



**TO:** TIF Joint Review Board Members

**FROM:** Stepheny McMahon, Economic Development Coordinator & TIF Administrator

**DATE:** February 2, 2021

**RE:** **Summary of Activities in All TIF Districts for Fiscal Year 2020**

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The following is a summary of the projects and activities that took place in the TIF districts during Fiscal Year 2020, covering the period of July 1, 2019, through June 30, 2020.

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### **TIF District Two**

Expires December 31, 2022

Beginning Balance:	\$1,459,593
Revenues FY2020:	\$1,233,119
Expenditures FY2020:	\$1,269,497
End Balance:	\$1,423,215

#### **Business Assistance**

##### *Patel Law (108 W. University Avenue)*

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 West University Avenue. The property was formerly vacant and prior to that was a Collins Gas Station. The project was completed in FY2011. The City made the final payment to Patel Property in FY2020, at a total of \$7,904.

##### *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 four outlots now occupied by Jimmy John's/Pancheros, the University of Illinois Community Credit Union, Panda Express, and Wendy's. The shell of the 15,000 square feet retail building has been completed with 18 units. The City will continue to make property tax rebate payments to Gateway Shoppes until the closing of TIF Two in 2022. A total of \$168,309 was paid to Five Points West in FY2020.

### **Infrastructure Projects**

TIF Two made its annual payment of \$928,825 in debt service for the Boneyard Creek project. Boneyard Creek Crossing was officially opened to the public in 2015. Since then, this new public space along the Boneyard Creek helped to promote investments in four of the adjacent commercial properties including at Silvercreek, Broadway Food Hall, 25 O'Clock Brewery at 208 West Griggs Street, and the Best of Africa grocery store. Payments on the the debt service for the adjacent public improvements will continue through the end of the life of TIF Two.

### **Other Activities**

The City expended \$20,919 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. An additional \$143,541 was expended on personnel services for TIF administration and projects.

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**TIF District Four**

Expires December 31, 2025

Beginning Balance:	\$ 2,246,275
Revenues FY2020:	\$ 973,643
Expenditures FY2020:	\$ 552,271
End Balance:	\$ 2,667,647

**Business Assistance**

*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 East Anthony Drive. 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 \$94,915 in payments to Creative Thermal Solutions in FY2020, one year of payments remain.

*Napleton Automotive Group (1111 Napleton Drive)*

The City of Urbana executed a redevelopment agreement and two Amendments with Interchange Properties, LLC, which operated the O'Brien Auto Park in FYs 2001-2006. In FY2015, Ed Napleton Automotive Group and the related company EFN Urbana Properties, LLC purchased the business property and received an assignment of the development agreement. The annual incentive payments made under the agreement continue to be made by the City to Interchange Properties, LLC under the conditions of the sale and the assignment. In FY2020 Interchange Properties was issued \$110,116 in incentives. One full year plus 50% of the final year's payment remain to be paid.

**Infrastructure Projects**

An additional \$16,124 was paid for Airport Road West improvements.

Additionally, \$247,403 was reimbursed to the Urbana Park District for park improvements falling under the intergovernmental agreement.

**Other Activities**

The City expended \$64 in legal, marketing, and promotion services in marketing of sites. An additional \$93,650 was expended on personnel services for TIF administration and projects.

**Continuing Projects**

*JX Enterprises (2408 Cunningham Avenue)*

JX Enterprises constructed a new \$3 million service center at 2408 Cunningham Avenue, the former site of the Hanford Inn, providing heavy duty truck sales, service and parts to an expanded customer base. The space

features 12 service bays, a small warehouse with mezzanine and a retail showroom for area trucking, warehouse, and agriculture customers. JX Enterprises was reimbursed \$25,000 in TIF eligible funds in August of 2020. This payment will be represented in the 2021 annual report.

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## Central TIF District

Expires December 31, 2040

Beginning Balance:	\$ 60,332
Revenues FY2020:	\$ 191,844
Expenditures FY2020:	\$ 335,075
End Balance:	\$ (82,899)

### **Business Assistance**

During FY2020, \$199,801 in redevelopment incentives were awarded to qualifying businesses and property owners in the Central TIF. Business Development and Opening Grants were awarded to the following businesses during the 2020 fiscal year including:

- Baldarotta's (August 2019)
- Yellow Canary (September 2019)
- Hex Nest (August 2019)
- Analog (November 2019)
- Bohemia expansion (December 2019)
- Soul Care (December 2019)
- Transcendence Broadcasting (December 2019)
- Karma Trade (December 2019)
- Stango expansion (December 2019)
- Best of Africa (February 2020)
- Ceptier (March 2020)

#### *Coben Building (136 West Main Street)*

In FY2016-17 the City executed an agreement with D&E Enterprises, LLC for the renovation of 136 West 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. In FY2019, the developer signed a lease for a new Japanese restaurant which is scheduled to open in 2021. In the Fall of 2020 the City issued a failure to commence letter to the developer as planned phases of the project had not begun per the agreed upon timeline. The City made an initial payment of \$111,000 in July of 2020 and expects to make a second payment in 2021. The developer continues to seek tenants and the terms of a revised redevelopment agreement are yet to be determined.

#### *Analog (129 North Race)*

In 2015, the City entered into a redevelopment agreement for renovation of the former Concept Cosmetology building at 129 North Race Street into retail and office space. The agreement was extended in 2016 in order to make incentive payments for the project. Receipts for final eligible expenses were submitted and \$18,244 was reimbursed in FY2020.

*Culvers (201 West University Avenue)*

T/Kat, Inc. entered into a TIF Redevelopment Incentive Program (RIP) with the City in June of 2019 to assemble ten faceted residential lots and build a new Culvers Restaurant. A Certificate of Occupancy was issued in September and the restaurant opened soon after. A TIF payment of \$25,000 was issued once final receipts were submitted for eligible costs in FY2020.

*Fish Alley (133 West Main Street)*

Elizabeth Hunter, owner of the Main Street property, received a \$10,635.35 TIF RIP payment for renovating the second story of the property into living space.

*Soul Care (507 South Broadway Avenue)*

Soul Care, a health and wellness business, applied for and received a TIF RIP reimbursement of \$4,819.50 after submitting eligible expenses for renovations to the holistic space located on the second floor of the PNC Bank building.

*Independent Media Center (202 South Broadway Avenue)*

The IMC entered into a TIF RIP agreement with the City to make a variety of improvements to the facility. Proposed changes include a new entryway off of Cherry Alley which will allow first time accessibility to the lower level and improved accessibility on the first floor. Additional improvements involve improving energy efficiency by upgrading the HVAC and replacing fixtures with LED lights. An initial payment of \$1,102.50 for 15% of eligible expenses on the first phase of the project was paid in June of 2020.

**Continuing Projects**

*Urbana Landmark Hotel (210 South Race Street)*

The City entered into a redevelopment agreement with Marksons Affiliates, LLC in June of 2019 for the renovation of the Urbana Landmark Hotel into a Tapestry by Hilton-branded hotel at a minimum construction cost of \$15 million. The project is also seeking historic tax credits and will retain the historic character of this federally listed property. Upon successful completion of the project, the City would issue a general obligation bond to reimburse the developer \$5.5 million. Debt service on the bond would be paid with new tax revenues generated by the project including TIF property taxes, hotel/motel taxes, and sales taxes. The City reserves the ability to institute a new, boutique hotel/motel tax upon the operations of this property in order to ensure sufficient revenues to meet the bond's repayment schedule. The developer or any assignee under the agreement would be required to maintain the Hilton Tapestry brand for a period of ten years. The renovation would be expected to fully reactivate all areas of the hotel including the great hall, conference center and restaurant/bar. At the request of the developer, the City approved an extension agreement whereby construction is not required to begin until July 2021.

*200 South Vine Town Homes (200 South Vine Street)*

The City assembled the entire 200 South Vine Street block for the purpose of redevelopment prior to the establishment of the Central TIF. The City issued a Request for Proposals in FY2018 and selected Green Street Realty for the redevelopment of the site. In FY2019, the City finalized a redevelopment agreement with Green

Street Realty to construct a 42 unit townhome-style development on the site at an investment of \$8 million. Construction began in 2020. The property includes a mixture of two and three bedroom units, with some garages and ADA accessible adaptability available in some units. This project represents the first new residential construction in Downtown Urbana in 15 years. Green Street Realty is now actively showing the property, has signed its first lease, and tenants are expected to move in on July 1, 2021.

### **Other Activities**

From Central TIF, \$85,572 was expended for legal, marketing, public arts, the Urbana Business Association (UBA), and events in the Downtown including the first annual Downtown Get Down series in the Summer of 2019. Funding for the UBA assisted with activities including the Virtual Sweetcorn Festival, the 2019 Market in the Square, and other promotions of Downtown Urbana. An additional \$3,014 was spent on personnel services for TIF administration and projects. \$46,688 was spent on infrastructure upgrades (asphalt patching).

### **New and Upcoming Projects**

There were a couple of business openings and expansions even after the pandemic began. Made in Urbana, formerly Nifty Nook, expanded into [Co][Lab] with a 3D printer farm. The business has since expanded further and is using additional space in the Lincoln Square Mall basement to print novelty items which are shipped.

Karma Trade's business of recycled fashion outgrew its space in the basement of [Co][Lab] and has expanded into what was previously a meeting room in the Analog Wine Library

Bunny's Restaurant took advantage of the pandemic's required down time to renovate the office spaces to the west and now has expanded dining for an additional 125 customers.

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### **TIF District One**

Dissolved October 6, 2016

Beginning Balance:	\$ 82,936
Revenues FY2020:	\$ 1,983
Expenditures FY2020:	\$ 0
End Balance:	\$ 84,919

### **Update on the Close-Out of TIF One**

*The Stephens Building (218 West Main Street)*

In July 2014, the City executed an agreement with Stephens Building LLC for the renovation of 218 West Main Street. The property had gone into foreclosure after standing vacant since 2003 and was acquired at auction by Norman Baxley and David Borchers in May 2013. The project has resulted in four apartments on the second floor as well as first-floor business tenants.

The final payment of \$39,254.66 was made on July 24, 2020, and will show up on the 2021 annual TIF Reports.

The formal closeout of the Post-TIF Fund is underway as checks will be cut on Friday, January 29, 2021, disbursing the remaining fund balance to the taxing partners in accordance with the TIF Act.

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