



State of Illinois



City of Urbana

**URBANA CITY COUNCIL COMMITTEE OF THE WHOLE  
CLOSED SESSION**

**400 S. Vine St., Urbana, IL 61801**

**Closed Session: Property Acquisition Issues, Pursuant to 5 ILCS 1320/2 (c)(5)**

**Hanford Inn Issues**

**CS20141027**

**October 27, 2014, 7:00pm**

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**Minutes Approved, 9/18/2017; Approved for Release, RES. 2017-08-059R**

The Urbana City Council COW met in closed session in the Executive Conference Room at during the course of the regularly scheduled Committee of the Whole meeting for the purpose of Property Acquisition issues pursuant 5 ILCS 120/2(c)(5).

Alderman Smyth moved to go into closed session at 8:08 p.m., regarding Property Acquisition Issues, Pursuant to 4 ILCS 120/2(c)(5), Alderwoman Marlin seconded. Motion carried by roll call. Votes were as follows: Charles Smyth – Aye; Dennis Roberts – Aye; Eric Jakobsson – Aye; Michael P. Madigan – Aye; Carol Ammons – Aye; Diane Marlin – Aye; Bill Brown – Aye Mayor Prussing – Aye

Elected Officials present: Smyth, Roberts, Jakobsson, Madigan, Ammons, Marlin, Brown, Prussing, Clark. Present via teleconference: none. Present Electronically: none; Staff Present: Brandon Boys, Kate Ferrar, William Gray, Elizabeth Hannan, Brian Nightlinger, Mike Monson, Richard Surles, James Simon, Elizabeth Tyler.

Chair Ammons called the closed session to order, stated the purpose, and turned the session over to Brandon Boys, Economic Development Manager.

Mr. Boys presented and discussed the following concerning the Former Hanford Inn/Park Inn – 2408 N Cunningham Avenue:

A proposed agreement has been reached with Kelly Dillard of Dig It and his business partner Doug Huff of RealTax that would provide for the demolition of the building and the transition of the property ownership to Kelly Dillard. The property would then be marketed for redevelopment.

- **The City would acquire the property by the judicial deed process.**
  - Ken Beth has already made arrangements to advance this process as soon as the City approves.
  - This process will result in clear title (having removed the ~\$450,000 tax liability)

- **The City would transfer the property to Kelly Dillard by:**
  - Approving an **Ordinance** authorizing the sale of the real estate.
  - Entering into an **Agreement for the Sale of Real Estate** with Kelly Dillard
    - Which provides for the sale of the property, and
    - Also includes an attached **Demolition Agreement** which requires the removal of the building
    - And is backed by a Letter of Credit to ensure that the demolition is completed
  - Entering into a **Redevelopment Agreement** with Kelly Dillard
    - Which allows for **\$300,000** in reimbursement for the demolition of the building
    - \$10,000 of which will be available during the 30-Day Due Diligence Period
  - Approving a **Budget Amendment of \$60,000**
    - Budgeted for the Hanford Demolition in FY13-14: \$250,000
    - Remaining Encumbered Funds: \$245,922 (\$4,078 spent to date on attorney's fees, title work and noticing)
    - Budget Amendment Request: \$60,000 (\$2.2 million in fund balance at the start of FY14-15)
    - Proposed New Total of Funds: \$305,922 (\$300,000 for agreement; \$5,922 for any additional legal and admin costs)

It is estimated that this demolition would cost the City of Urbana **\$1 million** to undertake itself. The total out-of-pocket cost to the City's TIF District to pursue these agreements will be **\$310,000**. The market value of this property after the demolition is completed is estimated at \$240,000. This initial phase of the redevelopment of this site will not generate any new EAV, however it will result in new taxes being paid as the former owner has been long delinquent to the tune of a half million in unpaid taxes.

Questions and discussion ensued. Staff asked for and received council consensus to proceed with adding these items to the Nov. 3, 2014 City Council Agenda for action.

With no more business to come before this closed session, Council Members and staff returned to the council chambers. It was moved by Smyth and seconded by Jakobsson to go back into open session at 8:29. Motion carried by roll call. Votes were as follows: Charles Smyth – Aye; Dennis Roberts – Aye; Eric Jakobsson – Aye; Michael P. Madigan – Aye; Carol Ammons – Aye; Diane Marlin – Aye; Bill Brown – Aye; Mayor Prussing – Aye.

Chair Ammons, with no further business before the committee, adjourned the meeting at 8:35 pm.

Phyllis Clark  
City Clerk

By Charles Smyth, City Clerk, 9/5/2017 from notes