

CITY OF WASHINGTON

PLANNING & DEVELOPMENT DEPARTMENT

301 Walnut St. · Washington, IL 61571

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<http://www.washington-illinois.org>

joiliphant@ci.washington.il.us

MEMORANDUM

TO: Mayor Manier and City Council
FROM: Jon R. Oliphant, AICP, Planning & Development Director
SUBJECT: First Reading Ordinance – TIF funding request – Jeff Woods, 108-112 N. Main St.
DATE: June 25, 2019

Staff has received an application from Jeff Woods, who co-owns the 108-112 N. Main Street property with his wife, Julia, for TIF assistance to demolish the existing metal awning structure above the first floor and to terminate the electric that powers the lights above the awning. Included in the quote is the replacement of the awning, which would be considered by the owners and their contractor after removal of the existing structure. The application form and contractual estimate are attached for your review and consideration.

Mr. and Mrs. Woods purchased the property in 2004. Their building has experienced water issues for much of that time. The awning was installed in 2002 according to City building permit records and the owners figure it is at least somewhat attributable to the water entering the building, which was constructed in 1920. They would like to remove the awning and then make a determination about whether a replacement awning would be appropriate.

Mr. Woods has submitted a quote for this project that totals \$5,150. Please note that the estimate includes approximately \$5,000-\$10,000 for a subsequent replacement. That would be considered as a second phase of this project following the removal of the existing awning. Staff would recommend a base 20-percent base subsidy for the first phase of this project. Based on this level, staff would recommend a subsidy not-to-exceed amount of **\$1,030** to be paid in a single installment prior to the current expiration of the TIF in 2021. Staff would also recommend a 20-percent base subsidy and an additional 10-percent bonus if a new awning is installed that is more appropriate for the building and the owners receive a Certificate of Appropriateness from the Historic Preservation Commission. Staff would recommend a not-to-exceed amount of **\$3,000** (based on a possible \$10,000 cost) to be paid in a single installment for a new awning.

The Finance and Personnel Committee also recommended subsidies at these levels for the two phases at its meeting on June 17. A first reading ordinance is scheduled for the July 1 City Council meeting with a second reading to be scheduled for July 15.

Ordinance No. _____

(Adoption of this ordinance would approve a TIF redevelopment agreement with Jeffrey W. Woods for the redevelopment of 108-112 N. Main Street).

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT FOR PRIVATE DEVELOPMENT WITH JEFFREY W. WOODS FOR THE REDEVELOPMENT OF A PORTION OF THE DOWNTOWN TAX INCREMENT REDEVELOPMENT PROJECT AREA

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, TAZEVELL COUNTY, ILLINOIS, as follows:

Section 1. That the Agreement for Private Redevelopment between the City of Washington, Illinois, and Jeffrey W. Woods for the redevelopment of a portion of the Downtown Tax Increment Redevelopment Project Area, a copy of which is attached hereto, marked "Exhibit A," and by reference expressly made a part hereof, be, and the same is hereby approved.

Section 2. That the Mayor and City Clerk of the City of Washington be, and hereby are, authorized, empowered, and directed to enter into and execute said Agreement on behalf of the City of Washington in substantially the form of the document attached hereto, marked "Exhibit A," and by reference expressly made a part hereof, and to make, execute, and deliver any and all documents necessary for the effectiveness thereof.

Section 3. That this Ordinance shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Section 4. That all ordinances or parts thereof in conflict herewith are hereby expressly repealed.

PASSED AND APPROVED this _____ day of _____, 2019.

AYES: _____

NAYS: _____

Mayor

ATTEST:

City Clerk

**AGREEMENT FOR PRIVATE REDEVELOPMENT
BETWEEN THE CITY OF WASHINGTON,
TAZEWELL COUNTY, ILLINOIS, AND
JEFFREY W. WOODS**

THIS AGREEMENT for Private Redevelopment made and entered into this _____ day of _____, 2019, by and between the **CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS**, an Illinois home-rule municipal corporation (hereinafter referred to as the "City"), exercising its governmental powers pursuant to the 1970 Constitution of the State of Illinois, and **JEFFREY W. WOODS** (hereinafter referred to as "Developer"):

R E C I T A L S

WHEREAS, the City is considering a program for the rehabilitation and renovation of a portion of the Downtown Tax Increment Redevelopment Project Area (hereinafter referred to as the "Project Area") in the City, pursuant to the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) (hereinafter referred to as the "Act"); and

WHEREAS, pursuant to the provisions of the Act, the City has adopted a Redevelopment Plan (hereinafter referred to as the "Plan") pertaining to the redevelopment of the Project Area, a copy of said Plan is on file with the City Clerk; and

WHEREAS, the City, to achieve the objectives of the Plan and in accordance with the uses set forth therein, intends to assist the Developer in its redevelopment of the real estate more particularly described below, commonly known as 108-112 N. Main St., Washington, Illinois, (hereinafter referred to as the "Real Estate") through the City assistance in the payment of certain redevelopment project costs of the Developer, in consideration of which Developer is willing to redevelop the Real Estate, into an accounting business; and

WHEREAS, the Real Estate is legally described as follows:

SEC 23 T26N R3W J LINDEYS ADDN ALL OF LOT 2 & N 9' OF LOT 3 NE 1/4; all situated in the City of Washington, Tazewell County, Illinois.

PIN: 02-02-23-207-020

Commonly known as: 108-112 N. Main St., Washington, IL 61571.

WHEREAS, it is necessary to redevelop the Real Estate in order to arrest the economic and physical decline of the Project Area, and to promote a policy of stabilization in the Project Area; and

WHEREAS, the City believes the redevelopment of the Real Estate pursuant to the Plan is in the vital and best interests of the City and the health, safety, and welfare of its residents, and

in accordance with the public purposes and provisions of the applicable federal, state, and local laws:

NOW, THEREFORE, in consideration of the premises and the mutual obligations and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, the parties hereto covenant, consent, and agree as follows:

SECTION I DEVELOPER'S COVENANTS

A. Redevelopment Project. The Developer, its successors or assigns, agrees on behalf of itself, its successors or assigns, to redevelop the Real Estate described above, located at 108-112 N. Main St., Washington, Illinois. Developer will make renovations to the exterior of the structure for use as office and retail space, pursuant to the plans and specifications attached hereto as Exhibit A and by reference expressly made a part hereof ("Remodel Specifications").

B. Exterior Renovation. The Developer agrees it will renovate the exterior of the structure located on the Real Estate so as to allow for the continued use of the structure as retail space, in accordance with the Remodel Specifications. In that connection the Developer shall:

- (1) Remove the existing awning (Phase 1);
- (2) Terminate the electricity to the exterior ornamental lighting (Phase 1); and
- (3) Install a new awning above the first floor (Phase 2).

The estimated total cost of the above-listed items for the exterior renovation as part of the Phase 1 improvements is Five Thousand One Hundred Fifty Dollars (\$5,150.00). The estimated total cost of the above-listed item for the exterior renovation as part of the Phase 2 improvement is Ten Thousand Dollars (\$10,000.00). Developer will comply with any and all nationally accepted standards for rehabilitation in the renovation and remodeling of the structure.

C. Commencement of Redevelopment. Developer shall commence the redevelopment of the Real Estate on or after July 15, 2019.

D. Completion of Redevelopment. Developer shall complete the redevelopment of the Real Estate on or before December 31, 2019.

E. Payment of Taxes. In order to assure the property flow of tax revenues anticipated pursuant to the Plan and this Agreement, the Developer, its successors and assigns, covenants as follows:

- (1) It will promptly and timely pay all applicable taxes when due.
- (2) In the event that all applicable taxes are not paid by Developer within thirty (30) days from the date said taxes are due and owing during the period of time the City has an obligation to grant any incentives hereunder, including, but not limited to, payment of a portion of Developer's relocation costs, the City may make payment of the taxes due and owing on the property. The amount so advanced by the City shall be immediately due and owing from the Developer to the City and shall bear interest from the date of payment at the rate of twelve

percent (12%) per annum compounded quarterly until paid in full. The City shall have a lien against all of the Redeveloper's property for all amounts paid together with interest and all expenses incurred in the recovery of said amounts, including, but not limited to, attorney's fees incurred in collecting said amounts. The City may bring such actions as may be deemed appropriate to enforce payment and/or enforce the lien hereinabove granted against the property.

(3) Developer, its successors and assigns, shall provide the City with copies of all sales tax reporting and remitting forms that Developer, its successors and assigns, shall submit or forward to the Illinois Department of Revenue.

F. Commencement of Operations. Developer agrees for itself, its successors and assigns, that it will use the space to continue operations for office and retail uses. Developer will use its best efforts to ensure the building is occupied by a going concern during such time or periods of time as the City is obligated hereunder to render any redevelopment assistance or to pay any redevelopment project costs, as same are defined pursuant to the Act.

G. Exemption from Tax. Developer covenants for itself, its successors and assigns, and for all successors and lessees to the property, that it shall not apply for, seek or authorize any exemption from the imposition of real estate taxes on said property without first obtaining the prior written approval of the City. Nothing herein contained shall be construed so as to prevent the Developer from contesting the assessment or collection of any taxes under statutory procedure set forth in the Illinois Revised Statutes; provided, however, that Developer shall give the City at least fifteen (15) days prior written notice of its intent to contest the assessment or collection of real estate taxes.

H. Indemnification of City. The Developer agrees for itself, its successors and assigns, to indemnify and save the City and its officers and employees, free, harmless, and indemnified from and against any and all claims by or on behalf of any person, firm, corporation, or other entity, whether private, public or governmental, arising (a) from the conduct or management of, or from any work or thing done on, the relocation to the new location; (b) any breach or default on the part of the Developer or its successors or assigns in the performance of any of its obligations under this Agreement; (c) any act of negligence of Developer or any of its agents, contractors, servants, employees, or licensees; (d) any act of negligence of any assignee, lessee or sub-lessee of the Developer, or any agents, contractors, servants, employees, or licensees of any assignee, lessee, or sub-lessee of the Developer; (e) any violation by the Developer or any other person of state, federal, or local laws, rules, and regulations; (f) any performance by the City of any act required hereunder or requested by the Developer or its successors and assigns other than willful misconduct by the City. The Developer agrees to indemnify and save the City free, harmless, and indemnified from and against any and all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon.

I. Equal Opportunity. The Developer agrees for itself, its successors and assigns, that Developer and such successors and assigns shall not discriminate in violation of any applicable federal, state, or local laws or regulations upon the basis of race, color, religion, sex, age, or national origin or other applicable factors in the sale, lease, rental, operation, or management, or in the use or occupancy of the property or any part thereof.

J. Payment of Prevailing Wages. Developer shall pay the prevailing rate of wages in the locality for each craft or type of worker or mechanic needed to remodel and renovate the existing building, also the general prevailing rate for legal holiday and overtime work, as ascertained by the Illinois Department of Labor's current prevailing wage rates for Tazewell County, Illinois, upon the effective date of this agreement.

K. Breach of Agreement. Should Developer, its successors or assigns, fail to comply with or satisfy any of the terms and conditions of this Agreement, at any time or times during the term of this Agreement, or during any period or periods of time during which the City has an obligation hereunder to render or provide Developer any redevelopment assistance or to pay any redevelopment project costs as same are defined pursuant to the Act, Developer agrees for itself, its successors and assigns, that it will immediately pay to the City any and all sums previously expended by the City in connection with or arising out of the City's obligations hereunder to pay certain redevelopment project costs, together with all costs of collection of same, including but not limited to the City's reasonable attorney's fees, court costs and costs of collection whether incurred for preparation, negotiation, trial, appellate or otherwise.

SECTION II CITY'S OBLIGATIONS

A. Qualified Redevelopment Project Costs – Phase 1.

(1) If Developer shall perform the agreements herein contained and certifies an actual cost incurred that equals or exceeds the estimated cost contained herein, the City shall pay directly from the Special Tax Allocation Fund for the Project Area (hereinafter referred to as the "General Account") a sum not to exceed the amount of One Thousand Thirty Dollars (\$1,030.00), more particularly limited and set forth on Exhibit C, a copy of which is attached hereto and by reference expressly made a part hereof.

(2) The City shall pay the above-stated costs in one (1) lump sum payment within sixty (60) days after final completion of the renovation and remodeling of the structure on the Real Estate, and the continued occupancy of the structure by the Developer or a tenant.

(3) The City's obligation to pay any of the above-stated costs shall not arise until and unless the following shall first occur:

(a) Sufficient funds are available and on deposit in the Special Tax Allocation Fund for the Project Area.

(b) If, in any given year, there are not sufficient funds in the Special Tax Allocation Fund for the Project Area to pay all of the above-stated amounts, any shortfall shall be an obligation that is carried over from year to year until sufficient funds generated by the Project Area become available in the Special Tax Allocation Fund.

B. Qualified Redevelopment Project Costs – Phase 2.

(1) If Developer shall perform the agreements herein contained and certifies an actual cost incurred that equals or exceeds the estimated cost contained herein, the City shall pay directly from the Special Tax Allocation Fund for the Project Area

(hereinafter referred to as the "General Account") a sum not to exceed the amount of Three Thousand Dollars (\$3,000.00), more particularly limited and set forth on Exhibit B, a copy of which is attached hereto and by reference expressly made a part hereof.

(2) The City shall pay the above-stated costs in one (1) lump sum payment within sixty (60) days after final completion of the renovation and remodeling of the structure on the Real Estate, and the continued occupancy of the structure by the Developer or a tenant.

(3) The City's obligation to pay any of the above-stated costs shall not arise until and unless the following shall first occur:

(a) Sufficient funds are available and on deposit in the Special Tax Allocation Fund for the Project Area.

(b) If, in any given year, there are not sufficient funds in the Special Tax Allocation Fund for the Project Area to pay all of the above-stated amounts, any shortfall shall be an obligation that is carried over from year to year until sufficient funds generated by the Project Area become available in the Special Tax Allocation Fund.

C. Miscellaneous. The City, without expense to the Developer except as set forth herein, shall, in accordance with the TIF Plan, provide or secure or cause to be provided or secured the following: It is contemplated by the parties hereto, that all matters of rezoning, including amending the Comprehensive Plan, if necessary, in order to conform the zoning of the Project Site to the uses intended by this Agreement, be accomplished prior to the construction of the Project by the Developer. Therefore, Developer shall cooperate with the City in providing such information as necessary for and to the appropriate bodies to consider such rezoning, variations and amendments. At the present time, the property is zoned C-2, which the parties contemplate as being adequate for Developer's purposes.

SECTION III GENERAL PROVISIONS

A. Choice of Law. This Agreement shall be construed under and pursuant to the laws of the State of Illinois.

B. Execution of Counterparts. If this Agreement is executed in two or more counterparts, each shall constitute one and the same instrument and shall be recognized as an original instrument.

C. Reference to Headings. Unless otherwise specified, references to sections and other subdivisions of this Agreement are to the designated sections and other subdivisions of this Agreement as originally executed.

D. Entirety of Agreement. This Agreement is the entire agreement between the parties hereto, and any other agreements, whether written or oral, entered into by the parties prior to the date hereof shall be deemed to be null and void and have merged into this Agreement by virtue of the execution hereof.

E. Force Majeure. Any delay or failure of any party in the performance of its required obligations hereunder shall be excused if and to the extent caused by acts of God, strikes, lockouts, action of regulatory agencies, fire, flood, windstorm, adverse weather conditions, accidents, explosion, riot, war, sabotage, court injunction or order, loss of permits, failure to obtain permits, and cause or causes beyond the reasonable control of the party affected provided that a prompt notice of such delay is given by such party to the other parties and each of the parties hereto shall be diligent in attempting to remove such cause or causes.

F. Attorneys' Fees. In the event any action or legal proceeding is commenced to enforce any provision in connection with this Agreement, the prevailing party shall be entitled to recover as part of such action or proceedings, or in a separate action brought for that purpose, reasonable attorneys' fees and court costs as may be fixed by the court.

G. No Other Legal Relationship Created. Nothing contained in this Agreement shall be deemed or construed as creating a relationship of principal and agent, or of partnership or of joint venture between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and caused their respective seals to be affixed and attested thereto as of the date and year first above written.

**CITY OF WASHINGTON
TAZEWELL COUNTY, ILLINOIS**

By _____
Mayor

Jeffrey W. Woods

ATTEST:

City Clerk

CITY

DEVELOPER

ELIGIBLE EXPENSES	ESTIMATE	BASE SUBSIDY %	BASE SUBSIDY AMT.	HISTORIC REHAB./SCOPE BONUS %	HISTORIC REHAB./SCOPE BONUS AMT.	TOTAL SUBSIDY %	TOTAL SUBSIDY AMT.
<u>Exterior Work</u>							
Awning Demo	\$ 4,650.00	20%	\$ 930.00		\$ -	20%	\$ 930.00
Electrical termination	\$ 500.00	20%	\$ 100.00		\$ -	20%	\$ 100.00
New Awning	\$ 10,000.00	20%	\$ 2,000.00	10%	\$ 1,000.00	30%	\$ 3,000.00
SUBTOTAL	\$ 15,150.00	20%	\$ 3,030.00	10%	\$ 1,000.00	30%	\$ 4,030.00
<u>Interior Work</u>							
			\$ -		\$ -		\$ -
			\$ -		\$ -		\$ -
SUBTOTAL	\$ -		\$ -		\$ -		\$ -
TOTALS	\$ 15,150.00		\$ 3,030.00		\$ 1,000.00		\$ 4,030.00

(NOT TO EXCEED)

PROPOSED REIMBURSEMENT SCHEDULE

Duration: 1 year

Phase 1 \$1,030.00

Phase 2 \$3,000.00

EXHIBIT B

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.

Applicant name: Jeff W. Woods (please print or type)
Mailing address: 1322 Creekside Ct Haldsburg, CA 95447 Fax: _____
Daytime Phone: 309-363-2871 Email Address: Jeff@Pylgrrm.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: Jeff & Julia Woods
3. Business name(s): Jeff and Julia Woods Beautiful Outcome LLC
4. Project address or location: 108-110-112 N. Main St
5. Property tax ID number(s): 02-02-23-207-000
6. Current use of property: ~~108-110~~ 108-110 is vacant 110-112 - Lori Kitchen - 112-6 green shoe creatv
7. Proposed use of property: Same
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: The awning that was installed about 20 years ago is causing some structural damage. We would like to remove it and replace it.
10. Estimated total project cost: \$ 15-20K
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.

Applicant signature: Jeff W. Woods

Date: 6-6-19

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: _____

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ESTIMATE

Dated: June 8, 2019

Submitted to: Jeff Wood
110 N. Main St.
Washington, IL 61571

Project: Canopy demo

Scope of repair work to include:

- Demo existing canopy structure
- Dispose of waste

** Electrical termination to be done at additional cost- \$500 estimate

** Demo permits to be obtained at additional cost if necessary - \$150 estimate

**Renovation cost TBD after demo - 5-10k estimate

All material is guaranteed to be as specified and the above work is to be performed in accordance with the specifications submitted and completed in a substantial workmanlike manner for the sum of Four thousand Six hundred Fifty and 00/100 Dollars (\$4,650.00)

Respectfully Submitted,

Dennis J. Zimmerman
Dennis J. Zimmerman, Contractor

The above price, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.

Date _____ Signature _____