

Resolution No. 06-17

**A RESOLUTION OF THE VILLAGE OF EAST DUNDEE,
COOK AND KANE COUNTIES, ILLINOIS, TO INDUCE THE REDEVELOPMENT OF
CERTAIN PROPERTY WITHIN A PROPOSED TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA
(201 PENNY AVENUE)**

WHEREAS, the Village of East Dundee, Cook and Kane Counties, Illinois (the “*Village*”) is a duly organized and validly existing home rule municipality pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970; and,

WHEREAS, the President and Board of Trustees (the “*Corporate Authorities*”) of the Village, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as from time to time amended (the “*TIF Act*”) are empowered to undertake the redevelopment of certain areas within its municipal limits, which are in need of revitalization, if such areas are considered a “blighted area” or a “conservation area”, as defined by the TIF Act, and to use tax increment financing for the payment and financing of certain redevelopment project costs, all in accordance with the TIF Act; and,

WHEREAS, the Corporate Authorities are considering undertaking a feasibility study and developing and approving a plan (the “*Proposed Plan*”) and designating a redevelopment project area, as defined by the TIF Act, for an area to be known as the Penny Avenue Redevelopment Project Area (the “*Proposed Project Area*”), as depicted on the map attached hereto as Exhibit A, pursuant to the TIF Act; and,

WHEREAS, the Proposed Plan, as authorized by the TIF Act, would provide for the revitalization of the Proposed Project Area through implementation of tax increment financing throughout the Proposed Project Area in order to reimburse developers for certain redevelopment project costs; and,

WHEREAS, Premier Commercial Realty (the "*Developer*") has approached the Village with a plan to acquire certain property, as legally described on Exhibit B, hereto within the Proposed Project Area (the "*Subject Property*") and to redevelop the Subject Property into a residential facility consisting of eight two bedroom apartments of about 930 square feet per apartment (the "*Project*"); and

WHEREAS, the Developer has also informed the Village that the ability to undertake the Project on the Subject Property shall require financial assistance from the Village for certain improvements that would be incurred in connection with the acquisition and development, which costs would constitute "*Redevelopment Project Costs*" as such term is defined in the TIF Act; and,

WHEREAS, the Developer would like to incur certain costs in connection with the Project prior to the Village's decision on whether to approve the Proposed Plan and designate the Proposed Project Area and prior to the adoption of any 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 utilizing incremental real estate taxes pursuant to the TIF Act, provided that such costs constitute Redevelopment Project Costs under the TIF Act; and,

WHEREAS, this Resolution is intended to allow the Developer to incur certain costs relating to the redevelopment of the Subject Property that may be considered Redevelopment Project Costs prior to the approval of the Proposed Plan and designation of the Proposed Project

Area or adoption 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 Corporate Authorities may consider expenditures that are “*Redevelopment Project Costs*”, as such term is defined in the TIF Act, in connection with the Project, incurred prior to the approval of the Proposed Plan and designation of the Proposed Project Area or any ordinance authorizing the execution of a redevelopment agreement with the Developer, to be expenditures that are eligible for reimbursement through the TIF Act to the extent the Project is in furtherance of the Proposed Plan for the overall Proposed Project Area.

Section 3. That all undertakings of the Village set forth in this Resolution are specifically contingent upon the Village approving the Proposed Plan and designating the Proposed Project Area, pursuant to the requirements of the TIF Act, and approving and executing a redevelopment agreement with the Developer, or a successor or assignee of the Developer, which provides for the redevelopment of the Subject Property in accordance with the terms and conditions to be negotiated by the parties as described in Exhibit C.

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.

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

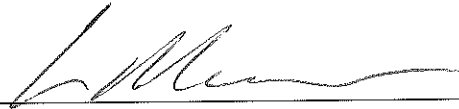
Passed by the President and the Village Board of Trustees of the Village of East Dundee,
Illinois, this 6th day of March, 2017.

AYES: Trustee Lynam, Selep, Wood and President Miller

NAYS: Trustee Hall

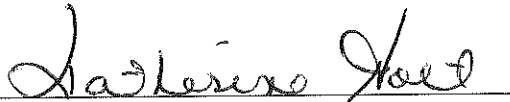
ABSENT: Trustee Gorman

APPROVED:



Village President

Attest:



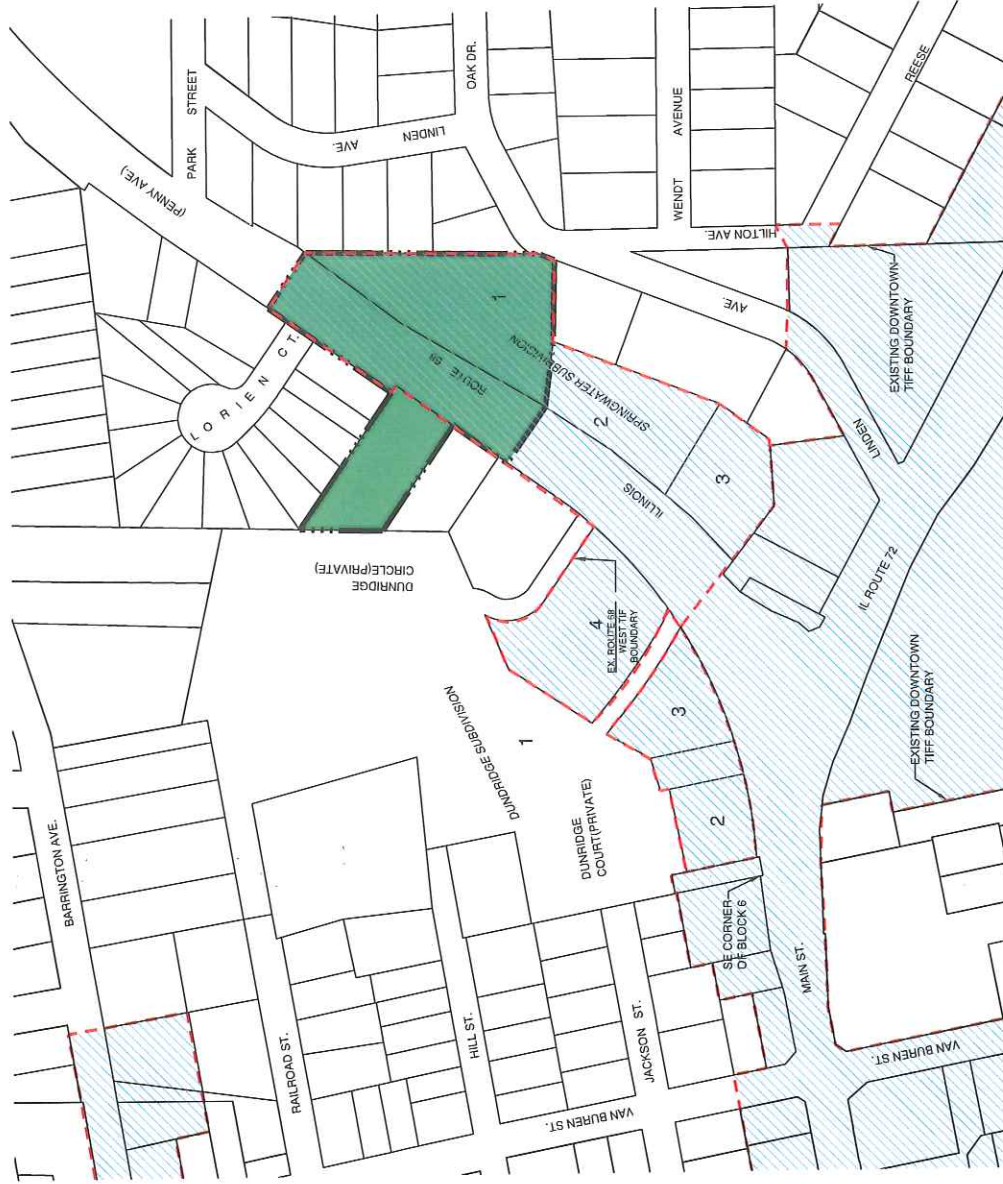
Village Clerk

EXHIBIT A

EAST DUNDEE PENNY AVENUE TAX INCREMENT FINANCING DISTRICT MAP



Scale 1" = 150'



LEGAL DESCRIPTION FOR THE PORTION TO BE REMOVED FROM THE ROUTE 68 WEST TIF

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:
 LOT 1 IN SPRINGWATER SUBDIVISION RECORDED DECEMBER 22, 1986 AS DOCUMENT NO. 1813419 BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.
 ALSO, THAT PART OF PUBLIC RIGHT OF WAY ADJACENT TO THE ABOVE DESCRIBED PARCEL.
 THE TOTAL AREA INCLUDING RIGHT OF WAY IS 2.75 ACRES MORE OR LESS.

LEGAL DESCRIPTION FOR THE PENNY AVE TIF

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:
 LOT 1 IN SPRINGWATER SUBDIVISION RECORDED DECEMBER 22, 1986 AS DOCUMENT NO. 1813419 BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.
 ALSO, THAT PART OF LOT 11 OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE ASSESSOR'S MAP OF THE SUBDIVISION OF PART OF THE SOUTHWEST QUARTER AND SOUTHWEST QUARTER OF SAID SECTION 23, RECORDED FEBRUARY 21, 1865 IN BOOK OF MAPS 2, PAGE 137, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 259.7 FEET TO THE CENTER LINE OF STATE ROUTE 68; THENCE NORTHEASTERLY ALONG SAID CENTER LINE 120 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 338.01 FEET TO THE WEST LINE OF SAID LOT; THENCE SOUTH ALONG SAID WEST LINE 143.07 FEET TO THE POINT OF BEGINNING, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.
 ALSO, THAT PART OF PUBLIC RIGHT OF WAY ADJACENT TO THE ABOVE DESCRIBED PARCELS.
 THE TOTAL AREA INCLUDING RIGHT OF WAY IS 3.49 ACRES MORE OR LESS.

LEGEND

- PROPOSED PENNY AVENUE TIF BOUNDARY
- PROPOSED PENNY AVENUE TIF
- - - EXISTING TIF BOUNDARY
- EXISTING DOWNTOWN TIF
- PROPOSED TO BE REMOVED FROM ROUTE 68 WEST TIF

GERALD L. HEINZ & ASSOCIATES, INC.
 CONSULTING ENGINEERS & LAND SURVEYORS
 206 NORTH RIVER STREET
 EAST DUNDEE, ILLINOIS 60118

NO.	DATE	REVISIONS

PENNY AVENUE
 TAX INCREMENT FINANCIAL DISTRICT

VILLAGE OF EAST DUNDEE

This map is prepared by Gerald L. Heinz & Associates, Inc. in accordance with the provisions of the Illinois Land Surveying Act. It is not intended to be used for any other purpose. The accuracy of the information shown on this map is not guaranteed by Gerald L. Heinz & Associates, Inc. and shall be limited to the extent of the information presented to the client.

DATE: 01/25/2017
 JOB NO.: ED-2106
 SCALE: 1"=150'
 SHEET 1 OF 1

EXHIBIT B

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

THAT PART OF LOT 11 OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE ASSESSOR'S MAP OF THE SUBDIVISION OF PART OF THE SOUTHEAST QUARTER AND SOUTHWEST QUARTER OF SAID SECTION 23, RECORDED FEBRUARY 21, 1865 IN BOOK OF MAPS 2, PAGE 137, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 259.7 FEET TO THE CENTER LINE OF STATE ROUTE 68; THENCE NORTHEASTERLY ALONG SAID CENTER LINE 120 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 338.01 FEET TO THE WEST LINE OF SAID LOT; THENCE SOUTH ALONG SAID WEST LINE 143.07 FEET TO THE POINT OF BEGINNING, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

EXHIBIT C



120 Barrington Avenue, East Dundee Illinois 60118

Phone: (847) 426-2822 Fax: (847) 426-2956

February 21, 2017

To: Joe Billitteri
Premier Commercial Realty
9225 South Route 31
Lake in the Hills, IL 60156

From: Jennifer Johnsen
Deputy Village Administrator

Ref: Proposed Redevelopment Agreement for 201 Penny Avenue, East Dundee, IL (Revised Terms)

Mr. Billitteri,

The general terms of a Redevelopment Agreement for the rehabilitation of 201 Penny Avenue are as follows:

Developer's Responsibilities

- 1 – Purchase the real estate located at 201 Penny Avenue for \$200,000 subject to the terms of a Redevelopment Agreement with the Village of East Dundee
- 2 – Convert the existing building from a commercial office building to a residential facility consisting of eight, two bedroom apartments of about 930 square foot per apartment
- 3 – Invest at least \$815,000 in building and site improvements, which is- estimated to be \$411,950 above base minimum renovation costs.
- 4 – Work with Township Assessor to set the new base FMV at \$240,000.
- 5 – Work with Township Assessor to set the post-improvement value at a FMV of at least \$640,000.
- 6 – Pay for 50% of the direct cost to the Village to create the TIF with a cap of \$10,000 for developer's share.

Village's Responsibilities:

- 1 – Create a new TIF District incorporating the 201 Penny Avenue property and 210 Penny Avenue property.
- 2 – Amend the Comprehensive Plan to allow the 201-Penny property to be redeveloped as residential units.
- 3 – Rezone the property from B-3 Community Business to R-5 Multiple Dwelling.
- 4 – Provide a TIF Redevelopment agreement that allows for a recapture of up to 25% of the TIF eligible expenses in an amount not to exceed \$250,000. Those expenses are estimated to be \$1,015,950.
- 5 – Allow developer a recapture of TIF increment based on the following schedule until total amount of recapture a maximum of \$250,000:

TIF Recapture - 201 Penny			
Year	TIF Taxes	% Reimbursement	\$ Reimbursement
Year 1	14,666.67	90%	13,200.00
Year 2	14,960.00	90%	13,464.00
Year 3	15,259.20	90%	13,733.28
Year 4	15,564.38	85%	13,229.73
Year 5	15,875.67	80%	12,700.54
Year 6	16,193.19	75%	12,144.89
Year 7	16,517.05	70%	11,561.93
Year 8	16,847.39	65%	10,950.80
Year 9	17,184.34	60%	10,310.60
Year 10	17,528.02	55%	9,640.41
Year 11	17,878.58	50%	8,939.29
Year 12	18,236.16	50%	9,118.08
Year 13	18,600.88	50%	9,300.44
Year 14	18,972.90	50%	9,486.45
Year 15	19,352.36	50%	9,676.18
Year 16	19,739.40	50%	9,869.70
Year 17	20,134.19	50%	10,067.10
Year 18	20,536.87	50%	10,268.44
Year 19	20,947.61	50%	10,473.81
Year 20	21,366.56	50%	10,683.28
Year 21	21,793.90	50%	10,896.95
Year 22	22,229.77	50%	11,114.89
Year 23	22,674.37	50%	11,337.18

Assuming all terms are complied with in a timely manner, the Project should be completed and ready for a Certificate of Occupancy by the fourth quarter of 2017.

Sincerely,



Jennifer Johnsen
Deputy Village Administrator

CC: Robert J. Skurla, Village Administrator