

URBANA CITY COUNCIL CLOSED SESSION
(Property Acquisition)September 7, 1993

The City Council of the City of Urbana, Illinois met in closed session at 9:55 p.m., in the office of the City Clerk in the Urbana City Building to discuss property acquisition.

Members present: Barr, Hayes, Pollock, Singer, Taylor and Whelan, absent: Ryan. Staff present were: April Getchius, Bruce Stoffel, Jack Waaler, Bruce Walden, Mayor Satterthwaite and Phyllis Clark.

B. Walden brought the council current on the property acquisitions for the University Avenue Project. Mrs. Gray's contract was delivered - she agreed to the option that allowed her to have a new day care and the buy back. She will be selecting 2 small lots in the Eads and Gregory area, Covenant will build the day care. Mrs. Gray will notify the city 1 year in advance of retirement in order to meet the city's requirements for the buy back. The cost to Covenant for building will be between \$100,000.00 to \$120,000.00. This is now a done deal and should be well at hand in about two weeks.

M. Pollock wanted to know what the city's exposure to the buy back would be - are we going to be expected to operate a day care center. Bruce advised that the day care is being built in a design that is close in similarity to the houses in the Eads at Lincoln subdivision and will be able to be converted to a family living structure.

J. Taylor asked if Covenant does not build the building, would the city be pushed into the position of paying Mrs. Gray the \$100,000.00?

Bruce said that it could happen but does not see this as a possible problem.

C. Singer feels that this needs to be discussed further and requested a special council meeting for next week. All council members agreed by voice vote.

B. Walden advised that as of this date, there was still no positive communication with Durst. They showed a slight interest in relocating to the Trito's property in the 1100 block of West University Avenue. Another appraisal needs to be done to determine the fair market value of this property.

Following discussion, there is a willingness to condemn Trito's as well as Durst in order to proceed with project.

It was asked if the city would buy Trito's and what would the cost be? The mayor said that they did not know what the cost of Trito's would be but Durst would have to buy Trito's from the proceeds they receive because the city is not willing to take on that cost.

Following further discussion, the council voted to have the Mayor go forth on the offer to Durst. Voting Yea: Hayes, Pollock, Taylor, Barr, Whelan; Voting Nay: Singer.

B. Walden advised that Herbergers is going forward. A revised letter of intent has been received. The city will provide some kind of tax relief and parking for employees. The option on Diana's - he don't think that the official releases will be completed by October 8, which is the last day of the option. This causes great concern. If the option expire, the price will most assuredly go up. They may want \$850,000.00 for the property.

Following discussion, it was decided that another closed session was needed. The 20th of September was the date suggested for the next closed session so that this issue could be discussed further. Voting Aye: Whelan, Pollock, Barr, Taylor (4); Voting Nay: Hayes, Singer (2).

M. Pollock placed a motion on the floor to suspend the rules and extend the closed session to 11:30 p.m. - motion carries by voice vote: Voting Aye: Hayes, Pollock, Singer, Barr, Taylor and Whelan; Voting Nay: None.

B. Walden gave an informational overview of the Urbana Free Library situation. He advise that expansion would probably cost around \$10,000,000.00. Mr. Winklemann, owner of the property just

south of the library is ready to sell and has agreed to pay part of the cost for the appraisal of the property. The library needs to be brought up to the ADA standards for accessibility in all areas. At present this is a phased approach and needs further study. After brief discussion, the council was asked if they felt the library issue should be pursued further. By call of names they voted as follows: Whelan = Yes, Taylor = Yes, Barr = Yes, Hayes = Yes, Pollock = Yes, Singer = Yes.

Page 3

The next issue for discussion is the Lincoln Mobil Home Park. Bruce Stoffel has been in communication with the owners of the Park trying to negotiate a reasonable deal for the purchase of part of the trailer park. At present the price that the owners want is way off base. B. Stoffel presented two options, 1) Purchase the East half of the trailer park at a cost which is consistent with appraisals, outright purchase and cease operation. 2) Jointly market the East half of the property, put it on the market to see what we could get for it, would still have to cease operation. The owners seem to be interest in option #2 but wants \$50,000.00 cash up front to even set up joint marketing.

Redevelopment of the East half is being considered for commercial and office type development. B. Stoffel feels that the city could pursue outright purchase but the price is so far off, we may need to consider condemnation. If we can find a redeveloper for this project, they will probably want some kind of financial incentive for redevelopment efforts - i.e. land cost, etc.

Community Development has order an appraisal of the trailer park to try to get an idea of the per square foot fair market value.

Mr. Hayes asked if CD would be interested in purchasing the West half of the park for building single family residence? Bruce said that at present there are no CD plans for construction of new homes.

Mr. Whelan moved to suspend rules to go past 11:30 p.m., Mr. Taylor seconded, carried by voice vote.

Mr. Singer would like to commit to getting the area redeveloped in the next 4 years and develop a plan to maximize risk of acquisition. Needs to get as much for property as possible.

Mr. Pollock would like to have an updated appraisal and possibly sit on in for a little while and maybe the owners would come to the city with a more reasonable sale price.

After further discussion, this closed session adjourned back to regular session at 11:30 p.m.

Respectfully Submitted,

Phyllis D. Clark
City Clerk