



REPORT TO TOWN BOARD

From: Andrew J. Quarnstrom, City of Champaign Township Supervisor

Date: October 6, 2015

Subject: Approval of the sale of Township Real Estate

A. Introduction: The purpose of this report is to approve the sale of 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 Township Board prior to finalizing and signing contracts of sale.

C. Prior Town Board Action: The current Township buildings at 203 W. Green and 603 S. Randolph was purchased in 1957 and 1960 and make up one property. At the Annual Town Meeting on April 14, 2015, approval was granted to sell the current property and purchase replacement real estate. The electors unanimously supported this initiative at the time.

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 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: The City of Champaign Township posted bids in the News Gazette for the sale of the Township property with a minimum bid of \$450,000. Bid packets were available from July 20th through August 28th and the Township provided two open houses for bidders to walk through the property.

Three potential bidders picked up packets and only one packet was turned in to the Township Clerk. One winning bid was returned in the amount of \$460,000 by Green Street Realty. The bid had no other contingencies attached and terms are negotiable.

F. Alternatives:

1. Approve the bid for the sale of Township real estate in the amount of \$460,000.
2. Do not approve the bid for the sale of Township real estate.

G. Discussion of Alternatives:

Alternative 1.-Approve the bid for the sale of Township real estate in the amount of \$460,000.

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.
- The current Township property would be redeveloped.

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 approve the bid for the sale of Township real estate.

a. Advantages

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

b. Disadvantages

- No other bids were received meaning the Township would not relocate to a more suitable location.
- 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 was received at the Annual Town Meeting on April 14, 2015 and can be heard at the October 6, 2015 meeting.

I. Budget Impact:

Proceeds from the sale of the property will be put towards purchasing new property for Township operations to reside. The cost of executing the contract for the sale of the property will be less than 10 employee hours. The Township will likely rent back the current properties at a cost of \$1,500.00/month with a 30 day opt out for either party. The expectation is that this will last no more than 6 months.

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. Additionally, moving costs have been estimated at \$5,000.00, title work \$300.00, and miscellaneous costs of \$5000.00 will be incurred.

Prepared by: Andrew J. Quarnstrom, Supervisor

Reviewed by: Jennifer Bannon

Attachments:

1. Buyers packet