

AN ORDINANCE
APPROVING AN APPLICATION FOR AN URBAN
DEVELOPMENT ACTION GRANT AND AUTHORIZING
THE MAYOR TO EXECUTE THE SAME

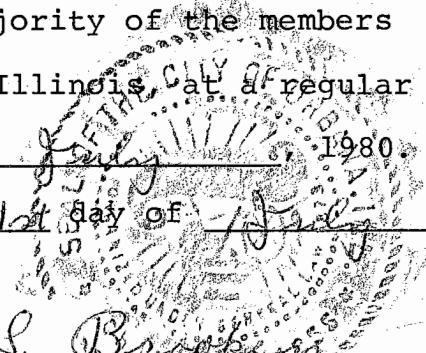
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA,
ILLINOIS, as follows:

1. That the attached Application for Federal Assistance under the Urban Development Action Grant Program, a copy of which is attached hereto and hereby incorporated by reference, be and the same is hereby approved.

2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized and directed to execute such Application for and on behalf of the City of Urbana, Illinois.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said Council on the 21st day of July, 1980.

PASSED by the City Council this 21st day of July,
1980.

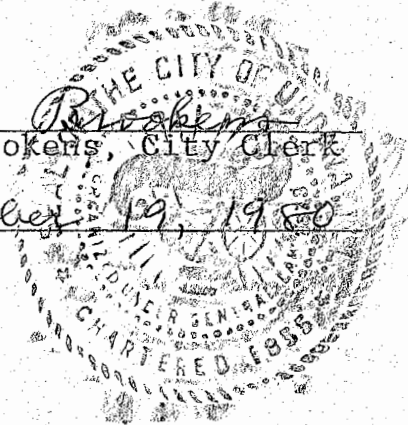

Ruth S. Brookens
Ruth S. Brookens, City Clerk

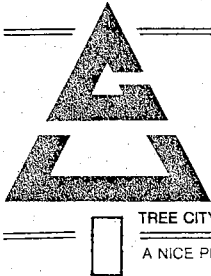
APPROVED by the Mayor this 21st day of July,
1980.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN
ORDINANCE NO. 8081-4 AND IS INCORPORATED
THEREIN BY REFERENCE.

Ruth S. Brookens
Ruth S. Brookens, City Clerk
September 19, 1980
Date





CITY OF URBANA

400 SOUTH VINE STREET • URBANA, ILLINOIS, 61801

TREE CITY, USA

A NICE PLACE TO LIVE

July 28, 1980

Mr. Elmer Binford
c/o Department of H.U.D.
Number 1 North Dearborn
Chicago, IL 60602

Dear Mr. Binford:

Please find attached the City of Urbana application for an Urban Development Action Grant. We feel confident this application and project meet the goals and objectives of the U.D.A.G. program.

If you have questions regarding this application, please feel free to contact Mr. Bruce Walden at 217-384-2444.

Respectfully,


Charles C. Troppito
Chief Administrative Officer

:cu

attachment

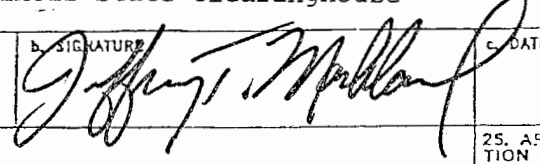
CITY OF URBANA

U.D.A.G. Application

Downtown Redevelopment Program

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D. Jumer's Castle Lodge Documentation	

FEDERAL ASSISTANCE		2. APPLICANT'S APPLICATION		3. STATE APPLICATION IDENTIFIER		a. NUMBER		b. DATE Year month day	
1. TYPE OF ACTION <input type="checkbox"/> PREAPPLICATION <input checked="" type="checkbox"/> APPLICATION (Mark appropriate box) <input type="checkbox"/> NOTIFICATION OF INTENT (Opt.) <input type="checkbox"/> REPORT OF FEDERAL ACTION		a. NUMBER b. DATE 1980 7 31		a. NUMBER b. DATE Year month day ASSIGNED 19		Leave Blank			
4. LEGAL APPLICANT/RECIPIENT						5. FEDERAL EMPLOYER IDENTIFICATION NO.			
a. Applicant Name : City of Urbana b. Organization Unit : Mayor/Council c. Street/P.O. Box : 400 S. Vine Street d. City : Urbana e. County : Champaign f. State : Illinois g. ZIP Code: 61801 h. Contact Person (Name & telephone No.) : Bruce Walden (217) 384-2444						S. PRO. GRAM (From Federal Catalog) a. NUMBER 140218 b. TITLE Urban Development Action Grant Program			
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT						8. TYPE OF APPLICANT/RECIPIENT			
Provision of UDAG funds, \$500,000 to be fully recaptured, at 6% interest for 20 years by private developer which will be used for the construction of a new bank facility, expansion of a renovated hotel, and the provision of public parking on portions of three square blocks in the Central Business District.						A-State H-Community Action Agency B-Interstate I-Higher Educational Institution C-Substate District J-Indian Tribe D-County K-Other (Specify): E-City F-School District G-Special Purpose District Enter appropriate letter <input checked="" type="checkbox"/> E			
9. TYPE OF ASSISTANCE						12. TYPE OF APPLICATION			
A-Basic Grant D-Insurance B-Supplemental Grant E-Other C-Loan Enter appropriate letter(s) <input type="checkbox"/> A <input type="checkbox"/>						A-New C-Revision E-Augmentation B-Renewal D-Continuation Enter appropriate letter <input type="checkbox"/> A			
10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.)						11. ESTIMATED NUMBER OF PERSONS BENEFITING			
Urbana, Illinois						City			
13. PROPOSED FUNDING						14. CONGRESSIONAL DISTRICTS OF:			
a. FEDERAL \$ 525,000.00 b. APPLICANT .00 c. STATE .00 d. LOCAL 2,000,000.00 e. OTHER 7,877,000.00 f. TOTAL \$ 10,402,000.00						a. APPLICANT 21 b. PROJECT 21 16. PROJECT START DATE Year month day 19 80 10 1 17. PROJECT DURATION 48 Months 18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY Year month day 1980 7 31			
15. TYPE OF CHANGE (For 15c or 15d)						19. EXISTING FEDERAL IDENTIFICATION NUMBER			
A-Increase Dollars F-Other (Specify): B-Decrease Dollars C-Increase Duration D-Decrease Duration E-Cancellation Enter appropriate letter(s) <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						N/A			
20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)						21. REMARKS ADDED			
Department of Housing and Urban Development, Chicago, IL 60602						<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
22. THE APPLICANT CERTIFIES THAT						a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved. b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached:			
						(1) Champaign County Reg. Plan. Commission <input type="checkbox"/> <input checked="" type="checkbox"/> (2) Illinois State Clearinghouse <input type="checkbox"/> <input checked="" type="checkbox"/> (3) <input type="checkbox"/> <input type="checkbox"/>			
23. CERTIFYING REPRESENTATIVE						24. AGENCY NAME			
a. TYPED NAME AND TITLE Jeffrey Markland, Mayor b. SIGNATURE  c. DATE SIGNED Year month day 1980 7 31						Year month day TION RECEIVED 19			
26. ORGANIZATIONAL UNIT						27. ADMINISTRATIVE OFFICE			
29. ADDRESS						28. FEDERAL APPLICATION IDENTIFICATION			
31. ACTION TAKEN						30. FEDERAL GRANT IDENTIFICATION			
<input type="checkbox"/> a. AWARDED <input type="checkbox"/> b. REJECTED <input type="checkbox"/> c. RETURNED FOR AMENDMENT <input type="checkbox"/> d. DEFERRED <input type="checkbox"/> e. WITHDRAWN						32. FUNDING a. FEDERAL \$.00 b. APPLICANT .00 c. STATE .00 d. LOCAL .00 e. OTHER .00 f. TOTAL \$.00 33. ACTION DATE Year month day 19			
36. FEDERAL AGENCY A-95 ACTION						34. STARTING DATE Year month day 19			
a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part 1, OMB Circular A-95, it has been or is being made. b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)						35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number) 36. ENDING DATE Year month day 19 37. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No			

SECTION I - APPLICANT/RECIPIENT DATA

SECTION II - CERTIFICATION

SECTION III - FEDERAL AGENCY ACTION

PART II

DESCRIPTION OF PROPOSED PROJECT

A. PROJECT SUMMARY

The City of Urbana, Illinois proposes to preserve and redevelop three square blocks in Downtown immediately northwest of the Lincoln Square Mall. See the following proposed site plan. Specifically, the City proposes to assist the Busey First National Bank in the revitalization of the complete block where it is presently located bounded by Elm, Race, Main, and Cedar Streets. The new Bank Building will be located between the existing Bank and the Bank's Computer Building. The two-story building will have approximately 11,000 square feet on each floor with the vault located on the basement area for an additional 3,000 square feet of finished space. The cost of the new facility is \$4.0 million with an additional \$1.37 million provided in equity from completed land acquisition. The facility will include a nine-unit drive-up facility and approximately 96 parking spaces.

The City has proposed to receive \$525,000 of Urban Development Action Grant money for this project, \$25,000 of which is for City administration. Busey Bank is presently limited by regulatory law 12 U.S.C. 82, regarding its normal indebtedness to \$3.5 million under its present capital structure. Thus, the \$500,000 portion of the UDAG will be necessary for the proposed development of \$4.0 million. The Bank has agreed to repay the total \$500,000 to the City at 6% interest and principal for twenty years. In addition, arrangements have been made for the sale of \$3.5 million of Commercial Revenue Bonds by the City of Urbana.

The UDAG loan is an absolute necessity for the Bank transaction as part of the total UDAG project and redevelopment program consisting of two other transactions. The recapture of the \$500,000 loan (estimated at \$42,960 per year for twenty years) will be 100% committed to the development of a 300± space public parking facility on a part of the block just east of the Bank. This approximately \$2.0 million facility will meet some of the total parking needs of Downtown as well as the needs of the third transaction. If the City and Bank receive the UDAG and the parking facility is built, Jumer's Castle Lodge, Inc. will expand its present 62-room facility which was the 1927 Urbana-Lincoln Hotel, renovated several years ago by Jumer's. Presently, the Hotel is losing money monthly due to its small size and related overhead and will close its doors in the near future if the parking facility/hotel expansion is not built. Specifically, the hotel expansion consists of 38,500 square feet (69 new rooms) on four floors located on the present site of the Empire Building and City Parking Lot #3, just south of the proposed parking facility.

The proposed 69-room addition would continue the design tradition of the existing hotel with oriental carpeting, custom furnishings, draperies, spreads and wallhangings. The new indoor swimming pool would also include a solarium, whirlpool bath, saunas, lockers and an exercise club available to hotel guests and private membership. A large game room is also planned for hotel guests. This entire recreational facility would be located on the first and second floor of the new structure.

The balance of the first floor would be designed as a convention and meeting facility, with capabilities of serving 450-500 people for banquets, seminars, exhibits and conventions. The entire area would be equipped with audio-visual equipment, sound system and complete banquet and bar service, and would be subdivided into several smaller meeting rooms. The rooms, which are designed without columns, would be a dramatic addition to downtown Urbana's desirability as a meeting and convention site.

The City of Urbana will assist in the financing of the Hotel expansion by the issuance of Economic Development Bonds for \$3.0 million with the full faith and credit of the City. However, the Hotel will not expand without the new parking facility as partially financed by the UDAG repayment. This UDAG project and redevelopment has strong local support as evidenced by letters from the C.B.D. Redevelopment Commission and Chamber of Commerce included herein.

All required land parcels in the project area are either owned in fee simple title or under options. Hence, the \$525,000 UDAG will generate a private investment of \$7.87 million and approximately a \$2.0 million public parking facility. Furthermore, \$25,000 of the UDAG will go to program administration with \$500,000 to be recaptured by the City for the parking facility at 6% annual interest and principal for twenty years. Over the life of the program, the City will receive approximately \$859,200 in recaptured funds, or \$42,960 annually.

The Bank and Hotel have prepared Letters of Intent, bond issuance memoranda of intent by the City are secure, and purchasers of the bonds express their commitment herein. The City also indicates its commitment to build a parking facility with a combination of resources, requiring the UDAG repayment to cover approximately 19% of debt amortization.

The proposed project will provide an increase to the tax base of approximately \$2,100,000. This will provide \$152,838 in annual real estate (additional) taxes based on the current tax rate of \$7.278 per \$100 of assessed valuation. This increase in real estate taxes will be retained as a part of Urbana's downtown tax increment program to accomplish planned activities.

The Bank will expand its operations by 80 new employees in four years and the Hotel will add 28 new employees. As important, since the Hotel will not have to close down its operation, 172 of the present jobs will be retained for a permanent total job retention/expansion of 280, approximately one job for every \$1,875 of UDAG funds. Many of these jobs are directly for low and moderate income employees.

The additional data on the vital impacts of this UDAG project on the rest of Downtown are contained herein. This tightly interrelated project will be a key catalyst to continued economic development of the City. Without the UDAG, this project will not go forward!

Thus, the City of Urbana, Jumer's Castle Lodge, Inc. and Busey Bank have formed a cooperative partnership to launch a major redevelopment effort that is designed to restore downtown Urbana and return it to long-term economic life and stability.

B. DETAILED PROJECT DESCRIPTION

1. Statements of Problems and Objectives

a. Community Problems Including Those To Be Alleviated By The Project

Urbana's physical and economic problems are interrelated as in many older communities. Physical deterioration and sub-optimal land usage contribute to job loss and economic stagnation in the Central Business District. Out-migration of retail, hotel and office establishments from downtown to suburban locations drains the economic vitality of the City and leads to dispersed new development, which makes inefficient use of existing public facilities and utilities.

In its Three-Year Community Development Comprehensive Plan, the City of Urbana emphasizes the need for economic development based upon public and private cooperation and aimed at long-term economic growth. Because the downtown area has been hurt by the development of an outlying shopping mall, the City sees a strong need to direct further new development to areas inside existing City limits, particularly to the downtown area.

The City of Urbana has been classified as economically distressed for UDAG based primarily on economic deficiencies:

- 11.55% of the population of the City is below the poverty level
- The net increase in per capita income between 1969 and 1974 was \$1,370.
- 41.74% of the housing in the City was constructed prior to 1940

Physical conditions in downtown tend to impede the expansion of job opportunities there. Existing buildings are in many cases obsolete for modern office uses. Redevelopment in downtown involves certain complications that are not encountered in new development on the urban fringe. However, compact downtown redevelopment is central to Urbana's strategy for rational growth of the City. Besides the obvious advantage of efficient public utility usage with downtown redevelopment, there are the additional advantages of facilitating the maintenance of public transportation and conserving the prime agricultural land that surrounds Urbana.

Obstacles to attracting new job opportunities and new physical development to downtown Urbana include the difficulties and expense of land assembly, higher land costs downtown, and often the need for demolition of existing structures before modern commercial facilities can be constructed.

Specifically, regarding this UDAG project, the following direct problems are proposed to be resolved.

- The assemblage of land for this three-block project has already been completed and marketability has been determined. However, the feasibility of the project is not adequate to finance the project without the UDAG approval, combined with other public/private resources.
- The Busey Bank cannot complete the project as proposed because regulatory law 12 U.S.C. 82 limits the normal indebtedness

of national banks. Busey Bank is currently limited to an indebtedness of \$3.5 million under its present capital structure.

- Without the repayment of UDAG funds by Busey Bank back into the project, specifically for the parking facility of 300⁺ spaces, the facility will not be developed. The UDAG repayment is a key financial resource to the retirement of the parking facility's debt. Furthermore, without the development of the Busey Bank and Jumer's Hotel, the tax increment program for additional revenue for the parking facility would not be sufficient in combination with the UDAG repayment for debt retirement.
- If the UDAG is not approved to Busey Bank and the parking facility is not developed because there would not be a UDAG repayment, Jumer's will not pursue the expansion of the hotel and will close shortly. Therefore, the joint redevelopment program will not be accomplished. The spin-off of such a decision would be a devastating blow to downtown Urbana as 172 permanent jobs at the hotel would be directly lost, 28 new jobs and 40 construction jobs would be lost, and other directly related sales and real estate taxes lost. Furthermore, this present facility which was the rehabilitation of a previously abandoned hotel into a modern, elegant attraction to downtown Urbana, will have been lost in a matter of approximately 3 years since it opened, thereby creating a negative image for downtown as a place to invest.
- The market study for Jumer's Hotel, prepared by Real Estate Research Corporation, supports the expansion program. Complete copies of this market study are included in Binders No. 1 and 3.
- The closing of Jumer's would have a severely negative impact on the downtown retail core, Lincoln Square (Carson Pirie Scott anchor), because it is directly tied into the mall creating substantial pedestrian traffic to the shopping center. In fact, Jumer's is considered paramount to the economic vitality of the mall.

From 1970 to 1978, the City of Urbana's retail sales grew only 105% compared to 132% for the county. As a percent of the total county's sales in this period, Urbana declined from 18% to 16%.

Within the last five years, a 500,000 square foot suburban shopping center was built outside of Urbana and has had a very negative impact on downtown's modern mall. Hence, every effort must continue to support the numerous jobs and tax base created by Lincoln Square. Over the past several months, Lincoln Square has lost a shoe store, yarn store, fabric store, and an art/framing shop. In addition, downtown Urbana has lost Montgomery Wards, Sears, two appliance stores, several restaurants, an outdoor equipment store, A & P Grocery store, two hardware stores, a dress shop and others over the last several years. Obviously, downtown retailing provides substantial jobs for low and moderate income earners.

In addition to revitalizing the old Urbana-Lincoln Hotel built in 1927, numerous adjacent buildings under renovation would be greatly benefitted by the project, including the Champaign County Courthouse, Masonic Temple, Cogdal & Hobbs Building, and seven other buildings.

- Also, the parking deficiency downtown of 1,019 spaces needs to be remedied in order to continue the strength of the Lincoln

Square and downtown area. Parking in this block was cited as paramount in the Demetriou Plan in 1977 and the City's update last year.

A recently completed (July, 1980) parking and traffic study by Clark Dietz Engineers suggests that 300 spaces be provided on this site for demand generated by Jumer's, shoppers, nearby government facilities, and Busey Bank. Copies of the study are available upon request.

b. Objectives for Overcoming Problems Described Above

Urbana's development objectives, as described in Recommendations for the Revitalization of Downtown Urbana, 1977 (prepared by Angelos C. Demetriou & Hammer, Siler, George Associates), Downtown: Urbana's Future, 1979 (a staff report to the Downtown Development Commission), the Three Year Community Development Comprehensive Plan adopted in 1979, and other documents include the following:
(copies of these will be provided upon request)

• General Objectives

- 1) Creation of job opportunities, especially for low and moderate income employees, for all members of the community by promoting economic development.
- 2) Correction of Urbana's labor market problem of underemployment of many University-trained individuals and the resulting unemployment of less skilled workers.
- 3) Direction of a substantial percentage of new development to areas inside existing City limits, particularly to the Downtown area.
- 4) Encouragement of local firms to remain in Urbana by assisting in the location of expansion sites, extending services, and considering requests for industrial or commercial revenue bond financing and other sources of finance.
- 5) Provision of technical and financial assistance for the redevelopment of dilapidated or outmoded facilities which blight adjacent commercial areas.
- 6) Giving priority to public investments such as parking designed to maintain or increase the vitality of Downtown.
- 7) Maintenance of healthy commercial areas free of chronically vacant buildings.
- 8) Development of expanded programs and activities to draw people (tourists, conventioners, local households, etc.) to the Downtown and make the area an interesting and pleasant experience on a daily basis.
- 9) Evaluation of public decisions such as zoning and industrial revenue bond policy as it relates to the health of the Downtown area.
- 10) Capitalization upon the office, service, and retail sectors which have market growth potential in Downtown, especially in the finance, insurance, real estate sector; government; and the transient facility services sector.

● Specific Objectives

- 1) Development of the potential sites by 1985 on which the City could encourage private development with this UDAG project fulfilling two of these priorities as described in the staff's 1979 report.
- 2) Provision of financial assistance through the issuance of revenue bonds (commercial and tax increment) required to implement this project in combination with UDAG and other sources.
- 3) Provision of adequate parking to meet the needs of these potential sites for development as well as to meet part of the overall Downtown needs.
- 4) Retention of 172 jobs in the transient facility sector and expansion of service sector jobs, especially for the benefit of low and moderate income employees.
- 5) Expansion of new service sector jobs and absorption of related development in Downtown.
- 6) Expansion of 28 and 80 new jobs in the hotel and bank facility, respectively.

c. Strategies for Reaching Objectives

Urbana's strategy for achieving its economic and physical development objectives is to coordinate public and private investment and to use public land use controls, finance mechanisms, and development incentives to bring about planned development. The previously highlighted Downtown plans stressed some very key considerations which this project directly implements.

The Central Business District of Urbana serves a population of approximately 35,000 people, 14,000 of which are students. Urbana is the County Seat of Champaign County, representing an SMSA of 170,000 people. The first major redevelopment effort in Downtown Urbana was undertaken in the early 1960's with the construction of Lincoln Square, an enclosed shopping mall of approximately 283,000 gross square feet, surrounded by parking. The shopping Mall was opened in September, 1964. This daring action has given central Urbana a unique strength, not easily found in other comparable cities. The shopping Mall was developed over a nine-block area in the heart of the City, which was cleared and redeveloped according to the plans at that time.

Notwithstanding, this strong redevelopment action did not have the anticipated beneficial effects on those parts of Downtown which are outside the nine-block area. In many ways, the shopping Mall has impacted Downtown in the same way that a suburban mall affects central cities. The Mall, surrounded by parking, is totally isolated from the commercial and business establishments of Main, Vine, Illinois, and Race Streets and has delayed their modernization and expansion. Indeed, there are no practical, functional or aesthetic linkages between Lincoln Square and the surrounding segments of Downtown. In fact, the unity of this central business space is severely fragmented. A number of efforts to resolve this problem and to expand the shopping Mall to the north and the west in order to create a more integrated complex have not as yet met with success, due to the many legal and financial problems associated with such an action.

The development and redevelopment atrophy surrounding Lincoln Square may be interpreted as follows. The Mall is an introverted architectural complex, fully air-conditioned and weather-protected, surrounded by large areas of surface parking. These qualities, inasmuch as they make the Mall highly attractive and efficient, accentuate by contrast the inefficiencies of the surrounding Downtown space, and they intensify the isolation of the Mall from its surroundings.

These observations do not represent a speculative hypothesis, but are facts proven by existing situations over the last twelve years. The physical arrangements of buildings, roads and parking, as they stand today are not conducive to development within or around Lincoln Square. This UDAG program attempts to capitalize upon the strengths of the shopping Mall, to reinforce its position in light of recent competitive trends and, through proper development actions, integrate the Mall with the surrounding areas.

The Demetriou plan of 1977 was site specific regarding the linkage of the then abandoned Urbana-Lincoln Hotel to be rehabilitated and linked directly to the Lincoln Square. The City fully implemented this step by attracting Jumer's into the project. In fact, the Busey Bank was even being courted to take over that block since the Bank had already started planning for a new facility.

Furthermore, the site for the parking facility was a major recommendation of the 1977 Demetriou plan. In essence, the City has followed these and other recommendations of the plan to implement a revitalization strategy for a large segment of the CBD.

The 1979 staff report to the Council focused directly on this UDAG project as meeting 2 of the 5 priority sites for downtown redevelopment. In fact, the report states best the strategy for this development and what the City's posture was a year ago in trying to implement this project:

"Busey Bank Block

The Busey Bank Block holds the potential of becoming a major downtown improvement. While the Committee feels the project may be an eventuality, the City can have substantial influence on the time frame and scope of the development. The City's revenue bonding capacity could be used as an incentive for a more immediate and perhaps larger scale development than otherwise might be expected to occur if only conventional financing were utilized in the present and foreseeable economy.

BDC Development Block (Jumer's and the parking area)

In the Committee's judgement, an expansion of Jumer's Castle Lodge to include meeting and banquet facilities plus an addition of 50 to 80 additional rooms would be desirable from several standpoints. Jumer's is a major hotel facility in close proximity to the University of Illinois that may, if expanded as suggested, play a greater role in serving area seminar/convention needs. Secondly, such an expansion could attract larger groups to downtown Urbana who would in turn spend more retail dollars in Urbana.

Additionally, this project could be folded into development of the adjacent parking facility block to constitute a major public/private development project.

The Committee has determined that Jumer's will soon be in a financial position to consider an expansion of this magnitude. The Urbana Jumer's is the smallest of the three Jumer's facilities and the Committee feels it would be in the public interest for the City to consider providing financial inducements to expand the current facilities. While the Committee claims to profess no knowledge of Jumer's, Inc., financial position, the Committee feels it is safe to assume that the Urbana Jumer's is the smallest and the least revenue-generating of the three Jumer's facilities and thus most susceptible to adverse economic pressures. It therefore would be in the City's best interest to assure that the Urbana Jumer's is in a favorable competitive position with the other two Jumer's locations.

The Committee strongly recommends consideration of developing an enclosed parking facility in downtown Urbana. Such a facility would meet the City's parking needs identified earlier in this report. A commitment to construct a parking facility would serve as a powerful inducement to further downtown development and is viewed by the Committee as a necessary precondition to demonstrate the City's commitment to downtown development.

The size of such a facility would be determined by the City's judgement of current demands and commitment to future projects. In discussions with potential developers and financiers, it has been repeatedly stated that parking is a critical need the City must address prior to private development occurring.

Location of the parking facility could be combined with a Jumer's expansion project, thus lowering overall financing costs."

Based on these two plans, the comprehensive strategy which includes this UDAG project as a key priority is as follows:

- 1) Expand the nine-block Lincoln Square in all directions in coordinated increments in order to make Downtown an economically functioning entity capitalizing on various markets and jobs most economically feasible.
- 2) Assure that the successful renovation of the historic Urbana-Lincoln Hotel (now Jumer's) -- a structure scheduled for demolition by December, 1976 -- continues to be a strong anchor Downtown.
- 3) Assure that parking is improved in Downtown with special emphasis placed on a facility for the block bounded by Main, Broadway, Elm, and Race Streets.
- 4) Industrial and commercial revenue bonding capacity will be used when feasible to facilitate development consistent with the City's purposes. This financing technique is needed to obtain investment of the size needed to significantly improve physical conditions and economic opportunities Downtown and to make central business district development competitive with opportunities at the urban fringe.
- 5) Federal grant money will be sought to provide financial conditions not otherwise available for projects of particular merit, such as this UDAG proposal which would anchor one side of the Lincoln Square Mall with a major financial/hotel/parking development.
- 6) Loan proceeds of downtown economic development will be used to achieve neighborhood revitalization and economic development goals spelled out in the Community Development Comprehensive Plan.

d. Evidence of Need by the Applicant

The City of Urbana will take an active role in securing financial incentives to the private sector via bond financing. However, it is impossible to finance the public parking facilities without the UDAG which will provide roughly 19% of debt amortization. The City recognizes its responsibilities to meet local needs with local revenues as possible and is committed to the additional local funding required.

2. O.E.D.P. Conformance

Not applicable.

3. Project Feasibility Analysis

- The Busey Bank has determined that it has the financial capacity to build its new facilities, although limited to a \$3.5 million indebtedness by regulatory laws. However, the UDAG loan is required to build the project as proposed.
- Presently, a detailed parking analysis is being prepared by Clark Dietz Engineers with specific recommendations for the scale, accessibility, and costs of the proposed parking facility.

Preliminary plans are for a 300[±] space parking facility estimated at \$2.0 million. Assuming bond financing for 20 years at 10%, annual debt amortization would be \$228,200. Sources of finance for this facility include the following:

UDAG Repayment by Bank	\$ 42,960 (annual)
Tax Increment	\$280,000 (annual)
Parking Fund	\$ 25,000 (annual)
Other Sources	Undetermined from C.D. and local sources

Stifel, Nicolaus & Company (financial counselors) have participated extensively in the preliminary planning of the parking facility and the tax increment program and express their interest in financing the project herein. (See letter in Exhibit A.)

- Jumer's Castle Lodge is basing its decision on expansion through a market study prepared by Real Estate Research Corporation. Specifically, the market study indicates the need to expand Jumer's present 62-room facility by 69 rooms with banquet/convention facilities in order to compete as a major hotel in the area. The Economic Analysis of the Expanded Hotel, prepared by Real Estate Research Corporation, is as follows:

VI. ECONOMIC ANALYSIS OF THE EXPANDED HOTEL

A. Estimated Gross Revenue From Room Sales

The estimates of occupancy and the anticipated distribution of patronage by classification provided in Chapter V have been based on a careful analysis of the market and a determination of the extent to which currently operative hotels and motor hotels satisfy demonstrable demand.

The statements in this section projecting operating experience have been provided to indicate probable results in the first full year of operation, 1982, following expansion of Jumer's Castle Lodge by 67 rooms. For purposes of comparison and to illustrate changes in demand, we include projected operating results for 1984, the third full year of operation. These estimates are based on our best judgment, but some variance may occur while the hotel defines normal operating levels.

Our computation of income from room sales has been based on a room rate structure developed around the following changes:

	<u>1982</u>	<u>1984</u>
Single room	\$42-\$44	\$48-\$50
Double room	\$46-\$52	\$53-\$59
Suites	\$56-\$80	\$64-\$88
Average occupied room rate	\$45	\$51

The additional rooms in the expansion are expected to be at a quality level consistent with the facilities Jumer's Castle Lodge has established in Urbana, Peoria, and Bettendorf. The rates stated above have been projected to assume completion of the expansion during 1981, and the inclusion in this expansion of additional banquet facilities and guest amenities to enhance the hotel's position in the market. The quality of the rooms at Jumer's Castle Lodge is significantly higher than that of the main competitors, but the rates projected do not fully exploit the differential. The indicated rates are slightly higher than those of the competition but still competitive, and should not discourage patronage because of an apparently discriminatory rate structure.

The proposed room rates and projected occupancy levels will produce an annual gross revenue from room sales of \$1,440,000. Departmental net income after deduction of departmental expenses of \$251,000 will amount to \$890,000. The details of these computations are shown in Table 6.

Table 7.

ESTIMATED ANNUAL NET INCOME
FOOD AND BEVERAGE SALES

	<u>1st Year</u>	<u>3rd Year</u>
Gross Sales		
Food	\$1,531,000	\$2,327,000
Beverage	470,000	714,000
Total Sales	2,001,000	3,041,000
Less: Cost of Goods Sold	718,000	1,049,000
Gross Profit	1,283,000	1,992,000
Expenses		
Payroll	513,000	757,000
Laundry and Linens	81,000	119,000
China, Glassware, and Silverware	55,000	79,000
Miscellaneous	137,000	204,000
Entertainment	83,000	119,000
Total Expenses	869,000	1,278,000
Departmental Net Income	\$ 414,000	714,000

Included in total revenues from food and beverage sales which appear in Table 7, are our projections of these sales to banquet groups, as follows:

BANQUET FOOD AND BEVERAGE

	<u>1st Year</u>	<u>3rd Year</u>
Gross Sales	\$380,800	\$540,700

RERC

Table 6.

ESTIMATED ANNUAL EXPENSE AND
NET INCOME, ROOMS DEPARTMENT

	<u>1st Year</u>	<u>3rd Year</u>
Gross Income, rooms	\$1,440,000	\$1,734,000
Expenses		
- Payroll and benefits	253,000	284,000
Laundry and linens	46,000	52,000
Other room expense	50,000	55,000
Total Expense	\$ 349,000	\$ 391,000
Departmental Net Income	\$1,091,000	\$1,343,000

B. Operating Income from Food and Beverage Sales

In addition to the revenue derived from the sale of rooms, the proposed hotel will gain income from the sale of food and beverages, both to guests and to persons working, living, and traveling in the area. Our estimate of revenue from these sources is based on the assumption that the high-quality food and beverages that Jumer's is known for will be provided in Urbana.

We assume that food and beverage service will be maintained on an extended-hours basis during periods of peak occupancy. We also have anticipated that the Schwarzer Bar cocktail lounge and the Library cocktail lounge will remain open until 1 a.m. on Friday and Saturday nights. Our investigation and experience show that nightlife activity in Champaign-Urbana is moderate. Therefore, such an environment is expected to attract patronage. The availability of entertainment also will encourage bookings of group meetings and small conventions at Jumer's Castle Lodge. Table 7 shows food and beverage income and expenses.

The estimated sales of food and beverage include anticipated revenues from the proposed expanded meeting and banquet facilities to be added to those already existing. Appropriate marketing activities to insure the use of meeting and banquet facilities by outside groups are necessary to insure that sales reach the levels projected here.

C. Estimate of Undistributed Expense

We have indicated in detail the expenses related directly to the operation of rooms and food and beverage sales. Table 8 shows all other expenses as undistributed expense.

Table 8. ESTIMATE ANNUAL UNDISTRIBUTED EXPENSE

	<u>1st Year</u>	<u>3rd Year</u>
Utilities	\$ 130,000	\$ 156,000
Repairs and Maintenance	115,000	139,000
General and Administrative*	365,000	440,000
Advertising and Promotion	79,000	87,000
Fire and Liability Insurance	58,000	69,000
Total before real estate taxes	747,000	891,000
Real Estate Taxes	160,000	192,000
Total Undistributed Expense	\$ 907,000	\$1,083,000

*Includes corporate overhead allocation of: 1st year = \$120,000
3rd year = \$146,000

D. Estimated Annual Net Income

In Table 9, we summarize the information presented previously to show projected net income before debt service, income tax, and depreciation for an expanded Jumer's Castle Lodge in Urbana.

Table 9. ESTIMATED OVERALL ANNUAL NET INCOME

	<u>First Full Year of Operation</u>	<u>Third Full Year of Operation</u>
Gross revenue from room sales	\$1,440,000	\$1,734,000
Less: Departmental expense	349,000	391,000
Departmental Net Income	1,091,000	1,343,000
Other Income		
Food and beverage (net)	414,000	714,000
Other departments (net)	47,000	54,000
Gross Operating Income	1,552,000	2,111,000
Less: Undistributed expense before real estate taxes	747,000	891,000
Gross Operating Income before Real Estate Taxes	805,000	1,220,000
Real estate taxes	160,000	192,000
Net Income (before depreciation, debt service and income taxes)	645,000	1,028,000

RERC

We include descriptions of the Jumer Castle Lodge, Incorporated's proposal and feasibility aspects including the market study, economic projections, and current balance sheets.

We note that included herein are letters of commitment by the City and bond purchasers for the Bank and Hotel facility, with a letter of interest for financing the parking facility as final plans are prepared.

4. Developers and Other Parties

- a. Background material and experience of Busey Bank and Jumer's Castle Lodge, Inc. are enclosed herein.
- b. The purchasers of the commercial revenue bonds for the Busey Bank and Jumer's Castle Lodge, Inc. are First Chicago Corporation and Stifel, Nicolaus & Company, respectively. See letters attached herein.
- c. Not applicable.
- d. Summarize:
 - Leasing arrangements -- All necessary land except one of Jumer's parcels is presently under fee simple title. However, the Jumer's parcel is a City lot with a \$50,000 option till 1982 which will be executed by Jumer's upon approval of the UDAG.
 - Relationships to elected officials, etc. -- Councilman John Maloney is an attorney and occasionally represents Busey Bank. He has indicated this interest and has abstained from voting following State Statute conflict of interest laws.
 - Cost of staff is not included in the leverage calculation.
 - Neither the Busey Bank nor the Jumer's Hotel have other projects other than those identified herein in this UDAG area which might benefit.

5. Consultants

The City of Urbana, Illinois has utilized the services of Urban Programming Corporation of America (St. Louis) to assist in preparing this application. The fee for this service is not included in the UDAG.

The Busey Bank will use the following:

<u>Type</u>	<u>Name</u>	<u>Fee</u>
Contractor	Not selected	\$170,000
Architect	Delbert R. Smith, Urbana	170,000
Bond Lender	First Chicago Corporation	35,000
Bond Council	Borge & Pitt, Chicago	15,000
Attorney	Phebus, Tummelson, Bryan, Knox	5,000
Accountants	Peat, Marwick, Mitchell & Co. Winchor, Bates, & Bremison	5,000
		<u>\$400,000</u>

Jumer's Castle Lodge, Inc. will use the following:

<u>Type</u>	<u>Name</u>	<u>Fee</u>
Architect	Arthur Swanson & Associates	\$ 75,000
Attorney	Webber & Thies, P.C.	hourly
Feasibility	Real Estate Research Corp.	5,500
Consulting Engineer	John Franenhofer & Assoc.	1,500
Investment Bank	Stifel, Nicolaus, & Co.	2.5%

The City of Urbana has used the services of Clark Dietz Engineers for the preliminary parking evaluation, whose fee for this analysis will not come from the UDAG. Architect/engineer and other consultants for the development have not been selected. Fees will be in accordance with generally recognized fee schedules for similar projects in the State of Illinois.

6. Primary Project Description

a. Project Description

This UDAG project is composed of three interrelated transactions which are all vitally dependent upon each other. It is a single redevelopment program. Each transaction and its interrelationship is described individually as follows:

• Busey Bank

The Busey Bank presently owns the portions of the block related to its development. The new bank building is to be located between the existing bank and the bank's computer building. The two-story building will have approximately 11,000 square feet on each floor with the vault located in the basement area, thereby adding an additional 3,000 square feet of finished space.

The UDAG funds of \$500,000 to the Bank are required due to a regulatory indebtedness limit of \$3.5 million under its present capital structure. The UDAG will be used to aid in construction of the facility. Note that necessary land acquisition is complete and that no utilities are required. Hence, only land clearance and construction are necessary.

The UDAG funds are to be totally recaptured by the City over the next 20 years at 6% interest plus principal amortization. These recaptured funds of \$42,960 annually will be 100% committed to the development of the parking facility to be owned by the City. The UDAG repayment will be combined with tax increment, parking fund, and other local financial resources for debt amortization of the facility. The UDAG repayment is a vital source of revenue generating approximately 19% of the debt amortization costs of the facility. This new parking facility will directly generate the economic feasibility for Jumer's to expand its present operation, rather than close the hotel by Fall, 1980. Hence, the three projects are vitally interdependent upon the approval of the UDAG project.

- Parking Facility

The City will build, own and operate an approximate 300-space parking facility on presently City-owned land immediately east of Busey Bank and north of Jumer's Hotel. The land is presently used as a surface parking lot and no demolition or utilities work is required. Design options are presently being evaluated by an engineering firm following the parking needs study.

As stated previously, this approximately \$2.0 million facility will require funds from the UDAG repayment, tax increment, parking funds, and possibly other sources. Other than facility design and construction, the major transaction required is the implementation of a tax increment plan which is presently undergoing detailed planning as described below.

Tax increment financing for redevelopment purposes became effective in the State of Illinois on January 10, 1977, when the Illinois Legislature approved the Real Property Tax Increment Allocation Redevelopment Act. Basically, the Act authorizes municipal real property tax increment allocated redevelopment financing as a means to finance public improvements such as parking, streets, sidewalks, utilities, etc., by utilizing annual increments of tax revenues to pay for improvements or by pledging the tax increments to repay bonds which are used to finance the improvements. In essence, the tax increment constitutes the difference between the revenues available to municipalities prior to development of the tax increment area and those revenues generated after development. The Supreme Court of the State of Illinois rendered a favorable ruling on tax increment in March of 1980.

The approval process for undertaking redevelopment activity through implementation of a redevelopment program under the Real Property Tax Increment Allocation Redevelopment Act requires that a Redevelopment Plan be submitted to local taxing bodies at least 45 days prior to a public hearing on the Plan for their review and comments. A public hearing is scheduled so that the general public can react to the Plan. Subsequent to the public hearing, and after consideration of comments and reactions to the Plan, local ordinances adopting the Plan, Projects and Project Areas may be approved by the governing body of the municipality within 14 to 90 days after the public hearing.

The sale of bonds by a municipality is for a maximum 20-year term and the bonds are repaid by the increment from taxes generated or from other local sources, such as property taxes, in the absence of a tax increment. The Redevelopment Plan may be in effect for up to 23 years.

Upon approval of a Redevelopment Plan, program implementation is initiated and taxes generated from redevelopment activity accrue to the municipality under the provisions of the Real Property Tax Increment Allocation Redevelopment Act.

- Jumer's Hotel Expansion

The proposed expansion of Jumer's Castle Lodge consists of a four-story structure, encompassing approximately 38,500 square feet, located on the present site of the "Empire" building (fee simple title) and city parking lot #3 (exclusive option with City). The addition would interconnect with corridor extensions at the second, third and fourth floors of the existing Hotel,

and would connect at the ground level with an enclosed arcade from the existing entrance canopy to the new recreational area and the new convention and meeting facilities. Delivery access for receiving would enter from Elm Street or from the Elm-Broadway intersection.

The proposed 69-room addition would continue the design tradition of the existing hotel with oriental carpeting, custom furnishings, draperies, spreads and wallhangings. The new indoor swimming pool would also include a solarium, whirlpool bath, saunas, lockers and an exercise club available to hotel guests and private membership. A large game room is also planned for hotel guests. This entire recreational facility would be located on the first and second floor of the new structure.

The balance of the first floor would be designed as a convention and meeting facility, with capabilities of serving 450/500 people for banquets, seminars, exhibits and conventions. The entire area would be equipped with audio-visual equipment, sound system and complete banquet and bar service, and would be subdivided into several smaller meeting rooms. The rooms, which are designed without columns, would be a dramatic addition to Downtown Urbana's desirability as a meeting and convention site.

Jumer's will not build this expansion and will close shortly if the parking facility is not constructed by the City and financed, in part, by the Busey Bank UDAG repayment.

The only option for Jumer's is to exercise its option with the City to acquire the City Lot and clear the Empire Building and site, and construct the facility.

b. Site Information

- As shown on the existing site plan, the status of property control by the three entities are as follows:
 - Busey owns all required property in fee simple title
 - Jumer's owns the Empire Building in fee simple title with the City Lot #10-b to be acquired for \$50,000 under an exclusive option with the City.
 - City owns the parcel for new public parking facility
- See the following attached maps:
 - Regional Map
 - Locality Map
 - Existing Site Map
 - Proposed Side Map (Generalized)
 - Detailed Site Plan -- Busey Bank
 - Detailed Site Plan -- Jumer's Hotel
- The site is adequately served by streets and utilities. The UDAG will not be used to provide such improvements. Busey Bank will provide a strip of land to the City for future widening of Race Street to a four-lane arterial to complete the downtown arterial system. This construction will take place as part of the tax increment program.
- Attached hereto is a detailed description of the Bank and Hotel facilities and costs. The City parking facility is yet to be designed, as discussed previously.

c. Property Information

UDAG funds will not be used to acquire or lease property within the project area. As stated previously, the Bank has acquired all property necessary to carry out the project.

The option by the City to Jumer's for City Lot #10-b at \$50,000 is attached.

UDAG funds will not be used for assemblage, demolition, relocation or construction of site improvements. The funds will be used to finance \$500,000 of the \$4.0 million bank facility to be recaptured and a grant of \$25,000 to finance local staff administration.

d. Administration

A legally binding contract will be entered into by the Busey Bank and the City of Urbana. The City of Urbana's Department of Community Development Services, under the direction of Mr. Bruce K. Walden, will assume full administrative responsibilities for assuring that the proposed project is carried out in accordance with the contents of this application and the rules and regulations of HUD.

At the present time, Mr. Edwin A. Sharlau II, President of Busey First National Bank, will have the project management responsibilities for the Bank. Mr. Robert F. Howard, Vice-President of Finance for Jumer's Castle Lodge, will be responsible for the hotel expansion.

e. Necessity of Action Grant

Without the UDAG, the proposed project and redevelopment program cannot be undertaken. The Busey Bank requires the \$500,000 UDAG loan to build the proposed Bank project due to regulatory limits on indebtedness. The repayment of the UDAG at 6% interest plus principal amortization for 20 years to the City for the development of the parking facility represents approximately 19% of debt service. Without the UDAG repayment to the City for this facility, it will not be built. If the parking facility is not built by the City, Jumer's Hotel will not build its proposed expansion and will close the hotel operation.

See Letters of Commitment herein which directly show the necessity for the UDAG funds and the interrelationship of each transaction to each other.

7. Project Financing

a. Sources and Use of Funds

See UDAG Form 1, Part 1 and Part 2 for each transaction.

b. Estimated Leverage Ratio

See UDAG Form 2 and separate sheets for each transaction.

c. Evidence of Developer and Private Investor Commitments and Related Information

- 1) Documentation -- See Letters of Intent and Commitment by the participating entities attached hereto regarding:

SOURCES AND USES OF FUNDS FOR PROJECT

Instructions: For projects which consist of only one transactions, complete this page only. For projects with multiple transactions, complete this page as a summary and a copy of part 2 for each transaction.

PROJECT BUDGET -- SUMMARY OF PROPOSED EXPENDITURES

Line Item Activity	S O U R C E S O F F U N D S			
	UDAG Funds	Private Funds	Other Funds City	Total
a. Land Acquisition		\$1,427,000		\$ 1,427,000
b. Relocation of Persons and Businesses				
c. Clearance and Demolition		\$ 275,000		\$ 275,000
d. Streets & Site Improvements				
e. Water and Sewer Facilities				
f. Foundations and Platforms				
g. Parking Facilities		\$ 350,000	\$2,000,000 City of Urbana	\$ 2,350,000
h. Pedestrian Malls				
i. Capital Equipment		\$ 620,000		\$ 620,000
j. Professional Fees		\$ 475,000		\$ 475,000
k. Real Estate Taxes, Construction Period Interest, Organization Costs, etc.		\$ 635,000		\$ 635,000
l. Construction of New Buildings	\$500,000	\$3,820,000	--	\$ 4,320,000
m.				
n. Administration	\$ 25,000			\$ 25,000
o. Cost Subtotal (Sum of lines a.-n.)	\$525,000	\$7,602,000	\$2,000,000	\$10,127,000
p. Contingencies		\$ 275,000		\$ 275,000
q. Totals by Source (Sum of lines o. + p.)	\$525,000	\$7,877,000	\$2,000,000	\$10,402,000
r. Program Income from Land Disposition	()			()
s. TOTAL PROJECT COSTS (Sum of lines q. + r.)	\$525,000	\$7,877,000	\$2,000,000	\$10,402,000

*This form constitutes the response to Part II.B.7.a.

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Transaction Number: 1
Transaction Name: Busey Bank

Line Item Activity	SOURCES OF FUNDS				Total Costs
	UDAG Funds	Private Funds		Other Funds City	
		Developer Equity	Private Lender (Bonds)		
a. Land Acquisition		\$1,377,000			\$1,377,000
b. Relocation of Persons and Businesses					
c. Clearance and Demolition and Site Preparation			\$ 225,000		\$ 225,000
d. Streets & Site Improvements					
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities			\$ 350,000		\$ 350,000
h. Primary Facility: <u>New Building</u>	\$500,000		\$2,000,000		\$2,500,000
Capital Equipment			\$ 350,000		\$ 350,000
j. Professional Fees			\$ 400,000		\$ 400,000
Real Estate Taxes, Construction Period Interest, Organization Costs, etc.					
Administration	\$ 25,000				\$ 25,000
Cost Subtotal (Sum of lines a.-n.)	\$525,000	\$1,377,000	\$3,325,000		\$5,227,000
p. Contingencies			\$ 175,000		\$ 175,000
q. Totals by Source (Sum of lines o. + p.)	\$525,000	\$1,377,000	\$3,500,000		\$5,402,000
r. Program Income from Land Disposition	(---)			(---)	(--)
<u>Total Transaction Costs</u> s. (Sum of lines q. + r.)	\$525,000	\$1,377,000	\$3,500,000		\$5,402,000

UDAG FORM 1 (Part 2)

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Transaction Number: 2
Transaction Name: Jumer's Castle Lodge

Line Item Activity	SOURCES OF FUNDS				Total Costs
	UDAG Funds	Private Funds		Other Funds	
		Developer Equity	Private Lender (Bonds)		
a. Land Acquisition			\$ 50,000		\$ 50,000
b. Relocation of Persons and Businesses					
c. Clearance and Demolition			\$ 50,000		\$ 50,000
d. Streets & Site Improvements					
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities					
h. Primary Facility:			\$1,820,000		\$1,820,000
Capital Equipment			\$ 270,000		\$ 270,000
i. Professional Fees			\$ 75,000		\$ 75,000
Real Estate Taxes, Construction Period Interest, Organization Costs, etc. Debt Service Reserve			\$ 635,000		\$ 635,000
Administration					
Cost Subtotal (Sum of lines a.-n.)			\$2,900,000		\$2,900,000
p. Contingencies			\$ 100,000		\$ 100,000
q. Totals by Source (Sum of lines o. + p.)			\$3,000,000		\$3,000,000
r. Program Income from Land Disposition	()			(--)	(--)
Total Transaction Costs s. (Sum of lines q. + r.)			\$3,000,000		\$3,000,000

UDAG FORM 1 (Part 2)

SOURCES AND USES OF FUNDS
BY TRANSACTION

Instructions: Complete one page for each transaction.

Transaction Number: 3
Transaction Name: City Parking Structure

Line Item Activity	SOURCES OF FUNDS				Total Costs
	UDAG Funds	Private Funds		Other Funds (Specify) *	
		Developer Equity	Private Lender		
a. Land Acquisition					
b. Relocation of Persons and Businesses					
c. Clearance and Demolition					
d. Streets & Site Improvements					
e. Water and Sewer Facilities					
f. Foundations and Platforms					
g. Parking Facilities				\$2,000,000	\$2,000,000
h. Primary Facility:					
Capital Equipment					
j. Professional Fees					
Real Estate Taxes, Construction Period Interest, Organization Costs, etc.					
Administration					
Cost Subtotal (Sum of lines a.-n.)				\$2,000,000	\$2,000,000
p. Contingencies					
q. Totals by Source (Sum of lines o. + p.)					
r. Program Income from Land Disposition	()			()	()
Total Transaction Costs s. (Sum of lines q. + r.)				\$2,000,000	\$2,000,000

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input checked="" type="checkbox"/> Project Summary <input type="checkbox"/> Transaction No. _____ Name: _____
TOTAL PROJECT OR TRANSACTION COSTS 1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$10,402,000
INFLOWS: 2. Private Investment	\$ 7,877,000
3. Private Debt from Lenders	
4. Subtotal--Private Sources (2+3)	\$ 7,877,000
5. Action Grant	\$ 525,000
6. Leverage Ratio (4÷5)	14 : 94
7. Other Sources (e.g., other federal, state, <u>local</u> , and project income)	\$ 2,000,000
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$10,402,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	Unknown

*This form constitutes the response to Part II.B.7.b.

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>1</u> Name: <u>Busey Bank</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$5,377,000
INFLOWS:	
2. Private Investment	\$4,877,000
3. Private Debt from Lenders	
4. Subtotal--Private Sources (2+3)	\$4,877,000
5. Action Grant	\$ 525,000
6. Leverage Ratio (4:5)	9 : 3
7. Other Sources (e.g., other federal, state, local, and project income)	
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$5,402,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	N/A

*This form constitutes the response to Part II.B.7.b.

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>2</u> Name: <u>Jumer's Castle Lodge</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$3,000,000
INFLOWS:	
2. Private Investment	\$3,000,000
3. Private Debt from Lenders	
4. Subtotal--Private Sources (2+3)	\$3,000,000
5. Action Grant	0
6. Leverage Ratio (4÷5)	
7. Other Sources (e.g., other federal, state, local, and project income)	
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$3,000,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	N/A

*This form constitutes the response to Part II.B.7.b.

UDAG FORM 2*

ESTIMATED LEVERAGE RATIO

Instructions: For projects which consist of one transaction, complete this form. For projects with multiple transactions, complete a separate sheet for each transaction and a sheet which summarizes all transactions.

	Check appropriate box: <input type="checkbox"/> Project Summary <input checked="" type="checkbox"/> Transaction No. <u>3</u> Name: <u>City of Urbana</u>
TOTAL PROJECT OR TRANSACTION COSTS	
1. (If Summary, take from Form 1, Part 1, Line s. If Transaction, take from Form 1, Part 2, Line s.)	\$2,000,000
INFLOWS:	
2. Private Investment	
3. Private Debt from Lenders	
4. Subtotal--Private Sources (2+3)	
5. Action Grant	
6. Leverage Ratio (4:5)	
7. Other Sources (e.g., other federal, state, local, and project income)	
8. TOTAL INFLOWS (4+5+7) should equal total outlays (Item 1)	\$2,000,000
9. Additional Spinoff Private Investment Anticipated as a Result of Project	N/A

*This form constitutes the response to Part II.B.7.b.

- Busey Bank commitment
- City commitment to issue commercial revenue bonds to Bank
- Commitment to purchase Bank bonds by First Chicago Corporation
- Jumer's Castle Lodge, Inc. commitment
- City commitment to issue economic development bonds to Hotel
- Commitment to buy hotel bonds by Stifel, Nicolaus & Company
- City of Urbana's letter of intent to build the proposed parking facility and pursue additional funding sources, especially tax increment, to complement the UDAG repayment for debt amortization
- Letter of interest by Stifel, Nicolaus & Co. for the parking bonds

2) See attached latest financial statements of Busey Bank and Jumer's Castle Lodge, Inc.

3) Loan Applications -- Not applicable to nature of financing.

4) Recapture

- a) Busey Bank will obtain the direct benefit of \$500,000 in UDAG funds.
- b) The total \$500,000 to the Bank will be recaptured. The \$25,000 administration cost will be a grant.
- c) No security position of the City is proposed other than the Commercial Revenue Bond Memorandum of Agreement and the UDAG legally binding contract between the City and the Bank.
- d) The Bank will repay \$500,000 at 6% annual interest rate over 20 years. A level payment of \$42,960 annually is projected for a total estimated payback of \$859,200 over 20 years.
- e) In the event of failure to recapture on schedule, the City will ascertain the causes of the delay. If substantial reasons affect the schedule, the City will advise HUD and, if necessary, revise the recapture schedule. If substantial reasons do not prevail, the City will pursue all available legal courses of action to secure payment.
- f) As stated previously herein, recaptured funds will be totally directed toward the financing of a new 300± space parking facility. The repayment is estimated to provide approximately 19% of the debt amortization for this facility over a 20-year period.

d. Evidence of Commitments from Private Lenders

Not applicable

e. Other Public Financial Assistance

1) Funding Information

See UDAG Form 3.

2) Debt Securities, Evidence of Commitments

See attached resolutions, memoranda of agreement, and letters of commitment in Part 7, c.

f. Additional Funds

This project has been in planning for several years and various means of financing have been considered. Finally, the UDAG Program makes the project feasible for the Bank and the City, when combined with the tax increment program.

8. a. Project Schedule

There are three different timetables for completion of this program. The first is the City's timetable with the necessary approval schedules as noted below. The other two pertain to Busey Bank and Jumer's Castle Lodge which follow.

I. CITY TIMETABLE AND APPROVAL SCHEDULE

<u>Activity</u>	<u>Start</u>	<u>Complete</u>
Environmental Review	7/80	11/80
C.B.D. Commission Review	7/80	7/80
Tax Increment Plan	6/80	10/80
City Bond Memorandum/Resolutions	6/80	7/80
City Council Hearings	7/80	7/80
City Council Application Approval	7/80	7/80
Concurrent Submission to A-95	7/80	7/80
Approval of UDAG (HUD)	8/80	10/80
Adopt Tax Increment Plan	12/80	12/80
Bond Sale Ordinance (Jumer's)	11/80	12/80
Bond Sale Ordinance (Busey Bank)	11/80	12/80
Bond Sale Ordinance (Tax Increment)	3/81	4/81
Design Parking Garage	3/81	7/81
Accept Bids -- Parking Garage	8/81	9/81
Construction Start -- Parking Garage	9/81	6/82

II. JUMER'S CASTLE LODGE

<u>Activity</u>	<u>Start</u>	<u>Complete</u>
Market Study	3/80	5/80
Preliminary Plans	3/80	6/80
Approve Memorandum of Intent	6/80	7/80
Final Plans Specifications	9/80	2/81
Bond Documents Completed	10/80	12/80
Official Statement Prepared	10/80	12/80
Bond Documents Reviewed by City Council	11/80	12/80
Bond Documents Executed	12/80	12/80
Bond Closing	12/80	12/80
Execute Option on City Lot	1/81	1/81
Demolish Empire Building	2/81	3/81
Obtain Building Permits	2/81	3/81
Construction	4/81	5/82
Occupancy	6/82	---

III. BUSEY BANK

<u>Activity</u>	<u>Start</u>	<u>Complete</u>
Establish Building Program	3/80	6/80
Preliminary Plans	3/80	7/80
Prepare Final Plans & Specifications	9/80	11/80
Bond Documents Completed	10/80	11/80
Official Statement Prepared	10/80	11/80
Bond Documents Reviewed by City Council	11/80	12/80
Bond Documents Executed	11/80	12/80
UDAG Contract with City	12/80	12/80
Demolish Buildings, Prepare Site for Construction	11/80(phased)	6/82
Bond Closing	12/80	12/80
Construction and Permits	3/81	6/82
Occupancy	9/82	--

UDAG FORM 3*

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

Instructions: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity, Program Title, Contact Person, Address/Telephone (A)	Amount (B)	Type of Assistance (e.g. loan, grant, guarantee) (C)	Recipient (Person, firm, or entity) (D)	Nature and extent of activity to be financed by other public sources; spender; transaction name and number (E)	Funding Status		
					Committed (F)	Pending (G)	Application not Submitted (H)
City of Urbana, Commercial Revenue Bond City Manager		Commercial Revenue Bond	Busey Bank	Private expenditures under proposed UDAG project	X		
City of Urbana Commercial Revenue Bond City Manager		Economic Development Bond 100% City Guarantee	Jumer's Castle Lodge, Inc.	Private expenditures under proposed UDAG project	X		
City of Urbana Tax Increment Bond		Tax Increment Revenue Bond	City-owned Parking Facility	To provide financial resource for debt amortization of facility with UDAG repayment			X

*This form constitutes the response to Part II.B.7.e.(1).

31

b. Approval Schedule

1. The project is currently under assessment for environmental clearances. A complete environmental review record will be completed by the City and available for public inspection within 30 days after the approval of the application.

PART III

EVIDENCE OF MEETING PROGRAM OBJECTIVES

A. ALLEVIATION OF PHYSICAL DISTRESS

See UDAG Form 4.

B. ALLEVIATION OF ECONOMIC DISTRESS

1. See UDAG Form 5.
2. Construction jobs were calculated based upon local experience. Other information on jobs provided by the Busey First National Bank and Jumer's Castle Lodge.
3. Unknown at this time.

C. FISCAL IMPROVEMENT

1. See UDAG Form 6.
2. Real estate assessments were determined based on conversations with the local Assessor.

D. IMPACT ON THE SPECIAL PROBLEMS OF LOW AND MODERATE INCOME PERSONS AND MINORITIES

1. Demographic Data

Urbana's 1976 population, as estimated by the Census Bureau, was 39,189. That figure represents an increase of 4,538 persons or 13.1% from the 1970 figure of 34,651 (including 1970 population residing in areas annexed through December 31, 1976).

The age distribution in Urbana differs markedly from that of the state as a whole, primarily because of the presence of the University of Illinois. As shown in the 1970 Census, the age distribution for Urbana and that for the state as a whole were as follows:

Age Distribution
Urbana and the State, 1970

<u>Age</u>	<u>Urbana</u>	<u>Illinois</u>
Under 15	17.7%	28.5%
15 - 24	40.6%	16.7%
25 - 34	14.1%	12.5%
35 - 49	11.3%	17.4%
50 - 61	7.4%	12.6%
62 +	8.6%	12.3%

ALLEVIATION OF PHYSICAL DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the project, insert "N/A." Attach additional pages to complete your responses if necessary, and indicate the item on Form 4 to which the additional response refers.

1. Residential Projects Not applicable.

	New Construction (A)		Rehabilitation (B)		Demolished (% Substandard) (C)	Historic** Restoration (D)
	Single Family	Multi- Family	Single Family	Multi- Family		
No. Units						
No. Occu- pants be- fore pro- ject						
No. Occu- pants after pro- ject com- pleted						

2. Commercial/Industrial Projects

Acres Cleared

No. Buildings Demolished
(% Substandard)

Total Square Footage Demolished

Percent Occupied Before
Demolition

8 (100%)
16,900
60%

	New Construction (A)	Rehabilitation (B)	Historic Restoration*** (C)
No. Buildings	2	1	N/A
Total Square Footage	63,500	3,000	N/A

* This form constitutes the response to Part III.A.

** For residential historic restoration projects, include the number of units and occupants in Column D and Column A or B.

*** For commercial or industrial historic restoration projects, include information in Column C and Column B.

3. Projects with Infrastructure Components Not applicable.

	Water (A)	Sewer (B)	Sanitary (C)
Linear feet of new pipe			
Linear feet of pipe replaced			

Capacity added (units served, mgd, or other standard)

- Residential
- Commercial
- Industrial

Total Capacity Added

4. Projects with Beautification and Street Improvement Components

Describe beautification and street improvement efforts in the proposed project. Indicate the scope of the project by citing the type and amount of work undertaken on new streets, resurfacing, widening, sidewalks, street lights, benches, landscaping, etc. Contrast the proposed new facilities with existing conditions.

Not applicable.

ALLEVIATION OF ECONOMIC DISTRESS

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project, insert "N/A." Attach additional pages to complete your responses to questions 2 and 3 if necessary, and indicate the item on Form 5 to which the additional response refers. For purposes of this application, jobs should be stated in Full Time Equivalents i.e., two half-time jobs equal one full time equivalent (FTE) job.

1. Job Creation Potential of Proposed Project

	Low & Mod. Income (A)	Middle Income (B)	Upper Income (C)	Total (D)
A. Permanent Jobs				
(1) New jobs	98	10	---	108
(2) CETA** Subsidized new jobs	0	0	0	0
(3) Jobs retained	171	1	0	172
(4) Jobs transferred to project area	0	0	0	0
(5) Jobs transferred out of project area	0	0	0	0
(6) Total permanent jobs	269	11	0	280
(7) % Private sector	100%	100%	0%	100%
(8) % Public sector	0	0	0	0
(9) % CETA** subsidized	0	0	0	0
(10) Average Salary/Wage	\$10,000	\$24,000	0	\$12,000

B. Temporary Jobs

(11) Construction jobs created	150 M.Y.		150 M.Y.
(12) Other temporary jobs	0		0
(13) Total temporary jobs	150 M.Y.		150 M.Y.
(14) % Private sector	100%		100%
(15) % Public sector	0		0
(16) % CETA subsidized	0		0
(17) Average Salary/Wage	\$20,000		\$20,000

* This form constitutes the response to Part III.B.1.

** Comprehensive Employment and Training Act. The number of new CETA jobs should appear on line (2) and should also be included in the total new jobs on line (1).

2. Increase in Business Activity

Describe the increase in the dollar volume of retail sales or other business activity in the community expected to result from the proposed project in both absolute and percentage terms. Indicate the expected percentage of total retail sales or other business activity in the area which the proposed project will capture.

Jumer's estimates \$30,000 annually (to the City) would be generated from local sales tax of 1% for food and beverages. Estimated \$120,000 annually in sales tax receipts to the State. Additional sales taxes would be retained and the indirect benefit to Lincoln Square as cited in their supportive letter is immeasurable.

3. Other Economic Indicators

If there are any other specific indicators of the overall alleviation of economic distress in the community which will result from the proposed project, please describe them. For example: reduction of population outmigration or housing overcrowding, or the replacement of abandoned buildings.

Will accomplish objectives identified by the City of Urbana to stabilize the Central Business District as described throughout this application.

FISCAL IMPROVEMENT

Instructions: In this form, complete all items that are applicable to the proposed project. If an item is not applicable to the proposed project insert "N/A." Attach additional pages to complete your response if necessary, and indicate the item on Form 6 to which the additional response refers.

	Dollar** Increase or (Decrease)
a. Value of property added to tax rolls by proposed project	Equalized Assessed Value \$2,150,000
b. Less: Reduction in assessed value from demolition and other changes	\$ 50,000
c. NET INCREASE OF VALUE ADDED TO TAX ROLLS	\$2,100,000
d. Incremental Tax Revenue (line a x Local Tax Rate)\$7.278/100	\$ 152,838 *
e. Sales Tax	\$ 150,000
-- State	\$ 120,000
-- Local	\$ 30,000
-- Special	--
f. Income Tax	--
-- Personal	--
-- Corporate	--
g. Personal Property Tax	--
h. Payments in Lieu of Taxes	--
i. Increase in Taxes (d + e + f + g + h)	\$ 302,838
j. Less: Reduced collections in categories e through h due to demolitions, closings, etc.	--
k. NET INCREASE IN TAX COLLECTIONS (i-j)	\$ 302,838
l. NET INCREASE/\$000 IN UDAG	\$ 57.68

* This form constitutes the response to Part III.C.1.

** Base information on fiscal improvement on an estimate of circumstances in the first year after Action Grant project completion.

* NOTE: All tax increase returned to City under State of Illinois Tax Increment Program.

2. Return to Local Government

- a. Increase in annual tax revenue to local government* \$152,838
30,000
- b. Total expected investment by local government
- c. "Return on Investment" to local government (a+b)

DOLLARS	
	\$182,838
	\$182,838
	<u>42,960*</u>
	\$225,798

* Annual repayment to City

3. Tax Breaks

Describe tax abatement packages which have been offered to businesses and homeowners in connection with the project. Include names or categories of beneficiaries, the term of each package, how the tax reduction is structured, and the total annual value of the offer. If payments in lieu of taxes (PILOT) are involved, describe the proposed terms. NOTE: Increased tax base is a selection criterion for Action Grants.

Not applicable.

4. General Tax Reductions

If any reduction in taxes unrelated to the project (e.g., a drop in the tax rate for homeowners in the municipality) is included as a part of the overall plan for the project, describe the terms of the reduction and the reasons that it is appropriate.

Not applicable.

* Base this increase on an estimate of the circumstances in the first year after Action Grant Project completion.

As indicated in the preceding table, the percentage of population between the ages of 15 and 24 in Urbana is almost two and a half times what it is for the state as a whole. Urbana also has a larger percentage of population in the 25 to 34 year age group than does the state. As a result, the remaining age groups represent smaller percentages in Urbana than in the state as a whole, but they are normally distributed in relation to each other.

Urbana's minority population was 3,585 persons, or 10.9%, according to the 1970 Census. Of those, 2,655 or 74% were Black. The remaining 930 minority persons included Chinese, Japanese, Indians and Filipinos, and 282 persons classified as "other races." While a significant proportion of the Black population is comprised of permanent residents, the diverse population of other races can be attributed largely to the University.

Income data distributed by HUD for the Small Cities CDBG program show the Champaign-Urbana SMSA as having the lowest median income of all the Illinois SMSAs in both 1970 and 1979. The 1970 median income for the SMSA was \$10,147 and the 1979 figure was \$17,000.

Income change was one of Urbana's qualifying factors for the UDAG. Urbana's per capita income increase from 1969 to 1974 was \$1,370, well within the \$1,424 qualifying limit for UDAG. Thus, income in Urbana is lower than in other Illinois SMSAs and is also increasing at a slower rate. According to HUD's UDAG qualification report, 11.55% of the population in Urbana was below the poverty level.

Unemployment in the Champaign-Urbana SMSA stood at 3.4% in May, 1979 and 5.4% in May, 1980.

2. Participation of Minorities

Not applicable.

3. Residential Neighborhood Impact Statement

The proposed project is located in the heart of the Central Business District and is non-residential.

4. Relocation Impacts

a. See UDAG Form 7.

b. This UDAG does not include funds for acquisition or relocation payments. Two businesses in buildings now owned by Busey Bank will be moving to new quarters by August 31, 1980. These businesses are non-minority and they are moving to new quarters in downtown Urbana.

5. Housing Impacts

Not applicable.

E. EMPLOYMENT PLAN

1. Anticipated Employment Impacts

The Busey Bank and Jumer's Castle Lodge anticipate the attached employment pattern to occur.

2. Local Training and Employment Programs

Attached are copies of affirmative action and minority participation endeavors by Busey Bank and Jumer's Castle Lodge.

3. Extent of Linkage

Entry level jobs are available to the long-term unemployed based on the description of opportunities provided by the private developments.

4. Linkage Programs

Not applicable.

5. Resources

Not applicable.

6. Concurrence of Training Provider and Private Employers

Not applicable.

7. Timetable for Implementation

See attached employment changes.

F. RECORD OF APPLICANT

The City of Urbana has received a total of approximately \$2,500,000 in Community Development Block Grant funds from 1975 to 1980 and has filed the appropriate Grantee Performance Reports.

RELOCATION IMPACTS

Instructions: Complete the table below with the numbers of families, individuals, farms, and businesses which will be relocated as a result of the proposed project.

NOTE: The following definitions apply to this table:

- (1) Low and Moderate Income: Persons whose income is less than 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).
- (2) Other Income Categories: Persons whose income is over 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

If more appropriate, use the income limits for the HUD Section 8 housing program to define low- and moderate-income families. Where size of family is not known, use Section 8 limit for a family of four persons.

	Low and Moderate Income		Other Income Categories		Total	
	Minority	Non-Minority	Minority	Non-Minority	Minority	Non-Minority
1. Families Displaced	—	—	—	—	—	—
2. Unrelated Individuals Displaced	—	—	—	—	—	—
3. Farms Lost					—	—
4. Businesses Displaced					—	2
5. Jobs Lost From Businesses in Line 4 Above	—	—	—	—	—	0

* This form constitutes the response to Part III.D.4.a.

NOTES: Two businesses are:

- 1. Engineer (office of 2 people), 216 West Elm St.
- 2. Real estate and insurance office (8 people), 119 South Race St.

Also located in building at 119 S. Race St. is local Chamber office with 6 employees (not classified as business).

The City Community Development Office is now in Empire Building on Elm St. that will be cleared for Jumer's expansion.

Above occupants as of application date. All occupants have obtained new quarters in downtown Urbana and will move to new quarters by August 31, 1980.

NOT APPLICABLE

UDAG FORM 8*

PROVISION OF HOUSING

Instructions: Complete the table below with the number of housing units to be provided by the project for occupants of various income levels. Answer the questions which follow the table.

Note: The following definitions apply to this table:

- (1) Low and Moderate Income: Units to be available for occupants whose income is less than 80% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).
- (2) Middle Income: Units to be available for occupants whose income is between 80% and 120% of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).
- (3) Upper Income: Units to be available for occupants whose income is 120% or more of the median income for the SMSA (or for the applicant's jurisdiction if the applicant is outside the SMSA).

	Low and Moderate		Middle Income		Upper Income		TOTAL	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	No.	%
a. Number New Units to be Constructed								
b. Number Units to be Rehabilitated								
c. TOTAL Units (Sum of a and b above)								100

1. Indicate the basis for the above calculations. Indicate the annual rental prices and sales prices for units in each income category.

2. If units are to be rehabilitated, indicate the income category of residents prior to rehabilitation and the number of vacant or abandoned units. Indicate the expected income level of occupants of the rehabilitated units.

* This form constitutes the response to Part III.D.5.a.

PART IV

PROJECT APPROVAL INFORMATION

Section A -- Technical Requirements

This section is a modification of a requirement of OMB Circular A-102. The checklist below assures a federal agency that key issues have been covered in a program application. When an exhibit is required, insert it at the end of this section and number it according to the item it addresses.

1. Does this assistance request require state, local, regional, or other priority rating?

_____ Yes X No

Name of Governing body

Priority Rating

2. Does this assistance request require federal, state, or local advisory, historic preservation, educational or health clearance?

_____ Yes X No

Name of Agency or Board

Documentation attached as Exhibit _____.

3. Does this assistance request require clearinghouse review in accordance with OMB Circular A-95

 X Yes _____ No

Name of Clearinghouse Agency

1. Champaign County Regional Planning Commission

2. State Clearinghouse

Being submitted to A-95.

Comments attached as Exhibit _____.
If "no," explain why in your Exhibit _____.

4. Does this assistance request require state, local, regional or other planning approval?

_____ Yes X No

Name of Approving Agency

Date: _____

5a. Is the proposed project covered by an approved comprehensive plan?

 X Yes _____ No

Check one: State _____
Local X
Regional _____

Reference should be made to this plan in Part II.B.1

b. Does the applicant have a locally approved Community Development (CD) plan and Housing Assistance Plan (HAP)? (Such adopted plans must predate submission of the application.)

 X Yes _____ No

Approval Date(s):
CD Plan 5/80
HAP 5/80

If relevant to the project, cite appropriate tables and Sections of the CD plan and HAP in Part II.B.1.

If "no," attach a small city single purpose HAP form (HUD 7087) to this application as your Exhibit _____.

6. Will the assistance requested serve a Federal installation?

_____ Yes X No

If "yes," in your Exhibit _____, name the installation, describe its purpose, estimate the Federal population to be served, and provide other pertinent information.

7. Will the assistance requested result in improvements on Federal land or to a Federal installation?

_____ Yes X No

If "yes," be certain that appropriate information is set forth in Part II.B.1.

8a. Will the application require an Environmental Impact Statement (EIS)?

_____ Yes X No

If "yes," in your Exhibit _____, briefly describe the environmental impact. If an adverse impact is anticipated, explain what action will be taken to minimize the impact. Reference any planned filing of an EIS. Be certain that the timing of an EIS is discussed in Part II.B.8.b.

b. On what date was the level of clearance finding made?

Date: Under Assessment

9. Will the assistance requested cause the displacement of individuals, families, businesses, or farms?

_____ Yes X No

If "yes," be certain this topic is covered with respect to individuals and families in Part III.D.4.b.

10. Has other related governmental assistance on this project been approved or applied for? Will any other be applied for? (Tax Increment)

 X Yes _____ No

Be certain this topic is covered, where appropriate, in Part II.B.7.e.

11. Is the project in a designated flood hazard area?

_____ Yes X No

If "yes," be certain this topic is covered in Parts II.B.3 and II.B.8.

12. Will the proposed project result in the relocation of industrial or commercial facilities from one metropolitan or non-metropolitan area to another?

_____ Yes X No

If "yes," be certain this is described in III.B.3.

13. Does the proposed project involve the jurisdiction of more than one municipality?

_____ Yes X No

If "yes," be certain the topic has been covered in Part II.B.6.d.

SECTION B -- Citizen Participation,
Civil Rights, Equal Employment and Housing
Opportunity

In this section, the applicant must demonstrate its positive record of (i) involving citizens in the application and project development process, (ii) dealing successfully with issues such as advancing civil rights, (iii) providing equal opportunity in employment to minorities (as demonstrated by its employment records), and (iv) promoting equal housing opportunity within its jurisdiction. Answer the questions and make certain that the topics have been fully covered in the referenced section, where appropriate. Identify any exhibit inserted at the end of the section.

- 1a. Is there a written Citizen Participation Plan describing the process for citizens to take part in the development of the application as required in 24 CFR Part 570.456 (c)(i)(A) of the Regulations?

Yes No

If "no," explain in your Exhibit _____.

- b. Did actual citizen participation in the development of the application equal or exceed that expected in the Citizen Participation Plan or the requirements as stated in the Regulations?

Yes No

If "yes," explain what occurred in your Exhibit _____.

2. If the project is residential or "neighborhood" in nature, are neighborhood groups or community organizations involved in developing the application or in carrying out a component of the project?

Yes No Not applicable.

This topic should be covered in Parts II.B.6.d. and III.D.2. where appropriate.

3. Does the applicant have any unresolved issues arising from civil rights compliance reviews, citizen participation allegations; lawsuits or other allegations against the proposed or any other federally assisted project (or funding) administered by the applicant?

Yes No

If "yes," describe the issues, the resolution timetable, and the possible outcomes in your Exhibit _____. Make reference to the suits, actions, etc. as appropriate in Part II.B.8.

4. Is the applicant under investigation by any federal office enforcing equal opportunity laws and regulations?

Yes No

If "yes," name the agency, the enforcement office and officers involved; explain the alleged problems; and discuss the resolution timetable, in your Exhibit _____ with reference to Part II.B.8. as appropriate.

5. Has the applicant submitted Form EEO-4 or comparable data to the HUD Area Office as of the preceding July 31 as a certification of continuing eligibility?

Yes No

If "yes," cite the report; if "no," explain why in your Exhibit GPR.

EXHIBITS

EXHIBIT A.

CITY OF URBANA DOCUMENTATION

1. Resolution of City Council Authorizing Application for UDAG
2. Letter of Commitment from City Relative to Parking Garage and Tax Increment
3. Letter from Stifel, Nicolaus & Co. on Tax Increment Bonds
4. Assurance Form

AN ORDINANCE
APPROVING AN APPLICATION FOR AN URBAN
DEVELOPMENT ACTION GRANT AND AUTHORIZING
THE MAYOR TO EXECUTE THE SAME

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

1. That the attached Application for Federal Assistance under the Urban Development Action Grant Program, a copy of which is attached hereto and hereby incorporated by reference, be and the same is hereby approved.

2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized and directed to execute such Application for and on behalf of the City of Urbana, Illinois.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said Council on the 21st day of July, 1980.

PASSED by the City Council this 21st day of July,
1980.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 21st day of July,
1980.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

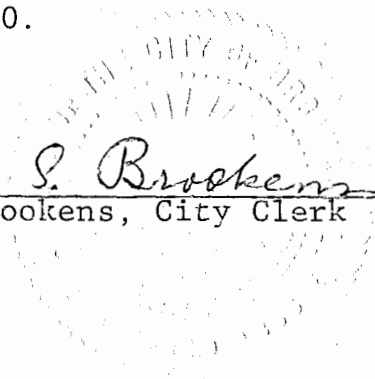
CLERK'S CERTIFICATE

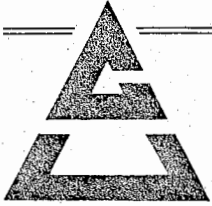
STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

I, Ruth S. Brookens, City Clerk of the City of Urbana, Illinois, and keeper of the records, files and seal of said City, do hereby certify that the foregoing is a true and exact copy of an ordinance entitled, "AN ORDINANCE APPROVING AN APPLICATION FOR AN URBAN DEVELOPMENT ACTION GRANT AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME" adopted by the City Council of the City of Urbana, Illinois on the 21st day of July, A.D. 1980, as appears in the records and files in my office remaining.

Given under my hand and seal of said City of Urbana, Illinois, this 28th day of July, A.D. 1980.

Ruth S. Brookens
Ruth S. Brookens, City Clerk





TREE CITY, USA

A NICE PLACE TO LIVE

CITY OF URBANA

400 SOUTH VINE STREET • URBANA, ILLINOIS, 61801

July 23, 1980

Mr. David Cordish
Department of Housing and
Urban Development
Division of Urban Development
Action Grants
451 Seventh Street, S.W.
Room 7236
Washington, DC 20401

Dear Mr. Cordish:

The purpose of this letter is to apprise you of the City of Urbana's commitment to move forthwith in the establishment of a Tax Increment Finance District. City staff is currently preparing the necessary data, which will be required to establish the Tax Increment District. In conjunction with the U.D.A.G. repayment by Busey First National Bank and our proposed Tax Increment District, revenues should be sufficient to support a \$2 million parking structure and other downtown redevelopment projects.

Sincerely,


Charles C. Troppito
CHIEF ADMINISTRATIVE OFFICER

CCT:sh

**STIFEL, NICOLAUS
& COMPANY INCORPORATED**

INVESTMENT SERVICES SINCE 1890

500 N. Broadway, St. Louis, Mo. 63102, 314-342-2000

July 15, 1980

Mr. Charles Troppito
City Manager
400 South Vine Street
Urbana, Illinois 61801

Dear Mr. Troppito:

This letter is to inform you of our continued interest in serving as the City's investment banker for the issuance and sale of tax increment bonds to finance the construction of downtown parking facilities. Through our direct involvement with the Jumer's Castle Lodge project and the assistance we have provided in preparing the City's Staff Report to the Downtown Development and Redevelopment Commission, we have become aware of the problems the City faces in maintaining a viable business district and have a sincere desire to assist the City in meeting its financing needs.

If engaged as the City's investment banker, Stifel, Nicolaus would provide all services necessary to effectuate the issuance and sale of the bonds. We would also be interested in purchasing the bonds upon the establishment of a mutually acceptable financing plan.

When we can be of assistance to you on this matter, please don't hesitate to call.

Sincerely,

Joy Howard

Joy Howard
Assistant Vice President
Municipal Finance

cc Bruce Waldon
Fred Walton



MEMBERS / NEW YORK STOCK EXCHANGE, INC. / AMERICAN STOCK EXCHANGE, INC. / MIDWEST STOCK EXCHANGE, INC.
St. Louis Chicago Chicago Heights Clayton Columbus Denver Enid Kansas City Keokuk
Lawton Little Rock Louisville Memphis Milwaukee Moline Norman Oklahoma City Shawnee Tulsa Wichita

PART V

ASSURANCES

The Applicant hereby assures and certifies that:

1. It possesses legal authority to apply for the grant and to execute the proposed program.
2. Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
3. It has complied with all the requirements of OMB Circular A-95 as modified by 24 CFR Part 570.310 and that either:
 - a. Any comments and recommendations made by or through clearinghouses are attached and have been considered prior to submission of the application; or,
 - b. The required procedures have been followed and no comments or recommendations have been received.
4. Prior to submission of its application, the applicant has:
 - a. Prepared a written citizen participation plan, which:
 - (1) Provides an opportunity for citizens to participate in the development of the application, encourages the submission of views and proposals, particularly by residents of blighted neighborhoods and citizens of low- and moderate-income, provides for timely responses to the proposals submitted, and schedules hearings at times and locations which permit broad participation;
 - (2) Provides citizens with adequate information concerning the amount of funds available for proposed community development and housing activities, the range of activities that may be undertaken, and other important program requirements;
 - (3) Provides for public hearings to obtain the views of citizens on community development and housing needs; and
 - (4) Provides citizens with an opportunity to submit comments concerning the community development performance of the applicant.
 - b. Followed this plan in a manner to achieve full participation of citizens in development of the application. The applicant shall also follow this plan to achieve full citizen participation in all other stages of the program.
5. Its chief executive officer or other officer of the applicant approved by HUD:
 - a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply to 24 CFR 570;

- b. Is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the federal courts for the purpose of enforcement of his responsibilities as such an official.
6. The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight.
- NOTE: The requirements for this certification will not preclude the Secretary from approving an application where the applicant certifies, and the Secretary determines, that all or part of the Community Development Program activities are designed to meet other community development needs having a particular urgency as specifically explained in the application in accordance with 24 CFR 570.302(f).
7. It will comply with the regulations, policies, guidelines, and requirements of OMB Circular No. A-102, Revised, and Federal Management Circular 74-4 as they relate to the application, acceptance, and use of Federal funds under 24 CFR 570.
8. It will administer and enforce the labor standards requirements set forth in 24 CFR 570.605 and HUD regulations issued to implement such requirements.
9. It will comply with all requirements imposed by HUD concerning special requirements of law, program requirements, and other administrative requirements, approved in accordance with OMB Circular No. A-102, Revised.
10. It will comply with the provisions of Executive Order 11296, relating to evaluation of flood hazards and Executive Order 11288 relating to the prevention, control, and abatement of water pollution.
11. It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under 24 CFR 570 to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1971, subject to the exceptions contained in 41 CFR 101-19.604. The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
12. It will comply with:
- a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

- b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provisions of brokerage services.
 - c. Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part 570.601), which provide that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under 24 CFR 570.
 - d. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - e. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), and Section 4(b) of the Grant Agreement, which provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or federally assisted construction contracts. Contractors and subcontractors on Federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training and apprenticeship.
13. It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
14. It will:
- a. To the greatest extent practicable under State law, comply with Sections 301 and 302 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and will comply with Sections 303 and 304 of Title III, and HUD implementing instructions at 24 CFR Part 42; and
 - b. Inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations at 24 CFR Part 42 and Part 570.602(b).
15. It will:
- a. Comply with Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD implementing regulations at 24 CFR Part 42 and Part 570.602(a);
 - b. Provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition of real property for an activity assisted under the Community Development Block Grant Program. Such payments and assistance shall be provided in a fair and

consistent and equitable manner that insures that the relocation process does not result in different or separate treatment of such persons on account of race, color, religion, national origin, sex, or source of income;

- c. Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, or source of income; and
 - d. Inform affected persons of the relocation assistance, policies, and procedures set forth in the regulations at 24 CFR Part 42 and 24 CFR Part 570.602(a).
- 16. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
 - 17. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
 - 18. It will give HUD and the Comptroller General through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.
 - 19. It will insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
 - 20. It will comply with the flood insurance purchase requirement of Section 102(a) of the Flood Disaster Protection Act of 1973. Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103(a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
 - 21. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. seq.) by:
 - a. Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed activity; and
 - b. complying with all requirements established by HUD to avoid or mitigate adverse effects upon such properties.

22. It certifies that it has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry. 18 U.S.C. 1001 provides that whoever does so within the jurisdiction of any department or agency of the United States shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

Charles C. Proppito
Signature

7-28-80
Date

Chief Administrative Officer
Title

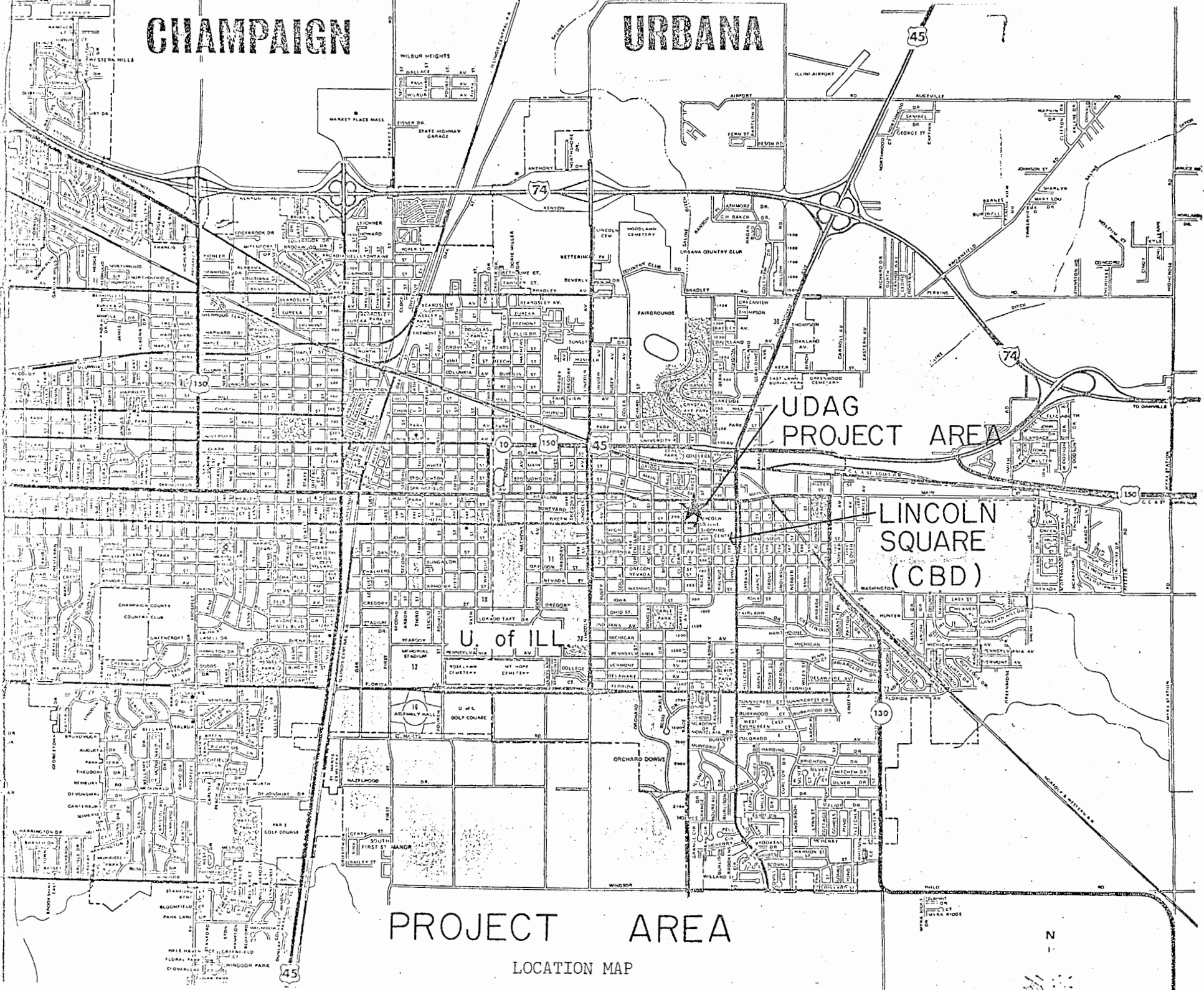
EXHIBIT B.

MAPS AND LETTERS OF SUPPORT

1. Location Map (SMSA)
2. Locality Map
3. Existing Site
4. Proposed Site Plan (Generalized)
5. Busey Bank Site Plan
6. Jumer's Castle Lodge Site Plan
7. Letters of Support
 - A. Chamber of Commerce
 - B. Development and Redevelopment Commission

CHAMPAIGN

URBANA



UDAG PROJECT AREA

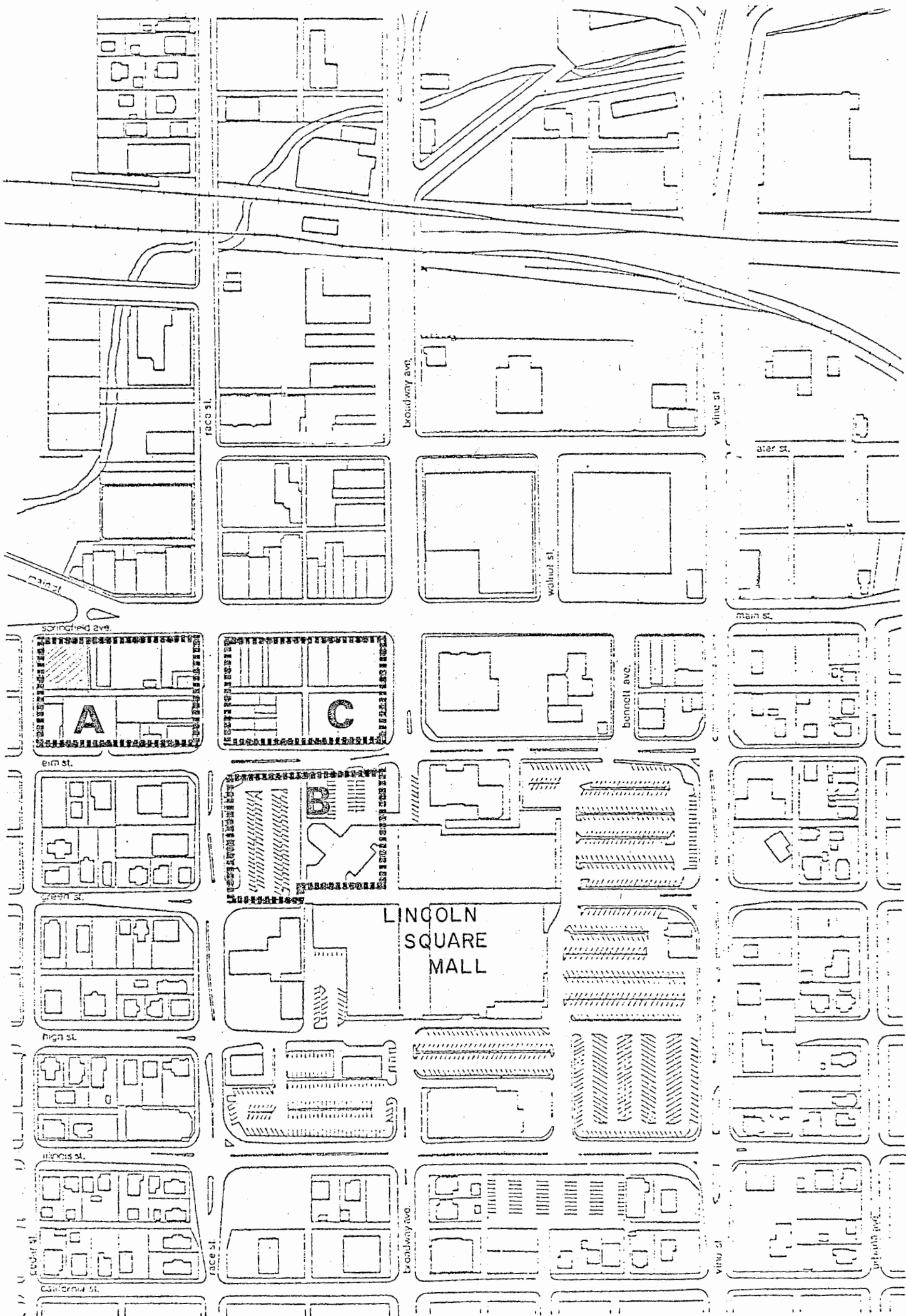
LINCOLN SQUARE (CBD)

U. of ILL.

PROJECT AREA

LOCATION MAP

N



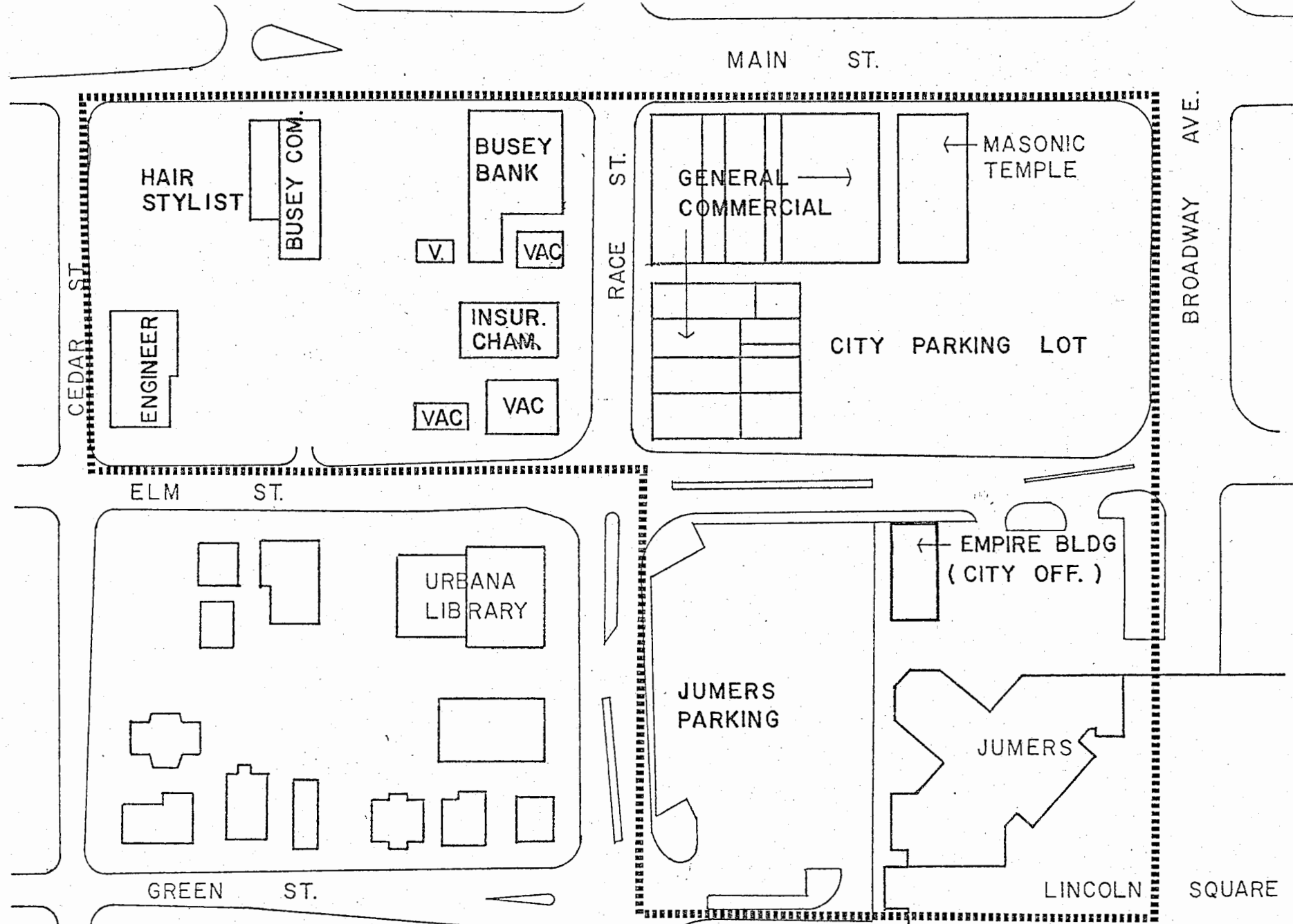
CENTRAL CITY PLAN FOR URBANA, ILLINOIS

Major Potential Development Sites

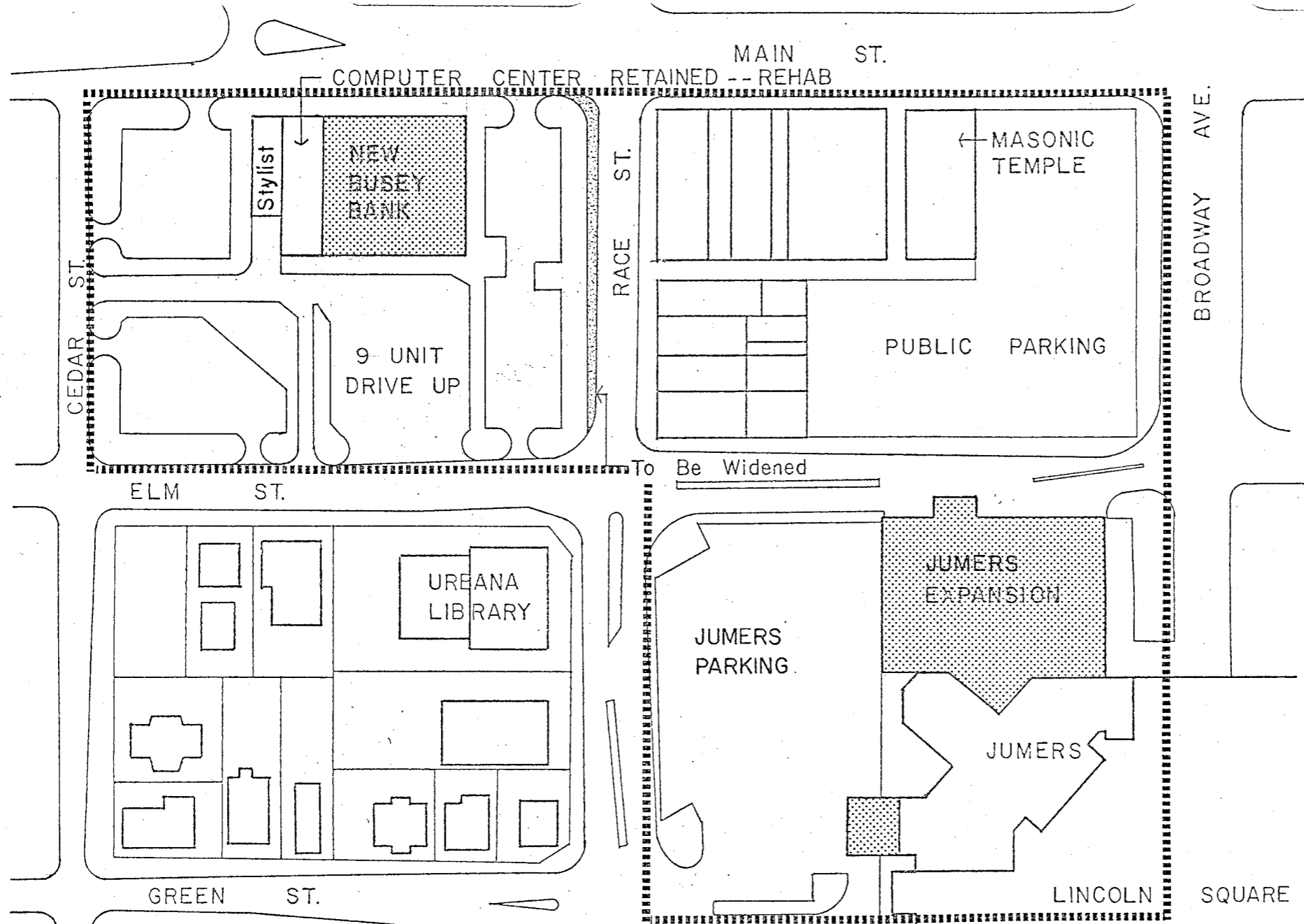
- A) Busey Bank Block
- B) Jumers Block
- C) Parking Garage Block

Prepared by:	
CITY of URBANA	
PUBLIC WORKS DEPARTMENT	

LOCALITY MAP



URBANA, ILLINOIS
 UDAG PROJECT AREA
 EXISTING SITE 7/80



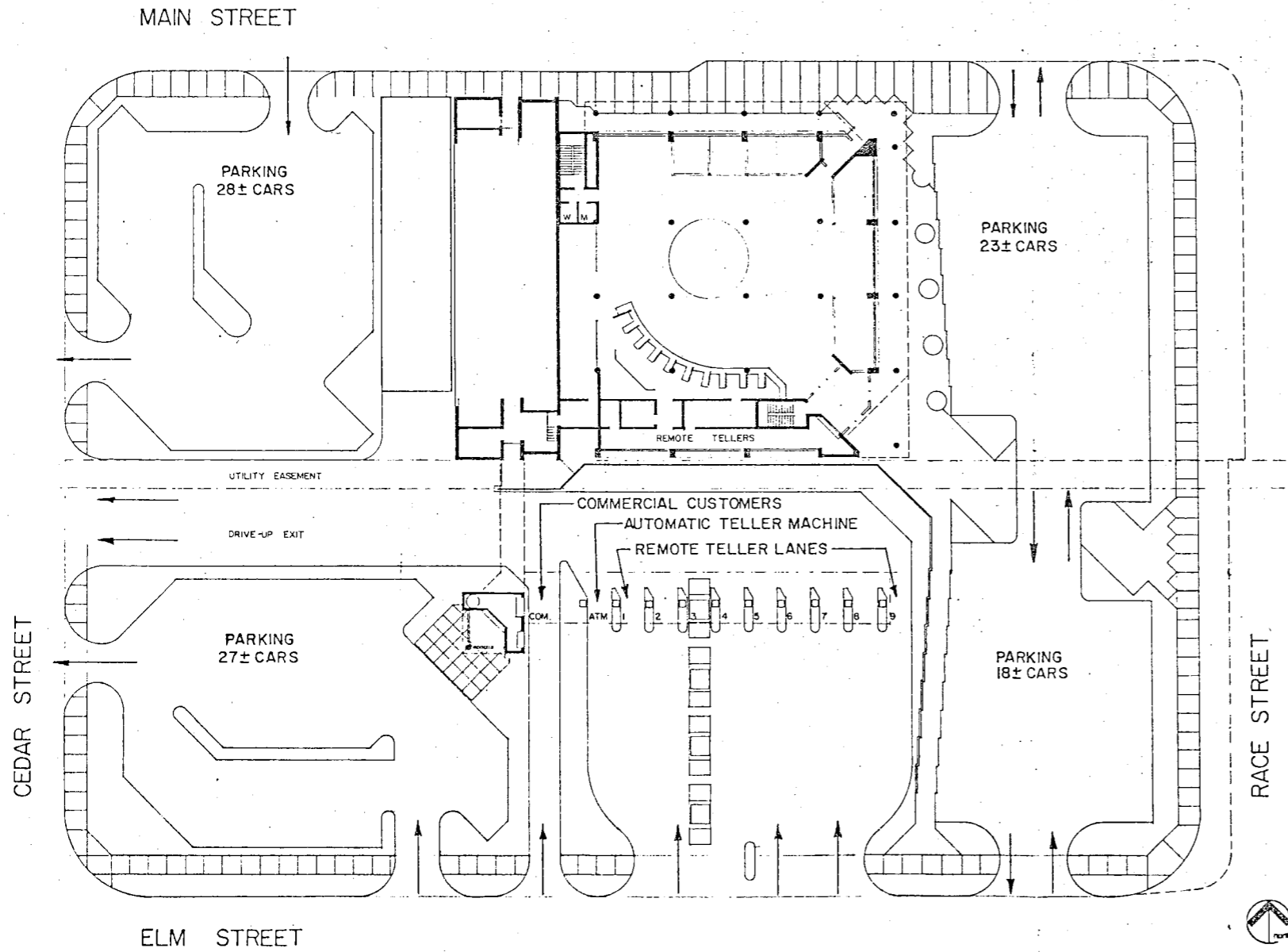
URBANA, ILLINOIS

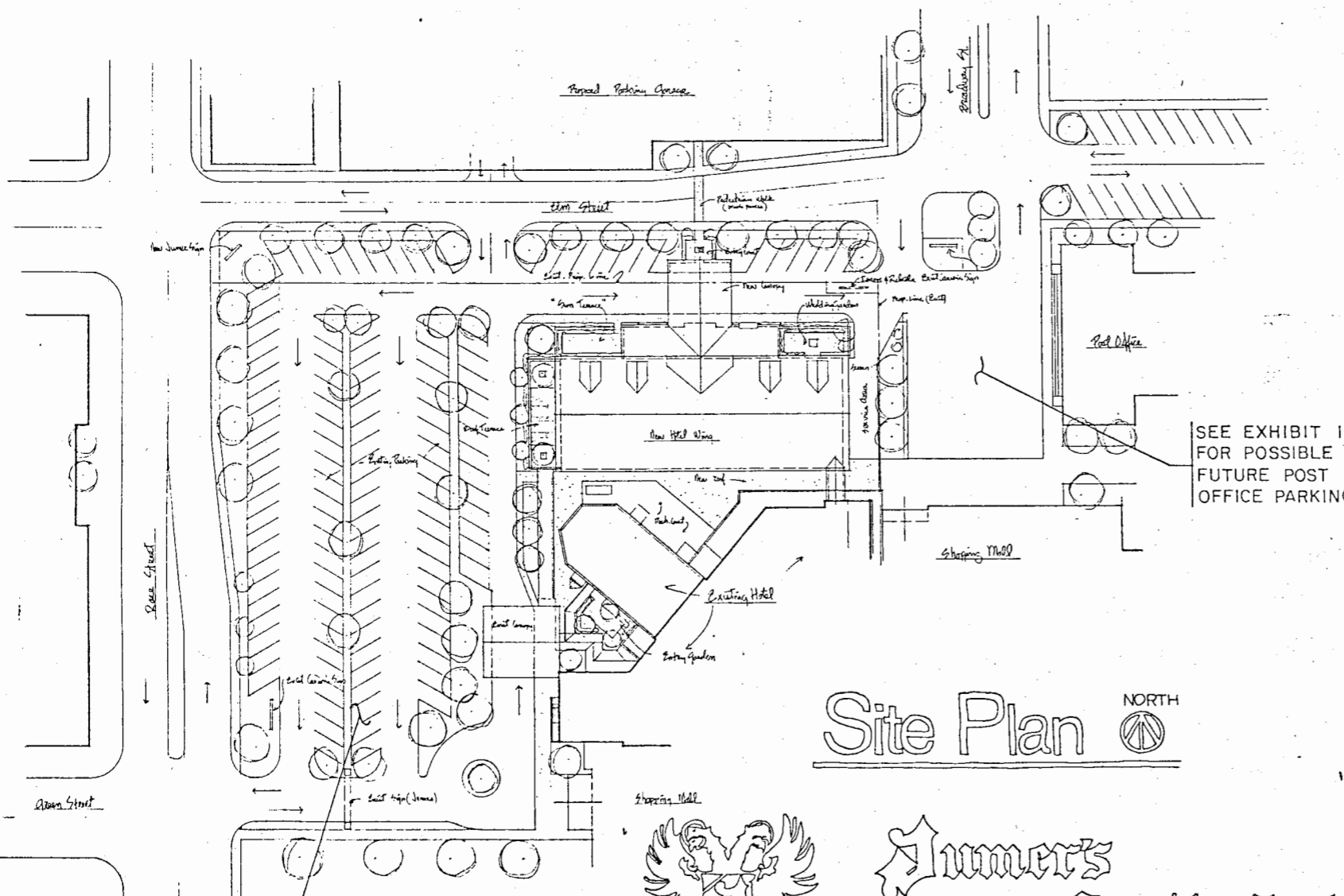
UDAG PROJECT AREA

PROPOSED SITE PLAN (GENERALIZED)

BOUNDARY

PROPOSED BUSEY 1ST NATIONAL BANK





SEE EXHIBIT II
FOR POSSIBLE
FUTURE POST
OFFICE PARKING

Site Plan



Aumer's Castle Lodge

PROPOSED ON-SITE PARKING
PROPOSED = 122 SPACES
EXISTING = 101 SPACES

PROPOSED HOTEL ADDITION
URBANA, ILLINOIS

EXHIBIT 2

July 17, 1980

The Honorable Jeffrey Markland
Mayor of the City of Urbana
400 S. Vine
Urbana, IL 61801

Dear Jeff:

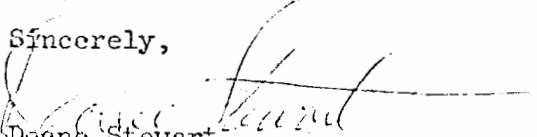
I am writing on behalf of the Urbana Chamber of Commerce and in support of the Busey First National Bank expansion program for Downtown Urbana. We heartily endorse the proposed cooperative efforts between the City and Busey Bank to further expand the renewal of our Downtown Area and we see this project as one that will provide the additional spark needed to return our community to its vital role in the area's economy.

The Urbana Chamber of Commerce has, since the completion of Lincoln Square, sought and initiated programs for continued Downtown expansion and sees this proposal as one that will provide the impetus for making this effort a reality.

We compliment the City for its initiative and are confident that with this project and others planned and those nearing completion, other developments will follow that will further rejuvenate the Downtown Area. In addition, and most importantly, new jobs will be created and through the efforts of the public and private sector, doors will open to additional business interest in our community thus benefiting the entire citizenry.

Again, we compliment you and members of the Council for your progressive action and we heartily endorse your application for government funding.

Sincerely,


Deane Stewart
President

DS/ja

cc: Bruce K. Walden
Administrator, Department of Community Dev. Services
Edwin Scharlau, President, Busey First National Bank

URBANA BUSINESS DISTRICT DEVELOPMENT AND REDEVELOPMENT COMMISSION

400 South Vine Street
Urbana, Illinois 61801

July 18, 1980

Department of Housing and
Urban Development
Chicago Area Office
One North Dearborn
Chicago, Illinois 60602

ATTENTION: Mr. Elmer Binford

SUBJECT: URBANA U.D.A.G.

Dear Mr. Binford:

In January of 1978, the City of Urbana, pursuant Ordinance No. 7778-55, established the Urbana Business District Development and Redevelopment Commission. The Commission consists of the Mayor, two (2) ex-officio City Council Members, and four (4) citizens. The purpose of the Commission is to promote development and redevelopment of Urbana's business districts. The Commission has the specific authority to act as agent of the City of Urbana to implement plans for such development. The Commission is authorized to review plans, select project sites, secure appraisals, etc., in order to promote, direct and approve Urbana Business District Development.

The purpose of this letter is to inform H.U.D. of the Commission's review of the proposed Urban Development Action Grant and of the Commission's full endorsement of this redevelopment project undertaken by Busey Bank, Jumer's and the City of Urbana. The approval of the U.D.A.G. request would spark the type of private investment necessary to bring back to Urbana the downtown vitality once enjoyed by our community. We feel certain the U.D.A.G., if approved, will be the catalyst for further improvements.

Both officially through appointed positions and unofficially as private businessmen, we have endeavored many years to promote a development package for the downtown. This project, with the expansion of Jumer's

Department of Housing and
Urban Development
July 18, 1980

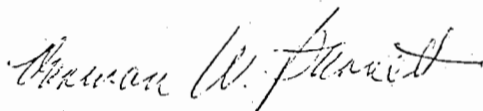
-2-

and Busey including the future construction of much needed parking,
has finally brought to fruition our efforts at producing a functional
downtown proposal.

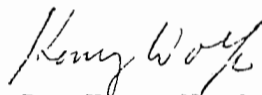
BY UNANIMOUS VOTE, THIS COMMISSION ENDORSES AND APPLAUDES THE BUSEY
AND JUMER'S U.D.A.G. APPLICATION AND DOWNTOWN PROPOSAL.

Very truly yours,

URBANA BUSINESS DISTRICT DEVELOPMENT
AND REDEVELOPMENT COMMISSION



Norman Barnett
Commissioner



Dr. Henry Wolfe
Commissioner

nm

EXHIBIT C.

BUSEY BANK DOCUMENTATION

1. Construction Cost Estimate
2. Employment Classifications and Projections
3. Affirmative Action Program
4. Equal Employment Opportunity (E.E.O.) Policy Statement
5. Minority Participation
6. 1979 Annual Report
7. Statement of Condition, June 30, 1980
8. Memorandum of Intent with City on Revenue Bond Sale
9. Commitment Letter on Bond Purchase, First Chicago Corporation
10. Busey Bank Letter of Commitment

PRELIMINARY ESTIMATE

NEW BANK BUILDING

I.	Demolition and Fill	100,000	
	a. Main Bank (May, 1982)	<u>125,000</u>	\$ 225,000
II.	Footings, Foundation Wall, Basement Slab and Fill		225,000
III.	Structural Building System		250,000
IV.	Exterior Walls, Insulation, Glass		365,000
V.	Electrical Work		285,000
VI.	Heat, Vent, Air Conditioning		310,000
VII.	Plumbing		90,000
VIII.	Canopy at Drive-Up Windows		115,000
IX.	Inside Construction		
	a. Stairs, Railings, Doors, Frames, Hardware	65,000	
	b. Interior Partitions	110,000	
	c. Millwork, Paneling, Shelving	70,000	
	d. Suspended ceilings	50,000	
	e. Vault	60,000	
	f. Elevator	70,000	
	g. Skylights	85,000	
	h. Paint, Floor Tile, Accessories	47,000	
	i. Carpeting and Wallpaper	150,000	
	j. Furniture and Fixtures	<u>153,000</u>	
			860,000
X.	Exterior Site Work--Parking		350,000
XI.	Bank Equipment		<u>350,000</u>
			\$3,425,000
XII.	Fees:		
	a. Contractor	170,000	
	b. Architect	170,000	
	c. Bond Lender	35,000	
	d. Bond Council	15,000	
	e. Attorney	5,000	
	f. Accountant	<u>5,000</u>	
			<u>400,000</u>
	Contingency		\$3,825,000
			<u>175,000</u>
TOTAL			\$4,000,000

USE:

Land	\$1,377,000
Site Preparation	225,000
Building	2,850,000
Equipment	350,000
Professional Fees	400,000
Contingency	<u>175,000</u>
TOTAL	\$5,377,000

SOURCE:

U.D.A.G. Grant	\$ 500,000
Revenue Bonds	3,500,000
Bank's Contribution	<u>1,377,000</u>
TOTAL	\$5,377,000

BUSEY FIRST NATIONAL BANK
EMPLOYMENT CLASSIFICATIONS AND PROJECTIONS

<u>Category</u>	<u>Salary</u>	<u>Current Number</u>	<u>Projected Number at Occupancy</u>	<u>Projected Number Four Years After</u>
Professionals	\$24,860	26	28	35
Technicians	15,450	21	23	43
Office and Clerical	8,640	77	80	123
Service Workers	8,984	<u>3</u>	<u>3</u>	<u>6</u>
TOTAL NUMBER		127	134	207

AFFIRMATIVE ACTION PROGRAM
Busey First National Bank

Busey First National Bank's policy of Equal Employment Opportunity with respect to race, creed, color, sex or national origin is presented in this discussion. We expect all officers and department heads to set an example for Busey Bank by intensifying their efforts now and on a continuing basis to attract minority group applications for white collar classifications, such as clerical, technical, professional and administrative positions. We expect each supervisor to review the present personnel policies and practices to assure that Equal Employment Opportunity is being implemented actively and that no employee or applicant for employment shall suffer any form of discrimination because of race, creed, color, sex or national origin. In order to effectively communicate and interpret Busey Bank's policy to all levels of management and supervision, and to all other employees, recruiting sources, community agencies and the public generally, the following will be undertaken immediately:

I. Dissemination of Policy

- A. Employees will be reminded of Busey Bank's written statement of policy by:
 - 1. Description of policy in all issues or re-issues of employee handbook.
 - 2. Discussions at officer's meetings.
 - 3. The orientation program for new employees, in all departments and at all levels, will give renewed emphasis to Busey Bank's Equal Employment Opportunity policy. The program will emphasize the opportunity for utilization of talents and merit advancements.
- B. Employment advertisements will contain assurance of equal employment opportunity.
- C. All employment and recruiting sources where jobs are listed by Busey Bank will be reminded of our policy.

II. Responsibility for Implementing the EEO Policy

- A. Responsibility, as stated in the policy, is assigned to the Personnel Director who will render full assistance and

support for those seeking help and assistance in taking affirmative action.

III. Recruiting

Cooperation will be given to seeking and encouraging applicants from minority groups where such applicants with the necessary qualifications or potentials are available, including the following:

Availability Employment Service

Opportunities Industrialization Center

Illinois State Employment Service

Snelling and Snelling

Urban League

Any other employment agency.

IV. Training

All training programs by the bank will continue to be equally open to minority group employees on the basis of qualifications. Such employees who appear to have management potential will be encouraged to seek advancement into supervisory or other management positions when openings occur.

V. Hiring, Placement, Transfer, Promotion, Dismissal

- A. Busey Bank recognizes that to accomplish the long-range objectives of its Equal Employment Opportunity policy, continued affirmative action must be taken to insure that job opportunities of all kinds are called to the specific attention of members of minority group communities and that qualified members of minority groups should be offered positions on the same basis as all other applicants or employees.
- B. In this connection, all Officers and Department Heads will take the following action:
 - 1. Utilize minority group employees through the whole spectrum of available jobs and positions.

2. Insure minority group employees of equal consideration whenever promotional opportunities occur.

VI. General

A copy of this statement will be distributed to all Bank Officers and Department Heads and all of those responsible for interviewing and recommending people for hire and promotion.

This Affirmative Action Program was reviewed and updated on June 2, 1980. This review is the responsibility of the Director of Personnel.

POLICY STATEMENT

Equal Employment Opportunity (E. E. O.)

It is the policy of Busey First National Bank to implement affirmatively equal opportunity to all qualified employees and applicants for employment without regard to race, creed, color, sex or national origin and positive action shall be taken to insure the fulfillment of this policy. This obligation includes:

- Hiring, placement, up-grading, transfer or demotion
- Recruitment, advertising or solicitation for employment
- Treatment during employment
- Rates of pay or other forms of compensation
- Selection for training
- Layoff or termination

This policy of Busey Bank is consistent with the requirements and objectives set forth by the Presidential Executive Order 11246.

The objective of Busey Bank is to obtain individuals qualified and/or trainable for the position by virtue of job related standards of education, training, experience and personal qualifications.

Responsibility for insuring compliance and continued implementation of Busey Bank's policy on equal opportunity is assigned to David Kuhl, Vice President-Cashier.

The responsible on-site official of Busey Bank will review this policy every 12 months and measure against these stated objectives.

(See Personnel Director for Affirmative Action Program for Busey First National Bank)

BUSEY FIRST NATIONAL BANK MINORITY PARTICIPATION

1. Have worked closely with Ernest Westfield with the State of Illinois Employment Service in hiring individuals who are presently unemployed and seeking employment. We have also worked with him on various programs to employ underprivileged youth in the community and worked with him when he was serving as President of the N.A.A.C.P. to help get further training and jobs for minorities for banks in Champaign-Urbana.
2. Participant in the Urbana High School Student Distributive Educational Program.
3. Participant in the O.I.C. program. One of our officers, Charles M. Zipprodt, was a board member on a special committee.
4. We have worked on a cooperative basis with the N.A.A.C.P. in financial support and to gain more jobs for minorities in banks.
5. We have worked with various minority groups to establish a two-year bank curriculum at Parkland Junior College. We presently employ one minority who is enrolled in that program.
6. We have worked with the Urban League and in the past have had an officer on that Board.
7. At the present time, Busey First National Bank employs 13 minority individuals.
8. Attached is a copy of Busey First National Bank's Affirmative Action Program.