South Downtown Project, now known as The Yards

Expansion of the Illinois Terminal

New office and retail space

Hotel and conference center

Residential Units

Downtown arena, potentially for new Division One U of I hockey program and other Illinois sports programs

Presentation by reps of U of I Division of Intercollegiate Athletics, CU Mass Transit District, and developer, Core Spaces.

City wants the council to direct staff to negotiate a **development agreement** based on the proposed principles and any revisions council wants. Provide direction to go ahead with negotiating an **Intergovernmental Agreement with CUMTD** to support expanding Illinois Terminal building.

Previous events include 2015 proposal for a new hotel at Washington and Walnut. The proposal was later moved from Washington-Walnut to the area around the Illinois Terminal building as part of a public-private partnership with CUMTD. Idea presented to council in 2017. New downtown arena for U of I hockey and other sports also proposed around this time.

Current plans are to complete negotiation of a development agreement by January.

Hyatt Place developer **Hans Grotelueschen** started the idea. Original Walnut-Washington proposal was for $95 million project. Then CUMTD managing director reached out to Grotelueschen.

Grotelueschen is partner in Champaing-based YG Financial Group, PC ygfinancial.com 804 N Neil St.

Developer listed by city is Core Spaces, based in Chicago, with executive management in Austin, TX. Managing partners: Marc Lifshin, Brian Neiswander. Both U of I alums, as are many of Core Spaces’ top executives.

More info on the hockey area proposal at whyillinihockey.com

Proposed site generally bounded by:

University Ave to the north

Springfield Ave to the south

CN RR tracks to the east

Neil-Walnut Streets to the west.

Includes existing Illinois Terminal facility, two City owned surface parking lots, City street rights-of-way, and land that is owned/optioned by the developer. Land is made up of vacant property, public/private surface parking lots, and “aging commercial/industrial buildings. The area has seen very little reinvestment over the years”.

Would this mean demolition of the Inman building and the Illinois Traction Station building? The Tumble Inn Tavern? And buildings on Logan, Market and Willow Streets?

A new Downtown Fringe TIF District? What is that? Has it already been created?

This idea was moved from the Walnut-Washington site. Is something else going on at that site?

Bruce Knight notes

:20 has grown some. Started at hotel conf center, office, residential complex on parking lot on north edge DT. The developer decided to partner with MTD and do a project with expansion of IT. Then discussions started with UI DIA about a downtown arena for possible D1 hockey plus volleyball, wrestling, gymnastics. That’s led to this project.

1:18 council asked to proceed with negotiation of development agreement. Last time we asked for direction to do due diligence. Much of that has been done, now asking council for direction for negotiate development agreement.

1:56 we’re guessing roughtly 200 million plus project. IT expansion and how that relates with private development will be combination of CUMTD and developer working together on that. The arena project will be development that U of I DIA will be primary tenant in, and there’s ben agreement between arena owner and DIA. Then the city will work with developer on facilitating hotel conf center, primarily involve din parking. We don’t have cost figures for all that yet, or how much everyone pays, but working on it.

3:12 (source of public sector money) we created new downtown fringe TIF districtlast feb. the way those work, when they’re established there’s a baseline prop value that’s taxed against that stays the same for life of TIF. When you invest in area, new tax dollars generated go into special fund to facilitate and encourage that investment. We think we’ll mostly use TIF proceeds to pay for whatever share is city’s responsibility.

4:12 (IT expansion) MTD knows best. I know they want to increase bus capacity and Amtrak wainting area, other patron accomodations. Ask them for details.

4:47 roughly down to springfield. Some remaining property that’s not part of project at neil and springfiaeld. A lot of that area, the old Marco Steel Recycling, surface parking, old industrial buildings would all be redieveloped as part of project.

**5:24 there WERE existing businesses there, I think everything has relocated already. Look primrary at Rogard’s and Goodyear and some of those properties. Those people have relocated or in process of doing so.**

5:54 not the Tumble Inn at this point of time. … I think there’s been discussion about whether to look for op to have Tumble Inn relocated into the project and include their property. But that’s negotiations between developer and tumble inn owners, and they’ll work it out or not. Not critical to project.

**7:01 definitely would increase downtown traffic to other bars and restaurants. 44 locally owned bars/ restaurants downtown. we know from studies that have been done that up to as much of 50% of their sales generated by hospality … will really strengthen their market, help support those locales subesses**

**AUD: :12 NEWS20180910\_Yards\_CC OUT: to our community.**

**KNIGHT: “We know from studies that have been done that up to as much as 50 percent of their sales are generated by the hospitality industry, by visitors and tourists to our community.”**

8:10 it was like this when I came here in 1988, very little investment in last 10-15 years. No new construction during my time here, since 1988.

**(about area on other side of tracks near first street) 8:44 that area been pretty quiet as well. It may benefit from project, that people will suddenly be looking for ops to invest in property so close to a**

**Shoot to have development agreement in place by jan 2019. Dia expects to be make decision on hockey or not. If not arena, some renegotiation to do and some right-sizing of project if no arena, but intent is there will be development.**