



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, FAICP, Director, Community Development Services

DATE: May 9, 2013

**SUBJECT: Addition of Territory to the Urbana Enterprise Zone
Frasca International and Soccer Planet, North Willow Road and Airport
Road**

Introduction

City staff is seeking approval to submit an application to the Illinois Department of Commerce and Economic Opportunity (DCEO) to amend the Urbana Enterprise Zone boundary to add approximately 126 acres of property near the intersection of North Willow Road and East Airport Road, including property owned by Frasca Associates and Graham Berry (Soccer Planet). The City agreed to make this application to DCEO as part of development agreements with both Central Illinois Soccer Enterprises, LLC (Soccer Planet - Ordinance 2011-04-021 approved April 18, 2011) and Frasca Associates (Frasca International - Ordinance 2012-12-111 approved December 17, 2012) in order to allow these businesses to take advantage of benefits available through the Enterprise Zone program.

Frasca International intends to make expansions to their business including renovation of existing facilities and construction of new buildings which will result in the creation of at least 40 new jobs. The first phase of the Soccer Planet project as laid out in the approved redevelopment agreement is complete. Future plans include the possibility of a new indoor facility and outdoor soccer fields suitable for summer camps and recreational play, league practice and competitive tournaments. As part of the proposed construction for Frasca International, the City of Urbana has applied for and been awarded an Economic Development Program grant from the Illinois Department of Transportation (IDOT) to extend Airport Road. A map is attached showing the location of the territory proposed to be added.

Background

In 2011, the City and Soccer Planet entered into a redevelopment agreement that specifically outlined provisions for the construction of a new indoor soccer facility. Graham Berry successfully constructed and opened Soccer Planet in October 2011 and is considering further expansion to include a second facility and multiple outdoor soccer fields. In 2012, the City and Frasca entered into a redevelopment agreement which would allow Frasca to expand and improve its campus while the City agreed to make improvements to Airport Road. In both redevelopment agreements, the City

committed to applying for a boundary expansion of the Enterprise Zone.

Inclusion of Frasca and Soccer Planet in the Enterprise Zone fulfills many of the goals of the Urbana Enterprise Zone and would help fill the need for more job-generating industrial development in Urbana while potentially increasing the tax base. The subject properties are adjacent to the current boundaries of the Enterprise Zone.

A public hearing to review the proposal was conducted on Thursday, May 2nd at 4:00 p.m. in the Urbana Civic Center. Minutes from that public hearing are attached; there was no public input.

Economic Impact

Per the approved redevelopment agreement, Frasca's three-phase expansion will include remodeling of an existing building, construction of a new building, expansion and resurfacing of parking and expansion of maintenance ponds. The total cost for all three phases will be approximately \$2.5 million. All three phases are expected to be completed by December 2014.

Soccer Planet is exploring the possibility of future expansion, potentially including the construction of a new facility and one to three new outdoor fields. The cost for a new facility and two synthetic turf fields would be approximately \$2.2 million.

Inclusion in the Enterprise Zone will allow Frasca and Soccer Planet to take advantage of the sales tax exemption on building materials used during construction. The City would still collect utility, property, sales, and other tax revenues upon the start of operation. No property tax abatement would apply because the land to be added is already located in Tax Increment Finance District 4 and properties located in TIF districts do not qualify for Enterprise Zone property tax abatements.

Staff Recommendation

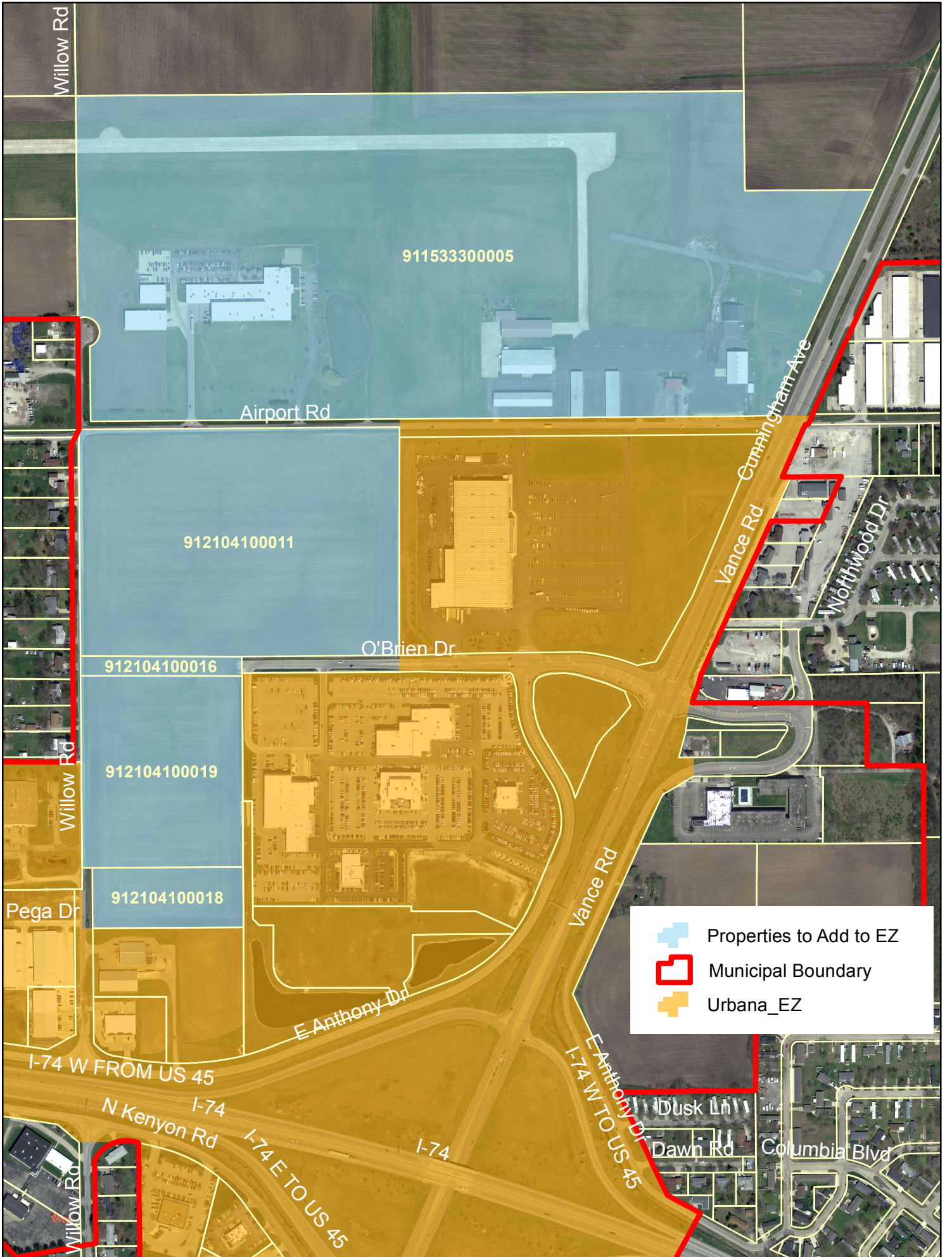
Staff recommends that Council approve the attached ordinance to add territory to the Urbana Enterprise Zone. If the ordinance is approved, staff will complete the application for boundary amendment to the Enterprise Zone, request the signature of the Mayor, and forward to the State of Illinois Department of Commerce and Economic Opportunity for certification.

Prepared by: _____
Kate Ferrer, Economic Development Associate

Attachments:

- Exhibit A: Location Map
- Exhibit B: Draft Ordinance
- Exhibit C: Public Hearing Minutes
- Exhibit D: DCEO Application to Add Territory

cc: John Frasca
Graham Berry



91153330005

912104100011

912104100016

912104100019

912104100018

Cunningham Ave

Vance Rd

Northwood Dr

O'Brien Dr

Vance Rd

E Anthony Dr

I-74 W FROM US 45

N Kenyon Rd

I-74

I-74 E TO US 45

I-74




E Anthony Dr

Dusk Ln

Dawn Rd

Columbia Blvd

Legend:

-  Properties to Add to EZ
-  Municipal Boundary
-  Urbana_EZ

**URBANA ENTERPRISE ZONE PUBLIC HEARING:
ADDITION OF TERRITORY AT NORTH WILLOW ROAD AND EAST AIRPORT ROAD
Urbana Civic Center
Thursday, May 2, 2013
4:00 p.m.**

Attendees:

**Brandon Boys, Enterprise Zone Administrator
Tom Carrino, Economic Development Manager
Kate Ferrer, Economic Development Associate
Sukiya Reid, Administrative Assistant
John Frasca, President and CEO of Frasca International**

Boys: As Enterprise Zone Administrator for the City of Urbana, I would like to open this public hearing to consider an expansion to our Enterprise Zone to include Frasca International and Soccer Planet. Upcoming commercial redevelopment is intended for these properties, and the Enterprise Zone would help to provide incentives to businesses to encourage further growth and development in this area.

Is there anyone present that would like to speak at this public hearing?

(There was no public input)

This will be an extremely positive project for Urbana to encourage growth north of the I-74 and Cunningham Avenue interchange. Seeing no further comments, this public hearing is closed. Thank you.

Meeting transcribed by Sukiya Reid, 05/02/2013.

Ordinance No. 2013-05-041

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

(Frasca International/Soccer Planet Properties)

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 (now retitled the "Department of Commerce and Economic Opportunity") 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 Tuesday, April 23, 2013 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 Thursday, May 2, 2013 at 4:00 p.m.; and

WHEREAS, on Thursday, May 2, 2013 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 _____, ____.

Laurel Lunt Prussing, Mayor

Exhibit A

A part of Lot 1 of Frasca Industrial Air Park, as shown on a plat recorded April 4, 1989, as Document Number 1989R05836 in the Office of the Recorder of Deeds, Champaign County, Illinois, being more particularly described as follows:

All that part of said Lot 1 of Frasca Industrial Air Park that lies within Section 33, Township 20 North, Range 9 East of the Third Principal Meridian, Champaign County, Illinois.

Containing 3,692,717.494 square feet (84.773 acres), more or less, all situated in the City of Urbana, Champaign County, Illinois.

And:

A part of the Northwest Quarter of Section 4, Township 19 North, Range 9 East of the Third Principal Meridian, Champaign County, Illinois, being more particularly described as follows:

Beginning at the northwest corner of the Northwest Quarter of said Section 4; thence, N 89 DEGREES 30 MINUTES 06 SECONDS E, along the north line of said Northwest Quarter, 1255.14 feet, to the northwest corner of O'Brien Subdivision No. 1, as shown on a plat recorded November 19, 2004 as Document Number 2004R36644, in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, S 00 DEGREES 26 MINUTES 32 SECONDS E, along a westerly line of said O'Brien Subdivision No. 1, 905.41 feet, to the southwest corner of Lot 103 of said O'Brien Subdivision No. 1, said point also being on the northerly Right of Way line of O'Brien Drive; thence, S 89 DEGREES 33 MINUTES 28 SECONDS W, along said northerly Right of Way line of O'Brien Drive and a northerly line of said O'Brien Subdivision No. 1, 629.39 feet, to a northwesterly corner of said O'Brien Subdivision No. 1; thence, S 00 DEGREES 43 MINUTES 51 SECONDS E, along a westerly line of said O'Brien Subdivision No. 1, 841.76 feet, to the northeast corner of Soccer Planet Subdivision, as shown on a plat recorded April 27, 2011 as Document Number 2011R08386 in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, continuing S 00 DEGREES 43 MINUTES 51 SECONDS E, along the easterly line of said Soccer Planet Subdivision, and a westerly line of said O'Brien Subdivision No. 1, 240.00 feet, to the southeast corner of said Soccer Planet Subdivision, also being the northeast corner of Lot 2 of Michelle's Bridal Subdivision, as shown on a plat recorded January 5, 2011 as Document Number 2011R00460 in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, S 89 DEGREES 35 MINUTES 52 SECONDS W, along the south line of said Soccer Planet Subdivision and the north line of said Michelle's Bridal Subdivision, also being the south line of the North Half of the South Half of the Northwest Quarter of said Section 4, 621.39 feet, to the southwest corner of said Soccer Planet Subdivision, also being on the west line of the Northwest Quarter of said Section 4; thence, N 00 DEGREES 43 MINUTES 31 SECONDS W, along the west line of said Soccer Planet Subdivision and the west line of the Northwest Quarter of said Section 4, 240.00 feet, to the northwest corner of said Soccer Planet Subdivision; thence, continuing N 00 DEGREES 43 MINUTES 31 SECONDS W, along the west line of the Northwest Quarter of said Section 4, 1745.52 feet, to the point of beginning, having an area of 1,805,617.202 square feet (41.451 acres), more or less all situated in the City of Urbana, Champaign County, Illinois.

**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 X Joint _____
(If joint application, provide information for each applicant.)

Name of Jurisdiction City of Urbana

Street/P.O. Box 400 S. Vine St. Zip Code 61801

City Urbana County Champaign

Chief Elected Official Mayor Laurel Lunt Prussing

Zone Administrator Brandon Boys Phone: (217) 328-8270

Type of Applicant: City X 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 one application that includes an original ordinance(s), intergovernmental agreement and taxing district resolutions plus 2 certified copies of the ordinances, intergovernmental agreement and taxing district resolutions. 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: 2.997 square miles
2. Area of the proposed addition: Acres 126.07 Square Miles 0.196
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.

This amendment is being requested in order to promote greater economic development in the area north of the I-74 interchange at Cunningham Avenue (US 45). Two businesses, Frasca International and Soccer Planet, would like to move forward with expansion projects that will benefit from incentives available in the Enterprise Zone. Frasca International manufactures flight training equipment for airlines, flight schools and military organizations. Frasca will benefit from Enterprise Zone tax incentives for building materials as it moves forward with plans to expand existing facilities and construct a new facility as part of a three phase expansion of its operations. Soccer Planet currently provides an indoor, year-round facility for competitive and recreational soccer, baseball, softball, lacrosse and football training. Owner Graham Berry has plans to expand his facilities to include outdoor fields suitable for summer camps and competitive soccer tournaments that will draw tourists and residents to north Urbana and create a need for greater commercial development in this area.

Enterprise Zone incentives will increase the marketability of these sites and attract additional commercial, service and light industrial development surrounding Frasca International and Soccer Planet. This expansion of the Enterprise Zone will also fulfill goals outlined by the City of Urbana's Comprehensive Plan, including Policy 6.311 to "identify potential financial and developmental incentives that the City Council is willing to offer developers to promote commercial and industrial development" and Policy 6.712 to "make available financial incentives to encourage local commercial and industrial expansion." The City has also made efforts to promote development of this area by including it in a Tax Increment Finance District, allowing the City to offer incentives to businesses and developers who invest in this region. The City is also implementing the Cunningham Avenue Beautification Plan, which will involve infrastructure improvements, landscaping and public art installments along Cunningham Avenue (US 45) in order to draw more investment to this region.

Addition of the proposed property to Urbana's Enterprise Zone will promote redevelopment in north Urbana and make this area more commercially competitive, consistent with other commercial locations within the city.

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(es), the Federal Employers' Identification Number (FEIN) for each project, the Illinois Business Tax (IBT) Number for each project, the address of the proposed project (s), a contact person for each project**, the product or service provided and current employment. Project documentation is to be provided or certified by the business(es) involved.

Business Information

Business Name: Frasca International

FEIN: 37-0860218

IBT: 0202-2680

Products or services: Manufacturing of flight training equipment

Current Employment: 194 employees, with projected addition of 20 new jobs

Contact: John Frasca – President & CEO; (217) 344-9495

Address: 906 Airport Road, Urbana, IL 61802

Business Name: Soccer Planet (Central Illinois Soccer Enterprises, LLC)

FEIN: 90-0729369

IBT: 4051-4595

Products or services: Facilities for soccer, baseball, softball, lacrosse and football training

Current Employment: 15 employees

Contact: Graham Berry – Owner and Manager; (217) 367-9999

Address: 2310 N Willow Road, Urbana, IL 61802

Project Scope

Frasca International

- **Remodeling of existing office building to accommodate 20 additional engineers and technical staff**
- **Construction of a new building to facilitate expanded machine shop**
- **Expansion of parking**
- **Resurfacing of parking, airport ramps and taxiways**
- **Expansion and maintenance of retention ponds**

The total cost for all three phases of development will cost an estimated \$2.5 million.

Soccer Planet

- **Construction of 1-3 outdoor fields north of existing indoor facility**
- **Construction of a new indoor facility**

The total cost for construction of a new facility will be approximately \$1.5 million and the cost for two synthetic turf fields will be an estimated \$750,000.

Timeline

Frasca International

- **Remodeling of existing facility: Completion in 2013**
- **Construction of new building, parking expansions, resurfacing and retention pond work to be completed by December 2014**

Soccer Planet

- **Addition of two or more outdoor fields in Fall 2013**
- **Additional building space constructed in Spring 2014**

Construction Plans

See attached drawings of Frasca International expansion plans for break room and building expansion (Attachments A, B and C) and proposed expansion of Soccer Planet facilities (Attachment D).

2. Describe how, and the extent to which, the above described project impacts at least one of the following:

a. job creation or retention;

Frasca will retain 194 employees and create an additional 20 new positions as a result of the expansion. Soccer Planet will retain 15 employees.

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,

Although the area is close to the intersection of a major interstate and a US highway, this industrial area has received comparatively little private investment. Most of the area at the north end of Willow Road was not in the city limits 10-15 years ago. Frasca International, some smaller manufacturing facilities, and a few commercial businesses such as O'Brien Auto Park and Farm & Fleet dominate the area on what could be considered one of the most visible commercial and industrial corridors in Urbana. Improvement and extension of Airport Road in this area and the addition of new facilities could greatly improve the image and attractiveness of the area for future development.

c. stimulation of neighborhood residential or commercial revitalization.

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 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 City of 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 City of 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 City of Urbana Enterprise Zone, DCEO 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.

The City of Urbana has provided prior assistance to both Frasca International and Soccer Planet to encourage development at these sites. The City previously entered into development agreements with both Frasca and Soccer Planet following City Council support for their continued development. The City provided initial support to Mr. Berry to encourage development of the indoor facility including providing rebates on incremental property taxes through the tax increment finance district, assistance with subdivision of the property on which the indoor facility is sited, review of documentation and plans and extension of Willow Road to benefit this development.

The City of Urbana also provided rebates on incremental property taxes through the TIF to Frasca International as part of a redevelopment agreement that will allow Frasca to upgrade its existing buildings and add a new facility which will accommodate 20 new employees. The City of Urbana, as part of its redevelopment agreement with Frasca, also applied for and was awarded a \$1.4 million state economic development grant to make improvements to Airport Road. The improvements to Airport Road will facilitate more truck traffic in the area north of the interstate, making it a more desirable commercial and industrial location. In 2006, the City of Urbana successfully expanded the Enterprise Zone to include Creative Thermal Solutions, a nearby neighbor of Frasca and Soccer Planet that has become a successful mainstay in this area. A similar expansion for Frasca and Soccer Planet will further boost investment in this part of the city.

Please find attached letters of support from Erik Kotewa, Deputy Director of the Champaign County Economic Development Corporation and Kevin Love, Coaching Director for the Illinois Futbol Club, emphasizing the positive impacts that these expansions will have for Urbana and our region.

PART G. DEPARTMENT OF AGRICULTURE APPROVAL

Please complete the attached Agricultural Site Review Information sheet and send it in to the Department of Agriculture, prior to submitting this application in to the Department of Commerce and Economic Opportunity. This form can also be found at the following website: www.agr.state.il.us/pdf/agrsitereview.pdf . Completed forms should be sent/faxed to the address listed on page one of the form. Submit a copy of the Department of Agriculture approval letter for the proposed projects in with this application.

PART H. 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

Laurel Lunt Prussing
Chief Elected Official or Designee

Date

Mayor
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)

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Chief Elected Official or Designee

Date

Title