



CHAMPAIGN COUNTY
REGIONAL PLANNING
COMMISSION

Date: November 17, 2020
To: Regional Planning Commission
From: Dalitso Sulamoyo/Elizabeth Murphy
RE: Facility Leases/Economic Development Loan Transfers

The Regional Planning Commission recently provided economic development loans to First Illinois Ventures (FIV), a subsidiary of Illinois Ventures for Community Action (IVCA) in the amount of \$2.3M to acquire the Early Childhood Center at 103 S. Country Fair Drive, Champaign and \$1.4M to acquire the Early Childhood Center at 1603 E. Mumford Drive, Urbana. The Regional Planning Commission entered into corresponding 25-year triple-net leases for these properties. This financing strategy eliminated any federal interest in these properties but provided the early childhood division with adequate classroom space to meet expanded demand and 25 years of predictable and affordable rent. Funds to pay the rent on these facilities is derived from a combination of Head Start, Early Head Start, Preschool for All and state childcare fee-for-service subsidies.

The actual financing structure of these projects, while including some complexity up front, was intended to eliminate complexity in future years. For a variety of reason, it is most advantageous to continue the federal and state interest in the programming side of early childhood development but NOT introduce any such interest into the facility ownership of our preschool offerings. This arrangement also has the distinct advantage of eliminating any issues of county responsibility for building ownership.

First Illinois Ventures (FIV) intends to discontinue operations and to liquidate or transfer its assets and seeks to be relieved of its obligations and indebtedness with regard to the properties identified above. The Illinois Community Action Development Corporation (ICADC), a not-for-profit 501(c3) organization in Springfield similar in form and function to FIV has indicated interest in assuming ownership of the real estate and is willing to assume the indebtedness owed to the Regional Planning Commission, as well as the obligations of the lessor under the same terms and conditions of the current lease agreements with FIV.

ICADC was established in 1999 with the mission of working through the community action network to create affordable housing, create jobs, and engage in financial opportunities that strengthen communities and the wellbeing of individuals and families in need. The primary work under its mission has been in the area of affordable housing, having established ownership stakes in three affordable housing developments totaling \$20M.

The original loan agreement contains the following provision in Section H., Affirmative Covenants of the Borrower as follows:
“The Borrower agrees to comply with the following covenants from the date hereof until the County has been fully repaid with interest, unless the County shall otherwise consent in writing.” Item 8 under the same section contains a provision for “The transfer of substantially of the Borrower’s assets to any third party.”

Specific details for each loan agreement and corresponding lease are identified below:

Property #1 - 103 S. Country Fair Drive, Champaign, IL

- **Loan Agreement**
Original loan amount - \$2,300,000
Interest Rate – 2.5%
Term – 25 years
Monthly Principal & Interest Payments - \$10,318.18 for 25 years fully amortized
Principal Balance (estimated) - \$2,233,925
- **Triple Net Lease Agreement**
Term – October 9, 2019 – October 8, 2044
Building Acquisition Component - \$231,099.20 per year
Premises Use and Management Component - \$29,000 per year

Champaign County Regional Planning Commission

1776 E. Washington St. Urbana, IL 61802
P 217.328.3313 F 217.328.2426
TTY 217.384.3862 CCRPC.ORG



CHAMPAIGN COUNTY
REGIONAL PLANNING
COMMISSION

Property #2 – 1603 E. Mumford Drive, Urbana, IL

- **Loan Agreement**
Original loan amount - \$1,400,000
Interest Rate – 2.5%
Term – 25 years
Monthly Principal & Interest Payments - \$6,280.63 for 25 years fully amortized
Principal Balance (estimated) - \$1,248,647
- **Triple Net Lease Agreement**
Term – March 1, 2017 – February 1, 2042
Building Acquisition Component - \$75,367.56 per year
Premises Use and Management Component - \$21,000 per year

We request that the Commission consent to the transfer of the real estate from FIV to ICADC upon the condition that ICADC assume the indebtedness and obligations owing to the Commission based on the current outstanding loan balances and the assignment of rents under the same terms and conditions. The Regional Planning Commission will consent to the assignment of the triple-net leases by FIV to ICADC as lessor and will acknowledge and agree that the obligations of the RPC as lessee under the lease will be due and owing to ICADC for the remainder of the lease terms.

Champaign County Regional Planning Commission

1776 E. Washington St. Urbana, IL 61802
P 217.328.3313 F 217.328.2426
TTY 217.384.3862 CCRPC.ORG