

ORDINANCE NO. 2024-02-014

AN ORDINANCE APPROVING AN AMENDMENT TO A REDEVELOPMENT AGREEMENT

(Icon Hospitality, LLC – Urbana Landmark Hotel

WHEREAS, the City of Urbana, an Illinois municipal corporation (the “City”), is a home rule unit of local government pursuant to Article 7, Section 6 of the Illinois Constitution of 1970 and 65 ILCS 5/1-1-10; and

WHEREAS, the City Council approved a Redevelopment Agreement with Marksons Affiliates, LLC (the “Agreement”), on July 1, 2019, to renovate and operate the former Urbana Landmark Hotel as a Tapestry Collection by Hilton brand property; and

WHEREAS, the City Council later approved an amendment to the Agreement (“First Amendment”), on November 2, 2020, that extended the “Project Commencement Date” (as defined by the Agreement) from Jul 1, 2020 to July 1, 2021; and

WHEREAS, the First Amendment also acknowledged an approved assignment of the Agreement and Marksons Affiliates’ interest in the hotel to Icon Hospitality, LLC; and

WHEREAS, construction on the hotel did commence on or about July 1, 2021; and

WHEREAS, the impacts of the COVID-19 pandemic that led to the extension of the Project Commencement Date in the First Amendment continued to impact the timeline for construction due to long lead times and limited availability of building materials and components; and

WHEREAS, the City Council approved an amendment to the Agreement (“Second Amendment”), on November 21, 2022, that extended the “Project Occupancy Date” (as defined by the Agreement) for an additional eight (8) months, thereby extending the Project Occupancy Date from December 31, 2022 to August 31, 2023; and

WHEREAS, the City Council approved another amendment to the Agreement (“Third Amendment”), on July 31, 2023, that extended the “Project Occupancy Date” (as defined by the Agreement) for an additional six (6) months, thereby extending the Project Occupancy Date from August 31, 2023 to February 29, 2024; and

WHEREAS, Icon Hospitality has requested an extension of the “Project Occupancy Date” (as defined by the Agreement) for an additional ten (10) months, thereby extending the Project Occupancy Date from February 29, 2024 to December 31, 2024; and

WHEREAS, the City Council, after due consideration, finds that an approval of the extension request is in the best interests of the residents of the City and is desirable for the welfare of the City's government and affairs.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Illinois, as follows:

Section 1.

The City Council approves amending the Agreement to extend the Project Occupancy Date, as defined and used in the Agreement, for an additional ten (10) months from February 29, 2024 to December 31, 2024, as reflected in the Fourth Amendment attached hereto.

Section 2.

The City Council further approves amending the Agreement to reduce the amount of the City's redevelopment incentive by \$150,000 for every three (3) month period or fraction thereof beyond which the Project Occupancy Date extends past the December 31, 2024 deadline, as also reflected in the Fourth Amendment attached hereto.

Section 3.

This Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this 26th day of February, 2024.

AYES: Wu, Evans, Hursey, Wilken, Quisenberry

NAYS: None.

ABSTENTIONS: None.



DocuSigned by:

Darcy E. Sandefur

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Darcy E. Sandefur, City Clerk

APPROVED BY THE MAYOR this 4th day of March, 2024.

DocuSigned by:

Diane Wolfe Marlin

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Diane Wolfe Marlin, Mayor

**FOURTH AMENDMENT TO A REDEVELOPMENT AGREEMENT BY AND
BETWEEN CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS AND ICON
HOSPITALITY, LLC**

This Fourth Amendment (hereinafter, “Fourth Amendment”) to a Redevelopment Agreement by and between City of Urbana, Champaign County, Illinois and Icon Hospitality, LLC (an affiliate and assignee of Marksons Affiliates, LLC) dated June 1, 2019 is entered into this 15.00 Day of March, 2024 by and between the City of Urbana, Illinois and Icon Hospitality, LLC (collectively, the “Parties” and individually and generically, a “Party”).

WHEREAS, the City of Urbana, Illinois (hereinafter the “City”) and Marksons Affiliates, LLC (hereinafter, “Marksons”) entered into a Redevelopment Agreement dated June 1, 2019 (hereinafter, “Agreement”); and

WHEREAS, at the request of Marksons, the City approved of Marksons’ assignment of its rights and obligations to an affiliated entity owned by Marksons known as Icon Hospitality, LLC on or about January 23, 2020; and

WHEREAS, the Agreement was amended (“First Amendment”) on November 2, 2020 to redefine the “Project Commencement Date” as defined in Section 1.1 of the Agreement to be July 1, 2021; and

WHEREAS, the impacts of the COVID-19 pandemic that led to the extension of the Project Commencement Date in the First Amendment have continued to impact the timeline for construction due to long lead times and limited availability of building materials and components; and

WHEREAS, Icon Hospitality commenced construction by July 1, 2021 but was unable to achieve completion and commence operations by the “Project Occupancy Date” (as defined in Section 1.1 of the Agreement) due to the COVID-19 pandemic; and

WHEREAS, Icon Hospitality requested an extension of the Project Occupancy Date for an additional eight (8) months; and the Agreement was amended (“Second Amendment”) on November 21, 2022 to redefine the “Project Occupancy Date” (as defined by Section 1.1. of the Agreement) to August 31, 2023; and

WHEREAS, Icon Hospitality requested an extension of the Project Occupancy Date for an additional six (6) months; and the Agreement was amended (“Third Amendment”) on July 31, 2023 to redefine the “Project Occupancy Date” (as defined by Section 1.1 of the Agreement) to February 29, 2024; and

WHEREAS, Icon Hospitality has requested an extension of the Project Occupancy Date for an additional ten (10) months; to redefine the “Project Occupancy Date” (as defined by Section 1.1 of the Agreement) to December 31, 2024; and

WHEREAS, the City is willing to grant Icon Hospitality’s aforesaid request, with the additional provision that if the redefined Project Occupancy Date is not met, the Reimbursement Amount (as defined by Section 4.1(a) of the Agreement) will be reduced incrementally for each subsequent three (3) months of delay as indicated in the Fourth Amendment.

NOW, THEREFORE, for good, valuable, and mutual consideration that each Party acknowledges as having in hand received, and for the exchange of the terms, conditions, and covenants contained in this Amendment, the Parties agree as follows:

Section 1: Section 1.1 of the Agreement is hereby amended to extend the “Project Occupancy Date” from eighteen (18) months following the Project Commencement Date to forty-two (42) months following the Project Commencement Date.

Section 2: Section 4.1(a) of the Agreement is hereby amended to add the following at the end of the Section: “For any portion of each three-month period beyond December 31, 2024 that the Project Occupancy Date occurs, the Reimbursement Amount shall be reduced by \$150,000 per three-month period.”

Section 3: Each Party to this Amendment represents and acknowledges that the person who has executed this Amendment is duly authorized to do so on behalf of the Party for whom that person is executing this Amendment.

Section 4: Except as otherwise expressly provided in this Amendment, all other terms, conditions and covenants contained in the Agreement (including previous amendments) shall remain in full force and effect.

[END OF AMENDMENT. SIGNATURES FOLLOW.]

For the City of Urbana, Illinois

DocuSigned by:
Diane Wolfe Marlin
Diane Wolfe Marlin, Mayor

Attest: *Darcy E. Landwehr*
City Clerk

Date: 3/15/2024 | 3:24:59 PM CDT

For Icon Hospitality, LLC

Haaris Pervaiz
Haaris Pervaiz

[Signature]
Witness:

Date: 3/15/24

