



CITY OF WASHINGTON, ILLINOIS

Finance & Personnel Committee Agenda Communication

Meeting Date: July 19, 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 previously 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 with the intention of having a restaurant there with two retailers also showing interest as a backup plan. The building was constructed in 1920 and is part of the Square Historic District. The project was temporarily tabled after the owners encountered staffing issues with the Blacksmith that required their attention and could impact the use of the 105 unit.

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, replacing and upgrading the electrical, plumbing (upgrading the existing small bathroom), and HVAC, and brick tuckpointing and sealing. The exterior improvements would consist of the replacement of the cloth awnings with similar period substitutes for both units and repairing and painting of the wood trim near the windows and door. 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. A prior agreement was approved with Heider Properties for the renovation of the 101-103 Washington Square building. Part of that agreement includes a clause that requires repayment to the TIF Fund an amount equal to 10% of any profits accrued through 2021 or \$35,000, whichever is less. The amended agreement that was approved in 2020 requires the EBITDA and closure penalty payments to be made within 120 days of being allowed to open without any capacity restrictions or October 1. Heider Properties has fully paid for the remainder of the 2018 EBITDA, 2019-2020 EBITDA, and operations penalty in an amount of \$20,304.40.

The application form and supporting materials for the current project are attached for your review and consideration. Photos showing 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 \$173,305.

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 \$51,991.50 is recommended to be paid in a single installment. 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 July 19 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 August 2.

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 Sq Daytime Phone: 309 303 0575

Email Address: fastw@e.com 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: Heider Property's

3. Business name(s): Blacksmiths / Heider Property's

4. Project address or location: 105 + 107 Washington Sq

5. Property tax ID number(s): 02-02-24-100-013 (107 W.S.) + 02-02-24-100-012 (105 W.S.)

6. Current use of property: N/A

7. Proposed use of property: restaurant / 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: _____

10. Estimated total project cost: \$ 173,305.00

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

6-30-21
 Date

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

6-30-21
 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.

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>							
Awnings	\$ 7,000.00	20%	\$ 1,400.00	10%	\$ 700.00	30%	\$ 2,100.00
Siding materials/wood	\$ 4,800.00	20%	\$ 960.00	10%	\$ 480.00	30%	\$ 1,440.00
SUBTOTAL	\$ 11,800.00	20%	\$ 2,360.00	10%	\$ 1,180.00	30%	\$ 3,540.00
<u>Interior Work</u>							
Demo/excavating/dumpster	\$ 15,400.00	20%	\$ 3,080.00	10%	\$ 1,540.00	30%	\$ 4,620.00
Windows and door	\$ 12,000.00	20%	\$ 2,400.00	10%	\$ 1,200.00	30%	\$ 3,600.00
Wood beam/loft framing	\$ 11,300.00	20%	\$ 2,260.00	10%	\$ 1,130.00	30%	\$ 3,390.00
Tuckpoint/sandblast brick	\$ 14,000.00	20%	\$ 2,800.00	10%	\$ 1,400.00	30%	\$ 4,200.00
Electrical/lighting	\$ 12,800.00	20%	\$ 2,560.00	10%	\$ 1,280.00	30%	\$ 3,840.00
Plumbing	\$ 14,200.00	20%	\$ 2,840.00	10%	\$ 1,420.00	30%	\$ 4,260.00
HVAC	\$ 6,000.00	20%	\$ 1,200.00	10%	\$ 600.00	30%	\$ 1,800.00
Insulation/drywall/painting	\$ 16,300.00	20%	\$ 3,260.00	10%	\$ 1,630.00	30%	\$ 4,890.00
Interior trim	\$ 6,500.00	20%	\$ 1,300.00	10%	\$ 650.00	30%	\$ 1,950.00
Flooring	\$ 14,000.00	20%	\$ 2,800.00	10%	\$ 1,400.00	30%	\$ 4,200.00
Passway to kitchen	\$ 22,000.00	20%	\$ 4,400.00	10%	\$ 2,200.00	30%	\$ 6,600.00
General fee/punch list/cleaning	\$ 17,005.00	20%	\$ 3,401.00	10%	\$ 1,700.50	30%	\$ 5,101.50
SUBTOTAL	\$ 161,505.00	20%	\$ 32,301.00	10%	\$ 16,150.50	30%	\$ 48,451.50
TOTALS	\$ 173,305.00	20%	\$ 34,661.00	10%	\$ 17,330.50	30%	\$ 51,991.50

(NOT TO EXCEED)

PROPOSED REIMBURSEMENT SCHEDULE

Duration: 1 payment

Year 1 \$51,991.50

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:

105/109 Washington Square, Washington IL 61571 and owned by Heider Property

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:

Work or Materials	Contractor or Supplier	Amount	Amount Paid to Date	Amt Appl'd for	Final Payment
Building Permits	Owner	\$0.00			\$0.00
Demo	Christopher Michael LLC	\$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 Labor	Christopher Michael LLC	\$6,500.00			\$6,500.00
Awning	Christopher Michael LLC (105&109)	\$7,000.00			\$7,000.00
Roofing Labor	N/A	\$0.00			\$0.00
Siding Materials	Lumber Yard Suppliers	\$0.00			\$0.00
Repair/Replace Exterior Wood	Christopher Michael LLC	\$4,800.00			\$4,800.00
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	Owner	\$0.00			\$0.00
Electrical	Palm Electrical	\$12,800.00			\$12,800.00

Plumbing - 2 Bathrooms	Christopher Michael LLC	\$14,200.00			\$14,200.00
HVAC	Christopher Michael LLC	\$6,000.00			\$6,000.00
Paint	Jose Painting	\$7,000.00			\$7,000.00
Insulation	Christopher Michael LLC	\$3,500.00			\$3,500.00
Drywall	Christopher Michael LLC	\$5,800.00			\$5,800.00
Interior Trim - Material	Christopher Michael LLC	\$4,500.00			\$4,500.00
Interior Trim - Labor	Christopher Michael LLC	\$2,000.00			\$2,000.00
Cabinets	Owner	\$0.00			\$0.00
Tops	Owner	\$0.00			\$0.00
Flooring - Prep, LVT, Labor	Columbia Rug	\$14,000.00			\$14,000.00
Garage Doors	N/A	\$0.00			\$0.00
Fireplace	N/A	\$0.00			\$0.00
Lighting	Owner	\$0.00			\$0.00
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	Owner	\$0.00			\$0.00
Dumpster	Christopher Michael LLC	\$2,800.00			\$2,800.00
Legal & Loan Fees	N/A	\$0.00			\$0.00
General Fee	Christopher Michael LLC	\$15,755.00			\$15,755.00
Punch List Items	Christopher Michael LLC	\$500.00			\$500.00
Cleaning	Christopher Michael LLC	\$750.00			\$750.00
Cut passway/hallway to kitchen area	Christopher Michael LLC	\$22,000.00			\$22,000.00
Extra					
Extra					
Extra					
Extra					
Totals		\$173,305.00		\$0.00	\$0.00
				\$0.00	\$173,305.00

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

CONTRACT PRICE \$173,305.00

AMOUNT PAID TO DATE \$0.00



