



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: March 5, 2015

SUBJECT: **An Ordinance Approving a Redevelopment Agreement with HG Dwell LLC (202 West Illinois Street)**

AND

An Ordinance Revising the Annual Budget Ordinance, FY2014-15 (Redevelopment Agreement with HG Dwell LLC)

Introduction

The City of Urbana has been approached by Kyle Harrison and Megan Gillette of HG Dwell LLC regarding their interest in a proposed redevelopment project at 202 West Illinois Street involving renovation of the former Korean New Life Church building into an event center and office space. HG Dwell LLC has a purchase agreement for the property and has requested a Redevelopment Agreement with the City in order to facilitate the proposed \$1.2 million redevelopment project (**Attachment A: Draft Enabling Ordinance with Attached Agreement**).

Approval of this agreement would also require the approval of an amendment to the FY2014-15 budget in the amount of \$175,000 (**Attachment B: Draft Budget Amendment Ordinance**). The proposed agreement would allow reimbursements of property tax increment generated on the property in the amount of 65 percent for seven years.

The property is located at the northwest corner of the intersection of Race and Illinois Streets (**Attachment C: Property Location Map**). The proposal for the redevelopment would include full commercial activation of the building by multiple tenants and would discontinue the tax-exempt status of this property at the time of sale (**Attachment D: Developer's Proposal**).

Overview of the Proposed Redevelopment Agreement at 202 West Illinois

The redevelopment agreement the City Council is considering will activate the building for an events space and commercial office tenants. It is anticipated that the building when at full tenancy could potentially house as many as 100 office employees. The event space is expected to accommodate as many as 500 visitors.

The redevelopment agreement requires the creation of:

- a. an event center with a certified commercial kitchen; and
- b. new office space.

As noted in the attached developer's proposal, the property owners plan to renovate the interior of the building and repair the exterior while maintaining and restoring the original architectural elements. Ultimately, in a future construction phase and budget permitting, the developer would like to restore the historical bell towers which were lost over time. The event space would include a newly certified commercial kitchen that would be made available on off-peak event hours for caterers and Farmers Market vendors.

TIF incentive is required to actuate this proposed sale and redevelopment of 202 West Illinois Street. The property is located generally at the southwestern edge of the downtown area. A reactivation of the property to commercial uses would aid in the expansion of activity throughout the Downtown and an event center would specifically catalyze other nearby businesses by serving as a regional destination for visitors.

Proposal Compliance with City Plans, Policies and Goals

The proposal for redevelopment of 202 West Illinois Street is consistent with the planning framework established by the applicable City plans covering this area including the goals and objectives outlined in the 2012 Downtown Urbana Plan. Specifically, the goals to *strengthen economic activity in Downtown Urbana* and *increase Downtown's vitality by attracting more visitors* would be well served. The owners have also expressed an interest in working with the City to improve streetscaping and pedestrian safety in this area of the Downtown. The space is expected to augment established Downtown festivals such as Boneyard Arts, Folk & Roots, the C4A Race Street Bash, as well as new festivals like Urbana Uncorked and the Pygmalion Festival's Tech Conference.

Additionally, the Tax Increment Finance District #2 Plan specifically identifies the need to control blighting factors such as building deterioration and obsolescence which, when present, can preclude intensive private investment in the district. The proposed uses are also consistent with the needs identified by the survey results and findings of the 2011 Downtown Market Study; the proposed development would provide a variety of reasons to be a destination to event attendees and employees alike while adding unique character to Downtown Urbana.

The subject property is currently zoned MOR Mixed Office Residential, which permits by-right Professional Office, Indoor Theater and Private Indoor Recreational Development, but requires a conditional use permit for a Restaurant, or Lodge/Private Club. Subsequently, the developer intends to pursue a conditional use permit to ensure flexibility of use that is fully compatibility with the City's zoning. The event center plans to enter into agreements for the shared use of nearby parking lots and/or contractually set up shuttle or valet parking.

Anticipated Fiscal Impacts of the Proposal

The agreement would provide the developer with reimbursements for eligible expenses upon substantial completion of the project up to a limit of \$175,000. This portion of the total incentive would likely be expended in FY2014-2015 and would therefore require the proposed amendment to the current fiscal year budget. In addition, the agreement would provide for additional reimbursements in the amount of 65 percent of taxes paid on the property annually through the end of the life of TIF District #2 in 2022. This structure would provide an estimated total of \$278,000 in incentives to the anticipated \$1.2 million project over the next seven years. If the developer stays on budget and achieves the full incentive allowed under the agreement, then the incentive will amount to an estimated 23 percent reimbursement of eligible expenses on the anticipated \$1.2 million project. This ratio excludes non-eligible private investment such as equipment, furniture, and the purchase price of the property, as well as the investments of each office tenant in finishing their leaseholds.

By the end of the life of the TIF 2, the project is expected to produce \$158,000 in incremental tax revenue. This return on EAV is higher than most redevelopment projects of this type due to the fact that the property, which is currently tax-exempt, would become taxable upon the execution of the sale. After the completion of renovations, this project is expected to add approximately \$220,000 in EAV to the tax rolls. Also over this same period of time, the new event center at this site is expected to generate at least \$135,000 in local sales tax to the city, school district and county. Approximately \$73,000 of this estimated total local sales tax would go the City of Urbana over a seven year period. If the developer were to realize the full \$278,000 in estimated reimbursement from the TIF district over the seven year period, it is estimated that the TIF district and the local taxing entities would collectively recoup an equivalent amount of property and sales tax revenue within ten years.

The costs associated with this redevelopment agreement would be funded by TIF District #2 which has sufficient funds between the TIF's fund balance and the increment expected to be generated as a result of this proposed project. The projected TIF 2 Fund Balance at the end of FY14-15 is expected to be at least \$346,329. As has been mentioned above, the total TIF reimbursement to the developer over the life of the agreement is expected to be \$278,000 and the property is expected to generate \$158,000 in TIF increment over that same time period. Due to the expiration of TIF 2 in 2022, the TIF itself will not be able to recoup its investment in the proposed project, although it is expected to recoup \$55,000 prior to expiration. In addition, the local tax revenues from TIF, sales tax and property taxes direct to the taxing partners after the

close of TIF 2 are expected to exceed the value of the full redevelopment incentive within 10 years. Furthermore, the intent of this TIF District will be fulfilled by reducing blighting factors, eliminating the dilapidation of the urban fabric, generating positive business activity in the area, encouraging additional future investment in property, and attracting new visitors and patrons to Downtown Urbana.

Options

1. Approve the draft redevelopment agreement ordinance and budget amendment ordinance as presented.
2. Approve the draft redevelopment agreement ordinance and budget amendment ordinance with changes. It should be noted that any changes will need to be agreed upon by the developer.
3. Deny the draft redevelopment agreement ordinance and budget amendment ordinance.

Recommendation

This agreement will result in the commercial activation of currently tax-exempt property, facilitate the renovation, repair and dynamic use of an historic property located in TIF District #2, generate a positive fiscal impact for the City and its taxing partners within ten years, and add to the visible activity of visitors and patrons of Downtown Urbana.

Staff recommends that the City Council approve the attached draft redevelopment agreement ordinance and accompanying budget amendment ordinance.

Prepared by:



Brandon S Boys, Economic Development Manager

Attachments:

- Attachment A: Draft Enabling Ordinance with Attached Agreement
- Attachment B: Draft Budget Amendment Ordinance
- Attachment C: Property Location Map
- Attachment D: Redevelopment Overview

ATTACHMENT A

ORDINANCE NO. 2015-03-023

AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT WITH HG DWELL
LLC
(202 West Illinois Street)

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

Section 1. That a Redevelopment Agreement Between the City of Urbana and HG Dwell, LLC in substantially the form of the copy of said Agreement attached hereto, be and the same is hereby approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this ____ day of _____, 2015.

AYES:

NAYS:

ABSTAINS:

Phyllis Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2015.

Laurel Lunt Prussing, Mayor

REDEVELOPMENT AGREEMENT

by and between the

CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

and

HG DWELL, LLC

Dated as of March 1, 2015

Document Prepared By:

**Kenneth N. Beth
Evans, Froehlich, Beth & Chamley
44 Main Street, Third Floor
Champaign, IL 61820**

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EXHIBIT LIST

EXHIBIT A	Description of Property
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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (including any exhibits and attachments hereto, collectively, this **“Agreement”**) is dated for reference purposes only as of March 1, 2015, but actually executed by each of the parties on the dates set forth beneath their respective signatures below, by and between the **City of Urbana, Champaign County, Illinois**, an Illinois municipal corporation (the **“City”**), and **HG Dwell, LLC**, an Illinois limited liability company (the **“Developer”**). This Agreement shall become effective upon the date of the last of the City and the Developer to execute and date this Agreement and deliver it to the other (the **“Effective Date”**).

RECITALS

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), as supplemented and amended (the **“TIF Act”**), including by the power and authority of the City as a home rule unit under Section 6 of Article VII of the Constitution of Illinois, the City Council of the City (the **“Corporate Authorities”**) did adopt an ordinance (Ordinance No. 8687-45 on December 23, 1986) including as supplemented and amended by certain ordinances (Ordinance No. 9394-101 on May 16, 1994, Ordinance No. 2002-06-064 on June 17, 2002 and Ordinance No. 2005-03-032 on March 21, 2005) (collectively, the **“TIF Ordinances”**); and

WHEREAS, under and pursuant to the TIF Act and the TIF Ordinances, the City designated the Downtown Urbana Tax Increment Redevelopment Project Area Number Two (the **“Redevelopment Project Area”**) and approved a related redevelopment plan, as supplemented and amended (the **“Redevelopment Plan”**), including the redevelopment projects described in the Redevelopment Plan (collectively, the **“Redevelopment Projects”**); and

WHEREAS, as contemplated by the Redevelopment Plan and the Redevelopment Projects, the Developer proposes to acquire the Property (as defined below) and to undertake (or cause to be undertaken) the Project (including related and appurtenant facilities as more fully defined below); and

WHEREAS, the Property (as defined below) is within the Redevelopment Project Area; and

WHEREAS, the Developer is unwilling to acquire the Property (as defined below) and to undertake the Project (as defined below) without certain tax increment finance incentives from the City, which the City is willing to provide; and

WHEREAS, the City has determined that it is desirable and in the City’s best interests to assist the Developer in the manner set forth herein in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement and unless the context clearly requires otherwise, the capitalized words, terms and phrases used in this Agreement shall have the meaning provided in the above Recitals and from place to place herein, including as follows:

“Annual Reimbursement Amounts” means the amounts to be reimbursed or paid from the Fund to the Developer by the City under and pursuant to Section 4.1(b) of this Agreement.

“City Comptroller” means the City Comptroller of the City, or his or her designee.

“Completion Reimbursement Amount” means the amount to be reimbursed or paid from the Fund to the Developer by the City under and pursuant to Section 4.1(a) of this Agreement.

“Corporate Authorities” means the City Council of the City.

“Eligible Redevelopment Project Costs” means those costs paid and incurred in connection with the Project which are authorized to be reimbursed or paid from the Fund as provided in Section 5/11-74.4-3(q)(2) and (3) of the TIF Act, including the acquisition of the Property and the rehabilitation, reconstruction, repair or remodeling of the existing building, fixtures and improvements upon the Property.

“Fund” means, collectively, the “Special Tax Allocation Fund” for the Redevelopment Project Area established under Section 5/11-74.8 of the TIF Act and the TIF Ordinances.

“Incremental Property Taxes” means, net of all amounts required by operation of the TIF Act to be paid to other taxing districts, including as surplus, in each calendar year during the term of this Agreement, the portion of the ad valorem real estate taxes arising from levies upon the Redevelopment Project Area by taxing districts that is attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real estate within the Redevelopment Project Area over the equalized assessed value of each taxable lot, block, tract or parcel of real estate within the Redevelopment Project Area which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the TIF Act, will be allocated to and when collected shall be paid to the City Comptroller for deposit by the City Comptroller into the Fund established to pay Eligible Redevelopment Project Costs and other redevelopment project costs as authorized under Section 5/11-74.4-3(q) of the TIF Act.

“Project” means, collectively, the acquisition of the Property and the rehabilitation, reconstruction, repair or remodeling of the existing buildings, fixtures and improvements upon the Property to provide space for: (i) an event center with a certified commercial kitchen and (ii) new office space.

“Project Commencement Date” means, _____ 1, 2015, the date on or before which construction of the Project is to commence.

“Project Completion Date” means, subject to “unavoidable delays” as described in Section 9.5 of this Agreement, _____, 20____, the date on or before which the Project is

substantially completed as evidenced by the issuance by the City of a certificate of occupancy for the renovated building upon the Property.

“Property” means, collectively, the real estate consisting of the parcel or parcels legally described on Exhibit A hereto, upon or within which the Project is to be undertaken and completed.

“Requisition” means a request by the Developer for a payment or reimbursement of Eligible Redevelopment Project Costs pursuant to the procedures set forth in Article VI of this Agreement.

Section 1.2. Construction. This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) definitions include both singular and plural.
- (b) pronouns include both singular and plural and cover all genders; and
- (c) headings of sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (d) all exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. In order to induce the Developer to enter into this Agreement, the City hereby makes certain representations and warranties to the Developer, as follows:

(a) **Organization and Standing.** The City is a home rule municipality duly organized, validly existing and in good standing under the Constitution and laws of the State of Illinois.

(b) **Power and Authority.** The City has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) **Authorization and Enforceability.** The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the City’s Corporate Authorities. This Agreement is a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except to the extent that any and all financial obligations of the City under this Agreement shall be limited to the availability of such Incremental Property Taxes therefor as may be specified in this Agreement and that such enforceability may be further limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors’ or creditors’ rights, and by equitable principles.

(d) No Violation. Neither the execution nor the delivery of this Agreement or the performance of the City's agreements, obligations and undertakings hereunder will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of any agreement, rule, regulation, statute, ordinance, judgment, decree, or other law by which the City may be bound.

(e) Governmental Consents and Approvals. No consent or approval by any governmental authority is required in connection with the execution and delivery by the City of this Agreement or the performance by the City of its obligations hereunder.

Section 2.2. Representations and Warranties of the Developer. In order to induce the City to enter into this Agreement, the Developer makes the following representations and warranties to the City:

(a) Organization. The Developer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Illinois.

(b) Power and Authority. The Developer has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) Authorization and Enforceability. The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the Developer's managers. This Agreement is a legal, valid and binding agreement, obligation and undertaking of the Developer, enforceable against the Developer in accordance with its terms, except to the extent that such enforceability may be limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) No Violation. Neither the execution nor the delivery or performance of this Agreement will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, or (with or without the giving of notice or the passage of time or both) entitle any party to terminate or declare a default under any contract, agreement, lease, license or instrument or any rule, regulation, statute, ordinance, judicial decision, judgment, decree or other law to which the Developer is a party or by which the Developer or any of its assets may be bound.

(e) Consents and Approvals. No consent or approval by any governmental authority or by any other person or entity is required in connection with the execution and delivery by the Developer of this Agreement or the performance by the Developer of its obligations hereunder.

(f) No Proceedings or Judgments. There is no claim, action or proceeding now pending, or to the best of its knowledge, threatened, before any court, administrative or regulatory body, or governmental agency (1) to which the Developer is a party and (2) which will, or could, prevent the Developer's performance of its obligations under this Agreement.

(g) Maintenance of Existence. During the term of this Agreement, the Developer shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence as an Illinois limited liability company.

Section 2.3. Disclaimer of Warranties. The City and the Developer acknowledge that neither has made any warranties to the other except as set forth in this Agreement. The City hereby disclaims any and all warranties with respect to the Property and the Project, express or implied, including, without limitation, any implied warranty of fitness for a particular purpose or merchantability or sufficiency of the Incremental Property Taxes for the purposes of this Agreement. Nothing has come to the attention of the Developer to question the assumptions or conclusions or other terms and provisions of any projections of Incremental Property Taxes, and the Developer assumes all risks in connection with the practical realization of any such projections of Incremental Property Taxes.

ARTICLE III
CONDITIONS PRECEDENT TO THE UNDERTAKINGS
ON THE PART OF THE DEVELOPER AND THE CITY

Section 3.1. Conditions Precedent. The undertakings on the part of the City as set forth in this Agreement are expressly contingent upon each of the following:

- (1) The Developer shall have acquired fee simple title to the Property;
- (2) The Developer shall have delivered to the City an itemized list of any and all estimated costs to complete the Project (the “**Project Budget**”) in accordance with such final development plans as may be approved by the City;
- (3) The Developer shall have provided evidence, in a commercially reasonable form satisfactory to the City, of its ability to pay for the costs of the Project, as itemized in the Project Budget;
- (4) The Developer shall have delivered to the City a construction schedule for the completion of the Project which shall include the Project Commencement Date and the Project Completion Date; and
- (5) The Developer shall have obtained approval of the Project in accordance with all applicable laws, codes, rules, regulations and ordinances of the City, including without limitation all applicable subdivision, zoning, environmental, building code or any other land use regulations (collectively, the “**City Codes**”), including the issuance of all required permits, it being understood that the City in its capacity as a municipal corporation has discretion to approve the issuance of any such permits.

Section 3.2. Reasonable Efforts and Notice of Termination. The Developer shall use due diligence to timely satisfy the conditions set forth in Section 3.1 above on or before the Project Commencement Date, but if such conditions are not so satisfied or waived by the City, then the City may terminate this Agreement by giving written notice thereof to the Developer. In the event of such termination, this Agreement shall be deemed null and void and of no force or effect and neither the City nor the Developer shall have any obligation or liability with respect thereto.

ARTICLE IV
CITY'S COVENANTS AND AGREEMENTS

Section 4.1. City's TIF Funded Financial Obligations. The City shall have the obligations set forth in this Section 4.1 relative to financing Eligible Redevelopment Project Costs in connection with the Project. Upon the submission to the City by the Developer of a Requisition for Eligible Redevelopment Project Costs incurred and paid and the approval thereof by the City in accordance with Article VI of this Agreement, the City, subject to the terms, conditions and limitation set forth in this Section 4.1 immediately below, agrees to reimburse the Developer, or to pay as directed by the Developer, from the Fund the Completion Reimbursement Amount and the Annual Reimbursement Amounts related to Project at the Property as follows:

(a) **Completion Reimbursement Amount.** Upon the substantial completion of the Project as evidenced by the issuance by the City of a certificate of occupancy for the Project, the City shall pay or reimburse the Developer an amount up to \$175,000.00 of the Eligible Redevelopment Costs for such Completion Reimbursement Amount. Such payment or reimbursement shall be paid at the time and in accordance with Section 6.3 of this Agreement.

(b) **Annual Reimbursement Amounts.** Such Annual Reimbursement Amounts in connection with the Project in any one calendar year shall be equal to sixty-five percent (65%) of the Incremental Property Taxes derived from the Property which are actually received by the City in each such calendar year subject to the terms and limitations of this Section 4.1(b). For the purpose of calculating the total amount of Incremental Property Taxes for each such calendar year in those calendar years in which the ad valorem real estate taxes for the most previous tax year are paid in full, the total equalized assessed value (the "EAV") of the Property for the most previous tax year shall be reduced by the EAV of the Property as assigned by the Champaign County Clerk for tax year 2014, and the result shall be multiplied by the total tax rate of all applicable taxing districts levying taxes upon the Property for any such applicable tax year. The obligations of the City to reimburse the Developer for any Annual Reimbursement Amounts under this Section 4.1(b) shall commence with the calendar year following the calendar year in which the Project Completion Date occurs, and shall terminate: (i) upon reimbursement by the City in accordance with Section 6.3(b) of this Agreement not later than December 31, 2022, the date on which any such Annual Reimbursement Amounts in connection with the Project shall become due and payable; or (ii) at any time the Project ceases continuous commercial operation or "goes dark".

Section 4.2. Defense of Redevelopment Project Area. In the event that any court or governmental agency having jurisdiction over enforcement of the TIF Act and the subject matter contemplated by this Agreement shall determine that this Agreement, including the payment of the Reimbursement Amount to be paid or reimbursed by the City is contrary to law, or in the event that the legitimacy of the Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the City will defend the integrity of the Redevelopment Project Area and this Agreement.

ARTICLE V
DEVELOPER'S COVENANTS

Section 5.1. Commitment to Undertake and Complete Project. The Developer covenants and agrees to commence the Project on or before the Project Commencement Date and to have the Project completed on or before the Project Completion Date. The Developer recognizes and agrees that the City has sole discretion with regard to all approvals and permits relating to the Project, including but not limited to approval of any required permits and any failure on the part of the City to grant or issue any such required permit shall not give rise to any claim against or liability of the City pursuant to this Agreement. The City agrees, however, that any such approvals shall be made in conformance with the City Codes and shall not be unreasonably denied, withheld, conditioned or delayed.

Section 5.2. Compliance with Agreement and Laws During Construction; Prevailing Wages. The Developer shall at all times undertake the Project, including any related activities in connection therewith, in conformance with this Agreement and all applicable City Codes and, to the extent applicable, the Prevailing Wage Act of the State of Illinois (820 ILCS 130/0.01 et seq., the “PW Act”). The Illinois Department of Labor (“IDOL”) has deemed the construction of the Project under this Agreement to be a “public work”, within the meaning of the PW Act, and the Developer assumes the complete risk of compliance with the PW Act. Any agreement of the Developer related to the Project with any contractor or subcontractor shall, to the extent applicable, contain provisions substantially similar to those required of the Developer under this Agreement.

Section 5.3. Continuing Compliance with Laws. The Developer agrees that in the continued use, occupation, operation and maintenance of the Property during the term of this Agreement, the Developer will comply with all applicable federal and state laws, rules, regulations and all applicable City Codes and other ordinances.

Section 5.4. Tax and Related Payment Obligations. The Developer agrees to pay and discharge, promptly and when the same shall become due, all general ad valorem real estate taxes and assessments, all applicable interest and penalties thereon, and all other charges and impositions of every kind and nature which may be levied, assessed, charged or imposed upon the Property or any part thereof that at any time shall become due and payable upon or with respect to, or which shall become liens upon, any part of the Property. The Developer, including any others claiming by or through it, also hereby covenants and agrees not to file any application for property tax exemption for any part of the Property under any applicable provisions of the Property Tax Code of the State of Illinois (35 ILCS 200/1-1 et seq.), as supplemented and amended, unless the City and the Developer shall otherwise have first entered into a mutually acceptable agreement under and by which the Developer shall have agreed to make a payment in lieu of taxes to the City, it being mutually acknowledged and understood by both the City and the Developer that any such payment of taxes (or payment in lieu thereof) by the Developer is a material part of the consideration under and by which the City has entered into this Agreement. This covenant of the Developer shall be a covenant that runs with the land being the Property upon which the Project is undertaken and shall be in full force and effect until December 31, 2040, upon which date this covenant shall terminate and be of no further force or effect (and shall cease as a covenant binding upon or running with the land) immediately, and without the necessity of any further action by City or Developer or any other party; provided, however, upon request of any party in title to the Property, the City shall execute and deliver to such party an instrument, in recordable form, confirming for the record that this

covenant has terminated and is no longer in effect. Nothing contained within this Section 5.4 shall be construed, however, to prohibit the Developer from initiating and prosecuting at its own cost and expense any proceedings permitted by law for the purpose of contesting the validity or amount of taxes, assessments, charges or other impositions levied or imposed upon the Property or any part thereof.

ARTICLE VI
PAYMENT PROCEDURES FOR ELIGIBLE REDEVELOPMENT PROJECT COSTS

Section 6.1. Payment Procedures. The City and the Developer agree that the Eligible Redevelopment Project Costs constituting both the Completion Reimbursement Amount and the Annual Reimbursement Amounts shall be paid solely, and to the extent available, from Incremental Property Taxes that are deposited in the Fund and not otherwise. The City and the Developer intend and agree that both the Completion Reimbursement Amount and the Annual Reimbursement Amounts shall be disbursed by the City Comptroller for payment to the Developer in accordance with the procedures set forth in this Section 6.1 of this Agreement.

The City hereby designates the City Comptroller as its representative to coordinate the authorization of disbursement of both the Completion Reimbursement Amount and the Annual Reimbursement Amounts for the Eligible Redevelopment Project Costs. Payments to the Developer of both the Completion Reimbursement Amount and the Annual Reimbursement Amounts for Eligible Redevelopment Project Costs shall be made upon request therefor, in form reasonably acceptable to the City (each being a “**Requisition**”) submitted by the Developer upon completion of the Eligible Redevelopment Project Costs which have been incurred and paid. Each such Requisition shall be accompanied by appropriately supporting documentation, including, as applicable, receipts for paid bills or statements of suppliers, contractors or professionals, together with required contractors’ affidavits or lien waivers. Each such Requisition shall be submitted to the City by the Developer, if at all, no later than 90 days after the Project Completion Date. In no event shall the City have any obligation to pay or reimburse any amount included in any such Requisition submitted after such 90 days from the Project Completion Date.

Section 6.2. Approval and Resubmission of Requisitions. The City Comptroller shall give the Developer written notice disapproving any Requisition within ten (10) days after receipt thereof. No such approval shall be denied except on the basis that (i) all or some part of the Requisition does not constitute Eligible Redevelopment Project Costs or has not otherwise been sufficiently documented as specified herein; or (ii) a “Default” under Section 7.1 of this Agreement by the Developer has occurred and is continuing.. If a Requisition is disapproved by the City Comptroller, the reasons for disallowance will be set forth in writing and the Developer may resubmit any such Requisition with such additional documentation or verification as may be required, if that is the basis for denial. The same procedures set forth herein applicable to disapproval shall apply to such resubmittals.

Section 6.3. Time of Payment. Provided that performance of this Agreement has not been suspended or terminated by the City under Article VII hereof, the City shall pay:

- (a) so much of the Completion Reimbursement Amount which is approved by any one or more Requisitions under this Article to the Developer within thirty (30) calendar days after: (i) the date of the approval of any such Requisitions; or (ii) the date of

substantial completion of the Project as provided in Section 4.1(b) of this Agreement, whichever date in clause (i) or clause (ii) is later; and

(b) so much of the Annual Reimbursement Amounts which are approved by any one or more Requisitions under this Article to the Developer within thirty (30) calendar days after: (i) the date of the approval of any such Requisitions; or (ii) December 31 of each of the applicable yearly periods between the calendar after the Project Completion Date and 2022, whichever dates in clause (i) or clause (ii) is later.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.1. Events of Default. The occurrence of any one or more of the events specified in this Section 7.1 shall constitute a “**Default**” under this Agreement.

By the Developer:

(1) The furnishing or making by or on behalf of the Developer of any statement or representation in connection with or under this Agreement that is false or misleading in any material respect;

(2) The failure by the Developer to timely perform any term, obligation, covenant or condition contained in this Agreement;

By the City:

(1) The failure by the City to pay the Completion Reimbursement Amount and any Annual Reimbursement Amount which becomes due and payable in accordance with the provisions of this Agreement; and

(2) The failure by the City to timely perform any other term, obligation, covenant or condition contained in this Agreement.

Section 7.2. Rights to Cure. The party claiming a Default under Section 7.1 of this Agreement (the “**Non-Defaulting Party**”) shall give written notice of the alleged Default to the other party (the “**Defaulting Party**”) specifying the Default complained of. Except as required to protect against immediate, irreparable harm, the Non-Defaulting Party may not institute proceedings or otherwise exercise any right or remedy against the Defaulting Party until thirty (30) days after having given such notice, provided that in the event a Default is of such nature that it will take more than thirty (30) days to cure or remedy, such Defaulting Party shall have an additional period of time reasonably necessary to cure or remedy such Default provided that such Defaulting Party promptly commences and diligently pursues such cure or remedy. During any such period following the giving of notice, the Non-Defaulting party may suspend performance under this Agreement until the Non-Defaulting Party receives written assurances from the Defaulting Party, deemed reasonably adequate by the Non-Defaulting Party, that the Defaulting Party will cure or remedy the Default and remain in compliance with its obligations under this Agreement. A Default not cured or remedied or otherwise commenced and diligently pursued within thirty (30) days as provided above shall constitute a “**Breach**” under this Agreement. Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any Default or any Breach shall not operate as a waiver of any such Default, Breach

or of any other rights or remedies it may have as a result of such Default or Breach.

Section 7.3. Remedies. Upon the occurrence of an Breach under this Agreement by the Developer, the City shall have the right to terminate this Agreement by giving written notice to the Developer of such termination and the date such termination is effective. Except for such right of termination by the City, the only other remedy available to either party upon the occurrence of an Breach under this Agreement by the Defaulting Party shall be to institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such Breach, including but not limited to proceedings to compel any legal action for specific performance or other appropriate equitable relief. Notwithstanding anything herein to the contrary, the sole remedy of the Developer upon the occurrence of an Breach by the City under any of the terms and provisions of this Agreement shall be to institute legal action against the City for specific performance or other appropriate equitable relief and under no circumstances shall the City be liable to the Developer for any indirect, special, consequential or punitive damages, including without limitation, loss of profits or revenues, loss of business opportunity or production, cost of capital, claims by customers, fines or penalties, whether liability is based upon contract, warranty, negligence, strict liability or otherwise, under any of the provisions, terms and conditions of this Agreement. In the event that any failure of the City to pay any Annual Reimbursement Amounts which become due and payable in accordance with the provisions hereof is due to insufficient Incremental Property Taxes being available to the City, any such failure shall not be deemed to be a Default or a Breach on the part of the City.

Section 7.4. Costs, Expenses and Fees. Upon the occurrence of a Default or an Breach which requires either party to undertake any action to enforce any provision of this Agreement, the Defaulting Party shall pay upon demand all of the Non-Defaulting Party's charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party's obligations under this Agreement or in any litigation, negotiation or transaction in connection with this Agreement in which the Defaulting Party causes the Non-Defaulting Party, without the Non-Defaulting Party's fault, to become involved or concerned.

ARTICLE VIII

RELEASE, DEFENSE AND INDEMNIFICATION OF CITY

Section 8.1. Declaration of Invalidity. Notwithstanding anything herein to the contrary, the City, its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable to the Developer for damages of any kind or nature whatsoever or otherwise in the event that all or any part of the TIF Act, or any of the TIF Ordinances or other ordinances of the City adopted in connection with either the TIF Act, this Agreement or the Redevelopment Plan, shall be declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Developer is prevented from enjoying the rights and privileges hereof; provided that nothing in this Section 8.1 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts, if any, in the event of a Breach of this Agreement by the City.

Section 8.2. Damage, Injury or Death Resulting from Project. The Developer releases from and covenants and agrees that the City and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for, and agrees to indemnify and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or other acts or omissions of the City, its Corporate Authorities, officials, agents, employees or independent contractors that are contrary to the provisions of this Agreement.

Section 8.3. Damage or Injury to Developer and Others. The City and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for any damage or injury to the persons or property of the Developer or any of its officers, agents, independent contractors or employees or of any other person who may be about the Property or the Project due to any act of negligence of any person, except as such may be caused by the intentional misconduct, gross negligence, or acts or omissions of the City, its Corporate Authorities, officials, agents, employees, or independent contractors that are contrary to the provisions of this Agreement.

Section 8.4. No Personal Liability. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its Corporate Authorities, officials, agents, employees or independent contractors in their individual capacities. No member of the Corporate Authorities, officials, agents, employees or independent contractors of the City shall be personally liable to the Developer (i) in the event of a Default or Breach by any party under this Agreement, or (ii) for the payment of any Annual Reimbursement Amounts which may become due and payable under the terms of this Agreement.

Section 8.5. City Not Liable for Developer Obligations. Notwithstanding anything herein to the contrary, the City shall not be liable to the Developer for damages of any kind or nature whatsoever arising in any way from this Agreement, from any other obligation or agreement made in connection therewith or from any Default or Breach under this Agreement; provided that nothing in this Section 8.5 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts in the event of a Breach of this Agreement by the City.

Section 8.6. Actions or Obligations of Developer. The Developer agrees to indemnify, defend and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all suits, claims and cost of attorneys' fees, resulting from, arising out of, or in any way connected with (i) any of the Developer's obligations under or in connection with this Agreement, (ii) the Project, and (iii) the negligence or willful misconduct of the Developer, its officials, agents, employees or independent contractors in connection with the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or breach of this Agreement by the City, its Corporate Authorities, officials, agents, employees or independent contractors.

Section 8.7. Environmental Covenants. To the extent permitted by law, the Developer agrees to indemnify, defend, and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all claims, demands, costs,

liabilities, damages or expenses, including attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, arising from: (i) any release or threat of a release, actual or alleged, of any hazardous substances, upon or about the Property or respecting any products or materials previously, now or thereafter located upon, delivered to or in transit to or from the Property regardless of whether such release or threat of release or alleged release or threat of release has occurred prior to the date hereof or hereafter occurs and regardless of whether such release occurs as a result of any act, omission, negligence or misconduct of the City or any third party or otherwise; (ii) (A) any violation now existing (actual or alleged) of, or any other liability under or in connection with, any environmental laws relating to or affecting the Property, or (B) any now existing or hereafter arising violation, actual or alleged, or any other liability, under or in connection with, any environmental laws relating to any products or materials previously, now or hereafter located upon, delivered to or in transit to or from the Property, regardless of whether such violation or alleged violation or other liability is asserted or has occurred or arisen prior to the date hereof or hereafter is asserted or occurs or arises and regardless of whether such violation or alleged violation or other liability occurs or arises, as the result of any act, omission, negligence or misconduct of the City or any third party or otherwise; (iii) any assertion by any third party of any claims or demands for any loss or injury arising out of, relating to or in connection with any hazardous substances on or about or allegedly on or about the Property; or (iv) any breach, falsity or failure of any of the representations, warranties, covenants and agreements of the like. For purposes of this paragraph, "hazardous materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601 et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Section 8.8. Notification of Claims. Not later than thirty (30) days after the Developer becomes aware, by written or other overt communication, of any pending or threatened litigation, claim or assessment, the Developer will, if a claim in respect thereof is to be made against the Developer which affects any of the Developer's rights or obligations under this Agreement, notify the City of such pending or threatened litigation, claim or assessment, but any omission so to notify the City will not relieve the Developer from any liability which it may have to the City under this Agreement.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Entire Agreement and Amendments. This Agreement (together with Exhibit A attached hereto) is the entire agreement between the City and the Developer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the parties.

Section 9.2. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the City and the Developer and their respective successors and assigns, nor is anything in

this Agreement intended to relieve or discharge any obligation or liability of any third persons to either the City or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 9.3. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

Section 9.4. Special and Limited Obligation. This Agreement shall constitute a special and limited obligation of the City according to the terms hereof. This Agreement shall never constitute a general obligation of the City to which its credit, resources or general taxing power are pledged. The City pledges to the payment of its obligations under Section 4.1 hereof only such amount of the Incremental Property Taxes as is set forth in Section 4.1 hereof, if, as and when received, and not otherwise.

Section 9.5. Time and Force Majeure. Time is of the essence of this Agreement; provided, however, neither the Developer nor the City shall be deemed in Default with respect to any performance obligations under this Agreement on their respective parts to be performed if any such failure to timely perform is due in whole or in part to the following (which also constitute “unavoidable delays”): any strike, lock-out or other labor disturbance (whether legal or illegal, with respect to which the Developer, the City and others shall have no obligations hereunder to settle other than in their sole discretion and business judgment), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruption of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, acts of God or third parties, or any other cause beyond the reasonable control of the Developer or the City.

Section 9.6. Waiver. Any party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

Section 9.7. Cooperation and Further Assurances. The City and the Developer covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the City or the Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

Section 9.8. Notices and Communications. All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, (c) sent by a nationally recognized overnight courier, delivery charge prepaid or (d) transmitted by telephone

facsimile, telephonically confirmed as actually received, in each case, to the City and the Developer at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of the Developer, to:
HG Dwell, LLC
2441 Village Green Place
Champaign, IL 61822
Attn: Kyle Harrison
Tel: (217) 714-8016 / Fax: (877) 392-4922
- (ii) In the case of the City, to:
City of Urbana, Illinois
400 South Vine Street
Urbana, IL 61801
Attn: Community Development Director
Tel: (217) 384-2439 / Fax: (217) 384-0200

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

Section 9.9. Assignment. The Developer agrees that it shall not sell, assign or otherwise transfer any of its rights and obligations under this Agreement without the prior written consent of the City. Except as authorized in this Section above, any assignment in whole or in part shall be void and shall, at the option of the City, terminate this Agreement. No such sale, assignment or transfer as authorized in this Section, including any with the City's prior written consent, shall be effective or binding on the City, however, unless and until the Developer delivers to the City a duly authorized, executed and delivered instrument which contains any such sale, assignment or transfer and the assumption of all the applicable covenants, agreements, terms and provisions of this Agreement by the applicable parties thereto.

Section 9.10. Successors in Interest. Subject to Section 9.9 above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respectively authorized successors, assigns and legal representatives (including successor Corporate Authorities).

Section 9.11. No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of either of the City or the Developer shall be construed by either of the City, the Developer or any third party to create the relationship of a partnership, agency, or joint venture between or among the City and any party being the Developer.

Section 9.12. Illinois Law; Venue. This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by any party to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

Section 9.13. Term. Unless earlier terminated pursuant to the terms hereof, this Agreement shall be and remain in full force and effect from and after the Effective Date and shall terminate on December 31, 2022 (the "**term**"), provided, however, that anything to the contrary notwithstanding,

the Developer's obligations under Section 5.4 and Article VIII of this Agreement shall be and remain in full force and effect in accordance with the express provisions thereof.

Section 9.14. Construction of Agreement. This Agreement has been jointly negotiated by the parties and shall not be construed against a party because that party may have primarily assumed responsibility for preparation of this Agreement.

[Signature page immediately following this page]

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed by their duly authorized officers or manager(s) as of the date set forth below.

**CITY OF URBANA, CHAMPAIGN COUNTY,
ILLINOIS**

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Date: _____

HG DWELL, LLC

By: _____
Kyle Harrison, its Authorized Manager

By: _____
Megan Gillette, its Authorized Manager

Date: _____

[Exhibit A follows this page and is an integral part of this Agreement in the context of use.]

EXHIBIT A

Description of Property

Tract 1:

Lot 22 of James T. Roe's Third Addition, as per plat recorded in Deed Record "D" at Page 281, in Champaign County, Illinois, EXCEPT the East 11.5 feet thereof, AND EXCEPT the following described tract:

Commencing at a point on the South line of said Lot 22, 20.5 feet West of the East line of said Lot, thence Northeasterly to a point 11.5 feet West of the East line of said Lot, and 15 feet North of the South line of said Lot, thence South to a point on the South line of said Lot, 11.5 West of the East line of said Lot, thence West to the point of beginning, in Champaign County, Illinois.

Tract 2:

The East One-third of Lot 21 of James T. Roe's Third Addition, as per plat recorded in Deed Record "D" at Page 281, in Champaign County, Illinois.

Tract 3:

All that portion of the vacated alley lying between Lots 21 and 22 of James T. Roe's Third Addition, as per plat recorded in Deed Record "D" at Page 281, in Champaign County, Illinois.

Tract 4:

Commencing at the Northeast Corner of Lot 22 of James T. Roe's Third Addition to Urbana, Illinois; thence North along the West right-of-way line of Race Street 12 feet to the Southeast Corner of Lot 7 of said Addition; thence Westerly along the South lines of Lots 7, 8, 9 and 10 of said Addition to the Southwest Corner of said Lot 10; thence South to the Northwest Corner of the East One-third of Lot 21, thence Easterly along the North line of said Lots 21 and 22 to the Northeast Corner of said Lot 22, the point of beginning, EXCEPT the East 11.5 feet of the tract, in Champaign County, Illinois.

Tract 5:

Lot 9, except the North 105 feet thereof, of James T. Roe's Third Addition, as per plat recorded in Deed Record "D" at Page 218, in Champaign County, Illinois; and

The East Half of the vacated alley lying West of and adjacent to Lot 9, except the North 105 feet of said alley, in Champaign County, Illinois.

Commonly known as 202 West Illinois Street

PIN: 92-21-17-213-005

ATTACHMENT B

ORDINANCE NUMBER 2015-03-024

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE, FY2014-15
(Redevelopment Agreement with HG Dwell LLC)

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2014, and ending June 30, 2015, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

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

Section 1. That the Annual Budget be and the same is hereby revised to provide as follows:

FUND: Tax Increment Financing District Two Fund		
ADD EXPENSE :	202 W Illinois Development Costs	
	T10 1 1300-4017	\$175,000
REDUCE :	Fund Balance	
	T10 0 0001-0199	\$175,000

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

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

AYES:
NAYS:
ABSTAINED:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

202 West Illinois Street



This map application was prepared with geographic information system (GIS) data created by the Champaign County GIS Consortium (CGISC), or other CGISC member agency. These entities do not warrant or guarantee the accuracy or suitability of GIS data for any purpose. The GIS data within this application is intended to be used as a general index to spatial information and not intended for detailed, site-specific analysis or resolution of legal matters. Users assume all risk arising from the use or misuse of this application and information contained herein. The use of this application constitutes acknowledgement of this disclaimer.

Attachment D

THE
Abbey
premier event venue

SPIRE \ WORKS
urban-chic office space



It is never easy to disassociate a religious building from its original use.

*Removing it from its symbolic meaning is somewhat unnatural and leaves behind a mere shell. Changes in society over the past few decades, however, have led to clearing out these buildings as well as giving impetus to the understanding that they should remain intact even for their historic legacy and/or architectural value. **The restructuring of these buildings is therefore as inevitable as it is desirable.** It is important to recall that the town is and always has been a result of an accumulation of [...layers, which piled] on top of each other over time, have shaped and adapted themselves to the new demands of each one of its historical monuments. Consequently, the transformation of its buildings should not be seen in a negative light, but rather as **intrinsic to the growth and evolution of every town.***



Saving The Sanctuary: Proposed Redevelopment of 202 W Illinois St.

The proposal for this project is to re-purpose a historic, Downtown Urbana building as an event, as well as industrial-chic office space. This historic building is the oldest church standing in town, located at 202 W. Illinois Street in Urbana, Illinois. It was built as the First Baptist Church in 1896, by Urbana native, architect Emery Stanford Hall.

The development firm, HG Dwell LLC., plans to renovate the inside of the building, while maintaining and restoring the original architectural elements that have been lost over time, such as the two historical bell towers, as budget permits. This building has over 18,000 square feet of space, and room for an estimated 500+ visitors for events and 100+ office tenants.

The plans for renovation and restoration include:

- renovating the kitchen for use as a certified commercial kitchen for Farmer's Market vendors and caterers in need
- removal of internal, post-original construction
- tuck-pointing and structural repair of masonry, re-roofing of entire structure and rebuilding of bell towers, as budget permits
- leveling the floor with new hardwood, portable cocktail bars, architectural and theatrical lighting,
- a bourbon tasting room in one of the two bell towers
- renovated office space with modern amenities.

Our conversation with the Champaign County Visitors Center tell us that there is high demand for interesting, unique, beautiful event space for the conventions they market to. Our sales projections are very good:

New Tax Revenue

Food: \$15,120 /year x 5 yrs = \$75,600
Alcohol: \$22,680/year x 5 yrs = \$113,400
Property Taxes: \$23,000/year 5 yrs = \$115,000
(on the new assessment of ~\$652,000)

5 year total estimated \$304,000 New Tax Revenue

Project Cost Breakdown

Purchase Price	\$620,000
Construction: Office Space	\$380,000
Construction: Event Space	\$420,415
Construction: Exterior	\$251,973
<u>Contingency Funds</u>	<u>\$200,000</u>
TOTAL PROJECT COST	\$1,872,388

This is not to mention the outside tourism dollars this will bring to the community. We also anticipate that this venue will be a catalyst to the New Urbanism movement of Downtown Urbana.

In addition, we would hope the City of Urbana would collaborate with us on:

- improving street-scaping in the intersection of Race and Illinois as well as increased visibility of the crosswalk.
- Access to larger-scale parking, or a contractually set up shuttle or valet parking.
- A zoning variance to include restaurant status for flexibility
- A banquet liquor license.

Without our acquisition and restoration of this Urban Landmark, it will deteriorate further to the point of it not being financially feasible to repair and turn into a safety concern. We look forward to working with the city to preserve this impressive example of historic downtown architecture. This creative reuse will restore it as a gathering place in the heart of the community.





copyright 2015 davidkwarfel

THE Abbey



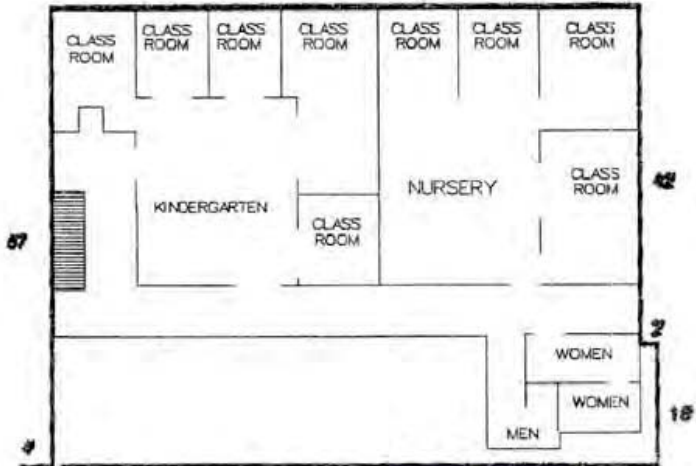


SPIRE ^ WORKS





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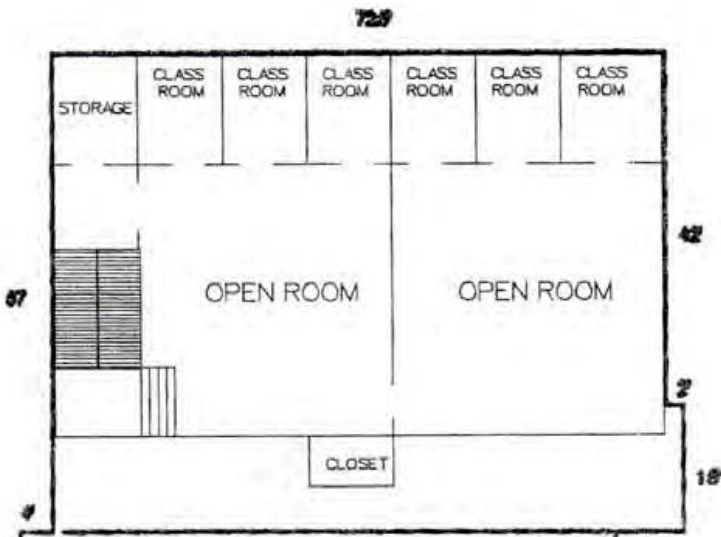


First Floor Plan: approx. 4035sqft.



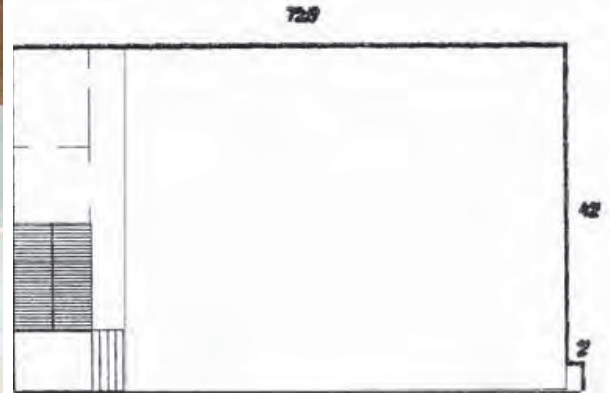


SPIRE ^ WORKS



Second Floor Plan: approx. 4035sqft





Third Floor Plan: approx. 3400sqft.

SPIRE ^ WORKS

