



Abandoned Property Acquisition Program

Please send completed applications to: 1601 Chicago Road, Chicago Heights, IL 60411

Basic information:

Name: _____ Organization/Company (if applicable): _____

Mailing Address: _____

Email: _____ Phone Number: (____) _____--_____ Fax Number: (____) _____--_____

Property Information:

Which property are you interested in purchasing?

Address: _____

PIN #: _____

Your currently owned parcel:

Address: _____

PIN #: _____

Project Costs:

Please indicate how much you would be willing to pay for property.

Purchase Offer: _____

Please indicate the time you expect will be required to complete the project.

Duration of Project: _____

Estimated repair price: _____

Applicant History:

Does the applicant have an ownership interest in any other real property within the City of Chicago Heights? Yes No

If Yes, please list the address of each piece of real property below that the applicant has an ownership interest in within the City of Chicago Heights, and indicate whether that property is owned by you as an Individual, or as a member, partner, principal of an LLC, Corporation, Partnership or other entity. If needed, please attach additional pages.

Are there any open code violations or delinquent taxes or water bills on any of the properties you currently own or have an ownership interest in?

Yes No If yes, please explain below.

Please note: Application will be rejected for delinquent taxes or water bills, or open code violations without an adequate explanation.

Signature Line:

The applicant certifies to the truth of the matters contained in this application and agrees to provide any other documents upon request. The applicant further certifies they read and understand the APAP Agreement.

Signature

Date

Print name

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-OVER-

Sample Letter

_____, 2019

Mr. John Doe
123 Main Street
Chicago Heights IL 60411

Re: Chicago Heights Abandoned Property Acquisition Program (APAP)
APAP Property Address: 1000 Las Vegas Street, Chicago Heights

Dear Mr. Doe,

You have recently submitted an application to the City to acquire the above captioned abandoned property from the City. As you know, the City does not own the property you wish to acquire. However, the City does offer a program, known as APAP, whereby the City will attempt to acquire the property you seek with the intention of conveying the property to you if and when the City acquires the deed to the property. The APAP program requires you to post an advance escrow with the City in the amount of \$5,000 (residential) \$10,000 (commercial) to pay for legal and other expenses involved in acquiring the deed to the property.

I have enclosed a copy of the APAP Program Agreement and Application for you to review. Please read it carefully and make sure you understand every aspect of the Agreement. If you are uncertain about anything, please take the document to an attorney for review. The Agreement does not guarantee that the City will be able to acquire the deed to the property because the City does not make the final decision on that issue. A court or other government body makes that decision. The escrow you post will be used to pay for legal fees and other expenses the City incurs in trying to get title to the property as those fees and expenses come due. The City is usually successful in its efforts to acquire a deed. However, there are occasions when the City's efforts are denied. So, understand that if the City's efforts to get the deed you seek are denied, you will not get a refund for your escrow funds that have already been spent.

If you wish to proceed with your APAP Program Application, please call me to make an appointment. At that time, you should be ready to return the enclosed Application, APAP Agreement and a check made payable to the "City of Chicago Heights" in the amount of \$5,000/\$10,000.

We look forward to working with you to keep our neighborhoods clean and safe.

Sincerely,

Tj Somer

City of Chicago Heights
Abandoned Property Acquisition Program

PROPERTY ACQUISITION AND ESCROW AGREEMENT

WHEREAS, the City of Chicago Heights is a Home Rule Unit of government pursuant to the State of Illinois Constitution of 1970 and, thereby may promulgate any rule or regulation for the benefit of its citizens; and,

WHEREAS, _____ is the legal owner of record of the real estate located at _____, Chicago Heights, IL 60411, (hereinafter "*Subject Property*") PIN# _____ said property which is vacant and abandoned according to the City of Chicago Heights Vacant Property Ordinance; or, vacant and encumbered by numerous years of delinquent property taxes; or is vacant and has been unmaintained for an extended period thus resulting in it becoming encumbered by City liens; and, whereas, the Subject Property has become a blight upon the neighborhood and City; and, whereby all practical attempts to locate and contact the record owner have been futile; and,

WHEREAS, _____ (*Developer's name*) of _____, (*address*) has advised the City that he/she desires to acquire title to the Subject Property for the purpose of rehabilitating and redeveloping the subject property, and has presented a preliminary plan for said rehabilitation; and,

WHEREAS, such acquisition and rehabilitation would: eliminate the current blight being caused by the subject property, restore it to a useful purpose; generate employment opportunities; generate multiple revenues for the City; return the subject property to the active property tax roles; and, generally enhance the appearance, security and home values within the neighborhood of the Subject Property; and,

WHEREAS, the City is interested in Developer's proposal and recognizes that the State of Illinois Compiled Statutes sets forth legal methods by which the City may acquire title to the subject property, including but not limited to: lien foreclosure, delinquent property tax purchases and abandoned property prosecution; and,

WHEREAS, the City is willing and able to initiate one of the above legal actions to acquire title to the subject property, but only on the assurance that the expenses associated in doing same are advanced by Developer; and,

WHEREAS, Developer is agreeable to advancing funds to be held in escrow by the City for the purposes of paying for the acquisition expenses; and that said funds shall be used to pay for said acquisition expenses as they occur; and, any escrow balance remaining after acquisition is complete shall be refunded to Developer, or if said expenses exceed said escrow balance, Developer shall pay same to City in advance.

WHEREAS, the Mayor and City Council believe that it is in the best interest of the City to enter into a Property Acquisition and Escrow Agreement with Developer in order to eliminate the aforementioned blighted condition of the Subject property and to promote the general health and welfare of the Citizens of Chicago Heights and to allow the legal process to commence:

IT IS THEREFORE AGREED AS FOLLOWS:

1. That the above recitals are incorporated herein as though specifically set forth;
2. That Developer hereby advises the City of his intention to have the City acquire the Deed to the abandoned property located at _____, Chicago Heights, IL and Developer makes this application for the purpose of purchasing the Subject Property from the City if and when the City acquires said Deed.
3. Developer agrees to advance funds to be held in escrow by the City for the purpose of paying for expenses related to the acquisition of the Subject Property; The Parties agree that any escrow balance remaining after acquisition is complete shall be refunded to Developer, or if said expenses exceed said escrow balance, Developer shall pay same to City upon demand.
4. Developer hereby agrees to tender to the City of Chicago Heights the sum of \$5,000 (*or as otherwise may be determined in the City's sole discretion*) to be held in escrow for the benefit of both parties and for the purpose of securing and making payments incurred by the City for acquisition expenses associated with the Subject Property. Developer hereby authorizes the City to make payments from said escrow fund without further notice to Developer as acquisition expense invoices come due. Such expenses shall include, but are not limited to: legal fees; filing fees; title insurance or search related fees; and, consultant fees.
5. Developer acknowledges and agrees that the City can only acquire title and Deed to the Subject Property by prosecuting certain provisions of the State of Illinois Compiled Statutes, and that the City does not control the ultimate outcome of such prosecution. In other words, a court or other governmental agency presiding over the City's attempted acquisition of said Subject Property could deny the City attempt to acquire such title and deed. In that event, the City could

not acquire title and deed and therefore, the City would be unable to convey title and deed to Developer.

6. Developer understands the inherent legal risk in the process as set forth in paragraph 5 above, and for the good and valuable consideration set forth in this agreement, Developer generally releases, holds harmless, indemnifies and will defend the City from any and all claims, actions, causes of action, responsibility or liability for any action or debt arising out of this agreement and the City's attempt to acquire title and deed to the subject property through a statutory process. Developer especially releases the City from any and all claims for a refund of the money placed in escrow as set forth in this agreement other than that set forth in paragraph 3 above. Developer understands and agrees that the escrow fund deposited is NON-Refundable to the extent said funds have been expended or expenses have been incurred that have not yet been paid.
7. The parties hereto further agree that the City is under no legal obligation to continue to attempt to acquire title to the subject property once the City's legal attempt to acquire is denied or if Developer ceases to fund the escrow account after demand by the City. The City shall determine in its sole discretion the legal method to be used to attempt to acquire title.
8. In the event the City is successful in acquiring title to the Subject Property the City shall notify Developer. Developer shall then have seven days to advise the City in writing that he is ready to close on the purchase of the Subject Property. Should developer advise the City that he wishes to close, the City shall draft a Purchase and Sale Agreement to be executed by the parties and the parties shall proceed to closing within 30 days or as otherwise may be agreed. Should Developer fail to advise the City of his intentions within seven days of the City's notice, this agreement shall immediately terminate and the City shall be under no further obligation to Developer.
9. The City's sole obligation to Developer at closing is to issue a Quit-Claim deed to Developer transferring to him/her the City's interest in the subject property. The City makes no representations, warranties or guarantees relative to the deed or chain of title or title exceptions or delinquent taxes relating to the Subject Property. The City shall incur no expenses in the closing. The cost of closing shall all be borne solely by Developer, including costs customarily considered "sellers costs". The City will NOT provide title insurance, survey or a tax proration or proration of any kind. The City will not be required to clear title exceptions. Developer will be responsible for scheduling and obtaining City Code Department inspections and Occupancy Certificate. The sale of the Subject Property to Developer is in an "as is" and "where is" condition.

10. Final sale price to Developer shall be the the greater of \$1 or the balance remaining in the Developer's escrow account after acquisition of the Deed by the City not to exceed the amount of the total escrow deposited, and same shall be reflected in the Purchase & Sale Agreement executed by the parties.

AGREED AS OF THIS _____ DAY OF _____, 2019

For Developer:

Signature

Printed name & title

For City of Chicago Heights:

Signature

Printed name & title

AMENDING CHAPTER 22 OF THE CITY OF CHICAGO HEIGHTS CODE OF ORDINANCES AND ESTABLISHING THE “ABANDONED PROPERTY ACQUISITION PROGRAM” (APAP)

WHEREAS, The City of Chicago Heights is a Home Rule unit pursuant to the Constitution of the State of Illinois of 1970, and thereby may promulgate rules for the benefit of its citizens; and,

WHEREAS, it is incumbent upon the City Council to update its Code of Ordinances from time to time to comport with changes in technology , the law, and to ensure the City’s ability to operate in an efficient and economically practical manner; and,

WHEREAS, a primary goal of the Mayor and City Council is to eliminate blighted, abandoned, tax delinquent, vacant, unmaintained dangerous properties from the City in order to enhance neighborhoods, promote economic and civic growth and to guard the general health, safety and welfare of the citizens of Chicago Heights; and,

WHEREAS, the City commonly receives inquiries from developers and other parties interested in acquiring ownership of abandoned properties in order to rehabilitate and redevelop the properties; However, the City is often unable to assist in such efforts as the City does not own the property and the City does not have the surplus funds to finance the legal expense of acquiring the property; and,

WHEREAS, the State of Illinois Compiled Statutes sets forth legal methods by which abandoned, blighted and tax delinquent properties may be acquired by the City; and,

WHEREAS, the Mayor and City Council find that it is in the best interest of the Citizens of Chicago Heights to have in effect a program that would allow an interested person to post an escrow with the City for the purpose of funding the acquisition of an abandoned, blighted or tax delinquent property by the City with the goal of conveying said property to that person for rehabilitation and redevelopment:

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Chicago Heights, Cook County, Illinois, that:

SECTION 1:

Chapter 22 of the Code of Ordinances of the City of Chicago Heights is hereby amended with the addition of Chapter 22, Article VII, Section 63 - 68, entitled **Abandoned Property Acquisition Program**,” which shall read as follows:

“ARTICLE VII -

Sec. 22- 63. Established. There is hereby established the City of Chicago Heights “Abandoned Property Acquisition Program” (hereinafter referred to as “*APAP*”).

Sec. 22-64. Purpose. The purpose of *APAP* is to provide the City with a method to eliminate blighted properties from the community; to restore blighted properties to a useful state; to generate employment opportunities; to generate utility and other revenues for the City; to return delinquent properties to the tax rolls; and to generally enhance the appearance, security, safety and home values in the community and to promote the general health, safety and welfare of the Citizens of Chicago Heights.

Sec. 22-65 Applicability. This Ordinance shall applicable to any property which is vacant and/or abandoned according to the City of Chicago Heights Vacant Property Ordinance or State of Illinois Complied Statutes; or vacant and encumbered by numerous years of delinquent property taxes; or is vacant and has been unmaintained for an extended period thus resulting in it becoming

encumbered by City liens; and, for which the Illinois Compiled Statutes provide a legal method of the City prosecuting an action to acquire ownership of the subject property.

Sec. 22-66. Authorization. The City of Chicago Heights Code Enforcement Director is hereby authorized to enter into a "Property Acquisition and Escrow Agreement" (as set forth in Exhibit A attached hereto) for a property that meets the applicability qualifications as set forth in Sec. 22-65 above with a Developer who has: made application to acquire a property under said program guidelines; has presented a satisfactory preliminary plan for the rehabilitation and intended use of said property; has posted the escrow as required within the application; and has demonstrated the financial ability to complete the rehabilitation in accordance with City Code within six months of acquiring the deed to the subject property.

Sec.22-67. Escrow and Agreement terms.

- a) The Developer/Applicant is hereby permitted to post and the Code Enforcement Director is hereby authorized to receive escrow funds from the Developer/Applicant, which shall be held in escrow by the City in its general corporate account for the purpose of paying for expenses related to the acquisition of the Subject Property; Escrow balance remaining after acquisition is complete shall be refunded to Developer, or if said expenses exceed said escrow balance, Developer shall pay same to City upon demand.
- b) Escrows shall be posted in the amount of \$5,000 (*or as otherwise may be determined in the City's sole discretion*). Escrows shall be held for the benefit of both parties and for the purpose of securing and making payments incurred by the City for acquisition expenses associated with the Subject Property. The City is authorized to make payments from said escrow fund without further notice to Developer as acquisition expense invoices come due. Such expenses shall include, but are not limited to: legal fees; filing fees; title insurance or search related fees; and, consultant fees.

- c) The City shall have no liability towards the Developer and the Developer shall waive any and all claims against the City for the denial of the City's prosecution of a civil action to acquire title. The City shall be under no legal obligation to continue to attempt to acquire title to the subject property once the City's legal attempt to acquire is denied or if Developer ceases to fund the escrow account after demand by the City. The City shall determine in its sole discretion the legal method to be used to attempt to acquire title.
- d) In the event the City is successful in acquiring title to the Subject Property the City shall notify Developer. Developer shall then have seven days to advise the City in writing that he is ready to close on the purchase of the Subject Property. Should developer advise the City that he wishes to close, the City shall draft a Purchase and Sale Agreement to be executed by the parties and the parties shall proceed to closing within 30 days or as otherwise may be agreed. Should Developer fail to advise the City of his intentions within seven days of the City's notice, this agreement shall immediately terminate and the City shall be under no further obligation to Developer.
- e) The City's sole obligation to Developer at closing is to issue a Quit-Claim deed to Developer transferring to him/her the City's interest in the subject property. The City makes no representations, warranties or guarantees relative to the deed or chain of title or title exceptions or delinquent taxes relating to the Subject Property. The City shall incur no expenses in the closing. The cost of closing shall all be borne solely by Developer, including costs customarily considered "sellers costs". The City will NOT provide title insurance, survey or a tax proration or proration of any kind. The City will not be required to clear title exceptions. Developer will be responsible for scheduling and obtaining City Code Department inspections and Occupancy Certificate. The sale of the Subject Property to Developer is in an "as is" and "where is" condition.
- f) Final sale price to Developer shall be determined by agreement of the parties after acquisition of the Deed by the City and same shall be reflected in the Purchase & Sale Agreement executed by the parties. Factors to be considered in determining the sales price shall include, but are not limited to: expenses incurred by the City, revenue unrealized by the City caused by the abandonment of the Subject Property, and

condition of the Subject Property as compared to market value of similar properties in the vicinity.

Sec. 22-68. Application. The Application attached hereto as Exhibit A is incorporated herein as though specifically set forth and its terms and conditions are in full force and effect upon the adoption and approval of this Ordinance.

SECTION 2. The above recitals are incorporated herein as though specifically set forth.

SECTION 3. In the event of conflict between this Ordinance and any provision of any other Ordinances or Resolution the provisions of this Ordinance shall be and the same are hereby repealed.

SECTION 4. This Ordinance shall be in full force and effect upon its passage, approval, and publication as provided by law.

PASSED and ADOPTED this 7th day of August, 2017.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED:

Mayor David A. Gonzalez

Attest:

City Clerk Lori Wilcox

City.Ordinance.APAP.program.8-2-17