



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, FAICP, Director, Community Development Services

DATE: April 28, 2014

SUBJECT: **An Ordinance Approving a Redevelopment Agreement with Cake Design Development LLC - Series 204 West Main (204 West Main Street – Matt Cho)**

AND

An Ordinance Revising the Annual Budget Ordinance, FY2013-14 (Redevelopment Agreement with Cake Design Development, LLC – Series 204 West Main)

Introduction

The City of Urbana has been approached by Matt Cho of Cake Design Development LLC regarding his interest in a proposed redevelopment project at 204 West Main Street to create an open air market, beer garden, and event space. Mr. Cho purchased the property in January of 2014 and has requested a Redevelopment Agreement with the City (Exhibit A Draft Ordinance with Attached Agreement). The subject property is located on the north side of Main Street between Corson Music’s Guitar Store and [co][lab] (Exhibit B Location Map). This underutilized property has not been fully occupied for more than 20 years and is now in an advanced state of deterioration due to water damage. The developer intends to demolish the interior of the building, preserve the historic façade, and redevelop the ground floor into an open air market facility including: a bar and public restrooms housed within a prefabricated shipping container module, open air seating, a dedicated area to park a food truck, and additional event/pop-up space. Mr. Cho is working with Tom Sheehan, who will be the operator of the seasonal market area and bar. The developer also intends to attract events, exhibits and pop-up shops to his new open air market space as he has done at both [co][lab] and Cafeteria & Co during the six months these spaces have been open. TIF incentive is required to accomplish the proposed project at 204 West Main Street and to complete the revitalization of the northern stretch west of Main Street. More information on the project is available as part of the

redevelopment overview created by the developer which shows the current property conditions and describes proposed project (Exhibit C Redevelopment Overview).

The attached Redevelopment Agreement with Cake Design Development LLC – Series 204 West Main provides for City assistance through TIF 1 and TIF 2 up to a maximum of \$175,000 in reimbursement for eligible project expenses. In addition to the Redevelopment Agreement, City Council is considering a budget amendment of \$175,000 for the current fiscal year to fund the expenses of the agreement. (Exhibit D Draft Budget Amendment Ordinance) The fund balance in TIF 2 at the end of FY 12-13 was \$2,391,643 and the projected fund balance at the end of FY 13-14 is \$1,673,984. Therefore, sufficient fund balance exists to accommodate the proposed budget amendment.

Background of Previous Agreement with Cake Design Development

In December of 2012, the City entered into a redevelopment agreement with Cake Design Development LLC for the renovation of 206 and 208 West Main Street; these properties respectively became [co][lab], a creative co-working and pop-up/event space, and Cafeteria & Company, a pizzeria, coffee shop and private event space.

All three phases of the amended agreement with Cake Design Development have been completed. The City's incentive of \$128,000 leveraged over \$820,000 in physical improvements in these two buildings, not including the additional private investment in equipment for the new businesses. These successful projects have served as a catalyst for more vibrant activity in Downtown Urbana and have garnered extensive media coverage in addition to a nomination at the 2013 Innovation Celebration in the area of Entrepreneurial Excellence.

At 206 West Main Street, [co][lab] now leases to six creative startup tenants who employ professional artists, designers, marketers, a videographer, and a software developer. [co][lab] has also hosted six pop-up retail stores selling goods ranging from bowties to bicycles, fresh-cut flowers to hand-made gifts, and over 3,000 doughnuts during the three weekends of the Pandamonium Doughnuts shop.

At 208 West Main, both Pizza M and Flying Machine Coffee, the anchor tenants at Cafeteria & Company, have been able to develop strong followings and regularly host private events and parties in the back room of the restaurant. After only six months in business, Cafeteria & Co. has upwardly adjusted its annual sales projection by 50% over their original estimates.

In May of 2013, the City amended and restated the 2012 agreement with Cake Design Development to allow for the renovation of the second story of 208 West Main. This now completed office space, addressed 210 West Main, houses an office of Personify, Inc., a growing tech firm producing next-generation video conferencing solutions, along with Launchable, a boutique tech incubator which aims to attract and support tech and biomedical startups.

In sum, the now completed redevelopment agreement with Cake Design Development has been a strong success for Downtown Urbana. The proposed agreement under consideration for 204 West Main will help to solidify and extend the successful rehabilitation to date by stabilizing an adjacent distressed property and bringing it back to economic vitality.

Overview of the Proposed Redevelopment Agreement at 204 West Main

The proposed redevelopment site, 204 West Main Street, immediately neighbors the subject properties of the previous agreement (Exhibit B Location Map). In January 2014, Mr. Cho purchased 204 West Main with the dual intent of leasing the space to retail tenants and protecting his property at 206 West Main from the deterioration occurring at the adjacent 204 West Main.

Upon reviewing the condition of the building and seeking options for remodeling, Cake Design Development concluded that the cost of renovating the interior of 204 West Main Street would require subsequent leasing prices that were well beyond what can be supported in Downtown Urbana's current rental market. The developer then began looking into alternative approaches to stabilize the property and reactivate it for commercial activity, ultimately selecting the current proposal with the potential for full reconstruction in the future.

The redevelopment agreement the City Council is considering would commence in two phases. Phase I of the project is concerned with the stabilization of 204 West Main. The roof would be removed and the interior of the property would be substantially demolished. A professional structural engineer and an experienced demolition contractor would both be used to ensure that the integrity of the adjacent buildings is maintained as well as to oversee the reinforcement, weatherization and preservation of the building's historic façade. The remaining interior of 204 West Main and its foundation would be weatherized and improved for both drainage and pedestrian access; lighting would also be added for safety. The cost of the eligible expenses for Phase I has been estimated at \$192,000. The proposed redevelopment agreement would provide up to \$145,000 in reimbursement for eligible expenses incurred during Phase I of the project—roughly 75 percent of the projected eligible expenses. This enhanced reimbursement is a reflection of the fact that the outcomes of this phase would remedy all property maintenance violations at this site which have long been an obstacle to the commercial reactivation.

Phase II of the project would build out the stabilized space for the proposed uses of an open air market including a beer garden with seating area, restrooms, a dedicated area for a food truck, and additional event/pop-up space. Improvements would include the permanent installation of a shipping container module which would house the bar and restrooms along with all necessary plumbing and electrical work. The cost of the eligible expenses for Phase II has been estimated at \$113,000. The proposed redevelopment agreement would provide up to \$30,000 in reimbursement for eligible expenses incurred during Phase II of the project—roughly 25 percent of the projected eligible expenses.

A possible future Phase III of the project would be the addition of a second floor of the building

and/or the construction of a roof to fully enclose the space. The option and timing for the completion of this phase would be at the discretion of the developer to execute, but the City would renegotiate incentives were this to occur.

The total private investment for the project is estimated at \$458,000 including the purchase price of the building, estimated equipment purchases, and the roughly \$305,000 to be expended on physical improvements in Phases I & II. The developer has shared detailed project cost estimates to confirm that this level of City assistance is necessary for the project to occur.

The proposed redevelopment agreement would reimburse eligible redevelopment project costs. This means that the developer would need to make renovations and submit reimbursement requests to the City following those improvements. To further protect the City, Section 4.1 and Section 6.3 state that the City must approve all requisitions before payments can be made to the developer.

Anticipated Fiscal and Community Impacts of the Proposal

Cake Design Development's proposal for redevelopment of 204 West Main Street is consistent with the planning framework established by the applicable City plans covering this area. The subject property is currently zoned B-4 Central Business, which permits by-right the proposed uses. Additionally, the Tax Increment Finance District #1 Plan specifically identifies the need to control blighting factors such as building deterioration, obsolescence, and long-term vacancy which, when present, can preclude intensive private investment.

The proposed use is also consistent with the goals and objectives outlined in the 2012 Downtown Urbana Plan. Specifically, the goals to *strengthen economic activity in Downtown Urbana* and *develop engaging public spaces and streetscapes* would be well served. While the space would be privately held, it would be accessible to the public; in addition, Mr. Cho has expressed an interest in utilizing the space to augment established Downtown festivals such as Sweetcorn, Boneyard Arts, Folk & Roots, the C4A Race Street Bash, as well as new festivals like the Illiac, Agora, and Urbana Uncorked festivals.

An open air event area will also help to support and augment the current improvements of the Boneyard nearing completion north of this site along Race Street. In addition, this project would help set the stage for the eventual improvement of Segments 1 & 2 of the Boneyard Creek Master Plan including the revisioning of the nearby Founder's Park.

The proposed uses are consistent with the needs identified by the survey results and findings of the 2011 Downtown Market Study; the proposed development would be a destination business with a strong ground-level retail presence that would increase foot traffic and add to the unique character of Downtown Urbana.

The costs associated with this redevelopment agreement will be funded by TIF 1 and TIF 2 and

sufficient fund balance exists to support the proposed project. As has been mentioned above, the maximum TIF reimbursement to the developer over the life of the agreement would be \$175,000. Due to the expiration of TIF 1 in 2016, the TIF itself will not be able to recoup its investment in the proposed project; however the intent of this TIF will be fulfilled by reducing blighting factors, eliminating the dilapidation of the urban fabric, facilitating reuse of a long vacant space, generating positive business activity in the area, and encouraging additional future investment in Downtown Urbana.

Over a ten year period, the total project is expected to produce over \$200,000 in local sales tax to the school district, county and city—including over \$120,000 in sales tax to the City of Urbana. If the developer were to realize the full \$175,000 reimbursement from the TIF district, it is estimated that the city, school district, and county will recoup an equivalent amount of sales tax revenue in approximately eight years.

Aside from the direct fiscal impact, the proposal will complete the commercial reactivation of the western stretch of Main Street. The development agreement will enable more vibrant activity, the creation of novel event space, and the expansion of the entrepreneurial culture that continues to grow in Downtown Urbana.

Options

1. Approve the redevelopment agreement ordinance and budget amendment ordinance as presented.
2. Approve the redevelopment agreement ordinance and budget amendment ordinance with changes. It should be noted that any changes will need to be agreed upon by the developer.
3. Deny the redevelopment agreement ordinance and budget amendment ordinance.

Recommendation

This agreement will result in the commercial reactivation of a long vacant and deteriorated property in TIF District #1, a positive fiscal impact for the City and its taxing partners, and the generation of positive activity in Downtown Urbana which will also likely advance the growing entrepreneurial culture of Urbana.

Staff recommends that the City Council approve the attached redevelopment agreement ordinance and accompanying budget amendment ordinance.

Prepared by:

Brandon S Boys, Economic Development Coordinator

Attachments:

Exhibit A: Draft Ordinance with Agreement

Exhibit B: Location Map

Exhibit C: Redevelopment Overview

Exhibit D: Draft Ordinance Revising the Annual Budget

Exhibit A

ORDINANCE NO. 2014-04-040

AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT WITH CAKE DESIGN DEVELOPMENT LLC - SERIES 204 WEST MAIN
(204 West Main Street – Matt Cho)

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That a Redevelopment Agreement Between the City of Urbana and Cake Design Development LLC – Series 204 West Main in substantially the form of the copy of said Agreement attached hereto, be and the same is hereby approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this ____ day of _____, 2014.

AYES:

NAYS:

ABSTAINS:

Phyllis Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2014.

Laurel Lunt Prussing, Mayor

REDEVELOPMENT AGREEMENT

by and between the

CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

and

CAKE DESIGN DEVELOPMENT LLC – SERIES 204 WEST MAIN STREET

Dated as of May 1, 2014

Document Prepared By:

**Kenneth N. Beth
Evans, Froehlich, Beth & Chamley
44 Main Street, Third Floor
Champaign, IL 61820**

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EXHIBIT LIST

EXHIBIT A	Description of Property
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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (including any exhibits and attachments hereto, collectively, this **“Agreement”**) is dated for reference purposes only as of May 1, 2014, but actually executed by each of the parties on the dates set forth beneath their respective signatures below, by and between the **City of Urbana, Champaign County, Illinois**, an Illinois municipal corporation (the **“City”**), and **Cake Design Development LLC – Series 204 West Main**, an Illinois limited liability company (the **“Developer”**). This Agreement shall become effective upon the date of the last of the City and the Developer to execute and date this Agreement and deliver it to the other (the **“Effective Date”**).

RECITALS

WHEREAS, in accordance with and pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*), as supplemented and amended (the **“TIF Act”**), including by the power and authority of the City as a home rule unit under Section 6 of Article VII of the Constitution of Illinois, the City Council of the City (the **“Corporate Authorities”**) did adopt a series of ordinances (Ordinance Nos. 8081-61, 8081-62 and 8081-63 on December 22, 1980) including as supplemented and amended by certain ordinances (Ordinance No. 8637 on October 6, 1986, Ordinance No. 9394-100 on May 16, 1994, Ordinance No. 2003-12-148 on December 15, 2003, and Ordinance No. 2004-09-132 on October 4, 2004) (collectively, the **“TIF Ordinances”**); and

WHEREAS, under and pursuant to the TIF Act and the TIF Ordinances, the City designated the Urbana Downtown Tax Increment Redevelopment Project Area (the **“Redevelopment Project Area”**) and approved the related redevelopment plan, as supplemented and amended (the **“Redevelopment Plan”**), including the redevelopment projects described in the Redevelopment Plan (collectively, the **“Redevelopment Projects”**); and

WHEREAS, as contemplated by the Redevelopment Plan and the Redevelopment Projects, the Developer proposes to undertake (or cause to be undertaken) the Project (including related and appurtenant facilities as more fully defined below); and

WHEREAS, the Property (as defined below) is within the Redevelopment Project Area; and

WHEREAS, the Developer is unwilling to undertake the Project (as defined below) without certain tax increment finance incentives from the City, which the City is willing to provide; and

WHEREAS, the City has determined that it is desirable and in the City’s best interests to assist the Developer in the manner set forth herein in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement and unless the context clearly requires otherwise, the capitalized words, terms and phrases used in this Agreement shall have the meaning provided in the above Recitals and from place to place herein, including as follows:

“City Comptroller” means the City Comptroller of the City, or his or her designee.

“Completion Date” means, subject to “unavoidable delays” as described in Section 9.5 of this Agreement, the date on which Phase II of the Project is completed as evidenced by the issuance by the City of a certificate of occupancy for the renovated building upon the Property.

“Corporate Authorities” means the City Council of the City.

“Eligible Redevelopment Project Costs” means those costs paid and incurred in connection with Phase I, Phase II and Phase III of the Project which are authorized to be reimbursed or paid from the Fund as provided in Section 5/11-74.4-3(q) (2) and (3) of the TIF Act, including the partial demolition of an existing building and the subsequent rehabilitation, reconstruction, repair or remodeling of such building upon the Property.

“Fund” means, collectively, the “Special Tax Allocation Fund” for the Redevelopment Project Area established under Section 5/11-74.8 of the TIF Act and the TIF Ordinances.

“Incremental Property Taxes” means, net of all amounts required by operation of the TIF Act to be paid to other taxing districts, including as surplus, in each calendar year during the term of this Agreement, the portion of the ad valorem real estate taxes arising from levies upon the Redevelopment Project Area by taxing districts that is attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real estate within the Redevelopment Project Area over the equalized assessed value of each taxable lot, block, tract or parcel of real estate within the Redevelopment Project Area which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the TIF Act, will be allocated to and when collected shall be paid to the City Comptroller for deposit by the City Comptroller into the Fund established to pay Eligible Redevelopment Project Costs and other redevelopment project costs as authorized under Section 5/11-74.4-3(q) of the TIF Act.

“Project” means, collectively, the partial demolition of the existing building and the subsequent rehabilitation, reconstruction, repair or remodeling of such building upon the Property to include: (i) the partial demolition of the existing building including the roof and interior thereof and the related retention and the stabilization of the existing exterior façade of such building (**“Phase I”**); (ii) the rehabilitation, reconstruction, repair or remodeling of the first floor of the resulting structure of such building so as to provide space for an open-air market and beer garden (**“Phase II”**); and (iii) the reconstruction and remodeling of a second floor of the resulting structure to fully enclose the first floor area and/or add an upper story (**“Phase III”**).

“Project Commencement Dates” means, as applicable, August 30, 2014, the date on or before which construction of Phase I of the Project is to commence, and April 30, 2015, the date on or before which Phase II of the Project is to commence.

“Property” means, the real estate consisting of the parcel commonly known as 204 W. Main Street, Urbana, Illinois and legally described on Exhibit A hereto, upon or within which the Project is to be undertaken and completed.

“Reimbursement Amounts” means the amount to be reimbursed or paid from the Fund to the Developer by the City under and pursuant to Section 4.1 of this Agreement.

“Requisition” means a request by the Developer for a payment or reimbursement of Eligible Redevelopment Project Costs pursuant to the procedures set forth in Article VI of this Agreement.

Section 1.2. Construction. This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) definitions include both singular and plural.
- (b) pronouns include both singular and plural and cover all genders; and
- (c) headings of sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (d) all exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. In order to induce the Developer to enter into this Agreement, the City hereby makes certain representations and warranties to the Developer, as follows:

(a) **Organization and Standing.** The City is a home rule municipality duly organized, validly existing and in good standing under the Constitution and laws of the State of Illinois.

(b) **Power and Authority.** The City has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) **Authorization and Enforceability.** The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the City’s Corporate Authorities. This Agreement is a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except to the extent that any and all financial obligations of the City under this Agreement shall be limited to the availability of such Incremental Property Taxes therefor as may be specified in this Agreement and that such

enforceability may be further limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) No Violation. Neither the execution nor the delivery of this Agreement or the performance of the City's agreements, obligations and undertakings hereunder will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of any agreement, rule, regulation, statute, ordinance, judgment, decree, or other law by which the City may be bound.

(e) Governmental Consents and Approvals. No consent or approval by any governmental authority is required in connection with the execution and delivery by the City of this Agreement or the performance by the City of its obligations hereunder.

Section 2.2. Representations and Warranties of the Developer. In order to induce the City to enter into this Agreement, the Developer makes the following representations and warranties to the City:

(a) Organization. The Developer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Illinois.

(b) Power and Authority. The Developer has full power and authority to execute and deliver this Agreement and to perform all of its agreements, obligations and undertakings hereunder.

(c) Authorization and Enforceability. The execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the Developer's manager. This Agreement is a legal, valid and binding agreement, obligation and undertaking of the Developer, enforceable against the Developer in accordance with its terms, except to the extent that such enforceability may be limited by laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforceability of debtors' or creditors' rights, and by equitable principles.

(d) No Violation. Neither the execution nor the delivery or performance of this Agreement will conflict with, violate or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, or (with or without the giving of notice or the passage of time or both) entitle any party to terminate or declare a default under any contract, agreement, lease, license or instrument or any rule, regulation, statute, ordinance, judicial decision, judgment, decree or other law to which the Developer is a party or by which the Developer or any of its assets may be bound.

(e) Consents and Approvals. No consent or approval by any governmental authority or by any other person or entity is required in connection with the execution and delivery by the Developer of this Agreement or the performance by the Developer of its obligations hereunder.

(f) No Proceedings or Judgments. There is no claim, action or proceeding now pending, or to the best of its knowledge, threatened, before any court, administrative or regulatory body, or governmental agency (1) to which the Developer is a party and (2) which will, or could, prevent the Developer's performance of its obligations under this Agreement.

(g) **Maintenance of Existence.** During the term of this Agreement, the Developer shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence as an Illinois limited liability company.

Section 2.3. Disclaimer of Warranties. The City and the Developer acknowledge that neither has made any warranties to the other except as set forth in this Agreement. The City hereby disclaims any and all warranties with respect to the Property and the Project, express or implied, including, without limitation, any implied warranty of fitness for a particular purpose or merchantability or sufficiency of the Incremental Property Taxes for the purposes of this Agreement. Nothing has come to the attention of the Developer to question the assumptions or conclusions or other terms and provisions of any projections of Incremental Property Taxes, and the Developer assumes all risks in connection with the practical realization of any such projections of Incremental Property Taxes.

ARTICLE III **CONDITIONS PRECEDENT TO THE UNDERTAKINGS** **ON THE PART OF THE DEVELOPER AND THE CITY**

Section 3.1. Conditions Precedent. The undertakings on the part of the City as set forth in this Agreement are expressly contingent upon each of the following:

- (1) The Developer shall have delivered to the City an itemized list of any and all estimated costs to complete Phase I of the Project (the “**Project Budget**”) in accordance with such final development plans as may be approved by the City;
- (2) The Developer shall have provided evidence, in a commercially reasonable form satisfactory to the City, of its ability to pay for the costs of Phase I of the Project, as itemized in the Project Budget;
- (3) The Developer shall have delivered to the City a construction schedule for the completion of Phase I and Phase II of the Project which shall include the Completion Date; and
- (4) The Developer shall have obtained approval of Phase I of the Project in accordance with all applicable laws, codes, rules, regulations and ordinances of the City, including without limitation all applicable subdivision, zoning, environmental, building code or any other land use regulations (collectively, the “**City Codes**”), including the issuance of all required permits, it being understood that the City in its capacity as a municipal corporation has discretion to approve the Project.

Section 3.2. Reasonable Efforts and Notice of Termination. The Developer shall use due diligence to timely satisfy the conditions set forth in Section 3.1 above on or before the applicable Project Commencement Date in connection with Phase I of the Project, but if such conditions are not so satisfied or waived by the City, then the City may terminate this Agreement by giving written notice thereof to the Developer. In the event of such termination, this Agreement shall be deemed null and void and of no force or effect and neither the City nor the Developer shall have any obligation or liability with respect thereto.

ARTICLE IV
CITY'S COVENANTS AND AGREEMENTS

Section 4.1. City's TIF Funded Financial Obligations. The City shall have the obligations set forth in this Section 4.1 relative to financing Eligible Redevelopment Project Costs in connection with the Project. Upon the submission to the City by the Developer of a Requisition for Eligible Redevelopment Project Costs incurred and paid and the approval thereof by the City in accordance with Article VI of this Agreement, the City, subject to the terms, conditions and limitation set forth in this Section 4.1 immediately below, agrees to reimburse the Developer, or to pay as directed by the Developer, from the Fund the **Reimbursement Amounts** related to Project at the Property as follows:

- (a) **Phase I Financing.** As work in connection with Phase I of the Project progresses, the City shall pay or reimburse the Developer periodic amounts equal to Eligible Redevelopment Costs attributable to Phase I of the Project up to a maximum of One Hundred Forty-Five Thousand Dollars (\$145,000.00). Such payments or reimbursements shall be paid in accordance with Section 6.3(a) of this Agreement.
- (b) **Phase II Financing.** Upon the substantial completion of Phase II of the Project as evidenced by the issuance by the City of a certificate of occupancy for Phase II of the Project, the City shall pay or reimburse the Developer an amount equal to twenty-five percent (25%) of the Eligible Redevelopment Costs attributable to Phase II of the Project up to a maximum of Thirty Thousand Dollars (\$30,000). Such payment or reimbursement shall be paid in accordance with Section 6.3(b) of this Agreement.

Section 4.2. Defense of Redevelopment Project Area. In the event that any court or governmental agency having jurisdiction over enforcement of the TIF Act and the subject matter contemplated by this Agreement shall determine that this Agreement, including the payment of the Reimbursement Amounts to be paid or reimbursed by the City is contrary to law, or in the event that the legitimacy of the Redevelopment Project Area is otherwise challenged before a court or governmental agency having jurisdiction thereof, the City will defend the integrity of the Redevelopment Project Area and this Agreement.

ARTICLE V
DEVELOPER'S COVENANTS

Section 5.1. Commitment to Undertake and Complete Phase I and Phase II of the Project. The Developer covenants and agrees to commence Phase I and Phase II of the Project on or before each of the applicable Project Commencement Dates for Phase I and Phase II of the Project and to have Phase II of the Project completed on or before the Completion Date. It is expressly understood by and between the Developer and the City that Phase III of the Project shall be commenced and completed, if at all, in the sole discretion of the Developer, and then only in the event that the Developer and the City are able to agree on such terms and conditions as may include further tax increment incentives from the City for such Phase III of the Project. The Developer recognizes and agrees that the City has sole discretion with regard to all approvals and permits relating to Phase I and Phase II of the Project, including but not limited to approval of any required

permits and any failure on the part of the City to grant or issue any such required permit shall not give rise to any claim against or liability of the City pursuant to this Agreement. The City agrees, however, that any such approvals shall be made in conformance with the City Codes and shall not be unreasonably denied, withheld, conditioned or delayed.

Section 5.2. Compliance with Agreement and Laws During Project. The Developer shall at all times undertake the Project, including any related activities in connection therewith, in conformance with this Agreement and all applicable City Codes, and, to the extent applicable, if at all, the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) of the State of Illinois. Any agreement of the Developer related to the Project with any contractor, subcontractor or supplier shall, to the extent applicable, contain provisions substantially similar to those required of the Developer under this Agreement.

Section 5.3. Continuing Compliance with Laws. The Developer agrees that in the continued use, occupation, operation and maintenance of the Property, the Developer will comply with all applicable federal and state laws, rules, regulations and all applicable City Codes and other ordinances.

Section 5.4. Tax and Related Payment Obligations. The Developer agrees to pay and discharge, promptly and when the same shall become due, all general ad valorem real estate taxes and assessments, all applicable interest and penalties thereon, and all other charges and impositions of every kind and nature which may be levied, assessed, charged or imposed upon the Property or any part thereof that at any time shall become due and payable upon or with respect to, or which shall become liens upon, any part of the Property. The Developer, including any others claiming by or through it, also hereby covenants and agrees not to file any application for property tax exemption for any part of the Property under any applicable provisions of the Property Tax Code of the State of Illinois (35 ILCS 200/1-1 et seq.), as supplemented and amended, unless the City and the Developer shall otherwise have first entered into a mutually acceptable agreement under and by which the Developer shall have agreed to make a payment in lieu of taxes to the City, it being mutually acknowledged and understood by both the City and the Developer that any such payment of taxes (or payment in lieu thereof) by the Developer is a material part of the consideration under and by which the City has entered into this Agreement. This covenant of the Developer shall be a covenant that runs with the land being the Property upon which the Project is undertaken and shall be in full force and effect until December 31, 2039, upon which date this covenant shall terminate and be of no further force or effect (and shall cease as a covenant binding upon or running with the land) immediately, and without the necessity of any further action by City or Developer or any other party; provided, however, upon request of any party in title to the Property, the City shall execute and deliver to such party an instrument, in recordable form, confirming for the record that this covenant has terminated and is no longer in effect. Nothing contained within this Section 5.4 shall be construed, however, to prohibit the Developer from initiating and prosecuting at its own cost and expense any proceedings permitted by law for the purpose of contesting the validity or amount of taxes, assessments, charges or other impositions levied or imposed upon the Property or any part thereof, provided that the Developer shall first have given to the City written notice of its intent to do so at least forty-five (45) days prior to initiating any such proceedings.

ARTICLE VI
PAYMENT PROCEDURES FOR ELIGIBLE REDEVELOPMENT PROJECT COSTS

Section 6.1. Payment Procedures. The City and the Developer agree that the Eligible Redevelopment Project Costs constituting the Reimbursement Amounts shall be paid solely, and to the extent available, from Incremental Property Taxes that are deposited in the Fund and not otherwise. The City and the Developer intend and agree that the Reimbursement Amounts shall be disbursed by the City Comptroller for payment to the Developer in accordance with the procedures set forth in this Section 6.1 of this Agreement.

The City hereby designates the City Comptroller as its representative to coordinate the authorization of disbursement of the Reimbursement Amounts for the Eligible Redevelopment Project Costs. Payments to the Developer of the Reimbursement Amounts for Eligible Redevelopment Project Costs shall be made upon request therefor, in form reasonably acceptable to the City (each being a “**Requisition**”) submitted by the Developer upon completion of the Eligible Redevelopment Project Costs which have been incurred and paid. Each such Requisition shall be accompanied by appropriately supporting documentation, including, as applicable, receipts for paid bills or statements of suppliers, contractors or professionals, together with required contractors’ affidavits or lien waivers.

Section 6.2. Approval and Resubmission of Requisitions. The City Comptroller shall give the Developer written notice disapproving any of the Requisitions within ten (10) days after receipt thereof. No such approval shall be denied except on the basis that (i) all or some part of the Requisition does not constitute Eligible Redevelopment Project Costs or has not otherwise been sufficiently documented as specified herein; (ii) any subsequent amendment of the TIF Act or any subsequent decision of a court of competent jurisdiction makes any such payment to not be authorized; or (iii) a “Default” under Section 7.1 of this Agreement by the Developer has occurred and is continuing.. If a Requisition is disapproved by such City Comptroller, the reasons for disallowance will be set forth in writing and the Developer may resubmit any such Requisition with such additional documentation or verification as may be required, if that is the basis for denial. The same procedures set forth herein applicable to disapproval shall apply to such resubmittals.

Section 6.3. Time of Payment. Provided that performance of this Agreement has not been suspended or terminated by the City under Article VII hereof, the City shall pay:

(a) **Phase I Payment.** Any Reimbursement Amounts attributable to Phase I of the Project which is approved by any one or more Requisitions under this Article to the Developer within thirty (30) calendar days after the date of the approval of any such Requisitions but not more frequently than once every fourteen (14) days; and

(b) **Phase II Payment.** The Reimbursement Amount attributable to Phase II of the Project which is approved by any one or more Requisitions under this Article to the Developer within thirty (30) calendar days after: (i) the date of the approval of the last of any such Requisitions; or (ii) the date of substantial completion of Phase II of the Project as provided in Section 4.1(b) of this Agreement, whichever date in clause (i) or clause (ii) is later.

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.1. Events of Default. The occurrence of any one or more of the events specified in this Section 7.1 shall constitute a “**Default**” under this Agreement.

By the Developer:

(1) The furnishing or making by or on behalf of the Developer of any statement or representation in connection with or under this Agreement that is false or misleading in any material respect;

(2) The failure by the Developer to timely perform any term, obligation, covenant or condition contained in this Agreement;

By the City:

(1) The failure by the City to pay any of the Reimbursement Amounts which become due and payable in accordance with the provisions of this Agreement; and

(2) The failure by the City to timely perform any other term, obligation, covenant or condition contained in this Agreement.

Section 7.2. Rights to Cure. The party claiming a Default under Section 7.1 of this Agreement (the “**Non-Defaulting Party**”) shall give written notice of the alleged Default to the other party (the “**Defaulting Party**”) specifying the Default complained of. Except as required to protect against immediate, irreparable harm, the Non-Defaulting Party may not institute proceedings or otherwise exercise any right or remedy against the Defaulting Party until thirty (30) days after having given such notice, provided that in the event a Default is of such nature that it will take more than thirty (30) days to cure or remedy, such Defaulting Party shall have an additional period of time reasonably necessary to cure or remedy such Default provided that such Defaulting Party promptly commences and diligently pursues such cure or remedy. During any such period following the giving of notice, the Non-Defaulting party may suspend performance under this Agreement until the Non-Defaulting Party receives written assurances from the Defaulting Party, deemed reasonably adequate by the Non-Defaulting Party, that the Defaulting Party will cure or remedy the Default and remain in compliance with its obligations under this Agreement. A Default not cured or remedied or otherwise commenced and diligently pursued within thirty (30) days as provided above shall constitute a “**Breach**” under this Agreement. Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any Default or any Breach shall not operate as a waiver of any such Default, Breach or of any other rights or remedies it may have as a result of such Default or Breach.

Section 7.3. Remedies. Upon the occurrence of an Breach under this Agreement by the Developer, the City shall have the right to terminate this Agreement by giving written notice to the Developer of such termination and the date such termination is effective. Except for such right of termination by the City, the only other remedy available to either party upon the occurrence of an Breach under this Agreement by the Defaulting Party shall be to institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such Breach, including but not limited to proceedings to compel any legal action for specific performance or other appropriate equitable relief. Notwithstanding anything herein to the contrary, the sole remedy of the Developer upon the

occurrence of an Breach by the City under any of the terms and provisions of this Agreement shall be to institute legal action against the City for specific performance or other appropriate equitable relief and under no circumstances shall the City be liable to the Developer for any indirect, special, consequential or punitive damages, including without limitation, loss of profits or revenues, loss of business opportunity or production, cost of capital, claims by customers, fines or penalties, whether liability is based upon contract, warranty, negligence, strict liability or otherwise, under any of the provisions, terms and conditions of this Agreement. In the event that any failure of the City to pay any Reimbursement Amounts which become due and payable in accordance with the provisions hereof is due to insufficient Incremental Property Taxes being available to the City, any such failure shall not be deemed to be a Default or a Breach on the part of the City.

Section 7.4. Costs, Expenses and Fees. Upon the occurrence of a Default or an Breach which requires either party to undertake any action to enforce any provision of this Agreement, the Defaulting Party shall pay upon demand all of the Non-Defaulting Party's charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party's obligations under this Agreement or in any litigation, negotiation or transaction in connection with this Agreement in which the Defaulting Party causes the Non-Defaulting Party, without the Non-Defaulting Party's fault, to become involved or concerned.

ARTICLE VIII

RELEASE, DEFENSE AND INDEMNIFICATION OF CITY

Section 8.1. Declaration of Invalidity. Notwithstanding anything herein to the contrary, the City, its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable to the Developer for damages of any kind or nature whatsoever or otherwise in the event that all or any part of the TIF Act, or any of the TIF Ordinances or other ordinances of the City adopted in connection with either the TIF Act, this Agreement or the Redevelopment Plan, shall be declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Developer is prevented from enjoying the rights and privileges hereof; provided that nothing in this Section 8.1 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts, if any, in the event of a Breach of this Agreement by the City.

Section 8.2. Damage, Injury or Death Resulting from Project. The Developer releases from and covenants and agrees that the City and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for, and agrees to indemnify and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or other acts or omissions of the City, its Corporate Authorities, officials, agents, employees or independent contractors that are contrary to the provisions of this Agreement.

Section 8.3. Damage or Injury to Developer and Others. The City and its Corporate Authorities, officials, agents, employees and independent contractors shall not be liable for any

damage or injury to the persons or property of the Developer or any of its officers, agents, independent contractors or employees or of any other person who may be about the Property or the Project due to any act of negligence of any person, except as such may be caused by the intentional misconduct, gross negligence, or acts or omissions of the City, its Corporate Authorities, officials, agents, employees, or independent contractors that are contrary to the provisions of this Agreement.

Section 8.4. No Personal Liability. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its Corporate Authorities, officials, agents, employees or independent contractors in their individual capacities. No member of the Corporate Authorities, officials, agents, employees or independent contractors of the City shall be personally liable to the Developer **(i)** in the event of a Default or Breach by any party under this Agreement, or **(ii)** for the payment of any Reimbursement Amounts which may become due and payable under the terms of this Agreement.

Section 8.5. City Not Liable for Developer Obligations. Notwithstanding anything herein to the contrary, the City shall not be liable to the Developer for damages of any kind or nature whatsoever arising in any way from this Agreement, from any other obligation or agreement made in connection therewith or from any Default or Breach under this Agreement; provided that nothing in this Section 8.5 shall limit otherwise permissible claims by the Developer against the Fund or actions by the Developer seeking specific performance of this Agreement or other relevant contracts in the event of a Breach of this Agreement by the City.

Section 8.6. Actions or Obligations of Developer. The Developer agrees to indemnify, defend and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all suits, claims and cost of attorneys' fees, resulting from, arising out of, or in any way connected with **(i)** any of the Developer's obligations under or in connection with this Agreement, **(ii)** the Project, and **(iii)** the negligence or willful misconduct of the Developer, its officials, agents, employees or independent contractors in connection with the Project, except as such may be caused by the intentional conduct, gross negligence, negligence or breach of this Agreement by the City, its Corporate Authorities, officials, agents, employees or independent contractors.

Section 8.7. Environmental Covenants. To the extent permitted by law, the Developer agrees to indemnify, defend, and hold harmless the City, its Corporate Authorities, officials, agents, employees and independent contractors, from and against any and all claims, demands, costs, liabilities, damages or expenses, including attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, arising from: **(i)** any release or threat of a release, actual or alleged, of any hazardous substances, upon or about the Property or respecting any products or materials previously, now or thereafter located upon, delivered to or in transit to or from the Property regardless of whether such release or threat of release or alleged release or threat of release has occurred prior to the date hereof or hereafter occurs and regardless of whether such release occurs as a result of any act, omission, negligence or misconduct of the City or any third party or otherwise; **(ii)** (A) any violation now existing (actual or alleged) of, or any other liability under or in connection with, any environmental laws relating to or affecting the Property, or (B) any now existing or hereafter arising violation, actual or alleged, or any other liability, under or in connection with, any environmental laws relating to any products or materials previously, now or hereafter located upon, delivered to or in transit to or from the Property, regardless of whether such

violation or alleged violation or other liability is asserted or has occurred or arisen prior to the date hereof or hereafter is asserted or occurs or arises and regardless of whether such violation or alleged violation or other liability occurs or arises, as the result of any act, omission, negligence or misconduct of the City or any third party or otherwise; (iii) any assertion by any third party of any claims or demands for any loss or injury arising out of, relating to or in connection with any hazardous substances on or about or allegedly on or about the Property; or (iv) any breach, falsity or failure of any of the representations, warranties, covenants and agreements of the like. For purposes of this paragraph, "hazardous materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601 et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Section 8.8. Notification of Claims. Not later than thirty (30) days after the Developer becomes aware, by written or other overt communication, of any pending or threatened litigation, claim or assessment, the Developer will, if a claim in respect thereof is to be made against the Developer which affects any of the Developer's rights or obligations under this Agreement, notify the City of such pending or threatened litigation, claim or assessment, but any omission so to notify the City will not relieve the Developer from any liability which it may have to the City under this Agreement.

ARTICLE IX **MISCELLANEOUS PROVISIONS**

Section 9.1. Entire Agreement and Amendments. This Agreement (together with Exhibit A attached hereto) is the entire agreement between the City and the Developer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the parties.

Section 9.2. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the City and the Developer and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either the City or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 9.3. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

Section 9.4. Special and Limited Obligation. This Agreement shall constitute a special and limited obligation of the City according to the terms hereof. This Agreement shall never constitute a general obligation of the City to which its credit, resources or general taxing power are

pledged. The City pledges to the payment of its obligations under Section 4.1 hereof only such amount of the Incremental Property Taxes as is set forth in Section 4.1 hereof, if, as and when received, and not otherwise.

Section 9.5. Time and Force Majeure. Time is of the essence of this Agreement; provided, however, neither the Developer nor the City shall be deemed in Default with respect to any performance obligations under this Agreement on their respective parts to be performed if any such failure to timely perform is due in whole or in part to the following (which also constitute “unavoidable delays”): any strike, lock-out or other labor disturbance (whether legal or illegal, with respect to which the Developer, the City and others shall have no obligations hereunder to settle other than in their sole discretion and business judgment), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruption of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, acts of God or third parties, or any other cause beyond the reasonable control of the Developer or the City.

Section 9.6. Waiver. Any party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

Section 9.7. Cooperation and Further Assurances. The City and the Developer covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the City or the Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

Section 9.8. Notices and Communications. All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, (c) sent by a nationally recognized overnight courier, delivery charge prepaid or (d) transmitted by telephone facsimile, telephonically confirmed as actually received, in each case, to the City and the Developer at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of the Developer, to:
Cake Design Development LLC – Series 204 West Main
506 West High Street
Urbana, IL 61801
Attn: Matthew Cho
Tel: (____) ____-____ / Fax: (____) ____-____

- (ii) In the case of the City, to:
City of Urbana, Illinois
400 South Vine Street
Urbana, IL 61801
Attn: Community Development Director
Tel: (217) 384-2439 / Fax: (217) 384-0200

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

Section 9.9. Assignment. The Developer agrees that it shall not sell, assign or otherwise transfer any of its rights and obligations under this Agreement without the prior written consent of the City. Except as authorized in this Section above, any assignment in whole or in part shall be void and shall, at the option of the City, terminate this Agreement. No such sale, assignment or transfer as authorized in this Section, including any with the City's prior written consent, shall be effective or binding on the City, however, unless and until the Developer delivers to the City a duly authorized, executed and delivered instrument which contains any such sale, assignment or transfer and the assumption of all the applicable covenants, agreements, terms and provisions of this Agreement by the applicable parties thereto.

Section 9.10. Successors in Interest. Subject to Section 9.9 above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respectively authorized successors, assigns and legal representatives (including successor Corporate Authorities).

Section 9.11. No Joint Venture, Agency, or Partnership Created. Nothing in this Agreement nor any actions of either of the City or the Developer shall be construed by either of the City, the Developer or any third party to create the relationship of a partnership, agency, or joint venture between or among the City and any party being the Developer.

Section 9.12. Illinois Law; Venue. This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by any party to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

Section 9.13. Term. Unless earlier terminated pursuant to the terms hereof, this Agreement shall be and remain in full force and effect from and after the Effective Date and shall terminate upon the date that the Reimbursement Amount is paid to the Developer in accordance with Section 6.3 of this Agreement, provided, however, that anything to the contrary notwithstanding, the Developer's obligations under Section 5.4 and Article VIII of this Agreement shall be and remain in full force and effect in accordance with the express provisions thereof.

Section 9.14. Recordation of Agreement. Either party may record this Agreement or a Memorandum of this Agreement in the office of the Champaign County Recorder at any time following its execution and delivery by both parties.

Section 9.15. Construction of Agreement. This Agreement has been jointly negotiated by the parties and shall not be construed against a party because that party may have primarily assumed responsibility for preparation of this Agreement.

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed by their duly authorized officers or manager(s) as of the date set forth below.

**CITY OF URBANA, CHAMPAIGN COUNTY,
ILLINOIS**

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Date: _____

**CAKE DESIGN DEVELOPMENT LLC – SERIES
204 WEST MAIN STREET**

By: _____
Its Manager

Date: _____

[Exhibit A follows this page and is an integral part of this Agreement in the context of use.]

EXHIBIT A

Description of Property



Lot 2 of Wm. M. Hooper & Wm. Park's Addition to Urbana as per Plat recorded March 8, 1855 in Deed Record "F" at Page 520, situated in Champaign County, Illinois;

Commonly known as 204 W. Main Street, Urbana, Illinois and having a Permanent Identification Number of: 92-21-17-201-010.

Exhibit B: Location Map



Legend

-  Subject Property
-  [co][lab] and Cafeteria & Co.

204 W Main Street

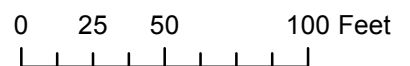


EXHIBIT C

redevelopment overview

May 2014

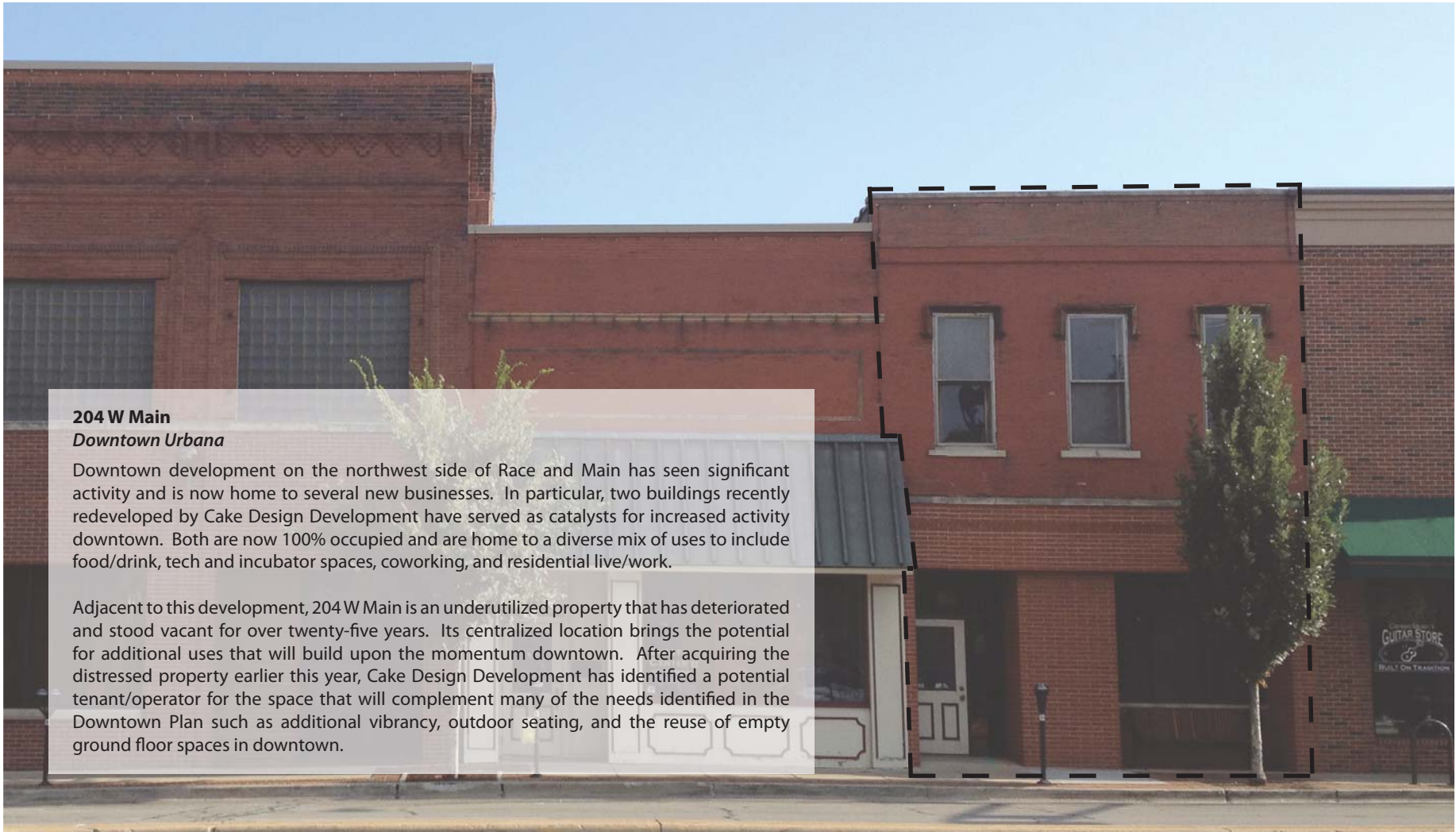
204 W. Main Street
Urbana, IL 61801



photo: google aerial view



photo: birds eye view

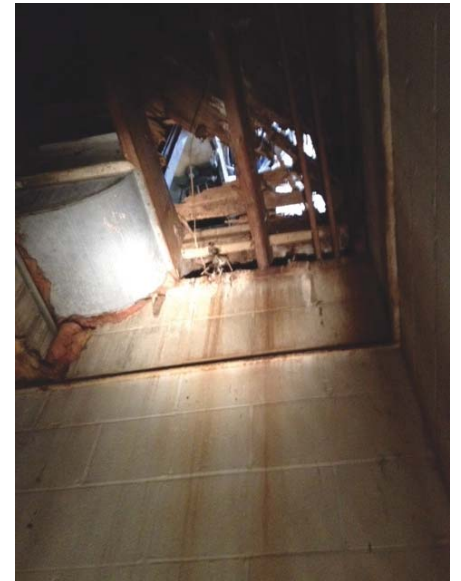
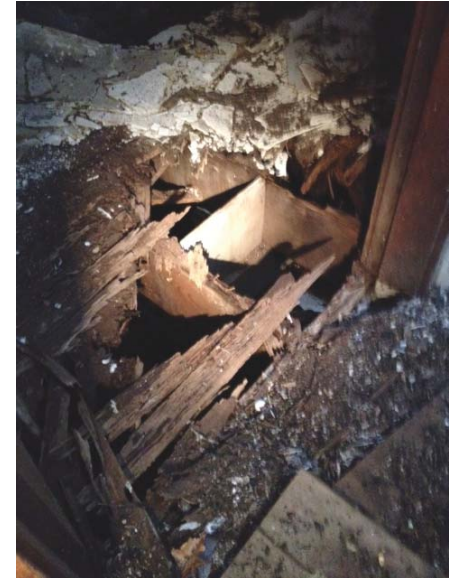


204 W Main
Downtown Urbana

Downtown development on the northwest side of Race and Main has seen significant activity and is now home to several new businesses. In particular, two buildings recently redeveloped by Cake Design Development have served as catalysts for increased activity downtown. Both are now 100% occupied and are home to a diverse mix of uses to include food/drink, tech and incubator spaces, coworking, and residential live/work.

Adjacent to this development, 204 W Main is an underutilized property that has deteriorated and stood vacant for over twenty-five years. Its centralized location brings the potential for additional uses that will build upon the momentum downtown. After acquiring the distressed property earlier this year, Cake Design Development has identified a potential tenant/operator for the space that will complement many of the needs identified in the Downtown Plan such as additional vibrancy, outdoor seating, and the reuse of empty ground floor spaces in downtown.

photo: street level view



current conditions

For a period of time the building has stood vacant and has been exposed to the elements, which has promoted the growth of mold and deterioration of most of the interior. As a result, the current condition and anticipated costs to rebuild make it extremely challenging to bring the building back to its former state. Using redevelopment costs per square foot for 208 W Main (which was in far better condition), the projected cost to completely remove all unusable materials and rebuild in a similar fashion would exceed \$600,000 for this project. Using RS Means* to determine cost based on use, the average of all the low estimates for a ground floor office, restaurant, or retail space would be at least \$574,050. Furthermore, despite the resurgence downtown, current lease rates have not improved substantially where a tenant or even group of co-tenants would be able to support a lease for even a \$500,000 build out.



** RSMMeans is a construction estimation database that is used by professional estimators for up to date labor, materials, and overhead costs for specific project types and locations. The database is used for a wide variety of construction types and can calculate the costs of construction at almost any stage of cost planning, but will become more accurate as the project progresses. Published by Reed Construction Data, RSMMeans is the most commonly used estimation reference system and has become critical for the performance of cost engineering.*



open market concept

Over the past four months, serious discussions have taken place with a potential tenant/operator that wishes to create an open market concept for the space. By removing all unusable structure and weatherizing the adjacent properties, the south (Main Street) facade of the building will be preserved and serve as the main entrance for a large outdoor space that will house a seasonal beer garden. By adding several complimentary uses over the summer and fall, the market will be developed and managed to house seasonal food/drink and retail operators and also provide space for special events (music, film, dance, weddings, etc.). Collective mixed-use has thus far proven to be a very successful way to incubate business and increase vibrancy downtown.

photo: cowboy monkey, champaign

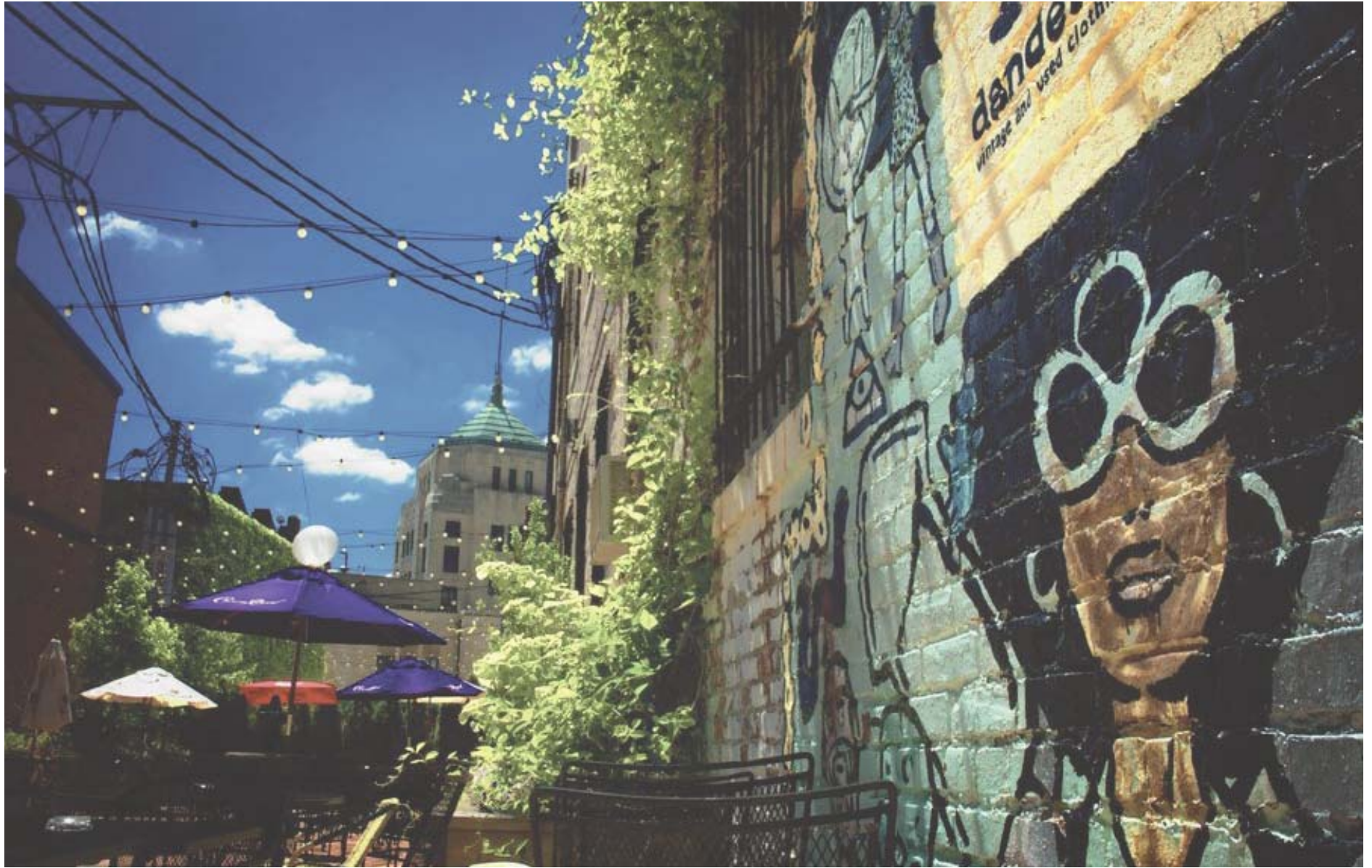


photo: blind pig brewery, champaign

FACADE PRESERVATION/OUTDOOR SEATING
 This proposal aims to stabilize the facade of the building so that Main Street remains visually intact. A prefabricated module will house the bar and bathrooms leaving approximately 2000 square feet of outdoor seating for customers.



[co][lab]

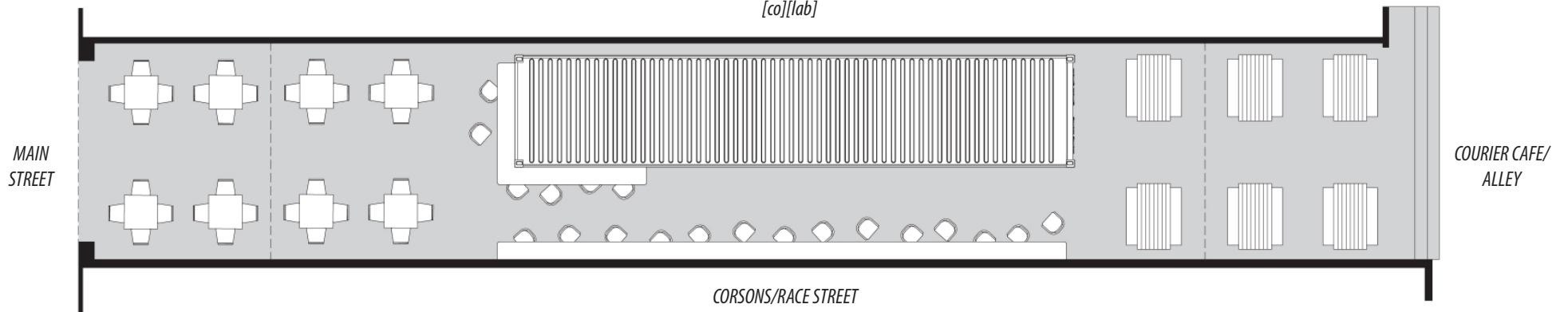




photo: crane alley, urbana



ESTIMATES

Costs for stabilizing and repurposing this space as described is estimated at \$195,000 for stabilization alone. This estimate, which includes preserving the facade, is still substantially less than the cost for a complete build out. Ideally, as the market concept evolves, both Cake Design Development and the tenant/operator wish to phase in permanent build out over time. As a result, for the initial phase of the project, we are requesting a Phase 1 stabilization incentive along with a percentage reimbursement of project costs (Phase 2) to help secure contractors for work to begin May 2014 and be completed by this summer.

Timeframe



May 2014
Engineering
Interior Demolition
Roof Removal
Salvage

May/June 2014
Tuckpointing/Weatherization
Facade Stabilization
Module Design

June 2014
Access
Drainage
Module Fabrication



July 2014
Plumbing
Electrical

Aug 2014
Module Installation
Furniture

Contacts

Cake Design Development

Matt Cho
mattcho@gmail.com

Market Operator

Tom Sheehan
siodhachain37@hotmail.com

City of Urbana

Community Development
Libby Tyler
(217) 384-2439
ehtyler@urbanailinois.us

Community Development

Tom Carrino
(217) 384-2442
trcarrino@urbanailinois.us

Community Development

Brandon Boys
(217) 328-8270
bboys@urbanailinois.us



OPEN MARKETS

Chicago: dosemarket.com
DC: unionmarketdc.com
NYC: gothamwestmarket.com
NYC: chelseamarket.com
LA: grandcentralmarket.com
Portland: portlandsaturdaymarket.com

EXHIBIT D

ORDINANCE NUMBER 2014-04-041

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE, FY2013-14

(Redevelopment Agreement with Cake Design Development, LLC - Series 204 West Main)

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2013, and ending June 30, 2014, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Annual Budget be and the same is hereby revised to provide as follows:

FUND: Tax Increment Financing District One Fund		
ADD EXPENSE :	Cake Design Development Costs	
	T09 1 1300-3053	\$175,000
ADD REVENUE :	Trans. TIF2 (Cake Design)	
	T09 0 0064-0000	\$175,000
FUND: Tax Increment Financing District Two Fund		
ADD EXPENSE :	Trans. TIF One (Cake Design)	
	T10 1 1400-4025	\$175,000
REDUCE :	Fund Balance	
	T10 0 0001-0199	\$175,000

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

PASSED by the City Council this _____ day of _____,
_____.

AYES:
NAYS:
ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor