



## REGULAR AGENDA ITEM NO. 8E

**SUBJECT:** Consideration of approving a Resolution to Reject the Assistance Request from Riverside Lodging Bloomington LLC / Bloomington Downtown Redevelopment Partners LLC based on the Recommendation of SB Friedman Development Advisors' Final Evaluation of Riverside's Proposal for a Downtown Hotel and Conference Center.

**RECOMMENDATION/MOTION:** That the Resolution rejecting the assistance request from Riverside Lodging Bloomington LLC / Bloomington Downtown Redevelopment Partners LLC be approved and authorize the Mayor and City Clerk to execute the necessary documents.

**STRATEGIC PLAN LINK:** Goal 3: Grow the Local Economy; Goal 5: Great Place – Livable, Sustainable City; Goal 6: Prosperous Downtown Bloomington.

**STRATEGIC PLAN SIGNIFICANCE:** Objective 3a. Retention and growth of current local businesses; 3b: Attraction of new targeted businesses that are the “right” fit for Bloomington; 3d: Expanded retail businesses; 3e: Strong working relationship among the City, businesses & economic development organizations. Objective 5e: More attractive city: commercial areas and neighborhoods. Objective 6a: More beautiful, clean Downtown area; 6b: Downtown Vision and Plan used to guide development, redevelopment and investments; 6c: Downtown becoming a community and regional destination; 6e: Preservation of historic buildings.

**BACKGROUND & OVERVIEW:** At the August 22, 2016 Committee of the Whole Meeting, the City Council directed staff to draft a resolution rejecting the assistance request from Riverside Lodging Bloomington LLC / Bloomington Downtown Redevelopment Partners LLC for a downtown hotel and conference center proposed for the Front N Center / Commerce Bank block and Elks Lodge / Major Butler Parking Lot block. At that Committee of the Whole meeting, Stephen Friedman, an economic development consultant retained by the City, and Kathleen Field Orr, the City's Special Counsel for Economic Development, both recommended that the City Council formally reject the request for municipal assistance made by Riverside / BDRP. Stephen Friedman also provided additional recommendations including:

- Proceeding with the establishment of the proposed Downtown-Southwest TIF District.
- Identify and pursue priorities for downtown development and redevelopment.
- Review and refine the City's economic development application process.

The attached resolution embodies Stephen Friedman's recommendations and incorporates additional feedback that the City Council provided at the August 22nd Committee of the Whole meeting.

Respectfully submitted for Council consideration.

Prepared by: Austin Grammer, Economic Development Coordinator  
Reviewed by: Tom Dabareiner AICP, Community Development Director  
Legal Review by: Jeffrey R. Jurgens, Corporation Counsel  
Recommended by:



David A. Hales  
City Manager

**Attachments:**

- SB Friedman Development Advisors Memo – Proposed Hotel & Conference Center: Resolution 2016-09 Submittal Summary and Recommendation
- Kathleen Field Orr Memo – Review of Purchase and Sale Agreements by and among Front N Center, Consolidated Properties, LLC and Bloomington Downtown Redevelopment Partners, LLC
- Resolution Rejecting the Assistance Request from Riverside Lodging Bloomington LLC / Bloomington Downtown Redevelopment Partners LLC

## MEMORANDUM

To: David Hales, City of Bloomington

From: Steve Friedman, Ranadip Bose  
SB Friedman Development Advisors

Date: August 11, 2016

Subject: **Proposed Hotel & Conference Center: Resolution 2016-09 Submittal Summary and Recommendation**

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Riverside Lodging Bloomington LLC (entity yet to be formed, the “Developer” or “Development Team”) submitted a formal development proposal (“Submittal”) to the City of Bloomington on May 18, 2016 in response to Resolution 2016-09, commonly referred to as the Inducement Resolution. The proposed project includes the redevelopment of the former Elks Lodge, Commerce Bank and Front ‘N Center buildings, and the City-owned parking lot (“Butler lot”) into a 129-key hotel and conference center and restaurant cluster. As part of the Submittal, Riverside Lodging Bloomington LLC has requested \$13 million in up-front City financial assistance and the contribution of the approximately half-acre City-owned Butler lot at the northwest corner of Front and Madison Streets.

Subsequent to initial review of the Submittal, *SB Friedman Development Advisors (“SB Friedman”)* sent follow-up emails and conducted phone discussions, seeking to obtain information missing from the Submittal. The Developer thereafter submitted additional information regarding their purchase agreement and financing broker. On June 22, 2016, *SB Friedman*, City representatives and the Development Team participated in a conference call to discuss the Submittal and the newly provided materials. Following this call, one of the members of the development group issued a memorandum seemingly on behalf of the team in response to the concerns expressed on the conference call. Additional conference calls were also conducted with the Development Team on July 13, 2016 and July 18, 2016 to discuss the deficiencies and clarify the roles and responsibilities of individual members of the team.

This memorandum summarizes the Developer’s Submittal and provides the following:

1. A review of the completeness of the Developer’s Submittal against City Resolution 2016-19.
2. Identification of critical deficiencies of the Submittal as submitted by the Developer.
3. *SB Friedman* recommendation and suggested next steps for the City.

### OWNERSHIP STRUCTURE OF DEVELOPMENT TEAM

Riverside Lodging Bloomington LLC is a yet to be formed Development Team that, according to the Submittal, will be comprised of a core group of firms/companies including Commonwealth Hotel

Management (“Commonwealth”), Aspect Architecture & Development (“Aspect”), CNNA Architects (“CNNA”), Farnsworth Group, Greystone Realty Group (“Greystone”), and the Giebelhausen Group. The proposed division of labor among individual entities of the Development Team outlined in the Submittal is as follows:

- Greystone and the Giebelhausen Group will handle local coordination between the Development Team and the City of Bloomington, and secure municipal entitlements.
- Commonwealth will secure the initial debt financing and manage the capital stack.
- Aspect and CNNA will manage the design and engineering of the site while a hotel general contractor coordinates the construction process.
- Commonwealth Hotel Management will provide the ongoing management and additional coordination of the hotel flag requirements during the development process.
- The Farnsworth Group will coordinate the local architectural work as well as coordinate with the historical consultants.

In recent calls with members of the Development Team on July 13 and July 18, it was further clarified that Commonwealth’s role in the project was the management of the proposed hotel and it would have a minority interest in the partnership/LLC. The principal of Aspect Architecture & Development would have a 50% ownership interest in the project (and it was not specified whether this would be as an individual, a controlled entity, or other arrangement).

#### COMPLETENESS OF DEVELOPMENT SUBMITTAL

We reviewed Riverside Lodging Bloomington’s Submittal against City Resolution 2016-19 to assess its completeness. Tables 1 and 2 below show the extent of items submitted.

**Table 1: Completeness of Development Submittal**

Items Requested	Received/ Reviewable	Partial/ Insufficient to Review	Missing	Comments
1. Evidence of site control	X			Submitted after initial submission. Reviewed by legal counsel in attached memo and summarized below.
2. Letters of commitment from an appropriately experienced and acceptable hotel developer	X			Received management agreement between Riverside and Commonwealth Hotels. Developer experience and resumes have also been submitted.
3. Financing commitments from acceptable lenders, tax credit buyers and cash equity investors		X		Letter from financial broker (New South Capital Inc.) received but limited information available on lender capacity. Entity is a broker, not a lender. No information on historic tax credit buyers provided (\$4.8 million expected). No equity breakdown provided (\$13 million in expected TIF assistance as equity. If loan is 65% of project costs, then balance of project cost after TIF and HTC is \$1,028,201). Proposed structure requires up-front City funding (p. 42).
4. Lease or commitments from appropriate other tenants			X	None received; no updated program indicating retail square feet or number of spaces.
5. Franchising agreement from acceptable hotel brand		X		A management agreement between Riverside Lodging Bloomington LLC and Commonwealth was

				provided. Received a letter of interest from Hilton Garden Inn that is subject to an application, review, etc. (p. 26) - not a commitment or letter of intent.
6. Detailed plans and specifications	X			Received revised floor plans, site plan and project rendering (p. 28-32) but at the same level of detail as provided previously.
7. Construction and development costs prepared in sufficient detail by a general contractor or professional cost estimator		X		No information included that suggests costs were prepared by professional cost estimator or a general contractor (p. 42), or are based on any more detailed due-diligence or design.
8. Revised, final financial projections of net operating income, tax generation and other factors		X		Received operating income projections (p. 44). No public revenue/tax generation information or revised program provided to indicate sales tax revenue assumptions.

In addition to items listed in the Resolution, *SB Friedman* requested the following information:

**Table 2: Completeness of Additional Requested Information**

Items Requested	Received/ Reviewable	Partial/ Insufficient to Review	Missing	Comments
Performance bond documentation		X		Received example performance bond document from one of the Developer’s previous projects in another city. No letter of interest or intent from a bonding company was provided that would indicate ability of this entity to obtain the bond.
How assistance structure protects the City from potential risk		X		Received a request for up-front funding (\$13 million) from City-backed bond; addressed risk (p. 8) but did not state why up-front bonding is required by the Developer.
Detailed background and designated roles of development partners	X			Received information on the development partners (p. 56-72). Specific references and project contact information were not included.

**DEFICIENCIES OF DEVELOPMENT SUBMITTAL**

Based on our assessment of the Developer’s Submittal and the items requested in the Inducement Resolution, we have identified the following key deficiencies:

- Evidence of Site Control.** Preliminary review by the City’s Special Counsel raises several issues regarding the terms of the Purchase and Sale Agreement provided. The Developer was made aware of the concerns via conference call and the Developer indicated that they would be able to address the issues raised. Following the call, the Developer sent a memo to the City Manager describing the status of some of the issues and indicating an expectation that they could be resolved. A revised Purchase and Sale Agreement was submitted on July 8, 2016 with no substantive changes. Attached is the summary memorandum by Special Counsel Orr that restates the issues associated with the Purchase and Sale Agreement. Given the above, the original issues raised by the City’s Special Counsel remain a concern.

- **Development Partnership and Roles.** While the Submittal did include information on the parties comprising the LLC, it was not evident that Aspect or its principal or a controlled entity would hold a 50% ownership stake in the project until this information was revealed in a subsequent phone call. The ownership and development experience, and financial capacity, of this partner is not detailed in the Submittal nor was this partner present in any of the meetings or conversations with *SB Friedman* throughout the public review process.
- **Financing Commitment.** There is a lack of evidence of preliminary financing commitment or willingness to finance from a source with demonstrated capacity to do so. Based on our experience and recent discussions with professionals in the financing industry, we believe that at this stage of the project, the Development Team should be able to identify a financial institution (bank, other lender such as an insurance company, REIT, or others) that is willing to be a financing partner and provide a preliminary financial commitment letter. Commitment letters would specify market-typical terms for construction and permanent loan, and the conditions on which the loan closing would be contingent. While the Development Team has provided a letter from an independent broker, the lack of commitment from an established lender is a critical deficiency of the Submittal. In the conference call, the hotelier indicated the ability to provide such a letter, but the subsequent memo to the City Manager did not include further evidence of financing commitments and in subsequent conversations the representatives of Commonwealth reiterated their role was a hotel manager and no further offer was made to provide financing. One of the lead developers indicated during a phone call that the principal of Aspect Architecture & Development would be the guarantor of financing, but no back up information was provided to demonstrate that the principal of Aspect (or his firm) has the capacity or has indicated the willingness or desire to serve as one.
- **Sources of Equity.** The level of Developer equity committed to the project is very low at approximately 2% of the total project development cost of \$52.7 million. Additionally, there is no indication of the source of funds for historic tax credit equity. No evidence is provided that the Developer has established a relationship with a tax credit investor who would support this transaction.
- **Commitment from Hotel Brand.** While Hilton Garden Inn is referenced as the hotel flag, only a “Letter of Interest” was provided. The Letter of Interest from Hilton is only an expression of interest, not a preliminary or full commitment. An application would need to be filed and reviewed by Hilton to obtain a commitment to the franchisee.
- **Budget and Costs.** There is no documentation of costs from a third-party estimator or contractor to confirm the estimated budget. Of particular concern are site acquisition and preparation costs, which appear to be significantly inflated. Appraisals performed by an MAI-certified appraiser engaged by City staff indicate that the three privately held properties (Elk’s Lodge, Commerce Bank and Front ‘N Center) being redeveloped as part of the proposed project are valued at \$914,000. Additionally, in the appraiser’s opinion, the cost of demolition and environmental remediation (due to confirmed and likely presence of contaminants) for the Commerce Bank and Front ‘N Center buildings are likely to exceed the value of land, resulting in a nominal or negative value for the properties as they stand today. This reduces the net valuation of the private owned properties to \$254,000 (assuming costs of demolition and remediation are equal to cost of land for the Commerce Bank and Front ‘N Center buildings).

**Value of Privately Owned Properties Being Acquired for the Proposed Project**

Address	Property Description	Land Size	Value Type	Value per Square Foot	Total Value
110 N Madison St.	Former Elks Lodge	15,870	As is, Fee Simple	\$16.00 (Building)	\$254,000
120 N Center St.	Commerce Bank Building	22,770	As if Vacant (Demolished)	\$15.00 (Land)	\$340,000
102 N Center St.	Front 'N Center Building	21,315	As if Vacant (Demolished)	\$15.00 (Land)	\$320,000
<b>Total Value of Private Development Sites</b>					<b>\$914,000</b>
Less Potential Costs for Demolition and Environmental Remediation [1]					(\$660,000)
<b>Net Value of Private Development Sites</b>					<b>\$254,000</b>

[1] Note: Appraiser indicated that cost of environmental remediation and demolition is likely to exceed the value of the Commerce Bank and Front 'N Center buildings. *SB Friedman* assumed a cost equal to the property values to estimate a net value of the private development sites.

**Value of Publicly Owned Property (Developer is requesting contribution of the property for the Project)**

Address	Property Description	Land Size	Value Type	Value per Square Foot	Total Value
301 W Front Street	City's Major Butler Parking	22,770	As is, Fee Simple	\$15.00 (Land)	\$340,000

However, the development pro forma submitted by the Developer shows a value of \$5 million associated with land acquisition – nearly 20 times the net appraised value of the privately owned properties. This also implies that over one-third of the requested \$13 million in financial assistance from the City relates to potential overpayment for property acquisition. While overpayment for land does occur to implement successful urban infill redevelopment projects, this disparity in appraised value and acquisition cost is too high.

**REQUIREMENT OF UP-FRONT CITY FUNDING**

The development Submittal by Riverside Lodging Bloomington LLC includes a request of \$13 million in up-front City financial assistance and the contribution of the approximately half-acre City-owned parking lot at the northwest corner of Front and Madison Streets (valued at approximately \$340,000). While the Submittal references up-front City bonds to be paid by Tax Increment Financing (TIF) revenues and hotel and sales taxes generated by the project (using a Business District financing mechanism), it does not specifically outline the proposed timing and structure of the assistance. In follow-up conversations and written communications, the Developer has maintained that the finalization of items requested in the Inducement Resolution (such as financing commitments from lenders and tax credit investors, and an executed franchise agreement) could only be completed after the City provided an assurance on the extent and structure of public financing assistance. However, the Developer recognizes that the final execution of a City funding commitment would be subject to execution and completion of items requested in the Inducement Resolution. The Developer has given no indication of the amount of time required subsequent to such a City commitment to otherwise perfect the transaction.

The Developer has indicated that the project cannot move forward nor can they obtain preliminary indications of willingness to finance the project until the City expresses a commitment to support the project. This is suggested to be the “heart of the issue” for the Developer. We believe that it would be appropriate and possible for the Developer to form a team that includes financial institutions willing to express a conditional and preliminary commitment, thus reducing the City’s exposure to potential risk.

## **SB FRIEDMAN RECOMMENDATION AND NEXT STEPS**

Moving forward, we recommend that the City:

### **1. REJECT THE ASSISTANCE REQUEST FROM RIVERSIDE LODGING BLOOMINGTON LLC**

Due to the above deficiencies in the development Submittal, including issues related to sources of financing and site control, and the significantly inflated acquisition price of the privately owned properties that make up the site, we recommend that the City reject the assistance requested by Riverside Lodging Bloomington LLC. We believe the City should continue to explore other development options to help catalyze redevelopment and revitalization of downtown Bloomington.

### **2. PROCEED EXPEDITIOUSLY TO ESTABLISH A TIF DISTRICT AND PROMOTE DOWNTOWN DEVELOPMENT**

- A. Move forward with the establishment of the proposed Downtown-Southwest TIF District in order to facilitate future development.
- B. Continue to foster an open and encouraging atmosphere to promote the development of downtown.

### **3. IDENTIFY AND PURSUE DOWNTOWN PRIORITIES**

- A. Identify priorities to further the revitalization of the downtown, as well as to further the mission and goals of the Downtown Plan and 2035 Comprehensive Plan.
  - As part of this process, the City Manager and staff should coordinate the preparation, with strong stakeholder involvement, of a Downtown Priorities Plan.
- B. After the priorities are identified, a Downtown Action Plan can be prepared by the City Manager and staff to help the City Council achieve the goals identified in the Downtown Priorities Plan.
  - The City Manager and staff should submit regular progress reports for City Council review. The City Council should have continued and frequent discussions regarding the priorities and the progress associated with achieving the goals.

### **4. REVIEW APPLICATION PROCESS**

Review and potentially refine the application process for requests for municipal assistance to encourage development proposals.

This process should include specifications for a formal written submittal that permits the City to vet the capacity of applicants to carry out the project early in the process, and establish the feasibility of the proposal if assisted.

The application process should be as efficient as possible, while still securing the necessary information to vet proposals in order to minimize financial risk and protect the taxpayers of the City.

Although the City will need to maintain a degree of flexibility regarding proposals, core information regarding the proposed developers, project financing, and the capacity and overall experience of the development team should always be required as a base foundation for discussions on any proposal.

## **5. ADHERE TO CITY STANDARDS AND PROCESSES**

Upon establishment of clear vetting criteria for projects seeking municipal assistance, we recommend that the City require and ensure that the established process is followed.

If an application does not meet the standard criteria created by the City and/or the City cannot verify the development team has the necessary experience, capacity or potential for financing a project, the applicant should be notified by the City Manager or City Manager's designee, and staff resources associated with the proposal should be limited.

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**M E M O R A N D U M**

**To:** David Hales, City Manager for the City of Bloomington, Illinois  
*cc: Jeff Jurgens; Steve Friedman, Austin Grammer*

**From:** Kathleen Field Orr, Special Counsel

**Date:** August 1, 2016

**Subject:** Purchase and Sale Agreement dated April 1, 2016, by and among Front N Center, Consolidated Properties, LLC and Bloomington Downtown Redevelopment Partners, LLC (the "*Original Sales Contract*"), as superseded by a Purchase and Sale Agreement dated June 30, 2016, among the same parties ("*Current Sales Contract*")

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I reviewed the referenced Original Sales Contract as well as the Current Sales Contract and have found that the terms of the latter still obligate the Purchaser to acquire property for an unknown purchase price, an unknown date for possession and property control, and unknown conditions of title. It is incomprehensible how a development pro forma can be developed based upon the numerous unresolved issues within the terms of this document. I direct your attention to the following:

1. In Article 2, Section 2.1 of the Current Sales Contract, the Purchaser agrees to pay \$4,000,000 for 110 North Madison, 120 North Center Street and 102 North Center Street (collectively, the "*Property*"), but that price remains subject to adjustments which include (see Article 8):
  - (a) Purchaser to pay all recording fees, escrow fees, taxes on the Deed and any other closing cost "including but not limited to" survey, title commitment and Title Insurance;
  - (b) Purchase price to be increased for all costs and expenses incurred by the Seller as required by the City of Bloomington; and,
  - (c) Purchase price to be increased by any additional expenses incurred by the Seller after July 8, 2015, in excess of \$200,000 but may be decreased if the

expenses of the Seller are less than \$200,000; however, the Current Sales Contract retains the language: “including but not limited to” legal fees, penalties, registration fees, building repairs, etc., at the rate of one hundred fifty percent (150%) of the costs incurred.

2. In Article 3, the Purchaser under the Current Sales Contract agrees to accept title to the property subject to the following:
  - (a) Existing easements and restrictions to title, if any;
  - (b) Any facts shown by a survey, without limitation;
  - (c) The rights of tenants which are not listed nor is there information regarding the area of the property to which a tenant has a right, the lease term and the terms and conditions (including rents) of any such lease;
  - (d) A Restrictive Covenant which prohibits the Purchaser from developing the property as residential units, condominiums or apartments for three (3) years from closing of the purchase; and,
  - (e) Commerce Bank’s Lease in the Commerce Bank Building with no term of the lease or the conditions of the lease.

Article 3 of the Current Sales Contract deletes “the Seller’s Retained Parking Rights” but Article 7 retains the requirement that as a condition of closing the Purchaser must provide an “Agreement as to Commerce parking rights”, the terms of which remain unclear.

The foregoing extensive list of potential restrictions and interests in the property by third parties, as restated in the Current Sales Contract, in the worst case, could prohibit any redevelopment, or in the best case, eliminates the Purchaser’s ability to determine when the Purchaser will have control of that portion of the property which is under lease to the Commerce Bank.

3. Pursuant to Article 4 of the Current Sales Contract, the Purchaser has an extended “Due Diligence Period” to August 30, 2016, in order to give the Purchaser time to obtain municipal approvals “needed [to] satisfy itself with regards to the use of the Property for the Purchaser’s intended use ...”. It must be noted (as stated above) that pursuant to the terms of the Current Sales Contract, the Purchaser may have restrictions on title and existing tenants and leases which prohibit any development for an extended period of time.

Section 4.7 has not been revised and still provides that unless the Seller receives written notice of the Purchaser’s intent to terminate the Sales Contract prior to the expiration of the Due Diligence Period, the Purchaser acknowledges that the Purchaser waives any and all objections to the existing conditions of the property “including, without limit” title conditions, subsurface conditions, solid and hazardous waste, and hazardous substances

- on, under, related to or associated with the property. The Purchaser further agrees to assume the risk of all adverse physical or environmental conditions. While the terms of Section 4.7 remain most onerous, given the adjustments to the purchase price set forth in Article 8, the Purchaser would be wise to take the property “as is” because Section 8.3 would require the Purchaser to reimburse the Seller for any and all repairs at the rate of one hundred fifty percent (150%) of the cost.
4. The Current Sales Contract has been revised to provide that the Purchaser, at closing is to receive a “special warranty deed” (no longer a quit claim deed as in the Original Sales Contract) which is not a Warranty Deed as generally required by a purchaser when acquiring property. By definition, a special warranty deed is a deed which warrants title only against defects arising during the Grantor’s ownership. Such conveyance is without any warranty of any condition of title to the Property prior to the acquisition by the Grantor.
  5. Most onerous are the provisions of Article 9.2 which has not been revised and which Article provides that the Purchaser indemnifies the Seller for all claims arising due to hazardous or solid wastes, hazardous substance including but not limited to petroleum, petroleum products, petroleum wastes, asbestos, polychlorinated biphenyl wastes, or any other substance at the Property. This indemnification is stated to include any claim based upon the Seller’s negligence which may have been disclosed to the Purchaser prior to the end of the Due Diligence. This indemnification is to survive the conveyance of the Property without an end date.

*Resolution No. 2016-30*

**A RESOLUTION REJECTING A REQUEST FOR MUNICIPAL FINANCIAL ASSISTANCE  
FOR A PROPOSED REDEVELOPMENT PROJECT FROM  
RIVERSIDE LODGING BLOOMINGTON LLC /  
BLOOMINGTON DOWNTOWN REDEVELOPMENT PARTNERS, LLC  
AND AUTHORIZING NEXT STEPS**

**WHEREAS**, the City of Bloomington, McLean County, Illinois (the “*City*”) is a duly organized and validly existing home rule municipality pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs; and,

**WHEREAS**, the Mayor and City Council of the City (the “*Corporate Authorities*”) have determined that one of their primary goals as a local unit of government is to promote the health, safety and welfare of its citizens by encouraging private investment in industry and business in order to enhance the City’s tax base, ameliorate blight and provide job opportunities for its residents; and,

**WHEREAS**, Riverside Lodging Bloomington LLC / Bloomington Downtown Redevelopment Partners, LLC (the “*Developer*”) proposed the redevelopment of the Commerce Bank and Front N Center buildings (the “*Subject Property*”) into a 129 room hotel, conference center and restaurant cluster (the “*Proposed Project*”) within the City’s “Downtown District,” which Proposed Project could enhance the vitality of the central business district of the City given its strategic location adjacent to the historic downtown square; and,

**WHEREAS**, on March 14, 2016, the City Council approved Resolution No. 2016-09, a *Resolution in Support of a Proposed Redevelopment Project From Bloomington Downtown Redevelopment Partners, LLC*, which directed the Developer to submit certain documents (the

“*Developer’s Submittal*”) detailing the Developer’s capacity to carry out the Proposed Project and to establish the need for municipal financial assistance; and,

**WHEREAS**, City staff, in consultation with SB Freidman Development Advisors, an economic development consultant retained by the City, and Kathleen Field Orr & Associates, the City’s Special Counsel for Economic Development, conducted a thorough review of the Developer’s Submittal and recommended the City Council not pursue the proposal further; and,

**WHEREAS**, the City Council concurred with the recommendation by SB Freidman and City staff and desires to adopt this Resolution to formalize that it will not pursue the proposal submitted by the Developer and to give further direction to the City Manager.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Bloomington, McLean County, Illinois, as follows:

*Section 1.* The recitals set forth above are incorporated herein as if fully set forth in this Section 1.

*Section 2.* The City Council hereby sets forth its determination not to accept and/or further pursue the proposal submitted by Riverside Lodging Bloomington LLC / Bloomington Downtown Redevelopment Partners, LLC.

*Section 3.* The City Council hereby directs the City Manager to proceed with the establishment of the proposed Downtown-Southwest TIF District in order to facilitate future development on the Subject Property.

*Section 4.* The City Council hereby directs the City Manager to identify priorities to further the revitalization of the downtown, as well as to further the mission and goals of the *Downtown Bloomington Strategy* and the *City of Bloomington Comprehensive Plan 2035*:

- (a) As part of this process, the City Manager and staff shall coordinate the preparation, with strong stakeholder involvement, of a “Downtown Priorities Plan.”
- (b) After the priorities are identified, a “Downtown Action Plan” shall be prepared by the City Manager and staff to help the City Council achieve the goals identified in the Downtown Priorities Plan.
- (c) The City Manager and staff shall submit regular progress reports for City Council review and the City Council shall have continued and frequent discussions regarding the priorities and the progress associated with achieving the goals identified in the Downtown Priorities Plan.

*Section 5.* The City Council hereby directs the City Manager to review and refine the application process for requests for municipal assistance to encourage private development proposals city-wide.

*Section 6.* The City Council hereby directs the City Manager establish a clear vetting criteria for projects seeking municipal assistance and clearly define the roles and responsibilities for the Mayor and Council in the vetting process in order to foster a constructive environment for the City Manager and City staff to cultivate public-private partnerships which have the majority support of the City Council and which projects can promote the health, safety and welfare of City’s citizens by encouraging private investment in industry and business in order to enhance the City’s tax base, ameliorate blight and provide job opportunities for the City’s residents.

*Section 7.* That this Resolution shall be in full force and effect from and after its passage and approval as provided by law.

*Passed* by the Mayor and City Council of the City of Bloomington, Illinois, this 22<sup>nd</sup> day of August, 2016.

AYES: 9

NAYS: 0

ABSENT: 0

**APPROVED:**

  
\_\_\_\_\_  
Tari Renner, Mayor

*Attest:*

  
\_\_\_\_\_  
Cherry L. Lawson, City Clerk