

December 12, 2016

Aurora City Council
44 E Downer Place
Aurora, IL 60505

Re: Aurora Arts Centre & Aurora Downtown Revitalization Development Initiative

Dear City of Aurora City Council:

Thank you for your continued dedication to this impactful revitalization development for Downtown Aurora. We do understand that there are a number of variables with this development and good questions on our related partnership. This memo is intended to provide additional clarity on questions raised at the Committee of the Whole meeting on Tuesday, December 6, 2016:

1. **City Facilitated Funding Commitments** – The development agreement for the Paramount rehearsal space, performing arts school, and restaurant space calls for the City to facilitate funding from three locally controlled sources: CDBG, Section 108 and TIF. All three funding sources will be leveraged to generate additional New Markets Tax Credits (NMTC) proceeds for the project. The agreement allows CDBG funds to be used for pre-development costs related to the school of performing arts, Paramount Theatre rehearsal spaces, and the restaurant. Predevelopment costs include property acquisition, design, engineering, etc. Any and all requests to fund predevelopment costs must first be reviewed and approved by the City. The Community Builders, Inc. (TCB) is responsible for 100% of predevelopment funding for the residential portion of the development.
2. **Current Stage of Project** – While the approval of an initial development agreement with the City of Aurora is an important and critical step in advancing the project, there are additional milestones that must be reached and financing that needs to be secured prior to moving forward with construction. . . Some examples are securing all New Market Tax Credits, finalizing state approval for historic preservation strategy, updating construction pricing based on design refinement, receiving HUD Section 108 Loan approval, and finalizing agreements and related funding structures with the various tax credit investors. We will be working closely with the City of Aurora and the Aurora Civic Center Authority (ACCA) in the first half of 2017 to finalize these project details. For this reason, we've stated that we will spend the first part of 2017 working through project details before we can start construction.

Hopefully, these clarifications are helpful. A central TCB goal is to be an excellent partner to the City and (ACCA). Please do not hesitate to contact us with any further questions.

Again, we greatly appreciate the City's ongoing commitment and support. The project is on the right path and TCB is focused on advancing this development and working to ensure it significantly complements and advances downtown revitalization. We look forward to working with the City and ACCA on the next steps in the process.

Sincerely,
The Community Builders, Inc.