



CITY OF WASHINGTON, ILLINOIS

Committee of the Whole Agenda Communication

Meeting Date: November 10, 2025

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

Agenda Item: Proposed 104-106 N. Main Street Redevelopment Project Financial Assistance Consideration

Explanation: Julie Stone of Strategical Pivot LLC purchased the building at 104-106 N. Main in June. The present building was constructed in 1920 and is part of the Square Historic District. A Certificate of Appropriateness application has been submitted to complete exterior modifications. That request will be considered by the Historic Preservation Commission on November 18. The building was most recently occupied as Foster Jewelry, which operated for about 70 years. The building is currently unoccupied, though Mud Creek Mercantile plans to open a store on the ground level in the near future and the second story would be used as a residential use.

The proposed project consists of the following:

- Remove and repair the existing metal façade from the building. Tuckpoint and rebuild the face as needed to support new windows and doors and prepare for new window lintels and remove and repair the cornice;
- Install new front doors, including reframing, to correct sagging and fit. Replace the rear doors and delivery doors to bring to current standards and stop leaks. Install new windows on the main floor replacing the existing plate glass with safety glass and removing and replacing the second story windows with custom toppers cut to fit. Small railings will be placed to help address ADA accessibility. Period gas lanterns would be installed between the first and second story windows;
- Paint the side and rear of the building a dark red color to be compatible with the front brick color;
- Install a steel beam for load bearing support on the first floor in the rear of the building for 12' living space. This is the only interior component of this proposed project;
- Patch the roof, as needed; and
- Install a 6'-tall black rear privacy fence above the ground floor of the building to hide air conditioners and to create a small grilling deck.

The total estimated cost is approximately \$162,500-\$227,500. Attached is the quote from Eigsti Construction, which has done the ongoing significant interior renovation, and a spreadsheet to show the general cost breakdown. This cost range does **not** include the current interior rehabilitation. There is a cost range due to the uncertainty of the exact project scope that will not be better known until the contractor proceeds through some of the construction of the second phase. This is not uncommon with older building renovations. Please note that Lena Grimm, wife of Eigsti Office Manager and Remodel Coordinator, Brett Grimm, operates Mud Creek Mercantile.

The developer has indicated that the project will create three full-time jobs and three part-time jobs. Based on the projected annual taxable revenue, the business would figure to generate \$8,000-\$12,000 in home rule sales tax and \$4,000-\$8,000 in state shared sales tax. The Washington Township Assessor conservatively estimated that based on the acquisition and estimated interior and exterior construction cost, about \$4,958 in new increment would be paid into the TIF Fund annually starting with the 2026 payable 2027 tax bill compared to the current increment and per the most recent tax rate. Future assessments could slightly increase based on the final construction scope. That would generate roughly \$39,670 in new increment within the remaining life of the TIF district through the 2033 (payable 2034) tax year.

The City has only assisted with TIF funding with one prior project in 2017 on this building since the TIF was established in 1986. That project consisted of the excavation and waterproofing of the front foundation; tuckpointing the front, south, and rear facades; repairing the bowed south side wall; and removing and replacing three sidewalk squares. The TIF Fund contributed 40% and \$18,040 of the actual project costs.

Fiscal Impact: Staff projects that the TIF Fund will have approximately \$278,000 remaining at the end of FY 25-26, which takes into account any anticipated expenses and revenue in the remaining 5+ months. The maximum possible payout for the remainder of the Grist Mill Ventures TIF redevelopment agreement at 140 Washington Square is approximately \$150,000 through December 31, 2025. The first payment of \$116,667 for the 120-126 Walnut project will be due within 60 days following its completion and subsequent equal payments would be due 12 and 24 months following the initial payment. Staff anticipates that project will resume by Baldovin Construction shortly after its purchase is completed in the near future.

This is the third project submitted since the adoption of the TIF/private development projects scoring model. The intention with the matrix is to provide a quantifiable recommendation for the use of incentives towards private redevelopment projects. It places more ranking emphasis on exterior renovations and retail uses that generate sales tax. The matrix provides a recommended not-to-exceed financial contribution based on its accumulated point total. This project scores 70.3, which places it in the highest funding tier and a recommendation of a subsidy of 40% for the exterior improvements and 20% for the interior improvements.

The TIF program guidelines currently establish a ceiling of \$50,000 as the financial contribution to any particular property over a five-year period. As a result, this would result in a not-to-exceed subsidy amount of **\$50,000, or about 22%-31% of the projected eligible costs**, if the Council chooses to utilize the scoring slotting. The Council can use its own discretion to set its own subsidy amount or percentage depending on the particular project. If \$50,000 were to be contributed to this project through the TIF Fund, it would have an estimated net impact of nearly \$118,000 through 2033 based on the projected sales tax revenue and property tax increment.

Action Requested: Staff requests direction at the November 10 Committee of the Whole meeting on a subsidy amount to be utilized in the drafting of a redevelopment agreement. Staff recommends that any TIF assistance be split into 2-3 payments. The first would be paid within 60 days after the project has been completed and the submittal of all invoices. The remainder would be paid over the next 1-2 years depending on the number of installments. The attached spreadsheet hypothetically has the payments spread equally over three years but the Council could seek to change the number of installments and/or have disparate disbursements each year.

A first reading ordinance with the agreement would tentatively be scheduled in the near future at either the November 17 or December 1 Council meetings, provided that is the direction of the Council. The work would currently be anticipated to be completed by early summer 2026 and Mud Creek Mercantile would remain open during the construction.



138 Detroit Ave
Morton, Illinois 61550
263-0731
www.eigsticonstruction.com

DATE: 10/24/2025

PROPOSAL FOR:

JOB NAME: Building repairs

104 and 106 N. Main
Washington, Illinois 61571

WE SUBMIT OUR PROPOSAL FOR THE FOLLOWING:

Remove and Repair exterior metal facade from building and find existing leaks. Tuckpoint and rebuild face as needed to support new windows and doors and prepare for new window lentils and remove and repair cornice at top of building. Range depending on what we discover. **\$35,000 to \$80,000**

New front doors including reframing to correct sagging and fit. Replace rear doors and delivery doors to bring to current standards and stop leaks. Install new windows on main floor replacing existing plate glass with safety glass and removing and replacing the second story windows with custom tops cut to fit. **\$60,000 - \$80,000**

Painting exterior of building with lift - **\$34,000.00**

Steel beam for load bearing support on first floor roof in rear of building for 12' living space - **\$10,000.00**

Roof patching as needed - **\$15,000.00**

Privacy fence to hide air conditioners, stack and small grilling deck - **\$8,500.00**

Projects understood to be dependent on TIF funding

THIS PROPOSAL IS SUBJECT TO REVISION IF NOT ACCEPTED BY 45 days

PRICE: see above breakdown

TERMS: 25% upon acceptance/75% upon completion

ACCEPTANCE BY: _____ SUBMITTED BY: _____

DATE _____

ELIGIBLE EXPENSES	LOW ESTIMATE	HIGH ESTIMATE	BASE SUBSIDY %	LOW BASE SUBSIDY AMT.	HIGH BASE SUBSIDY AMT.	SCOPE BONUS (20%)	LOW POSSIBLE SCOPE BONUS AMT.	HIGH POSSIBLE SCOPE BONUS AMT.	TOTAL SUBSIDY (20-40%)	LOW TOTAL SUBSIDY AMT.	HIGH TOTAL SUBSIDY AMT.
<u>Exterior Work</u>											
Remove/repair façade	\$ 35,000.00	\$ 80,000.00	20%	\$ 7,000.00	\$16,000.00	20%	\$ 7,000.00	\$ 16,000.00	40%	\$ 14,000.00	\$ 32,000.00
Windows/doors replacements	\$ 60,000.00	\$ 80,000.00	20%	\$12,000.00	\$16,000.00	20%	\$ 12,000.00	\$ 16,000.00	40%	\$ 24,000.00	\$ 32,000.00
Painting	\$ 34,000.00	\$ 34,000.00	20%	\$ 6,800.00	\$ 6,800.00	20%	\$ 6,800.00	\$ 6,800.00	40%	\$ 13,600.00	\$ 13,600.00
Roof patching, as needed	\$ 15,000.00	\$ 15,000.00	20%	\$ 3,000.00	\$ 3,000.00	20%	\$ 3,000.00	\$ 3,000.00	40%	\$ 6,000.00	\$ 6,000.00
Privacy fence	\$ 8,500.00	\$ 8,500.00	20%	\$ 1,700.00	\$ 1,700.00	20%	\$ 1,700.00	\$ 1,700.00	40%	\$ 3,400.00	\$ 3,400.00
SUBTOTAL	\$152,500.00	\$217,500.00	20%	\$30,500.00	\$43,500.00	20%	\$ 30,500.00	\$ 43,500.00	40%	\$ 61,000.00	\$ 87,000.00
<u>Interior Work</u>											
Structural support	\$ 10,000.00	\$ 10,000.00	20%	\$ 2,000.00	\$ 2,000.00		\$ -	\$ -	20%	\$ 2,000.00	\$ 2,000.00
SUBTOTAL	\$ 10,000.00	\$ 10,000.00	20%	\$ 2,000.00	\$ 2,000.00		\$ -	\$ -	20%	\$ 2,000.00	\$ 2,000.00
TOTAL	\$162,500.00	\$227,500.00	20%	\$32,500.00	\$45,500.00	20%	\$ 30,500.00	\$ 43,500.00	20-40%	\$ 63,000.00	\$ 89,000.00

(NOT TO EXCEED)* (NOT TO EXCEED)*

* Total subsidy amount is capped at \$50,000 and would be reduced if the actual costs are less than 90% of the estimated project cost.

EXHIBIT B





104 N MAIN ST - 10/30/2025 - Impact Score Report

Project Details

Name: 104 N MAIN ST - 10/30/2025	Program Name: TIF	Scored On: 04-Nov-2025
Description: Exterior update; entire front exterior glass, doors, awning, including south facing wall	Addresses: 104 N MAIN ST WASHINGTON IL 61571	Boundary: Downtown Square TIF

Overall Alignment Score

70.30

Alignment Scoring Results

Eligibility Screening

Can this project continue without TIF assistance? Question Type: Yes/No	Staff Answered	Earned 0
Yes - Scoring 0 ✓ No - Scoring 0		
Is there a commitment to occupy for at least 2 years? Question Type: Yes/No	Staff Answered	Earned 0
✓ Yes - Scoring 0 No - Scoring 0		
Is the applicant in good standing with the City/State/IRS? Question Type: Yes/No	Applicant Answered	Earned 0
✓ Yes - Scoring 0 No - Scoring 0		
Is the developer covering at least 60% of the total project investment cost on their own account? Question Type: Yes/No	Staff Answered	Earned 0
✓ Yes - Scoring 0 No - Scoring 0		

Social Impact

Is this business locally owned or operated by someone within the 61571 zip code? Question Type: Dropdown List	Staff Answered	Earned 6.67
✓ Yes - Scoring 6.67 No - Scoring 0		
Will this proposed project offer more retail or restaurant opportunities on nights and weekends? Question Type: Dropdown List	Applicant Answered	Earned 3.33
✓ Yes - Scoring 3.33 No - Scoring 0 N/A - Scoring 3.33		

Fiscal Impact

How much new or additional annual sales tax revenue could be collected as a result of this project?

Question Type: Dropdown List

Applicant Answered

Earned 5.125

<\$5k - Scoring 0

✓ \$5k - \$20k - Scoring 5.125

\$21k - \$50k - Scoring 10.25

\$50k+ - Scoring 20.5

What is the total investment % pledged from the developer's private funding sources?

Question Type: Dropdown List

Applicant Answered

Earned 7

✓ 65%+ - Scoring 7

51% - 65% - Scoring 3.5

0 - 50% - Scoring 0

Please select the total investment dollars proposed to be invested by the developer.

Question Type: Dropdown List

Applicant Answered

Earned 7

✓ \$100k+ - Scoring 7

\$50k - \$99k - Scoring 4.9

\$25k - \$49k - Scoring 2.8

<\$25k - Scoring 0.7

Economic Impact

Is the applicant subject to the payment of property tax?

Question Type: Dropdown List

Staff Answered

Earned 10

✓ Yes - Scoring 10

No - Scoring 0

How many new jobs will be created as a result of the investment?

Question Type: Dropdown List

Staff Answered

Earned 1.75

0 - 1 FTE - Scoring 0

✓ 2 - 3 FTE - Scoring 1.75

4 - 5 FTE - Scoring 3.5

6 or more FTE - Scoring 7

How many existing competitors are there to this business within the city limits?

Question Type: Dropdown List

Applicant Answered

Earned 1.75

No Competitors - Scoring 3.5

✓ 1-3 Competitors - Scoring 1.75

4+ Competitors - Scoring 0

Please select all targeted INTERIOR improvements that apply to this proposal

Question Type: Checkbox List

Staff Answered

Earned 5.25

✓ Plumbing / Electrical / HVAC - Scoring 3.15

✓ Floor Plan Restoration / Buildout - Scoring 1.575

✓ Flooring - Scoring 0.525

Please select all targeted EXTERIOR improvements that apply to this proposal

Question Type: Checkbox List

Still Answered

Earned 12.425

✓ New/Restored Facade or Structural Improvements - Scoring 2.8

✓ ADA Accessibility - Scoring 1.75

✓ Awnings or Signage - Scoring 2.625

✓ Windows / Doors - Scoring 3.5

Pool Replacement - Scoring 0.875

✓ Painting - Scoring 1.75

Risk Safety Scoring

What is the anticipated return on investment of the proposed TIF subsidy amount compared to the projected annual property tax increment and sales tax generation?

Question Type: Dropdown List

Still Answered

Earned 10

0 - 3 years - Scoring 20

✓ 4 - 5 years - Scoring 10

6 - 7 years - Scoring 7

8 - 9 years - Scoring 4

10+ years - Scoring 0