

**A RESOLUTION APPROVING AN
ECONOMIC INCENTIVE AGREEMENT
by and between
THE VILLAGE OF WEST DUNDEE
and
SPA BLEU**

THIS ECONOMIC INCENTIVE AGREEMENT (this "Agreement") is entered into by and between the Village of West Dundee, an Illinois municipal corporation located in Kane County, Illinois (the "Village") and Spa Bleu.. The Village and Spa Bleu are collectively referred to as the Parties.

WHEREAS, the Village is a home rule municipality pursuant to Section 6(a) of Article VII of the Constitution of the State of Illinois and is authorized to exercise and perform any function pertaining to its government and affairs;

WHEREAS, the Village has adopted a resolution supporting the concept of economic incentives in order to encourage private investment and enhance the tax base of the Village and affected taxing districts through the reinvestment of tax dollars as permitted by state statute;

WHEREAS, Spa Bleu has been operating a successful business in downtown West Dundee for the past ten years that currently employs 60 professionals at 106 N. 2nd Street;

WHEREAS, Spa Bleu is desirous of expanding its retail space in order to conform to Aveda salon standards nationwide and in addition, make renovations to the existing operations;

WHEREAS, the Village has been petitioned by the business owner to assist in the improvements of the business at this location to provide economic assistance to aid in the financing of this project;

WHEREAS, the Village finds that the retention and retail expansion of this business are in the best interests of the Village and will result in maintaining and improving sales tax revenue for the Village, will solidify its presence in downtown West Dundee, and will spur additional retention and attraction of other businesses to the area, all of which are consistent with the Village's resolution supporting the concept of economic incentives;

WHEREAS, it is the desire of the Village to have Spa Bleu undertake the improvements subject to reasonable economic incentives as set forth herein;

WHEREAS, discussions have taken place between Spa Bleu and the Village and an accord has been reached;

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Recitals:** The recitals set forth above are expressly incorporated into and made a part of this Agreement.
2. **Authority:** This Agreement is entered into by the Village pursuant to the Village's authority as a Home Rule unit of local government.

3. **Undertakings on the Part of Spa Bleu**

- a. Within sixty from the date of this Agreement, Spa Bleu hereby covenants and agrees to complete the proposed improvements depicted in Attachment A for an estimated cost of \$550,000. Such improvements are a condition precedent to the Village's obligations set forth in this Agreement.
- b. Spa Bleu agrees to operate a retail establishment at the subject property for a period of not less than ten (10) years from the date of this agreement.
- c. Spa Bleu agrees that if their West Dundee establishment discontinues operation at this location within five (5) years from the date of this Agreement, Spa Bleu agrees to repay all economic incentive monies provided by the Village of West Dundee during this first five (5) year period. If the business shall cease operations during years six (6) through ten (10), the annual economic incentive payment from the Village will be discontinued and that this contract shall be null and void.
- d. Within sixty days from the date of this Agreement, Spa Bleu hereby covenants and agrees that it will invest approximately \$550,000 to complete the proposed improvements which include 1) expansion of their existing retail area to include a full range of Aveda and other hair/beauty products 2) renovation of existing beauty stations and related facilities within the business. Upon completion of this work, Spa Bleu shall submit documentation reasonable required to document expenses as shown in this paragraph.

- e. Spa Bleu agrees to comply with all applicable ordinances and State and federal statutes to the extent required by law conform to all requirements of the Illinois Department of Revenue Local Tax Collection Act.
- f. Spa Bleu hereby covenants and agrees that at all times it shall comply with all applicable local zoning ordinances and regulations, building code, fire code, and all other applicable Village ordinances, resolutions, and regulations. Spa Bleu shall bring itself into compliance with any applicable local zoning ordinances and regulations, building code, fire code, and all other applicable Village ordinances, resolutions, and regulations within thirty (30) days after written notice from the Village of any violation of any of the foregoing.
- g. Spa Bleu hereby covenants and agrees to comply with all applicable laws, rules, and regulations of the State of Illinois, the United States, and all agencies of each of them having jurisdiction over the corporation or any business operation of Spa Bleu.

4. **Undertakings on the Part of the Village:**

- a. On the condition that there is no default on the part of Spa Bleu considering its undertakings in paragraph 3 under this Agreement, the Village covenants and agrees to rebate a portion of the interest paid by Spa Bleu for their SBA 7A loan to finance these improvements. It is understood that SBA 7A loan will be in the amount of \$500,000 and the Village will be providing an annual incentive amount \$7,936.44 for a ten year period.

b. Annual interest subsidy payments will be made directly to Spa Bleu and will commence on September 01, 2015 and if all conditions of this agreement are adhered to, will cease on September 01, 2024. Total interest subsidy payments made by the Village to Spa Bleu will not exceed \$79,364.40.

5. **Mutual Agreements:**

- a. This Agreement incorporates all agreements and understandings of the parties hereto as of the date of its execution. Each party acknowledges that no representations or warranties have been made which have not been set forth herein.
- b. Time is of the essence.
- c. All notices and requests, if any, required pursuant to this Agreement shall be sent by certified mail as follows:

To Spa Bleu:

Spa Bleu
Attention: Tammy Coakley – Manager
106 N. 2nd Street
West Dundee, IL 60118

To the Village:

Village of West Dundee
Joseph Cavallaro, Manager
102 South Second Street
West Dundee, IL 60118

- d. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.
- e. Spa Bleu shall not assign this Agreement to any person or entity without the written consent of the Village, which consent shall not be unreasonably held. All obligations of Spa Bleu shall remain in full force and effect until such time as the assignee to which the Village has consented has assumed all such obligations. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto.
- f. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- g. No recourse under or upon any obligation, covenant, or provision of this Agreement, or for any claim based thereon or otherwise in respect thereof shall be had against the Village, its officers, agents, and employees, in any amount or in excess of any specific sum agreed by the Village to be paid to Spa Bleu under this Agreement. No liability, right or claim at law or in equity shall attach to or shall be incurred by the Village, its officers, agents and employees in excess of such amounts; and all and any such rights or claims against the Village, its officers, agents and employees are hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the Village.

6. **Defaults:**

- a. Failure on the part of Spa Bleu to comply with any term, representation, warranty, provision, or condition of this Agreement within thirty (30) days after written notice thereof from the Village shall constitute an event of the default. Upon an occurrence of an event of default, the Village shall be relieved of any and all of its obligations arising pursuant to this Agreement, and such obligations shall be immediately canceled and without any force or effect, and the Village may take whatever action at law or in equity as may appear necessary or desirable to enforce the performance and observance of any obligation, understanding, covenant or agreement of Spa Bleu. Further, upon an occurrence of an event of default by Spa Bleu, Spa Bleu shall be responsible to the Village for reimbursement of all costs incurred by the Village in seeking to enforce the performance and observance of any obligation, understanding, covenant, or agreement as aforesaid, including, but not limited to, costs incurred by use of its employees, officers, and attorneys.
- b. In the event Spa Bleu fails to complete the improvements to the Subject Property as required by the terms and conditions of the Agreement or in the event that Spa Bleu terminates its business operations before the term of this Agreement has expired, this Agreement shall be null and void.


7. **Term:** The term of this Agreement shall commence as of the date of its execution after approval by the corporate authorities of the Village. This Agreement will terminate ten years after the date of commencement.

PASSED AND APPROVED by the President and Board of Trustees of the Village of West Dundee, Kane County, Illinois, this 18th day of August, 2014.

AYES: Trustees Kembitzky, Price, Hanley, Yuscka, Pflanz and Wilbrandt

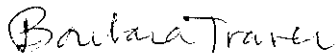
NAYS: None

ABSENT: None



Christopher Nelson – Village President

ATTEST:




Barbara Traver – Village Clerk

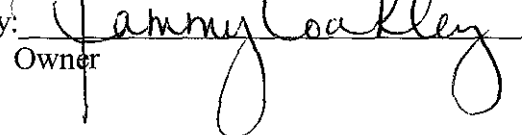
IN WITNESS WHEREOF, the Village has caused this Agreement to be executed by its duly authorized officer, and Spa Bleu has executed this Agreement, this 18 day of

August, 2014.

VILLAGE OF WEST DUNDEE,
an Illinois Corporation

By: 
Joseph Cavallaro, Village Manager

SPA BLEU

By: 
Owner