

Village of East Dundee
PRESIDENT AND BOARD OF TRUSTEES
Committee of the Whole
Monday, April 13, 2015
06:00 PM

Call to Order

Roll Call

Public Comment: Agenda items only - Please keep comments to 5 minutes or less

Old Business

New Business

A. Village Hall Presentation by DDCA

[B. Inducement Request for 210 Penny Avenue](#)

C. Community Thrift Store

Executive Session

Recess to Executive Session Executive Session, closed to the public and media under the provisions of the Illinois Open Meetings Act, 5ILCS, 120/2, (2) (21), Discussion of Minutes, (C) (6), Pending Litigation, 2 (C) (1), Personnel and 2 (C) (5) Acquisition of Property.

Public Comment - Please keep comments to 5 minutes or less

Adjournment



VILLAGE OF EAST DUNDEE

120 Barrington Avenue, East Dundee, Illinois 60118 847-426-2822 fax: 847-426-2956

March 23, 2015

To: Mr. Robert J. Skurla,
Village Administrator
East Dundee, IL 60118

From: Doug Bergren
Economic Development Consultant
East Dundee, IL 60118

Dear Bob,

Enclosed, you will find a letter from Mr. Emin Tuluce regarding his purchase of the small strip mall at 210 Penny Ave. which he intends on naming East Dundee Commons. He intends to renovate the entire building and already has a new tenant with plans on attracting other retail businesses. Not including purchase price, he will have \$617,000 invested.

He would like Village participation and it is my recommendation we should proceed with an Inducement Resolution. Thank you.

R120, LLC

977 N. Oaklawn Ave. Suite 102 Elmhurst, IL. 60126

March 16, 2015

Robert Skurla
Village Manager
120 Barrington Ave.
East Dundee, IL. 60018

Mr. Doug Bergren
Economic Development Consultant
120 Barrington Ave.
East Dundee, IL. 60018

Gentlemen,

Thank you for meeting me last week. As we discussed, R120, LLC is under contract to purchase the property located at 210 Penny Ave. The building is in need of significant renovation to bring it to a condition that will support its use. In the alternative, the building will remain vacant or will be torn down which will result in a lost revenue stream of property taxes and lost opportunity revenue from a prosperous retail use. It has been vacant since its last users; coin laundry, salon, doctor's office and Post Time USA have vacated the premises.

We are currently working with an entity called, SAGAREI, Inc. who is interested in establishing:

- * A sit down restaurant in Unit C (old salon space)
- * An ice cream parlor in Unit F (old coin laundry space) and
- * A coffee shop with drive-thru in Unit A (old mail box space) if these units renovated for their proposed uses by R120, LLC.

SAGAREI, Inc estimates that these businesses will generate \$750,000-\$800,000 in revenue in its first year of operation and will eventually increase to north of \$1 million per year. Furthermore these businesses will create 13-19 employment opportunity in work force.

R120, LLC's acquisition and renovation cost will be \$862,000 plus additional \$150,000 in food equipment purchase. Rental rates in this 4,750 sf retail space will not support these investments.

R120, LLC expects that assessed value will increase from \$206,129 to 618,449 after renovations and higher rate of occupancy. This will increase the property taxes that village will eventually benefit from. Furthermore expected \$1 million sales annually will bring sales tax revenues about \$32,500 (at 3.25%) to Village for years to come.

The investment includes:

Building Purchase	\$480,000
Roofing	\$18,000
Flooring	\$24,000
Parking Lot	\$85,000
Electrical	\$55,000
Plumbing	\$35,000
HVAC	\$25,000
Carpentry	\$50,000
Interior Finishes	\$30,000
Concrete	\$35,000
Demo and Misc	\$25,000
Restaurant Equipment	\$150,000
Subtotal	\$862,000
Façade improvements	\$85,000
Total	\$1,097,000

R120, LLC requests a 30% recapture of the \$862,000 investment with a 5 year claw-back and to remain eligible for participation in the façade grant program. I respectfully request a partnership with the Village to redevelop the property at 210 Penny Avenue.

If we can finalize these deal with Village's assistance, this action will provide sustainable businesses in a building that has been vacant for some time and had had several occupants past 18 years. Our willingness to work with this entity and taking risk on this project shows how committed we are to East Dundee.

Sincerely,

Emin Tuluçe
Manager,
R120, LLC.