



CITY OF WASHINGTON, ILLINOIS Finance & Personnel Committee Agenda Communication

Meeting Date: March 15, 2021

Prepared By: Jon Oliphant, AICP, Planning & Development Director

Agenda Item: TIF Funding Request – Heider Properties, 105-109 Washington Square

Explanation: Brock Heider of Heider Properties has submitted an application for TIF assistance to complete interior and exterior building improvements to the space at 105-109 Washington Square. The 105 unit was most recently occupied by Merle Norman Cosmetic Studio. The Heider family is planning on renovating that space for use as a salon with retail space near the front entrance. The building was constructed in 1920 and is part of the Square Historic District.

The majority of the improvements would be to the 105 Washington Square interior and would be intended to restore it close to its original appearance as with the adjacent 109 Washington Square space currently occupied by Lucky Charlie. This would consist of the removal of the drop ceiling to expose the original ceiling, exposing the original wood flooring, installing and painting new drywall, and replacing and upgrading the electrical, plumbing (upgrading the existing small bathroom), and HVAC. A new loft would be created over the back part of the space to advantageously utilize the ceiling height. While the intended use would be as a salon with associated retail space, it would be renovated to allow for flexibility for other future retail uses. The exterior improvements would consist of the replacement of the cloth awnings with similar period substitutes, repairing and painting of the wood trim near the windows and door, and brick tuckpointing and sealing. One window would be replaced at 109 Washington Square. The exterior work would require a Certificate of Appropriateness to be approved by the Historic Preservation Commission before work could commence.

The only prior approved TIF redevelopment agreement that included this unit was in 2005 (note: an agreement was approved in 2003 but the original project did not occur prior to the sale of the property and a new agreement with an increased scope was approved two years later). That project consisted of a substantial historic exterior rehabilitation and the interior restoration of the 109 Washington Square space. The agreement provided for up to 40% of the funds for the exterior work and up to 20% for the interior improvements. The application form and supporting materials for the current project are attached for your review and consideration. This identifies the existing flooring in the 109 unit and the exterior of the 105-109 facades. The submitted quotes for the TIF-eligible portion of the project totals \$164,810.

Fiscal Impact: Staff recommends a 30% subsidy for this project to support substantial renovations to a prominent building on the Square. Based on this level, a not-to-exceed amount of \$49,443 is recommended to be paid in a single installment given the current limited time remaining before the sunset of the TIF district. This would be reimbursed from the TIF Fund upon completion of the project and the submittal of the paid invoices.

Action Requested: A recommendation on a subsidy level at the March 15 Finance and Personnel Committee meeting prior to the drafting of a redevelopment agreement to be placed on the City Council's agenda for a first reading ordinance on April 5.

CITY OF WASHINGTON, ILLINOIS
APPLICATION FOR TAX INCREMENT FINANCING (TIF) ASSISTANCE
PRIVATE REDEVELOPMENT INCENTIVE

Complete this form in its entirety and attach all necessary documents. Submit the completed application to the Planning & Development Department at 301 Walnut Street, Washington, IL 61571. If you have any questions, contact Jon Oliphant, Planning & Development Director at 444-1135 or by email at joliphant@ci.washington.il.us.

Applicant name: Heider Properties (please print or type)
 Mailing address: 101 Washington St Daytime Phone: 309-303-0575
 Email Address: fastwst@yahoo I would like to receive correspondence by: Mail Email

1. Applicant interest in property (check one): Owner/Mortgagor Purchaser Tenant
 Third-Party (name) _____

2. Property owner name: Brock Heider / Heider Properties

3. Business name(s): N/A

4. Project address or location: 105 Washington St

5. Property tax ID number(s): 0262-24-100-012

6. Current use of property: N/A

7. Proposed use of property: Salon/retail

8. Choose the applicable project (check all that apply): New construction Interior renovation
 Exterior renovation/restoration Relocation Site improvement Other

9. Describe the nature of work proposed for the property: complete remodel of interior, new wood trim + paint exterior. Also new awnings

10. Estimated total project cost: \$ 168,980.00

11. Attach the following documentation to support the project and to complete the application for TIF assistance:
 Preliminary, itemized cost estimates or quotes from a contractor or design professional;
 Scaled plans, renderings, and/or photos, as applicable, clearly illustrating the proposed improvements; and
 A copy of the Warranty Deed, including a legal description and owner name for the property.

12. Sign and date below to complete the application.

[Signature]
Applicant signature

2-4-21
Date

[Signature]
Property owner signature (if different from applicant)

3-4-21
Date

IMPORTANT: If the Finance Committee votes on a level of assistance, it will be included in a contract agreement between the City and applicant. NO WORK SHALL BEGIN UNTIL THE CONTRACT DOCUMENTS ARE APPROVED BY THE CITY COUNCIL. Any work that begins prior to contract approval shall be ineligible for TIF assistance.

Heider Properties
Proposed TIF renovation project
105 Washington Square

3/10/2021

ELIGIBLE EXPENSES	ESTIMATE	BASE SUBSIDY %	BASE SUBSIDY AMT.	HISTORIC REHAB./SCOPE BONUS %	HISTORIC REHAB./SCOPE BONUS AMT.	TOTAL SUBSIDY %	TOTAL SUBSIDY AMT.
<u>Exterior Work</u>							
Awning	\$ 3,500.00	20%	\$ 700.00	10%	\$ 350.00	30%	\$ 1,050.00
Siding/wood/brick	\$ 18,800.00	20%	\$ 3,760.00	10%	\$ 1,880.00	30%	\$ 5,640.00
SUBTOTAL	\$ 22,300.00	20%	\$ 4,460.00	10%	\$ 2,230.00	30%	\$ 6,690.00
<u>Interior Work</u>							
Demo/excavating/closets/dumpster	\$ 17,200.00	20%	\$ 3,440.00	10%	\$ 1,720.00	30%	\$ 5,160.00
Windows and door	\$ 12,000.00	20%	\$ 2,400.00	10%	\$ 1,200.00	30%	\$ 3,600.00
Wood beam/loft framing	\$ 24,600.00	20%	\$ 4,920.00	10%	\$ 2,460.00	30%	\$ 7,380.00
Electrical/lighting	\$ 15,800.00	20%	\$ 3,160.00	10%	\$ 1,580.00	30%	\$ 4,740.00
Plumbing	\$ 8,500.00	20%	\$ 1,700.00	10%	\$ 850.00	30%	\$ 2,550.00
HVAC	\$ 6,000.00	20%	\$ 1,200.00	10%	\$ 600.00	30%	\$ 1,800.00
Insulation/drywall/painting	\$ 17,700.00	20%	\$ 3,540.00	10%	\$ 1,770.00	30%	\$ 5,310.00
Interior trim	\$ 7,800.00	20%	\$ 1,560.00	10%	\$ 780.00	30%	\$ 2,340.00
Flooring	\$ 16,300.00	20%	\$ 3,260.00	10%	\$ 1,630.00	30%	\$ 4,890.00
Miscellaneous	\$ 16,610.00	20%	\$ 3,322.00	10%	\$ 1,661.00	30%	\$ 4,983.00
SUBTOTAL	\$ 142,510.00	20%	\$ 28,502.00	10%	\$ 14,251.00	30%	\$ 42,753.00
TOTALS	\$ 164,810.00	20%	\$ 32,962.00	10%	\$ 16,481.00	30%	\$ 49,443.00

(NOT TO EXCEED)

PROPOSED REIMBURSEMENT SCHEDULE

Duration: 1 payment

Year 1 \$49,443.00

EXHIBIT B

CONTRACTOR'S VERIFIED STATEMENT
Under Section 5 of the Mechanics' Lien Act Statutes of the State of Illinois

State of Illinois

STATE OF ILLINOIS

County of Tazewell

The affiant, being first duly sworn on oath, deposes and says that he/she is the contractor for the furnishing and installation of work on the building situated or being constructed at:

105 Washington Square, Washington IL 61571 and owned by Elizabeth Heider

That the following are the names of all persons, firms or corporations, having contracts, or who will have contracts or subcontracts, or have furnished, or will furnish, materials, fixtures, services or labor intended for, or to be used in the construction of said building or buildings: that the amounts due or to become due to each of the herein-named parties include all material, fixtures, services and labor, required to complete the work according to plans and specifications, namely:

<u>Work or Materials</u>	<u>Contractor or Supplier</u>	<u>Amount</u>	<u>Amount Paid to Date</u>	<u>Amt Appl'd for</u>	<u>Final Payment</u>
Building Permits		\$600.00			\$600.00
Demo		\$9,800.00			\$9,800.00
Septic System	N/A	\$0.00			\$0.00
Insurance	Owner	\$0.00			\$0.00
Temp Utilities	Owner	\$0.00			\$0.00
Excavation and Footing	Christopher Michael LLC - support floorload	\$2,800.00			\$2,800.00
Foundation 9' Walls & Flat Work and labor	N/A	\$0.00			\$0.00
Crane Rental	N/A	\$0.00			\$0.00
Wood Beam	Christopher Michael LLC	\$4,800.00			\$4,800.00
Windows & Door Lumber package	Christopher Michael LLC	\$12,000.00			\$12,000.00
Framing Materials w/ Loft	Christopher Michael LLC	\$10,900.00			\$10,900.00
Framing Labor	Christopher Michael LLC	\$8,900.00			\$8,900.00
Awning	Christopher Michael LLC	\$3,500.00			\$3,500.00
Roofing Labor	N/A	\$0.00			\$0.00
Siding Materials	Lumber Yard Suppliers	\$2,400.00			\$2,400.00
Repair/Replace Exterior Wood	Christopher Michael LLC	\$2,400.00			\$2,400.00
Brick – Materials & Labor (Sand,Blast, Repair)	Christopher Michael LLC	\$14,000.00			\$14,000.00
Central Vac	N/A	\$0.00			\$0.00
Mirrors and Bath Ware	Christopher Michael LLC	\$400.00			\$400.00

Electrical - Including Loft	Palm Electrical	\$12,800.00			\$12,800.00
Plumbing - Bathroom	Christopher Michael LLC	\$8,500.00			\$8,500.00
HVAC	Christopher Michael LLC	\$6,000.00			\$6,000.00
Paint	Jose Painting	\$8,900.00			\$8,900.00
Insulation	Christopher Michael LLC	\$2,000.00			\$2,000.00
Drywall	Christopher Michael LLC	\$6,800.00			\$6,800.00
Interior Trim - Material	Christopher Michael LLC	\$5,800.00			\$5,800.00
Interior Trim - Labor	Christopher Michael LLC	\$2,000.00			\$2,000.00
Cabinets	Christopher Michael LLC	\$2,500.00			\$2,500.00
Tops	Christopher Michael LLC	\$650.00			\$650.00
Flooring - Prep, LVF, Labor (Loft and Stairs)	Columbia Rug	\$16,300.00			\$16,300.00
Garage Doors	N/A	\$0.00			\$0.00
Fireplace	N/A	\$0.00			\$0.00
Lighting - Allowance	Christopher Michael LLC	\$3,000.00			\$3,000.00
Gutters	N/A	\$0.00			\$0.00
Appliances	N/A	\$0.00			\$0.00
Landscaping	N/A	\$0.00			\$0.00
Deck - Materials and Labor	N/A	\$0.00			\$0.00
Closets	Christopher Michael LLC	\$1,800.00			\$1,800.00
Dumpster	Christopher Michael LLC	\$2,800.00			\$2,800.00
Legal & Loan Fees	N/A	\$0.00			\$0.00
General Fee	Christopher Michael LLC	\$15,360.00			\$15,360.00
Punch List Items	Christopher Michael LLC	\$500.00			\$500.00
Cleaning	Christopher Michael LLC	\$750.00			\$750.00
Extra					
Extra					
Extra					
Extra					
Extra					
Totals		\$168,960.00	\$0.00	\$0.00	\$168,960.00

Affiant further states that the amount of contract, extras, deductions, amount paid to date, payment applied for and balance due, are as follows:







Lucky Charlie

Lucky Charlie

LIFE
DON'T GET
BETTER
UNTIL YOU
CAN FEEL