

URBANA CITY COUNCIL
CLOSED SESSION
(Labor Negotiations/Property Acquisition)
March 7, 1994

The City Council of the City of Urbana, Illinois met in closed session at 11:22 p.m. in the Mayor's office in the City Building.

Members present: Hayes, Patt, Pollock, Ryan, Singer, Taylor and Whelan. Staff present: Walden, Getchius, Lindsey, Mayor Satterthwaite and P. Clark.

Mr. Walden presented a list of the areas that this closed session would be addressing and that the council needs to reach a consensus on each item.

He asked that the council establish the parameters for the upcoming IAFF negotiations and that they be the same utilized for the last two contracts (F.O.P. & AFSCME).

Following a brief debate, the council reached a consensus on contract parameters.

Council consensus was asked for in order to proceed with the acquisition of Lincoln Mobile Home Park, based on fair market value plus 15%. Mr. Pollock asked if negotiations had started with the park owners and whether the 15% over fair market value would assure a reasonable chance for settlement. Mr. Walden advised that they weren't sure because there was no definite offer yet.

Mr. Hayes asked when would purchase take place and how much notice would be given to the home owner? Ms. Getchius said that it would be 60 or more days for possession without condemnation and that home owners would be given a 1 year notice.

Following debate, the council reached a consensus to move ahead with negotiations to acquire the property.

Council consensus was asked to assist Shelby Motors in acquiring the Charter House Inn for the expansion of their used car business.

Shelby Motors wants to start as soon as possible on this project by demolishing the back portion of the Charter House Inn, where most of the units are, and begin to construct an indoor sales facility to accommodate 300 used cars. Shelby's used car division does about 7 million dollars a year in sales.

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The front of the Charter House will be remodeled for office space and show room. The pool area will be filled in, the other units will be torn down.

Councilmen Pollock asked if the storm sewer problem on that property would be the responsibility of Mr. Shelby. Mr. Pollock feels that the redevelopment agreement should include a study to determine what the problems are and the actions to be taken to remedy them. Mr. Walden advised that the sewers are not ours, they belong to the sanitary district.

Following discussion, it was the council's consensus to go forth with the Shelby's Development Agreement.

Mr. Walden drafted a Redevelopment Agreement that included all of the necessary Notes and loan documents for the acquisition of the Durst property. Durst rejected it and countered with their willingness to accept \$600,000.00 plus money to redevelop elsewhere, like the Sullivan site.

They wanted \$150,000.00 from the City of Urbana and the rest over a 15 year period. Mr. Pollock wanted to know what the bottom line figure is. Mr. Walden advised that there was no bottom line figure. Mr. Taylor asked if we were expected to pay approximately \$750,000.00 to buy this property? If the appraisal is \$650,000.00, is it worth another \$100,000.00 to avoid condemnation?

Following discussion, it was decided that we have offered them all that we can and we would prefer to avoid condemnation, it at all possible. Councilmen Taylor recommended that the council give Mr.

Walden and the Mayor the authority to buy this property up to \$750,000.00. By the ayes and nays, the council voted to give the Mayor and Mr. Walden the authority to negotiate. Voting Aye: Hayes, Patt, Pollock, Ryan, Taylor and Whelan; voting Nay: Singer.

There being no further business before this closed session, we adjourned back to regular session at 12:12 a.m.

Respectfully submitted,

Phyllis D. Clark
City Clerk