



TO: TIF Joint Review Board Members

FROM: Brandon S. Boys, Economic Development Manager and TIF Administrator

DATE: December 12th, 2017

RE: **Summary of Activities in All TIF Districts for Fiscal Year 2016-17**

The following is a summary of the projects and activities that took place in the TIF districts during Fiscal Year 2016-2017, covering the period of July 1, 2016 through June 30, 2017

TIF District One

Dissolved October 6, 2016

Beginning Balance:	\$ 536,667
Revenues FY16-17:	\$ 273,829
Expenditures FY16-17:	\$ 310,665
End Balance:	\$217,328

Update on the Close-Out of TIF 1

TIF One was dissolved by the Urbana City Council effective October 6th, 2016 in preparation for the establishment of the Urbana Central TIF District. The City created a Post-Closure TIF fund wherein certain obligated expenses and funds were transferred. The post-closure expenses for TIF 1 represent budgeted expenses for committed activities that were impractical to transfer to the proposed Central TIF District Fund. The funds remaining at the end of FY16-17 are obligated for remaining reimbursement incentives for the Stephens Building (218 W Main St). Any funds remaining upon the satisfaction of this obligation will be surplussed in accordance with the TIF Act, which for TIF 1 will result in approximately a 50/50 split of remaining funds between the State of Illinois and the City of Urbana due to TIF 1's prior utilization of sales tax revenue. The closure of TIF 1 was estimated to return approximately \$6.3 million in EAV to the general tax base in Revenue Year 2017 Payable 2018.

Business Assistance

During Fiscal Year 2016-17 \$4,000 in redevelopment incentives were issued to qualifying businesses under the Business Grant programs in TIF One. KNB Consulting and the Champaign Urbana Design Organization

(CUDO), both located in [co][lab] at 206 W Main St received redevelopment reimbursement grants of \$2,000 each.

Redevelopment Projects

Stratford Apartments (202 N Race St)

In 2004 the City executed an agreement with Racing Waters LLC for the properties located at 206 and 208 N Race Street. The project resulted in the four-story Stratford Apartments building with 41 luxury units and approximately 4,000 square feet of commercial space. The project was completed in FY2005-06, and the City began issuing property tax rebates to Racing Waters LLC in FY2006-07. In FY2016-17, \$46,689 in incentive payments were made to Racing Waters LLC from TIF One. FY2016-17 was the final year of payments for this project.

The Stephens Building (218 W Main St)

In July 2014, the City executed an agreement with Stephens Building LLC for the renovation of 218 W Main St. The property had gone into foreclosure and was acquired at auction by Mr. Norman Baxley and Mr. David Borchers in May 2013. The Stephens Building had stood vacant and largely unmaintained since 2003 while the previous owners had sought to raise funds for improvements. The proposed project will result in four luxury apartments on the second floor and “vanilla box” improvements to the first floor to prepare for commercial retail tenants. Construction on the project is underway and Stephens Building LLC is actively looking for first floor tenants. Wicked Rascal barbershop opened in the eastern section of the first floor in FY 2016-2017. No payments were made under the agreement in FY2016-17. Payment from the post-TIF fund will be issued upon completion of the project as defined by the agreement, expected in FY2017-18.

Other Activities

\$23,891 was spent out of TIF One for legal, marketing, public arts, the Urbana Business Association (UBA), and events in the Downtown. Funding for the UBA assisted with activities including the Sweetcorn Festival, Market IN the Square and other promotions of Downtown Urbana. An additional \$16,806 was spent on personnel services for TIF administration and projects.

A total of \$37,500 was paid to the School District from TIF One towards vocational education programming under the programs of the Redevelopment Area. Current school district career and technical education programs include pre-engineering, welding, small engine and auto repair, family and consumer sciences, pre-vet, personal finance and accounting, executive internships, co-op work experiences, an early college and career academy, construction, summer youth employment, and various career and mock interview days.

A combined total of \$282,393 was surplused to the City of Urbana’s taxing partners.

TIF District Two

Expires December 31, 2022

Beginning Balance:	\$2,320,873
Revenues FY16-17:	\$1,531,593
Expenditures FY16-17:	\$2,222,776
End Balance:	\$1,629,690

Update on the Boundary Amendment of TIF 2

TIF Two's boundary was amended by the Urbana City Council effective November 28th, 2016 in preparation for the establishment of the Urbana Central TIF District. The removal of properties from TIF Two was estimated to return approximately \$1.5 million in EAV to the general tax base in Revenue Year 2017 Payable 2018.

Business Assistance

During FY2016-17, \$52,607 in redevelopment incentives were awarded to qualifying businesses and property owners in TIF Two. Abbott Images located at 401 W Springfield received \$2,000 in business grants. Danny's Fix a Bike, previously located at 202 S Broadway, received \$1,000 in business grants but has since closed.

The Urbana Champaign Independent Media Center (IMC) received \$24,607 in renovation assistance for their building located at 202 S Broadway Ave. The project resulted in energy and façade improvements including a new sign, lighting, step improvements, and courtyard improvements. These improvements have allowed IMC to attract additional tenants to their location.

Parasol Records received \$25,000 in renovation assistance for their renovation of 303 W Griggs Street. The project resulted in façade and roof improvements.

Redevelopment Projects

129 N Race St (Analog)

The renovation of 129 North Race Street into co-working office space, Analog, is underway. 129 North Race LLC purchased the property in June 2014 and executed a Redevelopment Agreement with the City in February 2015. In FY 2016-17, the project encountered unexpected electrical, HVAC, and plumbing expenses. The City executed a supplement to the agreement in October 2016 to provide for an additional \$44,000 in reimbursements. An additional amendment to the redevelopment agreement was executed in November 2016, to extend the date of completion from June 30, 2016 to June 30, 2017. In August 2017, the

City executed an additional amendment to extend the date of completion to June 30, 2018. The project is currently under construction; two payments totaling \$29,852 were paid out of TIF 2.

Broadway Market (401 N Broadway Ave)

The City executed an agreement with Broadway Market LLC in August of 2015 for the property located at 401 N Broadway Ave. The property has been long-underutilized and distressed and is located along the banks of the newly completed Boneyard Creek Crossing. The City executed an amendment to the redevelopment agreement to extend the completion date to June 30, 2018. The construction of the facility is nearing completion and will result in an indoor market modeled after Union Market in Washington, DC. A portion of the building has been demolished to make room for additional parking. The project will result in an upgraded interior, exterior improvements, and programming space for multiple restaurant, spaces. A preview of the redevelopment was held in December and the space is expected to be fully opened in the new year.

Patel Law (108 W University Ave)

In August 2009, the City of Urbana was approached by Baku Patel, a partner at the law firm of Doyle, Lehman & Patel, regarding interest in constructing a professional office building for their firm at 108 W University Ave. The property was formerly vacant and prior to that was a Collins Gas Station. The project was completed in FY2010-11. The City made the 7th payment to Patel Property in FY2016-17 at a total of \$5,915; five payments remain.

Omnicare Labs (502 S Vine St)

In December 2008, the City executed a redevelopment agreement with Omnicare Labs, an orthotic and prosthetic supplier and service provider. Omnicare Labs completed the construction of a new \$300,000, addition for lab and retail space and a remodel of the former Michelle's Bridal building located at the intersection of Vine and Illinois Streets totaling 2,000 square feet. Payments to Omnicare began in FY2007-08. A final payment totaling \$997.50 was paid to Omnicare labs in FY2016-17.

Five Points Northwest (Gateway Shoppes)

In February 2005, the City of Urbana entered into a Redevelopment Agreement with Five Points Realty, LLC for the redevelopment of the property at the northwest corner of Cunningham and University Avenues, now known as the Gateway Shoppes. During the first phase of the project, the developer constructed a 15,000 square foot shopping center and facilitated the development of three outlots now occupied by Jimmy John's/Pancheros, the University of Illinois Credit Union, and Wendy's. The shell of the new 15,000 square foot retail building has been completed and several tenants have occupied the space. In FY 2016-17 a new Panda Express was constructed on the final outlot. The City will continue to make property tax rebate payments to Five Points West until the closing of TIF Two in 2022. A total of \$167,927 was paid to Five Points West in FY2016-17.

Infrastructure Projects

TIF 2 made its annual payment of \$931,005 in debt service for the Boneyard Creek project as well as the improvements to the Race Street and Broadway Avenue streetscapes. An overpayment for the Boneyard Creek project of \$3,134 was made in FY2015-16 and corrected in FY2016-17 to show as a negative expenditure. Major construction was completed in the spring of 2015 when Boneyard Creek Crossing was officially opened to the public. The project resulted in a new public space along the Boneyard Creek and has promoted the development of three completed and in-development adjacent commercial projects: a new outdoor seating deck at Silvercreek restaurant, a new brewery currently under construction at 303 W Griggs St called 25 O' Clock Brewery, and the Broadway Market indoor restaurant and beer hall at 401 N Broadway Ave, expected to open in early 2018. The City continues to plan for further improvements and programming to continue the activation of the Boneyard Creek Crossing area, including redesigned seating for the upper and lower areas. A total of \$358 was expended on site preparation for 202 S Vine St.

Other Activities

The City expended \$45,028 in support of legal, marketing, public arts, the Urbana Business Association, and events in the Downtown, to support the businesses and properties of TIF Two. These projects and events included the Sweetcorn Festival, the CU Folk and Roots Festival in Downtown Urbana and Urbana Celebrates the Boneyard at Boneyard Creek Crossing. An additional \$108,940 was expended on personnel services for TIF administration and projects.

TIF District Four

Expires December 31, 2025

Beginning Balance:	\$2,353,165
Revenues FY16-17:	\$ 969,291
Expenditures FY16-17:	\$ 1,239,971
End Balance:	\$2,082,484

Redevelopment Projects

Frasca International (906 Airport Rd)

In 2012, the City was approached by Frasca International related to an expansion of their flight simulator business. In December 2012, City Council approved a redevelopment agreement, including a 60% rebate on incremental property taxes generated by a renovation of existing space and the construction of a new 12,000 to 24,000 square foot building. The first and second phases of the project pertaining to the renovation of existing space have been completed. In May of 2015, the City amended and restated the Frasca Development Agreement to extend the commencement date of Phase III, however the developer has not yet initiated the project.

O'Brien Autopark Sale to Napleton Automotive Group and Agreement Assignment (1111 Napleton Dr)

The City of Urbana executed a Redevelopment Agreement and two Amendments with Interchange Properties which operated the O'Brien Auto Park in FYs 2000-01, 2003-04, and 2005-06. In FY2014-15, Ed Napleton Automotive Group and the related company EFN Urbana Properties, LLC purchased the O'Brien Auto Park and sought an assignment of the development agreement. The City of Urbana executed an agreement assigning certain obligations of the previous redevelopment agreements to EFN Urbana Properties, LLC. The annual incentive payments made under the agreement are to continue to be made by the City to Interchange Properties under the conditions of the sale and the assignment. In FY2016-17 Interchange Properties was issued \$95,033 in incentives.

Creative Thermal Solutions (2209 County Rd 1400 E)

In September 2010, the City entered into a redevelopment agreement with Creative Thermal Solutions (CTS) to construct a research park of up to five new buildings at 506 E Anthony Dr. CTS is an air conditioning and refrigeration research and development company with commercial, industrial, and public sector clients. Five buildings have been constructed to date, satisfying the developer's obligations under the agreement. The City made \$85,129 in payments to Creative Thermal Solutions in FY2016-17.

Soccer Planet (2310 N Willow Rd)

In FY2010-11, the City of Urbana executed an agreement with Central Illinois Soccer Enterprises, LLC to construct an indoor soccer facility at 2400 North Willow Road. Construction of the building was completed in FY2011-12 and the City has made six payments to date. A total of \$75,244 was issued to Soccer Planet in FY2016-17. Payments will complete in FY2021-22. In May of 2016 the City entered into a separate agreement with Central Illinois Soccer Enterprises, LLC for the construction of an expanded soccer facility. The developer has since abandoned plans to complete this expansion.

Intergovernmental Agreement

The City and Park District entered into an agreement in June 2016 to better document and formalize a pre-existing agreement for reimbursement of eligible expenses for Park District projects in TIF 4.

Infrastructure Projects

In FY2016-17, \$647,140 was expended on studies, design and improvements of Airport Road East and West. Additionally, \$111,230 was expended on Urbana Park District projects, under the intergovernmental agreement.

Other Activities

The City expended \$3,306 in legal, marketing, and promotion services in marketing of sites. An additional \$132,280 was expended on personnel services for TIF administration and projects.

A total of \$90,609 was paid to the School District from TIF Four towards vocational education programming under the programs of the Redevelopment Area. Current school district career and technical education programs include pre-engineering, welding labs, small engine and auto repair, family and consumer sciences, pre-vet, personal finance and accounting, executive internships, co-op work experiences, an early college and career academy, construction, summer youth employment pilot, and various career and mock interview days.

New and Upcoming Projects

In October 2017 JX Peterbilt enterprises purchased the former Hanford Inn property located at 2408 N Cunningham. The company plans to build a new facility on the site and has requested assistance from the City.

In the current fiscal year the City will complete reconstruction work of West Airport Road. This \$2,223,395 reconstruction project will add new concrete pavement to create a three lane wide street with a center turn lane. A new drainage system will be added along with modified traffic signals and recessed pavement markings.

The Illinois DOT plans to further extend the multiuse path north of I-74 from Kenyon Rd to Napleton Dr in FY2017-18. TIF Four will provide \$185,000 local match for this project. IDOT also plans to repave Cunningham Avenue from I-74 down to University Ave as early as FY2018-19.

Central TIF District

Expires December 31, 2040

Beginning Balance:	\$0
Revenues FY16-17:	\$891,413
Expenditures FY16-17:	\$ 670,955
End Balance:	\$220,458

Business Assistance

During FY2016-17, \$25,000 in redevelopment incentives were awarded to qualifying businesses and property owners in the Central TIF. Located at [co][lab], Lexconnect received \$2,000, Hatpineapple \$3,000, Joshua Bubniak \$1,000, Spicy Tribe, \$3,000, Scobar \$1,000, Your BEST ThirdThird \$1,000, and Type Writer Audio \$3,000. Located in the Urbana-Champaign Independent Media Center, DLNZ Productions received \$3,000. Located in the new co-working space, Collider Coworking, Malachi Entertainment received \$3,000. Bluebird Boutique at 212 W Green St received \$3,000, and Community Center for the Arts at 202 W Main Street \$2,000.

Redevelopment Projects

Coben Building (136 W Main St)

In FY2016-17 the City executed an agreement with D&E Enterprises, LLC for the renovation of 136 Main Street. D&E Enterprises LLC purchased the property in July 2016 and plans to renovate the building into a first floor restaurant, with additional restaurant, office, or apartment space on the second story. The agreement provided up to \$500,000 in reimbursements to the developer, to be provided as a forgivable loan. The developer is currently seeking tenants for the building, and the City has made no payments to date.

Crane Alley West (119 W Main St)

In FY2016-17 the City entered into a redevelopment agreement with Downtown Creations, LLC for the renovation of 119W Main Street. The developer completed transformation of the indoor space into a new night club, Blackbird, with an outdoor beer garden extending into Fish Alley.

129 N Race St (Analog)

The renovation of 129 North Race Street into co-working office space, Analog, is underway. 129 North Race LLC purchased the property in June 2014 and executed a Redevelopment Agreement with the City in February 2015. In FY 2016-17, the project encountered unexpected electrical, HVAC, and plumbing expenses. The City executed a supplement to the agreement in October 2016 to provide for an additional \$44,000 in reimbursements. An additional amendment to the redevelopment agreement was executed in November 2016, to extend the date of completion from June 30, 2016 to June 30, 2017. In August 2017, the City executed an additional amendment to extend the date of completion to June 30, 2018. The project is currently under construction; two payments totaling \$62,539 were paid out of the Central TIF.

Broadway Market (401 N Broadway Ave)

The City executed an agreement with Broadway Market LLC in August of 2015 for the property located at 401 N Broadway Ave. The property has been long-underutilized and distressed and is located along the banks of the newly completed Boneyard Creek Crossing. The City executed an amendment to the redevelopment agreement to extend the completion date to June 30, 2018. The construction of the facility is nearing completion and will result in an indoor market modeled after Union Market in Washington, DC. A portion of the building has been demolished to make room for additional parking. The project will result in an upgraded interior, exterior improvements, and programming space for multiple restaurant, spaces.

Infrastructure Projects

The Central TIF made \$137,429 in payments toward the completion of the Boneyard Creek Crossing. Major construction was completed in the spring of 2015 when Boneyard Creek Crossing was officially opened to the public. The project resulted in a new public space along the Boneyard Creek and has promoted the development of three completed and in-development adjacent commercial projects: a new outdoor seating deck at Silvercreek restaurant, a new brewery currently under construction at 303 W Griggs St called 25 O' Clock Brewery, and the Broadway Market indoor restaurant and beer hall at 401 N Broadway Ave, expected to open in early 2018. The City continues to plan for further improvements and programming to continue the activation of the Boneyard

Creek Crossing area, including redesigned seating for the upper and lower areas. In FY2016-17, \$920 was expended on site preparation for the 200 N Vine block site.

Other Activities

\$120,124 was spent out of the Central TIF for legal, marketing, public arts, the Urbana Business Association (UBA), and events in the Downtown. Funding for the UBA assisted with activities including the Sweetcorn Festival, the Market in the Square and other promotions of Downtown Urbana. An additional \$4,794 was spent on personnel services for TIF administration and projects.

New and Upcoming Projects

25 O’Clock Brewery commenced construction on their phased redevelopment of 208 W Griggs. The project will result in the activation of the east façade through the addition of windows and a brewery and bar open to the public. 25 O’ Clock Brewery has completing their initial development and is currently brewing beer. The developer has applied for redevelopment reimbursements.

In collaboration with the Urbana School District #116, the City is actively seeking a developer for the former Washington School property. The School District is considering re-zoning of the property to allow for residential construction and assist with a potential Request for Proposals for the site.

In FY2016-2017 the City was in discussions with a developer seeking to purchase and renovate the Urbana Landmark Hotel into a high-end branded hotel. The City elected not to enter into an agreement with the developer due to the requested levels of incentives. The City will begin a visioning process for the Landmark Hotel, Lincoln Square Mall, and adjoining parking lots in 2018.

The City previously assembled the entire 200 S Vine Street block for the purpose of redevelopment. The City selected the firm of CB Richard Ellis (CBRE) out of Indianapolis to represent the site, and after reviewing submissions selected TWG Development of Indianapolis to proceed with the development. In FY2016-17 TWG elected not to move forward with the development. The City is currently in discussion with developers and plans to conduct a Request for Proposals for the site in the new year.

Mike Hosier has purchased the former Gill building located at 302 N Broadway Ave. The developer is currently in discussions with multiple tenants to reactivate the space as a destination multi-use facility.

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