

July 5, 2001

MINUTES OF A REGULAR MEETING

URBANA PLAN COMMISSION

APPROVED

DATE: Thursday, July 5, 2001

TIME: 7:30 P.M.

PLACE: Urbana City Building
400 South Vine Street
Urbana, IL 61801

MEMBERS PRESENT: J. Barry Howell, Gerrit Knaap, Michael Pollock,
Joseph Rank, Bernadine Stake

MEMBERS EXCUSED: Christopher Alix, Alan Douglas, Randy Kangas,
Marilyn Upah-Bant

STAFF PRESENT: Elizabeth Tyler, AICP/ASLA, Planning Manager
Tim Ross, Planner

OTHERS PRESENT: Milton Otto

1. CALL TO ORDER, ROLL CALL AND DECLARATION OF QUORUM

The meeting was called to order at 7:30 p.m. Roll Call was taken, and a quorum was declared present.

2. CHANGES TO THE AGENDA

There were none.

3. APPROVAL OF MINUTES

Ms. Stake motioned to approve the minutes from the meetings of May 3, 2001 and June 7, 2001 together. Mr. Rank seconded the motion. The minutes were passed by unanimous vote.

4. COMMUNICATIONS

- Memo from April D. Getchius on Single Family Home Incentive Program
- Tax Rebate Program Brochure
- Build Urbana Brochure
- Lot Availability Information Sheet
- Property Tax Rates Sheet
- Gerrit Knaap E-mail on Urbana Tax Rebate
- Analysis of Fiscal Impact from Milton Otto

5. CONTINUED PUBLIC HEARINGS

There were none.

6. OLD BUSINESS

There was none.

7. NEW PUBLIC HEARINGS

Plan Case # 1787-T-01. Request by the Zoning Administrator to amend Article IX of the Zoning Ordinance by adding Section IX-10, Interim Development Ordinance – Moratorium on Outdoor Advertising Sign Structures.

Mr. Ross gave the Staff Report. He gave a brief background for the case. Next, Mr. Ross presented the proposed text amendment and a discussion on the statement of purpose, boundaries, use regulations, duration, and variation or exceptions. He went over the staff findings and the Plan Commission's options. Finally, Mr. Ross gave the staff recommendation.

Mr. Pollock asked if in the future, does this case come back to the Plan Commission? What are the Plan Commission's responsibilities in the Zoning Ordinance? Mr. Ross replied that the moratorium was being considered at this meeting. Within the moratorium time frame, staff will work on this through the task force and any proposed text amendments will have to come back through the Plan Commission. For now, the framework and declaration of what will be studied will be set, and the text amendments will come back later.

Mr. Pollock asked if the Ordinance that is being considered in Champaign was completed? Mr. Ross responded that Champaign is very near completion. Mr. Pollock asked if the Plan Commission would get a chance to look at what Champaign has done? Mr. Ross commented that he plans to keep in touch with Champaign. Champaign and Urbana are mutually affected by each other's ordinances. City of Urbana will present a summary of Champaign's findings to the Plan Commission.

In regards to the settlement agreement between the City of Urbana and C & U Poster Advertising Company, Mr. Pollock asked if that settlement was specific to C & U Poster or was it for everybody who might enter into that business in this community? Mr. Ross replied that he would rather not answer that question. He preferred if the City Attorney answered that question. Mr. Howell asked if the City Attorney was aware of the second moratorium. Mr. Ross replied yes, and that the City Attorney had a chance to review this case. Upon discussion of the case, Mr. Ross and the City Attorney determined that the best place to review would be in the form of a moratorium. The City Attorney has had no further objections.

Ms. Stake motioned to forward this case to the City Council with the recommendation for approval of the proposed text amendment as presented. Mr. Knaap seconded the motion.

Mr. Howell mentioned that the City Council accepted and approved the previous OASS case, which stated where outdoor advertising sign structures (OASS's) could be placed and how far

apart they must be from each other. Mr. Ross replied that was correct, and that if every possible billboard was applied for, how would that impact the City? If not, then what would be the best way to adjust that requirement? That is basically the central issue.

Mr. Howell asked when the first moratorium ended? Mr. Ross replied June 18, 2001. Mr. Howell asked there had been any indications from the two principal sign companies for permits since June 18, 2001? Mr. Ross replied that there has been no application received, and there has been no indication that anyone intends to apply for an OASS permit. Mr. Howell commented that he does not have a problem with the moratorium. It is probably an effective way of giving staff an opportunity to study this case. However, if there were some activity out there, then he would have a problem with it, because it would be unfair to make them wait even longer. Mr. Ross replied that Kip Pope, of C & U Poster, indicated some future plans for relocation of an OASS. At the same time, Mr. Pope stated no objections to the moratorium to study this issue.

Mr. Knaap questioned if this had anything to do with the case regarding downtown signs? Mr. Ross replied that was a separate issue. OASS's are essentially not allowed downtown.

Mr. Rank felt that the original recommendation that resulted in the ordinance that was passed on June 7, 2001 was reasonable and fair, and that another 180 day moratorium in essence has created or will create a one year moratorium, which will be unfair to either of the firms involved. He felt that this moratorium was unnecessary, and he was not in favor of extending the moratorium. If the staff wants to continue the work and has unreasonable requests for billboards, then the Plan Commission could reconsider the moratorium. To tell a business that they cannot grow for a full year is anti-business. Mr. Ross stated that the intent for any proposed moratorium is to be cautious in looking at any changes so as to not to incur any kind of rush on permits until the City is comfortable that the regulations are in order.

Mr. Howell asked Mr. Ross to clarify his previous comment regarding if a petitioner put up a sign. Would the City of Urbana be obligated to grant the sign? Mr. Ross stated that without a moratorium in place, the City of Urbana would be hard pressed to deny any permits based on the fact that the City would be looking at changing those regulations midstream. Any changes need to be done "ahead of the game".

Mr. Howell asked if 180 days were more than enough? Was it too much? What about 120 days? Or 90 days? Mr. Ross commented that the first process basically took the full six months. If the City of Urbana thought that the process was done in three months time, then the ordinance could be sunset effectively. Six months is a comfortable amount of time to accomplish this goal.

The roll call was as follows:

Mr. Howell	Yes	Mr. Knaap	Yes
Mr. Pollock	Yes	Mr. Rank	No
Ms. Stake	Yes		

The motion was passed.

8. NEW BUSINESS

Plan Commission Advisory Opinion on Extension of the Build Urbana Tax Rebate Program to Zero Lot Line Townhouses, Condominiums, and Duplexes.

Ms. Tyler gave the Staff Report. She gave a brief background and update on the case. She discussed some of the goals and objectives of the Comprehensive Plan that are relevant to the extension of the tax rebate program to the housing types of zero lot-line town homes, condominiums, and duplexes. Ms. Tyler gave a summary of staff findings, the options of the Plan Commission, and the staff recommendation.

Ms. Tyler introduced Reed Berger, City of Urbana Economic Specialist.

Reed Berger began talking about the Cost of Property Tax Rebate Program spreadsheet that the comptroller originally drew up. The average cost of a home is around \$150,000. On a \$150,000 home, it shows what the cost and benefit will be to the City of Urbana. The City of Urbana is expecting forty homes in the first year and sixty homes in the second year. Those homes will total approximately \$1,699,000 in revenues. After spending about \$242,000 or 16 % of the total amount of revenues, the total left would be about \$1.4 million. There is an assumption that many of the houses are being built on lots, which are already platted, serviced, and have infrastructure.

Mr. Berger noted that the City of Urbana is facing three complaints, which are: 1) Urbana has higher taxes, 2) not many homes are being built compared to Mahomet, Champaign, and Savoy, and 3) people are commuting from Champaign. We want people living here, saving money on gas and spending the extra money here in Urbana.

Mr. Berger explained that the other informational sheet shows that property taxes are decreasing in Urbana due to the increase in tax base.

Milton Otto, Council member from the 7th Ward, mentioned that his primary motivation is that he is an advocate of "Smart Growth" and more intensive use of land to conserve farmland. One problem that he sees is that the City of Urbana is subsidizing growth on the outskirts of the community by restricting the program to single-family detached housing. He believes that the program should be opened up to all types of housing. He encouraged the Plan Commission to consider that the elderly find condos attractive, because they do not want to deal with maintenance. He encouraged providing the same incentives for "smart growth" home developments.

Mr. Pollock asked where could these different types of homes take place on the interior of the City? Mr. Otto responded that the Stratford is an empty parking lot. He strongly suggested that the City use land more intensively and get more developers interested in developing closer to commercial uses (mixed uses). Mr. Knaap then asked if mixed uses would be covered in the tax rebate program? Mr. Otto replied yes, and that any owner-occupied housing would be eligible for the rebate. However, it is not in the spirit of the amendment to allow the commercial part of the property to qualify for the rebate. Ms. Tyler commented that the amendment had not been drafted yet. City Council was looking for a recommendation to define types of housing and any other conditions that the Plan Commission recommends. The key will be owner occupancy and ownership and not for investment property. It would apply all over the city.

Mr. Knapp asked about the possibility of the rebate including rehab (home rehabilitation). Mr. Otto replied that he had not contemplated rehab. The change in the text would include striking out "single-family detached" and replacing it with "owner occupied". If rehab would be included, then constraints of what type of rehab would need to be included. Ms. Tyler stated that the Grants Management Division of Community Development has programs that take care of rehab issues. Mr. Knapp commented that if the fiscal impact of the single-family detached home had been so great, then the concept of rehab would even be greater. There would be an increase in tax base, and in addition, the benefits would give money back to the community. He added that it might be worth considering. Mr. Otto commented that he might look at rebating a portion of the EAV. Mr. Berger added that there is a program already in place for people to apply to receive help on improvements on their home. It includes an exemption on the improvements for several years. Ms. Tyler pointed out that the purpose of the tax rebate program is to encourage new housing construction.

Ms. Stake questioned if Mr. Otto would have voted for the existing program for incentives and tax rebates? Mr. Otto responded by saying that the new program is a way to accomplish growth. Ms. Stake then asked if more people pay taxes, then residents would pay less tax. Mr. Otto said that was the idea.

Ms. Stake questioned what the \$60,000 per year average referred to? Mr. Otto answered that it should say "The following analysis assumes the new home starts under the Build Urbana program averaged an Equalized Assessed Evaluation (EAV) of \$60,000 per year", and it refers to the value of the home.

Mr. Knaap asked if the fiscal impact analysis includes revenues and costs? Mr. Otto said yes. Mr. Knaap asked where are the costs on the analysis or was Mr. Otto just looking at revenues? Mr. Otto replied that he addressed the cost differently by definition of cost. Mr. Otto added that he was referring to the cost of providing the tax rebate to the homes that would have been built anyway as opposed to the revenue of the additional homes. His thought was that the infrastructure costs would not be that much, because the infrastructure for two of the developments will already be in place. The costs for fire and police calls from the City's perspective would not be that substantial. The schools currently have available capacity as well. The school administrators believe that it will have a positive fiscal impact.

Mr. Pollock said that people seem to believe that single-family homes do not cover the costs of services that go to those homes. The City of Urbana makes the differences up with sales tax, etc. Will the revenues from this type of housing cover the costs? Ms. Tyler stated that having fewer children in the homes would probably give them a higher cost benefit. The general rule is that new residential development does not pay its own way. The difference here is that the infrastructure is already in place. Urbana is a sister to a city that has low tax rate. She further stated that condos and townhouses are probably more favorable because of the types of households.

Mr. Pollock then asked if any others contribute to the rebates? Ms. Tyler replied that the economic development weight falls on the shoulders of the City of Urbana. The parks and schools could not contribute, but they do support it.

Ms. Stake felt that if a developer builds a good development that people like and are attracted to, then people will come to live there. The City of Urbana does not gain from single-family developments; however, we still have to have build them. The City just does not need to keep subsidizing them. She agreed that we do need to save farmland. She stated that she could not vote for a bad program. Ms. Stake felt that it is unfair to poor people to pay taxes for someone else to get a rebate on a brand new house.

Mr. Knaap asked how much tax difference there would be on a benchmark house. Ms. Tyler went over the formula and gave an example. Mr. Berger added that the tax difference was about eleven percent. Mr. Knaap asked if that was the difference that was keeping people from buying homes in Urbana? Ms. Tyler stated that was reportedly correct. Mr. Berger added that Urbana does have higher taxes, and this would be a way to get people living in Urbana. We, then, will be able to show them what Urbana has to offer. Mr. Knaap asked why does Urbana need new growth? Ms. Tyler replied that through planning and infrastructure, the City had provided for areas to be developed, and those areas have not been developed. Mr. Howell added that residential growth is a large determining factor for commercial growth. He commented that a City does not just explode with development. Commercial developers are going where the residential developers are. He believes that if residential growth continues on beyond the five years, then commercial development will take off. Ms. Tyler gave an example of this concept being proven. She said that with the approval of the Savannah Green development, developers would now be interested in developing a nearby infill commercial site that has been vacant for years.

Ms. Stake commented that we do not need more children to fill the schools. She asked what happened to free enterprise? She believes that if the developers reduced the price of homes, then people would buy them. She believes that it is not the City's responsibility to help the developers; instead, the City needs to be helping the poor residents.

Mr. Knaap asked if the program would increase market shares? Ms. Tyler replied that the commentary from retailers and developers would be more conclusive. Mr. Knaap remarked that businesses use that argument against the City.

Mr. Knaap asked if there were any other communities in Illinois that have a similar program to use as an example of success? Ms. Tyler said that there are communities that have tax increment financing to help build enrollment for schools and to attract development.

Mr. Howell commented that the question before the Plan Commission was if the existing program should be extended to different housing types. The tax rebate program is already in existence for single-family housing. Ms. Tyler added that City Council was looking for recommendations from the Plan Commission. Mr. Otto remarked that City Council felt that the Plan Commission should review and discuss the program and then do whatever the Plan Commission feels to be appropriate.

Mr. Pollock suggested that the recommendation to the City Council should come in the form of a vote. Mr. Rank moved that the Plan Commission recommend that the City Council extend the Build Urbana Tax Rebate Program to apply to zero lot line town homes, condos, and duplexes, based upon the findings presented in the staff report. Mr. Pollock seconded the motion. Mr. Pollock moved to amend the motion to include a recommendation that the owner-occupied

residential portion of mixed-use development be included in the extension. The amendment was acceptable to Mr. Rank.

Mr. Rank inquired as to whether there were any examples of mixed-use condominiums. Mr. Berger said that there are several cases where apartment buildings have been transformed into condominium developments. There are a couple of newer developments that have commercial and residential in one building. Mr. Rank asked if the amendment would cover that type of mixed use. Mr. Berger stated that the Build Urbana Tax Rebate Program would cover the residential unit, but the commercial unit of the building would not be covered. Mr. Berger said that this would give more incentive for mixed use.

Mr. Knaap wanted to make sure that this only applies to properties inside the city limits and asked if the tax rebate would apply to the annexation of new property. Ms. Tyler said that was correct. Mr. Berger added that the South Ridge single-family owner-occupied developments would apply. Mr. Knaap then wanted to know if that was consistent with the logic of infrastructure already being in place. Mr. Berger replied no, because there is new infrastructure in South Ridge. Ms. Tyler stated that Urbana did not provide any infrastructure subsidy to South Ridge. The infrastructure exists already. Mr. Berger commented that it would be discussed in the annexation agreement for new developments. Mr. Knaap suggested that the policy intent should be included in the amendment.

Mr. Knaap wanted to check if it applies to platted or unplatted land. Ms. Tyler replied that the program does not address plats or lots. It is not tied to any subdivision point. Mr. Knaap then advised that if the land is not platted, then the City Council might want to think about it because of infrastructure not being there.

Mr. Knaap commented that he was strongly opposed to subsidizing single-family developments. The developer could just lower the price enough to sell. In the sense of "Smart Growth", the Build Urbana Tax Rebate program will be counter productive. He also stated that the amendment makes the program better. He felt that adding rehab into the program would improve the program even more.

Ms. Tyler asked Mr. Knaap to explain his thoughts on rehab. Mr. Knaap said that he does not have it well thought out. He does not agree with the logic that new homes and people are needed in Urbana. He added that sooner or later the city would have to build new infrastructure, and the new homes would not have contributed to the generation of revenues for the new infrastructure.

Ms. Stake said that Urbana does not have an impact statement to know actual costs. Also, she wanted to know if people would have had to pay for or built the home by December to get this rebate. Ms. Tyler answered by saying that the permit must be issued by December. Mr. Berger added that that permit expires in 6 months. He said that the homebuyers have to pay for the permit. Ms. Stake asked if they do not have to pay for the lot or the house. Mr. Berger stated that it does not matter, because if the homeowners do not build the homes, then they would not get the rebate anyway. Basically the tax rebate program will work in a way that after a homeowner pays his/her taxes on a new home, then the City of Urbana will give that homeowner a little of the money back or a rebate. The City of Urbana would give back sixty percent of the taxes paid to the City on the home to the homeowner.

With no further discussion, Chair Howell asked for the roll call. The roll call was as follows:

Mr. Knaap	Yes	Mr. Pollock	Yes
Mr. Rank	Yes	Ms. Stake	No
Mr. Howell	Yes		

The motion was passed.

9. AUDIENCE PARTICIPATION

There was none.

Mr. Howell introduced Michael Pollock as the newest member to the Plan Commission.

10. STAFF REPORT

Ms. Tyler gave staff report with the following items highlighted:

- Special Joint Meeting on Thursday, July 12, 2001 at 7 p.m. with the City Council, Plan Commission, and Comprehensive Plan Steering Committee concerning the Urbana-Champaign Sanitary District's Long-Range Plan – Part Two.
- OASS amendments were passed by City Council.
- The Savannah Green project was approved by City Council in basically the same form that the Plan Commission recommended.
- In two weeks, the Lincolnwood Subdivision (last phase) will come before the Plan Commission.
- The projecting signs amendment will come back with improvements in August
- The Existing Conditions Report on the Comprehensive Plan will come before the Plan Commission in August.
- Changes in multi-family parking will be coming at a later date.

11. STUDY SESSION

There was none.

12. ADJOURNMENT OF MEETING

The meeting was adjourned at 9:30 p.m.

Respectfully submitted,

Elizabeth H. Tyler, Secretary
Urbana Plan Commission