

STATE OF ILLINOIS

Laurel Lunt Prussing, Mayor

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

CLOSED SESSION

CITY OF URBANA

Phyllis Clark, City Clerk

Property Acquisition
Issues 5 ILCS 120/2(c)(5)



Denny's Cleaners, 117 N. Race St, Urbana
Pell Farm Sale and annexation agreement

URBANA CITY COUNCIL COMMITTEE OF THE WHOLE MEETING
Monday February 22, 2010

The City Council of the City of Urbana, Illinois, met in regular session Monday, February 22, 2010 at 7:00 p.m. in the Council Chambers at the Urbana City Building, 400 S. Vine St, Urbana, IL 61801.

ELECTED OFFICIALS PHYSICALLY PRESENT

David Gehrig (Chair); Robert E. Lewis; Diane Marlin; Dennis Roberts; Charlie Smyth; Heather Stevenson; Laurel Lunt Prussing; Brandon Bowersox entered the meeting at 7:09 p.m.

ELECTED OFFICIALS PRESENT VIA TELECONFERENCE: None

ELECTED OFFICIALS ABSENT: Phyllis Clark, City Clerk

STAFF PRESENT: Mike Monson; Michael Bily; William Gray; Elizabeth Tyler; Thomas Carrino; Gordon Skinner; Gale Jamison; Brad Bennett; Ronald O'Neal, Jr.; Deborah Roberts; Clay Baier; Stephen Chrisman

OTHERS PRESENT

During the course of the City Council meeting, a closed session was held. The City Council, mayor, and selected staff moved to the 2nd floor executive conference room.

The closed session was called to order by at 9:23 p.m.

Closed Session: Property Acquisition Issues, Pursuant 5 ILCS 120/2(c)(5)

Mr. Smyth made a motion to go into closed session to discuss property acquisition issues pursuant 5 ILCS 120//2(c)(5). Mr. Lewis seconded.

The vote was as follows: Bowersox – aye Roberts – aye Gehrig – aye Smyth – aye Lewis – aye Stevenson – aye Marlin – aye Mayor Prussing – aye

The motion carried by roll call vote (8-aye:0-nay)[MAYOR VOTING].

The Committee of the Whole went into closed session at 9:23 p.m.

Elected officials present included David Gehrig (Chair); Robert E. Lewis; Diane Marlin; Dennis Roberts; Brandon Bowersox; Charlie Smyth; Heather Stevenson; Laurel Lunt Prussing

Staff present included: Mike Monson; Michael Bily; William Gray; Elizabeth Tyler; Thomas Carrino; Gordon Skinner; Gale Jamison; Brad Bennett; Ronald O'Neal, Jr.; Deborah Roberts; Clay Baier; Stephen Chrisman; Debbie Roberts

Chair Gehrig stated the purpose of the closed session (5 ILCS 120/2(c)(5)) and yielded the floor to Tom Carrino.

Discussion was led Tom Carrino. He summarized the city's action with respect to the Denny's Dry Cleaners property at 117-119 N. Race Street including the city's option to purchase and RFP to develop the area. However, environmental issues have come up showing contamination on the site by dry cleaning solvents.

The City has spent \$140,000 thus far including \$56K for execution of options and \$17K for attorney's fees. The remainder is for environmental due diligence with Geocon, the firm we hired. The asking price for the property owned by the Lincicome family is \$570,000 less a portion of the option and \$35,000 credit for environmental work.

Mr. Carrino explained state IEPA requirements to clear the property for development including the need to remove soil, the point source of the contamination. To accomplish the JSM proposal would require the removal and disposal of approximately 10,000 tons of soil at a cost of \$3.6M while just turning into a parking lot would require removal of approximately 5000 tons of soil at a cost of \$1.6M.

Site survey shows asbestos present with cost to remove as part of demolition at about \$20,000 while demolition itself is another \$110-130K. JSM has lost interest in developing the site due to the economy slowing and these environmental issues.

Contamination extends to the North, South, and west property lines in the soil and to all property line directions in the groundwater. Further, there is some contamination just beyond the north property line but does not extend to the middle of the School of Cosmetology property.

Reviewed TIF and Federal Brownfield programs but need to be careful as the people responsible for contamination can't be enriched.

Options for going forward: let the option expire at a loss of \$140,000 invested to date; likely need to take action in the future against the property as it is currently unsellable. If we order the demolition and get a lien on the property (option 2), we are likely to never recover the money as the property has not been claimed (owners were Paul Lincicome and wife who have passed) by the heirs. Different scenarios of condemning and acquiring the property were discussed by staff including possible outcomes. The estate may not have any money to go after and the business was in bankruptcy. Yet they have taken money for the option though they haven't taken control of the property.

Alderman Roberts asked if the building could be reused as is without disturbing the soil under the site. Mr. Jamison pointed out that the hotspot could continue to spread. Anyone with ownership if

and when contamination spreads beyond becomes liable and the Federal EPA could step in demanding remediation and damages. Other surrounding property owners could also have a claim.

Option 3 is to just purchase the property but then we are taking on the potential liability. And the only thing doable is to build a parking lot over the site. In Situ treatment and monitoring could take place over multiple years.

Alderman Roberts asked about potential barriers. Mr. Jamison looked at the in Situ treatment possibilities which require forcing the treatment down to depth of contamination and pulling up and monitoring from another location. Multiple sampling will be expensive over time and it may not work. Removal of the hotspot is the quickest and most effective.

Mayor Prussing asked about mechanisms for cleaning up and condemning the property. Mr. O'Neal described how Dennis Lincicome has power of attorney for the estate of his parents and that payments of the option were going to him. Options include suing the estate for cleanup. Ms. Tyler reviewed the options again with a recommendation for Option 2 that could remove the blight and end up with a parking lot. The city would have a lien on the property to recover the cost of demolition to remove the blight.

The contamination via dye testing does not show it in the Boneyard Creek. Discussion ensued of who would take action on behalf of the state, IEPA or the AG.

Alderman Gehrig summarized the situation for city council and consensus that council isn't interested in purchasing the property. The 2nd position of consensus is distinguishing between options 1 and 2. Staff wanted to get more information from IEPA and the state before recommending how to go about these options. Consensus was that the option for purchase should be allowed to lapse. Need more research to understand how to deal with the blight and get money to fund cleanup. This could be an abandoned property as the heirs don't claim it.

Mr. Jamison stated that Brownfield funds are for abandoned properties. The city needs proof of abandonment to pursue such funds. The building is attached to the south, the Courier Café. Mr. Jamison: the legislation does allow for cleanup money to be used beyond the property lines.

Alderman Bowersox: The public needs to know that the city is walking away because of contamination after an RFP process and spending on a property option.

Mr. O'Neal stated that we don't really know the answers yet and we don't want to cause any kind of panic. We need to know the solutions and make decisions and then release appropriate information.

Mr. Carrino wants to get a clear understanding of who owns the property and so on. The Lincicome's do know there is contamination and they have a legal obligation to let any purchaser know. As a public body we have different obligations since we aren't private owners. We have a responsibility to IEPA and the neighbors.

Ms. Stevenson asked if we have any liability with the information we have on hand. Staff is researching this. Mr. O'Neal and others commented on various ramifications. Mr. Carrino and Mr. Jamison reviewed the timetable of getting cost estimates and the disposal of the contaminations. Discussion ended here with staff to return with more information.

Ms. Tyler reviewed the status of the Pell Farm which is being sold by the University of Illinois. We have an annexation agreement dating back to 1986. The university did not convey this agreement with the sales contract and the city has taken emergency action to inform the parties of the agreement and expected annexation within 60 days of sale. The city has anticipated development with upgraded roads and sewer service and is part of the city's Comprehensive Plan. The mayor is trying to meet with President Ikenberry. The price of the property is 20,000/acre (\$3.2M) and quick tracked by the Foundation for sale. The Lo family is the likely purchasers. Mr. O'Neal reviewed options of trying a legal versus a political solution. Ms. Tyler raised the issue of the city purchasing the property and land banking it though not discussing a funding mechanism.

Alderman Smyth raised the issue of possibly announcing that annexation per our agreement would occur on the sale of the property. Ms. Tyler and Mr. O'Neal discussed some of the potentials sales and development possibilities as well as the contacts that they've made to various developers and with the University. Alderman Bowersox pointed out the potential losses of property tax to the community if the property doesn't get developed. Ms. Tyler pointed out that this continues the tax base erosion of the city.

The Committee of the Whole resumed its regular session at 10:35 p.m. with all members present.

Adjournment

There being no further business to come before the Committee, Chair Gehrig declared the meeting adjourned at 10:36 p.m.

Debbie Roberts
Recording Secretary

Phyllis Clark
City Clerk

*This meeting was taped.
(Recreated by Charles A. Smyth, City Clerk, 8/2/2017 from stored tape)

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