

Art League pushing on with building plans

State tax credit denial stalls moving project

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DANVILLE – An Indiana development company's project to build a senior housing complex in downtown Danville has failed to get tax credit funding through the state of Illinois, but the company may reapply later this year.

"It's a 75 percent chance we will submit again," said John VanMeeter, director of development for Sterling Group in Mishawaka, Ind.

Members of the Danville Art League are betting on that 75 percent chance.

The local art group plans to move the old Red Cross building, which sits on the property where the housing complex would be built, to a new downtown site and use it as a more modern, larger home for the art league. The league would move the brick structure one block over to property that would be donated to the art league by a downtown property owner.

Sterling Group's proposal is to build a \$7.2 million, 72-unit, independent living senior apartment complex at 320 N. Franklin St.,

Danville, which is across the street from CRIS Senior Services. The property is owned by the Red Cross. Rents would be affordable, but it would not be a Section 8-based project.

Sterling Group's plan was to buy the property from the Red Cross and demolish the former Red Cross building, but the art league asked if it could have the building.

Sterling agreed, and art league members have been raising money and planning for the move.

But last week, Sterling Group learned that its application for tax credit financing for the project was denied by the state. It's the second proposed senior housing project in Danville that failed to win tax credit financing.

In an earlier state application round, Mercy Housing, a nonprofit organization sponsored by Catholic Sisters, applied for tax credits to build an affordable senior housing complex on an 8-acre site where Provena United Samaritans Medical Center's Sager Campus stood until 2006, when the former hospital was demolished.

The state's next tax credit financing application round will be in December with notification of successful applicants about one month later, according to VanMeeter.

VanMeeter said that round will be for the state's 2010 tax credit program, and the state's plan for those

credits may change. The state will release its plan for 2010 this fall, and until then, VanMeeter won't know if the Sterling Group plan would be competitive enough to resubmit.

The process is based on a point system, and, for example, he said the state may not emphasize senior housing in next year's plan, which would affect the project's chances.

"I still like our opportunity there, if things (in the plan) don't drastically change," VanMeeter said.

Meanwhile, Danville Art League members are forging ahead with fundraising and planning.

Roberta Williams with the Danville Art League said if the developer applies again, it will give the organization more time to plan and prepare for moving the building.

If Sterling had won tax credits in this round, the art league would have had to move the building this fall.

"We have a couple fundraisers coming up and this will give us more time to reach our goal and move that building," she said. Williams said the league has raised about \$53,000 toward the project.

Williams said art league members discussed the situation recently upon hearing of Sterling's application being denied, and the consensus was to move forward

"Maybe this is what we're supposed to have is more time," Williams said.