



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning and Economic Development Division

m e m o r a n d u m

TO: Bruce Walden, Chief Administrative Officer

FROM: Reed A. Berger, AICP, Economic Development Coordinator

DATE: August 23, 2001

SUBJECT: **Addition of Territory to the Urbana Enterprise Zone
Longhorn Smokehouse Project / 1706 N. Cunningham Avenue**

Introduction

City staff has submitted on behalf of Mr. Brad Bowman, owner of the Longhorn Smokehouse in Urbana, the attached draft application to amend the Enterprise Zone boundary to add a property Mr. Bowman recently purchased at 1706 N. Cunningham Avenue where he plans to construct a new restaurant that will have nearly twice the seating room and parking than provided at his current restaurant location at 1104 N. Cunningham Avenue. A drive-thru window and outdoor seating will be new features added to the new restaurant. The building will have about 4,400 square feet of space with up to 58 parking spaces.

Background

Over the past few years Mr. Bowman has considered relocating to Champaign, but reconsidered Urbana as a location based in part on the proposed improvements planned north of I-74 along U.S. 45, and in part based on the economic incentives that would be available for a project in the Enterprise Zone. Because the project site is not in the Enterprise Zone, but is adjacent, staff is recommending the property be added to the Zone.

A public hearing to review the company's proposal was conducted on Wednesday, August 22nd at 4:00 p.m. in the Urbana Civic Center. A map is attached showing the location of the project. A transcript of that public hearing is attached.

Economic Impact

Mr. Bowman will invest roughly \$750,000 to relocate and build his new restaurant in Urbana. A total of 18 to 20 jobs will be provided, 13 of which will be retained and 5 or more new positions created.

The City of Urbana would abate property taxes for five (5) years on the new improvements but would collect utility, sales, and other tax revenues upon the start of operation. The School and Park districts do not abate their real estate taxes.

Staff Recommendation

Staff recommends the Council approve the attached ordinance to add territory to the Urbana Enterprise Zone at its regular meeting scheduled for Tuesday, September 4, 2001. If the ordinance is approved, staff will complete the application for amendment to the Enterprise Zone for signature of the Mayor and forward to the State of Illinois Department of Commerce and Community Affairs for certification.

Prepared by: _____
Reed A. Berger, AICP
Economic Development Coordinator

- c. Council Packets
Brad Bowman, Longhorn Smokehouse

**ILLINOIS ENTERPRISE ZONE PROGRAM
APPLICATION TO ADD TERRITORY**

OPTION 1

Complete "APPLICATION TO ADD TERRITORY - OPTION 1" if you intend to qualify the proposed addition as an area that provides an immediate (2 years or less) substantial utility or benefit to the established zone and/or its residents or businesses by: creating or retaining specific jobs; or removing or correcting an impediment to economic development which exists in the established zone, or, stimulating neighborhood residential or commercial revitalization.

PART A. LEGAL APPLICANT

Type of Application: Single Joint _____
(If joint application, provide information for each applicant.)

Name of Jurisdiction City of Urbana
Street/P.O. Box 400 S. Vine Street / P.O. Box 219 Zip Code 61803-0219
City Urbana County Champaign
Chief Elected Official Tod F. Satterthwaite, Mayor
Zone Administrator Reed A. Berger Phone (217) 384-2442
Type of Applicant: City County _____

Name of Jurisdiction _____
Street/P.O. Box _____ Zip Code _____
City _____ County _____
Chief Elected Official _____
Zone Administrator _____ Phone () _____
Type of Applicant: City _____ County _____

Name of Jurisdiction _____
Street/P.O. Box _____ Zip Code _____
City _____ County _____
Chief Elected Official _____
Zone Administrator _____ Phone () _____
Type of Applicant: City _____ County _____

NOTE: Submit original plus two (2) copies. All attachments must be 8-1/2" x 11", excluding maps. The format of this application may be reproduced and completed in an expanded form provided the final application is presented in bound form or loose leaf notebook. All pages must be numbered in sequence and attachments labeled.

PART B. DESCRIPTIVE INFORMATION

1. Total area of the existing enterprise zone: 2.328 square miles
2. Area of the proposed addition: Acres 1.17 Square Miles 0.002
3. Population of the proposed addition: 0
4. Is the proposed addition contiguous with the enterprise zone:
Yes X No

PART C. PURPOSE OF AMENDMENT

Explain why the amendment is being requested.

Brad Bowman, owner and operator of Longhorn Smokehouse, Inc., currently operates the successful restaurant about a half mile south of a site where he proposes to construct a much larger restaurant with more seating and parking for his customers. He also proposes to add a drive thru window to compete with conveniences offered by national chains like McDonald's and Steak 'N Shake.

PART D. ELIGIBILITY CRITERION

1. Describe and document the specific development commitment(s) that will occur within the two year period following the proposed boundary change. Such information must include: project scope; estimated cost of the project; timeline for completing project milestones; project start and completion dates; construction plans or schematics; construction permit data; and, evidence of financial commitment from financial institutions and/or local, state or federal government. Indicate the name of the business, the product or service provided and current employment. Project documentation is to be provided or certified by the business(es) involved.

Project Scope

Mr. Bowman will invest roughly \$750,000 in the project of which \$600,000 is land and improvements and \$100,000 is equipment for the restaurant. A total of 18 to 20 jobs will be provided, 13 of which will be retained and 5 or more new positions created. The building will have about 4,400 square feet of space with up to 58 parking spaces and a drive-thru pick-up window.

Timeline for Completion of Project Milestones

Plans submitted. Complete by winter/spring of 2002.

2. Describe how, and the extent to which, the above described project impacts at least one of the following:
 - a. job creation or retention;
 - b. removal or correction of an impediment to economic development that exists in the established zone (describe the obstacle to economic activity and indicate the cause, nature, extent and how the obstacle is impacting economic development); or,
 - c. stimulation of neighborhood residential or commercial revitalization.

Correction of Impediment to Economic Development & Commercial Revitalization

Although the area is close to the intersection of a major interstate this older commercial area has experienced decades of decline including the closure of several highway oriented businesses such as restaurants and gas stations. With the exception of Ned Kelly's, until 1985 the commercial area north of Perkins/Country Club road was not in the city limits. While it appears reinvestment is now beginning to return to this interchange, the improvements would likely have not taken place without the addition of the properties into the City and into the Enterprise Zone, including the addition of the Bigfoot project last year. In fact, the Enterprise Zone was an important factor in negotiating agreements securing voluntary annexations with businesses and property owners.

PART E. DEVELOPMENT GOALS AND OBJECTIVES

Describe how the proposed boundary change meets specific objectives of the local enterprise zone program and plan.

The proposed Enterprise Zone boundary expansion would assist the City in meeting the following 10-year development goals as identified in the Urbana Enterprise Zone Plan submitted to the Illinois Department of Commerce and Community Affairs in December 1984:

- 1. To attract and retain private sector investment in the Urbana Enterprise Zone that directly benefits the residents therein in a manner which will increase and diversify the economic base of the City of Urbana.*
- 2. To create employment opportunities and develop ways and means to retain jobs within the Urbana Enterprise Zone.*
- 3. To achieve a pro-active stance towards economic development within the Enterprise Zone that will be viewed in a positive manner by investment decision makers.*

By approving this application to add territory to the Urbana Enterprise Zone, DCCA would enable the City to meet the three above stated objectives. These objectives when achieved, create the necessary economic opportunities that its citizens desire and, in turn, makes Urbana a more viable and livable city.

It is important to note here that this land was not in the city limits in 1985 when the Zone was established, but very likely would have been included under original application eligibility criteria.

PART F. COMMUNITY SUPPORT

Describe the input, assistance, resources and commitments which public and private sector entities provided in the development of this application or will provide in the implementation of the plan. Letters from individuals, business, labor, community or other groups in support of this application may be attached. However, letters of commitment in support of activities (e.g., technical assistance, financial assistance, business management information, jobs, job training and other appropriate types of assistance or actions) which will help to accomplish the objectives of the proposed addition are of greater significance.

PART G. APPLICANT CERTIFICATION

THE APPLICANT CERTIFIES THAT:

To the best of my knowledge and belief, data and other information in this application are true and correct, and this document has been authorized by the governing body of the applicant.

CERTIFYING REPRESENTATIVE:

(To be signed by the Chief Elected Official or Designee)

City of Urbana _____
Designating Unit of Government _____ Chief Elected Official
or Designee

September ,2001 _____
Date _____ Title _____

CERTIFYING REPRESENTATIVE:

(To be signed by the Chief Elected Official or Designee)

Designating Unit of Government _____ Chief Elected Official
or Designee

Date _____ Title _____

CERTIFYING REPRESENTATIVE:

(To be signed by the Chief Elected Official or Designee)

Designating Unit of Government _____ Chief Elected Official
or Designee

Date _____ Title _____

Legal Notice

NOTICE OF PUBLIC HEARING

PUBLIC NOTICE IS HEREBY GIVEN THAT the City of Urbana will conduct a public hearing on Wednesday, August 22, 2001 at 4:00 p.m. in the Urbana Civic Center, 108 E. Water Street, Urbana, Illinois, on the question of whether to alter the boundaries of the certified Enterprise Zone as originally designated by Ordinance No. 8485-38, and as subsequently amended from time to time, by adding certain other territory thereto.

The area proposed to be added to the certified Enterprise Zone includes one parcel of land, which is contiguous to the Enterprise Zone and described as follows:

1706 N. Cunningham Avenue: Lot 2 of Sarah's 1st Subdivision, Urbana, Illinois. Said subdivision located in Section 4, Township 20 North, Range 9 East of the Third Principal Meridian, situated in Champaign County, Illinois. Also referenced as permanent parcel number 91-21-04-352-022.

This amendment to the Enterprise Zone boundary has been initiated by the City of Urbana at the request of Brad Bowman in connection with a proposed project to relocate and build a new Longhorn Smokehouse restaurant.

All interested citizens are invited to attend and to express their opinions, especially those persons owning property or residing in the certified Enterprise Zone and those parcels proposed to be added thereto. Persons unable to attend the hearing and wishing to comment may send written comments to:

Reed A. Berger
Economic Development Coordinator
City of Urbana Community Development Services
400 S. Vine Street
P.O. Box 946
Urbana, IL 61801-0946
Ph 384-2442

Persons with disabilities needing services or accommodations for this hearing should contact the Community Development Services Department at 384-2444 or the City of Urbana's Americans with Disabilities Act Coordinator at 384-2466 or TDY at 384-2447.

ENTERPRISE ZONE PUBLIC HEARING
Longhorn Smokehouse Project
Urbana Civic Center
Wednesday, August 22, 2001
4:00 p.m.

Mayor: I would like to open the public hearing. The purpose of the Public Hearing is to take comments as to whether a new location for the Longhorn Smokehouse at 1706 N. Cunningham Avenue should be included in the enterprise zone of the City of Urbana which has been properly noticed. The property is about 1.2 acres and is currently in city limits right now?

Reed: Yes

Mayor: Currently in the city limits. Anybody here to make a comment at this public hearing?

Reed: Can we...

Gary: Do you want me to talk in favor of it?

Mayor: Sure

Gary: Okay, I'm here from the architectural firm of Smith/Burgett Architects, I've done the construction drawings and development plans. Currently this is about twice the size of the existing location. We have 110 occupants in the dining area, there is a patio area for 28. The owner Brad Bowman is putting considerable investment in the building and the equipment. There are two smokers now, where there was one before so that kind of reinforces the double in the capacity. This could be, I think a nice asset. Brad will also have a drive up which he did not have before. It looks like it would be a nice asset to the City of Urbana. Good food.

Mayor: Okay, thank you Gary. Anybody else?

Kevin: My name is Kevin Modglin and I am with Kan-Doo Concrete and we act as the general contractor on the new Smokehouse. The approximate cost is roughly 750,000 dollars including land value and I agree I think it will be a big boost to the route 45 corridor and a good addition to the City of Urbana.

Mayor: Okay, great, thank you very much. Now, I would just like to echo some of the comments. I think this would really help to set off the North Cunningham corridor. It would be a real asset. We always like to see our existing businesses expand and have this business double in size. I think it's a real benefit to the City. Obviously there will be, you know, more sales, more jobs created, so I think this is very appropriate to expand the enterprise zone for this expansion of a local business. I'll tell what, it's going to be helping the appearance of a very important corridor to the benefit of the City of Urbana. Any other comment? Yeah, Reed.

Reed: Just one thing, Just so everyone knows that this, after today the application officially goes before the City Council next Monday night. I believe that is the 27th.

Mayor: Is it on the agenda for the 27th?

Reed: It's a committee meeting..... and then it's the...

Mayor: We better make sure with the Clerk that it is on.

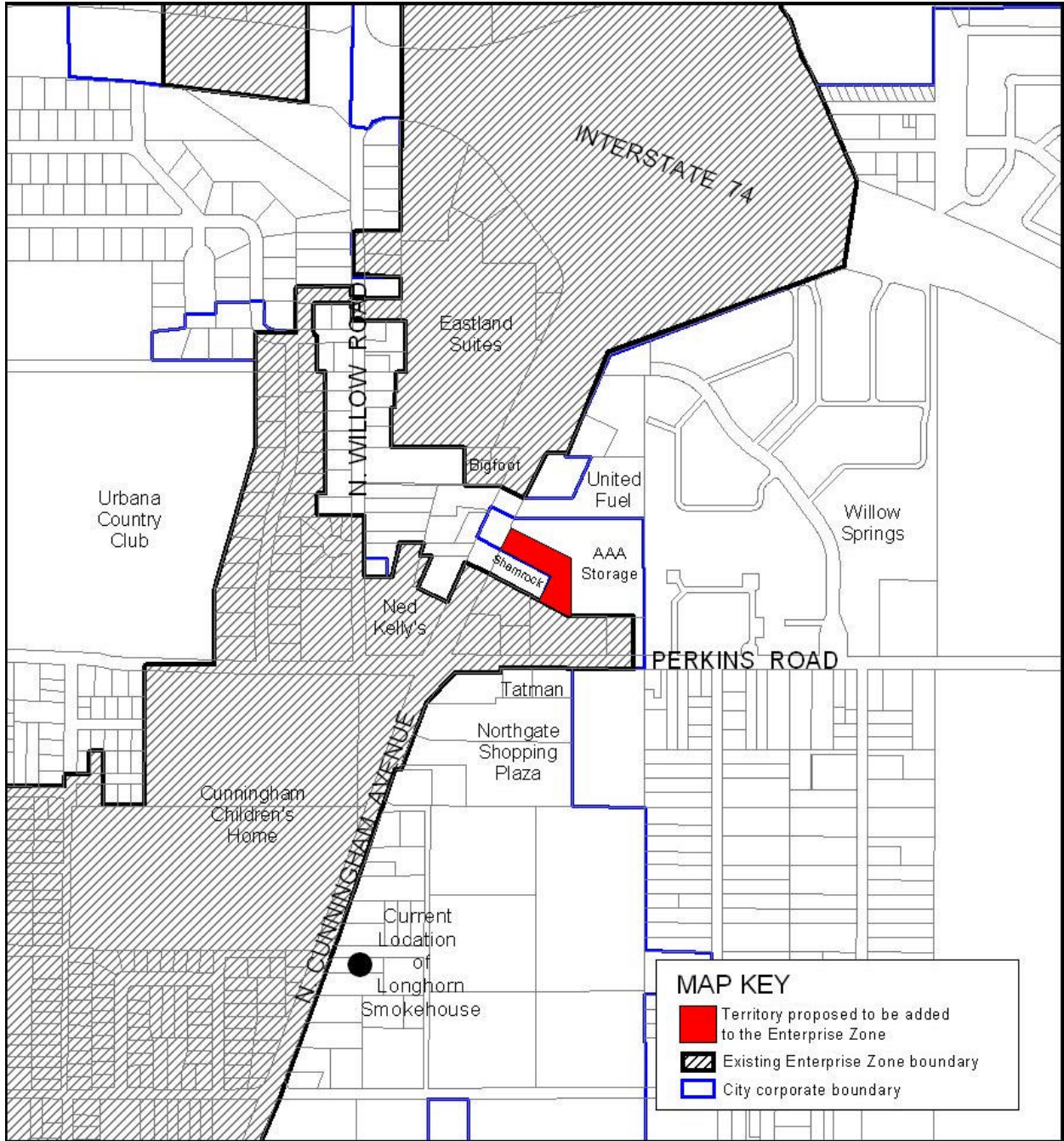
Reed: Okay, I will double check, it should be. And then also there will be a final action intended on September the 4th. It's actually a Tuesday right after Labor Day council meeting. And have its first opportunity to actually act on the ordinance with regards to this property.

Mayor: Okay, we have no further comment. This public hearing is closed. And as Reed said this process will continue at the City Council level before we send it off to the State.

Reed: Yes

Mayor: Thank you

Reed: Thank you



MAP KEY

- Territory proposed to be added to the Enterprise Zone
- Existing Enterprise Zone boundary
- City corporate boundary

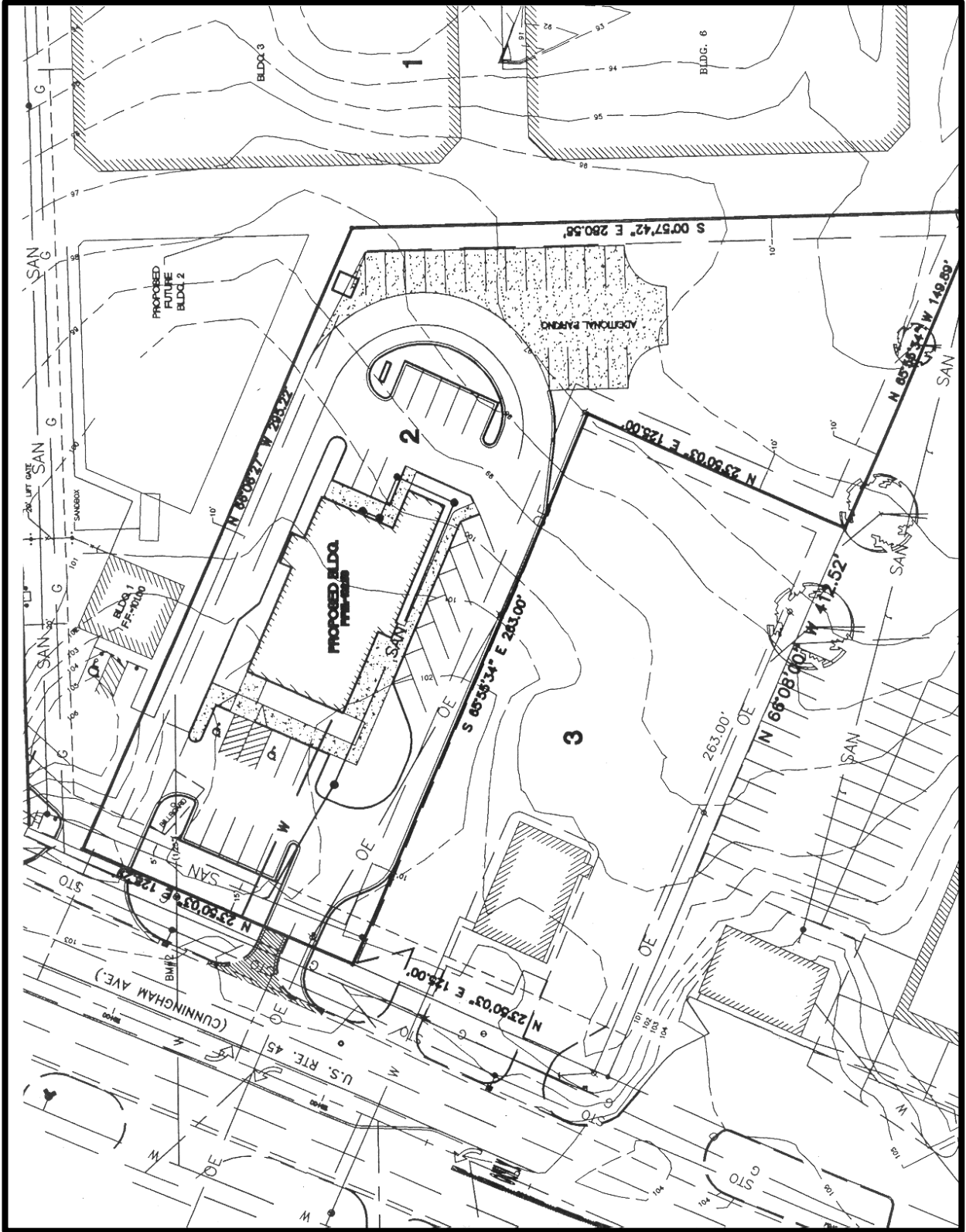
City of Urbana Enterprise Zone Boundary Amendment

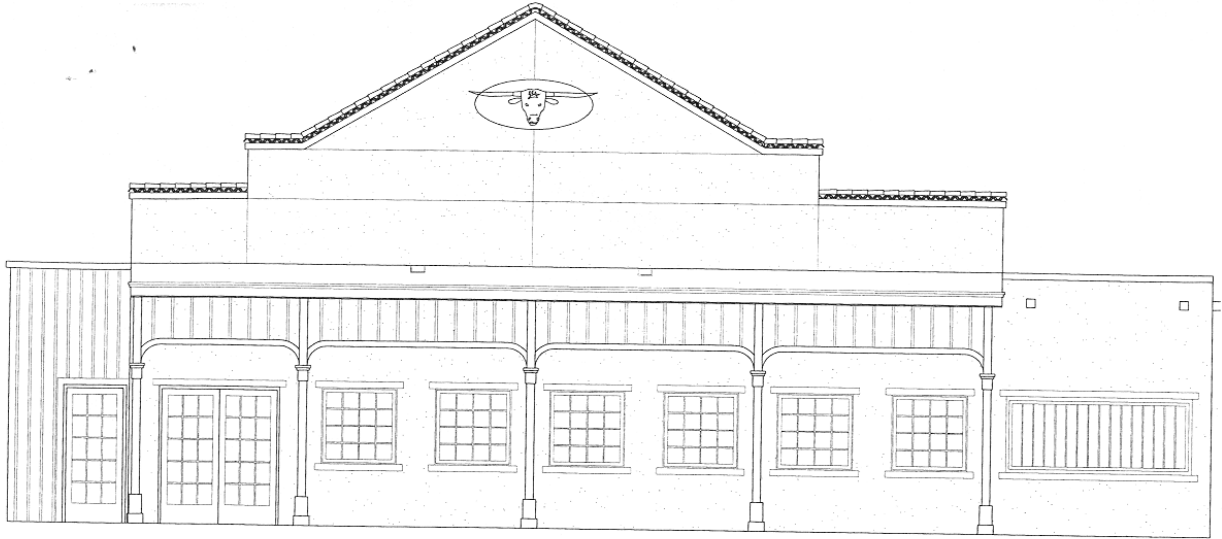


Longhorn Smokehouse Restaurant Project
1706 N. Cunningham Avenue

prepared August 10, 2001 by RAB







Ordinance No. 2001-08-100

AN ORDINANCE APPROVING THE ADDITION OF TERRITORY
TO THE URBANA ENTERPRISE ZONE

(Longhorn Smokehouse Project / 1706 N. Cunningham Avenue)

WHEREAS, on December 3, 1984 the City Council of the City of Urbana, Champaign County, Illinois (the "City") duly passed Ordinance No. 8485-38 entitled, "An Ordinance Designating An Area As An Enterprise Zone", which such ordinance was duly approved by the Mayor on December 10, 1984 (the "Ordinance"); and

WHEREAS, in connection with a review of the Ordinance and the written application made in connection therewith to the Department of Commerce and Community Affairs (the "Department") in accordance with the Illinois Enterprise Zone Act (the "Act"), the City Council, on March 18, 1985, duly passed Ordinance No. 8485-65 entitled, "An Ordinance Amending Ordinance No. 8485-38 entitled, 'An Ordinance Designating An Area As An Enterprise Zone'", which such ordinance was duly approved by the Mayor on March 25, 1985 (the "First Amending Ordinance"); and

WHEREAS, approval of the Enterprise Zone, as designated by the Ordinance and the First Amending Ordinance, was made by the Department by certification of the Ordinance and the First Amending Ordinance effective July 1, 1985; and

WHEREAS, the City Council of the City of Urbana, from time to time, has amended said Ordinance and the Department has so approved by certification of the Amending Ordinance; and

WHEREAS, the City Council now finds it necessary and desirable to further amend the terms of the Ordinance as amended, pursuant to Section 5.4 of the Act; and

WHEREAS, on Thursday, August 16, 2001 the City duly caused public notice to be published in The News-Gazette, a newspaper of general circulation within the certified Enterprise Zone, as amended, and Champaign County, Illinois, of a public hearing to be held within the certified Enterprise Zone, as amended, on the question of whether to alter the boundaries of the certified Enterprise Zone, as amended, by adding certain parcels thereto. Such public notice was published not more than twenty (20) days nor less than five (5) days before the public hearing scheduled for Wednesday, August 22, 2001 at 4:00 p.m.; and

WHEREAS, on Wednesday, August 22, 2001 the City duly conducted a public hearing at 4:00 p.m. at the Urbana Civic Center, 108 E. Water Street, Urbana, Illinois, a location within the certified Enterprise Zone, as amended, at which such public hearing information was presented and public comment was elicited on the questions as specified in the notice as published.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1: That Section 2 of the Ordinance, as amended, entitled "Designation and Description of Zone Area", be and the same is hereby further amended to alter the boundaries of the Zone area by adding to such Zone area, as amended, the tract of real estate more particularly described in Exhibit A attached hereto and hereby incorporated by reference, such additional tract being contiguous to the certified Enterprise Zone as amended.

Section 2: This Amending Ordinance shall not become effective unless and until the proposed amendments contained herein are approved by the Department, and the Department issues an amended certificate for the Enterprise Zone established by the Ordinance, as amended, pursuant to the Act, in which such event this Amending Ordinance shall become effective on the first day of the calendar month following the date in which the amended certificate, together with the Ordinance as heretofore and hereby amended, shall be filed, recorded and transmitted as provided in Section 5.3 of the Act.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council on the _____ day of _____, _____, A.D.

PASSED by the City Council this ____ __ day of _____, _____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Tod Satterthwaite, Mayor

EXHIBIT A

LEGAL DESCRIPTION

Lot 2 of Sarah's 1st Subdivision, Urbana, Illinois. Said subdivision located in Section 4, Township 20 North, Range 9 East of the Third Principal Meridian, situated in Champaign County, Illinois.

Also referenced by the common street address of 1706 N. Cunningham Avenue, Urbana, Illinois and by permanent parcel number 91-21-04-352-022.