



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, FAICP, Director, Community Development Services

DATE: June 6, 2011

SUBJECT: COUNCIL MOTION TO PROCEED WITH PUBLIC HEARING FOR POSSIBLE SALE OF CITY-OWNED LOT (107 East Oregon Street)

Description

Included on the agenda of the June 13, 2011 meeting of the Urbana City Council Committee of the Whole is a request for a motion to authorize staff to request statements of interest from persons who may be interested in purchasing the property and to hold a public hearing. A public hearing is required to dispose of a City-owned property that is no longer needed for governmental purposes or proprietary activity of the City, prior to enactment of an Ordinance to sell the property.

Issue

The issue is whether the Urbana City Council should approve the motion.

Background

Community Development Block Grant funds were used to acquire the subject property as part of the Grants Management Division's Property Acquisition Program.

Elimination of blighted structures sometimes results in the City acquiring undersized lots and/or irregularly shaped fragments, the value of which is frequently minimal. The City usually has no need for these parcels, and frequently the best use appears to be to sell them to the adjoining property owners.

The property at 107 East Oregon Street was purchased to eliminate a blighted, deteriorated property that was in disrepair and for the possibility of future affordable housing. This vacant parcel that is 57.75 feet x 57.75 feet is located at the corner of Oregon and Walnut. During the demolition of the property, staff had been contacted by several neighbors with concerns about the possible construction of new housing because of the location and size of the lot. Because of the size and location of the property, new housing construction would require zoning variances for set back issues for construction. At the present time the cost to maintain this property is approximately \$440.00 per year.

Staff is proposing a notice be published in the News-Gazette inviting statements of interest to acquire this property, then negotiate with the person(s) who express an interest and are most directly impacted by the sale of the property. In order to implement this, it will be necessary to advertise and hold a public hearing, as required by Section 2.118 of the Urbana Code of Ordinances.

Options

1. Make and approve the motion: to authorize staff to publish a request for statements of interest to acquire title for the now vacant parcel located at 107 East Oregon Street and then to negotiate with persons expressing an interest who are most directly impacted by the sale of the property and bring back to Council a specific proposal for the sale of property.
2. Do not make or approve a motion.

Fiscal Impacts

Selling this lot would eliminate the expense required to maintain the property and would provide CDBG program income for use in City housing programs.

Recommendations

Staff recommends that the Urbana City Council make and approve the motion authorizing staff to publish a request for statements of interest to acquire title for the now vacant parcel located at 107 East Oregon Street, negotiate with persons expressing an interest who are most directly impacted by the sale of the property, and then bring back to Council a specific proposal for the sale of the property.

Memorandum Prepared By:

**Randy Burgett
Housing Rehab Coordinator**

Attachment

- a. Location Map - 107 East Oregon Street, Urbana

