



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, Community Development Director

DATE: October 9, 2008

SUBJECT: **Downtown TIF Project Priorities Analysis**

Introduction and Background

Over the years, the City of Urbana has adopted a number of plans to promote the development and revitalization of the Downtown. Recent plans include the Downtown Strategic Plan, adopted in 2002, and amendments to the two downtown Redevelopment District Plans (Tax Increment Finance District Numbers One and Two), adopted in 2005. In addition, there are a number of more focused plans that pertain to the downtown, including the Bicycle Master Plan and the Boneyard Creek Master Plan, both adopted in 2008 (see list below).

Plan documents guiding policy and planning decisions in downtown Urbana:

- Urbana 2005 Comprehensive Plan
- Downtown Strategic Plan (2002)
- Tax Increment Finance District #1 Plan & Plan Amendment
- Tax Increment Finance District #2 Plan & Plan Amendment
- Capital Improvement Plan
- Urbana Bicycle Master Plan
- Long Range Transportation Plan
- Boneyard Creek Master Plan
- Champaign County Greenways Plan
- Cunningham Avenue Beautification Plan (being finalized)
- University Avenue Corridor Plan (under preparation)
- Downtown Urbana Parking Study (under preparation)

Other plans and documents set guidelines or regulations that impact the downtown, such as the Mixed Office Residential District Development Guidelines (for portions of Green and Elm Streets), the Champaign County Facilities Plan, the Urbana Zoning Ordinance, and the Urbana Subdivision and Land Development Ordinance.

The Downtown Strategic Plan envisioned a number of ways to move the downtown forward encapsulated as initiatives entitled Downtown Leadership, Image, Center of Urbana, Downtown Neighborhood, Niche Market, and Lincoln Square. The Plan identified a number of specific projects which are illustrated in an exhibit entitled Key Improvement & Redevelopment Sites (copy attached). Similarly, the TIF Plan Amendments identified key project locations throughout the downtown (copies attached).

The City Council goals from 2005 also address downtown redevelopment, under Goal 3:

Create a Vibrant, Energetic Downtown that Provides Needed Services to the City.

Identified activities in the Goals document relate to each of the Downtown Plan initiatives. In addition, specific goals were established to establish a downtown commission, create and implement an improvement plan for the Boneyard, implement public wireless service, create a trail way from Carle to Downtown, increase outdoor activity, and increase outdoor green space.

Many of the initiatives and projects identified in these documents have been accomplished, but much more work remains to be done. Among the important accomplishments in recent years are:

- Completion of streetscape improvements
- Completion of Library project
- Upgrades to Lincoln Square Village (underway)
- Completion of the Stratford Residences project
- Completion of Five Points Commerce Center
- Gateway Shoppes (underway)
- Expansion of TIF Redevelopment Incentive Program
- Established gallery district incentive program
- Courthouse renovation and clocktower
- Establishment of sidewalk cafes
- Improvement to Elm/Main mini-park
- Clean up of Helmick's lumber yard/Strong Banquet Center (underway)
- Completion of Boneyard Creek Master Plan
- Omni Prosthetics redevelopment
- Star Uniforms redevelopment
- Starbucks/Schnucks project
- Main Street bump out
- Blues, Brews, and BBQ event
- Expansion of Market at the Square
- Expansion of Boneyard Arts Festival
- Installation of Wi-Fi nodes
- IMC/Post Office project

Projects that are pending include the following:

- Historic Lincoln Hotel Upgrade
- Redevelopment of Denny's property
- Redevelopment of the Allman property
- Completion of Gateway Shoppes
- Completion of Lincoln Square Village
- Completion of Strong Banquet Center

The list of remaining projects is lengthy and much more can be done to improve our downtown. There are remaining vacancies that can be filled along downtown streets, underutilized sites can be redeveloped with a mix of uses, additional residences can be built or infilled, and major improvements can be made to the downtown infrastructure to provide upgraded mobility, open space/ civic area access, and beautification.

With the myriad of projects and guidelines identified within these plans, City Council and staff have been concerned about the need to properly evaluate and prioritize proposed infrastructure and redevelopment projects in order to best meet the goals of the pertinent plans. Consequently, City Council has directed staff to conduct a holistic analysis to identify and prioritize potential projects in the downtown to help guide future decisions that impact annual budgets and influence the overall growth and identity of the downtown. In prioritizing these projects, it is important to consider conformance to the Downtown Strategic Plan, the TIF Redevelopment Plans, and the overall Council Goals, along with other policy documents; to provide for a strategic approach in making the biggest positive impact upon the downtown; and to exercise good fiscal stewardship in promoting the economic well being of the downtown.

The prioritization of these projects at this time is especially important in that many are funded or partially funded by the downtown Tax Increment Finance Districts ("TIF 1" and "TIF 2"). Each of the TIF districts has an expiration date, thus making it important to ensure projects are funded within the available timeframes and that the most important projects are funded prior to less important projects. TIF 1 is set to expire on December 31, 2016 and TIF 2 will expire on December 31, 2022. Considering the time involved in executing the type of projects identified, it is important to plan ahead to resolve strategic funding issues that may potentially arise.

Also of critical importance related to these projects is achieving a healthy balance of implementing public infrastructure and beautification projects with providing redevelopment support for private development projects. Without revenue-generating projects in the form of private developments or expansions and renovations of existing buildings, the goals of the Downtown Strategic Plan and Redevelopment Plans will not be met and there will be reduced revenues generated to help accomplish the goals set forth in the plans. In order for the revitalization of the downtown to be truly effective, it is critical that public funds be leveraged by private investment and that there is a good balance of public and private projects.

Approach

In undertaking the analysis of the downtown projects, staff from the Executive, Community Development, Finance, and Public Works departments worked together as a team to review all of the pertinent planning and budgeting documents to create a master list of potential projects. These were then reviewed for status, redundancy and potential conflicts with other projects. A revised list of projects was then compiled along with projected costs and these were categorized according to whether they would be revenue generating or non-revenue generating. Staff reviewed these lists and assigned priorities based upon a number of strategic criteria, including compliance with the relevant plans, project readiness, cost, and effectiveness in meeting City goals to energize the downtown. Revenue projections were evaluated to discern the City's ability to participate in and pay for the identified projects to help provide guidance to City Council in making future funding decisions. The balance between revenue generating and non-revenue generating projects was also considered.

Revenue Generating Projects

The second page of "Exhibit A" lists revenue-generating projects ranked by priority. Those placed at the top of the list include those that already have funds committed or are in the planning stages. These include the Denny's Redevelopment (developer identified and environmental work ongoing), existing building rehabs which are ongoing as part of the TIF Redevelopment Incentive Program and Gallery District Program, Gateway Shoppes (existing redevelopment agreement), Lincoln Square Village Assistance (existing redevelopment agreement), and the Historic Lincoln Hotel project (new owner and management with anticipated redevelopment agreement). After that, the list is ranked from 1-3 based on level of priority, as identified by the staff team.

Those ranked "1" were generally ranked so based on their importance to downtown (either by location or prominence) or because of the likelihood of development or redevelopment of the property in a reasonable timeframe. Another criterion was the current condition of the building or site. Buildings or sites that might be considered "blighted" or underused were given higher priority, especially if they met the other criteria.

A map attached as Exhibit B depicts the downtown area with the location of the various planned projects. Revenue generating projects are numbered and color coded. The numbers in green are highest priority, those in yellow are middle priority, and those in red are lowest priority (optional or as budget allows). The numbers correspond to the descriptions of each project below the aerial. Non-revenue generating projects are also shown on the map in their proposed locations.

Non-Revenue Generating Projects

There are a number of planned infrastructure and beautification improvements identified for the downtown area, as well as several projects that can improve access, navigability, and the image of downtown. A majority of the projects are contingent upon the availability of TIF funds, although some projects may be eligible for other sources of funding such as IDOT grants and funding shares, Motor Vehicle Parking System (MVPS) funds, Motor Fuel Tax (MFT) funds, or

Capital Improvement Plan (CIP) funds. By far, the largest project planned for the area is the Boneyard Creek Master Plan Improvements, with a projected cost of \$8,550,000. Other large projects include the downtown section of the Cunningham Corridor Beautification, Broadway Avenue Streetscape, Parking Expansion Projects (including possible deck expansion), Race Street Reconstruction, Main Street Reconstruction/Bike Lanes, and Green Street Reconstruction/Path.

Based upon an internal staff analysis, these projects are listed by type and are ranked 1-3 by suggested priority. Projects ranked “1” were deemed to be of high importance, “2” of middle importance, and “3” are optional projects, or as budget allows. Major infrastructure projects that are currently planned are shown on the first page of Exhibit A (attached).

Fiscal Analysis

Amounts currently in the projected budget, estimated costs, and the amounts not budgeted in TIF fund projections are laid out in the Exhibit A spreadsheet. For the revenue-generating projects, the revenue generated from incremental property tax revenues over the life of the TIF in which it would be located is also shown.

The total estimated cost for all projects planned in TIF 1 and TIF 2 is **\$44,655,000**, of which \$15,294,609 is currently in the projected budget. That leaves over \$29 million not budgeted in the TIF projections. Current TIF projections show a remaining balance of unspent funds in TIF 1 of \$847,958 and in TIF 2 of \$9,893,107. That is equal to a total of about \$10,750,000 in money that could be spent on other TIF projects. This leaves a shortfall of roughly \$18-19 million in monies not currently projected to be available for planned TIF projects.

This gap in available funds to pay for downtown projects will need to come from revenues generated from development and redevelopment that will create new TIF fund revenue. The estimated TIF revenue generated if ALL of the projects planned were to be constructed is just over \$16 million. That will get the City close to the goal of being able to accomplish all the planned projects, assuming there is enough time remaining in the TIF Districts for them to accrue revenue once the new projects come on the tax rolls.

However, it is highly unlikely that all of the revenue generating projects identified or their equivalent will occur, thus a focus on those projects that are highest priority first and budgeting for others only as funds become available is the most reasonable course of action for the City to pursue at this time.

Recommendations

With a structured review and prioritization of proposed projects, as presented here, there will be an improved basis for making decisions with regards to future budget considerations and how they relate to accomplishing the goals of the various plans that affect the downtown. City staff welcomes City Council comments on the list of projects compiled and the assigned priorities. The tool presented here can be modified and employed as the City moves forward in considering future capital improvement and developer assistance projects in the downtown.

Conclusion

It is important to work diligently with property owners and developers to encourage development and redevelopment of properties in accordance with plan goals as it is the revenue generated from these projects that will make infrastructure and beautification projects possible and will best implement the policies set forth in the Downtown Plan and TIF Redevelopment Plans.

Residential and commercial growth and increased cultural activity are necessary for the economic health of downtown Urbana. Working with property owners, developers, and businesses to create better places that meet the current and future needs will help encourage positive change. Signs of positive change are evident with several new businesses in Lincoln Square, multiple new galleries, coffee shops, and new ownership/management at the Historic Lincoln Hotel. Yet there are still areas that need attention in order for downtown Urbana to fully live up to its potential as a vibrant heart of the community.

Prepared by:

Ryan Brault, Redevelopment Specialist

Attachments:

Project Revenues/Expenditures Spreadsheet

Downtown TIF Projects Map

Project locations from Downtown Plan and TIF Plans

Exhibit "A"

Downtown Urbana Project Priorities

To be Funded by TIF 1, 2, & 4

Non-Revenue Generating Projects

Priority*	Project Description	Plan/s	Included in Proj. Budget	Est. Cost	Not in TIF Fund Proj.	Other Fund Sources	Schedule
	Streetscape/Lighting						
1	Broadway Avenue Streetscape	TIF 1, TIF 2	\$1,000,000	\$1,000,000	\$0		2011-2012
1	Cunningham Avenue Corridor Beautification - Saline to RR Bridge	Other, TIF 4	\$0	\$1,940,000	\$1,940,000	IDOT	2011
1	Five Points SW Corner Gateway Feature	TIF 2	\$0	\$200,000	\$200,000		0-5
1	Main Street Improvements	TIF 1, TIF 2	\$800,000	\$800,000	\$0	Grant	2009-2010
1	Main/Springfield Plaza	TIF 1, TIF 2	\$0	\$400,000	\$400,000		0-5
1	Race Street Streetscape	TIF 2	\$300,000	\$300,000	\$0		2011-2013
1	University Avenue Corridor Enhancement	Other	\$0	\$500,000	\$500,000	IDOT	0-5
2	Enhance Crystal Lake Park-Downtown linkage	Comp Plan	\$0	\$100,000	\$100,000		5-10
2	Green Street Streetscape	TIF 2	\$0	\$600,000	\$600,000		Tied to Devt.
2	Streetscape Amenities - misc. streetscape, lighting, benches, etc.	TIF 2	\$250,000	\$800,000	\$550,000		Ongoing
	Parking						
1	Parking Deck Rehab Analysis	Parking Study	\$0	\$20,000	\$20,000	MVPS	0-5
1	Parking Improvements	TIF 1	\$0	\$500,000	\$500,000	MVPS	Ongoing
1	Parking Signage	Parking Study	\$0	\$200,000	\$200,000	MVPS	0-5
2	Parking Expansion	TIF 2	\$0	\$1,200,000	\$1,200,000	MVPS	Tied to Devt.
3	Parking Deck/Deck Expansion	Parking Study	\$0	\$10,000,000	\$10,000,000	MVPS	10-15
	Boneyard						
1	Boneyard Improvements: Main/Springfield to Denny's Redevt.	TIF 2, Boneyard	\$6,550,000	\$2,850,000	\$2,000,000		2008-2016
1	Boneyard Improvements: Denny's Redevt. To Griggs St.	TIF 2, Boneyard		\$2,105,000			2008-2016
1	Boneyard Improvements: Griggs St. to Broadway	TIF 2, Boneyard		\$3,220,000			2008-2016
1	Boneyard Improvements: Broadway to Vine	TIF 2, Boneyard		\$125,000			2008-2016
1	Boneyard Improvements: Vine to University Ave.	TIF 2, Boneyard		\$250,000			2008-2016
	Trails and Paths						
1	Carle to Downtown Trail/Leal Park	TIF 2, Comp Plan	\$300,000	\$300,000	\$0		2009-2010
3	Side Path - Main Street to Lincoln Ave., parallel to Boneyard	Bike Master Plan	\$0	\$175,000	\$175,000	CIP	10-15
	Street/Infrastructure						
1	Bike Parking Enhancements/Marketing	Parking Study, Bike	\$0	\$50,000	\$50,000		2012
1	Race Street Reconstruction - California to Park, street, bridge, signal	LRTP, TIF 2	\$1,700,000	\$1,700,000	\$0		2011-2013
1	Vine Street Lift Station	TIF 2	\$200,000	\$200,000	\$0		2009
2	Cunningham/Crystal Lake Drive Signal	LRTP, TIF 2	\$300,000	\$300,000	\$0	IDOT	2009-2010
2	Green Street Reconstruction/Path - Lincoln to Race	LRTP, TIF 2	\$0	\$1,000,000	\$1,000,000	MFT	10-15
2	Urbana Avenue Improvements - Main to Oregon	TIF 2	\$750,000	\$750,000	\$0		2011-2012

3	Maple Street Improvements	TIF 2	\$0	\$800,000	\$800,000		10-15
3	Water/Walnut Street/Sidewalk Improvements	TIF 1	\$400,000	\$400,000	\$0		2013-2014
Sub-Total			\$12,550,000	\$32,785,000	\$20,235,000		

* 1=High Importance, 2=Middle Importance, 3=Optional or as opportunity or budget allows

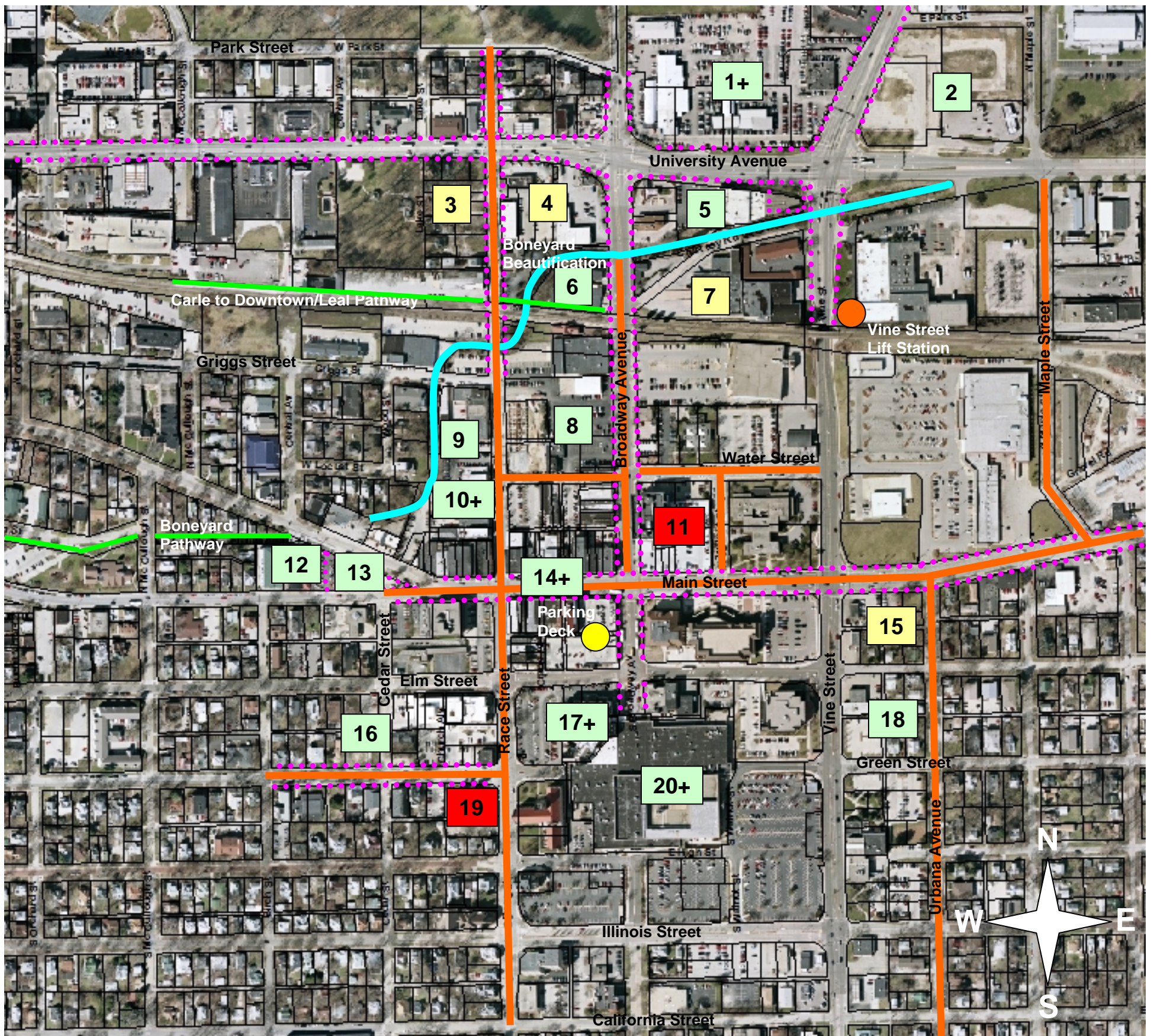


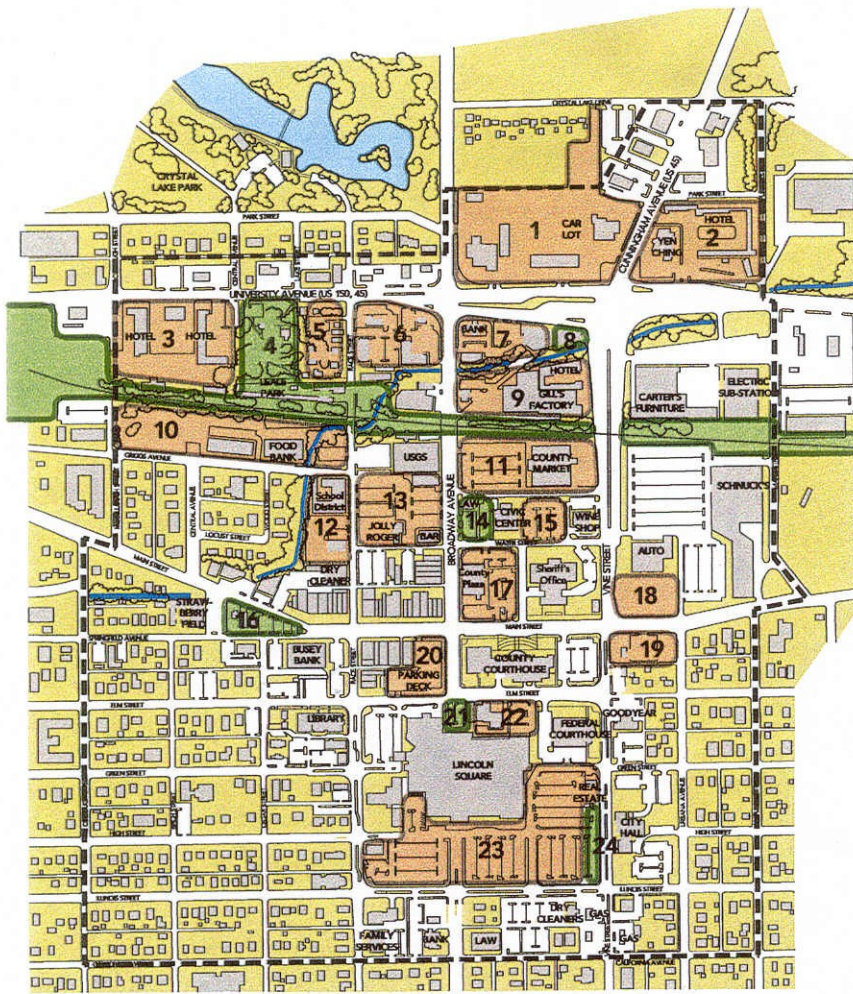
Exhibit "B": Downtown Urbana Planned TIF Projects

..... Streetscape Project
 ● Parking Project
 ——— Boneyard Project
 ——— Trail/Path Project
 ——— ● Street/Infrastructure Project

Revenue Generating Projects

- | | | | |
|--|--|--|--|
| <p>2 High Priority</p> <ol style="list-style-type: none"> 1. Five Points West Redevelopment – in-line retail shops or possible hotel development plus development of outlots 2. Five Points East Redevelopment – tenanting of in-line shops, development of outlot, and redevelopment of former Dust and Sons and Arrow Glass sites 3. Race/University Corner Redevelopment – mixed-use or commercial development that takes advantage of Leal Park amenity 4. Millhouse Plaza Redevelopment – updating or redevelopment for commercial use to incorporate corner streetscape enhancements 5. Five Points SW Redevelopment – updating or redevelopment for commercial use taking advantage of high visibility and incorporating gateway feature 6. 401 North Broadway Redevelopment – extensive remodeling or commercial redevelopment that takes advantage of Boneyard amenity 7. Gill Site Redevelopment – higher density mixed-use or commercial redevelopment that takes advantage of Boneyard amenity | <p>7 Medium Priority</p> <ol style="list-style-type: none"> 8. Timpone Block Redevelopment – mixed commercial/residential development with possible parking structure incorporated 9. USD116/Adults Ed./Cosmetology Redevelopment – mixed-use redevelopment incorporating USD offices/adult ed. as possible tenants 10. Denny’s Redevelopment – mixed-use development that takes advantage of Boneyard amenity 11. County Plaza Redevelopment – updating or redevelopment of County Plaza site for retail/office or retail/residential with public plaza 12. Strawberry Fields Redevelopment – redevelopment or expansion of Strawberry Fields, possibly as part of a larger Main/Springfield redevelopment 13. Flatiron/Main & Springfield Redevelopment – redevelopment of Allman and Kirby Firestone sites possibly incorporating Strawberry Fields property and public plaza 14. Existing Building Rehabs – façade loan incentives and other incentives for rehab, remodeling, or expansion of existing downtown buildings or Lincoln Square tenant spaces | <p>11 Lower Priority</p> <ol style="list-style-type: none"> 15. Main/Vine SE Redevelopment – retail redevelopment or office development to take advantage of courthouse proximity 16. Weaver Green/Cedar Development – mixed-use or residential development on currently vacant site 17. Historic Lincoln Hotel Rehab – complete remodel and rebranding of hotel to make it a vibrant asset to downtown and catalyst for growth 18. Goodyear Block Redevelopment – commercial or mixed-use redevelopment of currently underutilized available property 19. Green/Race Redevelopment – higher density mixed-use redevelopment that takes advantage of location between downtown and campus 20. Lincoln Square Assistance – continue to support rehab/remodeling and tenant attraction and assistance | <p>+ Project underway or funds committed</p> <p>Created September 8, 2008 by RLB, City of Urbana Community Development Services</p> |
|--|--|--|--|





1. **Commercial Redevelopment** - Locate buildings on frontage property lines and integrate landscaped pedestrian connections.
2. **Commercial Redevelopment** - Locate buildings on frontage property lines and integrate landscaped pedestrian connections.
3. **Medical Expansion** - Integrate buildings into Leale Park setting. Provide pedestrian connections to proposed walking/biking corridor.
4. **Leale Park Expansion** - Expand park south to new pedestrian walking/biking corridor. Develop new parking lot to serve park and abutting businesses.
5. **Mixed Commercial/Residential Redevelopment** - Provide attractive frontage and connection to Leale Park.
6. **Long-Term Commercial Redevelopment** - Incorporate corner streetscape enhancements.
7. **Commercial Redevelopment** - Integrate pedestrian access via Boneyard Creek and connect to "Near North" development.
8. **Gateway Feature** - Construct a focal point entrance feature for Downtown Urbana. Provide pedestrian connection to "Near North" development.
9. **Long-Term Housing Redevelopment** - Develop three-story residential with parking in center. Provide pedestrian connection between development at University and Cunningham and the proposed walking/biking corridor.
10. **Housing Redevelopment** - Develop infill multi-family housing.
11. **Mixed Commercial/Residential Redevelopment** - Develop two stories of residential above ground level shops along Broadway frontage. Develop three-story residential fronting Vine Street. Provide parking in center of block with access through commercial development. Connect function to proposed public square.
12. **Parking Expansion** - Provide connection along Boneyard Creek south to Main Street.
13. **Mixed Commercial/Residential Redevelopment** - Develop two stories of residential above ground level shops. Provide 2 levels of parking in center of development covered by rooftop garden for residents.

14. **Public Square** - Construct new public gathering space to connect commercial development and Civic Center.
15. **Parking Expansion** - Potential for additional structured parking on municipal property.
16. **Public Square** - Develop public gathering space in landscaped setting. Reuse brick structure for entertainment-type business such as a restaurant. Demolish small gas station structure.
17. **Streetscape Enhancement** - Enhance perimeter of County Plaza along Main and Broadway to include lighting, trees and planters. Explore possibility of developing public gathering space on southwest corner of site.
18. **Commercial Development** - Locate buildings on corner frontage property lines and integrate landscaped pedestrian connections. Potential relocation site for Elite Diner.
19. **Commercial Development** - Locate buildings on corner frontage property lines and locate parking to the east. Potential relocation site for Elite Diner.
20. **Long-Term Commercial/Parking Expansion** - Convert ground level to commercial use. Add additional level of parking to structure.
21. **Public Square** - Redevelop Post Office parking lot into public gathering space for festivals, performances and a portion of the outdoor farmers market. Extend parapet wall of Lincoln Square to match height of Post Office and incorporate showcase display windows. Construct new mall entrance feature on axis with Broadway Avenue.
22. **Post Office Reuse** - Locate proposed year-round public market in Post Office structure. Incorporate smaller branch office of Post Office into reuse.
23. **Parking Lot Enhancement** - Reconfigure parking lot to include trees. Repair and resurface parking lot. Potential relocation site for Elite Diner.
24. **City Hall Access Improvement** - Reconfigure parking lot to provide short-term parallel parking for access to City Hall on Vine Street. Incorporate pedestrian access into improvement to link City Hall and Lincoln Square Mall.

FIGURE 31:

KEY IMPROVEMENT & REDEVELOPMENT SITES

DOWNTOWN STRATEGIC PLAN

Urbana, Illinois

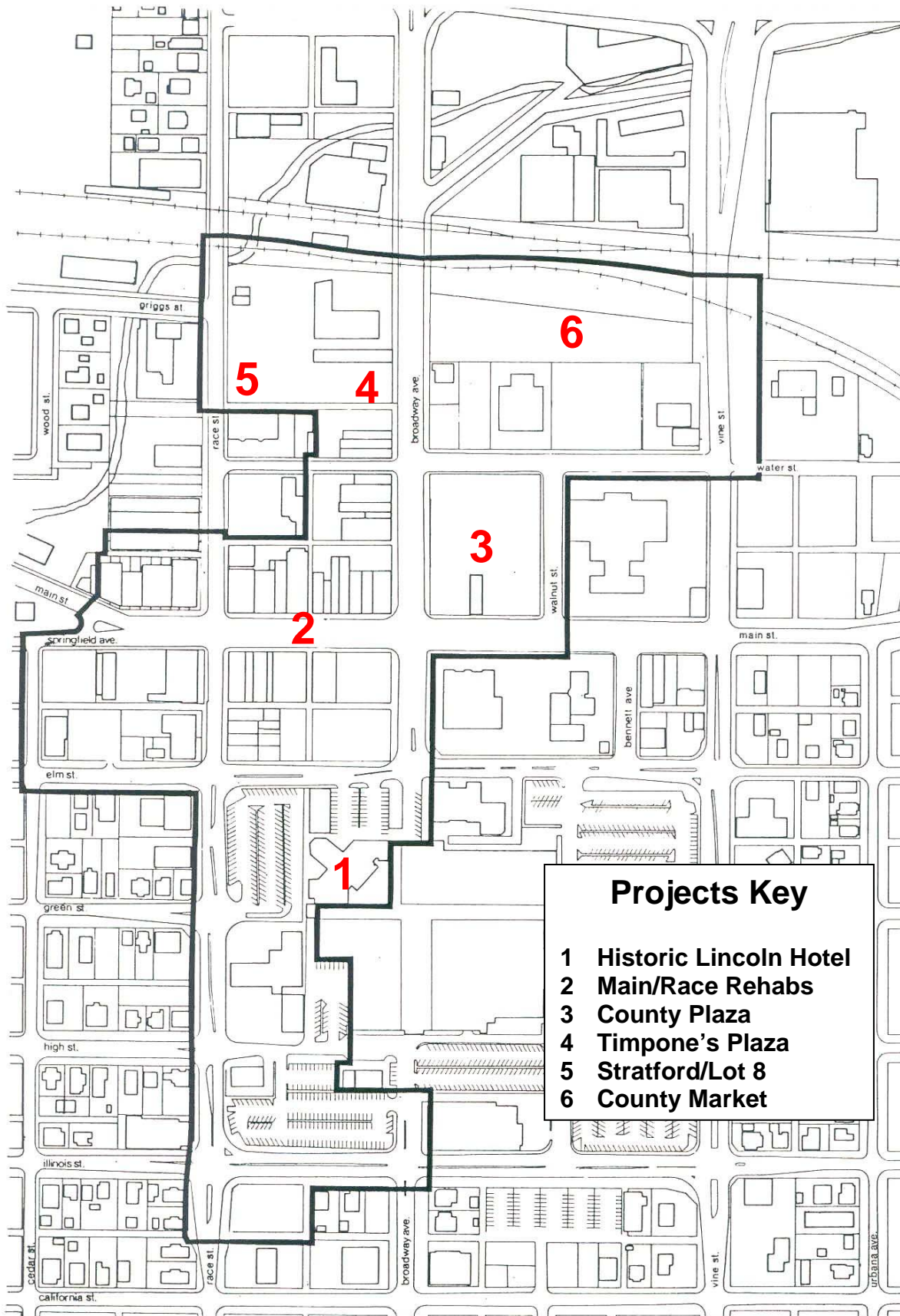
PLAN DATE: AUGUST 2001
SCALE: N.T.S.



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411 South Wabash Street, Chicago, Illinois 60607 Phone: 312.552.0911





TAX INCREMENT ALLOCATION DISTRICT

Project Locations

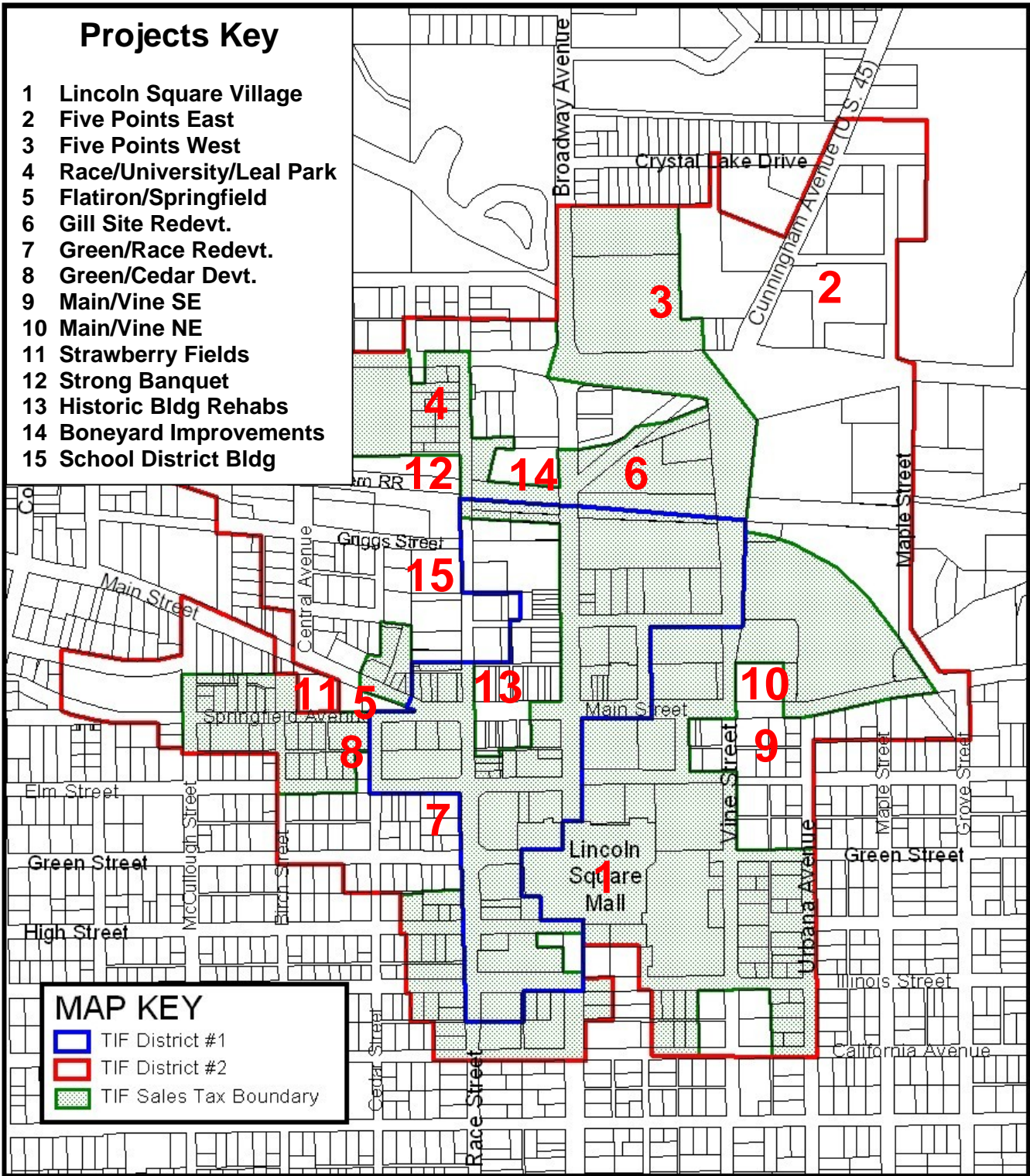
Figure 7



NOTE: LOCATIONS ARE SCHEMATIC & SIZES ARE APPROXIMATE

Projects Key

- 1 Lincoln Square Village
- 2 Five Points East
- 3 Five Points West
- 4 Race/University/Leal Park
- 5 Flatiron/Springfield
- 6 Gill Site Redevt.
- 7 Green/Race Redevt.
- 8 Green/Cedar Devt.
- 9 Main/Vine SE
- 10 Main/Vine NE
- 11 Strawberry Fields
- 12 Strong Banquet
- 13 Historic Bldg Rehabs
- 14 Boneyard Improvements
- 15 School District Bldg



MAP KEY

-  TIF District #1
-  TIF District #2
-  TIF Sales Tax Boundary



Tax Increment Finance Districts 1 & 2 Project Locations

Figure 7

