

From: [Tyler, Elizabeth](#)
To: [I Jakobsson, Eric](#); [I Marlin, Diane](#); [Brandon Bowersox](#); [Charlie Smyth](#); [Dennis Roberts](#); [Heather Stevenson](#); [Laurel Lunt Prussing](#); [Phyllis Clark](#); [Robert Lewis](#)
Cc: [Monson, Mike](#); [Carrino, Tom](#); [Borman Curt](#)
Subject: Urbana Landmark Hotel Agreement
Date: Monday, October 29, 2012 11:37:27 AM
Importance: High

Dear Urbana City Councilmembers:

In response to comments made by members of the public, staff has reviewed the terms of the Redevelopment Agreement, as amended, between the City of Urbana and Xiao Jin Yuan, and consulted with both the City Attorney and our consulting TIF Attorney.

Mr. Yuan is currently in compliance with this agreement and is expected to remain in compliance. As amended on June 7, 2012, the agreement provides that, barring unavoidable delays, the hotel shall be occupied by December 31, 2012, as evidenced by the issuance of a Certificate of Occupancy:

"Occupancy Date" means, subject to "unavoidable delays" as described in Section 9.5 of the Agreement, December 31, 2012, the date on which the Hotel Facility is ready for occupancy, utilization and continuous commercial operation as evidenced by the issuance of a certificate of occupancy by the City, or such earlier date that any such certificate of occupancy is actually issued for the Hotel Facility by the City.

Mr. Yuan is expected to receive a Certificate of Occupancy in the next few days for the first floor of hotel rooms. This partial opening was anticipated by Mr. Yuan and by the City of Urbana when it entered into the Redevelopment Agreement and the phasing of the opening was specifically addressed at the time of the Agreement Amendment. Anticipation of a phased opening is noted in the Staff Memorandum, dated June 7, 2012, on page 3: *"....the proposed amendment incorporates an opening date **for the initial phase** of the project of no later than December 31, 2012." [emphasis added]*

The initial agreement, dated November 1, 2010, also recognizes that the project will be phased in its definition of the "Project" in Section 1.1, Definitions:

*"Project" means the rehabilitation, reconstruction, repair or remodeling of the Hotel Facility upon the Property **in one or more phases** such that, upon completion of the Project, the Hotel Facility shall be operated and maintained as an upscale, boutique and historic hotel and conference center. [emphasis added]*

While the term "Hotel Facility" references the 128-room hotel facility and related conference center and restaurant improvements located upon the Property, the occupancy date referenced in Section 1 of the Amended Agreement refers only to the

first phase of the Hotel, as it was explicitly referenced and discussed at the time of the Agreement Amendment.

I hope this helps to answer any questions regarding Mr. Yuan's compliance with the Agreement and with the City's diligent and proper administration of this Agreement.

Sincerely,

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