



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Laurel Lunt Prussing, Mayor, City of Urbana

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

**DATE:** April 20, 2017

**SUBJECT:** **A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE VILLAGE OF RANTOUL REGARDING A LAND BANK FEASIBILITY STUDY**

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### **Description**

Included on the agenda of the April 24, 2017 meeting of the Urbana City Council Committee of the Whole is a Resolution Authorizing the Execution of an Intergovernmental Agreement with the Village of Rantoul for partial funding of a land bank feasibility study. This study would be carried out by STR Grants, LLC (STR), a Fairfax, VA-based firm which specializes in information technology as applied in community development contexts. STR recently conducted a land bank feasibility study for the Vermilion County (IL) Land Bank, which is in the process of initiating operations at this time. The proposed study will review data on existing conditions in Champaign County, correspond with local stakeholders, and prepare a final report summarizing key findings and next steps in the process of establishing a land bank in Champaign County. The estimated total cost of the study will be \$17,360. The Village of Rantoul, acting as lead entity for the study, is requesting all participating government partners fund 25% (estimated \$4,340) of the study's cost. The City of Champaign and Champaign County are also participating partners in this study.

### **Background**

Land banks are tools that many communities use to manage and mitigate the effects of vacant and blighted structures. The Vermilion County Land Bank offers a more detailed description: "Land banks are public or community-owned entities created to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties. Land banks are often associated with communities with large-scale blight and abandonment, though many communities have implemented land banking and land banks to prevent negative impacts of blight." These single-purpose public-sector entities act as property owners with regard to owning and managing vacant and neglected properties. As public bodies, land banks are accountable to the desires and concerns of local residents, and can prioritize rehabilitation, demolition, resale, or redevelopment based on the input that they receive. Land banks specialize in clearing title from encumbered properties, assembling and holding multiple parcels in preparation for special developments, and preventing parcels from falling into cycles of speculative

purchasing and neglect. Land banks can take on a variety of governance forms, but ideally their initial staff and activities are funded through seed money, followed by revenues generated by real estate transactions.

In the fall of 2016, representatives from the Village of Rantoul, City of Urbana, City of Champaign, and Champaign County met several times to discuss the idea of forming a land bank in Champaign County. The goals of a possible local land bank were identified as follows:

1. Increase Equalized Assessed Value by revitalizing taxable property
2. Reduce blight/improve public safety
3. Increase neighborhood stability
4. Build capacity through cost sharing
5. Limit market speculation
6. Attract and leverage funding from the federal government and other agencies
7. Strengthen private-sector involvement and relationships
8. Promote affordable housing
9. Create a profitable long-term investment for municipal partners

The primary immediate benefit to the governmental partners was identified as being the ability to consolidate problem properties into an entity managed by professional staff who can focus solely on the redevelopment of those properties. In an environment of shrinking budgets and decreasing staff levels, the delegation of these duties away from municipalities could more efficiently facilitate the redevelopment of abandoned and neglected properties, which in turn could hasten the revitalization of blighted areas and neighborhoods.

The Village of Rantoul has volunteered to act as the lead agency with regard to hiring a consultant who can carry out the land bank feasibility study. Village staff requested that the four participating government partners each cover 25% of the consultant cost. A representative of STR quoted a total cost of the feasibility study as being \$17,360 in January, 2017. With this in mind, each participating government partner is asked to pay \$4,340 for their jurisdiction to split the costs fairly. According to the consultant's January cost estimate, the study could be launched and concluded within four months, but an exact timeframe will depend on the consultant's availability and workload.

## **Discussion**

Many of the responsibilities related to management of vacant and blighted properties within the City of Urbana currently fall on municipal staff. Although initiatives such as the Blight Reduction Program and the Federally-funded Acquisition-Demolition program have successfully funded the elimination of blighted structures throughout Urbana, these activities are undertaken by municipal staff who operate these programs on top of a wide array of other responsibilities. Activities such as negotiating the purchase of vacant properties or acquiring judicial deeds to demolish blighted structures are time-intensive, and municipal staff including members of the Legal Division, Community Development Department, Police Department, and Fire Department all take time to

coordinate management of properties that have become neighborhood nuisances. The possibility of transferring these critical responsibilities to a dedicated land bank could lead to more effective blight reduction activities while allowing municipal staff to focus on other key concerns.

The proposed intergovernmental agreement governing the City of Urbana's participation in the land bank feasibility study would commit funding to the project through the Village of Rantoul. It also establishes and solidifies the City's legal rights as part of its participation in the study. An intergovernmental agreement was determined to be the ideal structure through which this partnership should be formalized if approved.

## **Options**

1. Approve the Resolution Authorizing the Execution of an Intergovernmental Agreement with the Village of Rantoul Regarding a Land Bank Feasibility Study.
2. Approve the Resolution with suggested changes.
3. Do not approve the Resolution.

## **Fiscal Impacts**

Approval of this Intergovernmental Agreement will commit \$4,340 from the City of Urbana to the Village of Rantoul to cover costs of implementing the land bank feasibility study. However, execution of the proposed agreement would in no way obligate the City to participate in any future land bank activities or commit any additional funding. Staff proposes to pay for our share of the study from the Fairlawn Village fund, which was established to assist in the provision of affordable housing opportunities and related concerns.

## **Recommendation**

Staff recommends approval of the Resolution as attached. The proposed agreement will allow the Village of Rantoul to contract with a qualified consultant who can undertake a land bank feasibility study. If a land bank is formed within Champaign County, it has the potential to ease the administrative burden that management of vacant and blighted properties exerts on City of Urbana staff, while in turn acting as an accountable and entrepreneurial entity with the sole responsibility of alleviating blight and managing vacant real estate throughout Champaign County.

**Memorandum Prepared By:**



**Matthew Reje**  
**Community Development Coordinator**  
**Grants Management Division**

**Attachments:**

1. A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE VILLAGE OF RANTOUL REGARDING A LAND BANK FEASIBILITY STUDY
2. Intergovernmental Agreement Between the City of Urbana and the Village of Rantoul Regarding a Land Bank Feasibility Study

Cc: Jeffrey A. Fiegenschuh, Village Administrator, Village of Rantoul  
Rebecca Motley, Center for Community Adaptation

RESOLUTION NO. 2017-04-027R

A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE VILLAGE OF RANTOUL REGARDING A LAND BANK FEASIBILITY STUDY

WHEREAS, the City of Urbana (hereafter, the "City") is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the Village of Rantoul (hereafter, the "Village") is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, Section 10 of Article VII of the Constitution of the State of Illinois, 1870, provides authority for local governments to contract or otherwise associate among themselves to obtain and share services and to exercise, combine or transfer any power or function in any manner not prohibited by law or ordinance; and

WHEREAS, the Intergovernmental Cooperation Act (5ILCS220/1-220/9) also provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform provided that such contract shall be authorized by the governing body of each party to the contract; and

WHEREAS, the Village plans to act as the lead entity with regards to contracting a consultant who will undertake the land bank feasibility study; and

WHEREAS, the City and the Village seek to enter into an arrangement through which the City can partially fund the land bank feasibility study.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That an Intergovernmental Agreement pertaining to the transfer of funds to the Village of Rantoul regarding a land bank feasibility study, between the City of Urbana and the Village of Rantoul, in substantially the form and substance as Exhibit attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE VILLAGE OF RANTOUL AND THE CITY OF URBANA REGARDING A LAND BANK FEASIBILITY STUDY**

This Intergovernmental Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2017 by and between the City of Urbana and the Village of Rantoul (collectively, the "Parties").

WHEREAS, City of Urbana (hereafter, the "City") is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the Village of Rantoul (hereafter, the "Village") is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, Section 10 of Article VII of the Constitution of the State of Illinois, 1870, provides authority for local governments to contract or otherwise associate among themselves to obtain and share services and to exercise, combine or transfer any power or function in any manner not prohibited by law or ordinance; and

WHEREAS, the Intergovernmental Cooperation Act (5ILCS220/1-220/9) also provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform provided that such contract shall be authorized by the governing body of each party to the contract; and

WHEREAS, the Village plans to act as the lead entity with regards to contracting a consultant who will undertake the land bank feasibility study; and

WHEREAS, the City and the Village seek to enter into an arrangement through which the City can partially fund the land bank feasibility study.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the City and the Village hereby agree as follows:

Section 1. Payment. The City will provide funding to the Village in an amount not to exceed 25% of the total cost of the land bank feasibility study, pursuant to the terms and conditions as set forth herein and in an amount not to exceed \$10,000.

Section 2. Scope, Billing and Payment. The Village will contract with a qualified consultant who is able to undertake the land bank feasibility study in a professional manner and within a reasonable timeframe at least nine (9) months. The Village will then submit an invoice

for the full amount of the funds requested from the City, as set forth in Section 1, no more than ten (10) days after the consultant submits an invoice to the Village requesting payment. The Village will then provide the City with a copy of the consultant's work.

Section 3. Contact Information. The primary contact for the City will be Community Development Director/City Planner Elizabeth Tyler, or her successor. The primary contact for the Village will be Village Administrator Jeffrey Fiegenschuh, or his successor.

Section 4. Default and Cure: In the event that either Party believes that the other Party has defaulted on its obligations with any term, provision or covenant contained in this Agreement, the grieving Party shall give written notice to the other Party identifying the Section of the Agreement which it believes has been breached and specifying, in reasonable detail, the nature of the breach. The Party receiving the notice shall have fourteen (14) days in which to either cure the alleged breach or provide a written response which either states that a cure may not be completed within the aforesaid fourteen (14) day period and which states the date of commencement and anticipated completion of such cure or which states why the recipient of such notice believes it did not breach this Agreement. In the event that the Parties cannot resolve the dispute, either Party may terminate this Agreement by providing written notice to the other party which advises that the Agreement shall be deemed terminated on the thirtieth (30<sup>th</sup>) day of the date of such notice of termination. Upon termination, neither party shall have any further obligation to the other. In the event of any breach, any amounts due and owing by the Village to the City shall become immediately due and owing and such termination shall not constitute a waiver of the City's right to receive or collect those amounts.

Section 6. Term: This Agreement shall be effective as of the date of its execution by the last of the parties to approve it and shall remain, and continue in full force and effect for one (1) year or until the Village indicates in writing that the Village has received all funding expected under the terms of this agreement.

Section 7. Miscellaneous:

Indemnity: Each Party agrees to indemnify, defend and hold harmless the other Party and its officers, agents, and employees from and for any and all losses, costs, expenses, demands, claims, causes, causes of action, judgments, and liabilities sustained and/or alleged to have been sustained in connection with, as a result of, and/or arising out of the intentional, willful, wanton, or gross negligence or negligent



act or omission of the other Party in connection with the performance or undertaking of any obligation provided for in this Agreement. This indemnity, duty to defend and hold harmless covenant shall not be deemed, construed or interpreted as requiring a Party to indemnify, defend or hold harmless a Party for that Party's own intentional, willful, wanton, gross negligent, or negligent act or omission. This covenant shall survive and remain in full force and effect following the expiration and/or termination of this Agreement.

A. Notices: Any and all notices required to be given by this Agreement shall be given in the following means and any such notice shall be deemed effective as hereinafter provided:

- i. If by First Class U.S. Postal Service: Any and all notices sent by U.S. Postal Service shall be sent via First Class mail, registered or certified mail with return receipt requested. If any notice is placed in a properly addressed and stamped envelope, such notice shall be deemed effective five (5) business days after the date of placement with the U.S. Postal Service.
- ii. If by facsimile transmission: Any and all notices sent by facsimile transmission shall be deemed effective the day after the date of transmission but only if the sending fax machine provides a written acknowledgement that the transmission was properly sent to the recipient Party's facsimile telephone number and received by the recipient Party's fax machine. If any one of the immediate afore-stated conditions is not met, the notice shall be deemed ineffective.
- iii. If sent by overnight courier service: Any and all notices sent by overnight courier service shall be deemed effective the date after delivery of such notice but only if the said courier service provides or otherwise makes available a tracking of the delivery of such notice which tracking shall include the date and time when such delivery to the recipient Party was made.

- iv. If by personal service: Any and all notices which are personally served on the recipient party shall be deemed effective the day after delivery is made but only if the person delivering any such notice executes an affidavit which states the date when such personal delivery was made.
  
- B. Record Keeping: The Parties agree to keep and maintain any and all records and documents created in connection with the funding of the land use feasibility study. Such records shall be kept and maintained in accordance with the State Records Act (5 ILCS 160/1 *et seq*).
  
- C. Severability: If any term or other provision of this Agreement is declared by a court or administrative agency of competent jurisdiction to be invalid, illegal or incapable of being enforced, all other conditions and provision of this Agreement shall nevertheless remain in full force and effect so long as the economic, financial, or legal substance of these transactions contemplated hereby is not affected in any manner materially adverse to either party. Notwithstanding the immediate foregoing, if in any such proceeding one Party's performance under this Agreement is declared to be unenforceable by the other Party, then this Agreement shall be deemed to automatically terminate with such termination date to be effective on the date when such declaration, finding, order, or decree is entered.
  
- D. Entirety of Agreement: This Agreement constitutes the entire agreement between the parties; it supersedes any prior agreement or understanding between them, oral or written, with respect to the matters addressed herein, and all such prior agreements with respect to the matters addressed herein shall be deemed null, void, and unenforceable.
  
- E. Amendment or Modification: This Agreement may not be amended or modified except by an instrument in writing signed by both Parties.
  
- F. Waiver: Any waiver or release by one Party of the other Party in connection with that Party's performance of any term, condition or covenant contained in this Agreement

shall be deemed effective only if such waiver is contained in a writing signed by the Party granting such waiver. Any waiver, other than as provided in the immediate aforesaid sentence, shall not be deemed, construed, or interpreted as a waiver or release of any other term, condition or covenant contained in this Agreement.

G. Execution in Counterparts: This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

H. Government Law and Jurisdiction: The laws of the State of Illinois shall apply to any construction, interpretation, enforcement, or action for breach of this Agreement. In the event that any action is filed which seeks to interpret, enforce or declare breach of this Agreement, any such action shall be filed and maintained in the Sixth Judicial Circuit of the Circuit Court, Champaign County, Illinois.

I. Representations and Warranties of Village to Execute: The Parties represent and warrant that the person executing this Agreement on the respective Party's behalf is duly authorized to do so.

IN WITNESS WHEREOF, the City of Urbana and the Village of Rantoul have caused this Agreement to be executed and delivered as of the date first set forth above and in the cover page hereof.

For the City of Urbana:

For the Village of Rantoul:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_