

Minutes of Annual Meeting

TAX INCREMENT FINANCE JOINT REVIEW BOARD

Date: December 2, 2015

Time: 9:00 a.m.

Place: City Council Chambers
Urbana City Building
400 S. Vine St.
Urbana, IL 61801

MEMBERS PRESENT: Van Anderson
Carol Baker
Tim Bartlett
John Dimit
Don Owen
Dan Stebbins
Michael Walker

STAFF PRESENT: Brandon Boys, Economic Development Manager
Kate Ferrer, Economic Development Specialist
Bill Gray, Director of Public Works
Mike Monson, Chief of Staff, City of Urbana
Hon. Laurel Lunt Prussing, Mayor, City of Urbana
Libby Tyler, Community Development Director
Sukiya J. Reid, Recording Secretary
Jim Simon, City Attorney

OTHERS PRESENT: Ken Beth, Attorney
Fred Grosser, Attorney

I. CALL TO ORDER

Mayor Prussing called the meeting to order at 2:35 p.m., and a quorum of the Joint Review Board members was declared to be present.

II. INTRODUCTION OF JRB MEMBERS

The members of the Tax Increment Finance Joint Review Board and City staff introduced themselves individually.

III. REVIEW OF MINUTES

Van Anderson moved to approve the minutes from the December 9, 2013 meeting. Dan Stebbins seconded the motion. The minutes were approved by unanimous voice vote.

IV. TIF REFORM UPDATE – Updates on Legislation

Ms. Ferrer reported that there were no major legislative changes. She stated that the only legislation that was passed related to TIF, was extensions of existing Tax Increment Finance districts in other communities.

V. PRESENTATION AND OVERVIEW OF TIF ACTIVITIES – TIFs 1 through 4

Mr. Boys summarized the activities and expenditures for the City of Urbana's four Tax Increment Finance (TIF) districts for Fiscal Year 2013-2014. He stated that Staff did not have the budgeted financials normally available for this meeting, and that they would be filing for an extension with the Comptroller's Office. Audited numbers would be sent to the Board as soon as they became available.

Regarding TIF 1:

The fund balance at the beginning of the reporting period was \$861,097. The fund balance at the end of the reporting period was \$426,007. Following his overview of the assistance programs and financial status of TIF 1, Mr. Boys briefly highlighted projects both ongoing and completed within the same. Some of the projects he mentioned included [co][lab], located at 206 W. Main St, which welcomed a number of new businesses, including Adjacency, Cathedral Consulting, Colorable, DEI Foundation, Ditchstock, Urbana Land Arts, Norden, and Pandemonium Donut's administrative offices. Other new businesses that opened were: Bohemia (135 W Main), Champaign Cycle (110 S Race), Error Records (123 W Main), Farm League Skateshop (123 W Main), Personify (208 W Main), and Sitara Indian Restaurant (114 S Race). Under the Redevelopment Incentive Grant Program, the City assisted County Plaza (102 E Main), and A Plus VIP Lounge (214 W Main). Other types of projects (both redevelopment and infrastructure) and activities include the continued rehabilitation of the Urbana Landmark Hotel (formerly Historic Lincoln Hotel); the redevelopment of 204,206, 208, and 210 W. Main Street by Matt Cho and Cake Design Development LLC.; roadway improvements to Main Street in Downtown Urbana; 2014 Downtown Urbana Curbanas Pilot Program; public art projects and staffing, and marketing of the downtown through special events.

Upcoming projects and plans include the demolition of 204 W Main and the renovation of the Stephens Building at 218 W Main Street by Norman Baxley and Dave Borchers.

Regarding TIF 2:

The fund balance at the beginning of the reporting period was \$2,391,642. The fund balance at the end of the reporting period was \$1,980,473. Following his overview of the assistance programs and financial status of TIF 2, Mr. Boys briefly highlighted projects both ongoing and completed within the same. New businesses that opened were: Courage Connection (formerly Transitions), Dr. G's Brain Works, and Black Rock Pizza Company in Lincoln Square Mall; and El Oasis ice cream shop at 510 N Cunningham. Under the Redevelopment Incentive Grant Program, the City assisted Carolyn and Norman Baxley on the Halberstadt House (104 N Central Ave), and Courage

Connection (Lincoln Square Mall). Other types of projects (both redevelopment and infrastructure) and activities include an amended redevelopment agreement with Five Points Realty, LLC for Gateway Shoppes; downtown signage improvements and road improvements on Race Street, Broadway Ave, and Griggs Street; and the Boneyard Creek Improvements project.

Upcoming projects and plans include the selection of a commercial realty service, CB Richard Ellis (CBRE), to represent the Goodyear Block north of City Hall for the purpose of redevelopment, and working with the Goodyear business owner to relocate his business to the former Country Financial site at 608 N Cunningham Ave.

Regarding TIF 3:

The fund balance at the beginning of the reporting period was \$833,397. The fund balance at the end of the reporting period was (\$172,546). Mr. Boys stated that TIF Three expired on December 31, 2013 and was successfully closed out for the most part. In FY13-14 TIF Three made a vocational payment to the Urbana School Districts (\$236,175); made a payment to the existing Provena block agreement (\$233,281); partially funded a project to replace a number of streetlight fixtures; paid \$843,560 toward engineering and construction costs for roadway improvements to Mathews Ave; and funded a new sculpture by Preston Jackson in King Park which honors Martin Luther King Jr. (\$46,000). Mr. Boys stated that all of the remaining funds, after payment for the above projects and obligations had been moved into one of two escrow accounts while the City works to resolve legal disputes with Provena (now Presence Covenant) Hospital and other interested parties regarding as yet unverified claims against TIF Three redevelopment funds. He also stated that the City attorney was working to evaluate and process the competing claims, and that it was very likely that legal action would be necessary to resolve the competing claims

Regarding TIF 4:

The fund balance at the beginning of the reporting period was \$1,738,610. The fund balance at the end of the reporting period was \$2,182,136. Following his overview of the assistance programs and financial status of TIF 4, Mr. Boys briefly highlighted projects both ongoing and completed within the same. A new business that opened was McCallister Audio at 1007 N. Cunningham Ave. Armored Gopher Games relocated to a new space at 1508 N. Cunningham; and Champaign County Tent & Awning received a \$5,428 grant for improvements to the parking lot and energy efficiency upgrades in their warehouses at 308 E. Anthony Dr. Other types of projects (both redevelopment and infrastructure) and activities include the renovation of the existing space related to the Frasca International flight simulator business and Frasca Field Airport; the development by Creative Thermal Solutions on Anthony Drive; Cunningham Avenue Corridor Beautification Plan; improvement to Airport Road east of Cunningham Ave, upgrade of Willow Road from Anthony Drive north to the driveway of Soccer Planet, and improvements to parks located within the TIF 4 boundary area.

Upcoming projects include continued development of the Cunningham Avenue Corridor; beautification and landscaping of the northwest corner lot at the Five Points Intersection; and working towards the demolition of the former Hanford Inn.

Mr. Gray gave a brief report on projects that Public Works was involved in from the different TIF districts. He highlighted the Curvana Project; Boneyard Creek Project; roadway work on Main Street; rebuilding of Mathews St and a portion of Church St; new street LED lighting, and

reconstruction of Airport Road between Willow Road and Cunningham Ave. Mr. Gray requested that anyone with ideas regarding a park name for the Boneyard to let him know.

General discussion regarding the TIF District Activities ensued.

VI. CLOSURE OF TIF 3

Ms. Tyler reported on completed projects and the details surrounding the TIF 3 closure and closeout. She stated that the closeout has been difficult and that the City attorney, Jim Simon, and attorneys, Ken Beth and Fred Grosser were present to answer any questions the Board might have. Mr. Simon addressed the Board and gave a summary on the TIF 3 funds and closeout. City staff along with Mr. Beth and Mr. Grosser addressed questions and comments from members of the Board.

VII. REVIEW OF CURRENT AND UPCOMING PROJECTS

Mr. Boys gave updates on several projects, some of which were mentioned in the previous agenda item. They are 206-210 W. Main Street, Urbana Landmark Hotel, Frasca International, Boneyard Creek Project, Downtown Street Improvements, and Hanford Inn Demolition. Other pending projects include the renovation of the Stephens Building by Norman Baxley.

VIII. REESTABLISHING A DOWNTOWN TIF

Mr. Boys reported that the City retained the services PGAV, a planning and consulting firm, to conduct a study of the downtown area, the existing TIF 1, and portions of TIF 2 that are not performing to see if conditions were such that the area would be eligible for a new TIF district. He stated that the goal in general would be to continue to provide for incentives to allow for major redevelopment. Mr. Boys also stated that information would be available regarding the results of the study, and the proposed formation of the new TIF district hopefully by mid- 2015.

IX. COMMENTS & QUESTIONS

Mr. Boys thanked all the board members for coming out. Ms. Tyler announced that Economic Development Specialist, Kate Ferrer, would be relocating at the end of the month and thanked her for all of her hard work. Comments and questions from the members of the Joint Review Board were addressed by City staff.

X. ADJOURNMENT

The meeting was adjourned at 3:52 p.m. by Mayor Prussing.

Respectfully submitted,

Brandon S. Boys, TIF Administrator