



CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: July 18, 2022

Prepared By: Jim Snider, City Administrator
Jon Oliphant, AICP, Planning & Development Director

Agenda Item: First Reading Ordinance – Square Restaurant and Brewpub Redevelopment Agreement Amendment

Explanation: Attached is an amended redevelopment agreement with CL Real Estate Group, LLC (CLREG), Grist Mill Ventures, LLC (Grist Mill), Jeffrey Pohl, Kelly Pohl, Peter Limberger, and Inga Carus for the redevelopment of the 140 Washington Square and 112 Walnut Street parcels. The existing agreement was approved on December 20, 2021. Ongoing global economic and supply chain issues had forced a reexamination of the project scope and its financial impact shortly after agreement approval. Fortunately, the developer continues to express a strong desire to move forward with the restaurant/brewpub project to be called The Grist Mill.

Fiscal Impact: The current total estimated project cost is \$5.438 million. Approximately \$1 million in additional funds is earmarked to allocating up to five short-term residential units on part of the second floor of the building. The addition of the residential units has been necessitated by rising interest rates and to have a defined source of revenue. The City's current financial support is up to \$1.1 million to allow for the commercial portion of the project to come to fruition. Grist Mill was originally scheduled to acquire title to the parcels from the Pohl's in early 2022 to enable the demolition and reconstruction to occur shortly thereafter. That date was postponed in order to allow for the additional due diligence to proceed. The grand opening is still to occur no later than December 1, 2023. The amount and breakdown of the funding sources included in the existing agreement are as follows:

- **TIF Fund (up to \$980,000):** Among the TIF-eligible costs in the proposal are acquisition, demolition, and professional services. Of the possible total TIF Fund contribution, \$675,000 would be paid by December 1, 2023, to offset the eligible costs. The remainder (up to \$305,000) would be paid by December 31, 2025, for any interest borne by the developer as a result of its project financing. The City's TIF payment would be capped at 30% of the annual interest costs incurred by the developer associated with the project during that time.
- **Water Connection Fee Fund (\$70,000):** This is the estimated cost to install a new 8" water main to service the buildings on the southeast side of the Square. The City would complete these improvements and bear the associated estimated cost.
- **Sewer Fund (\$50,000):** This is the estimated cost to install a new 8" sanitary sewer that service the buildings on the southeast side of the Square. The City would complete these improvements and bear the associated estimated cost.

This project figures to generate much greater property tax, which will help to replenish the TIF Fund. Based on the current approximate construction cost, the Washington Township Assessor's office estimated that \$75,000-\$80,000 in new increment would be paid into the TIF Fund annually once the project is fully assessed. Significant sales tax, estimated to be about \$120,000 based on the annual revenue estimate of \$4 million that continues to be indicated by the developer, and Water Fund revenue will also result. A project of this magnitude typically results in positive spinoff impacts with nearby businesses that are difficult to quantify. The business will employ many part- and full-time staff.

The agreement included a timeline for payments based on various milestones. To date, only the initial payment of \$75,000, which was required to be made shortly after approval of the agreement, has been made.

Action Requested: Approval of the amended redevelopment agreement. The following is a summary of the amended agreement:

- The developer will acquire the project site by August 31, 2022. Schedule 7 has been revised to signify a payment of \$275,000 after the closing/acquisition of the project site;
- The developer will commence demolition and construction no later than March 1, 2023, and with construction to commence within 60 days of the issuance of a demolition permit;
- The first floor of the site is to include at least 6,000 square feet of interior brewpub/restaurant space with 2,000 square feet of indoor/outdoor brewpub/restaurant space on the second floor. The remainder of the project consists of residential units or common areas for the commercial and industrial leases. Private dining spaces are no longer planned for this project. This revised space utilization reflects the further reflection of the marketplace and the impact of increasing interest rates and rising construction costs. It also allows for greater flexibility of all the spaces throughout the year. The conceptual layout is attached as Schedule 3; and
- Schedule 2 has been revised to reflect the current costs associated with the brewpub/restaurant.

The project is still planned to be completed and opened by December 1, 2023, per the terms of the agreement. A first reading ordinance for the agreement amendment is scheduled for the July 18 City Council meeting with a second reading to be scheduled for the August 1 meeting.

Ordinance No. _____

(Adoption of this ordinance would approve a first amendment to a private redevelopment agreement with CL Real Estate Group, LLC, Grist Mill Ventures, LLC, Jeffery Pohl, Kelly Pohl, Peter Limberger, and Inga Carus for the redevelopment of 140 Washington Square and 112 Walnut Street).

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO A FIRST AMENDMENT TO AN AGREEMENT FOR PRIVATE DEVELOPMENT WITH CL REAL ESTATE DEVELOPMENT, LLC, GRIST MILL VENTURES, LLC, JEFFERY POHL, KELLY POHL, PETER LIMBERGER, AND INGA CARUS FOR THE REDEVELOPMENT OF A PORTION OF THE DOWNTOWN SQUARE

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

Section 1. That the First Amendment to an Agreement for Private Redevelopment between the City of Washington, Illinois, and CL Real Estate Group, LLC, Grist Mill Ventures, LLC, Jeffery Pohl, Kelly Pohl, Peter Limberger, and Inga Carus for the redevelopment of a portion of the Downtown Square, 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 _____, 2022.

AYES: _____

NAYS: _____

Mayor

ATTEST:

City Clerk

FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT

Dated: _____

FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT (this “**Amendment**”) made and entered into this ____ day of _____, 2022, (the “**Effective Date**”) by and between the CITY OF WASHINGTON, an Illinois home-rule municipal corporation (the “**City**”), exercising its governmental powers pursuant to the 1970 Constitution of the State of Illinois, CL REAL ESTATE GROUP, LLC, a Delaware limited liability company (“**CL Real Estate**”) and GRIST MILL VENTURES, LLC, an Illinois limited liability company (“**Grist Mill**”) (CL Real Estate and Grist Mill are collectively referred to as “**Developer**”) and JEFFERY POHL, KELLY POHL, PETER LIMBERGER, and INGA CARUS (individually referred to as “**Guarantor**” plus first name, and collectively referred to as “**Guarantors**”):

R E C I T A L S

WHEREAS, the parties hereto have entered into an Agreement for Private Redevelopment Between the City of Washington, Tazewell County, Illinois and CL Real Estate Group, LLC, Grist Mill Ventures, LLC, Jeffery Pohl, Kelly Pohl, Peter Limberger and Inga Carus dated December 20, 2021 (the “**Redevelopment Agreement**”); and

WHEREAS, the parties agree that the Redevelopment Agreement may be amended by a written instrument executed by the parties or their successors and assigns; and

WHEREAS, the parties desire to amend the Redevelopment Agreement to, among other things, revise the Project commencement date and adjust the Plans and Specifications; and

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:

1. That Section 2.1.1 of the Redevelopment Agreement is hereby amended by deleting existing Section 2.1.1 in its entirety and substituting in lieu thereof as Section 2.1.1 the following:

“**2.1.1 Acquisition.** The Developer agrees that the City’s obligations hereunder shall not commence unless and until the Developer acquires fee simple title to the Project Site on or before August 31, 2022.”

2. That Section 2.1.2 of the Redevelopment Agreement is hereby amended by deleting existing Section 2.1.2 in its entirety and substituting in lieu thereof as Section 2.1.2 the following:

“**2.1.2 Commencement of the Project.** The Developer shall commence demolition and construction of the Project no later than March 1, 2023 and shall commence construction within sixty (60) days of the issuance of the demolition permit. In the event the Developer cannot commence demolition and construction

of the Project by March 1, 2023, the City shall have the right to terminate the Agreement after such failure by providing written notice to the Developer. For the purpose of this Agreement, “**commence demolition and construction**” shall mean the act of demolishing the buildings on the Project Site and thereafter, the pouring of the footings and foundation for the erection of the new restaurant and brewpub on the Project Site. In the event of termination under this Section, the Developer must repay any costs it received from the City pursuant to this Agreement within ten (10) days of the termination of this Agreement under this Section. This repayment obligation is due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived. If any repayment required by the Section is not timely made, the City may immediately seek repayment and exercise any and all other rights and remedies granted to it by this Agreement and/or Illinois law.”

3. That Section 5.1 of the Redevelopment Agreement is hereby amended by deleting existing Section 5.1 in its entirety and substituting in lieu thereof as Section 5.1 the following:

“**5.1 Redevelopment Project.** The Developer agrees on behalf of itself, its successors or assigns, to redevelop the Project on the Project Site as described in this Agreement. The Project Site will be acquired by Grist Mill. The existing buildings will be demolished to construct a new two-level building and ancillary building to include a restaurant and brewpub, with an outdoor rooftop beer garden. Tangled Roots Beverage Company LLC, a Delaware limited liability company (also known as Tangled Roots Brewing Company) (“**Tenant**”) will be a tenant of the new buildings and operate the restaurant and brewpub on the Project Site. Upon completion of demolition and construction, the portion of the Project to be leased to the tenant shall be at least 6,000 square feet of interior space located on the first floor and 2,000 square feet of indoor/outdoor space located on the second floor. The remainder of the Project shall consist of residential space or common areas for commercial and industrial leases. The preliminary plans for the Project and Project Site are attached hereto as Schedule 3 and by reference expressly made a part hereof (the “**Plans and Specifications**”). Developer will prepare and submit to the City detailed plans and specifications that, with the City’s written approval, given in its sole discretion, will become the Plans and Specifications. Construction of the Project shall be in strict compliance with the Plans and Specifications. The Plans and Specifications may only be modified or revised with the City’s prior written approval.”

4. That Section 5.2 of the Redevelopment Agreement is hereby amended by deleting existing Section 5.2 in its entirety and substituting in lieu thereof as Section 5.2 the following:

“**5.2 Redevelopment Work.** As set forth above, the Developer agrees to construct a new restaurant and brewpub in accordance with the Plans and Specifications. In that connection, the Developer shall conduct or have the following work conducted at the Project Site, which such work is more specifically detailed on Schedule 3:

- Demolish 140 Washington Square and 112 Walnut Street entirely;
- Construct a new two-story building with an ancillary building to include a restaurant/brewpub, including necessary support space; and
- Construct a rooftop beer garden/event space.

The Estimated Project Cost of the above-listed items for the demolition and construction is specifically set forth in Schedule 2 hereto. Developer will comply with any and all nationally accepted standards for demolition and construction of the structures. Furthermore, Developer shall abide by all representations and warranties set forth herein. All material and equipment furnished in connection with the development described in this Article and otherwise in this Agreement, shall be new and otherwise of good quality.”

5. That Schedule 2 of the Redevelopment Agreement is hereby amended by deleting existing Schedule 2 in its entirety and substituting in lieu thereof Schedule 2 attached hereto.

6. That Schedule 3 of the Redevelopment Agreement is hereby amended by deleting existing Schedule 3 in its entirety and substituting in lieu thereof Schedule 3 attached hereto.

7. That Schedule 7 of the Redevelopment Agreement is hereby amended by deleting existing Schedule 7 in its entirety and substituting in lieu thereof Schedule 7 attached hereto.

8. That Schedule 8 of the Redevelopment Agreement is hereby amended by deleting existing Schedule 8 in its entirety and substituting in lieu thereof Schedule 8 attached hereto.

9. Except as modified by this Amendment, the parties republish the Redevelopment Agreement, and it shall remain in full force and affect except as modified hereby.

10. In the event of a conflict between the terms and conditions of this Amendment and the terms and conditions of the Redevelopment Agreement, the terms and conditions of this Amendment shall control.

11. This Amendment may be executed by original signature or by facsimile, digital, or other electronic signature and in one or more counterparts, each of which will be deemed an original and together will constitute one and the same instrument. This Amendment may be executed as an original in ink, by facsimile signature (e.g., a signature reproduction by physical or electronic stamp) or any electronic signature complying with the U.S. Federal E-SIGN Act of 2000. Any counterparty containing a qualifying signature transmitted electronically (e.g., via e-mail or telecopier machine) shall be accepted as an original and shall have the same force and effect as an original.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date and year first above written.

CITY OF WASHINGTON

**CL REAL ESTATE GROUP, LLC, a
Delaware limited liability company**

By: _____
Gary Manier, Its Mayor

By: CL Enterprises LLC, a Delaware limited
liability company, Manager

Attest: _____
Valeri Brod, Its City Clerk

Peter Limberger, Manager of CL Enterprises

SEAL:

**GRIST MILL VENTURES, LLC, an
Illinois limited liability company**

By: _____
Peter Limberger

JEFFERY POHL, an Individual

Its: Manager

KELLY POHL, an Individual

PETER LIMBERGER, an Individual

INGA CARUS, an Individual

[Signature Page to First Amendment Redevelopment]

SCHEDULE 2
ESTIMATED PROJECT COST

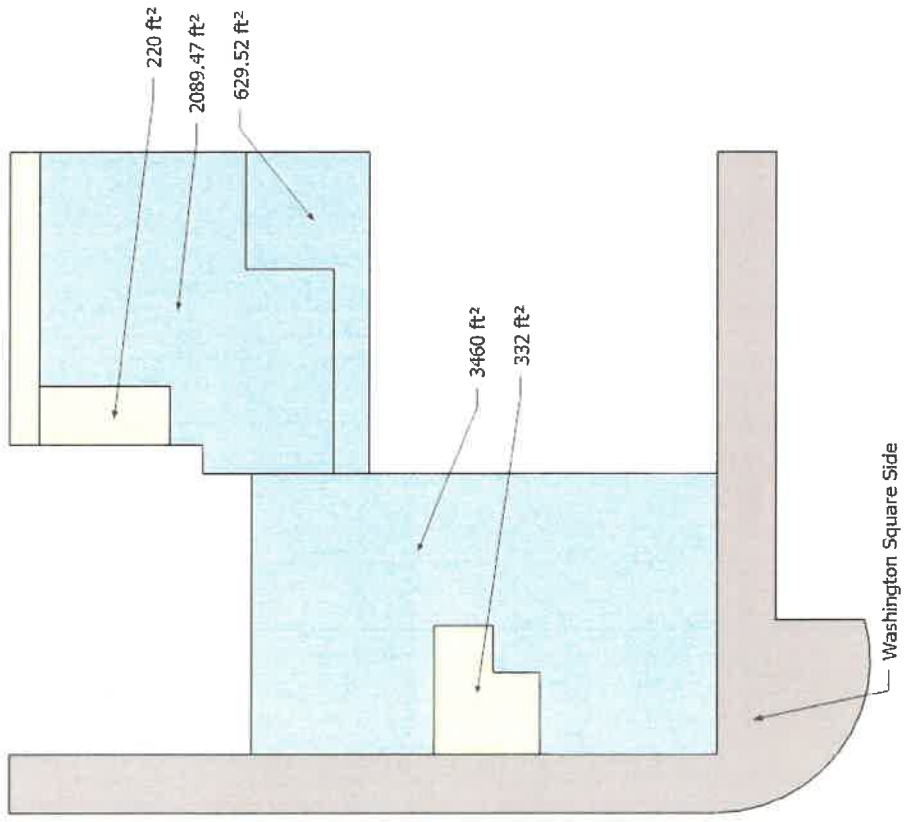
PROJECT COSTS	BrewPub
<i>Purchase of Real Estate</i>	\$ 750,000
<i>Demolition</i>	\$ 100,000
<i>Construction - Hard Costs</i>	\$ 2,720,000
<i>Hard Cost Contingency</i>	\$ 272,000
<i>Furniture, Fixtures, and Equipment</i>	\$ 880,000
<i>Pre-Development Consultants</i>	\$ 15,000
<i>Architectural & Engineering</i>	\$ 300,000
<i>Development Fees</i>	\$ 300,000
<i>Permit Fees</i>	\$ 20,000
<i>Legal & Accounting</i>	\$ 15,000
<i>Construction Financing & Carrying</i>	\$ 23,000
<i>Permanent Financing</i>	\$ 14,000
<i>Soft Cost Contingency</i>	\$ 29,000
<i>Total Soft Costs</i>	\$ 716,000
TOTAL PROJECT COST	\$ 5,438,000

SCHEDULE 3

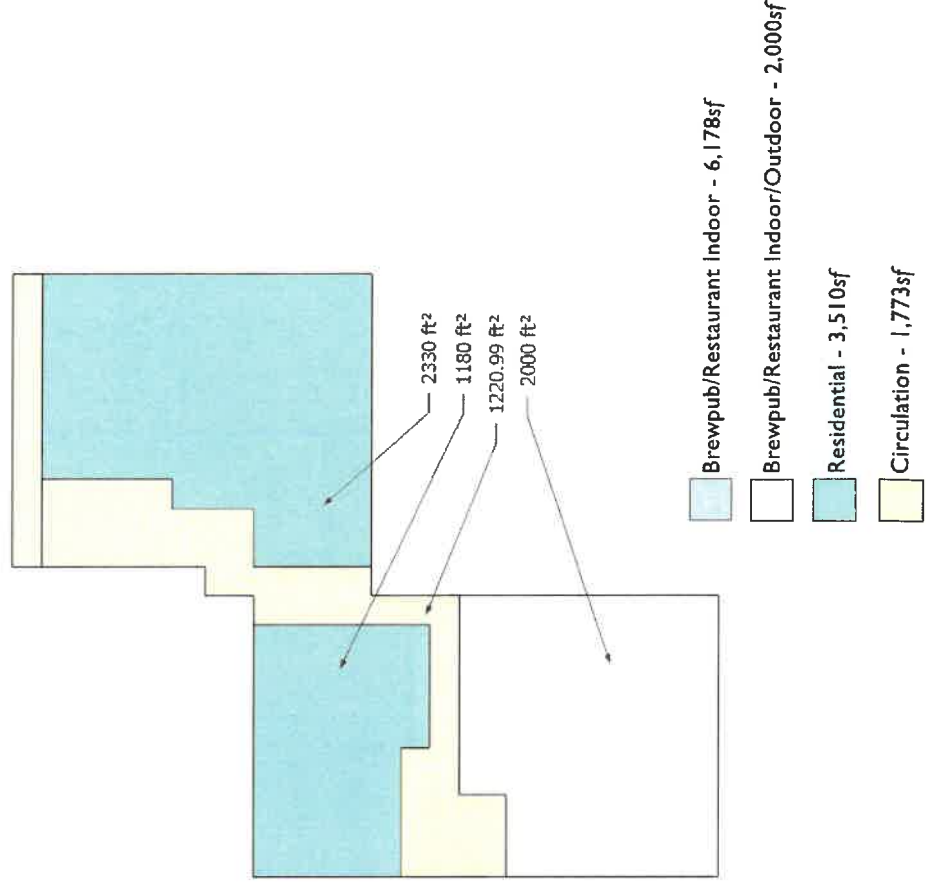
PLANS AND SPECIFICATIONS FOR THE PROJECT AND PROJECT SITE

See attached.

FIRST FLOOR



SECOND FLOOR



SCHEDULE 7

DEVELOPMENT PAYOUT SCHEDULE

Date	Description	Amount	Funding Source	Payment To:
12/22/2021	Acquisition of Project Site	\$75,000.00	The Act (Fund No. 208)	Developer
On or before August 31, 2022	Closing/Acquisition of Project Site	\$275,000.00	The Act (Fund No. 208)	Developer
Upon Request for Reimbursement	Demolition	\$50,000.00	The Act (Fund No. 208)	Developer
Upon Request for Reimbursement	Engineering and Architectural Services	\$200,000.00	The Act (Fund No. 208)	Developer
12/1/2023	Acquisition of Project Site	\$75,000.00	The Act (Fund No. 208)	Developer
	Water Infrastructure Improvements	\$70,000.00	Water Connection Fund (Fund No. 500-502)	N/A – City borne cost
	Sewer Infrastructure Improvements	\$50,000.00	Sewer Fund (Fund No. 501)	N/A – City borne cost
Upon Request for Reimbursement	Reimbursement of Developer Interest Costs (TIF Interest Incentive)	\$305,000.00	The Act (Fund No. 208)	Developer

SCHEDULE 8

Prepared By:

City of Washington
301 Walnut Street
Washington, IL 61571

After recording return to:

City of Washington
301 Walnut Street
Washington, IL 61571

MEMORANDUM OF AGREEMENT

CL Real Estate Group, LLC, a Delaware limited liability company, and Grist Mill Ventures, LLC, an Illinois limited liability company, (collectively, “**Developer**”) and the City of Washington, an Illinois home-rule municipal corporation (the “**City**”), have entered into an **Agreement for Private Redevelopment** dated as of December 20, 2021 (“**Agreement**”), as amended by that certain First Amendment to Redevelopment Agreement dated as of _____, 2022 (“**Amendment**”) with the Agreement being approved by the City Council of the City on December 20, 2021, by Ordinance No. 3452 and the Amendment being approved by the City Council of the City on _____, 2022. The Agreement affects certain real property located in the City of Washington, the County of Tazewell, the State of Illinois, more fully described in Exhibit A attached hereto and made a part hereof (the “**Project Site**”). The Agreement provides that the Developer, subject to certain terms and conditions set forth in the Agreement, shall develop a project as described in the Agreement (the “**Project**”) on the Project Site.

[SIGNATURE PAGE TO FOLLOW]

Dated: _____, 2022

CITY OF WASHINGTON

**CL REAL ESTATE GROUP, LLC, a
Delaware limited liability company**

By: _____
Gary Manier, Its Mayor

By: CL Enterprises LLC, a Delaware limited
liability company, Manager

Attest: _____
Valeri Brod, Its City Clerk

Peter Limberger, Manager of CL Enterprises

Seal:

**GRIST MILLS VENTURES, LLC, an
Illinois limited liability company**

By: _____
Peter Limberger

Its: Manager

STATE OF ILLINOIS)
) SS.
COUNTY OF TAZEWELL)

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that Gary Manier and Valeri Brod, personally known to me to be the Mayor and City Clerk, respectively, of the City of Washington, an Illinois municipal corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Mayor and City Clerk, respectively, appeared before me this day in person and severally acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act as such Mayor and City Clerk, respectively, and as the free and voluntary act of said municipal corporation for the uses and purposes therein set forth; and on their respective oaths stated that they were duly authorized to execute said instrument.

GIVEN under my hand and notary seal this ____ day of _____, 2022

Notary Public

EXHIBIT A
LEGAL DESCRIPTION OF THE PROJECT SITE

Parcel 1:

Lot 27, EXCEPT the West 59 feet thereof and except the East 41 feet thereof; ALSO Lot 28, EXCEPT the South 2 feet of the West 59 feet thereof and except the East 41 feet thereof; all situated in the City of Washington, as shown on Plat recorded August 9, 1956 in Vol. 543, Page 161, situated in TAZEWELL COUNTY, ILLINOIS.

PIN: 02-02-24-108-016

Commonly known as: 140 Washington Square & 106 Walnut Street, Washington, Illinois 61571.

Parcel 2:

The South 48.6 feet of the East 41 feet of even width of Lot 27 in the Original Town, now City of Washington, AND ALSO the West 8.25 feet of a parcel which lies in both Lots 27 and 28, described as being 4.92 feet in width from the North to South and lying directly North of and contiguous to the aforesaid South 48.6 feet of the East 41 feet or even width of the said Lot 27, situated in TAZEWELL COUNTY, ILLINOIS.

PIN: 02-02-24-108-018

Commonly known as: 112 Walnut Street, Washington, Illinois 61571

FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT (Redlined Version)

Dated: _____

FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT (this “**Amendment**”) made and entered into this ____ day of _____, 2022, (the “**Effective Date**”) by and between the CITY OF WASHINGTON, an Illinois home-rule municipal corporation (the “**City**”), exercising its governmental powers pursuant to the 1970 Constitution of the State of Illinois, CL REAL ESTATE GROUP, LLC, a Delaware limited liability company (“**CL Real Estate**”) and GRIST MILL VENTURES, LLC, an Illinois limited liability company (“**Grist Mill**”) (CL Real Estate and Grist Mill are collectively referred to as “**Developer**”) and JEFFERY POHL, KELLY POHL, PETER LIMBERGER, and INGA CARUS (individually referred to as “**Guarantor**” plus first name, and collectively referred to as “**Guarantors**”):

R E C I T A L S

WHEREAS, the parties hereto have entered into an Agreement for Private Redevelopment Between the City of Washington, Tazewell County, Illinois and CL Real Estate Group, LLC, Grist Mill Ventures, LLC, Jeffery Pohl, Kelly Pohl, Peter Limberger and Inga Carus dated December 20, 2021 (the “**Redevelopment Agreement**”); and

WHEREAS, the parties agree that the Redevelopment Agreement may be amended by a written instrument executed by the parties or their successors and assigns; and

WHEREAS, the parties desire to amend the Redevelopment Agreement to, among other things, revise the Project commencement date and adjust the Plans and Specifications; and

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:

1. That Section 2.1.1 of the Redevelopment Agreement is hereby amended by deleting existing Section 2.1.1 in its entirety and substituting in lieu thereof as Section 2.1.1 the following:

“2.1.1 **Acquisition**. The Developer agrees that the City’s obligations hereunder shall not commence unless and until the Developer acquires fee simple title to the Project Site on or before ~~January~~ August 31, 2022.”

2. That Section 2.1.2 of the Redevelopment Agreement is hereby amended by deleting existing Section 2.1.2 in its entirety and substituting in lieu thereof as Section 2.1.2 the following:

“ 2.1.2 **Commencement of the Project**. The Developer shall commence demolition and construction of the Project no later than ~~June 30, 2022~~March 1, 2023 and shall commence construction within sixty (60) days of the issuance of the demolition permit. In the event the Developer cannot commence demolition and

construction of the Project by ~~June 30, 2022~~March 1, 2023, the City shall have the right to terminate the Agreement after such failure by providing written notice to the Developer. For the purpose of this Agreement, “**commence demolition and construction**” shall mean the act of demolishing the buildings on the Project Site and thereafter, the ~~physical groundbreaking pouring of the footings and foundation~~ for the erection of the new restaurant and brewpub on the Project Site. In the event of termination under this Section, the Developer must repay any costs it received from the City pursuant to this Agreement within ten (10) days of the termination of this Agreement under this Section. This repayment obligation is due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived. If any repayment required by the Section is not timely made, the City may immediately seek repayment and exercise any and all other rights and remedies granted to it by this Agreement and/or Illinois law.”

3. That Section 5.1 of the Redevelopment Agreement is hereby amended by deleting existing Section 5.1 in its entirety and substituting in lieu thereof as Section 5.1 the following:

“**5.1 Redevelopment Project.** The Developer agrees on behalf of itself, its successors or assigns, to redevelop the Project on the Project Site as described in this Agreement. The Project Site will be acquired by Grist Mill. The existing buildings will be demolished to construct a new two-level building and ancillary building to include a restaurant and brewpub, with ~~private dining spaces and an outdoor rooftop beer garden and balconies~~. Tangled Roots Beverage Company LLC, a Delaware limited liability company (also known as Tangled Roots Brewing Company) (“**Tenant**”) will be a tenant of the new buildings and operate the restaurant and brewpub on the Project Site. Upon completion of demolition and construction, the ~~Project will consist of building area just under 10,000 square feet, excluding any outdoor space, portion of the Project to be leased to the tenant shall be at least 6,000 square feet of interior space located on the first floor and 2,000 square feet of indoor/outdoor space located on the second floor. The remainder of the Project shall consist of residential space or common areas for commercial and industrial leases.~~ The preliminary plans for the Project and Project Site are attached hereto as Schedule 3 and by reference expressly made a part hereof (the “**Plans and Specifications**”). Developer will prepare and submit to the City detailed plans and specifications that, with the City’s written approval, given in its sole discretion, will become the Plans and Specifications. Construction of the Project shall be in strict compliance with the Plans and Specifications. The Plans and Specifications may only be modified or revised with the City’s prior written approval.”

4. That Section 5.2 of the Redevelopment Agreement is hereby amended by deleting existing Section 5.2 in its entirety and substituting in lieu thereof as Section 5.2 the following:

“**5.2 Redevelopment Work.** As set forth above, the Developer agrees to construct a new restaurant and brewpub in accordance with the Plans and Specifications. In that connection, the Developer shall conduct or have the

following work conducted at the Project Site, which such work is more specifically detailed on Schedule 3:

- Demolish 140 Washington Square and 112 Walnut Street entirely;
- Construct a new two-story building with an ancillary building to include a restaurant/brewpub, including necessary support space; and
- Construct a rooftop beer garden/event space.

The Estimated Project Cost of the above-listed items for the demolition and construction is specifically set forth in Schedule 2 hereto. Developer will comply with any and all nationally accepted standards for demolition and construction of the structures. Furthermore, Developer shall abide by all representations and warranties set forth herein. All material and equipment furnished in connection with the development described in this Article and otherwise in this Agreement, shall be new and otherwise of good quality.”

5. That Schedule 2 of the Redevelopment Agreement is hereby amended by deleting existing Schedule 2 in its entirety and substituting in lieu thereof Schedule 2 attached hereto.

6. That Schedule 3 of the Redevelopment Agreement is hereby amended by deleting existing Schedule 3 in its entirety and substituting in lieu thereof Schedule 3 attached hereto.

7. That Schedule 7 of the Redevelopment Agreement is hereby amended by deleting existing Schedule 7 in its entirety and substituting in lieu thereof Schedule 7 attached hereto.

8. That Schedule 8 of the Redevelopment Agreement is hereby amended by deleting existing Schedule 8 in its entirety and substituting in lieu thereof Schedule 8 attached hereto.

9. Except as modified by this Amendment, the parties republish the Redevelopment Agreement, and it shall remain in full force and affect except as modified hereby.

10. In the event of a conflict between the terms and conditions of this Amendment and the terms and conditions of the Redevelopment Agreement, the terms and conditions of this Amendment shall control.

11. This Amendment may be executed by original signature or by facsimile, digital, or other electronic signature and in one or more counterparts, each of which will be deemed an original and together will constitute one and the same instrument. This Amendment may be executed as an original in ink, by facsimile signature (e.g., a signature reproduction by physical or electronic stamp) or any electronic signature complying with the U.S. Federal E-SIGN Act of 2000. Any counterparty containing a qualifying signature transmitted electronically (e.g., via e-mail or telecopier machine) shall be accepted as an original and shall have the same force and effect as an original.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date and year first above written.

CITY OF WASHINGTON

**CL REAL ESTATE GROUP, LLC, a
Delaware limited liability company**

By: _____
Gary Manier, Its Mayor

By: CL Enterprises LLC, a Delaware limited liability company, Manager

Attest: _____
Valeri Brod, Its City Clerk

Peter Limberger, Manager of CL Enterprises

SEAL:

**GRIST MILL VENTURES, LLC, an
Illinois limited liability company**

By: _____
Peter Limberger

JEFFERY POHL, an Individual

Its: Manager

KELLY POHL, an Individual

PETER LIMBERGER, an Individual

INGA CARUS, an Individual

[Signature Page to First Amendment Redevelopment]

SCHEDULE 2
ESTIMATED PROJECT COST

PROJECT COSTS	BrewPub
<u>Purchase of Real Estate</u>	\$ 750,000
<u>Demolition</u>	\$ 100,000
<u>Construction - Hard Costs</u>	\$ 2,720,000
<u>Hard Cost Contingency</u>	\$ 272,000
<u>Furniture, Fixtures, and Equipment</u>	\$ 880,000
<u>Pre-Development Consultants</u>	\$ 15,000
<u>Architectural & Engineering</u>	\$ 300,000
<u>Development Fees</u>	\$ 300,000
<u>Permit Fees</u>	\$ 20,000
<u>Legal & Accounting</u>	\$ 15,000
<u>Construction Financing & Carrying</u>	\$ 23,000
<u>Permanent Financing</u>	\$ 14,000
<u>Soft Cost Contingency</u>	\$ 29,000
<u>Total Soft Costs</u>	\$ 716,000
TOTAL PROJECT COST	\$ 5,438,000

~~The Estimated Project Cost for complete development of the Project Site is \$5,630,000.00. A breakdown of the Estimated Project Cost and financing sources are set forth below:~~

Description	Amount
Purchase of Real Estate	\$ 750,000.00
Demolition	\$ 50,000.00
Construction—Hard Costs	\$ 2,835,000.00
Contingency	\$ 283,500.00
Pre-Development Consultants	\$ 15,000.00
Architectural & Engineering	\$ 200,000.00
Development Fees	\$ 329,000.00
Permit Fees	\$ 20,000.00
Legal & Accounting	\$ 15,000.00
Construction financing & carrying	\$ 125,000.00
Permanent Financing	\$ 17,500.00
Furniture, Fixtures & Equipment	<u>\$ 990,000.00</u>

~~TOTAL ESTIMATED PROJECT COSTS—\$5,630,000.00~~

SCHEDULE 3

PLANS AND SPECIFICATIONS FOR THE PROJECT AND PROJECT SITE

See attached.

SCHEDULE 7

DEVELOPMENT PAYOUT SCHEDULE

Date	Description	Amount	Funding Source	Payment To:
12/22/2021	Acquisition of Project Site	\$75,000.00	The Act (Fund No. 208)	Developer
1/22/2022 On or before August 31, 2022	Closing/Acquisition of Project Site	\$275,000.00	The Act (Fund No. 208)	Developer
Upon Request for Reimbursement	Demolition	\$50,000.00	The Act (Fund No. 208)	Developer
Upon Request for Reimbursement	Engineering and Architectural Services	\$200,000.00	The Act (Fund No. 208)	Developer
12/1/2023	Acquisition of Project Site	\$75,000.00	The Act (Fund No. 208)	Developer
	Water Infrastructure Improvements	\$70,000.00	Water Connection Fund (Fund No. 500-502)	N/A – City borne cost
	Sewer Infrastructure Improvements	\$50,000.00	Sewer Fund (Fund No. 501)	N/A – City borne cost
Upon Request for Reimbursement	Reimbursement of Developer Interest Costs (TIF Interest Incentive)	\$305,000.00	The Act (Fund No. 208)	Developer

SCHEDULE 8

Prepared By:

City of Washington
301 Walnut Street
Washington, IL 61571

After recording return to:

City of Washington
301 Walnut Street
Washington, IL 61571

MEMORANDUM OF AGREEMENT

CL Real Estate Group, LLC, a Delaware limited liability company, and Grist Mill Ventures, LLC, an Illinois limited liability company, (collectively, “**Developer**”) and the City of Washington, an Illinois home-rule municipal corporation (the “**City**”), have entered into an **Agreement for Private Redevelopment** dated as of December 20, 2021 (“**Agreement**”), as amended by that certain First Amendment to Redevelopment Agreement dated as of 2022 (“**Amendment**”) with the Agreement being approved by the City Council of the City on December 20, 2021, by Ordinance No. 3452 and the Amendment being approved by the City Council of the City on , 2022. The Agreement affects certain real property located in the City of Washington, the County of Tazewell, the State of Illinois, more fully described in Exhibit A attached hereto and made a part hereof (the “**Project Site**”). The Agreement provides that the Developer, subject to certain terms and conditions set forth in the Agreement, shall develop a project as described in the Agreement (the “**Project**”) on the Project Site.

[SIGNATURE PAGE TO FOLLOW]

Dated: _____, 2022

CITY OF WASHINGTON

**CL REAL ESTATE GROUP, LLC, a
Delaware limited liability company**

By: _____
Gary Manier, Its Mayor

By: CL Enterprises LLC, a Delaware limited
liability company, Manager

Attest: _____
Valeri Brod, Its City Clerk

Peter Limberger, Manager of CL Enterprises

Seal:

**GRIST MILLS VENTURES, LLC, an
Illinois limited liability company**

By: _____
Peter Limberger

Its: Manager

STATE OF ILLINOIS)
) SS.
COUNTY OF TAZEWELL)

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that Gary Manier and Valeri Brod, personally known to me to be the Mayor and City Clerk, respectively, of the City of Washington, an Illinois municipal corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Mayor and City Clerk, respectively, appeared before me this day in person and severally acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act as such Mayor and City Clerk, respectively, and as the free and voluntary act of said municipal corporation for the uses and purposes therein set forth; and on their respective oaths stated that they were duly authorized to execute said instrument.

GIVEN under my hand and notary seal this ____ day of _____, 2022

Notary Public

EXHIBIT A
LEGAL DESCRIPTION OF THE PROJECT SITE

Parcel 1:

Lot 27, EXCEPT the West 59 feet thereof and except the East 41 feet thereof; ALSO Lot 28, EXCEPT the South 2 feet of the West 59 feet thereof and except the East 41 feet thereof; all situated in the City of Washington, as shown on Plat recorded August 9, 1956 in Vol. 543, Page 161, situated in TAZEWELL COUNTY, ILLINOIS.

PIN: 02-02-24-108-016

Commonly known as: 140 Washington Square & 106 Walnut Street, Washington, Illinois 61571.

Parcel 2:

The South 48.6 feet of the East 41 feet of even width of Lot 27 in the Original Town, now City of Washington, AND ALSO the West 8.25 feet of a parcel which lies in both Lots 27 and 28, described as being 4.92 feet in width from the North to South and lying directly North of and contiguous to the aforesaid South 48.6 feet of the East 41 feet or even width of the said Lot 27, situated in TAZEWELL COUNTY, ILLINOIS.

PIN: 02-02-24-108-018

Commonly known as: 112 Walnut Street, Washington, Illinois 61571