



NEWSLETTER

DOWNTOWN PEORIA

DECEMBER 2017 EDITION



Downtown Development Corporation's NEW LOCATION!

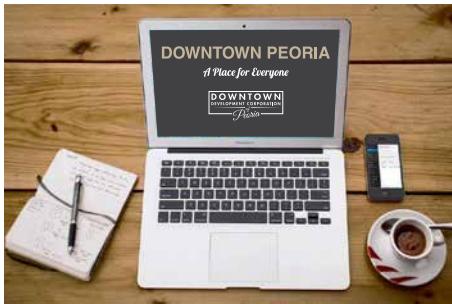
Historic Judge Jacob Gale House
403 NE Jefferson Ave
Peoria, IL 61603

**THE DDC
HAS MOVED
TO NEW
LOCATION!**

The DDC is happy to announce that it has officially moved to its new location at the Historic Judge Jacob Gale House located at 403 NE Jefferson Ave., Peoria, IL 61603.

We are in the same building as the Chamber and CEO Council. As of January 1, 2018, please note that our phone number (309) 673-7879 is being disconnected. Michael Freilinger can be reached on his mobile phone, 309-369-6038. Please update our contact information in your records.

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DDC's new web site scheduled to launch on January 1, 2018!
www.downtownpeoria.us



Riverfront Village... is getting closer to becoming a new downtown park for all to enjoy!



The DDC is in discussions with the City of Peoria regarding important proposed changes to zoning coordinates, UDC, that are critical to redevelopment progress.

DDC Action

DDC Activities

New DDC web site coming soon!

To better serve our customers and provide current and relevant information on the development and activities in Downtown Peoria, we are excited to launch our new web site on January 1, 2018. Our new web site address is www.downtownpeoria.us

DDC email addresses

With the launch of the new DDC web site, we will be transitioning our email addresses to conform to the .us suffix. Although we are still receiving emails at our current @downtownpeoria.org addresses, you may begin sending emails to our new emails as follows: *michael@downtown peoria.us, info@downtownpeoria.us (Debbie), or support@downtownpeoria.us (Angie).*

DDC Audit

Our 2016 audit has been completed and has been filed with the Office of the State Attorney General.

Riverfront Village

We have closed on the last pad at Riverfront Village, which is the building that the Chamber was using. All titles and rights have been transferred to the City of Peoria. We would like to thank our contributors who made this project possible. Please see our ad in the January issue of Peoria Progress on the next page, recognizing all of the businesses and individuals who contributed to this effort.

For those of you who made contributions to the Riverfront Village acquisition, please note how we have your name and/or business listed. If you want changes or corrections made to your listing when we produce the plaque, please contact info@downtownpeoria.us.

DDC Committee Action

The DDC Special Service Area (SSA) Taskforce

Following the City of Peoria's 2018 budget outcome, the SSA Taskforce met on December 6th and presented their SSA proposal recommendation to the DDC Board on December 7th. Both the SSA Taskforce and the DDC Board have decided to proceed with filing the application in February 2018. For details on the SSA proposal, please see the summary of the article in the January issue of iBi.

DDC Planning Committee

UDC

The DDC and the City are in discussions about our proposed changes on the zoning coordinates, Unified Development Code (UDC). It was decided that the Nov. planning meeting would be canceled, and the issue was deferred from the December meeting. We are still in discussions with the City. The proposed changes are critical to our efforts to continue the progress in redevelopment.

Housing Study

We plan to move forward in updating our housing study. The process will begin after the beginning of the year.

DOWNTOWN DEVELOPMENT CORPORATION *of* *Pearia*

DOWNTOWN DEVELOPMENT CORPORATION OF PEAIRIA THANKS

the businesses and individuals
whose contributions made the
RIVERFRONT VILLAGE
acquisition possible!

The DDC has completed the purchase and transfer to the City of Riverfront Village... future site of a downtown riverfront park! Stay tuned for updates on the progress!

CATERPILLAR PNC

Alliance Benefit Group
Barton Family Foundation
Busey Bank
CEFCU
CIBP
Clifton Larson Allen
Cohen Development Co.
Commerce Bancshares
Foundation
Farnsworth Group
Federal Warehouse Co.
Illinois Mutual
Morton Community Bank

OSF Medical Center
Peoria Area Association
of Realtors® (PAAR)
Peoria Riverfront Museum
Simantel
UnityPoint Health
WTC Investments
401 Condo Association
CGN & Associates
Cullinan Properties, LTD.
IMC Condo Association
Ramsay and Associates PC
South Side Trust & Savings
Bank
WCIBCTC

Chris & Georgia Glynn
John & Linda Blossom
Michael J. Freilinger
Bud & Alice Grieves
Dave & Zan Ransburg

Karen & Brian Jensen
Ronald J. & Donna L. Jost
Charles E. & Laurie J. Weaver
Jeffrey J. & Wendy S. Kolbus
Travis Mohlenbrink
Roberta M. Parks
Jonathan & Kristin Williams

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NEWSLETTER

Illinois Historic Tax Credits

Bob Howard, Tom Berwanger, and Michael Freilinger met with the Department of Commerce and Economic Opportunity (DCEO) on the 25th of October. They discussed the issues of application format, processing timeline, fees, and tax credit usage & application period (24 months vs. 12 months). The meeting went well although there was a bit of push-back on a few issues, such as carrying forward the tax credits and using a third party to certify qualified expenses, but the DCEO expressed an interest in making adjustment where allowed. It was decided that most of the issues needed to be addressed by legislation or administrative rules. Garret Carter, DCEO, and Michael Freilinger were assigned to work through language changes.

In Mr. Carter's response to making changes to the Historic Preservation Tax Credit Program to help expedite the application process as well as make the program more closely resemble the federal program, he stated:

"The following changes can be implemented through program rules:

1. Format for the Application Submission & Supplementary Documentation;
2. Timeline to Complete the Review Process; and
3. Fee Structure

The following items will require legislative action in order to make potential changes:

1. Tax Credit Equal to 24 Months of QRE rather than Measured on Taxable Year;
2. Five-Year Carryforward for Use of Credits;
3. Transferability for the Tax Credit;
4. Third-party Certification and Five-Year Look-Back."

In discussing this with Senator Weaver, it was decided that the DCEO would be asked to put a little "meat on the bone" and with our approval, those detailed bullet points would be forwarded to the Legislative Review Board (LRB) staff to draft the specific language. Mr. Freilinger will send the detailed outline to the DDC Board for comment before he responds to the DCEO.

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HISTORIC TAX CREDIT

The DDC is working on securing a Private Letter Rule (PLR) to confirm that 2016 HTC may be carried forward to protect investors.



The DDC is currently working with four developers who are exploring projects in Downtown Peoria that will rely on the rehabilitation credit.



Changes to the federal tax code have been proposed and the DDC is monitoring the process closely as it relates to economic development efforts in Downtown Peoria.

Private Letter Rule (PLR)

On a separate issue, we are working on securing a Private Letter Rule (PLR) to confirm that 2016 HTC may be carried forward as the initial documents from the Department of Revenue (DOR) stated. We hoped the DOR would be willing to confirm all HTC could be carried forward for up to five years, but they reversed their decision on that, concurring with the DCEO's attorney's position. However, since an error was made in the printing of the 2016 forms, DOR will honor the carry forward for 2016 and prior years. We have asked for a PLR to confirm, as the HTC investors are concerned about losing the credits if they end up amending their return.

To receive a PLR, a taxpayer must submit a specific request. It was decided that Clifton, Larsen, Allen should prepare this request. Trevor Holmes and Rainy Shorey have requested that they proceed. There will be a cost to draft the request. Trevor and Rainy would accept help in covering this cost from other developers that will benefit from this PLR. If you are interested in helping to defray the cost, please contact either of them directly. Once that request is submitted, we should have a PLR issued by the DOR within a few days.

As of the writing of this newsletter, we are still waiting for the request to be drafted, but expect that it will be filed by early December.

Federal Tax Code

We are closely monitoring the proposed changes to the federal tax code. The initial version of HR1, the Tax Cut and Jobs Act, eliminated and repealed

various tax incentive programs, including the federal HTC program as well as new market tax credits and private enhancement bonds. The rehabilitation credit, commonly referred to as Historic Tax Credit, has been instrumental in renovating historic warehouse buildings into mixed-use residential projects.

The benefit to the community of this program includes: increases in revenue for local governments, construction jobs, consumption of building materials and equipment, urban housing, and economic activity in depressed parts of the city. The repeal and termination of these programs will place in jeopardy several pending projects.

We are currently working with four developers who are exploring projects in downtown Peoria that will rely on the rehabilitation credit to cover the gap in financing. The total number of residential units that would result from these projects is close to 300 units and tens of million dollars in development costs.

We recognize that changes in tax deductions and credits are necessary to lower tax rates and simplify the tax code. We anticipate that every special interest will be lobbying to preserve their special provision in the current tax code and that congress cannot retain these and achieve its goal of reducing tax burdens on the middle class and businesses.

Changes have been proposed, and the Senate bill is different from the House bill. We are hopeful that the end product will retain those various credits and bonds. The DDC had discussions with both of our congress members, Cheri Bustos and Darin LaHood, as well as Senators Dick Durbin and Tammy Duckworth about the importance of these programs to our economic development efforts in Downtown Peoria.

DOWNTOWN
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Shop Downtown this Holiday Season!

Find holiday gifts and gift certificates at many downtown retailers, restaurants and venues!

RETAIL / SERVICES

8 Bit Arcade
A to Z Pawn
Adagio Bridal Boutique
Cat Visitors Center
CJ's Hair Studio
Crossfit
Dozer Park
The Hive Studio
Fiber Universe
Freedom Ink
Gone in 60 Escape Games
Kelly Seed
Main Street Jeweler
Murphy's Salon/Day Spa
Peoria Civic Center
Rambler Clothing
RiverFront Museum

Running Central

Spirit of Peoria
Waxology by Meliss
Wheel Art Pottery
Whiskey City Architectural

RESTAURANTS

Adams Street Cafe
30/30 Coffee
Blue Duck Barbeque
Cafe 401
Cookies by Design
Cracked Pepper
CxT Roasting
Hoops Pub & Pizza
Hooters
Jimmy John's Subs
Jim's Steak House

Kelleher's Irish Pub

Kenny's West Side Pub
Kickback on Fulton
Obed and Isaac's Eatery
and Microbrewery
Martini's on Water St
Rhodell's Brewery
Rhythm Kitchen
Richard's Pub & Grill
Riley's Cupcakes
River City Cafe
Sugar Wood-Fired Bistro
Table 19
Tannins and Hops
Two25 Steak House
The Nut House
Thyme Kitchen/Craft Beer
Zion Coffee Bar

FOR MORE DEVELOPMENT INFORMATION, CONTACT:

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NEWSLETTER DOWNTOWN PEORIA



More new projects to be announced soon in the Warehouse District!



Landmarks Illinois President Bonnie McDonald says the historic tax credit translates to more money for the federal government. "A project like Cooperage 214 takes a very underutilized property and now makes it a property-tax generator, which it wasn't before," McDonald said. "And all of that happens because of the private investment that is catalyzed by this credit, which pays for itself."

Project Development

Warehouse District

The DDC Board heard a presentation from a developer on a pending project that is expected to move forward in the Warehouse District. We are hopeful that a public announcement will be made, depending on the successful negotiation of a redevelopment agreement.

Downtown Activities Video

With the launch of our new web site, we are beginning to acquire video footage for the downtown activities video. This video will focus on activities that are happening in the downtown for visitors, workers, and residents of the downtown. To take advantage of this opportunity to feature your business in this video, send an email to info@downtownpeoria.us

Awards and Recognitions

Cooperage 214

If you've been in Peoria's Warehouse District lately, you've probably seen the renovation of the Cooperage 214 building, once the home of a whiskey barrel maker. The building was constructed in 1925. The revitalization of the building was made possible through the historic tax credits. Illinois has been in the top five percent of states to use this credit.

In honor of this renovation, Illinois Landmarks awarded Cooperage 214 with one of their top awards with the Downtown Development Corporation, making the Landmarks Illinois 2017 award official. Cooperage 214 offers luxury apartments and office space.

City officials say projects like this don't get done often because of their high cost. That's where the tax credit for making over buildings like this comes into play. **"It helps to keep the building alive. It keeps the building useful. It also increases value so that local governments, school districts, and cities benefit from the increased valuation of the property tax being paid,"** says Michael Freilinger, President and CEO of the Downtown Development Corporation of Peoria. Freilinger says historic tax credits are a win-win for the community because it helps create jobs and revitalizes downtown.

This is one of seven projects in Peoria taking advantage of the historic tax credit. Landmarks Illinois President Bonnie McDonald says the historic tax credit translates to more money for the federal government. **"A project like this takes a very underutilized property and now makes it a property-tax generator, which it wasn't before,"** McDonald said. **"And all of that happens because of the private investment that is catalyzed by this credit, which pays for itself."**

Partners recognized in the award are the Kim Group, the Farnsworth Group, and River City Construction. Congratulations to all three of these companies, their sub-contractors and especially the developers, Rainy and Jacob Shorey.

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DDC Monthly Report for December 2017 Cumulative Total From July 1, 2014 - November 30, 2017

Residential Units	# of Units	Project Type	# of Projects	DDC Finances
Completed	162	Development	32	Budget
Under Construction	0	Completed	15	Fundraising:
Announced	216	Under Construction	1	Current Receipts
Exploring	224	Permitted	0	% of Budgeted Receipts
Residential Units Total	607	Hired Professionals	1	96.5%
		Property Acquired	9	
		Negotiations Under Way	2	
		Gathering Information	8	
Business Start-up/Relocation	15	Total Dev.	32	DDC Activities
Completed	15	Infrastructure	5	Media
Announced	5	Property Acquisition	0	Articles/Media/Interviews
Exploring	8	Public Art	0	Press Conferences
Business Start-up/Relocation Total	28	Public Parks	1	13
		Projects Active Total	43	Other
		Projects Abandoned Total	0	Confidential Project Assistance
		Projects Assisted Grand Total	43	Downtown Residential Housing Study Up-date
Permits				Downtown Shuttle
Last 12 months				Historic Tax Credit Workshops I & II
Issued Comm. Const. This Year	24	Commercial Projects Under Construction		IEBC Seminar
Est. Value Comm. Const. This Year	\$ 2,426,000	Project Name		Building Code Amendments
* All Const. Permits Issued This Year	165			Lobbying for Extension of State Historic Tax Credits
# Estimated Value This Year	\$ 4,817,878			Public Engagement/Planning Effort by the City
Since 2014				2016 Housing Study
Issued Comm. Const. since 2014	114			2016 Parking Study
Est. Value Comm. Const. Since 2014	\$ 46,567,576			IL-HTC/RERZ Extension
* All Const. Permits Issued Since 2014	647			
# Estimated Value Since 2014	\$ 65,582,336	Mixed-Use Projects Under Construction		
		Project Name	# of Units	Completed Mixed-Use Residential Occupancy Rate
		Murray Place Apts.	30	100%
		Winkler Lofts	28	100%
		Cooperage 214	18	100%
		Persimmon Lofts	43	100%
		Marquette Building	28	90%
Developers Assisted		Total Units UC	0	
Developers Active				
Local	31			
Out of Town	8			
Developers Active Total	39			
Developers Inactive	29			
Developers Assisted Grand Total	68			

CONTACT US

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