



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Urbana Plan Commission

FROM: Tom Carrino, Economic Development Manager

DATE: June 30, 2006

SUBJECT: Plan Case No. 2006-A-07: Annexation agreement for an approximately 0.15-acre tract of property at 306 East Thompson Street / Matthew Varble Parcel

Plan Case No. 2004-M-06: Request to rezone an approximately 0.15-acre tract of property at 306 East Thompson Street from Champaign County R-2, Single Family Zoning District to City, R-5, Medium High Density Multiple-Family Zoning District upon annexation.

Introduction & Background

Matthew Varble currently owns a parcel of land located at 306 East Thompson Street in unincorporated Champaign County. The owner has requested that the City negotiate an annexation agreement, which includes the owner petitioning the City to annex the subject parcel. This parcel, approximately $\pm 6,190$ square feet in area, is developed as a multi-family use with one structure comprised of five apartments. The parcels directly to the west and southwest of the subject property are currently within the City of Urbana and have a zoning designation of City R-5 Medium High Density Multiple-Family Residential.

The property is currently zoned Champaign County R-2, Single-Family Residential, and the annexation agreement stipulates that the property will be rezoned to City R-5, Medium High Density Multiple-Family Residential zoning upon annexation. The proposed rezoning was requested by the property owner in order to have consistent zoning with the neighboring properties already in the City of Urbana.

Issues and Discussion

Impact to Municipal Services

Concerns have been raised as to the potential impact that bringing this property into the City of Urbana may have on municipal service delivery, particularly the Police Department. An analysis of the Champaign County Sheriff's Office calls for service data shows that the Sheriff's office

responded to 10 calls to the subject property in 2005 and has responded to 9 calls so far in 2006. The property owner asserts that evictions and allowing leases to expire has resulted in “problem tenants” no longer residing at the subject property. However, if there is no significant reduction in calls for police service, the potential call load could be costly and burdensome for the Urbana Police Department, whose resources are already strained addressing issues within the current City limits.

Based on Champaign County Assessor information, the market value of the property is \$79,058 and the equalized value is \$26,350. Based on Urbana’s current tax rate, the City will realize approximately \$350 annually in tax revenues. If there is no significant reduction in calls for police service, the City’s expenses related to the subject property could potentially outweigh the revenues generated by this annexation.

Transfer of Ownership

The owner has indicated that he has requested an annexation agreement and annexation into the City of Urbana to facilitate the sale of the subject property. While it appears that the current owner, Mr. Varble, has been a proactive owner and property manager over the last two years, the new owners and property management are an unknown quantity. It is possible that the condition of the building and police call situation may improve. However, it is also possible that the building and police call situation may be allowed to deteriorate further.

Mr. Varble has indicated that, in order to meet the proposed timeline for the transfer of ownership, the annexation agreement and annexation need to move forward immediately. It is staff’s opinion that the prudent course of action would be to monitor the management of the subject property and determine whether or not to move forward with an annexation at a future date.

Annexation Priorities

The subject property is not within a targeted area for annexation and has not been identified as an annexation priority. There is no larger, strategic reason for the City to annex this property and, as such, the revenue and expense projections related to this annexation make this a marginal proposition. While a revenue and expense projection should not be the only factor in determining if the City should move forward with an annexation, the potential issues associated with this annexation are enough to cause concern for City staff.

Annexation Agreement

The annexation agreement states that the property will be rezoned to City R-5, Medium High Density Multiple-Family Residential upon annexation. According to Section IV-5 of the Urbana Zoning Ordinance, an annexation agreement is required if the proposed zoning is not a direct conversion from County zoning as stated in Table IV-1.

The annexation agreement also includes a provision that the owner agrees to a property maintenance code inspection. It further states that any immediate health or life safety threats must be brought into compliance immediately, while issues not related to immediate health or life safety threats must be addressed within 30 days.

Adjacent Land Uses and Zoning Designations

The property is surrounded by residential and institutional uses. Immediately north of the property are single-family residences zoned County R-2. To the west is a combination of single and two-family residences zoned City R-5, County R-2, and County R-1. To the south is a combination of single-family residences, a church, and Cunningham Children’s Home zoned City R-5 and County R-2. To the east are single-family residences and Cunningham Children’s Home zoned City R-4 and County R-2.

Zoning and Land Use Table

The following is a summary of surrounding zoning and land uses for the subject site:

Location	Zoning	Existing Land Use	2005 Comprehensive Plan – Future Land Use
Subject Property	County R-2, Single Family Residential	Multi-Family Residential	Residential
North	County R-2, Single Family Residential	Single-Family Residential	Residential
South	City R-5, Medium High Density Multiple Family Residential and County R-2 Single Family Residential	Single-Family Residential and Institutional	Residential and Institutional
East	City R-4, Medium Density Multiple Family Residential and County R-2 Single Family Residential	Single-Family Residential and Institutional	Residential and Institutional
West	City R-5, Medium High Density Multiple Family Residential, County R-2 Single Family Residential, and County R-1 Single Family Residential	Single and Two-Family Residential	Residential

Proposed Rezoning

The property is currently zoned County R-2, Single-Family Residential, and upon annexation, the property would be zoned City R-5, Medium High Density Multiple-Family Residential. Aside from making the zoning designation of the subject property consistent with the surrounding properties already in the City of Urbana, this rezoning will also provide an opportunity to make the existing land use consistent with the zoning regulations of the R-5 district. The 2005 Comprehensive Plan identifies the area as “Residential” which is generally consistent with the proposed rezoning.

The La Salle National Bank Criteria

In the case of *La Salle National Bank v. County of Cook* (the “La Salle” case), the Illinois Supreme Court developed a list of factors that are paramount in evaluating the legal validity of a zoning classification for a particular property. Each of these factors will be discussed as they pertain to a comparison of the existing zoning with that proposed by the Petitioner.

1. *The existing land uses and zoning of the nearby property.*

The proposed zoning is consistent with the parcels directly to the west and southwest of the subject parcel already in the City and also consistent with the zoning of the Cunningham Children’s Home property to the south of the properties on the south side of Thompson Street. The surrounding areas are developed as a mixture of single family and duplex residential uses, along with the institutional use of the Cunningham Children’s home, which includes structures used for multi-family residential purposes.

2. *The extent to which property values are diminished by the restrictions of the ordinance.*

A direct conversion from County to City zoning would create an inconsistency in zoning for the subject property. The existing structure would not be permitted in the R-2 Zoning District that a direct conversion from County to City zoning would provide. This rezoning will help maintain and potentially improve property values.

It should be noted that the Urbana City Planning Division staff are not qualified as professional appraisers and that a professional appraiser has not been consulted regarding the impact on the value of the property. Therefore, any discussion pertaining to property values must be considered speculative and inconclusive.

3. *The extent to which the ordinance promotes the health, safety, morals or general welfare of the public.*

Without the R-5 zoning designation, the property could redevelop in a manner inconsistent with the existing R-5 zoning designation on the properties already in the City adjacent to the subject property. The proposed rezoning would ensure regulatory consistency with the subject property and the adjacent properties.

4. *The relative gain to the public as compared to the hardship imposed on the individual property owner.*

The proposed rezoning would ensure that the subject property is consistent with the adjacent properties within the City of Urbana. Zoning the property as such would ensure that the appropriate regulations are applied to the property.

5. *The suitability of the subject property for the zoned purposes.*

The subject property is already developed as apartments, which is consistent with the R-5 district. Any future development or redevelopment would be subject to all the applicable development standards of the Zoning Ordinance.

6. *The length of time the property has been vacant as zoned, considered in the context of land development, in the area, in the vicinity of the subject property.*

The subject property is currently not vacant, and the owner has made no claims that the current zoning has caused vacancies or underutilization of the property.

Summary of Findings

1. Based on current revenue and expense data, including calls for police service to the subject property, the proposed annexation could potentially have a negative impact on the City's tax base and level of municipal services provided elsewhere in the City.
2. The proposed annexation is not within a targeted annexation area, has no larger, strategic significance, and is therefore not a desirable annexation for the City to pursue at this time.
3. The proposed R-5, Medium High Density Multiple-Family Residential Zoning District would be consistent with the current land use of the subject property and surrounding properties within the City of Urbana.
4. The proposed R-5, Medium High Density Multiple-Family Residential Zoning District would be generally consistent with the future land use designation of the 2005 Urbana Comprehensive Plan.
5. The proposed rezoning would not be detrimental to the public health, safety or general welfare, and would allow regulatory consistency with the surrounding area.
6. The proposed rezoning appears to generally meet the LaSalle Case criteria.

Conclusions

While it is staff's hope that the subject property will be a safe and productive part of the community, the fact that this property could potentially be a drain on City resources has prompted staff to recommend not moving forward with this annexation agreement and annexation at this time. It would be prudent to allow staff to monitor the property management and police call situation and to entertain an annexation for the subject property at some future date.

Options

The Plan Commission has the following options. In Plan Case 2006-A-07 / 2004-M-06, the Plan Commission may:

- a. Forward this case to the City Council with a recommendation for approval of the proposed annexation agreement, including a zoning designation of R-5, Medium High Density Multiple-Family Residential for the site; or
- b. Forward this case to the City Council with a recommendation for approval of the proposed annexation agreement, including a zoning designation of R-5, Medium High Density Multiple-Family Residential for the site, subject to recommended changes. (Note that the property owner would have to agree to any recommend changes); or
- c. Forward this case to the City Council with a recommendation for denial of the proposed annexation agreement.

Staff Recommendation

In Plan Case 2006-A-07 / 2004-M-06 staff recommends **DENIAL** of the proposed annexation agreement as presented.

Prepared By:

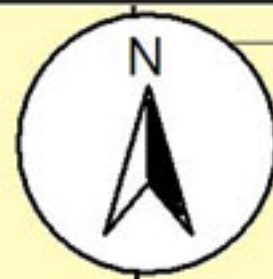
Tom Carrino, Economic Development Manager

Attachments: Exhibit A: Location Map
 Exhibit B: Zoning Map
 Exhibit C: Existing Land Use Map
 Exhibit D: Future Land Use Map
 Exhibit E: Aerial Map
 Exhibit F: Draft Annexation Agreement

CC: Jeffrey Tock
Harrington & Tock
P.O. Box 1550
Champaign, Illinois 61824-1550

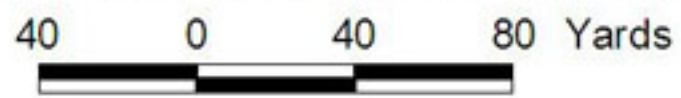
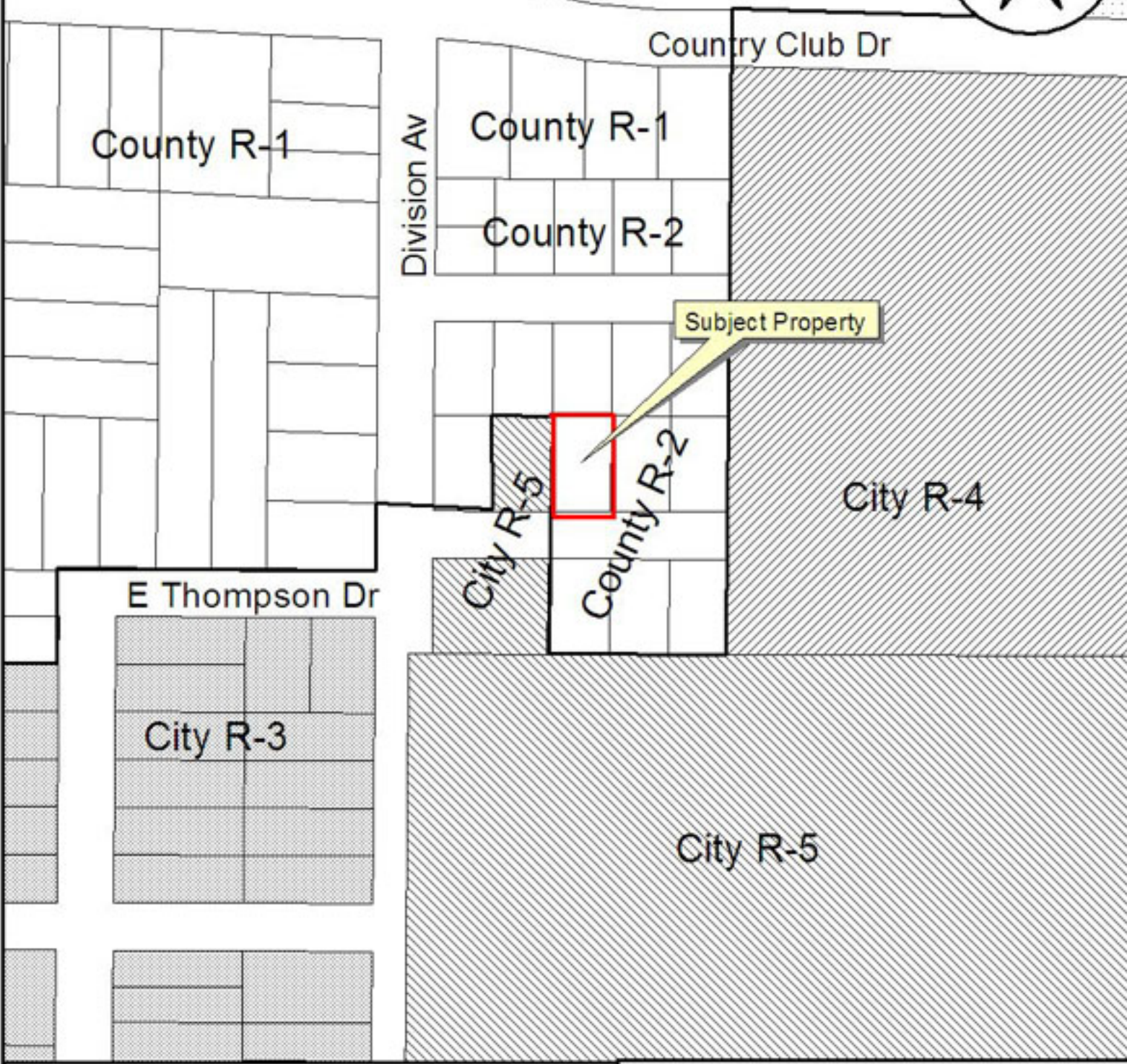
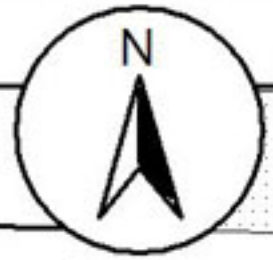
Matthew Varble
1708 NANCY BETH DR
CHAMPAIGN IL 61822-7388





Exhibit A: Location Map



Plan Case: 2006-A-07
Petitioner: Matthew Varble
Location: 306 E. Thompson, 30-21-08-227-011
Description: Annexation Agreement for 306 E. Thompson

Exhibit B: Zoning Map

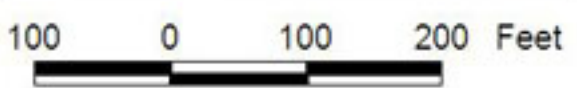
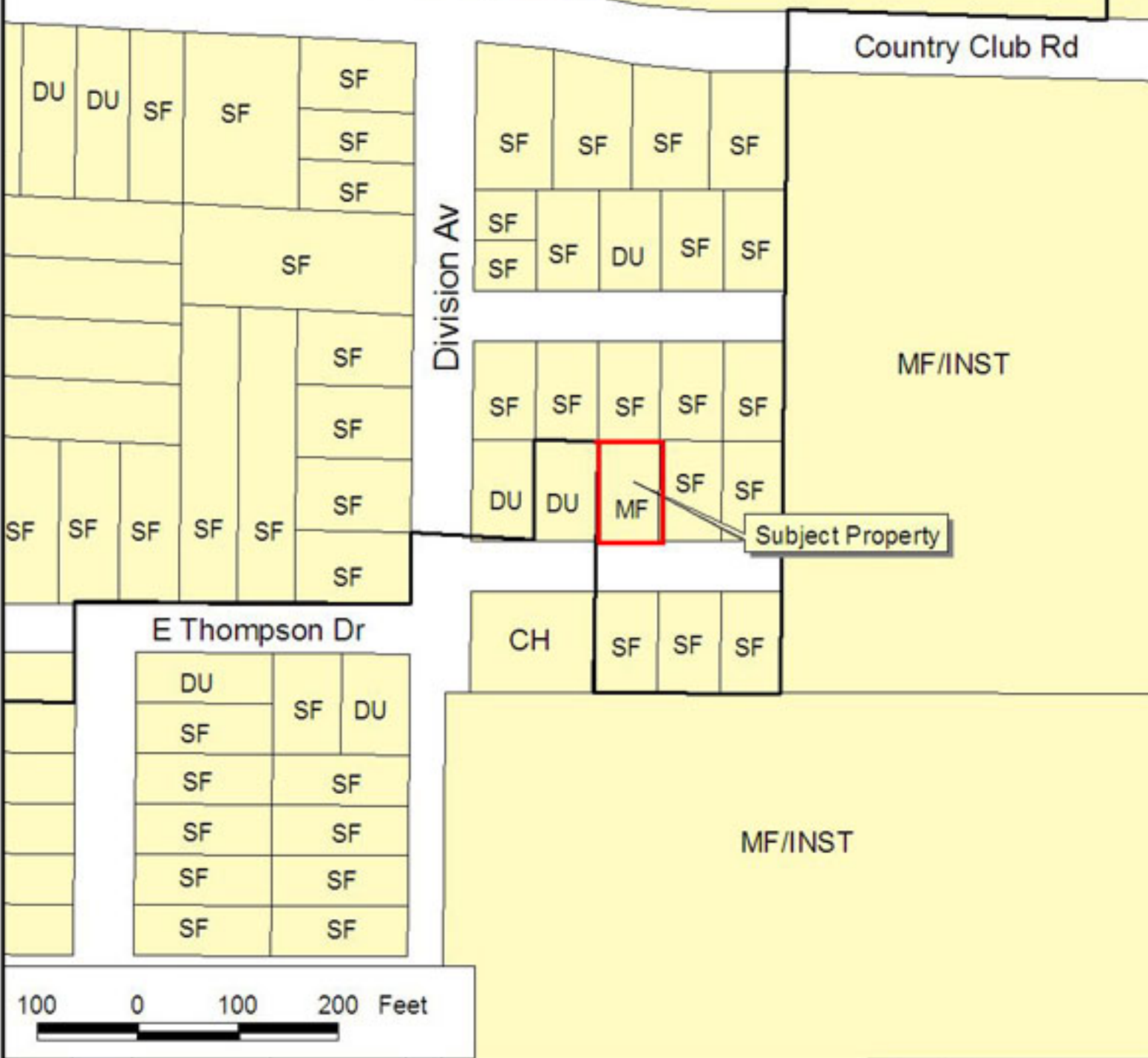


-  City R3 - Single- and Two-Family
-  City R4 - Medium Density Multiple-Family
-  City R5 - Medium High Density Multiple-Family
-  County R-1 - Single Family Residence



Plan Case: 2006-A-07
Petitioner: Matthew Varble
Location: 306 E. Thompson, 31-21-18-227-011
Description: Annexation Agreement for 306 E. Thompson

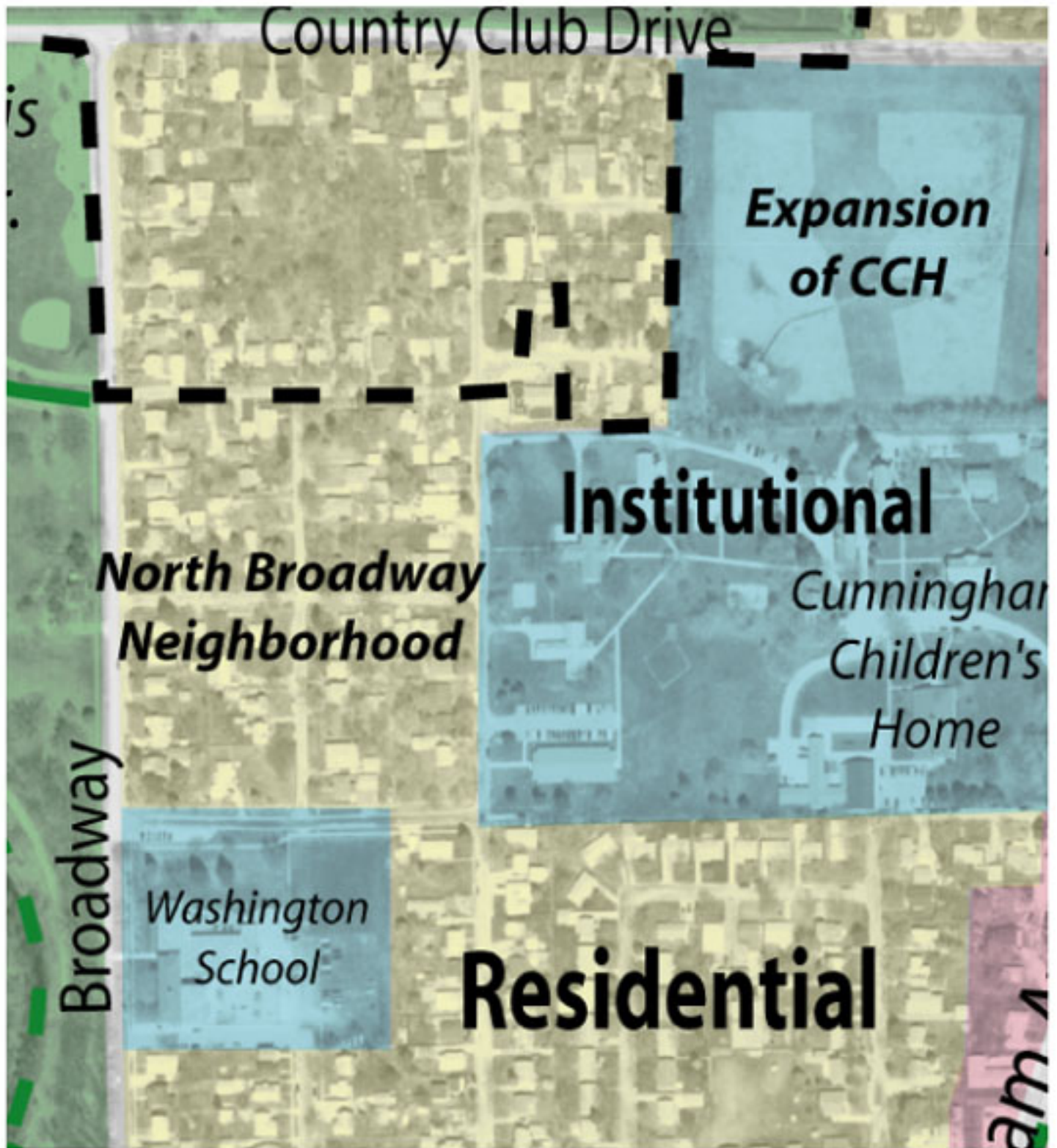
Exhibit C: Existing Land Use Map



Plan Case: 2006-A-07
 Petitioner: Matthew Varble
 Location: 306 E. Thompson, 31-21-08-227-011
 Description: Annexation Agreement for 306 E. Thompson

-  City Boundry
- SF - Single Family
- DU - Duplex
- MF - Multi Family
- CH - Church
- INST- Institutional

Exhibit D: Future Land Use Map



Plan Case: 2006-A-07
Petitioner: Matthew Varble
Location: 306 E. Thompson, 30-21-08-227-011
Description: Annexation Agreement for 306 E. Thompson

Prepared 6/13/2009 by Community Development Services - mhw

Exhibit E: Aerial Map



Plan Case: 2006-A-07
Petitioner: Matthew Varble
Location: 306 E. Thompson, 30-21-08-227-011
Description: Annexation Agreement for 306 E. Thompson

Annexation Agreement

(306 East Thompson Street / Matthew Varble)

THIS Agreement is made and entered into by and between the **City of Urbana**, Illinois, (hereinafter sometimes referred to as the "Corporate Authorities" or the "City") and **Matthew Varble** (hereinafter referred to as the "Owner"). The effective date of this Agreement shall be as provided in Article III, Section 6.

WITNESSETH:

WHEREAS, this Agreement is made pursuant to and in accordance with the provisions of Section 11-15.1-1 et seq., of the Illinois Municipal Code (65 ILCS 5/11-15.1-1); and

WHEREAS, Matthew Varble is the Owner of record of a certain parcel of real estate located at 306 East Thompson Street, the legal description of which real estate is set forth in Exhibit A attached hereto and referenced herein as "the tract"; and

WHEREAS, the attached map, labeled Exhibit B, is a true and accurate representation of the tract to be annexed to the City of Urbana under the provisions of this agreement; and

WHEREAS, the tract is contiguous to the City of Urbana and may be immediately annexed; and

WHEREAS, the tract is currently zoned R-2, Single-Family Residential in Champaign County and the City and the Owners find it necessary and desirable that the tract be annexed to the City with a zoning classification of R-5, Medium High Density Multiple Family Residential, under the terms and provisions of the Urbana Zoning Ordinance in effect upon the date of annexation, as amended, and subject to the terms and conditions set forth in this Agreement; and

WHEREAS, the Corporate Authorities find annexation of the tract as described herein as R-5, Medium High Density Multiple Family Residential generally reflects the goals, objectives and policies set forth in the City's 2005 Urbana Comprehensive Plan, as amended from time to time; and

WHEREAS, the Owner desires to have the aforementioned real estate annexed to the City of Urbana upon certain terms and conditions hereinafter set forth in this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SET FORTH HEREIN, THE PARTIES AGREE AS FOLLOWS:

ARTICLE I. REPRESENTATIONS AND OBLIGATIONS OF THE OWNER

The Owner agrees to the following provisions:

Section 1. Ownership and Annexation. The Owner represents that the Owner is the sole record Owner of the property described in Exhibit A and that the Owner shall, within thirty (30) days of the approval of this agreement cause the tracts to be annexed to the City of Urbana by filing a legally sufficient annexation petition with all required signatures thereon, all in accordance with Illinois Statutes.

The Owner further agrees that the substance of this Section of the Annexation Agreement shall be included in any sales contract for the sale of any portion of the subject property. If the subject tract is to be platted for subdivision, the Owner agrees that the substance of this provision regarding annexation shall be included in the subdivision covenant and such will constitute a covenant running with the land. The Owner agrees for itself, successor and assigns, and all other persons intended herein to be obligated to consent to annexation, to cooperate in signing or joining in any petition for annexation for the subject tract and that mandamus would be an appropriate remedy in the event of refusal so to do, and, if the City has to resort to Court proceedings to enforce this obligation, the City shall be entitled to recover reasonable attorney's fees. The Parties agree that nothing in this section shall preclude the voluntary annexation of the subject tract or any portion thereof earlier than would otherwise be required.

Section 2. Authority to Annex. The Owner agrees and hereby stipulates that the City, by its approval, execution or delivery of this Agreement does not in any way relinquish or waive any authority it may have to annex the tract in the absence of this Agreement.

Section 3. Zoning. The Owner acknowledges that upon annexation, the tract will be rezoned from Champaign County R-2, Single-Family Residential Zoning District to City R-5, Medium High Density Multiple-Family Residential Zoning District. The Owner agrees that, unless changed upon the initiative of the Owner, the said City zoning classifications for said tract shall remain in effect for the term of this Agreement, subject to the right of the Corporate Authorities to amend the Zoning Ordinance text even if such amendment affects the tract. The Owner agrees to use the tract only in compliance with the Urbana Zoning Ordinance and this agreement as such may be amended from time to time.

Section 4. Land Uses. The Owner agrees that the uses of the tract shall be limited to those allowed within the R-5, Medium High Density Multiple-Family Residential Zoning District.

Section 5. Building Code Compliance. The Owner agrees to cause all new development, construction, remodeling or building additions on said tracts to be in conformance with all applicable City of Urbana codes and regulations including building, zoning and subdivision codes.

Section 6. Inspection. As per Urbana’s city-wide systematic property maintenance code compliance inspection program, the Owner agrees to permit a property maintenance code inspection prior to annexation to ensure that the existing site and structure are in conformance with all applicable current City of Urbana codes and regulations including building, zoning and subdivision codes. Any immediate health or life safety threats must be brought into compliance immediately. The City will require verification that all immediate health and life safety threats are brought into compliance prior to processing an annexation for the subject property. Any items found not to be in conformance with the applicable current City of Urbana codes and regulations that are not immediate health or life safety threats will be addressed within 30 days of the date when the subject property is officially annexed into the City of Urbana.

Section 7. Amendments Required. The Owner shall take no action or omit to take action during the term of this Agreement which action or omission, as applied to the tract, would be a breach of this Agreement, without first procuring a written amendment to this Agreement duly executed by the Owner and the City. Said action includes petitioning for a county rezoning of said tracts without written amendment to this Agreement.

ARTICLE II. REPRESENTATIONS AND OBLIGATIONS OF THE CORPORATE AUTHORITIES

The Corporate Authorities agree to the following provisions:

Section 1. Annexation. The Corporate Authorities agree to annex said tract subject to the terms and conditions outlined in this Agreement, when properly and effectively requested to do so, by submission of a legally sufficient petition from the Owner, by enacting such ordinances as may be necessary and sufficient to legally and validly annex said tract to the City.

Section 2. Zoning. The Corporate Authorities agree to annex the tract with a zoning classification of R-5, Medium High Density Multiple-Family Residential.

Section 3. Amendments. The City shall take no action nor omit to take action during the term of this Agreement which act or omission, as applied to the tract, would be a breach hereof, without first procuring a written amendment to this Agreement duly executed by the Owner, or the Owner’s successors or assigns, of the portion of the tract which is directly the subject of the amendment.

ARTICLE III: GENERAL PROVISIONS

Section 1. Term of this Agreement. This Agreement shall be binding upon the parties hereto, and their respective successors and assigns, for a full term of twenty (20) years commencing as of the effective date of this Agreement as provided by the Illinois State Statutes, unless other provisions of this Agreement specifically apply a different term. To the extent permitted thereby, it is agreed that, in the event the annexation of subject tract under the terms and conditions of this Agreement is challenged in any court

proceeding, the period of time during which such litigation is pending shall not be included in calculating said twenty-year term. By mutual agreement, the term of this Agreement may be extended.

If this Agreement imposes any obligation, restraint, or burden (hereinafter called collectively "obligation") on the Owner or the Owner's successors or assigns, which obligation extends beyond the termination date of this Agreement, such obligation may be released by the Urbana City Council enacting an Ordinance releasing such obligation by a majority vote of all Alderpersons then holding office and the recording of such Ordinance in the Champaign County Recorder's Office, Champaign County, Illinois.

Section 2. Covenant running with the land. The terms of this Agreement constitute a covenant running with the land for the life of this Agreement unless specific terms are expressly made binding beyond the life of this Agreement. Furthermore, the terms herein are hereby expressly made binding upon all heirs, grantees, lessees, executors, assigns and successors in interest of the Owner as to all or any part of the tracts, and are further expressly made binding upon said City and the duly elected or appointed successors in office of its Corporate Authorities.

Section 3. Binding Agreement upon parties. The Corporate Authorities and Owner agree that no party will take action or omit to take action during the term of this Agreement which act or omission as applied to the tracts would be a breach of this Agreement without first procuring a written amendment to this Agreement duly executed by the Owner and the City.

Section 4. Enforcement. The Owner and Corporate Authorities agree and hereby stipulate that any party to this Agreement may, by civil action, mandamus, action for writ of injunction or other proceeding, enforce and compel performance of this Agreement or the party not in default may declare this Agreement null and void in addition to other remedies available. Upon breach by the Owner, the City may refuse the issuance of any permits or other approvals or authorizations relating to development of the tract.

Section 5. Severability. If any provision of this Agreement is rendered invalid for any reason, such invalidation shall not render invalid other provisions of this Agreement which can be given effect even without the invalid provision.

Section 6. Effective Date. The Corporate Authorities and Owner intend that this Agreement shall be recorded in the Office of the Champaign County Recorder with any expenses for said recording to be paid by the Corporate Authorities. The effective date of this Agreement shall be the date it is recorded; or if not recorded for any reason, the effective date shall be the date the Mayor signs the agreement on behalf of the City.

IN WITNESS WHEREOF, the Corporate Authorities and Owner have hereunto set their hands and seals, and have caused this instrument to be signed by their duly authorized officials and the corporate seal affixed hereto, all on the day and year written below.

Corporate Authorities
City of Urbana:

Owner:

Laurel Lunt Prussing
Mayor

Matthew Varble

Date

Date

ATTEST:

ATTEST:

Phyllis D. Clark
City Clerk

Notary Public

Date

Date

Exhibit A

Legal Description

Lot 17 in Country Club Manor Subdivision, as per Plat recorded in Plat Book "F" at Page 309, situated in Champaign County, Illinois.

PIN No.: 30-21-08-227-011

Exhibit B

Map of Tract

