

URBANA CITY COUNCIL CLOSED SESSION  
(Property Acquisition)August 2, 1993

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The City Council of the City of Urbana, Illinois met in closed session at 8:00 p.m., in the Mayor's office in the Urbana City Building to discuss property acquisition.

Members present: Hayes, Pollock, Ryan, Singer and Whelan, absent were: Barr and Taylor. Staff members present were: Waaler, Walden, Mayor Satterthwaite and P. Clark.

Mr. Waaler advised that this meeting should directly pertain to property acquisition.

Lincoln Square was the first order of business. It is now public that Herberger's is the prospect for the anchor store at Lincoln Square. The completion of this deal will require the city to acquire the Diana's property and the option discussed for this property was \$555,000.00. Mr. Walden explained how the purchase of the Diana building was linked to the Agreement with Herberger's which was still not finalized.

Mr. Whelan asked when the Federal Court House would be open. The answer was sometime between March and May, 1994.

After discussion, the Mayor asked that a straw poll be taken to get a feel for where the council members stand on this issue. The results were as follows: Voting Aye - Hayes, Pollock, Ryan, Singer and Whelan; Nays - None.

Hampton Inn is the second order of business. Mr. Walden and the Mayor met with Mrs. Gray and she will have a decision on August 12, 1993. All parties, Mrs. Gray, Servant Core/Covenant and the City are all in agreement of an updated appraisal of the property.

Following discussion, question was raised as to whether or not the city has been asked to participate in the provisions of relocating the day care center. Mr. Walden advised that at this juncture, that has not occurred.

Mr. Hayes wanted to know if the options offered to Mrs. Gray had been put in writing. Mayor Satterthwaite said that \$80,000.00 was offered as a dollar amount and that none of the options had been put in writing yet. The builders want to start by October 1 but will not continue with the deal until they have Mrs. Gray's property.

Mr. Pollock asked, "If we do not reach an agreement with Mrs. Gray, will Covenant and this project fold up or do they have an alternate plan?" Mayor Satterthwaite advised that if Mrs. Gray's property can't be settled, the project will be relocated to a site in Champaign that has been picked out if this falls through.

Mr. Singer asked if we had a defensible public purpose to condemn Mrs. Gray's property when Covenant owns all of the property around her that is not covered in the Agreement and is being used as a parking lot? Mayor Satterthwaite advised that there is more than just a parking lot involved in this project. Mrs. Gray is being offered a pretty good deal - land, retirement, day care center and a buy back possibility.

Mr. Walden advised that another alternative to date is staying with 85-15 but cap at a number not to exceed \$70,000.00 a year for 20 years.

After lengthy discussion the question was posed to the council members that if the deals could not be reached, would they be willing to vote for eminent domain/condemnation. A straw poll was taken and the votes/comments were as follows:

Singer - NO (refer to his written plan for the Future of Urbana);  
Ryan - YES (?); Pollock - YES (to ensure deal); Hayes - YES  
(only if it includes a package deal w/Durst); Whelan - YES  
(if all else fails).

Mr. Singer proposed that in order to make the deal appealing to Mrs. Gray, Covenant, the neighborhood and the City, we should be willing to show some continuity for our willingness to provide her with

a day care. If Mrs. Gray is in agreement with choosing a new location for a day care and a buy back after 5 years or a cash settlement, we should support it in order to show continuity.

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Mr. Pollock said that he was not sure if he buys the complete idea that Mr. Singer has proposed. He is, however, willing to back it with an appraisal plus 25%. Mr. Pollock is not willing to commit the city to any more expenditure on it's part. He would rather offer a really high price and then be out from under it altogether.

Mr. Whelan said that he would not support a buy back. He does not feel good about a condemnation but will support it if it is needed to go forth with this project.

Mr. Walden posed the question of, "What is the comfort level?" The figures of \$120,000 for Mrs. Gray's property or whatever the court decides is the fair market value; \$650,000.00 for Durst's property.

After further discussion, the straw poll was as follows:

Mrs. Gray: (\$120,000 buy out plus \$15,000 for lot)  
Pollock = Yes, Whelan = Yes, Hayes = Yes, Ryan =  
\$86,000, buy back option plus inflation, Singer =  
\$86,000. plus inflation.

Durst: (\$625,000. Buy out plus \$25,000. if relocates in Urbana)

Pollock = Yes, Whelan = Yes, Hayes = Yes, Ryan = Yes,  
Singer = Continuity of Business.

Mr. Walden advised that staff needed the okay to present this information to Covenant and the builders plus the Cap of \$70,000. per year on taxes up to 20 years. They need the go ahead to commit without further discussion from council. After further discussion, all was in agreement.

Closed meeting adjourned at 10:40 p.m.

Respectfully Submitted,

Phyllis D. Clark  
City Clerk