



**CHAMPAIGN COUNTY BOARD**  
**ENVIRONMENT and LAND USE COMMITTEE (ELUC) ADDENDUM**  
County of Champaign, Urbana, Illinois  
Thursday, December 3, 2015 - 6:30 p.m.

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Lyle Shields Meeting Room  
Brookens Administrative Center  
1776 E. Washington St., Urbana

**IX. Items to be Recommended to the County Board**

- C. CDAP Loan Request for Rantoul Hospitality, LLC



**DATE:** November 30, 2015  
**TO:** Environment and Land Use Committee  
**FROM:** Kathy Larson, Economic Development Specialist  
**RE:** CDAP Loan Request from Rantoul Hospitality, LLC

**ACTION REQUESTED:** Approve CDAP Loan of \$400,000

**Background**

The Community Development Assistance Program (CDAP) is one of CCRPC’s revolving loan programs that provides gap financing for businesses and projects in Champaign County.

Rantoul Hospitality, LLC is requesting CCRPC financing to assist with construction of a Holiday Inn Express Hotel in Rantoul. The hotel will be located near the intersection of Broadmeadow Road and Stone Bridge Drive, along the east side of Interstate 57, just southwest of Walmart. The new hotel will consist of 3 stories and 83 rooms, and is projected for completion in September 2016.

Rantoul Hospitality, LLC has been created to own and manage the Rantoul Holiday Inn Express, with primary members Karim Sayani (50%) and Colin Noble (25%). Mr. Sayani and his wife live in Pacheco, California. He owns and manages 4 retail/grocery/liquor businesses (100% ownership), has majority ownership in 4 hotels including 3 Holiday Inn Express hotels, and additional partial ownership in 3 other retail businesses. Mr. Noble lives in Manhattan, Kansas. He is President of Noble Hospitality, Inc., a company that has operated over one hundred hotels in the U.S. and Canada since 1991. He also has 100% ownership of Manhattan Hospitality, Inc. in Kansas, and Noble Properties of New Mexico. In addition, he has partial ownership in 4 other hospitality companies. Both members have extensive experience in the hospitality industry and strong net worth.

The total cost of this project is \$8,446,500. Funds would also be obtained from Morton Community Bank, Village of Rantoul, and owner equity. The CDAP loan request is for \$400,000; and CCRPC staff is also requesting \$150,000 from its Intermediary Relending Program (IRP). The IRP loan committee is reviewing the request concurrently. The Village of Rantoul has approved a development agreement for TIF incentives on the project as well as financing from their Revolving Loan Fund.

**Sources and Uses of Funds**

Morton Bank:	\$ 6,100,000	Property/Construction:	\$ 7,201,500
Morton Bank:	\$ 1,100,000	Equipment:	\$ 1,075,000
Rantoul RLF:	\$ 249,999	Inventory:	\$ 50,000
Owner Equity:	\$ 446,501	Franchise Fee:	\$ 50,000
Champaign Co. IRP Loan:	\$ 150,000	Other/Working Cap.:	\$ 70,000
Champaign Co. CDAP Loan:	\$ 400,000		
<b>Total Sources:</b>	<b>\$ 8,446,500</b>	<b>Total Uses:</b>	<b>\$ 8,446,500</b>

### Debt Service Coverage

Projected	Year 1	Year 2
Operational Cash Flow Available for Debt Service	\$ 747,229	\$ 1,023,101
Total Debt Service (Morton \$473,036 + Morton \$164,398 + Rantoul \$22,191 + IRP \$17,800 + CDAP \$47,466)	\$ 724,891	\$ 724,891
Cash Availability After Debt Service	\$ 22,338	\$ 298,210
<i>Additional Cash From Rantoul TIF Agreement</i>	<i>\$ 641,800</i>	<i>\$ TBD Increment</i>
Debt Service Coverage	1.03	1.41

### Collateral Coverage

Collateral coverage is sufficient. RPC would have a second lien position on the business assets behind Morton Community Bank; a third position mortgage on the hotel property in Rantoul behind Morton Community Bank and Village of Rantoul; guaranty from Rantoul Hospitality, LLC; and personal guarantees from Karim Sayani and Colin Noble. The property appraisal projects value in 2016 as \$8,100,000 and stabilized property value in 2019 as \$9,500,000.

### Employment

The hotel plans to hire 40 employees.

### Rate and Term of CDAP Loan

This loan request is for \$400,000 with a 3.50% fixed interest rate, 10-year term and amortization.

### Staff Recommendation

RPC staff recommends approval of a CDAP loan of \$400,000 with rate and terms as specified. This project would provide modern and affordable accommodations in Rantoul, additional tax revenues, new jobs, and direct/indirect/induced economic impacts for the community.