

**The Village of East Dundee
PRESIDENT AND BOARD OF TRUSTEES
Committee of the Whole
Monday, December 16, 2013
5:30 pm**

I. Roll Call

II. Items for Discussion

A. Bandito Barney's TIF/BDD Redevelopment Agreement

III. Other Business

IV. Adjournment

Resolution No. _____

**A RESOLUTION OF THE VILLAGE OF EAST DUNDEE,
COOK AND KANE COUNTIES, ILLINOIS, TO INDUCE THE REDEVELOPMENT
OF CERTAIN PROPERTY WITHIN THE DOWNTOWN TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA**

(Bandito Barney's)

WHEREAS, the President and Board of Trustees (the “*Corporate Authorities*”) of the Village of East Dundee, Cook and Kane Counties, Illinois (the “*Village*”), on June 18, 2008, pursuant to Ordinance Nos. 08-34, 08-35 and 08-36, approved a Redevelopment Project Plan and Eligibility Report for an area designated as the Downtown Tax Increment Redevelopment Project Area (the “*Project Area*”), and adopted tax increment financing for the payment and financing of redevelopment project costs incurred within the Project Area, pursuant to the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.*, (the “*TIF Act*”); and,

WHEREAS, pursuant to the Business District Development and Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.3-1 *et seq.*, as from time to time amended (the “*BDD Act*”) the Corporate Authorities are empowered to undertake the development and redevelopment of business districts within its municipal limits which are in need of revitalization if such business districts are deemed to be “blighted,” as defined in the BDD Act; and,

WHEREAS, pursuant to the BDD Act, on September 28, 2009, the Corporate Authorities, after public hearings, passed Ordinance No. 09-30 designating the Route 25 and Route 72 Business District (the “*BD District*”) which was amended by Ordinance No. 11-19, passed on April 11, 2011, and again amended by Ordinance No. 13-05, passed on March 18, 2013, to include certain commercial districts as described in said ordinances and imposed a retailers occupation tax and service occupation tax in the amount of one-half of one percent

(1/2%) on all commercial operations within the boundaries of the expanded commercial district to pay costs incurred in connection with the planning, execution and implementation of the Route 25 and Route 72 Development Plan, as amended (the “*BD Plan*”); and,

WHEREAS, the Village has been informed by Big Kahuna Corporation, an Illinois corporation d/b/a Bandito Barney’s (the “*Developer*”), that the Developer intends to renovate its facility at 10 North River Street and 310 Jackson Street, East Dundee, Illinois, which property is within the Project Area and the BD District, as amended (“*Subject Property*”), to (i) upgrade its outdoor beer garden to mitigation sound and make it ADA compliant; (ii) to expand the third floor of its facility to include an elevator, upgrade and relocation bathrooms, and construct a new commercial kitchen; (iii) add a new entranceway expand its parking area by adding 22 parking spaces; and, (iv) by making the building ADA compliant; and,

WHEREAS, the Developer has also informed the Village that the ability to undertake the Project on the Subject Property may require financial assistance from the Village in order to pay the costs to be incurred, which costs would constitute “*Redevelopment Project Costs*” as such term is defined in the TIF Act and which costs would be in furtherance of the implementation of the BD Plan, as amended, for the BDD District, as amended; and,

WHEREAS, the Developer would like to incur certain costs in connection with the Project prior to the approval of ordinance authorizing the execution of a redevelopment agreement pertaining to the Subject Property with the Village; wherein reimbursement for such costs may be considered between the parties subject to certain terms and conditions; and,

WHEREAS, the Developer desires such costs related to the Project are able to qualify for consideration as redevelopment project costs that can be reimbursed to the extent such costs

constitute “*Redevelopment Project Costs*” as such term is defined in the TIF Act or such costs are in furtherance of the BD Plan, as amended; and,

WHEREAS, this Resolution is intended to allow the Developer to incur certain costs relating to the Project that may be considered “*Redevelopment Project Costs*” as such term is defined in the TIF Act or costs in furtherance of the implementation of the BD Plan, as amended, prior to approval of any ordinance authorizing the execution of a redevelopment agreement pertaining to the Subject Property with the Village, subject to the conditions set forth in Section 3 of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of East Dundee, Cook and Kane Counties, Illinois, as follows:

Section 1. That the above recitals are incorporated herein and made a part hereof.

Section 2. That the Village Board may consider expenditures in connection with the Project, as hereinabove described, incurred prior to the approval and execution of a redevelopment agreement with the Developer, to be expenditures that are eligible for reimbursement through the TIF Act or the BDD Act, provided that such costs constitute “redevelopment project costs” as defined by the TIF Act or the BDD Act; and, that the development of the Project is consistent with the redevelopment project and plan for the overall Project Area and BD District, as amended.

Section 3. That all undertakings of the Village set forth in this Resolution are specifically contingent upon the Village approving the execution of a redevelopment agreement with the Developer, which provides for the improvement to the Subject Property to be in accordance with all applicable Village ordinances.

Section 4. That any financial assistance rendered to the Developer by the Village shall be contingent upon the authority, restrictions, terms and conditions imposed by the TIF Act and the BDD Act.

Section 5. That this Resolution shall be in full force and effect from and after its passage and approval as provided by law.

Passed by the President and the Village Board of Trustees of the Village of East Dundee, Illinois, this ____ day of _____, 2013.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED:

Village President

Attest:

Village Clerk



10 N. River Street, East Dundee, IL 60118

November 13, 2013

Mr. Robert Skurla
Village Administrator
120 Barrington Ave.
East Dundee, IL 60118

Mr. Doug Bergren
Economic Development Consultant
120 Barrington Ave.
East Dundee, IL 60118

Re: Redevelopment Agreement for 10 N. River Street, East Dundee, IL

Dear Messers:

Thank you for meeting with me last Tuesday. As we discussed, Big Kahuna Corporation, d.b.a. Bandito Barney's, is considering making improvements to the properties located at 10 N. River Street and 310 Jackson Street. The improvements would be implemented in two phases.

Phase one is an upgrade of the outdoor beer garden. This upgrade would mitigate sound from live bands, extend the outdoor season by twelve weeks, and make the outdoor area ADA compliant. We estimate that the cost of construction for phase one will be \$350,000 and that the additional revenue generated will be \$200,000 per year with three jobs created.

Phase two is a three story addition to the existing three story structure. This addition will include an elevator, a large private party room capable of hosting 200 people, upgraded and relocated bathrooms, a new commercial kitchen, a new entrance, and add 22 parking spaces. It will also make the building ADA compliant. The 5,200 square foot addition will cost approximately \$750,000, will generate an additional \$450,000 in revenue, and create five jobs.

During the last five years Bandito Barney's has paid the following taxes:

Property Tax:	\$82,162
Payroll Tax:	\$807,390
Sales Tax:	\$602,145

We will be making considerable improvements to Bandito Barney's and significantly increasing the tax base. We are asking for a formal Redevelopment Agreement with the Village. We are requesting 50% of the costs to be reimbursed over seven to ten years via a sales tax rebate.

Thank you for your consideration. I look forward to discussing this further and working together to improve the downtown area.

Respectfully,

A handwritten signature in cursive script that reads "Roger Shelton".

Roger Shelton
President
Big Kahuna Corporation
Phone: (847) 344-4815
rshelton@banditobarneys.com