

# CITY OF WASHINGTON

## PLANNING & DEVELOPMENT DEPARTMENT

301 Walnut St. - Washington, IL 61571

Ph. 309-444-1135 - Fax 309-444-9779

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### MEMORANDUM

TO: Finance & Personnel Committee  
FROM: Jon R. Oliphant, AICP, Planning & Development Director  
SUBJECT: TIF funding request – C-Note and Cornerstone Inn, 101-103 Washington Square  
DATE: March 15, 2017

We have received an application from Brock Heider of Heider Properties, LLC, to complete interior and exterior renovations to the C-Note and Cornerstone Inn spaces. Mr. Heider recently purchased this property from Gross Enterprises. Attached are materials showing the cost estimates (including the planned furnishings for the Cornerstone Inn, which are not eligible for TIF reimbursement), existing photos, and examples of similar projects provided by the applicant.

The improvements to the C-Note (which would be renamed Blacksmith's) include installing a dumbwaiter, custom millwork for a new bar, new flooring, drywall, painting, light fixtures, and sealing the brick. The renovations to the Cornerstone Inn would include repairs to the beams, walls, and subfloor; drywall; millwork; new light fixtures; plumbing and electrical upgrades; new cabinetry; tile flooring, walls, and showers; hardwood flooring and carpet installation; and new doors and windows. The entrance to the Cornerstone Inn would also be modified through some tuckpointing to enhance its appearance and take advantage of the parking lot across the street.

Mr. Heider plans on reopening Denhart's soon. C-Note and Cornerstone Inn would both be opened at a later time once the renovations are completed.

Mr. Heider has submitted estimates totaling \$467,222 for this work, although nearly \$50,000 of this would be spent towards furnishings for the Cornerstone Inn rooms. Each of the items identified above qualifies for the 20-percent base TIF assistance. Additionally, much of this project would be done in accordance with maintaining the historic integrity of the building, qualifying for an additional 20% subsidy. Mr. Heider has requested that the City consider a subsidy of \$350,000, which is approximately 75% of the total TIF-eligible renovation cost and approximately 84% of the total renovation cost.

As with the agreement approved with McGregor Group recently, it would seem prudent that if there was support for this requested subsidy, there be a clause in the redevelopment agreement that requires that the work be completed within a set timeframe or else the applicant would default on the subsidy payments. Such an agreement ought to also have a sliding scale of penalties should any of these spaces close for a period of at least 20 days over the remaining life in the TIF district.

This item is scheduled for review and action by the Finance Committee at their meeting on March 20, 2017.

**CITY OF WASHINGTON, ILLINOIS**  
**APPLICATION FOR TAX INCREMENT FINANCING (TIF) ASSISTANCE**  
**PRIVATE REDEVELOPMENT INCENTIVE**

Complete this form in its entirety and attach all necessary documents. Submit the completed application to the Planning & Development Department at 301 Walnut Street, Washington, IL 61571. If you have any questions, contact Jon Oliphant, Planning & Development Director at 444-1135 or by email at [joliphant@ci.washington.il.us](mailto:joliphant@ci.washington.il.us).

Applicant name: Brock Heider (please print or type)  
Mailing address: 1300 Prince George Fax: \_\_\_\_\_  
Daytime Phone: 303-0575 Email Address: fastw31@yahoo.com  
I would like to receive correspondence by: \_\_\_\_\_ Mail ☒ Email

1. Applicant interest in property (check one): ☒ Owner/Mortgagor ☐ Purchaser ☐ Tenant
2. Property owner name: Linda Heider / Heider Properties
3. Business name(s): Denhardt / Cornerstone Inn / Blacksmiths
4. Project address or location: 101-103 Washington St
5. Property tax ID number(s): \_\_\_\_\_
6. Current use of property: N/A
7. Proposed use of property: restaurant / inn
8. Choose the applicable project (check all that apply): ☐ New construction ☒ Interior renovation  
☒ Exterior renovation/restoration ☐ Relocation ☒ Site improvement ☐ Other
9. Describe the nature of work proposed for the property: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Estimated total project cost: \$ 417,233.00
11. Attach the following documentation to support the project and to complete the application for TIF assistance:
  - ✓ Preliminary, itemized cost estimates or quotes from a contractor or design professional;
  - ✓ Scaled plans, renderings, and/or photos, as applicable, clearly illustrating the proposed improvements; and
  - ✓ A copy of the Warranty Deed, including a legal description and owner name for the property.
12. Sign and date below to complete the application.

Brock Heider  
Applicant signature

3-15-17  
Date

**IMPORTANT:** If the Finance Committee votes on a level of assistance it will be included in a contract agreement between the City and redeveloper. NO WORK SHALL BEGIN UNTIL THE CONTRACT DOCUMENTS ARE APPROVED BY THE CITY COUNCIL. Any work that begins prior to contract approval shall be ineligible for TIF assistance.

**FOR OFFICE USE ONLY**

Date of Finance Committee review: \_\_\_\_\_

Committee action & form of assistance: \_\_\_\_\_

Comments: \_\_\_\_\_

City Council review and action by ordinance. Date of First reading: \_\_\_\_\_ Date of Second reading: \_\_\_\_\_

## Estimate

# Christopher Michael LLC

For: Brock heider  
Cornerstone Inn/ Blacksmiths Steakhouse

Estimate No: 151  
Date: March 13, 2017

| Description            |              | Amount        |
|------------------------|--------------|---------------|
| Demo :                 |              | \$417,233.00* |
| Demolition             |              |               |
| Debris cleanup         |              |               |
| Dumpster.              | \$15,000.00  |               |
| Framing/ rebuild       |              |               |
| Beams/ walls/ subfloor |              |               |
| Drywal / tape          |              |               |
| Prime / paint          |              |               |
| Trim / millwork        |              |               |
| Light fixtures         | \$79,000.00  |               |
| Plumbing               | \$17,500.00  |               |
| Electrical             | \$28,000.00  |               |
| Cabinetry/ tops        | \$5,500.00   |               |
| Tile flooring          |              |               |
| Tile walls             |              |               |
| Tile showers           |              |               |
| Hardwood flooring      |              |               |
| Carpet                 |              |               |
| Tread covers.          | \$105,933.00 |               |
| Mud pour showers       |              |               |
| New Entrance           |              |               |
| Framing                |              |               |
| Roof                   |              |               |
| Doors                  |              |               |
| Windows                |              |               |
| Post                   | \$26,0000.00 |               |

Inn

**Description****Amount**

Blacksmiths

Dumb waiter  
Framing/ demo \$35,000.00

Basement

Bar  
Custom millwork  
Top. \$25,000.00

Flooring  
LVT  
Grind  
Floor leveler. \$28,300.00

Interior finish  
Dry wall  
Paint  
Light fixtures  
Seal brick \$20,000.00

General fees  
Permits. \$32,000.00

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\* Indicates non-taxable item

Subtotal \$417,233.00  
(0.00%) \$0.00

**Total \$417,233.00**

## Heider Properties, LLC: Denhart Downtown Project

| <u>Description</u>                                | <u>Cost</u>  |                                    |
|---|--------------|------------------------------------|
| Purchase Price                                    | \$605,000.00 | Total Project Cost: \$1,148,222.40 |
| Demo, Cleanup, Dumpster                           | \$15,000.00  | Total TIF-Eligible Cost: \$467,222 |
| Framing, Rebuild, Trim, Paint, Light              | \$79,000.00  | TIF Funds Requested: \$350,000     |
| Plumbing  | \$17,500.00  | Total TIF-Eligible %: 74.91%       |
| Electrical  | \$28,000.00  | Total TIF Project %: 30.48%        |
| Cabinetry, Countertops                            | \$5,500.00   |                                    |
| Hardwood flooring, treads, carpet, tile showers   | \$105,933.00 |                                    |
| New Entrance, doors, windows, posts               | \$26,000.00  |                                    |
| Dumbwaiter, framing and demo                      | \$35,000.00  |                                    |
| Custom bar millwork/top                           | \$25,000.00  |                                    |
| Bar flooring LVT, grind, leveler                  | \$28,300.00  |                                    |
| Bar interior drywall, paint, lighting, brick seal | \$20,000.00  |                                    |
| General fees/permits                              | \$32,000.00  |                                    |
| Blacksmith's lease remainder                      | \$56,000.00  |                                    |
| Current out of pocket, employee payroll           | \$20,000.00  |                                    |
| Cornerstone Inn new furnishings                   | \$49,989.40  |                                    |

| ELIGIBLE EXPENSES                     | ESTIMATE             | BASE<br>SUBSIDY % | BASE<br>SUBSIDY<br>AMT. | HISTORIC<br>REHAB.<br>BONUS % | HISTORIC<br>REHAB.<br>BONUS AMT. | TOTAL<br>SUBSIDY % | TOTAL<br>SUBSIDY<br>AMT. |
|---------------------------------------|----------------------|-------------------|-------------------------|-------------------------------|----------------------------------|--------------------|--------------------------|
| <b>Exterior Work</b>                  |                      |                   |                         |                               |                                  |                    |                          |
| New entrance/framing/doors/windows    | \$ 26,000.00         | 20%               | \$ 5,200.00             | 20%                           | \$ 5,200.00                      | 40%                | \$ 10,400.00             |
| <b>SUBTOTAL</b>                       | \$ 26,000.00         | 20%               | \$ 5,200.00             | 20%                           | \$ 5,200.00                      | 40%                | \$ 10,400.00             |
| <b>Interior Work</b>                  |                      |                   |                         |                               |                                  |                    |                          |
| Demo/Cleanup                          | \$ 15,000.00         | 20%               | \$ 3,000.00             | 20%                           | \$ 3,000.00                      | 40%                | \$ 6,000.00              |
| Framing/rebuild/trip/paint/lighting   | \$ 79,000.00         | 20%               | \$ 15,800.00            | 20%                           | \$ 15,800.00                     | 40%                | \$ 31,600.00             |
| Plumbing                              | \$ 17,500.00         | 20%               | \$ 3,500.00             | 20%                           | \$ 3,500.00                      | 40%                | \$ 7,000.00              |
| Electrical                            | \$ 28,000.00         | 20%               | \$ 5,600.00             | 20%                           | \$ 5,600.00                      | 40%                | \$ 11,200.00             |
| Cabinetry, countertops                | \$ 5,500.00          | 20%               | \$ 1,100.00             | 20%                           | \$ 1,100.00                      | 40%                | \$ 2,200.00              |
| Hardwood flooring, carpet, tile       | \$ 105,933.00        | 20%               | \$ 21,186.60            | 20%                           | \$ 21,186.60                     | 40%                | \$ 42,373.20             |
| Dumb waiter, framing/demo             | \$ 35,000.00         | 20%               | \$ 7,000.00             | 20%                           | \$ 7,000.00                      | 40%                | \$ 14,000.00             |
| Bar, custom millwork                  | \$ 25,000.00         | 20%               | \$ 5,000.00             | 20%                           | \$ 5,000.00                      | 40%                | \$ 10,000.00             |
| Bar flooring, floor leveler           | \$ 28,300.00         | 20%               | \$ 5,660.00             | 20%                           | \$ 5,660.00                      | 40%                | \$ 11,320.00             |
| Interior dry wall, painting, lighting | \$ 20,000.00         | 20%               | \$ 4,000.00             | 20%                           | \$ 4,000.00                      | 40%                | \$ 8,000.00              |
| General fees/permits                  | \$ 32,000.00         | 20%               | \$ 6,400.00             | 20%                           | \$ 6,400.00                      | 40%                | \$ 12,800.00             |
| <b>SUBTOTAL</b>                       | \$ 391,233.00        |                   | \$ 78,246.60            |                               | \$ 78,246.60                     |                    | \$ 156,493.20            |
| <b>TOTALS</b>                         | <b>\$ 417,233.00</b> |                   | <b>\$ 83,446.60</b>     |                               | <b>\$ 83,446.60</b>              |                    | <b>\$ 166,893.20</b>     |

(NOT TO EXCEED)

**PROPOSED REIMBURSEMENT SCHEDULE**

Duration: 3 years

|        |             |
|--------|-------------|
| Year 1 | \$55,631.07 |
| Year 2 | \$55,631.07 |
| Year 3 | \$55,631.07 |

## Room One/Two

|                               |            |
|-------------------------------|------------|
| King size platform bed        | \$960.00   |
| Mattress                      | \$1,700.00 |
| Pillows                       | \$100.00   |
| Sheets                        | \$253.00   |
| Comforter                     | \$150.00   |
| Duvet 2                       | \$200.00   |
| Mattress Protectors           | \$200.00   |
| 2 Night Stands                | \$500.00   |
| Dresser                       | \$600.00   |
| Lamps                         | \$240.00   |
| T.V.                          | \$1000.00  |
| Mirror                        | \$130.00   |
| Alarm clocks with usb charger | \$40.00    |
| Wall Decorations              | \$100.00   |
| Sitting chair                 | \$400.00   |
| Pull Out Couch                | \$1000.00  |
| Coffee Pot                    | \$40.00    |
| Small Fridge                  | \$100.00   |
| New Hardwood Floor            |            |
| New Light Fixture             |            |
| Complete remodel of bathroom  |            |
| New Paint                     |            |
| Drywall Repairs               |            |

**\$8,213.00**

Room Sleeps 4

**Room Four**  
**Presidents Room**

|                               |          |
|-------------------------------|----------|
| Sheets & Towels               | \$253.40 |
| Lamps                         | \$150.00 |
| Alarm clocks with usb charger | \$40.00  |
| Coffee Pot                    | \$40.00  |
| Spa Robes                     | \$80.00  |
| T.V.                          | 1,800.00 |

New Hardwood Floor  
New Light Fixture  
Complete remodel of bathroom  
New Paint  
Drywall Repairs

**\$1,563.40**

Room Sleeps 2



## Room Six

|                               |            |
|-------------------------------|------------|
| One King Size Bed             | \$950.00   |
| Mattress                      | \$1,700.00 |
| Sheets and Towels             | \$250.00   |
| Pillows (4)                   | \$100.00   |
| Comforter                     | \$150.00   |
| Duvet (4)                     | \$200.00   |
| Mattress Protectors           | \$200.00   |
| Night Stands (2)              | \$500.00   |
| Dresser                       | \$600.00   |
| T.V.                          | \$1000.00  |
| Mirror                        | \$300.00   |
| Lamps                         | \$200.00   |
| Alarm clocks with usb charger | \$40.00    |
| Coffee Pot                    | \$40.00    |
| Small Fridge                  | \$100.00   |
| Wall Decorations              | \$200.00   |
| Sitting chair                 | \$400.00   |
| Desk                          | \$500.00   |
| New Hardwood Floor            |            |
| New Light Fixture             |            |
| Complete remodel of bathroom  |            |
| New Paint                     |            |
| Drywall Repairs               |            |

**\$7,430.00**

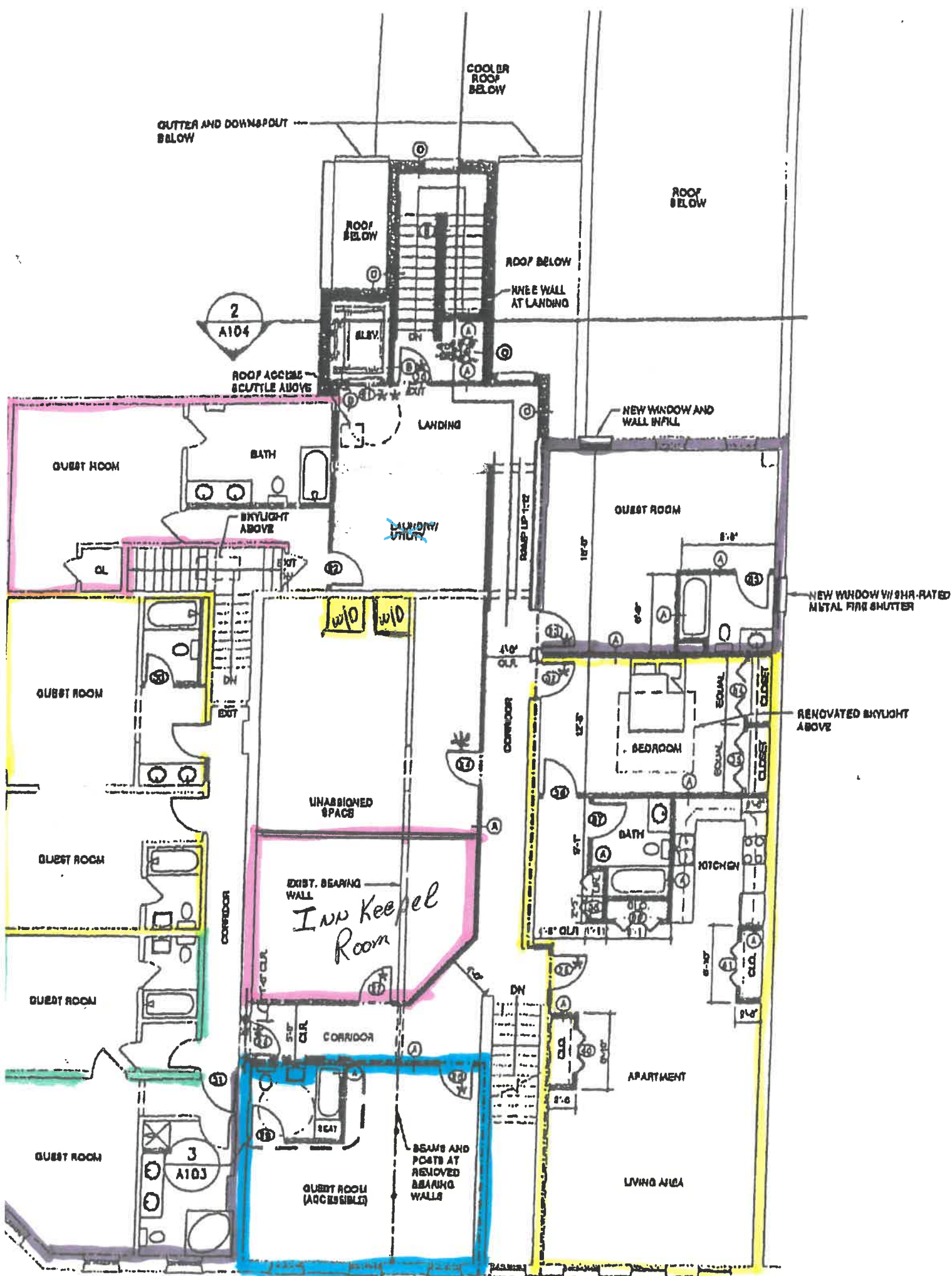
Room Sleeps 2

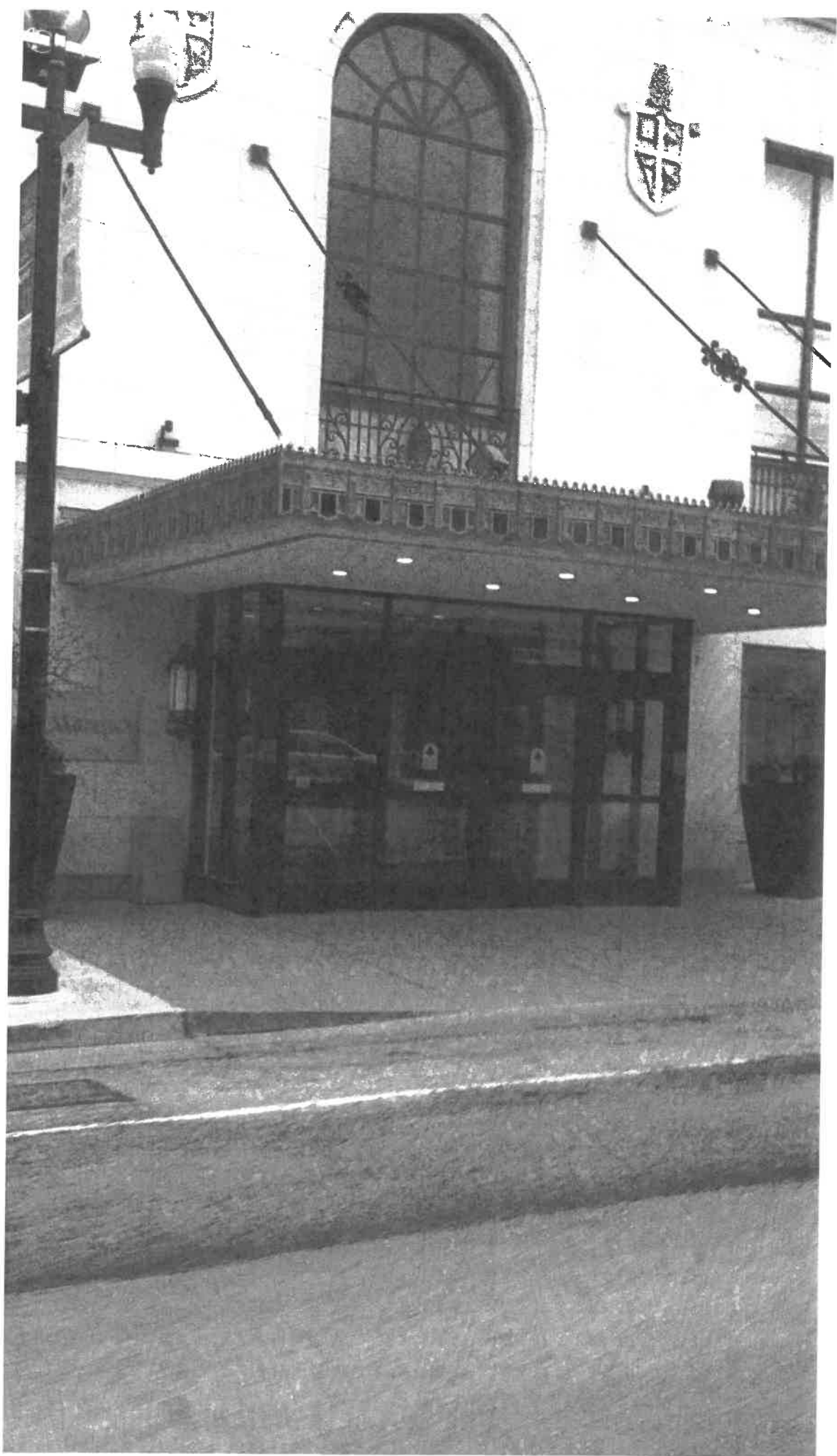
## Room Eight

|                               |            |
|-------------------------------|------------|
| Two Queen Size Bed            | \$1,700    |
| Mattress                      | \$3,400.00 |
| Sheets and Towels             | \$500.00   |
| Pillows (8)                   | \$200.00   |
| Comforter                     | \$300.00   |
| Duvet (4)                     | \$400.00   |
| Mattress Protectors           | \$400.00   |
| Night Stands (2)              | \$500.00   |
| Dresser                       | \$600.00   |
| T.V.                          | \$1000.00  |
| Mirror                        | \$300.00   |
| Lamps                         | \$200.00   |
| Alarm clocks with usb charger | \$40.00    |
| Coffee Pot                    | \$40.00    |
| Wall Decorations              | \$200.00   |
| Sitting chair (2)             | \$800.00   |
| Desk                          | \$500.00   |
| New Hardwood Floor            |            |
| New Light Fixture             |            |
| Complete remodel of bathroom  |            |
| New Paint                     |            |
| Drywall Repairs               |            |

**\$11,080.00**

Room Sleeps Up To 6

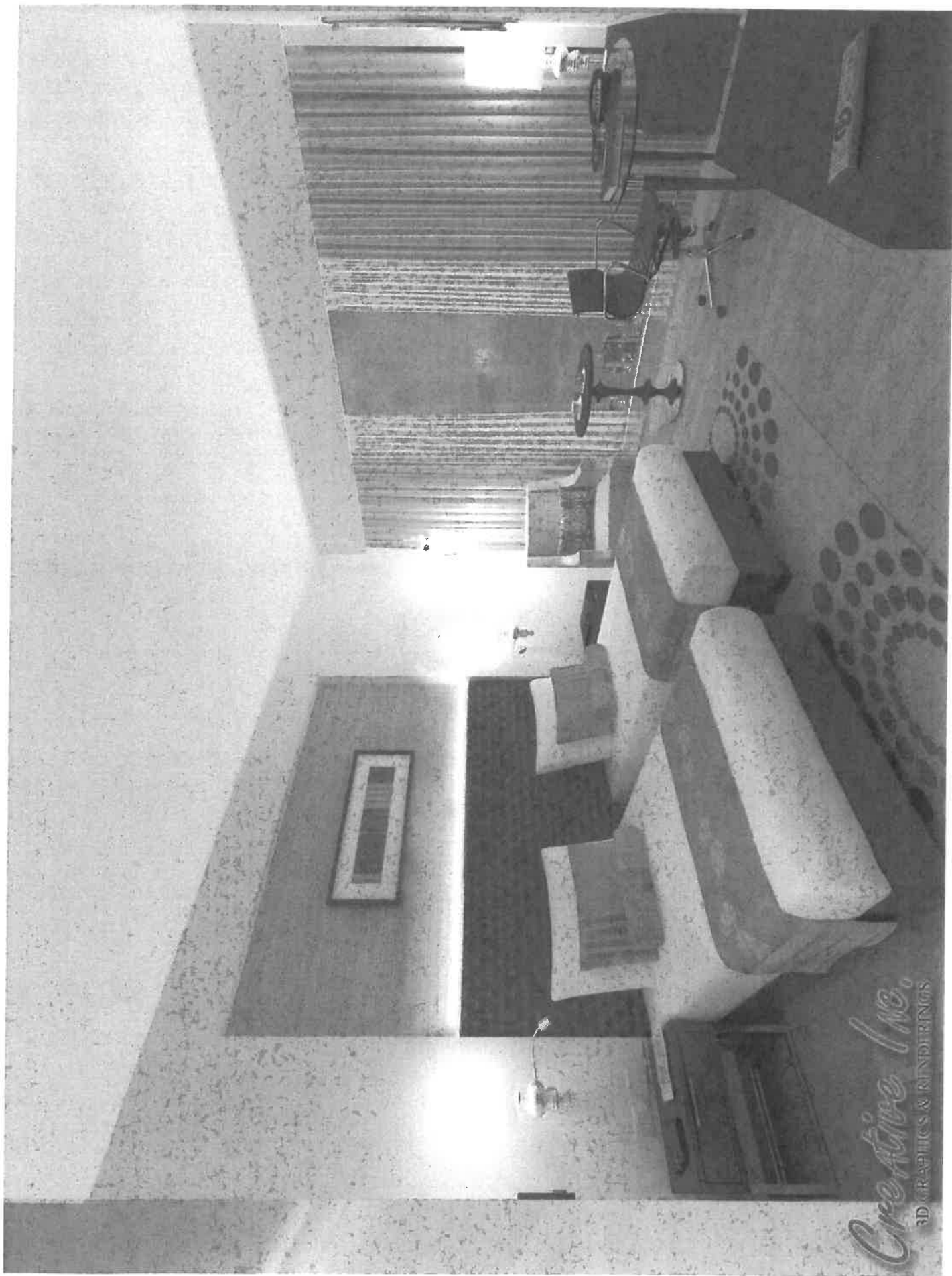


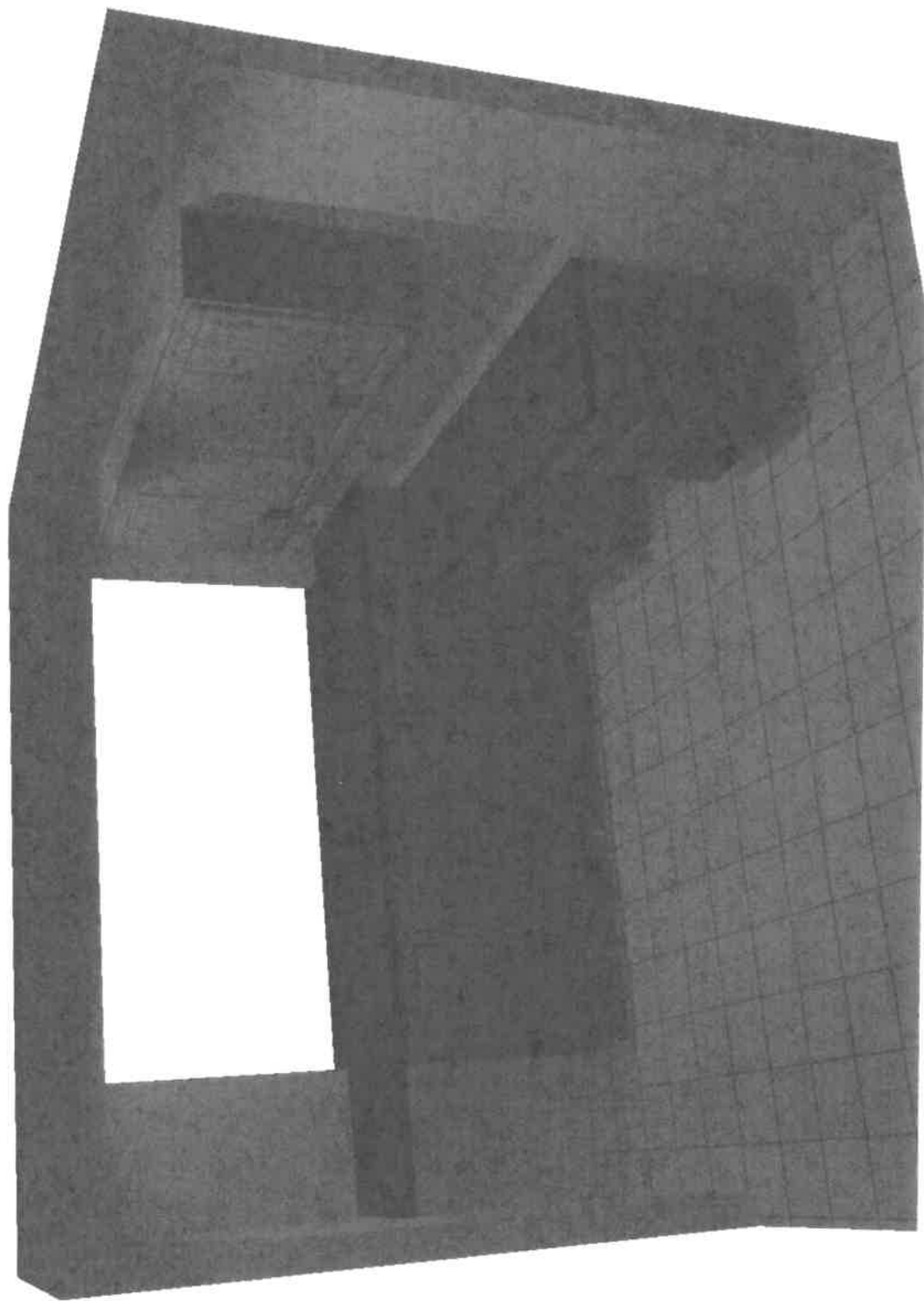




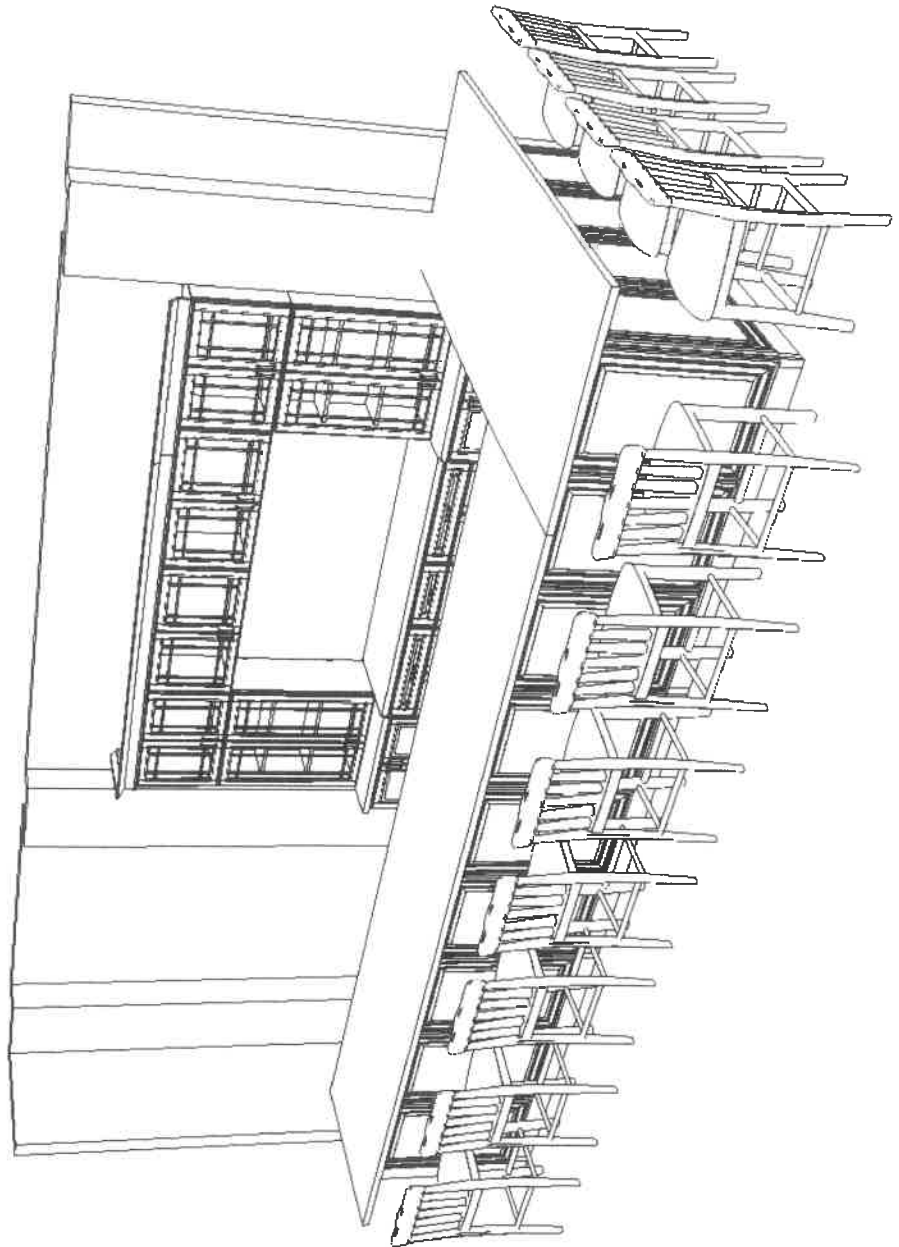


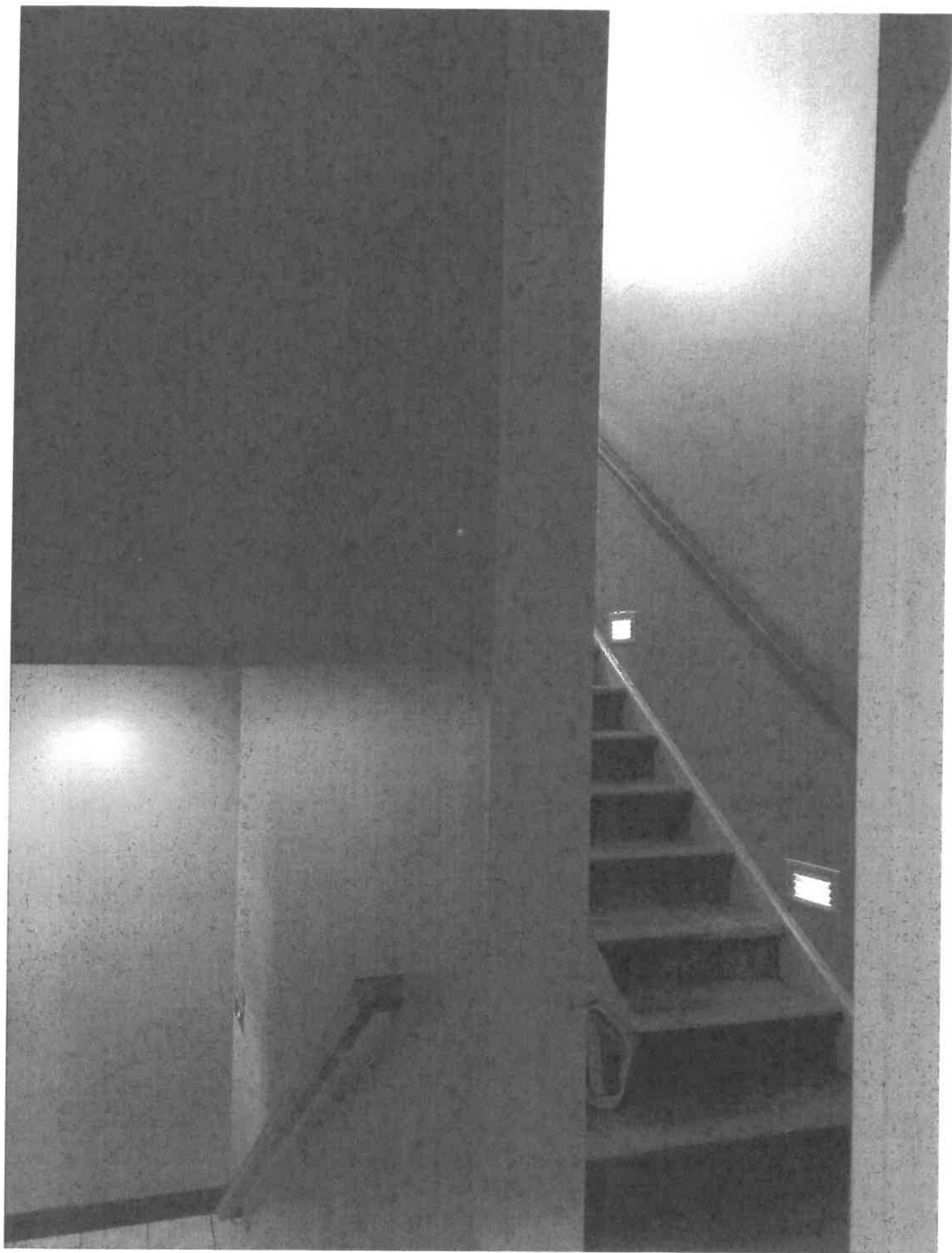


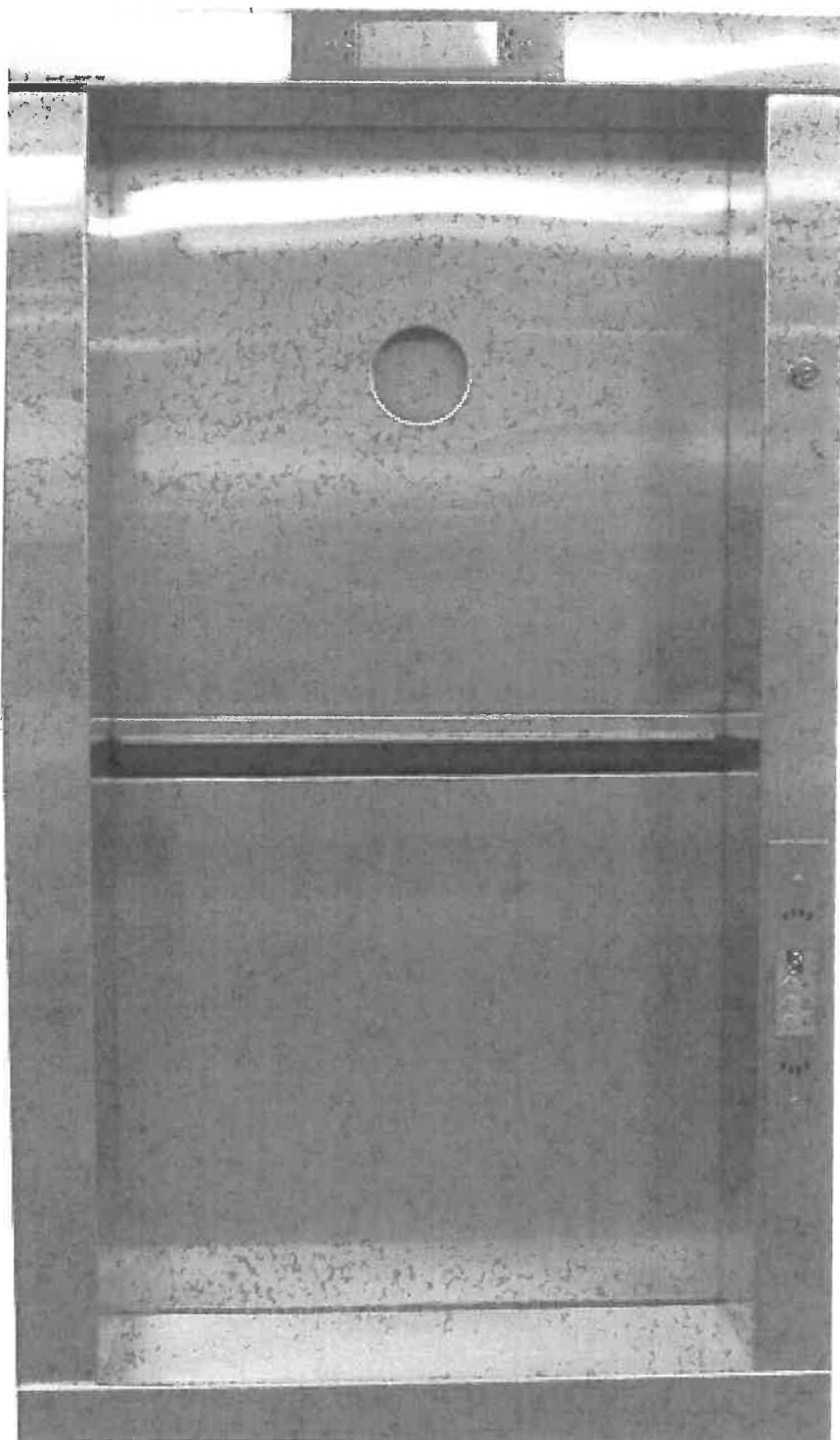


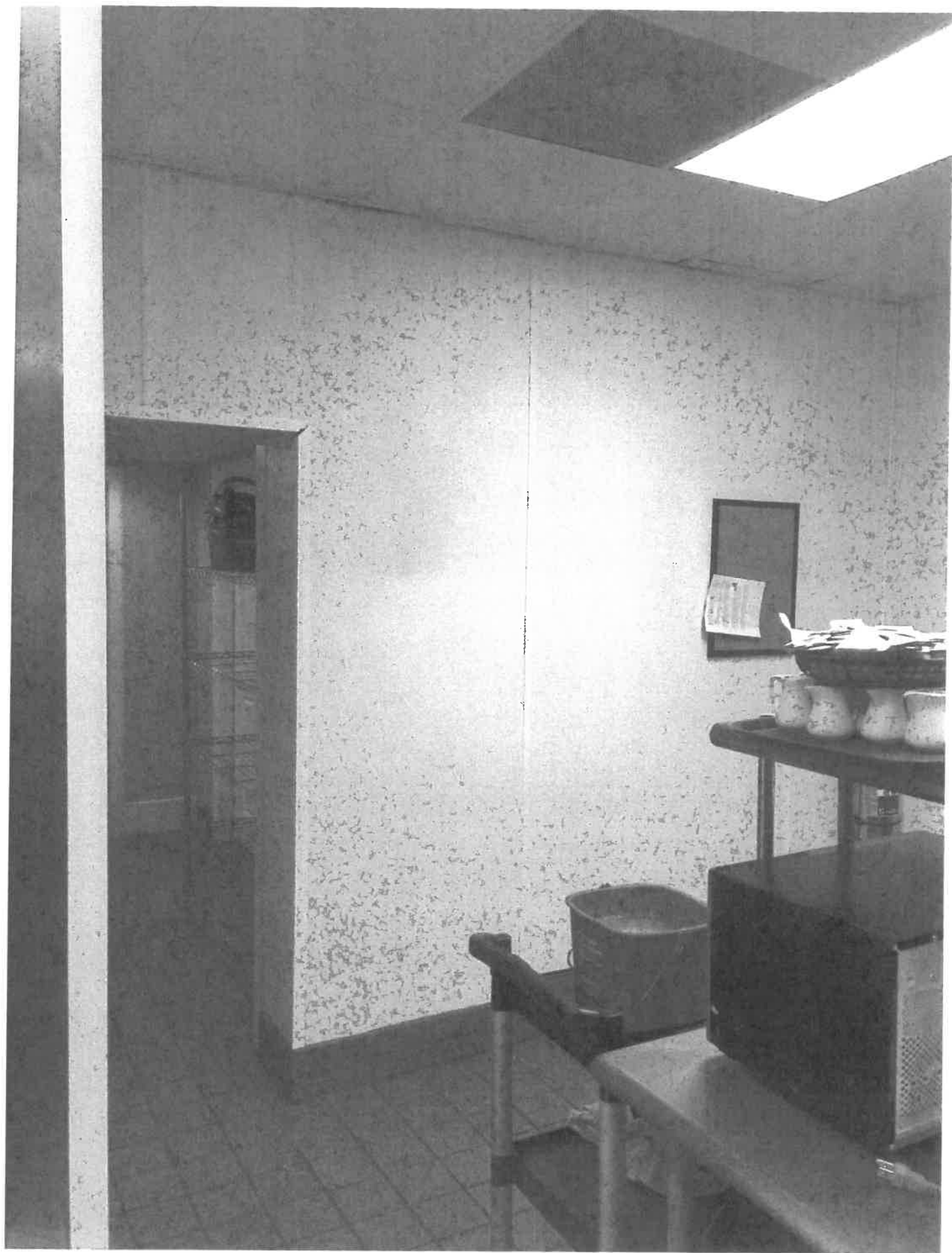


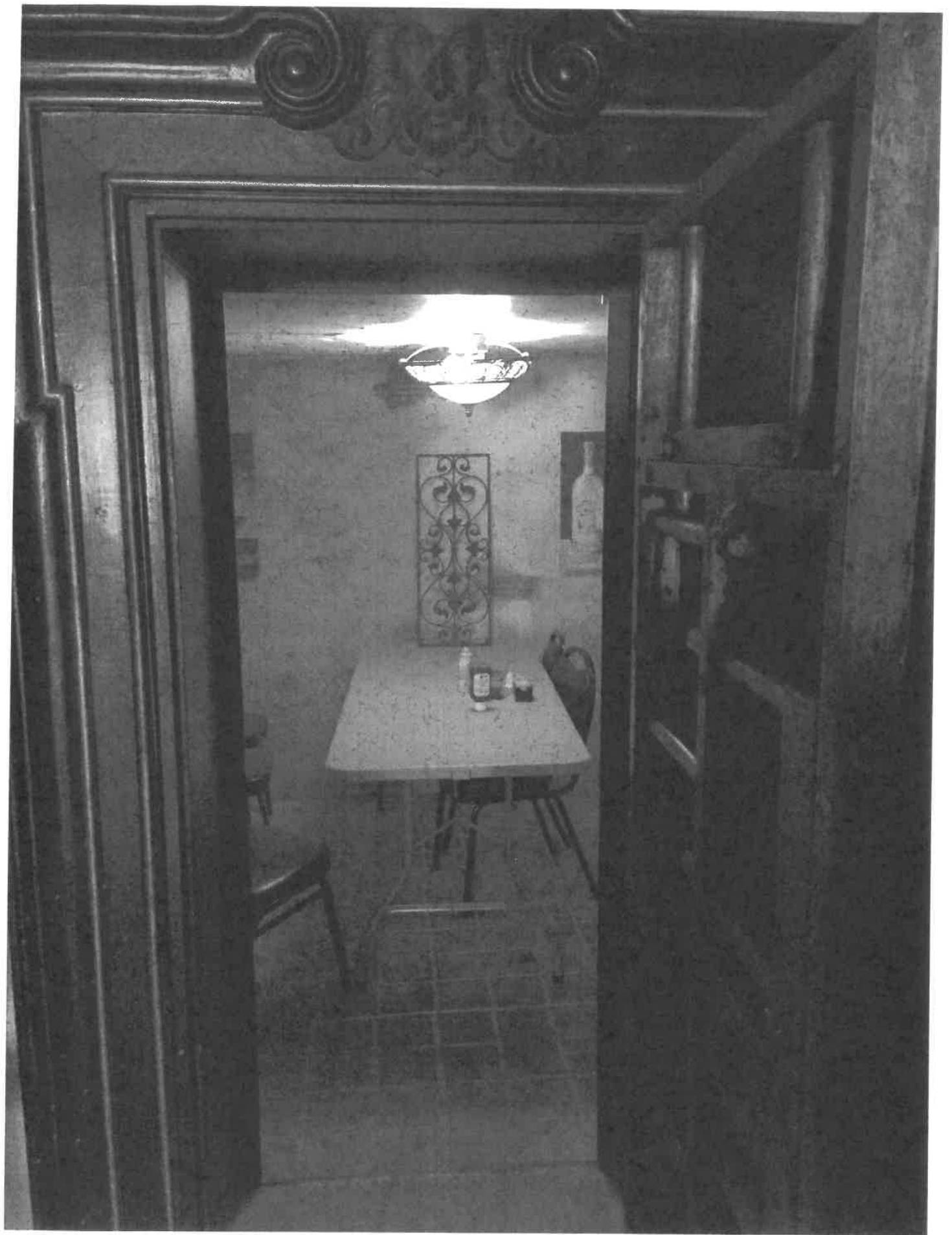












RESTAURANT  
B&B Check-In  
→

ELEVATOR  
→

