DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES



memorandum

Planning and Economic Development Division

SUBJECT:	Addition of Territory to the Urbana Enterprise Zone O'Brien Project Area / Interstate 74 and U.S. Route 45		
DATE:	October 17, 2001		
FROM:	Reed A. Berger, AICP, Economic Development Coordinator		
то:	Bruce Walden, Chief Administrative Officer		

Introduction

In accordance with a development agreement between Interchange Properties, LLC and the City approved earlier this year, staff has submitted the attached draft application to amend the Enterprise Zone boundary to add the proposed new Farm & Fleet store and O'Brien Auto Park to the Zone. If the application is approved by Council this application will be forwarded to the State of Illinois for approval and certification.

Background

On January 29, 2001 the City of Urbana entered into a development agreement with Mr. Joseph D. O'Brien, Jr., manager of Interchange Properties, LLC, the real estate corporation for several O'Brien automobile dealerships in Illinois. The agreement proposed relocating University Auto Park from the downtown area to the northwest quadrant of Interstate 74 and U.S. Route 45 (Cunningham Avenue). Known as the "O'Brien Project Area", the new location for the dealership involved a complicated series of related real estate transactions to relocate businesses to more appropriate land use locations, including relocation and expansion of Blain's Farm & Fleet retail department store to the north end of the O'Brien Project Area. The agreement was necessary to retain and expand the City's only new auto dealership and its two largest retail sales tax generators. But for certain incentives provided in the agreement the dealership would likely leave the City. A key part of this agreement was the City's promise to apply for the addition of the O'Brien Project Area to the Enterprise Zone. Now that all real estate transactions are completed, all territory annexed to the City, and preliminary site plans prepared, the City can reasonably demonstrate the fact that two significant projects are eligible to be included within the Enterprise Zone.

A public hearing to review the company's proposal was conducted on Tuesday, October 9th at 3:00 p.m. in the Urbana Civic Center. A map is attached showing the location of the project along with the preliminary site plans. A transcript of that public hearing is also attached.

Economic Impact

The new Farm & Fleet retail store will more than double its size to 117,000 square feet located on more than 28 acres. The new O'Brien Auto Park will add roughly 13 buildings with a combined 120,000 square feet on about 40 acres of commercial land. Several commercial outlots will be created for related retail and office uses.

In addition to other local incentives the City is investing about \$3,000,000 in transportation and public infrastructure costs plus more than \$2,000,000 from other agencies to relocate the Interstate 74 frontage road so that it conforms to State of Illinois highway design standards.

The City of Urbana would abate property taxes for five (5) years on the new improvements. The City would collect utility, sales, and other tax revenues upon the start of operation. The School and Park districts do not abate their real estate taxes.

Staff Recommendation

Staff recommends the Council approve the attached ordinance to add territory to the Urbana Enterprise Zone at its regular meeting scheduled for Mondayday, November 5, 2001. If the ordinance is approved, staff will complete the application for amendment to the Enterprise Zone for signature of the Mayor and forward to the State of Illinois Department of Commerce and Community Affairs for certification.

Prepared by:

Reed A. Berger, AICP Economic Development Coordinator

c. Council Packets John Elias, Attorney for Mr. O'Brien Joseph O'Brien, University Auto Park Robert Blain, Farm & Fleet Neal Van Loo, Farm & Fleet

Ordinance No. 2001-10-136

AN ORDINANCE APPROVING THE ADDITION OF TERRITORY TO THE URBANA ENTERPRISE ZONE

(O'Brien Project Area / Interstate 74 and U.S. Route 45)

WHEREAS, on December 3, 1984 the City Council of the City of Urbana, Champaign County, Illinois (the "City") duly passed Ordinance No. 8485-38 entitled, "An Ordinance Designating An Area As An Enterprise Zone", which such ordinance was duly approved by the Mayor on December 10, 1984 (the "Ordinance"); and

WHEREAS, in connection with a review of the Ordinance and the written application made in connection therewith to the Department of Commerce and Community Affairs (the "Department") in accordance with the Illinois Enterprise Zone Act (the "Act"), the City Council, on March 18, 1985, duly passed Ordinance No. 8485-65 entitled, "An Ordinance Amending Ordinance No. 8485-38 entitled, 'An Ordinance Designating An Area As An Enterprise Zone'", which such ordinance was duly approved by the Mayor on March 25, 1985 (the "First Amending Ordinance"); and

WHEREAS, approval of the Enterprise Zone, as designated by the Ordinance and the First Amending Ordinance, was made by the Department by certification of the Ordinance and the First Amending Ordinance effective July 1, 1985; and

WHEREAS, the City Council of the City of Urbana, from time to time, has amended said Ordinance and the Department has so approved by certification of the Amending Ordinance; and

WHEREAS, the City Council now finds it necessary and desirable to further amend the terms of the Ordinance as amended, pursuant to Section 5.4 of the Act; and

WHEREAS, on Tuesday, October 2, 2001 the City duly caused public notice to be published in <u>The News-Gazette</u>, a newspaper of general circulation within the certified Enterprise Zone, as amended, and Champaign County, Illinois, of a public hearing to be held within the certified Enterprise Zone, as amended, on the question of whether to alter the boundaries of the certified Enterprise Zone, as amended, by adding certain parcels thereto. Such public notice was published not more than twenty (20) days nor less than five (5) days before the public hearing scheduled for Tuesday, October 9, 2001 at 3:00 p.m.; and

WHEREAS, on Tuesday, October 9, 2001 the City duly conducted a public hearing at 3:00 p.m. at the Urbana Civic Center, 108 E. Water Street, Urbana, Illinois, a location within the certified Enterprise Zone, as amended, at which such public hearing information was presented and public comment was elicited on the questions as specified in the notice as published. NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1: That Section 2 of the Ordinance, as amended, entitled "Designation and Description of Zone Area", be and the same is hereby further amended to alter the boundaries of the Zone area by adding to such Zone area, as amended, the tract of real estate more particularly described in Exhibit A attached hereto and hereby incorporated by reference, such additional tract being contiguous to the certified Enterprise Zone as amended.

Section 2: This Amending Ordinance shall not become effective unless and until the proposed amendments contained herein are approved by the Department, and the Department issues an amended certificate for the Enterprise Zone established by the Ordinance, as amended, pursuant to the Act, in which such event this Amending Ordinance shall become effective on the first day of the calendar month following the date in which the amended certificate, together with the Ordinance as heretofore and hereby amended, shall be filed, recorded and transmitted as provided in Section 5.3 of the Act.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council on the _____ day of _____, ____, A.D.

PASSED by the City Council this ____ day of ____, ___.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, ___.

Tod Satterthwaite, Mayor

EXHIBIT A

LEGAL DESCRIPTION

An area of aproximately 60.744 acres generally located in Section 4, Township 20 North, Range 9 East of the Third Principal Meridian, situated in Champaign County, Illinois and within an area bounded by N. Cunningham Avenue (U.S. Route 45), Interstate 74 (including Anthony Drive frontage road), N. Willow Road, and Airport Road. More particularly described as:

Tract A-1:

Part of the following described tract:

That part of the north 60 acres of the northwest ¼ of Section 4, Township 19 North, Range 9 East of the Third Principal Meridian lying west of U.S. Route 45 all in Champaign County, Illinois.

More particularly described as follows:

Commencing at the northwest corner of the northwest quarter of Section 4, T. 19 N., R.9 E. of the 3rd P.M.; Thence N. 89°30'06'' E., along the north line of said northwest quarter of Section 4, 1255.14 feet to the true point of beginning; Thence continuing N. 89°30'06" E., along the north line of said northwest quarter of Section 4, 1405.14 feet to the northeast corner of said northwest quarter of Section 4; Thence N. 89°29'49" E., along the north line of the northeast quarter of said Section 4, 96.11 feet to the westerly right-of-way line of U.S. Route 45; Thence S. 24°23'31" W., along said westerly right-of-way line of U.S. Route 45, 1096.26 feet to a point on the north line of the south one-half of the south onehalf of the north one-half of said northwest quarter of Section 4; Thence S. 89°33'28" W., along said north line o the south one-half of the south one-half of the north one-half of said northwest quarter of Section 4, 962.31 feet to a point on the west line of the northeast quarter of said northwest quarter of Section 4; Thence N. 00°38'42" W., along said west line of the northeast quarter of said northwest quarter of Section 4, 22.00 feet to a point on the future south right-of-way line of an east-west public street; Thence S. 89°33'28" W., along said south right-of-way line, 78.44 feet; Thence N. 00°26'32" W., 971.41 feet to the point of beginning, containing 1,261,689 square feet (28.964 acres), more or less, all situated in the city of Urbana, Champaign County, Illinois, and,

Tract A-2:

Part of the following described tract:

That part of the north 60 acres of the northwest ¼ of Section 4, Township 19 North, Range 9 East of the Third Principal Meridian lying west of U.S. Route 45 and south 10 acres of the northwest ¼ of the northwest ¼ of Section 4, Township 19 North, Range 9 East of the Third Principal Meridian and the north ½ of the southwest ¼ of the northwest ¼ of Section 4, Township 19 North, Range 9 East of the Third Principal Meridian all in Champaign

County, Illinois,

More particularly described as follows:

Commencing at the northwest corner of the northwest quarter of Section 4, T. 19 N., R. 9 E. of the 3rd P.M.; Thence S. 0°43'06" E., along the west line of said northwest quarter of Section 4, 904.18 feet to a point on the future north right-of-way line of an east-west public street; Thence N. 89°33'28" E., along said future north right-of-way line, 621.39 feet to the true point of beginning; Thence continuing N. 89°33'28" E., along said future north rightof-way line, 629.39 feet; Thence S. $0^{\circ}26'32''$ E., 66.00 feet to a point on the future south right-of-way line of said east-west public street; Thence N. 89°33'28" E., along said future south right-of-way line, 78.44 feet to a point of the west line of the east one-half of said northwest quarter of section 4; Thence S. 0°38'42" E., along said west line of the east onehalf of said northwest quarter, 1016.18 to a point on the south line of the north one-half of the south one-half of said northwest quarter of Section 4, Thence S. 89°35'52" W. along said south line of the north one-half of the south one-half of said northwest quarter of Section 4, 705.98 feet; Thence N. 0°43'51" W., 1081.76 feet to the point of beginning, containing 759,570 square feet (17.437 acres), more or less, the north 66.00 feet thereof, containing 41,529 square feet (0.953 acres), more or less, to be dedicated to the city of Urbana as public street right-of-way at the time of subdividing the area within this plat of survey, all situated in the City of Urbana, Champaign County, Illinois, and,

Tract B:

Part of the northwest quarter of Section 4, Township 19 North, Range 9 East of the Third Principal Meridian, situated in Champaign County, Illinois, being that part of the south one-half of the northeast quarter of the northwest quarter of Section 4 lying west of the right of way of U.S. Route 45, and that part of the north one-half of the southeast quarter of the northwest quarter of Section 4 lying west of the right-of-way of the U.S. Route 45; Except a tract conveyed by deed recorded April 13, 1914 in Book 157 at page 447 as Document 102313; and also except that part conveyed to the State of Illinois by dedication recorded May 2, 1955 in Book 520 at page 547 as Document 544635; and also except that part conveyed to the State of 1005 at page 199 as Document 73 R6765.

More particularly described as follows:

Commencing at the northwest corner of the northwest quarter of Section 4, T. 19 N., R. 9 E., of the 3rd P.M.; Thence N. 89°30'06" E., along the north line of said northwest quarter of Section 4, 1330.14 feet to the west line of the east one half of said northwest quarter of Section 4; Thence S. 00°38'42" E., along said west line of the east one half of said northwest quarter of Section 4, 993.49 feet to the northeast corner of said south one-half of the south one-half of the northeast quarter of the northwest quarter, said point being the true point of beginning; Thence N. 89°33'28" E., along the north line of said south one-half of the south one-half of the northeast quarter of the northwest quarter, 921.33 feet to the westerly right-of-way line of U.S. Route 45; Thence southerly along said westerly right-of-

way line of U.S. Route 45, a curve to the right, with a radius of 468.00 feet, a chord distance of 73.55 and a chord bearing of S. 32°56'37" W., for an arc length of 73.62 feet; Thence S. 39°28'39" W., along said westerly right-of-way line of U.S. Route 45, 159.72 feet; Thence southerly, along said westerly right-of-way line of U.S. Route 45, a curve to the left, with a radius of 332.00 feet, a chord distance of 115.35 and a chord bearing of S. 29°31'11" E., for an arc length of 115.94 feet; Thence S. 24°23'31" W., along said westerly right-of-way line of U.S. Route 45, 557.76 feet to a point on said west line of the east one half of said northwest quarter of Section 4; Thence N. 00°38'42" W., along said west line of the east one half of said northwest quarter of Section 4, 587.19 feet to the point of beginning, containing 428,569 square feet (9.839 acres), more or less, all situated in the City of Urbana County, Illinois, and.

Tract C:

Part of the southeast quarter of the northwest quarter of Section 4, Township 19 North, Range 9 East of the Third Principal Meridian, situated in Champaign County, Illinois, more particularly described as follows:

Commencing at the northwest corner of the northwest quarter of Section 4, T. 19 N., R. 9 E. of the 3rd P.M.; Thence N. 89°30'06" E., along the north line of said northwest quarter of Section 4, 1330.14 feet to the west line of the east one half of said northwest quarter of Section 4; Thence S. 00°38'42" E., along said west line of the east one half of said northwest quarter of Section 4, 1580.68 feet to the true point of beginning; Thence N. 89°39'13" E., 577.76 feet (578.18') to the westerly right-of-way line of U.S. Route 45; Thence S. 24°23'31" W., along said westerly right-of-way line of U.S. Route 45, 344.86 feet (448.28'); Thence southerly along said westerly right-of-way line of U.S. Route 45, a curve to the right, with a radius of 590.00 feet, a chord distance of 107.87' and a chord bearing of S. 29°38'14" W., for an arc length of 108.02 feet to a point on the north line of the south one-half of the southeast quarter of said northwest quarter of Section 4. 377.49 feet (338.50'); Thence S. 89°35'52" W., along said north line of the south one-half of the southeast quarter of said northwest quarter of section 4, 377.49 feet (338.50'); Thence N. 00°38'42" W., along said north line of the south one-half of the southeast quarter of said northwest guarter of Section 4, 377.49 feet (338.50') Thence N. 00°38'42" W., along the west line of the southeast quarter of said northwest quarter of Section 4, 407.25 feet (403.8') to the point of beginning, containing, 196,194 square feet (4.504 acres), more or less, all situated in the city of Urbana, Champaign County, Illinois.

ILLINOIS ENTERPRISE ZONE PROGRAM APPLICATION TO ADD TERRITORY

OPTION 1

Complete "APPLICATION TO ADD TERRITORY - OPTION 1" if you intend to qualify the proposed addition as an area that provides an immediate (2 years or less) substantial utility or benefit to the established zone and/or its residents or businesses by: creating or retaining specific jobs; or removing or correcting an impediment to economic development which exists in the established zone, or, stimulating neighborhood residential or commercial revitalization.

PART A. LEGAL APPLICANT

Type of Application:Single X Joint(If joint application, provide information for each application)	
Name of Jurisdiction <u>City of Urbana</u>	
Street/P.O. Box 400 S. Vine Street / P.O. Box 219	
City Urbana	County <u>Champaign</u>
Chief Elected Official <u>Tod F. Satterthwaite, Mayor</u>	
Zone Administrator <u>Reed A. Berger</u>	Phone (217) <u>384-2442</u>
Type of Applicant:City X County	
Name of Jurisdiction	
Street/P.O. Box	Zip Code
City	County
Chief Elected Official	
Zone Administrator	Phone ()
Type of Applicant: City County	
Name of Jurisdiction	
Street/P.O. Box	Zip Code
City	County
Chief Elected Official	-
Zone Administrator	Phone ()
Type of Applicant: City County	

NOTE: Submit original plus two (2) copies. All attachments must be 8-1/2" x 11", excluding maps. The format of this application may be reproduced and completed in an expanded form provided the final application is presented in bound form or loose leaf notebook. All pages must be numbered in sequence and attachments labeled.

PART B. DESCRIPTIVE INFORMATION

- 1. Total area of the existing enterprise zone: <u>2.330</u> square miles
- 2 Area of the proposed addition: Acres <u>60.744</u> Square Miles <u>0.095</u>
- 3 Population of the proposed addition: <u>0</u>
- 4 Is the proposed addition contiguous with the enterprise zone:

Yes X No

PART C. PURPOSE OF AMENDMENT

Explain why the amendment is being requested.

On January 29, 2001 the City of Urbana entered into a development agreement with Mr. Joseph D. O'Brien, Jr., manager of Interchange Properties, LLC, the real estate corporation for several O'Brien automobile dealerships in Illinois. The agreement proposed relocating University Auto Park from the downtown area to the northwest quadrant of Interstate 74 and U.S. Route 45 (Cunningham Avenue). Known as the "O'Brien Project Area", the new location for the dealership involved a complicated series of related real estate transactions to relocate businesses to more appropriate land use locations, including relocationand expansion of Blain's Farm & Fleet retail department store to the north end of the O'Brien Project Area. The agreement was necessary to retain and expand the City's only new auto dealership and its two largest retail sales tax generators. But for certain incentives provided in the agreement was the City's promise to apply for the addition of the O'Brien Project Area to the Enterprise Zone. Now that all real estate transactions are completed, all territory annexed to the City, and preliminary site plans prepared, the City can reasonably demonstrate the fact that two significant projects are eligible to be included within the Enterprise Zone.

PART D. ELIGIBILITY CRITERION

1. Describe and document the specific development commitment(s) that will occur within the two year period following the proposed boundary change. Such information must include: project scope; estimated cost of the project; timeline for completing project milestones; project start and completion dates; construction plans or schematics; construction permit data; and, evidence of financial commitment from financial institutions and/or local, state or federal government. Indicate the name of the business, the product or service provided and current employment. Project documentation is to be provided or certified by the business(es) involved.

Project Scope

The new Farm & Fleet retail store will more than double its size to 117,000 square feet on more than 28 acres and the new O'Brien Auto Park will add roughly 13 buildings with a combined 120,000 square feet on about 40 acres of commercial land. Several commercial outlots will be created for related retail and office uses.

In addition to other local incentives the City is investing about \$3,000,000 in transportation and public infrastructure costs plus more than \$2,000,000 from other agencies to relocate the Interstate 74 frontage road so that it conforms to State of Illinois highway design standards.

Within two years the projects are expected to retain more than 100 jobs and create between 20 and 50 new jobs.

Timeline for Completion of Project Milestones

Plans submitted. Farm & Fleet complete by September 2002. O'Brien to start by March 2002 and complete by September 2004.

- 2. Describe how, and the extent to which, the above described project impacts <u>at least one of</u> the following:
 - a. job creation or retention;
 - b. removal or correction of an impediment to economic development that exists in the established zone (describe the obstacle to economic activity and indicate the cause, nature, extent and how the obstacle is impacting economic development); or,
 - c. stimulation of neighborhood residential or commercial revitalization.

Correction of Impediment to Economic Development & Commercial Revitalization

Although the area is close to the intersection of a major interstate this older commercial area has experienced decades of decline including the closure of several highway oriented businesses such as restaurants and gas stations. Most of this commercial area north of Interstate 74 was not in the city limits until the 1990s. Vacant land and older underutilized buildings with undesirable land uses dominated much of this interchange, including a garbage hauling enterprise on what could be considered the most prominent and visible commercial parcel.

PART E. DEVELOPMENT GOALS AND OBJECTIVES

Describe how the proposed boundary change meets specific objectives of the local enterprise zone program and plan.

The proposed Enterprise Zone boundary expansion would assist the City in meeting the following development goals as identified in the Urbana Enterprise Zone Plan submitted to the Illinois Department of Commerce and Community Affairs in December 1984:

- 1. To attract and retain private sector investment in the Urbana Enterprise Zone that directly benefits the residents therein in a manner which will increase and diversify the economic base of the City of Urbana.
- 2. To create employment opportunities and develop ways and means to retain jobs within the Urbana Enterprise Zone.
- 3. To achieve a pro-active stance towards economic development within the Enterprise Zone that will be viewed in a positive manner by investment decision makers.

By approving this application to add territory to the Urbana Enterprise Zone, DCCA would enable the City to meet the three above stated objectives. These objectives when achieved, create the necessary economic opportunities that its citizens desire and, in turn, makes Urbana a more viable and livable city.

It is important to note here that this land was not in the city limits in 1985 when the Zone was established, but very likely would have been included under original application eligibility criteria.

PART F. COMMUNITY SUPPORT

Describe the input, assistance, resources and commitments which public and private sector entities provided in the development of this application or will provide in the implementation of the plan. Letters from individuals, business, labor, community or other groups in support of this application may be attached. However, letters of commitment in support of activities (e.g., technical assistance, financial assistance, business management information, jobs, job training and other appropriate types of assistance or actions) which will help to accomplish the objectives of the proposed addition are of greater significance.

PART G. APPLICANT CERTIFICATION

THE APPLICANT CERTIFIES THAT:

To the best of my knowledge and belief, data and other information in this application are true and correct, and this document has been authorized by the governing body of the applicant.

CERTIFYING REPRESENTATIVE:

(To be signed by the Chief Elected Official or Designee)

<u>City of Urbana</u> Designating Unit of Government or Designee		Chief Elected Official
Date	<u>Mayor</u> Title	
CERTIFYING REPRESENTATIVE: (To be signed by the Chief Elected Official of	or Designee)	
Designating Unit of Government or Designee		Chief Elected Official
Date	Title	
CERTIFYING REPRESENTATIVE: (To be signed by the Chief Elected Official of	or Designee)	
Designating Unit of Government or Designee		Chief Elected Official
Date	Title	

Enterprise Zone Public Hearing O'Brien Auto Part Project Area Urbana Civic Center Tuesday, October 9th, 2001 3:00 pm

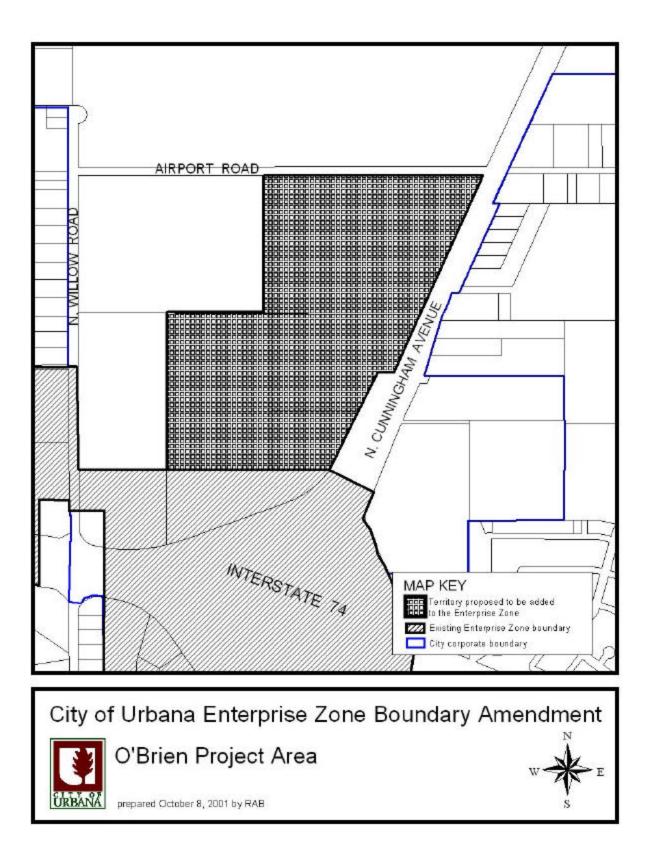
Mayor Satterthwaite: As Mayor Satterthwaite, I'd like to open this public hearing to consider an expansion to our enterprise zone to include the Farm and Fleet and O'Brien Auto Park locations on North 45 here in Urbana. Is there anybody here to speak to this public hearing? This... first we'll have our economic development director Reed Berger tell a little bit about the project.

Reed Berger: Ok, thank you Mayor. We're looking at a roughly 74 acre area called the O'Brien Project Area. The city and Mr. O'Brien have come to an agreement earlier this year in which the city agreed to make application for enterprise zone to make this project happen. This project includes the Farm and Fleet and the O'Brien Auto Park within that 74 acre area, the northwest quadrant of Interstate 74 and Cunningham Ave. which is US Route 45. This project consists of Farm and Fleet relocating from its existing store which was out in the county, and after being annexed, is going to relocate from that store just north from a 45,000 square foot building to approximate 117,000 square feet, and that will be a value of roughly six million dollar investment. There is with the O'Brien project, the magnitude of what is going to be a relocation from an area near downtown Urbana, with University Auto Park, as well as potential for consolidation of, or acquisition of, other auto dealerships. In the end, it appears from a site plan that has been presented to us, that we're going to see roughly eight buildings in a first phase, that would be constructed for each auto dealership, service repair. And also, the use of the remodeled Farm and Fleet for a used car office and sales center. Additionally there will be another 5 buildings coming online, for a total of 13 buildings. From what the site plan tells us this will entail roughly about 120,000 square feet total of retail of automotive sales. So certainly a large project, and one that, again, would not have occurred, without some of the benefits, including extension of the enterprise zone. So with that, if anybody has any questions, I'd be glad to answer them. I don't see anyone in the audience...

Mayor: There's nobody in the audience. This concludes the public hearing. This will be a terrific project for Urbana, and I strongly encourage the State to recognize this in its expansion to enterprise zone. With that, this public hearing is closed. Thank you.

Reed: Thank you.

Note: This meeting was taped



O'Brien Project Area



