009 Memo – Sale of Township Property
  3. Information sheets on lease and purchase properties
  4. Resolution Calling for a Special Meeting and Adopting an Agenda for the Special Town Meeting
  5. Resolution Authorizing Sale by Electors