

OCT 15 2018

CITY OF COLUMBIA, ILLINOIS
ORDINANCE NO. 3432

Shirley Steffy
City Clerk

**AN ORDINANCE TO AUTHORIZE THE ASSIGNMENT OF THE HOTEL AND
MOTEL ACCOMMODATION TAX REBATE FINANCING AGREEMENT BETWEEN
THE CITY OF COLUMBIA AND MMCP, LLC TO PRAMUKHRAJ IRVING, LLC**

WHEREAS, the CITY OF COLUMBIA ("City") is interested in expanding its economic base with the primary emphasis on creating and retaining jobs anywhere within the corporate boundaries of the City; and

WHEREAS, in 2007, the City approved Ordinance No. 2571, an Agreement with Columbia Hospitality, LLC, to construct and operate a 77 room Hampton Inn hotel on Lot No. 10 in the Admiral Trost Development Subdivision which is located within the corporate limits of the City in the Admiral Parkway Tax Increment Redevelopment Area ("Agreement"); and

WHEREAS, the Agreement authorized Columbia Hospitality, LLC ("Company") to receive a rebate from hotel and motel accommodation tax paid for up to 84 months or until a total of \$350,000 had been rebated (whichever was to occur first); and

WHEREAS, Section 7 of the Agreement allows for the assignment of the Agreement and tax benefits to a separate business entity only by mutual agreement between the City Council of the City and the Company; and

WHEREAS, MMCP, LLC (hereinafter, "MMCP") purchased the Hotel from Columbia Hospitality, LLC and assumed all its assets and liabilities; and

WHEREAS, as an incentive for MMCP to keep the Hotel operating within the City's Admiral Parkway Redevelopment Area, the City in 2010 approved Ordinance No. 2817 to assign the Agreement and its benefits to MMCP, LLC; and

WHEREAS, proceeds from lodging provided through the Hotel lagged significantly behind expectations due to impacts of the economic recession; and

WHEREAS, MMCP requested an extension of the Agreement to allow investors to recapture more of the anticipated rebate over a longer period of time; and

WHEREAS, in 2015, the City approved Ordinance No. 3166, An Ordinance to Authorize an Extension of the Hotel and Motel Accommodation Tax Rebate Financing Agreement Between the City and MMCP, so MMCP was given an additional 60 months (through February 2020) to receive the tax rebate or until a total of \$350,000 had been rebated, whichever was to occur first; and

WHEREAS, in 2018, PRAMUKHRAJ IRVING, LLC ("Pramukhraj") purchased the hotel from MMCP and assumed all its assets and liabilities; and

WHEREAS, as an incentive for Pramukhraj to keep the hotel within the City's Admiral Parkway TIF District, the City agrees to the assignment of the Agreement and tax benefits to Pramukhraj.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Columbia, Illinois, as follows:

Section 1. The recitals contained above in the preamble of this Ordinance are hereby incorporated herein by reference, the same as if set forth in this Section of this Ordinance verbatim, as findings of the City Council of the City of Columbia, Illinois.

Section 2. The City Council of the City of Columbia, Illinois, hereby agrees to the assignment of the Hotel and Motel Accommodation Tax Rebate Financing Agreement between the City of Columbia, Illinois, and MMCP, LLC to Pramukhraj Irving, LLC, pursuant to Section 7 of said Agreement, so long as the hotel in question remains a Hampton Inn hotel, and does hereby authorize and direct the Mayor to execute any additional documents that carry out the purpose and intent of the assignment, and does hereby authorize and direct the City Clerk to attest the same and affix the corporate seal of the City.

Section 3. This Ordinance shall be in full force and effect from and after its passage and publication in pamphlet form as provided by law.

YEAS: Aldermen Ebersohl, Agne, Niemietz, Roessler, Huch, Reis, Holtkamp, and

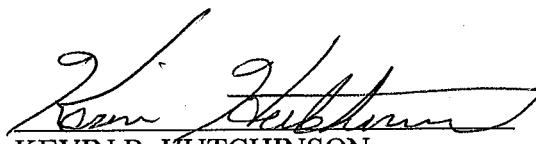
Martens.

NAYS: None.

ABSTENTIONS: None.

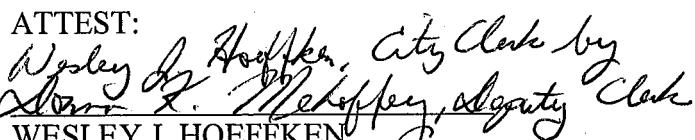
ABSENT: None.

PASSED by the City Council and **APPROVED** by the Mayor this 15th day of October, 2018.



KEVIN B. HUTCHINSON
Mayor
City of Columbia

ATTEST:



WESLEY J. HOEFFKEN
City Clerk
City of Columbia