

Welcome back to another #Friday5.

Sorry we missed last week, but sometimes these things are unavoidable. However, we did not receive any "new" questions since Friday 5.5, so we haven't really missed much. We did receive a few questions we answered in the past asked in different ways, so we'll focus on those.

Just another quick reminder: the South Barrington Park District created #Friday5 to answer questions regarding the auction/sale of Area N on Feb. 28 – which is about one month away. Our hope is to keep the lines of communication open between the park district and the people affected by the sale. As we have been saying, questions or statements by residents were found on social media and answered here for everyone to read.

If you asked a question somewhere and we did not see it, check back next week to see if your question or statement is answered. If we missed it completely and want your question answered, feel free to send the question to Executive Director Jay Morgan at jmorgan@sbsd.net.

Here is the question and answer:

Question 1: Please explain the covenant surrounding property and real estate taxes:

Answer: I know this seems to be confusing and having many different legal professionals dip their quill into the ink surrounding this issue is making it murkier. However, this is important to understand, so let's try and clarify everything as best as possible:

Any entity – including entities that have 501c3 tax exempt status – are allowed to bid then win the auction to purchase the property. HOWEVER, should an entity with tax exemption status win the bid, the park district REQUIRES the winning bidder to CONTINUE TO PAY PROPERTY TAXES ON THE LAND per the covenant below that lays over the property. In its full legal form, the covenant reads like this:

15. Covenant Regarding Property Taxes. Purchaser expressly acknowledges that a goal of Seller in selling the Property is to return the Property to the real estate tax rolls. To that end, Purchaser, and its heirs, successors, assigns, beneficiaries, representatives, tenants, agents or the like ("Purchaser's Successors") shall take no action to obtain an exemption from real estate or property taxes relative to the Property. A covenant running with the land shall be recorded at Closing whereby Purchaser and Purchaser's Successors agree not to take any action to obtain an exemption from real estate or property taxes relative to the Property. If Purchaser, Purchaser's Successors or anyone acting on behalf of any of them shall take action to exempt the Property from real estate or property taxes, the Seller is authorized to object to any such attempt and to present the covenant to the Board of Review, hearing officer or Property Tax Appeal Board, which shall be sufficient evidence for the exemption to be denied. If an exemption from real estate taxes is granted, whether or not the Seller is a party to or has notice of the proceedings, then the Seller (or its assignee) may bring an action against Purchaser or Purchaser's Successors to remove the exemption and for monetary damages on behalf of Seller and each taxing body which authorizes Seller to bring an action and for the repayment of any taxes which were exempted but would have otherwise been assessed without the exemption, abated or uncollected during the time of the exemption. The covenant shall also provide that in the event there is a violation of it, that Seller's attorneys fees and costs shall be paid by Purchaser or Purchaser's Successors. Seller may assign its rights under any such covenant to any other taxing body. This provision may only be waived by the formal action of the Board of Commissioners of Seller.

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Now – what does this mean? In layman’s terms it means the purchaser knows the park district wants to bring this property back to the tax rolls so don’t try to exempt it. Then, it means should the purchaser (or any of the purchaser’s heirs or successors) try and exempt the property from the tax rolls, the park district can object to the exemption – which will result as sufficient enough evidence for the Board of Review to deny the exemption. Also, the purchaser (or its successors) will have to cover the cost of the legal bills associated with this lawsuit should that lawsuit even need to be filed.

Then, finally, it says only the park district board has the right to undo this covenant. This particular sentence is in place because, should the land be redeveloped then sold or donated to another taxing body – like a school district or the village – the park district board at the time may decide in the future to remove the covenant from the tax rolls for the benefit of the citizens of South Barrington.

So, ultimately, the purchaser of the property **will not be able to claim “tax exempt” status on this property.** And, should it try to, the park district can authorize the right to sue.

Question 2: Who has contacted the park district to purchase the land?

Answer: As we stated in different ways across previous #Friday5, no one has submitted bids or put anything in since the auction isn’t open. As stated on the park district website, all inquiries are being directed to Rick Levin and Associates, the auction house in charge of auctioning the land for the park district. Staff and board members of the park district are not engaging with potential purchasers.

Question 3: I am not from around here, are you selling the club or just adjacent land?

Answer: The park district is selling vacant land it currently owns, not “adjacent” land, nor the club itself. For additional details surrounding the sale of Area N, please go here: <https://www.sbpd.net/area-n>.

On the website, people can peruse information regarding the land sale, information for bidders, the auction house, referendum information approved in April, our previous #Friday5s and many other items. I recommend anyone seeking accurate information to go here.

Final statement: People have also asked if the auction house has been running ads in local media as required. The short answer is yes. However, as proof, please find the attached ads below in the Daily Herald and Pioneer Press regarding the sale of Area N. (Below are the actual tear sheets presented by the media companies to the auction house, proving the ads have run in the newspapers.)



NEWS

Real Estate Auction
FEBRUARY 28, 2024

**EXCESS PROPERTY +/- 34 ACRES
 VACANT LAND PARCEL**

South of the intersection of SR 100 (State Road 100) and the Florida Turnpike, South Jacksonville, FL

Approximately 34 acres of approximately 33.2 acres +/-
 of undeveloped vacant land with a small building.

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That's it!! We'll see you next week!!