



CITY FLAG
DESIGNED BY
FREDERICK L. LANGE
JULY 6, 1964

**SPECIAL CITY COUNCIL AGENDA
CITY OF BELLEVILLE, IL
FEBRUARY 26, 2018
AT 6:30 P.M.**

1. CALL TO ORDER BY MAYOR AND EXPLANATION OF DISASTER PROCEDURES

REMINDER: SINCE THE MEETINGS ARE BEING VIDEOTAPED IT IS IMPORTANT THAT EVERYONE SPEAK DIRECTLY INTO A MICROPHONE WHEN SPEAKING.

2. ROLL CALL ALDERMEN

3. ROLL CALL DEPARTMENT HEADS

4. PLEDGE OF ALLEGIANCE

5. PUBLIC PARTICIPATION (2-3 MINUTES PER PERSON) - See back page for rules.

6. ORAL REPORTS FROM STANDING COMMITTEES, SPECIAL COMMITTEES AND ANY OTHER ORAL REPORTS FROM THE ELECTED OFFICIALS OR STAFF

6-A. MOTIONS FROM FINANCE COMMITTEE

6-A(1). Motion to approve the amended development agreement with MH Belleville Associates, LP.

7. ADJOURNMENT (ALL QUESTIONS RELATING TO THE PRIORITY OF BUSINESS SHALL BE DECIDED BY THE CHAIR WITHOUT DEBATE, SUBJECT TO APPEAL)

PUBLIC PARTICIPATION (2-3 MINUTES PER PERSON)

- (a) Members of the public may address the City Council in accordance with Section 2.06(g) of the Illinois Open Meetings Act (5 ILCS 120/2.06(g));
- (b) Public comments are limited to three (3) minutes per speaker;
- (c) The subject of public comments shall be reasonably related to matters(s) identified on the meeting agenda and/or other city business;
- (d) Repetitive public comments should be avoided, to the extent practical, through adoption of prior public comment (e.g. agreeing with prior speaker);
- (e) The following conduct is prohibited during public participation:
 - Acting or appearing in a lewd or disgraceful manner;
 - Using disparaging, obscene or insulting language;
 - Personal attacks impugning character and/or integrity;
 - Intimidation;
 - Disorderly conduct as defined in Section 130.02 of this revised code of ordinances.
- (f) Any speaker who engages in such prohibited conduct during public participation shall be called to order by the chair or ruling by the chair if a point of order is made by a sitting alderman.

**DEVELOPMENT AGREEMENT
(AS AMENDED)**

This amended agreement made this ~~19th-26th~~ day of ~~December~~February, 2016-2018 by and between the **City of Belleville, Illinois (the "City")** and **MH Belleville Associates, LP**, an Illinois Limited Partnership (**the "Developer"**), which is a single purpose entity controlled by the Southwestern Illinois Development Authority ("SWIDA"):

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WITNESSETH:

WHEREAS, Developer intends on investing an estimated minimum total development costs of \$12,000,000.00 to complete remodeling of the existing facility located at 16 South Illinois Street in Belleville, per the proposal submitted to the City of Belleville on June 15, 2016 (the "Project"); and

WHEREAS, the parties have reached an agreement in order to set forth the terms upon which the City would provide certain economic incentives and other means of assistance and support for the Project and the terms upon which **Developer** shall redevelop the property at said location.

Responsibilities of the City of Belleville

1. Sell the property located at 16 South Illinois St. (Parcel 08-21.0-445-040 & 08-21.0-445-041) to **Developer** for the sum of ~~\$500600~~,000.00 subject to a deed restriction requiring use of the property as contemplated within this agreement, at the time of financial closing, and;
2. Certification of project's location in Belleville Enterprise Zone for the Exemption of Sales Tax on Building Materials used exclusively for the remodeling (Savings estimated at \$486,000.00) at the existing facility located at 16 South Illinois Street for retail/commercial space on the first floor and independent senior living apartments on floors two through six, should such incentives be deemed by consultation with **Developer** as applicable subject to the rules and regulations of other various sources of financing intended to be utilized on the Project and;
- ~~2.3.~~ Provide funding as identified in Exhibit A for rental assistance to twelve (12) of the proposed units, or until such time as Developer acquires rental assistance vouchers from another source, and;
- ~~3.4.~~ Commit to work jointly and in good faith with **Developer** to identify parking opportunities and help facilitate prospective parking options that best serve the Project and the larger community, and;
- ~~4.5.~~ Consider, based on preliminary site planning work, relaxation of parking requirements for proposed development, specifically as it pertains to the intended independent senior living use that can normally be projected to require less parking than other potential development uses, and;
- ~~5.6.~~ Support **Developer** in its efforts to obtain redevelopment financing from the Illinois Housing Development Authority ("IHDA") by providing, but not limited to, the following:
 - a. Letters of support from **City** leadership,
 - b. Obtaining letters of support from key community stakeholders including, civic organizations, area business interests, elected officials, local historic groups, etc.,
 - c. Providing information on the zoning of the site and affirming that the intended use is permissive under the zoning code of the **City**,

- d. Working with **Developer** and with the appropriate representatives of IHDA on documenting ongoing community revitalization plans and activities in the surrounding area of the Property.

Responsibilities of Developer

- A. Purchase the property located at 16 South Illinois St. from the City of Belleville for the sum of ~~\$500,000~~ \$500,000.00 subject to a deed restriction requiring use of the property as contemplated within this agreement, at the time of financial closing, and;
- B. Provide first right of refusal to the City of Belleville in the event the building is sold or the project does not materialize causing this Agreement to be terminated, and;
- C. Invest no less than \$12,000,000.00 in anticipated total development costs at 16 South Illinois St. limited to the remodeling of the existing facility no later than anticipated completion date as defined in paragraph "L" of this section of this Agreement for retail/commercial space on the first floor and independent senior living apartments on floors two through six, as proposed in "A Proposal for the Strategic Revitalization of the Hotel Belleville Building", submitted on June 15, 2016 to the City of Belleville, and parking improvements, and;
- ~~D.~~ D. Endeavor to acquire rental assistance vouchers from another source for twelve (12) of the proposed units to satisfy requirements of Illinois Housing Development Authority's (IHDA) Qualified Allocation Plan. If said vouchers are acquired, **Developer will no longer require City assistance as identified in Exhibit A, and;**
- ~~E.~~ E. Submit a preliminary parking plan to the City of Belleville no less than 180 days after the approval of this agreement, which shall be subject to City feedback, response and collective problem solving intended to arrive at an optimal parking scenario for the Project and the larger surrounding area and;
- ~~F.~~ F. Pursue listing of property located at 16 South Illinois Street on the National Register of Historic Places, and;
- ~~G.~~ G. Adhere to the City of Belleville's Crime Free Housing Ordinance, including but not limited to conducting background checks on all potential tenants prior to occupancy subject to all federal fair housing laws and practices, and;
- ~~H.~~ H. Create two permanent full time equivalent jobs in the ongoing operations of the redeveloped Project and a minimum of three full time equivalent jobs subject to the type(s) of commercial user(s) attracted to the commercial component of the building, and;
- ~~I.~~ I. Provide professional, on-site property management with full maintenance service and 24 hour on-call emergency maintenance services, and;
- ~~J.~~ J. Provide monthly written updates to City staff on project progress during project construction, and;
- ~~K.~~ K. **Developer** and any heirs and/or successors shall remain and operate at the site for no less than fifteen (15) years, and;
- ~~L.~~ L. Compliance with all existing and applicable Federal, State, County and Local laws and ordinances and requirements of IHDA, and;
- ~~M.~~ M. The anticipated redevelopment schedule, to be led by **Developer**, shall be comprised as follows. As indicated in the Proposal submitted June 15, 2016 the overall development financing for the Project is reliant on tax credits and other financing from IHDA. The parties to this Agreement both acknowledge and accept that IHDA financing is governed by a competitive application process. As this is a highly competitive process, the parties further agree to allow **Developer** to make, at least, two competitive applications to IHDA in an earnest effort to gain financing for the Project. As such, the agreed upon schedule shall be as follows:

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- a. Financing and Predevelopment Phase (first attempt):
 - i. **Developer** shall submit a comprehensive Preliminary Project Assessment (step one in the IHDA financing application process) at the next IHDA acceptance date, which, while subject to change by IHDA, is posted as being due March 3, 2017.
 - ii. If granted preliminary approval on the above, Developer shall submit a full financing application to IHDA (step two in the IHDA financing application process) at the next IHDA acceptance date, which, while subject to change by IHDA, is posted as being due June 23, 2017.

Items i. and ii. above shall collectively be considered the first attempt by **Developer** to gain financing from IHDA for the Project. In the event that this first attempt by **Developer** is not awarded financing by IHDA, **Developer** shall begin the process of a second attempt to gain IHDA financing including the following:
- b. Financing and Predevelopment Phase (second attempt):
 - i. **Developer** shall submit a comprehensive Preliminary Project Assessment (step one in the IHDA financing application process) at the next IHDA acceptance date, which has not yet been posted by IHDA is expected to take place in the fourth quarter of 2017.
 - ii. If granted preliminary approval on the above, Developer shall submit a full financing application to IHDA (step two in the IHDA financing application process) at the next IHDA acceptance date, which has not been posted yet by IHDA but is expected to take place in the 2nd quarter of 2018.

Items i. and ii. above shall be collectively considered the second attempt by **Developer** to gain financing from IHDA for the Project. In the event that the first and second attempts by **Developer** are not awarded financing by IHDA, **City** and **Developer** shall meet to discuss and review all facts and circumstances associated with the rationale under which the first and second attempts were not approved by IHDA and determine whether to extend this Agreement to allow for additional financing applications by the **Developer** to IHDA.
- c. Post IHDA Financial Approval and Financial Closing Phase:
 - i. Upon approval of IHDA financing **Developer** shall work diligently to achieve a financial closing on all Project funds and acquire the Property from the **City** at the time of this financial closing. It is anticipated that such closing would take place within 10 months from the date of announcement of IHDA financing approval.
- d. Rehabilitation work shall commence immediately upon financial closing and is anticipated to be fully complete within 14 months of commencement.
- e. Notices of IHDA related submissions, responses and approvals. In all cases pertaining to items A and B above, **Developer**, shall communicate clearly to **City** that the required financing applications have been made to IHDA in a timely manner and the response, including either approval of denial by IHDA, shall be shared in all cases with the **City**.

Miscellaneous

1. Entire Agreement. This Agreement and any written amendments hereto shall constitute the entire agreement between the parties. Neither party shall be bound by any terms, conditions, statements or representatives, not herein contained. Each

party hereby acknowledges that in executing this Agreement it has not been induced, persuaded or motivated by any promise or representation made by the other party, unless expressly set forth herein. All previous negotiations, statements and preliminary agreements by the parties or their representatives are merged in this Agreement.

2. Validity. It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held by a court of law to be illegal or in conflict with any law of the State of Illinois, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.
3. Notices. Notices, or other communications required or which may be given under this Agreement shall be in writing, and delivered either personally, or by certified or registered mail, to the addresses indicated for each party below after their respective signatures, or to such other address as designated by a party similar notice to the other party. Date of notice shall be the date of delivery in the case of delivered notice or the date of posting in the mail in the case of mail notice.
4. Signage. Agree to allow City to place on the premises a sign indicating financial assistance has been provided by the City of Belleville for a minimum of fifteen (15) days each before and after opening of the facility.
5. Current with Payments. Agree to pay in full the City of Belleville on any outstanding invoices containing the name or names of the individual, company and/or corporation receiving the said inducements.
6. Execution of Agreement. If this agreement is not fully executed within sixty (60) days of City Council approval, it shall be considered null and void.
7. Prevailing Wage. Projects receiving incentives/inducements from the City of Belleville will be required to comply with the President's executive order no. 11246, as amended (prevailing wage).
8. Request of Payment. The party receiving inducements must officially request payment from the City. This must be done via letter to include documentation of property taxes paid, proof of payment for improvements made, etc. as outlined in the section titled "Responsibilities of **Developer**".
9. Certification of Compliance. The party receiving inducements submit a completed "Annual Certification of Compliance With Development Agreement" form annually for the life of this agreement to document private investment, jobs created, etc. as outlined in the section titled "Responsibilities of **Developer**".

CITY OF BELLEVILLE, ILLINOIS
City Hall
101 South Illinois Street
Belleville, Illinois 62220

By: _____
MAYOR

ATTEST: _____
CITY CLERK

MH Belleville Associates, LP
1022 Eastport Plaza Drive

Collinsville, IL 62234-6121

By: _____
Michael J. Lundy, Executive Director
of Southwester Illinois Development
Authority - General Partner of MH
Belleville Associates, LP

Exhibit A

Assistance Schedule

<u>Year 1</u>	<u>\$38,940</u>
<u>Year 2</u>	<u>\$39,719</u>
<u>Year 3</u>	<u>\$40,513</u>
<u>Year 4</u>	<u>\$41,323</u>
<u>Year 5</u>	<u>\$42,150</u>
<u>Year 6</u>	<u>\$42,993</u>
<u>Year 7</u>	<u>\$43,853</u>
<u>Year 8</u>	<u>\$44,730</u>
<u>Year 9</u>	<u>\$45,624</u>
<u>Year 10</u>	<u>\$46,537</u>

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