

ORDINANCE NO. 2022-11-047

**AN ORDINANCE APPROVING AN EXTENSION TO A REDEVELOPMENT
PROJECT OCCUPANCY DATE**

(Hotel Royer – 2022)

WHEREAS, the City of Urbana, an Illinois municipal corporation (the “City”), is a home rule unit of local government pursuant to Article 7, Section 6 of the Illinois Constitution of 1970 and 65 ILCS 5/1-1-10; and

WHEREAS, the City Council approved a Redevelopment Agreement with Marksons Affiliates, LLC (the “Agreement”), on July 19, 2019, to renovate and operate the former Urbana Landmark Hotel as a Tapestry Collection by Hilton brand property; and

WHEREAS, the City Council later approved an amendment to the Agreement (“First Amendment”), on November 2, 2020, that extended the Project Commencement Date (as defined by the Agreement) from July 1, 2020 to July 1, 2021; and

WHEREAS, the First Amendment also acknowledged an approved assignment of Marksons Affiliates’ interest in the hotel to Icon Hospitality, LLC; and

WHEREAS, construction on the hotel did commence on or about July 1, 2021; and

WHEREAS, the on-going effects of the COVID-19 global pandemic impacted lead times and materials availability even after construction commencement; and

WHEREAS, Icon Hospitality has requested an extension of the Project Occupancy Date (as defined by the Agreement) for an additional eight (8) months, thereby extending the Project completion date from December 31, 2022 to August 31, 2023; and

WHEREAS, the parties also desire to make other minor, clarifying amendments to the Agreement; and

WHEREAS, the City Council, after due consideration, finds that approval of the extension request is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Illinois, as follows:

Section 1.

The City Council approves extending the Project Occupancy Date as defined and used in the Agreement for an additional eight (8) months and making other minor clarifying amendments to the Agreement.

Section 2.

The Mayor of the City of Urbana, Illinois, shall be and is hereby authorized to execute and deliver such documents required to reflect the extension and minor amendments granted in Section 1, and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said documents as so authorized and approved for and on behalf of the City of Urbana, Illinois.

Section 3.

This Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this 28th day of November, 2022.

AYES: Wu, Evans, Hursey, Kolisetty, Bishop, Wilken, Quisenberry

NAYS: None

ABSTENTIONS: None



Phyllis D. Clark

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this 20th day of December, 2022.

Diane Wolfe Marlin

Diane Wolfe Marlin, Mayor

**SECOND AMENDMENT TO A REDEVELOPMENT AGREEMENT BY AND
BETWEEN CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS AND ICON
HOSPITALITY, LLC**

This Second Amendment (hereinafter, "Second Amendment") to a Redevelopment Agreement by and between City of Urbana, Champaign County, Illinois and Icon Hospitality, LLC (an affiliate and assignee of Marksons Affiliates, LLC) dated June 1, 2019 is entered into this ___ Day of December, 2022 by and between the City of Urbana, Illinois and Icon Hospitality, LLC (collectively, the "Parties" and individually and generically, a "Party").

WHEREAS, the City of Urbana, Illinois (hereinafter the "City") and Marksons Affiliates, LLC (hereinafter, "Marksons") entered into a Redevelopment Agreement dated June 1, 2019 (hereinafter, "Agreement"); and

WHEREAS, at the request of Marksons, the City approved of Marksons' assignment of its rights and obligations to an affiliated entity owned by Marksons known as Icon Hospitality, LLC on or about January 23, 2020; and

WHEREAS, the Agreement was amended ("First Amendment") on November 2, 2020 to redefine the "Project Commencement Date" as defined in Section 1.1 of the Agreement to be July 1, 2021; and

WHEREAS, the impacts of the COVID-19 pandemic that led to the extension of the Project Commencement Date in the First Amendment have continued to impact the timeline for construction due to long lead times and limited availability of building materials and components; and

WHEREAS, Icon Hospitality commenced construction by July 1, 2021 but will be unable to achieve completion and commence operations by the "Project Occupancy Date" (as defined in Section 1.1 of the Agreement) due to the COVID-19 pandemic; and

WHEREAS, Icon Hospitality has requested an extension of the Project Occupancy Date for an additional eight (8) months; and

WHEREAS, the City is willing to grant Icon Hospitality's aforesaid request; and

WHEREAS, the Parties would like to clarify certain other terms of the Agreement.

NOW, THEREFORE, for good, valuable, and mutual consideration that each Party acknowledges as having in hand received, and for the exchange of the terms, conditions, and covenants contained in this Amendment, the Parties agree as follows:

Section 1: Section 1.1 of the Agreement is hereby amended to extend the "Project Occupancy Date" from eighteen (18) months following the Project Commencement Date to twenty-six (26) months following the Project Commencement Date.

Section 2: The following language shall be substituted for Section 4.1(c):

- (c) **Bond Issue Date.** The City agrees to issue and deliver the Bonds and cause the Bond Issue Date to occur as soon as reasonably possible after the Project Occupancy Date but in no event before the Developer has provided appropriate documentation (as required by Section 4.1(b)) of Eligible Redevelopment Project Costs in an amount at least equal to the Reimbursement Amount. The Bond Issue Date will occur no more than sixty (60) calendar days from and after the Project Occupancy Date, and the City will pay the Reimbursement Amount to the Developer within ten (10) calendar days of the Bond Issue Date.

Section 3: The contact information for the Developer, under Section 8.8(i), shall be replaced with the following:

Icon Hospitality, LLC
Attn: Haaris Pervaiz
210 S. Race Street
Urbana, IL 61801
Tel: (773) 719-8191
Email: haaris@crystallakehi.com

Section 4: The staff contact information for the City, under Section 8.8(ii), shall be replaced with the following:

Tel: (217) 328-8274
Email: slcmahon@urbanaillinois.us

Section 5: Each Party to this Amendment represents and acknowledges that the person who has executed this Amendment is duly authorized to do so on behalf of the Party for whom that person is executing this Amendment.

Section 6: Except as otherwise expressly provided in this Amendment, all other terms, conditions and covenants contained in the Agreement shall remain in full force and effect.

[END OF AMENDMENT. SIGNATURES FOLLOW.]

For the City of Urbana, Illinois

Diane Wolfe Marlin

Diane Wolfe Marlin, Mayor

Attest: Phyllis D. Clark
City Clerk

Date: 12/12/2022

For Icon Hospitality, LLC

Haaris Pervaiz

Haaris Pervaiz

Witness: Jerome P. Ramsey

Date: 12/12/22