# URBĂNĂ

### DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

### memorandum

**TO:** Mayor Diane W. Marlin

**FROM:** John A. Schneider, MPA, Community Development Manager

William R. Gray, P.E., Public Works Director

**DATE:** August 24, 2017

**SUBJECT:** An Ordinance Approving and Authorizing Execution of the Agreement for

Termination of Lease

### Introduction

Since 1976 the City of Urbana has held a 199-year lease for a small area of land at the southwest corner of the Cunningham Avenue and County Club Road/Perkins Road intersection. The purpose of the lease was to allow a City information center since this parcel was near the northern edge of the City when the lease was executed. While the "Welcome to Urbana" sign remains on the property, the information display has long since been removed and the City no longer has a need for the area to be used as an information center. The property owner, Cunningham Children's Home, has requested that the City terminate the lease so that they may sell the corner of their property without it being encumbered by the lease. The attached proposed agreement would terminate the lease, address the timing of the removal of the welcome sign, require the planting of trees to mitigate any tree removal within the area, and provide for the acquisition of right-of-way and construction of sidewalk along the south side of Country Club Road.

### **Discussion**

The lease for the 0.46-acre portion of land was initially between the City of Urbana and Champaign County, the previous owner of the property. The lease took effect on May 1, 1976, expires on April 30, 2175, and encompasses the area shown in Attachment A. In 1996, when the Cunningham Children's Home (CCH) purchased 18 acres at Cunningham Avenue and Country Club Road, the lessor responsibilities automatically transferred to CCH. The lease included provisions for the use of the property, stipulating the construction and maintenance of a structure to hold information, parking lot, and landscaping. In compliance with the lease, the City constructed the information display, parking, and installed landscaping around the site.

CCH has broken ground on a new, state-of-the-art, \$14 million education and recreation center on their property west of the leased area. To help fund the center's construction, CCH intends to sell approximately four acres of their property at the corner of Cunningham Avenue and Country Club Road, shown in Attachment B. The leased area constitutes a large portion of that four acres and is located at the corner of a major intersection. Its placement would prevent redevelopment at the corner, where commercial development has been envisioned since the 2005 as part of the Urbana Comprehensive Plan.

To facilitate the property's sale and redevelopment potential, CCH approached the City regarding termination of the lease. The City ended use of the leased area as an information center in the mid-2000s when the information display structure was removed. The welcome sign remains at the site, but its location is no longer near the entrance to the City, and leaving it in its current location on the property would limit redevelopment options of the site. City staff has begun planning where the sign could be moved or how it could be replaced with a more modern entry feature that would be more visible and potentially closer to the interstate. The proposed agreement to terminate the lease would require the City to remove the welcome sign, with notice, upon sale of the property.

It was also around the mid-2000s that CCH was informed of the existence of a unique hybrid tree species in the leased area. Once the Legacy Tree program was created, CCH applied for, and received in 2015, Legacy Tree designation for the hybrid Schoch Oak. CCH has begun the process to delist the tree from the Legacy Tree program. To help mitigate the potential loss of this tree and several others in both the leased area and the adjoining area, the proposed agreement would require a new tree of a similar species be planted within the Cunningham Children's Home property for each tree removed from the area.

Country Club Road does not contain any sidewalks, except for a 244-foot section immediately west of the intersection with Cunningham Avenue. As part of the new construction of the education and recreation center on the CCH site and the creation of the new lot at the corner, a new sidewalk would be constructed along the south side of Country Club Road for a span of nearly 1,000 feet. As that area is shown as a future 8-foot-wide multi-use path in the Urbana Bicycle Master Plan, CCH has agreed to dedicate the extra right-of-way needed to build the path. CCH has also committed to constructing a 4-foot sidewalk, and if funds permit, the full 8-foot path width. The proposed agreement would provide a cost share for the sidewalk or path, with the City contributing up to 50% of the cost (or a not to exceed amount of \$40,000) for a four-foot sidewalk, or up to \$50,000 if CCH constructs the full 8-foot path. In the case of the 8-foot path, the City would normally be responsible for purchasing the extra right-of-way and constructing the path after the fact when the budget allows. This arrangement would allow for the potential construction of the path in the immediate future, and without the purchase of additional right-of-way.

### **Fiscal Impacts**

Terminating the lease will have no negative fiscal impact. Lease termination will enable Cunningham Children's Home to sell 3.86 acres of land at the corner for potential commercial use. If the future use of the corner is commercial, property tax would be collected and taxes for sales, food/beverage, and/or hotel/motel would be collected if applicable.

### **Options**

- 1. Approve the Ordinance approving and authorizing the execution of the Agreement for Termination of Lease with Cunningham Children's Home.
- 2. Approve the Ordinance with suggested changes.
- 3. Do not approve the Ordinance.

### **Staff Recommendation**

As the area was originally leased for the sole purpose of providing an information center, and as the

need for this type of information center has waned and the information display has been removed, City staff recommends that City Council **APPROVE** the Ordinance to terminate the lease.

Prepared By:

Lorrie Pearson, AICP

Planning Manager and Zoning Administrator

Jone Peana

cc: Marlin Livingston, Cunningham Children's Home

Attachments: Memo Attachment A: Area of Lease

Memo Attachment B: Draft Subdivision Plat

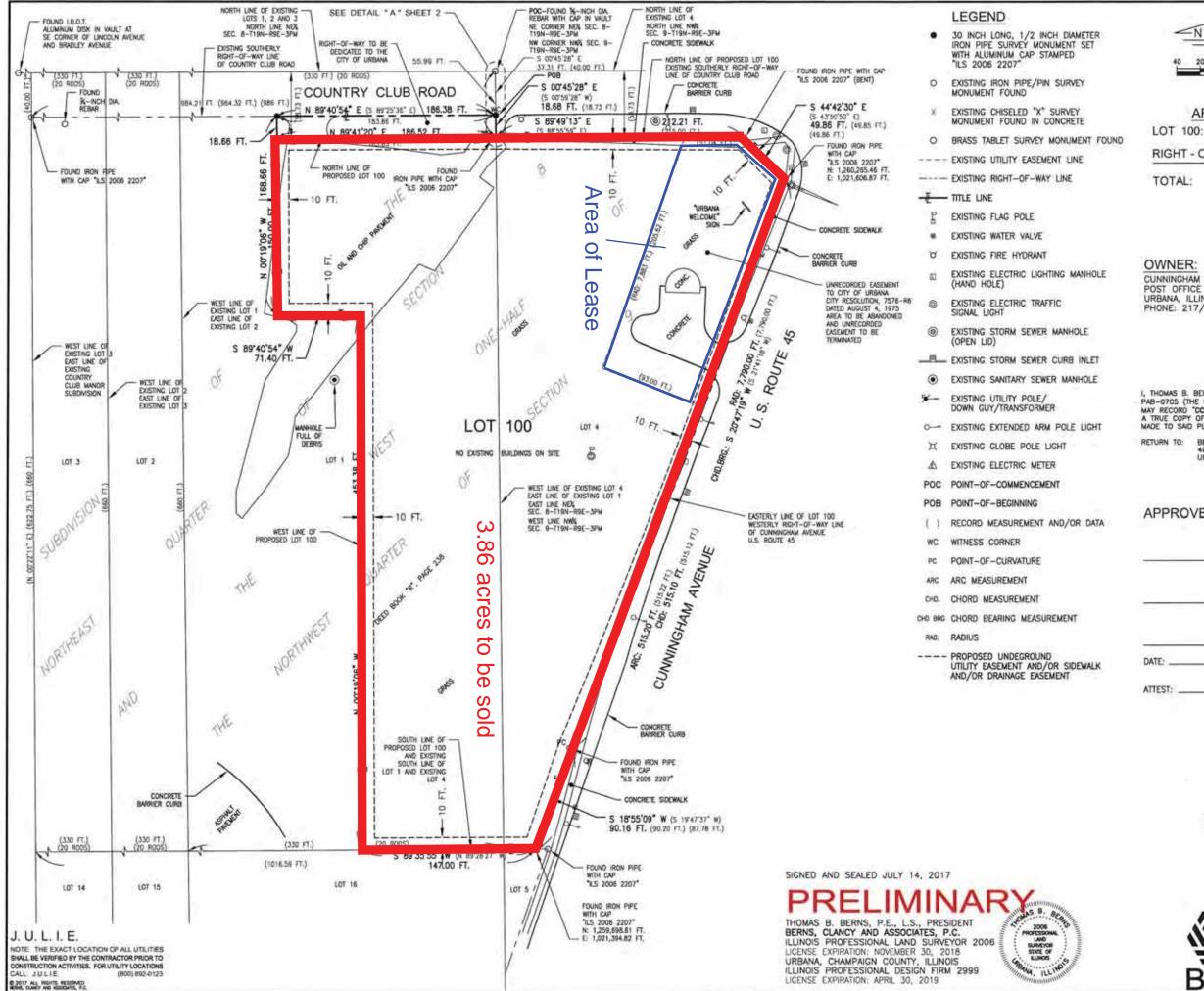
**Draft Ordinance** 

Ordinance Exhibit A: Lease (1976)

Ordinance Exhibit B: Agreement for Termination of Lease Agreement Exhibit A: Leased Premises and Development Area Agreement Exhibit B:Cunningham Children's Home Multi-Use Path



North Cunningham Avenue Welcome Center City of Urbana
Public Works Department
Engineering Division
Date: 04/20/2006 Drawn by: BWF





### AREA SUMMARY

3.86 ACRES ±

RIGHT - OF - WAY: 0.08 ACRES ±

3.94 ACRES ±

#### OWNER:

CUNNINGHAM CHILDREN'S HOME POST OFFICE BOX 878 URBANA, ILLINOIS 61803-0878 PHONE: 217/367-3728

ENGINEE THOMAS B. I BERNS, CLAN 405 EAST M POST OFFICE URBANA, ILLI

PHONE: 217

I. THOMAS R. RERNS, ILLINOIS PROFESSIONAL LAND SURVEYOR 20 PAB-0705 (THE PLAT ACT) DO HEREBY DESIGNATE THE CITY OF MAY RECORD "OCH COMMERCIAL SUBDIVISION, CITY OF URBANA. ( A TRUE COPY OF WHICH HAS BEEN RETAINED BY ME TO ASSURE MADE TO SAID PLAT.

BERNS, CLANCY AND ASSOCIATES, P.C. 405 EAST MAIN STREET RETURN TO: URBANA, ILLINOIS 61802

APPROVED BY:

CITY ENGINE
DIRECTOR, C SERVICES

SECRETARY, L

CITY CLERK \_



C C H COMMERCIAL

CITY OF URB

CHAMPAIGN COUNT



BERNS, CLANCY ENGINEERS . SURV 405 EAST MAIN STREET URBANA, ILLIN PHONE: (217) 384-1144

JOB: 2897-45 FILE: 2897-45.DWG

### ORDINANCE NO. <u>2017-08-050</u>

### AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF THE AGREEMENT FOR TERMINATION OF LEASE

(Cunningham Children's Home, 1301 S. Cunningham Avenue)

**WHEREAS**, the City of Urbana, Illinois (hereinafter, the "City", or "Lessee") is a home rule unit of local government pursuant to Section 6 of Article VII of the State of Illinois Constitution of 1970; and

WHEREAS, the Cunningham Children's Home of Urbana, Illinois, an Illinois not-for-profit corporation (hereinafter, "CCH", or "Lessor") owns certain real estate located at the southwest corner of Country Club Road and Cunningham Avenue in the City of Urbana, Illinois; and

**WHEREAS**, The City, as Lessee, and CCH, as Lessor, entered into and executed a lease dated April 19, 1976 which provided for a term of 199 years ending on April 30, 2175 (hereinafter, the "Lease") which Lease is appended hereto and incorporated herein as Exhibit A;

**WHEREAS**, the City no longer has any need for the premises included with the Lease and CCH seeks to sell those premises along with other premises which it owns: and

**WHEREAS**, the City and CCH now seek to terminate the Lease on certain terms, conditions and covenants as set forth in an Agreement for Termination of Lease which is appended hereto and incorporated herein as Exhibit B in order to facilitate CCH's sale of certain of its real estate.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Urbana, Illinois as follows:

### Section 1.

The Termination of Lease in substantially the form appended hereto and incorporated herein as Exhibit B shall be and hereby is approved

#### Section 2.

The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Agreement to Terminate Lease as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this day of	of, <u>2017</u> .
AYES:	
NAYS:	
ABSTENTIONS:	
	Charles A. Smyth, City Clerk
APPROVED BY THE MAYOR this day of _	, <u>2017_</u> .
	Diane Wolfe Marlin Mayor

### ORDINANCE EXHIBIT A

### LEASE

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Lease made this 19th day of April , 1976, between the County of Champaign, a governmental unit herein referred to as lessor, located at the Courthouse, City of Urbana, County of Champaign, State of Illinois, and the City of Urbana, a municipal corporation herein referred to as lessee, located at 402 South Vine Street, City of Urbana, County of Champaign, State of Illinois.

1. PREMISES. Lessor in consideration of the terms and conditions hereof, and in consideration of rent and intangible benefits accruing to lessor from lessee's use of the demised premises, which rent and intangible benefits equal or exceed the fair rental value of the demised premises, hereby leases to lessee and lessee hereby leases from lessor the real property hereinafter and herein-before referred to as the demised premises, located in the County of Champaign, State of Illinois, and more particularly described as follows:

Commencing at the northwest corner of the Northwest Quarter of Section 9, Township 19 North, Range 9 East of the Third Principal Meridian, Champaign County, Illinois, thence south 0° 08' 53" west along the west line of the Northwest Quarter of said Section 9, a distance of 58.73 feet to the southerly right-of-way line of Perkins Road; thence south 89° 54' 15" east along the southerly right-of-way line of said Perkins Road, a distance of 163.96 feet for a true place of beginning; thence south 89° 54' 15" east along the southerly right-of-way line of said Perkins Road, a distance of 51.04 feet to a point which is 96.06 feet to the left of the centerline of U.S. Route 45 (FAP 26); thence south 44° 18' 28" east along a jog in the right-of-way line of said U.S. Route 45 (FAP 26), a distance of 49.86 feet to the westerly right-of-way line of said U.S. Route 45 (FAP 26), being a horizontal curve concave to the east, having a radius of 7,790 feet; thence southwesterly along said westerly right-of-way line of said U.S. Route 45 (FAP 26) on a horizontal curve concave to the east having a radius of 7,790 feet, a distance of 204.00 feet, said curve having a chord of 203.99 feet and a chord bearing of south 220 21' 03" west; thence north 680 23' 58" west on a line radial to the previously described horizontal curve, a distance of 93.00 feet; thence northeasterly along a horizontal curve concave to the east having a radius of 7,883 feet, a distance of 205.62 feet to the place of beginning, said horizontal curve having a chord of 205.61 feet and a chord bearing of north 22° 20' 38" east; said tract containing 0.46 acres more or less, all situated in Champaign County, Illinois.

2. TERM AND RENT. Fire term of the lease shall be for the lease shal



ending on April 30, 2175, at a total rent of one dollar (\$1.00) receipt of which is hereby acknowledged plus intangible benefits accruing to lessor throughout the term of this lease.

- 3. USE. The demised premises shall be used during the term only for the following purposes:
- a. for the construction and maintenance of a permanent structure, accessible to all persons, from which lessee in its sole discretion may dispense or make available to any person any information whatever and from which lessee shall dispense or make available to any person any reasonable quantity of information as determined by the lessee, that lessor shall provide for such dissemination;
- b. for the construction and maintenance of parking facilities, access ramps, or any other accommodation reasonably designed to complement the purpose of the permanent structure;
- c. for such landscaping as will, in the opinion of the lessee, enhance the attractiveness of the demised premises or any permanent structure thereon;
- d. for any other changes in the demised premises, whether temporary or permanent, which will, in the opinion of the lessee and without regard to the law of waste, enhance the attractiveness or usefulness of the permanent structure.
- 4. TRANSFER, ASSIGNMENT, AND SUBLEASE. Lessee shall not transfer or assign this lease and shall not sublet the demised premises or any part thereof except on the prior written consent of lessor, and any transfer, assignment, or sublease to the contrary shall be voidable at the option of the lessor.
- 5. RIGHT TO CONVEY. Lessor hereby reserves the right to sell, convey, grant, or otherwise dispose of the demised premises during the term of this lease, or to grant easements or rights of way on the premises for any prupose authorized by law but only if such sale, conveyance, grant, or other disposal of the demised premises, or of easements or rights of way thereto, shall not materially hinder or obstruct the present or future use of the demised premises by the lessee for the purposes stated in Paragraph 3 of this instrument.

- 6. INSPECTION. Lessor, or its authorized agents, retains the right at all times to go on the demised premises for the purpose of inspecting the premises.
- 7. QUIET POSSESSION. Lessor hereby covenants with lessee that lessee shall at all times during the term peaceably and quietly have, hold, and enjoy the demised premises without suit, trouble, or hinderance from lessor, so long as lessee keeps and performs the terms and conditions of this lease.
- 8. SURRENDER OF POSSESSION. Lessee shall, on the last day of the term, peaceably and quietly surrender and yield up to lessor the demised premises together with any and all permanent improvements thereon, in good order, condition, and repair, reasonable use and wear thereof and damage by acts of God or the elements excepted.
- 9. HOLDING OVER. Any holding over after the expiration of the term by lessee with the consent of lessor, express or implied, shall be construed to extend the provisions of this lease for the term of years stated in Paragraph 2 of this instrument and such extension shall be on the terms and conditions herein specified.
- 10. NOTICES. All notices which may be given by either party to the other shall be deemed to have been fully given when made in writing and deposited in the United States mails, postage prepaid, addressed to the parties as provided above. The address to which the notices shall be mailed to either party may be changed by written notice by either party to the other. Nothing contained herein shall preclude the giving of any notice by personal service.
- 11. SUCCESSORS AND ASSIGNS. All terms and provisions of this lease shall extend to, be binding on, and inure to the benefit of the successors and assigns of the parties.

IN WITNESS WHEREOF, the parties have executed this agreement at the City of Urbana, County of Champaign, State of Illinois, this

19th day of April , 1976.

Hiram Paley, Mayor
City of Urbana, Illinois

ATTEST:

ATTEST:

ATTEST:

April , 1976.

Wesley M. Schwengel, Chairman County Board County of Champaign, Illinois

Duane Eckerty, City Clerk City of Urbana, Illinois

Denris K. Bing, county Clerk County of Champaign, Illinois

### AGREEMENT FOR TERMINATION OF LEASE

**THIS AGREEMENT**, made and entered into this \_\_\_\_\_ day of September, 2017 by and between CUNNINGHAM CHILDREN'S HOME OF URBANA, ILLINOIS, an Illinois not-for-profit corporation ("CCH") and CITY OF URBANA, an Illinois municipal corporation ("City").

WHEREAS, City, as Lessee, entered into a Lease dated April 19, 1976 with CCH's predecessor in title, the County of Champaign, Illinois for the premises described therein (the "Leased Premises") and depicted on Exhibit A attached hereto and incorporated herein by reference (the "Lease"); and

WHEREAS, the Lease provided for a term of 199 years ending April 30, 2175; and

WHEREAS, the Lease provided that City would construct and maintain a permanent structure on the leased premises; and

WHEREAS, the City no longer has a need for the Leased Premises and has removed the structure; and

WHEREAS, CCH desires to sell the Leased Premises and the adjoining land shown on Exhibit A (the "Development Area") to a third party or parties to be developed for commercial purposes; and

WHEREAS, the parties have agreed to the terms and conditions upon which the Lease will be terminated.

## NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND CONDITIONS CONTAINED HEREIN, the parties agree as follows:

- 1. The Lease shall terminate 21 days following delivery of written notice by CCH to City of its desire to terminate the Lease.
- 2. Until the expiration of the Notice period referred to above, the Lease shall remain in full force and effect.

- 3. CCH will use its best efforts to require any proposed purchaser of the Development Area to use reasonable efforts to save trees currently located on the Development Area and to protect those trees during the course of any construction of buildings and site improvements in the Development Area.
- 4. CCH agrees to populate its existing campus with a number of trees equal to the number of trees which may be removed from the Development Area by a purchaser of that land with similar or like species of trees. The number of trees to be planted by CCH shall be in addition to the number of trees required to be planted in connection with the City zoning and land development requirements for the CCH real estate adjacent to and adjoining the Leased Premises. All such replacement trees shall be at least two (2) inch caliper in diameter with such measurements taken four lineal feet above grade and shall be located on the campus of CCH in such locations as are mutually approved by arborists for CCH and the City. The trees shall be maintained in perpetuity and replaced when dead.
- 5. City agrees to pay CCH fifty-thousand dollars (\$50,000) for the construction of an eight-foot wide multi-use path along the south side of Country Club Road from the western boundary of the Development Area to the existing western boundary of the CCH parcel as shown in Exhibit A. If the construction of an 8-foot wide multi-use path is cost prohibitive to CCH a 4-foot wide sidewalk can be constructed as an alternative to the multi-use path. The City shall reimburse the CCH for fifty per cent (50%) of the construction costs of the 4-foot wide sidewalk with the maximum City contribution for the sidewalk not to exceed forty-thousand dollars (\$40,000). Such reimbursement shall be made within sixty (60) days following the approval and acceptance of the multi-use path or sidewalk. City agrees to have the necessary inspections made and completed within five (5) business days after CCH notifies the City that the construction has been completed.

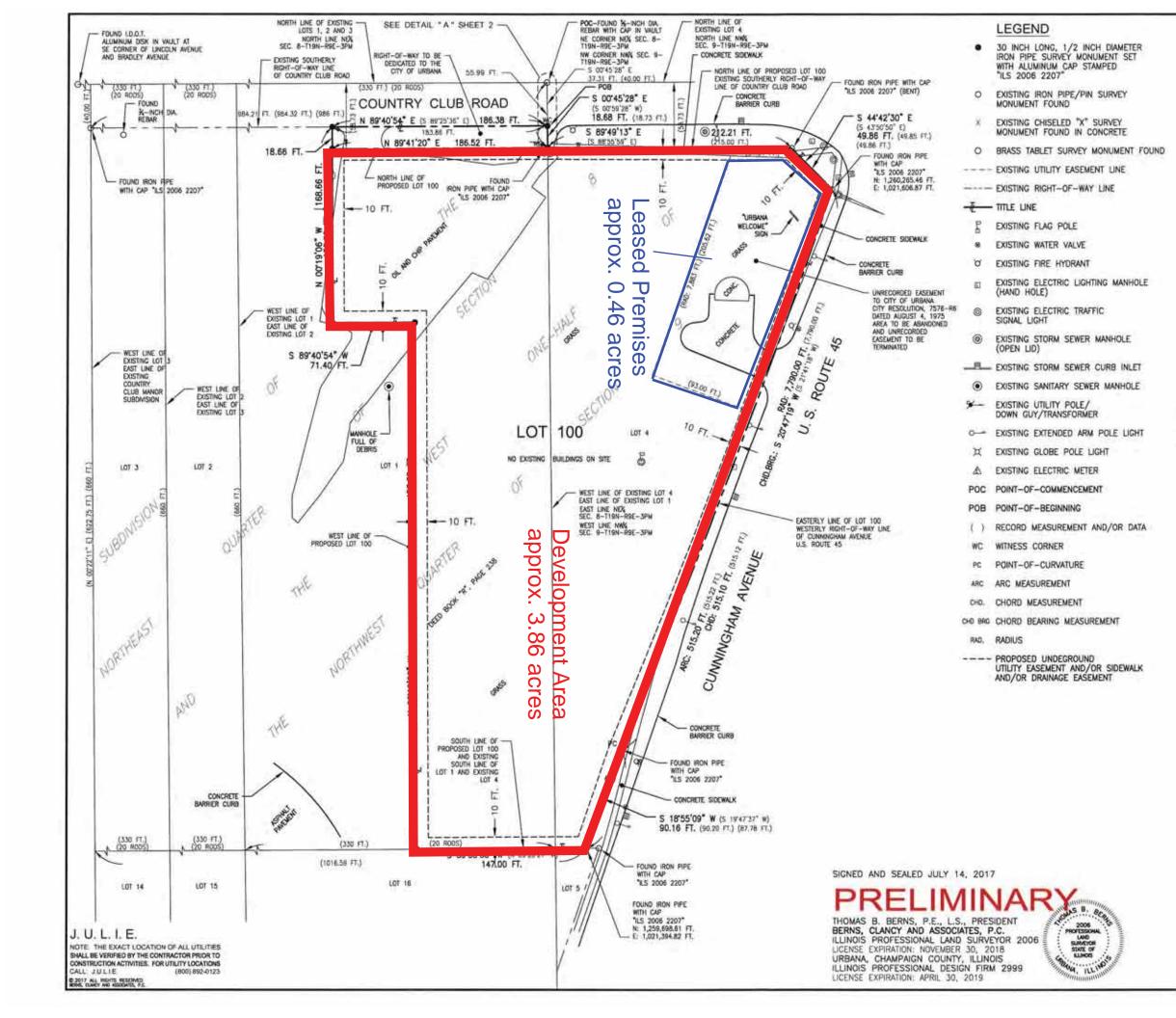
The construction of the multi-use path shall conform to such specifications and requirements of the City's Right-Of-Way Standards. Any and all bids for the construction of said multi-use path or sidewalk shall require the successful bidder to pay wages in conformance with the Prevailing Wage Act (820 ILCS 130/1 et seq.). Nothing herein shall be deemed, construed or interpreted as shifting liability to the City for any bodily injury and/or property damage incurred in the construction of the said multi-use path or sidewalk or as increasing the City's liability in connection with use and maintenance of said multi-use path or sidewalk beyond the liabilities normally assumed by the City for its ownership and maintenance of the multi-use path.

- 6. CCH agrees to dedicate a forty (40) foot wide public right-of-way to the City across the CCH property along County Club Road as shown in Exhibit A.
- 7. CCH agrees to allow the City's "Welcome" sign to remain until such time as Leased Premises are sold. CCH agrees to give access to the City to remove, and the City agrees to remove, the sign within thirty (30) days of the closing of the sale of the Leased Premises upon written notice from CCH of the closing date.

Leased Premises and, when the Lease is ter Premises on an "AS-IS" condition and basis.	rminated, CCH shall accept return of the Leased
<b>IN WITNESS WHEREOF</b> , the partie year first above written.	es have hereto set their hands and seals the day and
CUNNINGHAM CHILDREN'S HOME OF URBANA, ILLINOIS, an Illinois not-forprofit corporation,	CITY OF URBANA
By: Marlin Livingston, President/CEO	By: Diane Marlin, Mayor

8.

The City makes no representations or warranties regarding the condition of the



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### AREA SUMMARY

SCALE IN FEET

NORTH

LOT 100:

3.86 ACRES ±

RIGHT - OF - WAY: 0.08 ACRES ±

TOTAL:

3.94 ACRES ±

OWNER:

CUNNINGHAM CHILDREN'S HOME POST OFFICE BOX 878 URBANA, ILLINOIS 61803-0878 PHONE: 217/367-3728

ENGINE THOMAS R.

BERNS, CLA 405 EAST M POST OFFICE URBANA, ILL PHONE: 217

I, THOMAS B. BERNS, ILLINOIS PROFESSIONAL LAND SURVEYOR 2 PAB-0705 (THE PLAT ACT) DO HEREBY DESIGNATE THE CITY OF MAY RECORD "CCH COMMERCIAL SUBDIMISION, CITY OF URBANA. A TRUE COPY OF WHICH HAS BEEN RETAINED BY ME TO ASSUR MADE TO SAID PLAT.

BERNS, CLANCY AND ASSOCIATES, P.C. 405 EAST MAIN STREET URBANA, ILLINOIS 61802 RETURN TO:

### APPROVED BY:

	CITI ENGIN	*6.
	DIRECTOR, SERVICES	C
	SERVICES	

SECRETARY, DATE

ATTEST: CITY CLERK



C C H COMMERCIAL CITY OF URE CHAMPAIGN COUNT



BERNS, CLANCY ENGINEERS . SUR 405 EAST MAIN STREET URBANA, ILLIN PHONE: (217) 384-114

JOB: 2897-45 FILE: 2897-45,DWG



AGREEMENT EXHIBIT B
CUNNINGHAM CHILDREN'S HOME MULTI-USE PATH

