



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana

FROM: Elizabeth H. Tyler, ^{CAIT} FAICP, Director, Community Development Services

DATE: May 8, 2014

SUBJECT: A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CHAMPAIGN-URBANA MASS TRANSIT DISTRICT REGARDING THE GENERATION OF PROPOSALS FOR A MIXED USE TRANSIT FACILITY AND ASSOCIATED REDEVELOPMENT IN DOWNTOWN URBANA

Description

Included on the agenda of the May 12, 2014 meeting of the Urbana Committee of the Whole is a Resolution Authorizing the Execution of an Intergovernmental Agreement with the Champaign-Urbana Mass Transit District Regarding the Generation of Proposals for a Mixed Use Transit Facility and Associated Redevelopment in Downtown Urbana (See Exhibit A). The City and MTD wish to enter into such an agreement in order to begin a formal process for the generation of proposals to create catalytic redevelopment in Downtown Urbana, with potential projects to include an off-street transit transfer station, residential infill, mobility enhanced development, community/educational development, and/or mixed use projects. These projects have the potential to generate significant public/private investment in the downtown area.

Background

The City of Urbana and Champaign-Urbana Mass Transit District (MTD) have a shared interest in encouraging redevelopment in Downtown Urbana, promoting mobility-enhanced development, and enhancing the options for utilizing transit services. The City and MTD have negotiated an Intergovernmental Agreement in order to formalize the organizations' shared intent to catalyze economic development and attract additional commercial and residential investment to Downtown Urbana.

The proposed partnership will advance the goals of the 2012 Urbana Downtown Plan, MTD's forthcoming Strategic Plan, and the region's Long Range Transportation Plan.

The proposed Intergovernmental Agreement will affirm the City's commitment to the goals outlined in the *2012 Downtown Urbana Plan*. The proposed agreement has the potential to create a major impact within five of the plan's seven goals:

- Goal A:** Strengthen economic activity in Downtown Urbana.
- Goal B:** Promote context-appropriate urban-style infill development to extend Downtown's core character.
- Goal C:** Increase Downtown's vitality by attracting more residents and visitors.
- Goal D:** Develop engaging public spaces and streetscapes.
- Goal E:** Improve mobility to and within Downtown.

MTD has a goal to develop partnerships to create living/working/public space environments through mobility-enhanced development. A second goal of MTD's is to encourage the use of a variety of transportation means including transit, biking, and walking to promote mobility in our community. A transportation node in downtown Urbana with high-frequency service would encourage mode shift away from single-occupancy vehicles and help attain sustainability objectives.

Desired outcomes of the region's Long Range Transportation Plan include reduced congestion, enhanced mobility, less dependence on cars, more use of walking, biking, and public transit, less fringe development, and more core development.

The proposed partnership to catalyze downtown development would help support all of these desired outcomes.

Proposed Agreement

MTD recently approached City staff with their interest in exploring the possibility of an off-street transfer facility with additional amenities—such as upper-story residential and/or integrated commercial or institutional uses. In addition, MTD shared its broad goals for encouraging mobility-enhanced development and mode-change in the community. The City of Urbana has a long history of supporting the Downtown through planning efforts, public investment, managing incentive programs, and promoting private investment. The discussion with MTD led to the identification of the need for the City to formally recognize the contributions being proposed by MTD and for the City to indicate its willingness to participate in a shared process with MTD to generate proposals that meet the public goals of both agencies.

The proposed Intergovernmental Agreement between the City of Urbana and MTD will formalize the relationship for the formation of proposals for project(s) to invigorate Downtown Urbana.

If approved, the City and MTD will cooperate to develop, design, create, and adopt proposals through iterations of four planning phases: site identification, project conceptualization, financial planning, and project planning. The efforts of both organizations will be focused within a specific area of Downtown Urbana (See Exhibit A within the attached Agreement). This area excludes residential properties and is generally bounded by University Avenue at the north, Vine Street at the east, Illinois Street at the south, and Race street to the west, with some exceptions.

Both the City and MTD will contribute expertise in undertaking and creating the redevelopment proposal(s) for the purpose of providing transit uses, commercial uses, dwelling units, and/or other community or educational uses deemed mutually beneficial. The term of the agreement is five years.

MTD is requesting that the City formally include the possibility of creating an off-street transit transfer facility with amenities as part of the City's future Downtown redevelopment efforts. The City is requesting MTD's assistance in encouraging mobility-enhanced development and encouraging mode shift by Downtown patrons, employees, and residents.

The proposed Intergovernmental Agreement will also require the review and acceptance by the MTD Board who is expected to consider the agreement at its May 28th meeting. Any changes requested by the Board would necessitate re-approval by the City Council.

Fiscal Impacts

Approval of this Intergovernmental Agreement does not commit any City financial resources to any redevelopment projects at this time. Should a viable proposal for redevelopment of certain sites or multiple sites be produced, the City and MTD will work in cooperation with the proposed developer, any private investors, and any public sector partners on the creation of detailed plans for the proposed project. At which time, the City would consider its role in providing support to the project.

Staff believes that there is a strong potential for positive financial impacts to result from any subsequent development project that may result from the proposal generating process outlined in this agreement, including the potential to attract significant private investment and State/Federal grants.

Options

1. Approve the Resolution Authorizing the Execution of an Intergovernmental Agreement with the Champaign-Urbana Mass Transit District Regarding the Generation of Proposals for a Mixed Use Transit Facility and Associated Redevelopment in Downtown Urbana.
2. Approve the Resolution Authorizing the Execution of an Intergovernmental Agreement with the Champaign-Urbana Mass Transit District Regarding the Generation of Proposals for a Mixed Use Transit Facility and Associated Redevelopment in Downtown Urbana with changes. It should be noted that any changes will need to be agreed to by the MTD.
3. Do not approve the Resolution.

Recommendation

Staff recommends approval of the Resolution as attached. The proposed agreement will allow the MTD and the City to move forward with soliciting the ideas and support of investors, developers, agency partners, property owners, business operators, and residents regarding the potential for catalytic redevelopment and mobility enhancement in Downtown Urbana. The City has a positive working relationship with the Champaign-Urbana Mass Transit District and formal City participation in this proposal-making process will facilitate public input, private investment, and inter-agency collaboration toward identifying projects that will advance the goals of both the 2012 Downtown Urbana Plan and the forthcoming MTD Strategic Plan.

Memorandum Prepared By:

Brandon S. Boys
Economic Development Coordinator
Economic Development Division

Attachments:

Exhibit A: Draft Resolution with Attached Agreement

Cc: Bill Volk, CUMTD
Karl Gnadt, CUMTD
Mike Royse, CUMTD

Exhibit A

RESOLUTION NO. 2014-05-025R

A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT
WITH THE CHAMPAIGN-URBANA MASS TRANSIT DISTRICT REGARDING THE
GENERATION OF PROPOSALS FOR A MIXED USE TRANSIT FACILITY
AND ASSOCIATED REDEVELOPMENT IN DOWNTOWN URBANA

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that execution of an intergovernmental agreement with the Champaign-Urbana Mass Transit District as it relates to the generation of proposals for a mixed use transit facility and associated redevelopment is desirable and necessary to catalyze investment and enhance mobility in Downtown Urbana.

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

Section 1. That an Intergovernmental Agreement pertaining to the generation of proposals for a mixed use transit facility and associated redevelopment in Downtown Urbana and related activities, between the City of Urbana and the Champaign-Urbana Mass Transit District, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF URBANA
AND THE CHAMPAIGN-URBANA MASS TRANSIT DISTRICT REGARDING
THE GENERATION OF PROPOSALS FOR A MIXED USE TRANSIT FACILITY
AND ASSOCIATED REDEVELOPMENT IN DOWNTOWN URBANA**

THIS INTERGOVERNMENTAL AGREEMENT (hereafter, "Agreement") is entered into this ____ day of _____, 2014 by and between the City of Urbana and the Champaign-Urbana Mass Transit District (collectively, the "Parties").

WHEREAS, the City of Urbana (hereafter, the "City") is a duly established and operating municipality in Champaign County, Illinois and is a home-rule unit of local government pursuant to Section 6 of Article VII of the Illinois Constitution of 1970; and,

WHEREAS, the Champaign-Urbana Mass Transit District (hereafter, "CUMTD") is a duly established and operating local mass transit district in Champaign County, Illinois organized pursuant to the Local Mass Transit District Act, 70 ILCS 3610/1 *et seq.*; and,

WHEREAS, Section 10 of Article VII of the Illinois Constitution of 1970 and the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.* enables the Parties enter into agreements among themselves and provide authority for intergovernmental cooperation; and,

WHEREAS, the Parties have determined that it is desirable to encourage redevelopment in Downtown Urbana, increase property values and tax revenues, and promote a vibrant urban culture in accordance with the 2012 Downtown Urbana Plan; and,

WHEREAS, the Parties have an interest in encouraging Mobility Enhanced Development in Urbana's urban core and enhancing the options for and experience of utilizing transit services; and,

WHEREAS, the Parties seek to leverage transportation investment to catalyze economic development and attract additional commercial and residential investment to Downtown Urbana.

NOW, in exchange of good, valuable and mutual consideration which each Party hereto acknowledges as having in hand received and for the mutual exchange of the terms, covenants and conditions set forth in this Agreement, the Parties agree as follows:

SECTION 1 – REDEVELOPMENT PROPOSAL: The City and CUMTD shall cooperate and work with one another in order to develop, design, create, and adopt a proposal or proposals for the development of a mixed use transit facility and associated redevelopment projects (collectively, hereafter, "Redevelopment Proposal") within the Primary Area of Emphasis (hereafter, "Emphasis Area") as defined in Exhibit A.

The Parties shall contribute such expertise as each may possess in undertaking and creating the Redevelopment Proposal for the purpose of providing transit uses, commercial uses, dwelling units, and/or other community or educational uses deemed mutually beneficial.

Nothing herein shall be deemed to prohibit the Parties from jointly or individually retaining the services of or entering into one or more agreements with one or more third persons to prepare and/or assist in the preparation of the Redevelopment Proposal or any portion thereof. In the event the Parties, jointly or individually, elect to retain the services of one or more third persons to prepare or assist in the preparation of the Redevelopment Proposal, no such third person shall be hired or otherwise be retained unless and until the Parties agree on the scope and nature of the services to be provided by such third person so that any such work is provided in an efficient and non-duplicative manner. In the event that the Parties elect to join in the hiring or retention of a third person to prepare or assist in the preparation of the Redevelopment Proposal, no such agreement shall be entered into or become binding on the Parties unless and until the Parties agree on a formula for paying for the services of such third person.

The Parties shall cooperate in seeking and soliciting one or more private developers, investors, and/or end users to participate in one or more Redevelopment Agreements. To the extent either Party identifies one or more such persons to participate in one or more Redevelopment Agreements, that Party shall share with the other Party such information about such proposed participants.

The Redevelopment Proposal is expected and anticipated to advance in phases which may proceed in multiple iterations if needed and may occur consecutively as stated hereinafter or concurrently as is or may become necessary in order to accomplish the goals of this Agreement. The Redevelopment Proposal should include but may not necessarily be limited to:

- 1) Site Identification Phase, wherein one or more redevelopment sites are defined within the Emphasis Area (hereafter, "Site") for possible redevelopment consistent with the goals and interests of the Parties; and,
- 2) Project Conceptualization Phase, wherein proposed uses for the one or more Sites are conceptualized and plans are produced to acquire or secure development rights for the one or more Sites; and,
- 3) Financial Planning Phase, wherein plans are prepared and produced to acquire public and/or private financing and/or attract investors sufficient to complete the one or more projects is or may be agreed upon by the Parties and persons who may or will provide financing and investment for undertaking and completion of such projects; and,
- 4) Project Planning Phase, wherein project plans and specifications are prepared and produced to demolish or rehabilitate all or parts of the existing buildings or fixtures located on the one or more Sites or to construct new buildings and fixtures on the one or more Sites as mutually identified by the Parties.

SECTION 2 – REDEVELOPMENT AGREEMENTS: It is the desired intention of the Parties to enter into one or more agreements (hereafter "Redevelopment Agreements") with one or more private developers, investors, and/or end users to undertake all or a portion of the Redevelopment Proposal in the manner agreed to by and between the Parties. The Parties shall cooperate in seeking and soliciting one or more private developers, investors, and/or end users to participate in such Redevelopment Agreements. In the event that the Parties locate and jointly approve one or more such private developers, investors, and/or end users, they shall jointly undertake and participate in good faith negotiations with such one or more private developers, investors, and/or end users to arrive at mutually

acceptable terms of agreement for undertaking all or a portion of any Redevelopment Proposal agreed to by and between the Parties.

SECTION 3 – CUMTD’S OBLIGATIONS: CUMTD shall contribute such expertise as it may possess in undertaking, creating and developing the Redevelopment Proposal and the negotiation of one or more Redevelopment Agreements. As part of the Redevelopment Proposal development process, CUMTD will identify, develop and establish appropriate funding sources for use toward the transit facility and mobility enhancement portions of the Redevelopment Proposal.

SECTION 4 – CITY’S OBLIGATIONS: The City shall contribute such expertise as it may possess in undertaking, creating, and developing the Redevelopment Proposal and the negotiation of one or more Redevelopment Agreements. As part of the Redevelopment Proposal development process, the City will identify, develop and establish appropriate development incentive tools for use in attracting private developers, investors, and end users to the Redevelopment Proposal.

SECTION 5 – LIMITATIONS ON AGREEMENT: Notwithstanding the foregoing, neither Party shall have the authority to bind the other Party into any binding or enforceable agreement with any third person, whether oral or written, which would obligate that other Party to expend moneys or incur any form of liability in order to undertake and/or accomplish any of the foregoing without the express written consent of that other Party.

SECTION 6 – AGREEMENT TERM: The Parties shall make all efforts to fulfill the terms of this Agreement within five (5) years commencing with the date when the last of the Parties execute this Agreement. This Agreement shall automatically be extended for an additional five year term unless written notice is given by one Party to the other Party that the former has no intention of extending this Agreement.

SECTION 7 – TERMINATION OF AGREEMENT: Either Party may terminate this Agreement at any time by providing written notice to the other Party of such intent to terminate and such notice shall be given no less than sixty (60) days prior to the effective date of such termination as provided in said notice. Notwithstanding the foregoing, in the event that one Party elects to notify the other Party of its intent to terminate this Agreement, such notice and termination shall not be deemed, construed or interpreted as in any way limiting the Party giving notice of its obligation to pay for any debts or obligations which were jointly incurred by the Parties as provided in this Agreement in accordance with the respective formula agreed to by and between the Parties concerning the work or services which were jointly contracted for by the Parties in a written agreement with the third person hired or retained to perform such work or render such services.

SECTION 8 – NOTICE: Any notice required in this Agreement to be given shall be given in writing and shall be deemed effective in accordance with the following:

If notice is given by First Class U.S. Postal Service, such notice shall be deemed effective four (4) calendar days after the date appearing on such notice.

If notice is given by facsimile machine, such notice shall be deemed effective on the next business day immediately following the day when such notice was transmitted so long as the sending facsimile machine provides a written record that the recipient’s facsimile machine

received such notice. If the sender's facsimile machine does not provide for written notice of receipt, then such notice shall be deemed effective as if sent by First Class U.S. Postal Service.

If notice is given by personal service, such notice shall be deemed effective on the next business day immediately following personal delivery of such notice.

If notice is given by e-mail, such notice shall be deemed effective on the next business day immediately following e-mail transmission.

SECTION 9 – DISPUTE RESOLUTION: In the event any dispute regarding the interpretation, construction, or enforcement of this Agreement arises, the Parties hereto shall undertake a good faith effort to resolve any such dispute. Absent resolution of such dispute, the Parties shall submit their dispute to mediation undertaken by a mediator mutually agreed upon by the Parties. In the event mediation fails, either Party may initiate and maintain an action in the Circuit Court for the Sixth Judicial Circuit, Champaign County, Illinois.

SECTION 10 – FINAL AGREEMENT: This Agreement shall supersede any and all agreements, whether oral or in writing, entered into by and between the Parties hereto regarding the subject matter of this Agreement.

SECTION 11 – AMENDMENT: This Agreement may be amended, modified, or changed only by a writing which is entered into and executed by the Parties hereto.

SECTION 12 – AUTHORITY: Each Party hereto represents and warrants that the individual executing this Agreement has the lawful authority to do so.

CITY OF URBANA

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT

BY: _____
Mayor

BY: _____
Chair

ATTEST:

ATTEST:

City Clerk

Secretary

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

Description of the Primary Area of Emphasis

The emphasis area of Downtown Urbana is illustrated below:



