



CITY OF  
URBANA

# 2016 Economic Development *Year in Review*



Community Development Services Department - Economic Development Division  
March 2017

# FORWARD

With the initiation of both the new Urbana Enterprise Zone and Central TIF District, 2016 was a formative year for Economic Development in the City of Urbana, and will set the stage for development incentives in the City for the next decade and beyond.

The new Enterprise Zone went into effect on January 1st 2016, offering both incentives for commercial and industrial incentives instituted in the previous Enterprise Zone, as well as new incentives for one and two family new construction homes. The City created the Think Urbana program to market these new residential incentives, and began outreach for the program in 2016. Twelve projects participated in the Think Urbana program in 2016. The Enterprise Zone, including Think Urbana, were made possible by the collaboration and participation of seven taxing partners; Champaign County, Urbana Park District, Urbana School District, Champaign-Urbana Mass Transit District, Parkland College, and Cunningham Township.

To continue the redevelopment of Downtown Urbana, the City created the new Central Tax Increment Financing District. The district was approved in June 2016 and will remain in effect through 2040. The creation of the Central TIF has already made three new development agreements possible, including the possible redevelopment of the Urbana Landmark hotel.

Collaborative efforts made by multiple divisions in Community Development led to the facilitation of important new housing projects. Two new student housing projects completed construction, Campus Circle and 902 Western Apartments, adding 265 units to the City. Work continued on market rate residential projects including the Stevens Building and 200 N Vine site.

Three major affordable housing projects commenced in 2016. After a number of years of working towards development, the 33-unit Highland Green project began construction in 2016 and is expected to be completed in

2017. In addition, TWG Development, based in Indianapolis acquired properties for two new affordable housing projects in 2016. TWG purchased the former Washington School site in 2016, and plans to convert the building into affordable housing for seniors. TWG also plans to make major renovations to Aspen Court.

The City continued to see significant new commercial growth with 32 new business openings, many in the Downtown area. South Urbana had significant new businesses, with UHaul, Planet Fitness, Piedmont Sausage, Rigg's Brewery, and Midwest Scuba all opening. Development continued on the 129 N Race Street and Broadway Market commercial projects.

The programs and projects begun in 2016 laid the groundwork for future development, and will be instrumental to further developing and activating Urbana. The Economic Development Division is excited to build off of 2016 momentum and continue to work to improve and expand our local economy.

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**NEW ZONES**

**4**

**BUSINESSES**

**8**

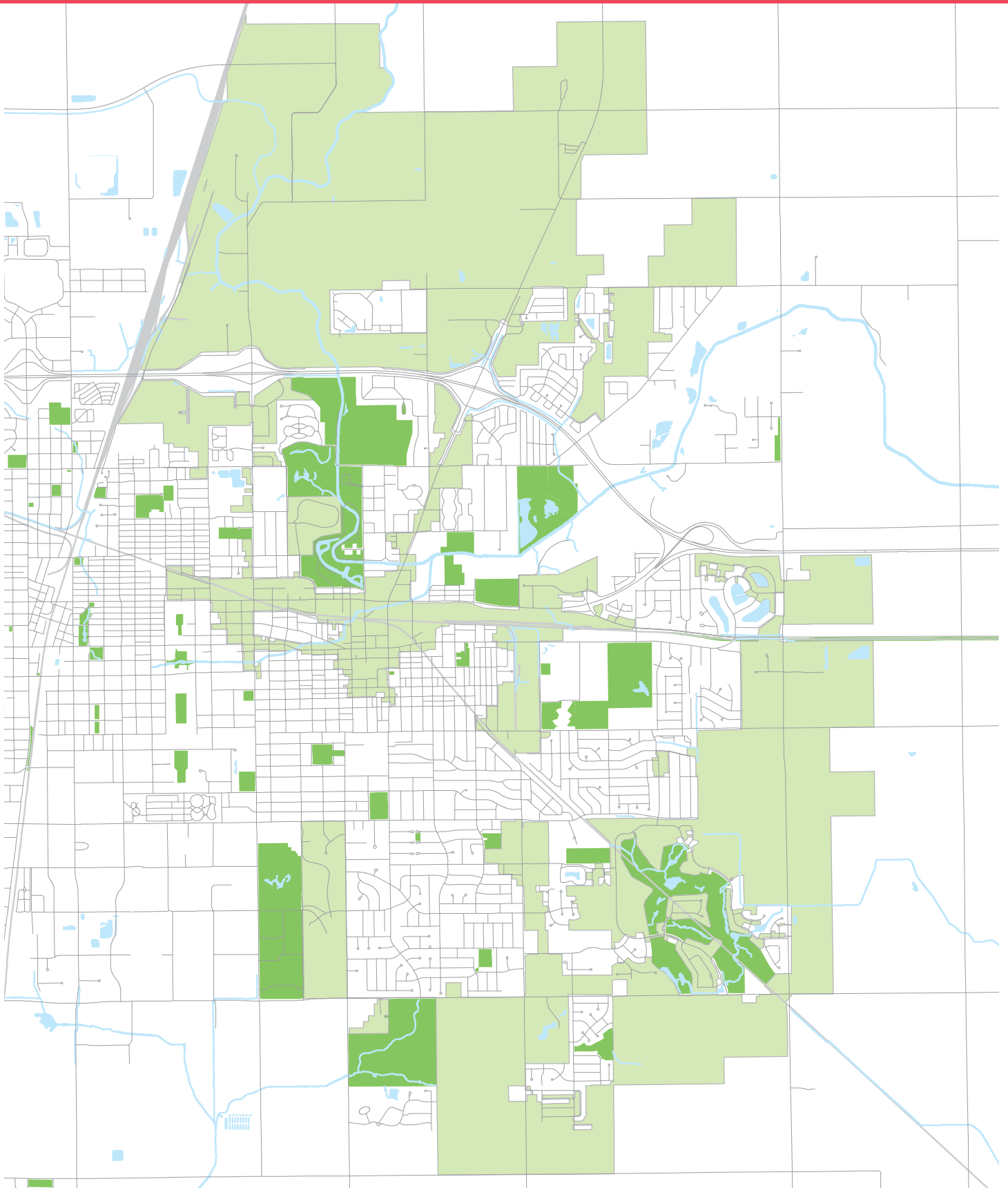
**DEVELOPMENT**

**10**

**ED INITIATIVES**

**13**

# ENTERPRISE ZONE



The new Urbana Enterprise Zone went into effect on January 1st 2016. The Enterprise Zone is made possible through the provision of property tax abatements from seven local taxing partners: Urbana Unit 116 School District, Urbana Park District, City of Urbana, Cunningham Township, Champaign County, Parkland College and Champaign-Urbana Mass Transit District.

The Enterprise Zone offers both property tax abatements and sales tax exemptions for eligible projects. A five to seven year abatement of property taxes from multiple taxing bodies is available for new construction projects located within the Enterprise Zone. The abatement percentage and time frame varies based on the type of project and number of jobs created. Sales Tax Exemptions are available for new materials that will be permanently affixed to the property and purchased from a qualified Illinois retailer. Eligible projects include commercial, industrial, and mixed use projects, as well as one-and-two family new construction projects located within the Enterprise Zone and meeting the required minimum project costs.

In February 2016, to market the new residential portion of the Enterprise Zone the City created the Think Urbana program. The City has made available the Think Urbana logo and marketing materials free for use by taxing partners, Realtors, lenders, and home buyers through thinkurbana.com. Throughout 2016, Economic Development staff began initial marketing and outreach of Think Urbana. Outreach efforts included presentations at the Business and Development Luncheon, Realtor groups, and the 2016 Realtor Bus tour, as well as individual meetings with local developers and homebuilders.

The structure of the Think Urbana program provides the strongest incentives for residential construction the City has ever had. A new home could save up to 55 percent off taxes in the first five years. Property Tax Abatements are tied to the property instead of to one owner, allowing builders to use the program in many flexible ways. Incentives can be used for homes built on spec, rental homes, or owner occupied homes.

In 2016 thirty-four projects and 44 homes were approved for Think Urbana incentives. As a result of the fees created in the new Enterprise Zone, the City received over \$22,358 in revenue. Through March, Urbana's year-to-date projects for new construction of one- and two-family homes are up 250% compared to 2016.

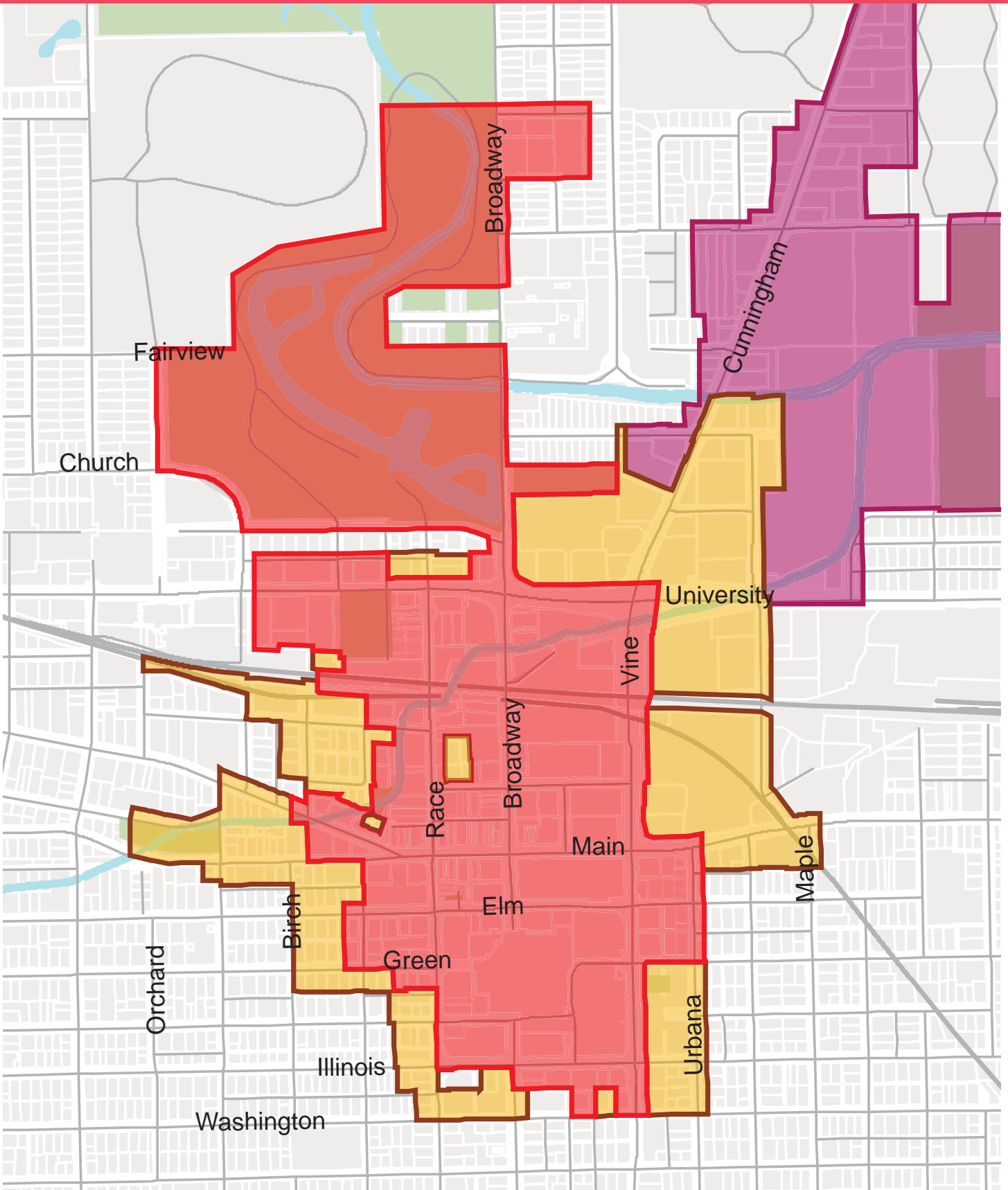
## ENTERPRISE ZONE OVERVIEW

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- Established January 1st 2016
  - Remains in effect for 15 years
  - Seven taxing body partners
  - Created new incentives for one and two family new construction homes
  - Offers property tax abatements & sales tax exemptions
  - City created Think Urbana to market the Residential Incentives
  - 34 new projects and 44 units approved for Think Urbana in 2016
  - Year-to-date one and two family new construction up 250% from 2016
  - Over \$22,000 in new revenue for Enterprise Zone fees



# THINK URBANA

# CENTRAL TIF



The Urbana City Council approved the new Urbana Central TIF on June 16th 2016, to remain active through 2040. The two previously existing Downtown Tax Increment Financing (TIF) Districts were instrumental in the redevelopment of Downtown Urbana. To continue the redevelopment and economic revitalization of the downtown, City staff worked closely with PGAV Planners and the TIF Joint Review Board to establish a new Downtown Central TIF District.

The Central TIF includes core business properties previously located within the expired TIF 1, including historic buildings along Main Street, Broadway Avenue, and Race Street. The Central TIF also includes newer developed portions of TIF 2 located adjacent to the core.

With the establishment of the Urbana Central Redevelopment Area the City created a funding source for incentivizing private development through direct and public infrastructure financing.

The Central TIF District will be instrumental in the implementation of the 2012 Downtown Plan, the 2008 Boneyard Creek Master Plan, the 2010 Signage and Wayfinding Study, the 2014 Intergovernmental Agreement with the Champaign-Urbana Mass Transit District for a new Downtown Transit Facility, the 2014 – 2017 City Council and Mayor Goals, and the 2005 Comprehensive Plan.

Potential major project sites include the following:

- 200 S Vine Street Development Block
- Urbana Landmark Hotel
- Former Washington School
- North Crane Alley (former Jolly Roger)
- Sites adjacent to Leal Park at University & Race
- Southwest corner at Five Points (old Blockbuster)
- Southeast corner of Main and Vine Streets
- Parking lot on Broadway Ave north of Black Dog
- School Administration Building (assuming suitable alternative locations for existing tenants)
- South parking lots of Lincoln Square
- Boneyard Creek Segments 1 & 2
- CUMTD Transit Facility
- Downtown Rail-Trail Facility
- Crystal Lake / Leal Park Improvements
- Downtown Streetscape and Wayfinding Improvements

In addition, the Central TIF allows for continuation of key economic development programs to help ensure the continued success of the area, including business start-up grants, redevelopment incentive programs, public art installations, special event support, and marketing and business support activities.

## CENTRAL TIF OVERVIEW



- Remains in effect through 2040
- Includes core Downtown and areas to the North
- Created to meet goals of existing Downtown Plans
- Provides funding source for incentivizing private development and catalytic public projects





# NEW BUSINESSES

*In 2016, over 30 new businesses opened in Urbana.*

**8** Food & Beverage - **8** Creative Businesses - **3** Fitness - **3** Gaming - **2** Beauty - **7** Other



## DOWNTOWN

Twelve new businesses opened downtown, including seven new tenants in the [co][lab] space, including NuMed, Athletico, Prelim, and SCOBAR clothing. Sherwin Williams relocated to Vine Street, completing a major renovation of the former Corkscrew building.

## SHOPPING CENTERS

Five Points, Gateway Shoppes, Urbana Crossing, and Gregory Place had great success in leasing properties with the opening of Athletico, Bab+, BBQ Chicken Express, Starbucks, and Third Eye Tattoo.

## SOUTH URBANA

South Urbana saw increased activity in 2016, with at least eight new businesses opening. U-Haul and Planet Fitness completed large scale build outs along Philo Road, Sunnycrest Mall added new diverse tenants including Piedmont Sausage and Midwest Scuba, and Rigg's Beer Distribution opened on South High Cross Road, drawing visitors from across the region.

## HOME OCCUPATION

Changes to the Home Occupation Ordinance allowed for new home businesses to more easily locate in Urbana, including CU Womens Boxing, Cracked Glass, and Brittany's Sweet Spot.



BUSINESS	DESCRIPTION	LOCATION	ACTIVITY
ACTIF	<i>Wearable Technology</i>	206 W Main	New
Athletico	<i>Rehab Center</i>	114 N Vine	New
Bab + Korean Restaurant	<i>Korean Restaurant</i>	700 S Gregory	New
Bangkok Thai	<i>Thai Restaurant</i>	1104 N Cunningham	New
BBQ Chicken Express	<i>Korean Restaurant</i>	700 S Gregory	New
Breath in Spa	<i>Spa</i>	2860 Philo	Closed
Brittany's Sweet Spot	<i>Home Bakery</i>	906 E Harding	New
Cracked Glass	<i>Music non-profit</i>	602 E High	New
CU Karate-Do	<i>Karate</i>	301 S Race St	Closed
CU Womens Boxing	<i>Fitness Studio</i>	1309 W Hill	New
CUDO	<i>Design Organization</i>	206 W Main	New
Danny's Fix a Bike	<i>Bike Repair</i>	202 S Broadway	New
Dotty's	<i>Gaming Parlor</i>	1101 Colorado	New
Ellie Pinz Studio	<i>Artist Studio</i>	206 W Main	Closed
FBM Drywall Supply	<i>Construction Materials</i>	201 S Industrial Circle	New
Flamingo Slots	<i>Gaming Parlor</i>	1720 S Philo	New
HatPineapple Productions	<i>Production Company</i>	206 W Main	New
Henson Disposal	<i>Waste Disposal</i>	910 Saline	New
Heyl Royster	<i>Law Firm</i>	County Plaza	Relocated
JumpStart	<i>Education Non-Profit</i>	206 W Main	Closed
KNB Consulting	<i>Design Consulting</i>	206 W Main	New
Lab Escape	<i>Escape Room</i>	Lincoln Square Mall	New
Lacy's BBQ	<i>BBQ Restaurant</i>	119 W Main	Closed
Let's Relax Spa	<i>Spa</i>	110 E University	New
LexConnect	<i>Online Legal Platform</i>	206 W Main	New
Lucy Lu's	<i>Gaming Parlor</i>	202 W University	New
Marco's Pizza	<i>Pizza Restaurant</i>	1901 S Philo	New
Matthew Farrell Creative	<i>Design Firm</i>	206 W Main	Closed
Metro PCS	<i>Mobile Sales</i>	114 N Vine	New
Midwest Scuba	<i>Scuba Lessons &amp; Sales</i>	1717 Philo	New
NuMed	<i>Medical Marijuana Dispensary</i>	105 E University	New
Philo Convenience Store	<i>Convenience Store</i>	2005 S Philo	New
Piedmont Sausage	<i>Sausage Manufacturer</i>	1717 S Philo	New
Planet Fitness	<i>Fitness Studio</i>	1809 Philo	New
Prelim	<i>Online Realtor Platform</i>	206 W Main	New
Rigg's Beer Distribution	<i>Brewery</i>	1901 S High Cross	New
SCOBAR	<i>Clothing Design</i>	206 W Main	New
Sherwin Williams	<i>Paint Store</i>	203 N Vine	New
Starbucks	<i>Coffee Shop</i>	1103 W Oregon	New
Studio Vida	<i>Fitness Studio</i>	1720 S Philo	Closed
Third Eye Tattoo	<i>Tattoo Parlor</i>	110 E University	New
U-Haul	<i>Moving Rental</i>	2010 S Philo	New
Uncle Martin's Sports Bar	<i>Bar &amp; Restaurant</i>	1104 N Cunningham	Closed

# DEVELOPMENT

## Student Housing

The Bainbridge Cos. developed Campus Circle Urbana at 1010 W University Ave. The building had a project cost of over \$25MM and resulted in 524 beds and 181 new units aimed at students. The buildings also contain amenity spaces including fitness, study, and gaming facilities.

Construction was completed on the \$10MM new construction Next to Campus Apartments, a 84 unit student housing apartment building located at 901 Western Avenue.



## Affordable Housing

Brinshore Development of Northbrook is developing the 33-unit Highland Green project. The project will include nine new single family and duplex units for veterans and 24 new units of workforce housing. The project is expected to be completed in August 2017. The project is a partnership between Brinshore, the City, Homestead Inc, and the Housing Authority of Champaign County.

TWG Development, LLC initiated the redevelopment of both the former Washington School and Aspen Court for affordable housing projects.

## Quick Service Restaurants

A new Burger King was constructed at 1106 E University Ave, costing over \$900,000. The Burger King's prime University location allows it to serve the new Campus Circle development as well as the UofI campus and Carle Hospital. Additionally, a project to construct a new building for Panda Express at Five Points Shopping center submitted plans in 2016. Construction for the new restaurant is expected to begin in 2017. Dairy Queen, located at 911 S University completed a \$250,000 remodel, resulting in the addition of outdoor seating and facade improvements. A new Starbucks located at Gregory Place and remodeled the 1103 W Oregon space.





### **Sherwin Williams Paint - Completed**

Sherwin Williams relocated from Cunningham Avenue to downtown Urbana at 203 N Vine Street. The relocation included a complete remodel of a former vacant building including the demolition of the southern portion of the building.



### **Henson Disposal - Completed**

Henson Disposal constructed two new buildings, a scale house and a warehouse, for their asphalt roofing recycling business at 910 Saline Court.



### **CU Adventures in Time & Space - Completed**

CU Adventures in Time and Space, an escape room, opened in 2015 at 123 W Main Street. After a successful first year in business, the businesses leased additional space in the Bennet Building located at 110 S Race Street to expand their offerings.



### **Silvercreek - Completed**

Silvercreek restaurant completed an outdoor deck renovation overlooking the Boneyard Creek Crossing in 2016. This project added additional economic activity and community vibrancy to the area surrounding the City's new urban parkway.



### **129 N Race - Underway**

In 2015 the Urbana City Council approved a redevelopment agreement for the renovation of the former Concept Cosmetology building at 129 North Race Street. In 2016 the Council approved an ordinance to extend the completion date one year, and an ordinance to provide for supplemental reimbursement. The project is expected to result in full reactivation of the building by multiple tenants.



### **Stephen's Building - Underway**

In July 2014, the City executed an agreement with Stephens Building LLC for the renovation of 218 W Main Street. The project will result in four luxury apartments on the second floor and "vanilla box" improvements to the first floor to prepare for one or two commercial retail tenants. Construction on the project has begun and Stephens Building LLC is actively looking for first floor tenants.



### **25 O'Clock - Underway**

A new brewery, 25 O'Clock, is under construction at 108 W Griggs St, next to the Best of Africa Food Store. The project will result in the addition of windows along the East side of the building to overlook the new Boneyard Creek improvements.



### **401 N Broadway - Underway**

The City executed an agreement with Broadway Market LLC in August of 2015 for the long-underutilized building at 401 N Broadway. The project will result in an indoor market and will open up the eastern face of the building to overlook the improved Boneyard and encourage pedestrian access through the area. The project has been designed as an incubator space, enabling cross communication between startup businesses and farmers market vendors contributing to a culture of entrepreneurship in Downtown Urbana.

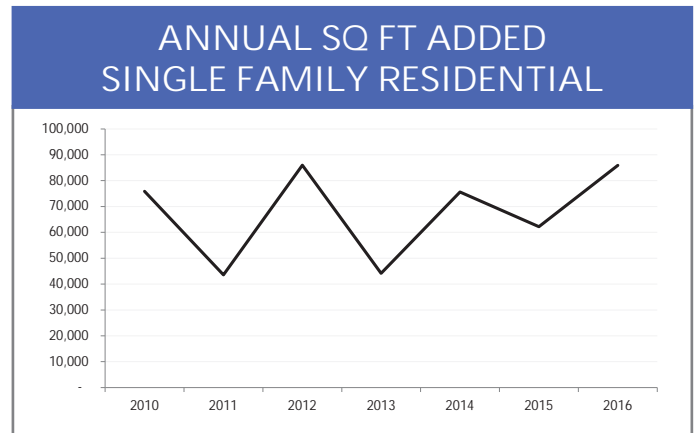
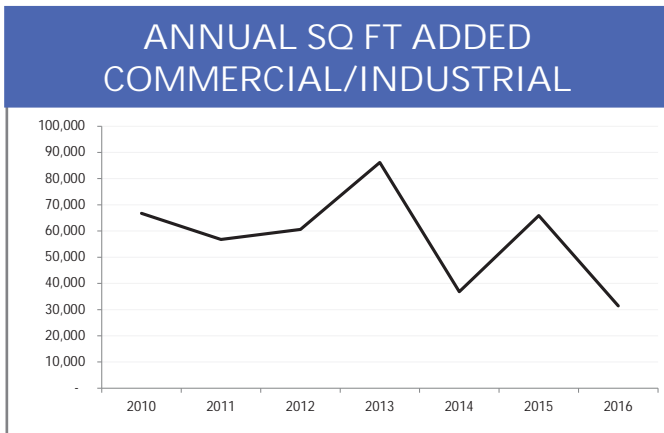


### **Urbana Landmark Hotel - Proposed**

The City of Urbana received a proposal for a complete renovation and re-branding of the Urbana Landmark Hotel at 209 South Broadway. The proposal would involve significant renovation and redesign of the 128-room historic property. In 2016 the City worked to complete extensive research and analysis of the proposal and plans to bring a proposal forward to Council in 2017.

***New single-family residential square footage continued to recover, with 2016 seeing the highest values since 2009.***

*City of Urbana Building Permit Data*



ADDITIONAL COMPLETED DEVELOPMENT PROJECTS		
PROJECT NAME	DESCRIPTION	LOCATION
<b>Rehab &amp; Renovation</b>		
Alpha Gamma Delta	<i>Sorority</i>	1106 S Lincoln
Choices Inc.	<i>Social Service</i>	102 E Main
Farmhouse Fraternity	<i>Fraternity</i>	809 W Pennsylvania
Meijer Curbside Pickup	<i>Grocery</i>	2005 S Philo
Parasol Records	<i>Record Label</i>	303 W Griggs
Schnucks	<i>Grocery Store</i>	200 N Main
St. Patricks Church	<i>Church</i>	708 W Main
<b>New &amp; Expansion</b>		
Auto Repair Shop	<i>Auto Repair</i>	1908 N Linview
Crisis Nursery	<i>Social Services</i>	1309 W Hill
<b>Demolition</b>		
Jolly Roger	<i>Vacant</i>	118 Water

# ECONOMIC DEVELOPMENT INITIATIVES

## Business Outreach

The City conducted outreach with members of the development community to assist and incentivize development. This work included meeting with existing businesses, attending industry events, outreaching to potential businesses, and providing location assistance to potential businesses. The City also hosted four quarterly Business and Development Luncheons to share information with the local development community.



## Sculptures

Commissioner Virginia Waaler's contribution toward the purchase of Stranger Reduction Zone allowed the City to make the sculpture permanent. Five new sculptures were installed in Downtown Urbana this fall: Horse and the Hound by Jim Collins at the Boneyard Creek Crossing, Three Red Houses by Andrew Arvanetes at the Boneyard Creek Crossing, Monolith by Timothy Jorgensen on the southwest corner of the Champaign County Courthouse, A New Leaf by Don Lawler near the corner of Water and Race, and Keep It Together by Benjamin Pierce in Leal Park. An official Urbana sculpture guide can be found online at [urbanainilinois.us/sculptures](http://urbanainilinois.us/sculptures).

## Open Scene

In May 2016, the National Endowment for the Arts (NEA) awarded the City of Urbana \$50,000 to support Open Scene: Debuts of Youth's Views in Downtown Urbana. Through Open Scene, in 2017, the City of Urbana and the Urbana-Champaign Independent Media Center will partner together to create a plan for reclaiming the city's center through arts-based dialogues that directly incorporate the experiences of youth.





### **Boneyard Creek Crossing**

The completion of Phase 3 of the 5-year Boneyard Creek plan in 2015 has already stimulated growth. Silvercreek Bar and Restaurant constructed a new outdoor deck, and two new developments have been proposed along the Boneyard. The Public Arts Commission held an event as part of the Boneyard Arts Festival on April 9th to celebrate the Boneyard Improvement Project. Festivities included bubbles, performances, and an interactive scavenger hunt. In 2017 the Economic Development Division and Public Works Department plan to implement wayfinding and signage to further activate the park.



### **Champaign County First**

Economic Development Manager Brandon Boys attended the annual Champaign County First lobbying trip to the State Capital on November 30th where business and government leaders of Champaign County advocated for projects and policies to support the region. Top projects this year included high speed rail for Champaign County and the extension of Florida Avenue for Urbana. The advocacy work included a trip to Washington DC in June 2016.



### **Active Public Spaces**

The City brought back the two outdoor sidewalk seating “Curbanas” for the Summer of 2016 and added a bike corral on Main Street. The City has seen increased interest from businesses in obtaining additional “Curbanas”. The City initiated designs for a new mini-park located at the corner of Race and Water Streets, to be completed in 2017.



### **Disadvantaged Business Enterprises**

Economic Development Staff worked in partnership with the Human Resources Division to research best practices in increasing opportunities for minority and women owned businesses. As a result, the Economic Development Division will implement changes to administrative TIF funding programs and development agreements in 2017.



### **Special Events**

The City led and supported numerous events throughout the year to activate Urbana including Market at the Square, Food Truck Rallies, Urbana Art Expo, Sweetcorn Festival, Boneyard Arts Festival, Folk and Roots Festival, Pygmalion Festival, First Fridays, Uncorked Wine Festival, Holiday Markets, and Third Thursdays.



### **Arts Grants**

In the eighth cycle of the Urbana Arts Grants Program, 27 individuals, groups, festivals, and nonprofits received a total of \$46,600 in grant funding. The projects brought a diverse range of art to Urbana.