



TO: TIF Joint Review Board Members

FROM: Stepheny McMahon, Economic Development Supervisor & TIF Administrator

DATE: February 8, 2024

RE: **Summary of Activities in All TIF Districts for Fiscal Year 2023**

The following is a summary of the projects and activities that took place in the TIF districts during Fiscal Year 2023, covering the period of July 1, 2022, through June 30, 2023.

TIF District Two

Expired December 31, 2022

Beginning Balance:	\$ 2,266,825
Revenues FY2023:	\$ 753,471
Expenditures FY2023:	\$ 192,767
Transfers out	\$ 2,827,529
End Balance:	\$ 0

TIF 2 started in 1986 with an Equal Assessed Value of \$9,834,200. The EAV as of 2022 is \$19,127,370.

Business Assistance

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, the University of Illinois Community Credit Union, Panda Express, and Wendy's. The shell of the 15,000 square foot retail building was completed with 18 units. The City's obligation was to make property tax rebate payments to Gateway Shoppes until the closing of TIF Two. A final payment of \$102,849.50 was paid to Five Points West in FY2023.

The last \$3,000 Business Development Grant before closing the program was issued to Soo Qeong for her retail shop, Moduwa Boutique. Moduwa, a second hand resell store, is located in the corner of Five Points East Commerce Center.

Other Activities

The City expended \$36,917 on personnel and contractual services for TIF administration and \$50,000 to write-off a loan from 2004. Prior to the expiration of TIF 2, the final balance of \$2,827,529 was ported to Central TIF

TIF District Four

Expires December 31, 2025

Beginning Balance:	\$ 4,550,918
Revenues FY2023:	\$ 1,766,441
Expenditures FY2023:	\$ 526,072
End Balance:	\$ 5,791,287

TIF 4 started in 2001 with an Equal Assessed Value of \$7,334,900 and as of 2022 the EAV has reached \$24,330,710.

Per the ongoing intergovernmental agreement, \$191,891.51 was reimbursed to the Urbana Park District for eligible park improvements.

\$168,785.24 was reimbursed to the Urbana School District for expenditures used to train students in vocational trades.

Other Activities

The City expended \$34,154 in marketing and promotional services. An additional \$94,179 was expended on personnel services for TIF administration and projects. And finally, \$37,051 was spent on shared use highway improvements on Cunningham Avenue with the State of Illinois.

Central TIF District

Expires December 31, 2040

Beginning Balance:	\$ 322,607
Revenues FY2023:	\$ 684,109
Expenditures FY2023:	\$ 482,696
Transfers in FY2023	\$ 2,827,195
End Balance:	\$ 3,351,215

When created in 2016, Central TIF had an Equal Assessed Value of \$11,720,470 and the EAV as of 2022 is

\$18,996,880.

Business Assistance

In FY2023, The City rolled out a new Signage Grant program whereby the City matches up to \$3,000 for new signage within a TIF District or Philo Road Business District. Goals for this program were to support all businesses, new and existing, to help improve the appearance of Urbana business corridors by installing professional signage throughout. The following businesses applied for and received new signs this past year:

- \$513.46 Beard Culture
- \$1,098.73 Casablanca Bazar LLC
- \$725.00 Grow5 LLC
- \$1,714.29 Gargoyle Technologies
- \$1,700.87 Best of Africa

MCDJ LLC – Best of Africa Food Store

MCDJ LLC applied for a TIF RIP grant to develop the west end of the building located at 208 W. Griggs Street into Mamma’s African Kitchen restaurant and event space. MCDJ was reimbursed \$35,000 for eligible expenses via a TIF Redevelopment Incentive Program (TIF RIP) grant.

Fish Alley (133 W. Main Street)

Property owner, Elizabeth Hunter, completed work on the street level space of the historic building at 133 W. Main which has been leased to The Main Scoop, an ice cream shop which is a welcome addition to Urbana’s downtown. Elizabeth submitted receipts for eligible expenses for which she received a 20% reimbursement up to a maximum of \$35,000 of which \$29,719.94 was paid in FY2023. The balance was paid in FY2024.

Cohen 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 purchased the property in July 2016 and planned 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 was delayed in opening. Cohen was reimbursed \$77,925 in FY22 for eligible expenses after which the City amended the agreement with the developer ascertaining that the only remaining phase of the project eligible for reimbursement was the new restaurant. Per the amended agreement, the D&E Enterprises was eligible for a payment of of \$56,925 or 15% of expected eligible costs to complete Phase IV of the project. The developer is also eligible to receive two additional payments of \$20,750 each split over two years so long as the restaurant, Sakura, remains open per the terms of the amended agreement The first payment was issued in 2023. Owner, Dan Maloney, has leased the whole second floor to the City of Urbana Human Resources Department and continues to seek tenants for the basement speakeasy and smaller first floor spaces.

The Independent Media Center (IMC) applied for a TIF RIP in 2020 and received a reimbursement for expenses of \$1,102.50 before the project was put on hold due to the pandemic. At the city’s request, the IMC reapplied to complete the project which improved accessibility to the lower level and updated their HVAC. In FY2023, they received reimbursements of \$9,652.85 and \$24,244.65, 20% of their eligible expenses upon the

successful completion of the project.

Other Activities

From Central TIF, \$118,451 was expended for personnel, training and planning, \$28,987 for advertising/marketing and public education, \$11,977 for architectural and engineering services and \$69,900 for other contractual services a small portion of which included a portion of the contract signed with McKenzie Wagner to develop a downtown Urbana marketing campaign, “It’s a Vibe”, which will be rolling out in 2024.

The City spent \$127,253 on the Downtown Public Realm study which included hiring Chicago based, Confluence, to gather public input through focus groups and meetings, analyze the city’s assets and make recommendations of “Lighter, Quicker, Cheaper” ideas to try before investing in long term infrastructure improvements. A staff working group was developed to brainstorm ideas that would support stakeholder’s suggestions for connecting Market at the Square patrons to downtown businesses, mixed-use development, and downtown activation including arts and events for the public to enjoy.

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 agreement was assigned to Icon Hospitality, LLC in 2020, upon sale of the property. Upon successful completion of the project, the City plans to borrow funds internally to reimburse the developer \$5.5 million. The City will then pay itself back with new tax revenues generated by the project including TIF property taxes, hotel/motel taxes, and sales taxes. The renovation is 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 began on July 1, 2021, one year later than originally planned.

In November of 2022 the City received another extension request from Icon Hospitality citing ongoing supply chain disruptions and delays due to the COVID-19 pandemic. Upon review of the revised construction timeline, the City agreed and passed an eight month extension, (26) months in total from the original commencement date, targeting an opening date of August 1, 2023 or sooner.

Continued delays and supply chain disruptions led to a third request for extension being granted in 2023 pushing the required opening date to February 2024. Unfortunately, more delays have most likely led to a fourth extension request but the City is optimistic the wait will be worth it once the grand opening occurs.

H-Mart

Expect to see movement at 220 N. Broadway, as H-Mart is beginning work to retro-fit the old Save-A-Lot into a premier Asian grocery store. The first of this brand south of Chicago, Urbana is excited to welcome H-Mart and the many customers they will attract to downtown.