



Legislation Text

File #: 24-0100, Version: 1

TO: Mayor Richard C. Irvin

FROM: Alex Minnella, Senior Planner

DATE: February 8, 2024

SUBJECT:

A Resolution Authorizing the Execution of a Property Purchase and Sales Contract for 64 E. Downer Place, Aurora, Illinois.

PURPOSE:

To purchase a property adjacent to other properties owned by the City to create synergies and to open possibilities for a larger more comprehensive development.

BACKGROUND:

The City is facilitating the goals of the Downtown Master Plan including the support of arts, cultural space, social gathering, hospitality, and diverse businesses that distinguish Aurora as its own destination separate from other Fox Valley communities.

The building is in good condition, and it is mostly leased. That said, as a strategic property at the entrance of what is fast becoming a dynamic retail/art Downer corridor, the property is underutilized. It forms a natural assemblage to the City's properties that border Mundy park. The p.i.n. number is 15-22-336-017; the property features 2,680 square feet.

DISCUSSION:

Because the property is in good conditions, should the RFQ not produce highest and best use opportunities, the City will be able to use the office space to house other tenants on Broadway that may be displaced if the City sells its Broadway properties in the RFQ process?

Timing is also of the essence since the City will publish a request for proposal (RFP) to divest City owned properties along the Broadway corridor with the intent to open doors to new development opportunities.

The subject property features two floors, with the first-floor owner occupied, and the second-floor renter occupied. The stipulation of the contract requires that the owner will be responsible to carry the lease by and between Margarita Marchan and the tenant through its term expiring in September 2024 at which point the City will close on the property. No additional lease extension will be stipulated nor granted before or upon termination of the lease.

Margarita Marchan will retain the property until termination of the current second floor lease. At that time, once the rental property has been vacated, closing can take place anytime as of October 1st.

Under this agenda items, MOED is recommending the purchase of the property as noted below: In consideration of existing conditions, estimated relatively restrained renovation costs, and the importance of controlling the destiny of strategic properties in the core of Downtown; staff has negotiated a sale price of \$277,000 at a rate of \$103/SF, plus an \$7,975 for the consideration of the City's offer to take it off the market. The total acquisition costs to the City is \$284,975. To be noted that the purchase price is below the market value appraised at \$295,000.

The total anticipated costs for the acquisition of the subject property is:

- Property - \$277,000 (\$103/SF)
- Option (including closing costs) - \$7,975.00

Staff has investigated past uses of the property, and staff is in possess of a phase I environmental assessment which revealed no hazards; hence no further actions are needed.

IMPACT STATEMENT:

The purchase of the Marchan property will provide greater opportunities for entertainment and hospitality businesses.

RECOMMENDATIONS:

That the attached Resolution and Purchasing contract be approved



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Authorizing the Execution of a Property Purchase and Sales Contract for 64 E. Downer Place, Aurora, Illinois.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, pursuant to the authority granted to it under the Illinois Constitution, the laws of the State of Illinois, and the common law, the City has the authority to acquire the real property, and appurtenances attached thereto, commonly known as 64 E. Downer Place, Aurora, Illinois, having Permanent Index Number 15-22-336-017 ("Subject Property"), as legally described in Exhibit A, attached hereto and made a part hereof, and to execute the Property Purchase and Sales Contract ("Contract") relative to the Subject Property, said Contract being attached hereto as Exhibit B and

made a part hereof; and

WHEREAS, the owner of the Subject Property (“Seller”) desires to sell the Subject Property to the City; and

WHEREAS, the Corporate Authorities and Seller of the Subject Property have agreed to a purchase price for the Subject Property; and

WHEREAS, the Corporate Authorities have determined that the purchase of the Subject Property by the City is for a reasonable price and in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows:
SECTION 1: That the Preambles set forth above shall be and are hereby incorporated in Section 1 herein, as if restated herein.

SECTION 2: That the Mayor and City Clerk are hereby authorized to sign and execute the Contract for the purchase of the Subject Property, substantially in the form attached as Exhibit B. Any minor amendments to the Contract made hereinafter shall be subject to approval of the Mayor without further action of the City Council.

SECTION 3: That the Mayor, City Clerk, City Treasurer and Corporation Counsel are further authorized to execute any and all additional documents necessary to complete the purchase of the Subject Property following approval of this Resolution.

SECTION 4: This Resolution shall take effect from and after its adoption and approval as required by law.