

**CITY OF URBANA
COMMITTEE ON ADMINISTRATION & FINANCE - APRIL 10, 1995
CITY COUNCIL CHAMBERS - 400 S. VINE STREET, URBANA, IL**

COMMITTEE MEMBERS PRESENT: James Hayes, Jr., Vice Chairman; Esther Patt; Marya Ryan; Clifford Singer; Joseph Whelan, Jr.; John Taylor (8:34 p.m.)

COMMITTEE MEMBERS ABSENT: Michael Pollock, Chairman (excused)

STAFF MEMBERS PRESENT: Tod Satterthwaite, Mayor; Phyllis Clark, City Clerk; Jack Waaler, City Attorney; Eddie Adair, Chief of Police; Reed Berger, Economic Development Coordinator; Bruce Stoffel, CD Division Manager; Doug Miller, Project Coordinator; Patrick Pioletti, Buildings Supervisor

OTHERS PRESENT: Earl O'Shea; Media

Vice Chairman Hayes called the meeting to order at 7:33 p.m.

ADDITIONS TO THE AGENDA AND STAFF REPORT

Vice Chairman Hayes stated that he had spoken to Bruce Stoffel and was informed that the Community Development Commission had not yet discussed the budget. Vice Chairman Hayes made a motion to delete item #8 (CDBG Budget) from agenda. The motion was seconded by Ms Ryan. Following debate, the motion carried by voice vote (4-aye:1-nay).

Vice Chairman Hayes moved to delete item #7 from the agenda. The motion was seconded by Ms Patt.

Mr. Whelan protested the motion and ridiculed the Chair for initiating a motion to remove an item that was placed on the agenda by another Council Member. Mr. Whelan requested that this item not be deleted from the agenda.

Following debate, the motion failed by voice vote (2-aye:3-nay).

PETITIONS & COMMUNICATIONS

Earl O'Shea, 606-A Glover, addressed the Committee on the topic of better government.

MINUTES OF PREVIOUS MEETING

Ms Patt made a motion to approve the minutes of March 13, 1995. Ms Ryan seconded. Motion carried by voice vote.

CAPITAL IMPROVEMENT PLAN

Doug Miller presented staff's report.

Vice Chairman Hayes read a petition from citizens in the community.

Ms Ryan asked if any changes were made to any of the lighting projects (i.e., local and residential), and inquired about the status of replacing some of the lights in the City. Mr. Miller stated that they are currently working on a comprehensive review of all the series circuits in the City (i.e., residential, local streets, and arterial collector streets). They are planning to bring a report to the Council within the next few months regarding all of the street lighting. There has not been any changes in what is projected for those types of circuits, however, staff may propose a different way about how to handle them.

Mr. Whelan inquired about the brick streets on Michigan Avenue. Mr. Miller stated that they are planning for the work to be similar to what was done on Illinois, Nevada and Broadway.

Following debate, Mr. Singer made a motion to send the resolution for the Capital Improvement Plan to Council. Mr. Whelan seconded. The motion carried by voice vote.

MFT RESOLUTION

Mr. Singer made a motion to send to Council. Ms Ryan seconded. Motion carried by voice vote.

CITY COMPLEX CONSTRUCTION

Mr. Whelan stated that he believed it would be a good idea for the drawing to stay on exhibit at Lincoln Square, as well as the Library, to give it more comprehensive viewing by the public. Mr. Whelan inquired if it could continue to be displayed for the next month or so. Mayor Satterthwaite said that he could contact Lincoln Square to inquire if they would allow the display to stay for a certain limit of time.

A RESOLUTION EVIDENCING THE INTENTION OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, TO ISSUE SINGLE FAMILY MORTGAGE REVENUE BONDS, TO ALLOCATE VOLUME CAP AND RELATED MATTERS

Bruce Stoffel presented staff's report.

Ms Ryan stated that she was unclear about what caps are. Mr. Stoffel stated that there were three specific types of caps that could be done under the private activity cap: 1) Mortgage

Revenue Bond Program (what staff is proposing to do in order to create a pool of funds to be used to make mortgage loans for people wanting to buy properties; first-time homebuyers); 2) Bonds to support industrial development (manufacturing in related activities; not retail, service, hotels or motels); and 3) Ability to create a mortgage credit certificate (which the City has had for the past four years). Mr. Stoffel stated that, in this particular case, the City of Urbana, having only \$1.8 million in statutory authority to issue revenue bonds, really did not have enough to fund the program. In this case what the City would do is pool the \$1.8 million with approximately 10 to 15 other communities in the State. We would cede our authority to issue bonds to one of those communities. One community would pool cap and actually issue bonds for a program in which the City would participate. There would not actually be any money involved on the part of the City. There would be an issuance of bonds, a sale of revenue bonds, by a bond underwriter. That money would essentially be used to buy loans made by local banks to first-time homebuyers. All mortgages made under the program would be fully insured, so there would be no liability in the part of the City. For those parties who buy the bonds as an investment, the revenue that they earn is tax exempt under the Federal code. For that reason the interest rates on the bonds are lower than the market rate.

Mr. Singer stated that if the City wanted to target it to very low-income people, it would probably need to subsidize mortgages through some other program.

Ms Ryan inquired if it was possible to give first priority to low-income applicants and then, if there are slots left over, give to moderate-income persons. Mr. Stoffel responded "yes." The IRS code states that the maximum income to qualify is roughly 90% of median family income.

Vice Chairman Hayes inquired where staff anticipated most of the houses would be bought. Mr. Stoffel stated that this would be a citywide program. Based on past history, the highest usage would be in Census Tracts 53, 54 and 55.

Mr. Whelan made a motion to send to Council. Mr. Singer seconded. Motion carried by voice vote.

INCENTIVES TO EXISTING BUSINESSES

Although Mr. Whelan objected to deleting this item earlier in the meeting, he stated that he had talked with staff and they were not prepared to make a presentation at this time. Mr. Whelan explained that he was not opposed to deleting this item earlier,

but objected to the procedure in which it was deleted. Mr. Whelan requested to remove this item from the agenda. There were no objections.

TIF

Mr. Singer summarized two alternatives regarding TIF One and TIF Two that were distributed in a previous packet of material to the Council. The alternatives were to do a three-year agreement with the School District that just runs for three years and then expires, or to have a rolling agreement for three years (the next year there is a three-year agreement, and so on). Mr. Singer stated that the other question is the amount; whether it should be \$50,000 or a larger amount. Singer stated that the sooner the School District finds out what the Council's policy on the amount is, the faster they will be able to do their planning.

Mayor Satterthwaite stated that he and Bruce Walden had met with the School District. The proposal is that City honor their request for \$50,000 over a three-year period. Staff's recommendation was to have \$150,000 from TIF funds go toward vocational/educational programs.

Ms Patt suggested that this item be considered during the budget process.

Mr. Singer clarified that normally TIF funds can only be used for capital investments; it has to go into the particular TIF District for which it was set-up (i.e., capital investment in TIF Three would have to go in TIF Three, etc.). Vocational training can be funded from any TIF District.

FREESTANDING SIGNS

Mayor Satterthwaite noted that Ms Getchius, Community Development Director, was unable to attend tonight's meeting. She would like to be present when action is taken on this issue. Since this item was put on the agenda at Mr. Singer's request, Mayor Satterthwaite asked if it could be deferred to another Committee meeting. Mr. Singer had no objection.

Other Issues Raised

Mr. Whelan asked Mayor Satterthwaite to look into the possibility of issuing keys to the City Building to Council Members so that they could have access to the south door when attending Council meetings.

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Ms Ryan stated that the Traffic Commission would like for the Council to review their minutes formally. Ms Ryan asked that, beginning with the next Committee on Environment & Public Safety meeting, the review of Traffic Commission minutes be placed on the agenda as a regular item.

Mr. Singer stated that Council appointments should also be placed on the agenda.

ADJOURNMENT

With no further business to come before the Committee, Vice Chairman Hayes adjourned the meeting at 8:44 p.m.

Respectfully submitted,

Deborah J. Roberts
Recording Secretary

*This meeting was broadcast on cable television.