



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Economic Development Division*

**m e m o r a n d u m**

**TO:** Laurel Lunt Prussing, Mayor

**FROM:** Elizabeth H. Tyler, FAICP, Director, Community Development Services

**DATE:** September 30, 2010

**SUBJECT:** **Budget Amendment for Demolition of 8 Residential Properties on Block North of City Building**

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**Introduction and Background**

In late 2009 the City of Urbana was approached by Joe Phebus regarding the City's potential interest in purchasing several single-family residential properties located in the east half of the block adjacent to the north of the City Building complex. The properties included are located at 306-308 E. Green St., 203-207 S. Urbana Ave., and 305-307 E. Elm St. and are shown on the attached map. All are currently vacant. As there were also two other lots available at the time owned by the estate of the late Dr. Robert Basler, and due to their proximity to the City Building and existing City-owned property on the same block, it was determined that it would be opportunistic for the City to acquire the land for future redevelopment as a consolidated property. As the property is located within Tax Increment Finance District 2, a TIF redevelopment agreement is possible to facilitate this future redevelopment.

On September 8, 2009, City Council approved Ordinance No. 2009-09-098, Ordinance No. 2009-09-099, and Ordinance No. 2009-09-100, which authorized the purchase of 203 South Urbana Avenue, 205 South Urbana Avenue, 305 East Elm Street, and 307 East Elm Street. On April 19, 2010, City Council approved Ordinance No. 2010-04-025 and Ordinance No. 2010-04-026, which authorized the purchase of 306 East Green Street, 306 ½ East Green Street, 308 East Green Street and 207 South Urbana Avenue. The City has since closed on all of the properties.

The City issued an invitation for bid for demolition on September 9, 2010 and advertised the bid in the News-Gazette. Bids were opened on September 24<sup>th</sup>, 2010, with three contractors submitting bids. Miller Enterprises was the lowest bidder with a bid of \$86,850.

**Discussion**

The attached ordinance approves a budget amendment for \$90,000 from Tax Increment Finance District Two funds to cover demolition of the eight vacant structures, including removal and

disposal of all asbestos and filling and grading the site to the City's specifications. Once demolition is complete and the site is cleared, the City plans to solicit developers to redevelop the site consistent with the recommendations of the TIF Two Redevelopment Plan, Downtown Plan, and Comprehensive Plan as well as the currently ongoing downtown market study.

### **Fiscal Impact**

The demolition will require \$90,000 to be budgeted from Tax Increment Finance District Two funds. There will be no impact to the General Fund budget.

### **Recommendation**

Staff recommends that the City Council approve the attached budget amendment ordinance in order to facilitate clearance of the existing structures to allow for future redevelopment.

Prepared by:

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Ryan L. Brault, Redevelopment Specialist

Attachments:

Budget Amendment Ordinance

Location Map

**ORDINANCE 2010-10-089**

**AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE**

**(TIF 2 Building Demolition)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Annual Budget be and the same is hereby revised to provide as follows:

FUND:	Tax Increment Financing District Two	
ADD EXPENSE:	Building Demolition	\$90,000
REDUCE:	Fund Balance	\$90,000

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSTAINED:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor



## Goodyear Block Properties

**PIN: 922117233002 Sq. Ft.: 1,568 (+1,141 bsmt)**  
**Parcel Location: 305 E ELM ST**  
**Former Owner: PHEBUS & TUMMELSON**

**PIN: 922117233003 Sq. Ft.: 1,058 & 820 (+1,349 bsmt)**  
**Parcel Location: 307 E ELM ST & 203 S URBANA AV**  
**Former Owner: PHEBUS & TUMMELSON**

**PIN: 922117233006 Sq. Ft.: 1,947**  
**Parcel Location: 306 E GREEN ST**  
**Former Owner: ROBERT C BASLER**  
**Rear House: 608 sq. ft.**

**PIN: 922117233004 Sq. Ft.: 1,712**  
**Parcel Location: 205 S URBANA AVE**  
**Former Owner: PHEBUS & TUMMELSON**

**PIN: 922117233001 Sq. Ft.:**  
**Parcel Location: 202 S VINE ST**  
**Former Owner: PHEBUS & TUMMELSON**

**PIN: 922117233007 Sq. Ft.: 1,595**  
**Parcel Location: 308 E GREEN ST**  
**Former Owner: MARGARET E BASLER**  
**Rear House: 1,040 sq. ft.**