



MEMORANDUM

TO: Urbana City Council Members

FROM: Bruce Walden, Chief Administrative Officer

DATE: March 18, 2004

RE: Five Points East Redevelopment Agreement: Amended

Last fall the City entered into an agreement with the Five Points East developers, which is attached. \$88,000 was 'loaned' to the developer for the demolition of the Yen Ching structure. The agreement anticipates additional property assembly and further demolition and remediation of the redevelopment area. The developers have now entered a contract to acquire the Europe Inn Motel at 520 N. Cunningham that is contingent upon approval of an amendment to the development agreement by the City. The amendment proposed is for the City to advance TIF demolition funds as was done in phase 1.

Staff is recommending approval of an amendment to advance up to \$100,000 for the demolition and environmental remediation of the Europe Inn site with the following conditions:

1. Demolition is completed in 90 days.
2. The City is secured by a first mortgage on the property
3. The loan is due on the same schedule and terms as the loan for phase 1.

Amendments to the agreement reflecting the above should be ready for the April 5, 2004 City Council meeting. A budget amendment for TIF 2 will also be provided.