



## CITY OF WASHINGTON, ILLINOIS

### Finance and Personnel Committee Agenda Communication

**Meeting Date:** November 15, 2021

**Prepared By:** Jon Oliphant, AICP, Planning & Development Director  
Joanie Baxter, CPA, Finance Director  
Dennis Carr, PE, City Engineer

**Agenda Item:** Proposed Square Redevelopment City Financial Assistance Consideration

**Explanation:** Representatives from Tangled Roots Brewery and its parent company, CL Real Estate Development, LLC (CLRED), will be making a presentation at Monday's Finance and Personnel and City Council meetings for a proposed brewpub on the southeast side of the Square called The Grist Mill. This project would allow for a restaurant and craft brewery to eventually occupy the spaces at 140 Washington Square, 104 Walnut, 106 Walnut, and 112 Walnut, currently owned by Jeff and Kelly Pohl. Tangled Roots operates three other similar venues in Ottawa, Lockport, and Glenview, with two others under construction in DeKalb and LaSalle. They are drawn to the charm of the Washington Square and the potential for such a project that has proven successful with their other locations.

This proposed project would be one of the most significant private development investments in Washington. In order to accommodate and maximize the potential of the site, the existing buildings would be demolished. Each were constructed in 1950. While part of the Square Historic District, none of these buildings are individually historic. The building would be two stories with a seasonal rooftop that would provide a unique viewpoint of the Square. The subsequent reconstruction would better conform with the scale and massing that is more common around the Square and provide a more appropriate corner anchor. The demolition and reconstruction would require approval of a Certificate of Appropriateness by the Historic Preservation Commission.

**Fiscal Impact:** The total estimated project cost is \$5.63 million. CLRED and the Pohl's are requesting \$1.1 million in financial support from the City to allow for the project to come to fruition. They hope to close on the project in early 2022 to enable the demolition and reconstruction to occur shortly thereafter. The grand opening would tentatively be planned for the third quarter of 2023. Should the Council be supportive of the request, staff would recommend four funding sources as follows:

- **TIF Fund (\$600,000):** Among the TIF-eligible costs in the proposal are acquisition, demolition, and professional services. The TIF Fund currently has an approximate balance of \$1.037 million that includes all current or planned obligations through the current fiscal year. Although TIF cannot support the entire request, sufficient funds are available to provide this amount while still preserving some funds for future projects.
- **Water Connection Fee Fund (\$70,000):** This is the estimated cost to upgrade water mains that service the buildings on the southeast side of the Square. The WCF Fund has an approximate balance of \$779,000. Those are restricted enterprise funds and can only be utilized for specific projects such as that.
- **Sewer Fund (\$50,000):** This is the estimated cost to upgrade sewer mains that service the buildings on the southeast side of the Square. Those are enterprise funds and can only be utilized for specific projects such as that. The Sewer Connection Fee Fund is earmarked to pay debt service for the IEPA loans for the STP expansions and thus staff would not recommend using those funds for the project. Instead, Sewer operating funds would be utilized.
- **Local CURE Program Funds (\$380,000):** The City of Washington was allotted \$683,398 through this program in 2020 by the State of Illinois through the US Department of the

Treasury to reimburse for eligible expenses as a result of COVID-19. The City used this to offset planned public safety personnel expenses. As a result, this freed funds that currently reside in the general fund and would have been otherwise devoted to payment of the payroll expenses.

This project figures to generate much greater property tax, which will help to replenish the TIF Fund. Significant sales tax and Water Fund revenue will also result. A project of this magnitude typically results in positive spillover impacts with nearby businesses that are difficult to quantify. The business will employ many part- and full-time staff.

**Action Requested:** Staff requests direction on the possible financial assistance prior to drafting a redevelopment agreement to be considered at an upcoming City Council meeting as a first reading ordinance.

# PROPOSAL FOR THE REDEVELOPMENT OF THE PROPERTIES AT 140 WASHINGTON SQUARE

November 8, 2021

1. Respondent: CL Real Estate Development, LLC
2. Address: 241 Marquette Street, LaSalle, IL 61301
3. Phone: 815.503.3227
4. Tax ID #: 45-2968553 – CL Real Estate, LLC
5. Point of Contact: Nathan Watson, *President*  
CL Real Estate Development, LLC  
241 Marquette Street  
LaSalle, IL 61301  
Email: [Nathan.Watson@CL-Enterprises.com](mailto:Nathan.Watson@CL-Enterprises.com)



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City of Washington, Illinois  
ATTN: Mr. Gary W. Manier, Mayor  
Members of the City Council  
301 Walnut Street  
Washington, IL 61571

Dear Mayor,

We are pleased to present to the City of Washington a proposal for the development of a new restaurant and craft brewery on a prominent corner of the historic Washington Square in your City. The development proposal is for the properties at 140 Washington Square and other lots of record currently owned by Jeff and Kelly Pohl, who join CLRED as partners in a new entity and venture established for this project. CLRED is located in LaSalle, Illinois, heart of the Starved Rock Country in Central Illinois, with a smaller regional office in Hillsdale, Michigan. Our mission is "*Big Ideas, Small Towns*". Our focus is transformative development opportunities that not only deliver financial returns, but also act as catalysts for the regeneration of small-town communities throughout the Midwest. To that end, our goal is to develop, own, and operate the most forward-thinking, sustainable, and architecturally excellent developments in our target markets. We accomplish this by creating big ideas and executing them with ambition and flair. We combine proven real estate approaches with innovative design ideas, demographic focus, and lifestyle trends. CL Real Estate's expertise lies in the development of commercial real estate, including hospitality, retail, and residential.

The corner site for this new development is currently occupied by a one-story, formerly bland building, lovingly renovated and repositioned by the Pohl's in the not-too-distant past. Smaller, supporting buildings connect to the property but face the alley and rear public parking area. Traditionally, buildings on the square were two- and three-story structures, given the importance of the place in commerce and public life. Unfortunately, several corner buildings on the Square have been demolished and left empty or replaced by one-story structures. One of the objectives for the new development is to return the proper scale to this southeast corner building by building a two-story structure, with roof top amenities.

CL Real Estate has the experience to redevelop this site. Through area research, site visits, discussions with the City of Washington, community leaders, we see the immediate impact of this development. This parcel sits on a prominent street within the center of downtown Washington and will reestablish the prominence of the corner to the Square. With our sister company, Tangled Roots Brewing Company, we see the need for additional, high-quality food and beverage venues on the Square and in Washington. Tangled Roots Brewing will be the building's sole tenant, operating a craft brewery and restaurant, with a menu tailored to Washington. Tangled Roots operates three other craft brewery/restaurants, in Ottawa, Lockport, and Glenview. Currently, Tangled Roots has two additional venues under construction in LaSalle and DeKalb.

Initially, we considered renovating the existing building and adding a story above. However, the cost to remove the roof structure, build a new foundation and structure, and reclad the existing building is likely more than a new purpose-built structure that will better fit the historic context.

CL Real Estate will develop a project that respects the beauty and history of downtown Washington and historic Washington Square while creating an exciting, highly active block that allows the community and visitors to enjoy the area and increase economic activity.

Yours,

A handwritten signature in blue ink that reads "Nathan Watson". The signature is fluid and cursive, with the first name "Nathan" being more prominent than the last name "Watson".

Nathan Watson, *President*, CL Real Estate Development, LLC

cc. Peter Limberger

## I. Project Scope and Vision

### Proposed Redevelopment:

The project consists of the corner parcels at Washington Square and Walnut Street, with approximately 3,600 SF of land and a similarly sized parcel behind the buildings along the southern alley-way. The existing buildings and land parcels will be acquired by a new development joint venture entity to be owned by CL Real Estate Group, and Jeffery and Kelly Pohl, the current property owners. The buildings will be demolished to make way for a new two-level restaurant and brewpub, with private dining spaces and outdoor, rooftop beer garden and balconies overlooking historic Washington Square. The completely new facility will be leased to Tangled Roots Brewing Company, an Ottawa, Illinois-based commercial craft brewery and restaurant operations, which currently has operating restaurants and/or breweries in Glenview, Lockport, Ottawa, with two more in construction in DeKalb and LaSalle. Expansion into Washington, Illinois is consistent with TRBC's mission of expanding and building market share through loyal local followings in Illinois towns outside of Chicago. The facility area total is just under 10,000 Square Feet, excluding outdoor, rooftop beer garden and event space.

**Architectural Approach and Character:** Historic Washington Square is characterized by late nineteenth century and early twentieth century period architecture, with two and story, largely masonry buildings with decorative wood and stone window headers and building cornices. Lower levels are most often commercial storefronts with large, glazed openings and ornamental wood and steel columns. Several buildings and storefronts have been replaced with less contextual building elements, but the overall original character remains dominant. With the new construction at 140 Washington Square, we propose a building that fits the scale and character of the historic small-town architecture, without mimicking or attempting to recreate a historic reproduction. Our approach is to build high quality, long-lasting, creative, but contextual designs that relate to the history of the area and the immediate context. Additional information on the concept for the Tangled Roots Brewing Company's brewpub and events venue, entitled The Grist Mill, is attached.

## II. Proposed Development Costs, Investments, and Schedule of Improvements

**Total Development Costs:** The estimated project cost of \$5,583,000 equals approximately \$583.00 per square foot. This cost estimate includes acquisition of \$750,000, construction cost and contingency just over \$3 Million, soft costs of approximately \$750,000 and Furniture, Fixtures, and Equipment of approximately \$1.0 Million.

**Private Investment:** CLRED and the Pohl's, through a new investment partnership, will invest \$4,483,000 in equity and borrowing to fund the project. CLRED has secured a Letter of Interest from a local community bank for the required project debt. The debt would be secured by the project real estate and the full guarantee of the CLRED principals.

**City of Washington Economic Development Incentives:** We are requesting financial support of \$1.1 Million from the City of Washington to assist us in bringing the project to reality. This support from the City will enable us to begin and complete the project. The ideal timing of the funding would be \$150,000 in the first quarter of the project, during pre-development, design, and construction documents and the remainder at closing of the total project financing, estimated to be in early 2022.

## A. Improvements:

- i. **Ground Floor Restaurant/Brewery/Kitchen/Support Space:** The first floor will showcase the brewery, where local brews unique to Washington will be crafted and sold only in Washington. Dining space and a focal-design bar will occupy the remainder of the first floor public space. Areas along the alley way will accommodate the kitchen, brewery back-of-house operations, and storage.
- ii. **The Second Floor:** The upper floor will include a versatile dining/events venue for additional restaurant dining and/or special private events for 150 people in banquet seating, with smaller private dining room options. Supporting catering kitchen and additional restroom facilities comprise the remainder of the space.
- iii. **The Third Floor Beer Garden Events Space:** The third floor, accessed by stairs and elevator, will be the most unique dining and events venue in the region, with its own bar, dining and events area. This space will provide a pride-of-place locale for the residents and businesses of Washington and a destination for surrounding community residents and destination events. With views of the treetops of Washington and the historic Washington Square, the roof top beer garden and events venue will become a central and favorite gathering option.

## B. Schedule

- Financing and City Financial Commitments secured in Q4 2021.
- Design Development completed in Q4 2021.
- Construction Documents and GMP Contract completed in Q2 2022.
- Construction Start in Q3 2022.
- Construction Completion and Property/Operations Opening in Q3 2023.

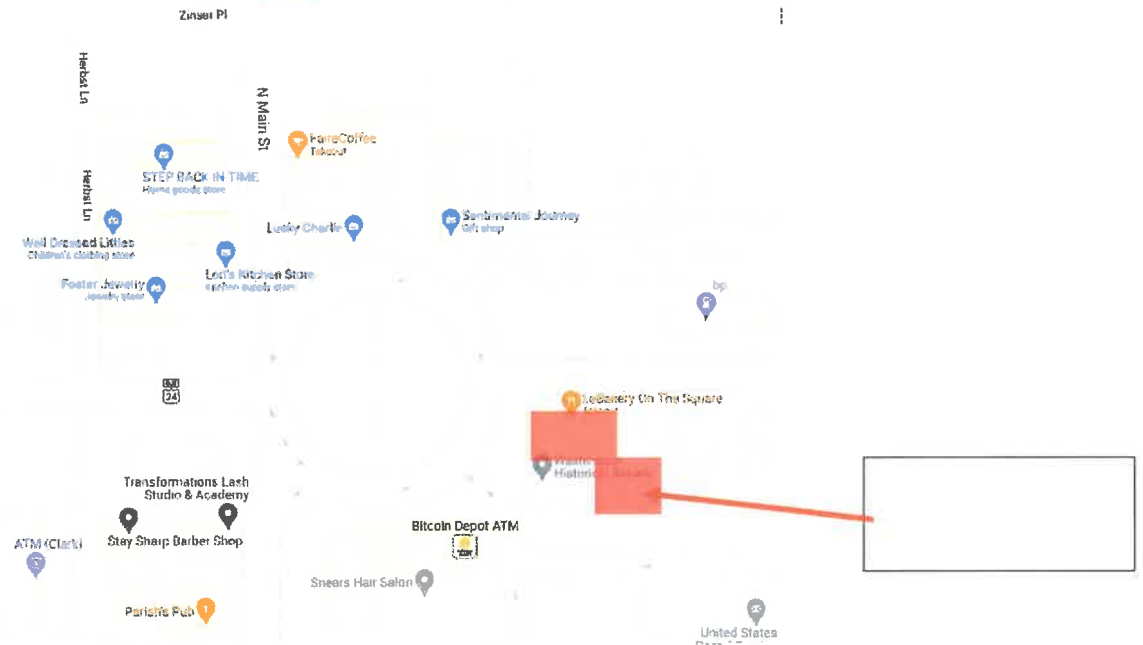
## C. Project Team

- Owner: CL Washington Square, LLC, members CL Real Estate, LLC and Pohls LLC
- Developer: CLRED, LaSalle, Illinois
- Tenant: Tangled Roots Brewing Company
- Architect/Interior Designer: Aria Design Group, Oak Park, IL

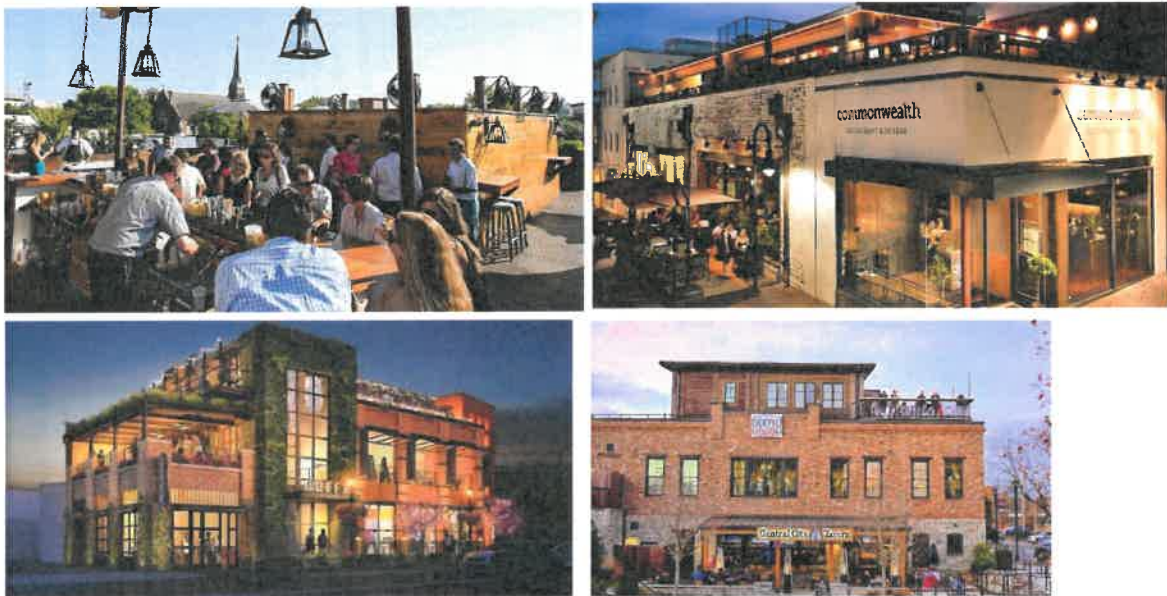


#### D. Site Photos and Aerial Property View





## Preliminary Concept Inspirations





### III. Development Experience

#### A. Completed CL Real Estate Development Projects:



#### Lone Buffalo Brewpub and Fine Dining Restaurant

Ottawa, IL

**Owner:** Tangled Roots Brewing Company, a CL Enterprises' company

**Contractor:** Wight & Co., Chicago, IL

**Architect:** Basalay Cary Alsadt Architects, Ottawa, IL

**Interior Design:** Studio K, Chicago, IL

**Type of Project:** Adaptive Reuse of Historic Buildings/Complete Renovation

**Size:** Two-Story

**Budget:** \$6.0 Million

**Date of Completion:** March 2016

**Contact:** Dave Noble, City of Ottawa, Economic Development Director

<https://tangledrootsbrewingco.com/the-lone-buffalo/>



## LOCK & MULE

BY TANGLED ROOTS BREWING COMPANY

The Lock and Mule – Tangled Roots Brewing Company  
Lockport, IL



**Owner:** CL Real Estate, LLC

**Architect:** Gary W. Anderson Architects, Rockford, IL

**Type of Project:** Adaptive Reuse and Renovation of existing 1920's garage into new wood fire grill restaurant/brewpub for Tangled Roots with private dining and outdoor patio

**Interior Designer:** Looney & Associates, Chicago, IL

**Structural Engineer:** Hutter Trankina Engineers, Wayne, IL

**Size:** 6,920 SQFT

**Budget:** \$2.9 Million

**Date of Completion:** Opened: Jan 2021 Groundbreaking: Jan. 2020

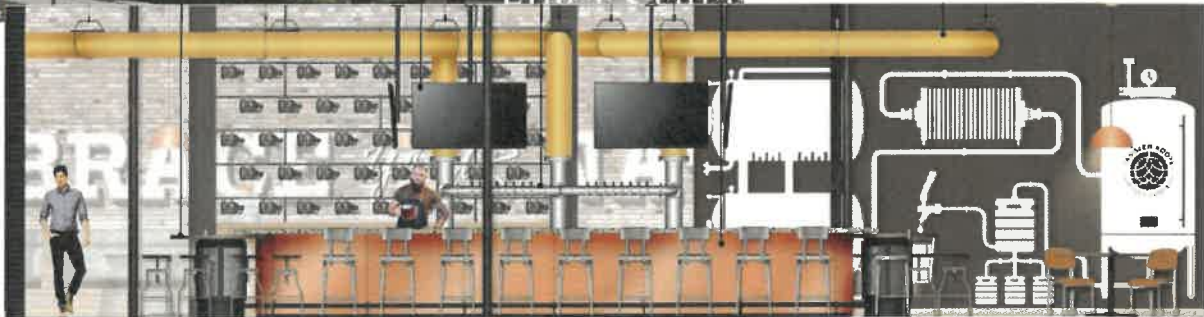
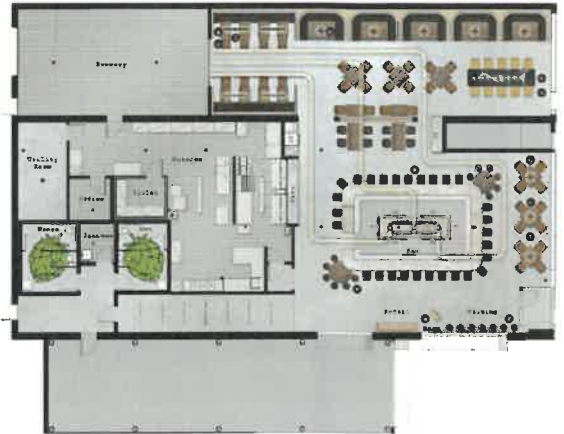
**Contact:** Steve Streit, Mayor and Ben Benson, Economic Development Director, City of

Lockport: <https://tangledrootsbrewingco.com/>





## B. Current CL Real Estate Development Projects:



### LaSalle Residential Lofts and The Rocket Restaurant LaSalle, IL



**Owner:** CL Real Estate, LLC

**Architect:** studio K Architects, Princeton, IL

**Type of Project:** Renovation of two-story late 19<sup>th</sup> century commercial building and addition on vacant corner lot; 1<sup>st</sup> Floor Retail (Restaurant and a Coffee Shop) and 6 Urban Lofts on upper floor

**Size:** 15,000 SF

**Budget:** \$1.4 Million

**Date of Completion:** Groundbreaking – February 2020; Currently Under Construction

**Contact:** Leah Inman, City of LaSalle Economic Development Director



## Keefer House Hotel, Fine Dining Restaurant, and Retail: Hillsdale, MI

**Owner:** Keefer House Hotel, LLC

**Architect:** Gary W. Anderson Architects, Rockford, IL

**Contractor:** Lakewood Construction, Holland, MI

**Interior Design:** Looney & Associates, Chicago, IL

**Hotel Consultant:** Hotel Investment Services, Troy, Michigan

**Type of Project:** Extensive renovation of historic 1885 upscale hotel, currently vacant. 34 Room Boutique Hotel, Fine Dining, Upscale Bar, Events Space, Retail Spaces

**Event Space:** CLRE will operate a city owned historic theater as a public/private event space up the block from the hotel

**Size:** 34,395 SF

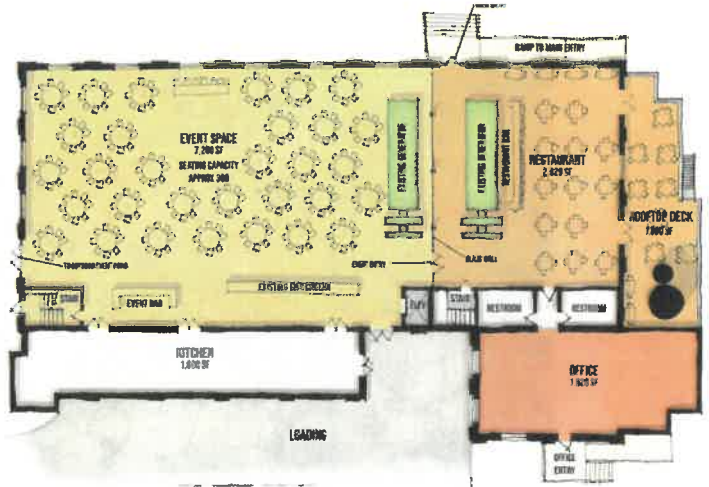
**Budget:** \$13 Million

**Date of Completion:** Winter 2022, Groundbreaking August 2021, Currently Under Construction

**Contact:** Brant Cohen, Development Associate, CL Real Estate Development, LLC



Mary Wolfram, City of Hillsdale TIFA Board Member



## Grand Haven Diesel Power Plant Redevelopment:

Grand Haven, MI

**Architect:** Lakewood Construction in-house, Holland, MI

**Contractor:** Lakewood Construction, Holland, MI

**Type of Project:** Redevelopment of historic 1928 diesel power plant into a large event space, restaurant, and office/retail space. The focus of our redevelopment will preserve the character and original feel of this building with a light touch keeping many original fixtures and equipment

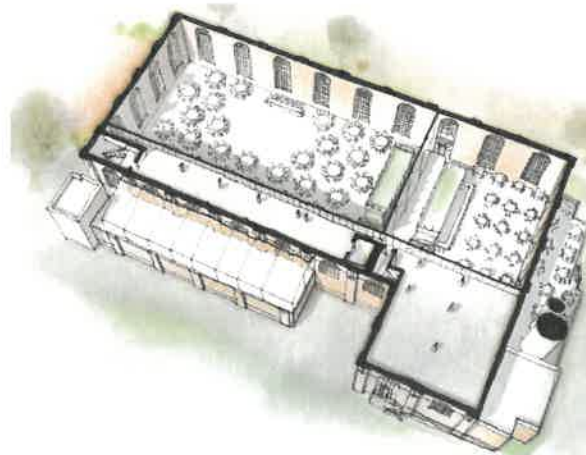
**Event, Restaurant, and Office/Retail Tenants:** All spaces will be leased to tenants to build-out the space for their needs

**Size:** 28,000 SF

**Budget:** \$7 Million

**Date of Completion:** 2023

**Contact:** Greg Holcomb, *Principal*, Urban Innovations, LLC [Gregholcombe2018@gmail.com](mailto:Gregholcombe2018@gmail.com)







## Ottawa Times and TRBC Office Rehabilitation:

Ottawa, IL

**Architect:** StudioK, Princeton, IL

**Contractor:** Self - Contracting

**Type of Project:** Rehabilitation of historic 1930's office building. Office build-out for multiple tenants

**Office:** Office space for Tangled Roots Brewing Company and The Ottawa Times News Paper. All spaces will be leased to tenants with build-out cost included in rent

**Size:** 5,000 SF

**Budget:** \$350,000

**Timeline:** Start - December 1, 2021. Completion – March 1, 2022





**The Stonemason Building: 815 -817 Columbus St**  
Ottawa, IL

**Architect:** Earl Lecki, Ottawa, IL

**Contractor:** Self - Contracting

**Type of Project:** Redevelopment of historic stonemason building

**Residential:** 5 residential units with courtyard and roof deck at market rate leasing

**Size:** 4,500 SF

**Budget:** \$580,000

**Timeline:** Start - December 2021. Completion – June 2022



## IV. Personnel/Professional Qualifications

### A. Firm's Fiscal Capacity

- i. CL Real Estate Development's fiscal financial strength is realized through a solid mix of real estate assets in excess of \$10 million dollars, its ability to access significant credit through its long-standing banking relationships, its competent financial team with many years of financial and real estate experience, and its backing of two high net worth individuals.
- ii. CLRED works with several banks across Illinois and Michigan. Our aim is to work with local and regional banks that understand their communities and want to passionately support growth and development.
- iii. The principals of CL Enterprises and related companies, Peter Limberger and Inga Carus have adequate financial strength for the project contemplated in this proposal.
- iv. Additional financial information will be provided as the project scope becomes more defined and as requested by the City of Washington.

### B. Relevant Knowledge

- i. **Historic Development:** CL Real Estate Development has the track record of renovating historic properties as described above, including finance, design, construction, and operation of mixed-use developments, including high-end hospitality uses, in a small-town marketplace. The development team also includes experienced hospitality operators as consultants and operator. The team leadership has more than 25 years of experience in diverse real estate development business.
- ii. **Construction:** CLRED works with multiple General Contractors in different states while also bringing preferred GC's with us across state lines depending on the project. We tend to look for qualified contractors and architects in the project region because there are significant advantages they can bring to table with local knowledge and connections.
- iii. **Residential and Tenant Experience:** CL Real Estate Development has direct experience designing, constructing, opening, and operating an upscale restaurant and bar. The Lone Buffalo in Ottawa, Illinois was developed and is owned and operated by CL Enterprises' entity, Tangled Roots Brewing Company.



### C. Team Members

The following staff members comprise the core team for the development of the Washington, IL Brewpub and Property:



**Peter Limberger**  
Owner and CEO, CL Real Estate Development, LLC.  
*Peru, Illinois*

Peter was born and raised in rural southwestern Germany. He studied engineering in Germany and at Georgia Tech and graduated with 2 masters-degrees in Civil/Structural Engineering and in Metallurgy and Welding Technology.

Peter lived and worked as a construction engineer and as a manager in several countries; 3 years in South America, 2 years in Africa, 1 year in Arabia and 10 years in Europe and Russia. During his career he worked on major projects including a 10,000MW hydroelectric dam and powerplant, a military airbase, and the nuclear weapon systems for the US and NATO. As CEO he was responsible for a construction company with 2,000 employees.

Peter became an independent entrepreneur and investor after the unification of Germany in 1990. Since then he acquired or started about 20 companies in different markets and with different products. Companies ranged from textile machinery trading, with the countries in the ex Soviet Union, to compressor manufacturing, chemical manufacturing and companies in the fields of automation and robotic systems.

Peter married Inga Carus in 2007, adopted 2 girls and now lives in Ottawa, Illinois. Jointly with his wife, Peter invested and developed several regional businesses, such as a 2,500 acre farming operation, a \$10 million commercial brewery and brewpubs in and around Ottawa, a woodworking company, a charter aviation business, and a successful real estate development business focused on developing transformative projects in small, historic downtowns across the Midwestern with unique, high quality, design driven buildings.



**Inga Carus**

**Owner, CL Enterprises, LLC, parent company of CLRE Dev., LLC.**

*Peru, Illinois*

Born and raised in Illinois' Starved Rock Country. Inga has a BA in Chemistry, and an MBA in Finance and Marketing, both from the University of Chicago. She has lived and worked in a variety of countries for more than a decade. Inga started her career with Air Products and Chemicals (APCI) where she held several expatriate positions in Europe.

Inga joined Carus Corporation in 1992 as European Sales Manager, then managed Carus' International sales, Global Sales and Marketing, and was named President and CEO in 2005 and Chairman in 2013. Carus Group is a 106-year-old family-owned environmental company with about 400 employees globally. Carus manufactures products for water and wastewater treatment, for air purification and soil remediation.

Together with her husband Peter Limberger, Inga started a new holding company, CL Enterprises, to invest primarily in manufacturing businesses, in Illinois. Since 2010, CLE has invested in agriculture, real estate, manufacturing (woodwork, brewing), hospitality, and aviation. To date, more than 400 new direct jobs have been created in Illinois with these new businesses.

Inga serves on the board of the American Chemistry Council, is Chair of the OmniArts Trust, and serves on the boards of the Hegeler Carus Foundation, Canal Corridor Association, Landmarks Illinois, and the Starved Rock Country Community Foundation. In 2016, she was appointed to the board of Intersect Illinois, an Economic Development organization started by Former Governor Rauner to create jobs in Illinois.



**Nathan Watson**

**President, CL Real Estate Development, LLC.**

*Peru, Illinois*

For 25 years Nathan has worked in Real Estate Development. He studied Architecture and Real Estate Finance, completing a bachelor's degree in Architecture from Auburn University and an MBA from Columbia University. Nathan's assignments have included a 4,800 Acre Master Planned Community on the U.S. Gulf Coast and a 72 Acre mixed-use urban riverfront redevelopment project in New Orleans, through which he led or participated

in the development of luxury apartments, hotels, retail, office, and infrastructure projects.

Earlier in his career, he started a bank-owned for-profit community development corporation in 1997 and his own development business in 2001. Projects included historic restorations, multi-family housing, and new residential community development.

Nathan has served on Urban Land Institute Advisory Service Panels in over 10 US Cities.



**Brant Cohen**

Michigan Development Assoc., CL Real Estate Development, LLC.

*Hillsdale, Michigan*

Since graduating from Hillsdale College in 2018 Brant has worked as CL Real Estate's Michigan Development Associate. Brant currently operates our Michigan office in Hillsdale where he oversees our first Michigan development project, the Keefer House Hotel. Brant primarily focuses on pre-development where he looks for new opportunities in the state, assists with acquisition, planning, financing, coordination with local governing entities, and site prep and development. As a Politics major, he interned in Washington D.C. in the U.S. House of Representatives and interned for an Illinois State Senator. Brant is also an Illinois native, born and raised in the Northwest suburbs of Chicago. He has great a passion for the mission of CL Real Estate and is dedicated to growing the company beyond Illinois with unique projects and opportunities.



**Brian Breslin**

Project Manager: Construction and Design; CL Real Estate Development, LLC.

*Peru, Illinois*

Serving as Project Manager for all CLRE's projects is a large task. Brian oversees the project from concept development through construction and completion, coordinating with architects, engineers, designers, consultants, and surveyors. His role ensures the physical execution and success of every project. Brian studied at Illinois State University and has worked as project manager in the Chicago area for several businesses including Vein Clinics of America.



**Jackson Powell**

Director of Finance, CL Real Estate Development, LLC.

*Peru, Illinois*

As director of finance, Jackson manages the financial sources and uses of the firm. His responsibilities include obtaining project finance, project development financial modeling and structure, financial and legal aspects of acquisition closings, corporate risk management, and financial budgeting and reporting. Jackson also serves as Treasurer for the city of Peru, Illinois. Prior to joining CL Real Estate in 2018, Jackson worked in banking as a controller, and in public accounting. Jackson earned a Bachelor of Science in Commerce from the McIntire School of Commerce at the University of Virginia and is a Virginia Certified Public Accountant.





## V. References

### A. Rachel Doty

Southern Michigan Bank and Trust; Vice President Commercial Loan Officer  
10 E. Carleton Rd | Hillsdale, MI 49242  
517.439.0093 | [rdoty@smb-t.com](mailto:rdoty@smb-t.com)

### B. Derek Fetzer

Heartland Bank & Trust; VP-Agribusiness Banking  
Heartland Bank & Trust Company  
606 S. Main St. | Princeton, IL 61354  
815.872.6161 | [www.hbtbank.com](http://www.hbtbank.com)

### C. Leah Inman

Economic Development Director  
City of LaSalle  
745 Second Street | LaSalle, IL 61354  
815.488.4442

### D. Steve Streit

Mayor, City of Lockport, Illinois  
222 E. 9<sup>th</sup> Street, Lockport, IL 60441  
815.838.0549

