



## Agenda Memo

Crest Hill, IL

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<b>Meeting Date:</b>	April 29, 2024
<b>Submitter:</b>	Ronald Mentzer, Interim Community and Economic Development Director
<b>Department:</b>	Community Development
<b>Agenda Item:</b>	HERA Property Registry Professional Services Agreement

### Background:

In 2019, the City Council approved Ordinance #1802 to require owners of vacant properties in mortgage default to register their property with the City. The City subsequently executed a professional services agreement (PSA) with ProChamps to create and manage the web based registration platform the City used to process and track these registrations (the “Registration Services”). Pro-champs filed for bankruptcy last year and ceased providing Registration Services to the City.

On two separate occasions in July of 2023, the City Council discussed the professional services proposal the City received from the new company (HERA) several former ProChamps employees created to provide similar Registration Services to municipalities. Copies of the minutes from these discussions are attached for reference. The minutes reflect the City Council was generally supportive of finalizing a new PSA with HERA. A new PSA with HERA was not negotiated or approved by the City last year due to vacancies and staff transitions in the City Administrator and Community and Economic Development Director positions.

For the past several months, Community and Economic Development Director Mentzer and Attorney Stiff have been working with HERA representatives to negotiate a mutually acceptable PSA for these Registration Services. A copy of the draft PSA staff and the City Attorney are recommending the City Council approve with HERA is attached for review and reference.

### Financial Impact:

The City would not incur any “out-of-pocket” costs under the attached recommended PSA. HERA would be compensation for the Registration Services it would provide under the attached PSA by

retaining \$100 of the semi-annual registration fee it collects for each registered property and 20% of any late fees it collects on behalf the City. The City's Registration of Defaulted Mortgage Property Ordinance requires a \$300 semi-annual registration fee for each eligible property. Based on the last twelve months of registration data received from ProChamps, staff projects the City will receive approximately \$16,000 in net annual revenue once the HERA PSA is executed and Crest Hill's new web based registration platform is fully operational.

**Recommended Council Action:**

Recommend the attached professional services agreement with HERA be approved at the next regular Council meeting.

**Funding Source:** N/A

**Budgeted Amount:** N/A

**Cost:** N/A

**Attachments:**

Staff/City Attorney Recommended HERA Professional Services Agreement

Meeting minute excerpts from the July 24 and 31 City Council workshop meetings