



## **CITY OF WASHINGTON, ILLINOIS**

### **City Council Agenda Communication**

**Meeting Date:** July 20, 2020

**Prepared By:** Jon Oliphant, AICP, Planning & Development Director

**Agenda Item:** TIF Funding Request – Brunk’s Sports Center, 122 N. Main Street

**Explanation:** Curt Reynolds of Brunk’s Sports Center has submitted an application for TIF assistance to restore the front façade at 122 N. Main Street. He also intends to install new exterior signage. The application form draft redevelopment agreement are attached for your review and consideration.

The building was constructed in 1939 and is part of the local Square Historic District. This work will consist of replacing the brick on the upper portion of the façade from the windows to the parapet. A block backup would be installed with a new stone coping cap and some roof demolition and patching is required. While the brick has been less than aesthetically pleasing for years, pieces of it began falling during the recent Walldogs project and the replacement of it is now urgent to protect the public’s health and safety. An estimate obtained by a local contractor for the project ranges from \$18,000-22,000.

The Historic Preservation Commission held a meeting on July 16 to approve a Certificate of Appropriateness for the brick replacement and new sign. Its recommendation is that the upper portion of the brick be painted the same dark grey color as the lower portion. A smaller projecting sign up to 15 square feet to more closely resemble a sign that was on the building in the 1940’s was recommended by the HPC. This would be similar to recent signs erected at Phillips, Salmi & Associates and Parish’s Pub.

**Fiscal Impact:** Staff recommends covering all of the cost associated with the brick replacement due to the pressing need for the work to be completed. Staff recommends that the owner be solely responsible for the cost of the signage and painting. Based on this level, a not-to-exceed amount of \$22,000 is recommended to be paid in one installment for the work associated with the brick replacement. This would be reimbursed from the TIF Fund upon completion of the project and the submittal of the paid invoice. This project would help restore this building and make it more inviting for visitors coming to the Square, which has the potential to increase the sales tax revenue generation from Brunk’s.

#### **Recommendation/**

**Committee Discussion Summary:** Staff recommends approval of the above subsidy level for this project. The Finance and Personnel Committee will make a recommendation on this project at its meeting on July 20.

**Action Requested:** Approval of the attached ordinance and redevelopment agreement with Washington Historical Society. Staff recommends waiving the second reading ordinance in order to allow for the work to begin as soon as possible.

**Ordinance No. \_\_\_\_\_**

(Adoption of this ordinance would approve a TIF redevelopment agreement with Reynolds & Lucas, LLC, for the redevelopment of 122 N. Main Street).

**AN ORDINANCE AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT FOR PRIVATE DEVELOPMENT WITH REYNOLDS & LUCAS, LLC, 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, TAZEWELL COUNTY, ILLINOIS, as follows:**

**Section 1.** That the Agreement for Private Redevelopment between the City of Washington, Illinois, and the Washington Historical Society 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 \_\_\_\_\_, 2020.

**AYES:** \_\_\_\_\_

**NAYS:** \_\_\_\_\_

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

**AGREEMENT FOR PRIVATE REDEVELOPMENT  
BETWEEN THE CITY OF WASHINGTON,  
TAZEWELL COUNTY, ILLINOIS, AND  
REYNOLDS & LUCAS, LLC**

**THIS AGREEMENT** for Private Redevelopment made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, 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 **REYNOLDS & LUCAS, LLC**, an Illinois not-for-profit corporation (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 122 N. Main Street, 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 exterior of the Real Estate; and

**WHEREAS**, the Real Estate is legally described as follows:

SEC 23 T26N R3W DORSEYS ADDN SUBLOTS B & C OF LOT 2 BLK 3 NE ¼; all situated in the City of Washington, Tazewell County, Illinois.

PIN: 02-02-23-207-016

Commonly known as: 122 N. Main Street, 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 122 N. Main Street, Washington, Illinois. Developer will make renovations to the exterior of the structure to allow for continued use as a retail business, 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 continued use as a retail business in accordance with the Remodel Specifications. In that connection the Developer shall:

- (1)     Exterior
  - (a)     Replacement of brick between the windows and parapet, the installation of a block backup and a new stone coping cap, and roof demolition and patching.

The estimated total cost of the above-listed item for the exterior renovation is not anticipated to exceed Twenty-Two Thousand Dollars (\$22,000.00). 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 21, 2020.

**D.     Completion of Redevelopment.** Developer shall complete the redevelopment of the Real Estate on or before December 31, 2020.

**E.     Payment of Taxes.** In order to assure the proper 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 the building's operations will continue to support the use as a retail business. 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 Real Estate; (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.**

(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 Twenty-Two Thousand Dollars (\$22,000.00).

(2) The City shall pay the above-stated cost 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.

(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. 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.

**H. 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.

**I. Notices** The notices required by this Agreement shall be deemed to be delivered when hand-delivered or when deposited in the United States mail, by certified mail, return receipt requested, postage prepaid, addressed to the party at the respective addresses set forth below, or at such other addresses as the parties may from time to time designate in writing:

Developer: Lucas & Reynolds, LLC  
Attn: Curt Reynolds  
122 N. Main Street  
Washington, Illinois 61571

City: City of Washington  
Attn: City Clerk  
301 Walnut Street  
Washington, IL 61571

With a copy to: Derek A. Schryer  
Davis & Campbell L.L.C.  
401 Main Street, Suite 1600  
Peoria, Illinois 61602

**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**

**LUCAS & REYNOLDS, LLC**

By \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Curt Reynolds

ATTEST:

\_\_\_\_\_  
City Clerk

**CITY**

**DEVELOPER**



**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: Curt Reynolds (please print or type)

Mailing address: 122 N. Main St. Daytime Phone: 444-2556

Email Address: brunks122@frontier.com I would like to receive correspondence by: ☐ Mail ☐ Email

1. Applicant interest in property (check one): ☒ Owner/Mortgagor ☐ Purchaser ☐ Tenant  
☐ Third-Party (name) \_\_\_\_\_

2. Property owner name: Reynolds & Lucas, LLC

3. Business name(s): Brunk's Sports Center

4. Project address or location: 122 N. Main St.

5. Property tax ID number(s): 02-02-23-207-016

6. Current use of property: Sporting Goods Business

7. Proposed use of property: Sporting Goods Business

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 removal and replacement of the existing brick between the windows and parapet (approximately 8'x35'). The work would include the temporarily removal of the awning, installing new brick with block backup and a new stone coping cap, and the demolition and demolition of the roof.

10. Estimated total project cost: \$ 18,000-22,000

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Property owner signature (if different from applicant)

\_\_\_\_\_  
Date

**IMPORTANT:** If the Finance Committee votes on a level of assistance, it will be included in a contract agreement between the City and applicant. 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.