



TO: The Honorable Mayor and the City Council

FROM: Ty Livingston, Director of Planning & Community Development

DATE: June 11, 2020

SUBJECT: Settlement Agreement for 403 Circuit Ct.

BACKGROUND: In an unusual set of circumstances, the City pursued the judicial deed for this property at the same time Doug Huff was pursuing it for back taxes. During this process, both parties were awarded title to this property. Staff has met with Mr. Huff to discuss this matter, along with Commissioner Hill's guidance, and have come to a resolution to presented in this agreement. The basic elements of the agreement are as follows:

- Mr. Huff will pay the City to cover all of its expenses connected with this property. These expenses include mowing, other property maintenance, staff time and City Attorney's time. \$25,000 is sufficient to cover all incurred expenses.
- In return, the City will transfer title over to Mr. Huff's corporation.
- Mr. Huff agrees to have repairs made to the existing home here and make it habitable again by no later than September 15, 2020. The repairs will be confirmed by our City Inspector.

In the end, the City's goal is to ensure properties are habitable and in the hands of private ownership as being a landlord is not in the City's best interest, in most cases. The agreement allows the City to ensure the property is brought-up to standards and is once again habitable. The neighborhood is conducive to the reinvestment needed to bring the property back-up to a good, livable condition.

RECOMMENDATION: Approval, as presented.

RESOLUTION NO. 2021-019

East Peoria, Illinois

_____, 2020

RESOLUTION BY COMMISSIONER _____

**RESOLUTION APPROVING SETTLEMENT AGREEMENT WITH
GULFVIEW MANAGEMENT LLC REGARDING PROPERTY LOCATED AT
403 CIRCUIT COURT IN EAST PEORIA**

WHEREAS, for several years, the City has been attempting to bring the property located at 403 Circuit Court in the City of East Peoria (the "Property") into compliance with the provisions of the City Code, and the City has expended considerable resources in attempting to bring the Property into compliance with the City Code; and

WHEREAS, in August 2019, the City initiated court action in Tazewell County Circuit Court seeking to declare the Property abandoned or alternatively petitioning for repair of the Property; and

WHEREAS, pursuant to this court action, the City was later granted a judicial deed to the Property by the Tazewell County Circuit Court; and

WHEREAS, at approximately this same time, Gulfview Management LLC, Series 20 ("Gulfview Management LLC") had also taken legal action in Tazewell County Circuit Court seeking a tax deed to obtain title to the Property; and

WHEREAS, Gulfview Management LLC was subsequently issued a tax deed to the Property by the Tazewell County Circuit Court; and

WHEREAS, upon becoming aware that each party had received separate and independent title to the Property, the City and Gulfview Management LLC entered into negotiations to resolve the conflicting title ownership for the Property that resulted in the negotiation of a Release and Settlement Agreement ("Settlement Agreement"), as set forth in "Exhibit A" attached hereto and incorporated by reference; and

WHEREAS, under the terms of the Settlement Agreement, the City will transfer all rights in the Property to Gulfview Management LLC in exchange for the payment of \$25,000 by Gulfview Management LLC to the City, while Gulfview Management LLC also commits to repairing the property and bringing the Property into compliance with the City Code by September 15, 2020; and

WHEREAS, the City hereby finds that entering into the Settlement Agreement is in the best interests of the City, while providing for the rehabilitation of the Property and allowing for future residential use of the Property;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The City hereby approves the Settlement Agreement (Exhibit A) with Gulfview Management LLC and the transfer of all rights in the title to the Property as so provided therein under the terms and conditions set forth in the Settlement Agreement.

Section 2. The Mayor and the City Clerk are hereby authorized to execute the Settlement Agreement with Gulfview Management LLC, attached as “Exhibit A”, together with such changes therein as the Mayor in his discretion deems appropriate; provided, however, that the City shall have no obligation under the Settlement Agreement until such time as an executed Settlement Agreement has been delivered to Gulfview Management LLC.

Section 3. The Mayor and the City Clerk are hereby further authorized to execute any documents, including a deed, necessary to effectuate the terms and conditions of the Settlement Agreement and the transfer of the City’s rights in the Property to Gulfview Management LLC as so provided in the Settlement Agreement.

APPROVED:

Mayor

ATTEST:

City Clerk

EXHIBIT A

Settlement Agreement with Gulfview Management LLC

RELEASE AND SETTLEMENT AGREEMENT

This Release and Settlement Agreement (“Agreement”) is entered into this ____ day of _____, 2020, between Gulfview Management LLC, Series 20 (“Gulfview”) and the City of East Peoria, an Illinois municipal corporation (“City”), (Gulfview and the City are collectively referred to in this Agreement as the “Parties”).

RECITALS

WHEREAS, for several years, the City has been attempting to bring the property located at 403 Circuit Court, East Peoria, Illinois (“Property”) into compliance with the City’s municipal code (“Code”), including obtaining an administrative search warrant for the Property in July 2019; and

WHEREAS, the City has expended considerable resources in attempting to bring the Property into compliance with the Code; and

WHEREAS, Gulfview had previously purchased back taxes on the Property, and in June 2019, Gulfview filed an action in state court (Tazewell County Case No. 2019 TX 49) seeking a tax deed to obtain title to the Property; and

WHEREAS, in August 2019, without knowledge of Gulfview’s petition for a tax deed, the City subsequently filed a petition for an order declaring the Property abandoned and a petition for repair of the Property in state court (Tazewell County Case No. 19 MR 240); and

WHEREAS, in Case No. 2019 TX 49, an order directing the County Clerk to issue a tax deed was granted to Gulfview on October 21, 2019; and

WHEREAS, in Case No. 19 MR 240, the City was granted a judicial deed on January 7, 2020, which was then recorded in the Tazewell County Recorder’s Office on January 8, 2020;

WHEREAS, a question as to who has title to the Property has now arisen; and

WHEREAS, the Property is still in disrepair and in violation of the City's Code, posing a threat to the health and safety of the citizens of East Peoria; and

WHEREAS, the City desires to have the Property brought into compliance with the City Code and to eliminate the endangerment to the health and safety of its citizens; and

WHEREAS, Gulfview already has a considerable investment in obtaining its tax deed and interest in the Property and is able to quickly bring the Property into compliance with the City Code; and

WHEREAS, the Parties desire to settle the dispute over who has title to the Property without lengthy and costly litigation to both Parties; and

Accordingly, in mutual consideration of the promises and covenants contained set forth in this Agreement, the Parties hereby agree as follows:

ARTICLE I PROPERTY

1.1 **Transfer of Property.** Upon the execution of this Agreement and receipt of payment as provided herein, the City agrees to transfer, assign, convey, forfeit, and deliver to Gulfview all of the City's right, title, and interest in the Property, including all right, title, and interest in all improvements thereon.

1.2 **Legal Description.** The Property is generally described as 403 Circuit Court, East Peoria, Illinois, and legally described follows:

Lot 16 in BRENNY WOODS, a subdivision of a part of the Southwest Quarter of Section 24, Township 26 North, Range 4 West of the Third Principal Meridian, as shown on plat recorded in Plat Book "OO", pages 103 and 104, situated in TAZEWELL COUNTY, ILLINOIS.

TAX I.D. NO. 01-01-24-309-016

**ARTICLE II
CONSIDERATION**

2.1 **Consideration.** In exchange for the City's execution of a quit-claim deed transferring the City's interest in the Property to Gulfview, Gulfview shall pay, at the time of the execution of said quit-claim deed, the sum of Twenty-Five Thousand Dollars (\$25,000.00). This amount is due and payable in cash or in immediately available funds to the City at the time the quit-claim deed is executed.

**ARTICLE III
GULFVIEW'S OBLIGATIONS**

3.1 **Obligations.** By September 15, 2020, Gulfview will have the Property brought up to and in compliance with the City's Code, as well as all State of Illinois building and health and safety codes. Such repairs include, but are not limited to: repair of the roof; mold remediation; and pumping the water out of the basement. All repairs are to be in compliance with the 2015 International Residential Code (IRC) and shall be inspected by the City throughout the course of the repair process. The completion date can only be extended by the written agreement of the Parties. Upon completion of the repair of the Property, Gulfview will contact the City for a final inspection and issuance of an occupancy permit in accordance with the Code.

**ARTICLE IV
RELEASE**

4.1 **Release of Claims.** Except for the obligations of the Parties under this Agreement, and in exchange for good and valuable consideration, including the promises and commitments set forth in this Agreement, Gulfview being competent to execute this Agreement and on behalf of its officers, agents, employees, and any successor company or corporation and its officer, agents and employees, agrees that it does acquit and forever discharge the City, and its officers, agents, employees, and attorneys, (hereinafter collectively referred to as the

“Releasees”), from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of services, expenses and compensation whether direct or indirect, liquidated, contingent or determined, known or unknown, including all effects and consequences thereof in law or equity from the beginning of time until the date of the execution of this Agreement related to Property or title to the Property.

Gulfview further acknowledges that this Agreement covers any and all of Gulfview’s claims and causes of action for any form of damages, whether compensatory, punitive, statutory, or otherwise, and includes claims and causes of action for all for Gulfview of costs, fees (including attorney’s fees), or expenses, which have accrued prior to the date of the execution of this Agreement related to Property or title to the Property.

Gulfview also acknowledge that this Agreement covers and bars any and all potential state or federal claims, causes of action, or legal theories, whether brought pursuant to statute or common law, which have been brought or which could have been brought, regardless of whether Gulfview discovers additional facts or legal theories after the execution of this Agreement related to Property or title to the Property.

4.2 **Attorneys’ Fees and Costs.** The obligations of the Parties herein made pursuant to this Agreement are in full and final settlement and satisfaction of all claims, expressly including any and all of the Parties’ attorneys’ fees and costs associated with the settlement of issues related to the title of the Property, including costs related to the negotiation and execution of this Agreement, but excluding reasonable attorney’s fees and costs arising out of a breach of this Agreement or to enforce the Agreement.

4.3 **Indemnity and Hold Harmless.** Gulfview agrees to indemnify and hold harmless the City and the Releasees, from any and all costs, fees, liens, bills, expenses, liabilities,

and losses, which might be incurred as a result of any outstanding real estate tax bills, mortgage debt or expenses or rights of reimbursements related to the Property, including but not limited to liens on the Property.

ARTICLE V MISCELLANEOUS

5.1 **Electronic Signatures.** Facsimile transmission or e-mail transmission of any signed original document, and retransmission of any signed facsimile or e-mail transmission, shall be the same as the delivery of an original. At the request of either Party, the Parties shall confirm facsimile-transmitted signature by signing an original document. Electronic signatures shall be valid and binding provided that the Party providing such signature shall provide an original upon request of the other Party.

5.2 **Choice of Law.** The Parties agree that this Settlement Agreement shall be governed by and construed and interpreted according to the laws of the state of Illinois.

5.3 **Entire Agreement.** The Parties agree that all of the terms, conditions, covenants, promises, and warranties by and between the Parties are contained herein this Agreement. Any prior agreements, negotiations, representations, covenants, promises and warranties concerning the Parties' claims are merged into this Agreement. If any provision or part of any provision of this Agreement is for any reason held to be invalid, unenforceable or contrary to any public policy, law, statute or ordinance, then the remainder of the Agreement shall not be affected thereby and shall remain valid and fully enforceable.

5.4 **Modification.** This Agreement may not be modified in any manner, except by duly executed written consent or agreement of all of the Parties.

5.5 **Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be deemed originals, and with the same effect as if all Parties had signed the same

document. All of such counterparts shall be construed together with and shall constitute Agreement, but in making proof, it shall only be necessary to produce one such counterpart. A facsimile transmission or pdf signature shall be as valid and enforceable as an original.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Effective Date.

CITY:
CITY OF EAST PEORIA

GULFVIEW MANAGEMENT LLC, SERIES 20:

BY: _____

BY: _____

NAME: JOHN P. KAHL

NAME: DOUG HUFF

ITS: MAYOR

ITS: _____

DATE: _____

ATTEST

BY: _____

NAME: MORGAN R. CADWALADER

ITS: CITY CLERK

DATE: _____