



Legislation Text

File #: 18-231, **Version:** 1

ACTION REQUESTED:

Communication from the City Manager with a Request to APPROVE the PURCHASE of the SIMANTEL PROPERTY Located at the Foot of SPRING STREET for \$180,000.00 (less the paid purchase options of \$58,000.00) (Council District 1).

BACKGROUND: The National Park Service has authorized the conversion application for Riverplex, Rocky Glen, and the Simantel property. This will close out the conversion of LWCF land that began with the transfer of riverfront land to the Peoria Park District for the Riverplex facility in 1999. Jim Simantel provided the City with a no-cost Purchase Option that expires September 30, 2019. Jim Simantel has also agreed to reduce his purchase price by \$20,000.00 to \$180,000.00 should the Council agree to the purchase prior to September 30, 2019.

In the 1980s, the City received two Land and Water Conservation Fund (LWCF) grants from the State of Illinois (passed through to the Illinois Department of Natural Resources (IDNR) from the National Park Service (NPS)) that allowed the City to create Riverfront Park. According to the grant regulations, if any use other than public open space was desired, the City would need to propose compensating open space. This new open space must be equal or greater in financial and recreational value to space being lost. In 1999, the Riverplex project was proposed and 3.345 acres of land was removed from LWCF designation. The City originally proposed land in Southtown as replacement property, but this property was developed into Kindred Hospital and the Gateway at River City supportive living facility. In 2013, IDNR and NPS approved the City purchase of the Rocky Glen parcel in the City of West Peoria as compensating open space. However, additional land was needed to compensate the LWCF grant. In 2015, the City proposed purchasing 1.3 acres owned by Jim and Linda Simantel as part of the River Trail project. While the River Trail project did not materialize, the Simantel property has the approval of IDNR and NPS for conversion. Appraisals, environmental reviews, archaeological surveys, and public input into the concept design for the park extension have been completed. Lastly, Staff has worked with IDNR and NPS to place the proposed River Trail parcel back under the LWCF designation and has eliminated the River Trail Tax Increment Financing District.

During 2018 and 2019, the City worked with Brian Finch Appraisers, the appraisers of the Rocky Glen conversion to redo the appraisals. The new appraisal date will be 2015 for all properties, allowing values from a common date to be used for ease of calculation. The reappraisal takes into consideration the calculation of mineral rights and a larger footprint for the Rocky Glen parcel below the bluff. The Riverplex property, at 3.345 acres, is considerably larger than the 1.79 acres originally converted and comports with the ground lease the City has for the property with the Peoria Park District.

IDNR has verbally told the City that they have sent the appraisals to the National Park Service with the following appraised values:

Riverplex Appraised Value = \$364,000.00
Rocky Glen Appraised Value = \$270,000.00
Simantel Appraised Value = \$169,000.00
Surplus Value = \$75,000.00

The City has indicated to IDNR and NPS that we do not wish to bank the surplus value of \$75,000.

FINANCIAL IMPACT: The current option on the Simantel property expires September 30, 2019. The purchase price for the Simantel property was \$200,000.00, but Jim Simantel has agreed to reduce his purchase price to \$180,000.00 if the Council purchases the property by September 30, 2019. The Council established a new \$500,000.00 project budget in the Capital Fund to complete this project in 2019. \$180,000.00 would be land acquisition, and the remaining \$320,000.00 would be used for environmental remediation and to put the property into a park-like condition. The City would have three (3) years to place the property into that condition.

NEIGHBORHOOD CONCERNS: The River Trail project has been the subject of extensive public input and comment. The project has received support but also considerable opposition. The LWCF grant has ensured for more than 30 years that Riverfront Park is open space.

IMPACT IF APPROVED: If approved, the City would acquire one of the remaining publicly owned parcels on the riverfront. The City would be able to satisfy their LWCF obligation from the 1999 Riverplex project. Open space would be expanded on the riverfront.

IMPACT IF DENIED: The City would lose control over the property and the current owner would be free to sell it to another buyer or increase the sales price to the City. The \$58,000.00 previously spent on purchase options is not refundable.

ALTERNATIVES: The City could forego the \$58,000.00 paid to the Simantels and seek other properties for the LWCF conversion. This would require additional time and resources. Other properties would have to be sought to comply with the LWCF.

EEO CERTIFICATION NUMBER: Not applicable.

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Beautiful Peoria
2. Financially Sound City

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Reinvest in neighborhoods.
2. Support sustainability.
3. Invest in our infrastructure and transportation.

DEPARTMENT: City Manager's Office