



## CITY OF WASHINGTON, ILLINOIS City Council Agenda Communication

**Meeting Date:** January 6, 2025

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

**Agenda Item:** TIF Pay Request #7 – Square Restaurant and Brewpub, 140 Washington Square

**Explanation:** On December 20, 2021, the City entered into a TIF redevelopment agreement with CL Real Estate Group, LLC (CLREG), Grist Mill Ventures, LLC (Grist Mill), Jeffrey Pohl, Kelly Pohl, Peter Limberger, and Inga Carus for the redevelopment of the 140 Washington Square and 112 Walnut Street parcels. An amended agreement was approved on August 1, 2022.

The agreement addresses the reimbursement from the TIF Fund for the acquisition, demolition, and professional services of up to \$980,000. Per the terms of the agreement, a payment of \$75,000 was made within ten days following the approval of the original agreement. A payment of \$275,000 was made upon the property acquisition. The first requisition for reimbursement for professional services (architectural) from CLREG and Grist Mill was approved in an amount of \$55,560 on September 19, 2022. The second requisition for reimbursement for professional services (architectural) was approved in an amount of \$42,000 on October 17, 2022. The third requisition for reimbursement for professional services (architectural) was approved in an amount of \$32,000 on January 17, 2023. The fourth requisition for reimbursement for professional services (architectural) was approved in an amount of \$69,592.50 on February 20, 2023. The fifth requisition for reimbursement for professional services (architectural) was approved in an amount of \$847.50 on April 17, 2023. The sixth requisition for reimbursement for demolition was approved in an amount of \$50,000 on September 5, 2023.

Staff is now in possession of the requisition for reimbursement for the interest costs incurred in 2023 and 2024 in an amount of \$51,642.14. Per the terms of the agreement and in compliance with the TIF Act, the developer can be reimbursed for interest costs related to the project, provided that the reimbursement in any one year may not exceed 30% of the annual interest costs incurred by the developer. The total interest costs reimbursement is capped at \$305,000. The requisition for reimbursement attests to the payment of \$172,140.49 in interest, resulting in the 30% payment of \$51,642.14. No interest shall be reimbursed to the developer after December 31, 2025.

**Fiscal Impact:** The redevelopment agreement provides the terms for a maximum reimbursement of up to \$305,000 for interest costs. Including the prior payments, this would bring the total TIF Fund payment to \$651,642.14.

**Action Requested:** Approval of the reimbursement of \$51,642.14 for the interest payment. This is scheduled for approval on the consent agenda at the January 6 City Council meeting.