



FOX VALLEY DEVELOPERS

Redevelopment Agreement – 2nd Amendment

Committee of the Whole December 15, 2020

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1. Executive Summary

We prepared this summary at the recommendation of the Finance Committee:

- To highlight for context key provisions of the three resolutions that predated this Second Amendment
- The initial Resolution R18-220 was approved on August 28, 2018 and made way for the clean up of the Copley complex (the Clean-up RDA)
- Resolution R19-382, approved on November 12, 2019 (Legistar #19-0974), authorized the RDA that established the overall development plan, budget, timing and incentives (the Development RDA)
- Resolution R20-135, approved on July 14, 2020 (Legistar #20-0352), authorized the First Amendment to the Development RDA
- The Second Amendment before you (Legistar #20-0829) makes certain modifications to both the Development RDA and the First Amendment

2. Original Redevelopment Agreement Highlights

- \$9 Million Staged, Performance Based, City Incentive (made up of \$3 Million Advance of TIF funds, \$3 Million City Grant and w \$3 Million Forgivable Loan) – Section VI.C.2.
- First \$4.5 Million paid when School District Building complete and School District moves in – Section VI.C.2.a.; Developer's Overall Project Funding Deadline March 31, 2020 – Section V.A.
- Second \$4.5 Million paid at later of completion of Senior Housing and IDD Uses and Commercial Uses being in white-box finish and related infrastructure but not before January 1, 2021 – Section VI.C.2.b.
- Project Construction (entire buildout) Start Deadline June 1, 2020 – Section V.C.
- Project Completion (entire buildout) Deadline June 1, 2021 - Section V.D.

3. First RDA Amendment Highlights

- **(NEW)** \$1.5 Million City Advance to complete School District Building to be repaid with Interest – Section XVII.A.3.
- **(NEW)** \$1.5 Million School District Advance to complete School District Building to be repaid with Interest – Section XVII.A.3.
- **(NEW)** School District Completion Deadline December 31, 2020 – Section XVII.A.1.
- **(NEW)** City Advance Repayment Deadline December 31, 2020 – Section XVII.A.11.
- First \$4.5 Million paid when School District Building complete **but not before December 1, 2020 – Section VI.C.2.b.**
- Second \$4.5 Million paid at later of completion of Senior Housing, IDD Uses, Commercial Uses being in white-box finish and related infrastructure **but not before June 30, 2021 – Section VI.C.2.b.**
- Project Remainder Funding Deadline June 1, 2021 **for all but the School District Building** – Section XVII.B.1.
- Project Remainder Construction Start Deadline **June 1, 2021** for all but the School District Building – Section V.C.
- Project Completion Deadline **December 31, 2022** – Section V.D.
- **If Project gets New Market Tax Credit funding or similar, City receives up to \$270,000 reimbursement for Seminary Project – Section VI.F.**
- **The following table shows modifications in the sources and uses between the original development RDA and the first amendment – Exhibit E**

3. First RDA Amendment Highlights

EXHIBIT E to the RDA

	2019	2020
Construction	\$124,868,387	\$111,032,616
Post Construction	\$128,518,387	\$117,936,011

4. Second RDA Amendment Highlights

- Amendment 2.A: \$9 Million Up-Front Assistance (made up of \$3 Million of TIF funds and a \$6 Million Forgivable Loan) – Section VI.C.1. – The total amount of assistance did not change but how it was categorized has been modified
- Amendment 2.B: 1st Lump Sum \$4.5 Million paid after Developer gets Historic Tax Credit funding and Bridge Loan, after Developer incurs Project costs and interest reserves of at least \$19.5 Million, deposited into construction escrow account no later than January 31, 2021 and so long as the School District Building has a Temporary Certificate of Occupancy – Section VI.C.2.b.
 - Please note changes from the First Amendment to the payment date of 1st Lump Sum Payment of \$4.5 million from no sooner than December 1, 2020 to no later than January 31, 2021.
 - 1st Lump Sum Payment now tied to Project Remainder Funding of approximately \$74,000,000.
 - School facility must receive TCO prior to City disbursement of 1st Lump Sum Payment.
 - 1st \$4.5 Million will be paid in accordance with the RDA that only TIF eligible expenses are payable from these amounts as proven by the Developer to the City.

4. Second RDA Amendment Highlights

- Amendment 2.C: Second \$4.5 Million paid after Senior Housing and IDD uses received a Temporary Certificate of Occupancy and the Commercial Uses are completed with white box finishes, but not before June 30, 2021 – Section VI.C.2.b.
 - No change in date or amount, but changed final Certificate of Occupancy (CO) with users operating to temporary CO to accommodate funding conditions.
- Amendment 2.D:
 - As noted in 2.A above Forgivable Loan amount increases from \$3.0 million to \$6.0 million
 - Add language for Forgivable Loan to be conveyed/assigned due to foreclosure
- Amendment 2.E:
 - School District Completion Deadline January 30, 2021 (TCO received) – Section XVII.A.7.
- Amendment 2.F/G:
 - \$1.5 Million City Advance repaid, and the School District Building sold to the School District, after the School District Building complete and State issues Tax Credit Certificate - Section XVII.A.6.
 - \$1.5 Million repaid no later than June 15, 2021 – Section XVII.A.11.
- Amendment 2.H:
 - Changes the Foreclosure/Backup mortgage date from December 31, 2020 to the Funding Deadline June 1, 2021.



QUESTIONS

12/15/2020

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