

Ordinance No. 14-31

**AN ORDINANCE OF THE VILLAGE OF EAST DUNDEE,
COOK AND KANE COUNTIES, ILLINOIS, APPROVING
A REDEVELOPMENT AGREEMENT BY AND BETWEEN THE
VILLAGE OF EAST DUNDEE AND SV (EAST DUNDEE), LLC**

WHEREAS, the President and Board of Trustees (the “*Corporate Authorities*”) of the Village of East Dundee, Cook and Kane Counties, Illinois (the “*Village*”), on September 16, 2006, pursuant to Ordinance Nos. 06-40, 06-41 and 06-42, approved a Redevelopment Project Plan and Eligibility Report for an area designated as the Route 25 Tax Increment Redevelopment Project Area (the “*Redevelopment Project Area*”), and adopted tax increment financing for the payment and financing of redevelopment project costs incurred within the Redevelopment 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, as amended by Ordinance 11-19 passed on April 11, 2011 (the “*BD District*”) to include the certain commercial district as described therein 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 this 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 SV (East Dundee) LLC (the “*Developer*”), that the Developer intends to develop certain property included within the Redevelopment Project Area and the BD District, as amended (“*Subject Property*”), being the former site of the Santa’s Village Amusement Park, into a premiere family entertainment center to be known as “Santa’s Village Expo” (the “*Project*”) and the ability to undertake the Project on the Subject Property may require financial assistance from the Village for certain improvements that would be incurred in connection with the Project, 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 for the BDD District; and,

WHEREAS, the Corporate Authorities have determined that the provision by the Village to the Developer of the assistance as hereinafter set forth and the redevelopment by the Developer of the Subject Property pursuant to this Agreement are in the best interests of the Village and its residents and taxpayers, thereby helping to provide for economic development and job opportunities for the inhabitants of the Village, enhance the tax base of the Village and other taxing districts and add to the welfare and prosperity of the Village and its inhabitants.

NOW, THEREFORE, BE IT ORDAINED 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. The Redevelopment Agreement By and Between the Village of East Dundee, Illinois and SV (East Dundee), LLC (Santa’s Village Expo) in the form attached hereto and made a part hereof is hereby approved and the Village President and Village Clerk are hereby

authorized to execute and the Village Administrator is hereby authorized to undertake any action required to implement its terms.

ADOPTED this 20th day of October, 2014, pursuant to a roll call vote as follows:

AYES: Trustees Gorman, Lynam, Skillicorn and Selep

NAYS: ∅

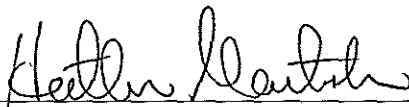
ABSENT: Trustees Wood and Ruffalo

APPROVED by me this 20th day of October, 2014.



Village President

Attest:



Village Clerk

Published in pamphlet form:

October 21, 2014

**FIRST AMENDMENT TO THE
REDEVELOPMENT AGREEMENT BY AND BETWEEN
THE VILLAGE OF EAST DUNDEE, ILLINOIS AND SV (EAST DUNDEE), LLC
(*Santa's Village Expo*)**

THIS FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT dated June 7, 2011 (the "*Original Agreement*"), by and between the Village of East Dundee, Illinois, an Illinois municipal corporation (the "*Village*") and SV (East Dundee) LLC (the "*Developer*") is entered into this 20th day of October, 2013.

PREAMBLES

WHEREAS, pursuant to the Original Agreement, the Developer agreed to redevelop certain property legally described therein, said property being the former site of Santa's Village Amusement Park (the "*Subject Property*"), into a premiere family entertainment center to be known as Santa's Village Expo; and,

WHEREAS, pursuant to the Original Agreement, the Village agreed to reimburse the Developer for certain improvements to the Subject Property as hereinafter set forth, so long as such improvements constituted "Redevelopment Project Costs" under the Tax Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (the "*TIF Act*") or "Business District Project Costs" under the Business District Development and Redevelopment Act, 65 ILCS 5/11-74.3-1 *et seq.* (the "*BDD Act*"); and,

WHEREAS, so long as no notice of an event of default has been issued or an event of default declared under the Original Agreement, the Village agreed to reimburse the Developer for improvements to the parking lot of the Subject Property in an amount not to exceed \$100,000; the lesser of fifty percent (50%) of the cost of retrofitting the signage or \$100,000; and \$500.00 each year commencing 2016 for additional eligible project costs under the TIF Act or

the BDD Act on the condition that the aggregate payments to the Developer shall in no event exceed \$207,000; and,

WHEREAS, after further consideration by the Village regarding its obligation to fifty percent (50%) of the cost to retrofit the signage serving the Subject Property, the Village determined it to be in its best interest to induce the Developer to undertake improvements which increase the total value of the Subject Property and therefore now desires to reimburse the Developer for fifty percent (50%) of redevelopment project costs other than signage to the extent such costs qualify under the TIF Act and/or the BDD Act as project costs, said reimbursement to be in accordance with the terms and conditions as hereinafter provided in an amount not to exceed \$100,000.

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals.

The Parties agree that all of the recitals contained in the Preambles to this Agreement are true and correct and are hereby incorporated into this Agreement as though they were fully set forth in this Section 1.

Section 2. Acknowledgment of Payments as of the Date Hereof.

The Developer hereby acknowledges that the Village has reimbursed the Developer the sum of \$100,000 for costs incurred in connection with the parking lot improvements at the Subject Property, which improvements have been completed in accordance with Village requirements.

Section 3. Alternative Project Costs.

Section 3(d) of the Original Agreement is hereby amended to delete the obligation of the Village to reimburse the Developer for the lesser of fifty percent (50%) of the cost of retrofitting the signage serving the Subject Property or \$100,000; and, in lieu thereof, hereby agrees to reimburse the Developer for fifty percent (50%) of the costs incurred in connection with the redevelopment of the Subject Property to the extent such costs are eligible redevelopment project costs under the TIF Act and the BDD Act or \$100,000.

Section 4. Annual Reimbursement.

The Village confirms its obligation to annually reimburse the Developer an amount not to exceed \$500.00 for eligible projects costs to the extent such costs are eligible under the TIF Act and/or the BDD Act commencing May 1, 2016 and each May 1 thereafter during the term of the Original Agreement.

Section 5. Maximum Reimbursement.

Notwithstanding any of the obligations of the Village to reimburse the Developer for costs incurred to redevelop the Subject Property, in no event shall the aggregate of all of such reimbursements to the Developer by the Village exceed \$207,000.

Section 6. Affirmation of Original Agreement.

All other terms of the Original Agreement not in conflict with the terms hereof are hereby affirmed as if restated herein.

Section 7. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at East Dundee, Illinois.

Village of East Dundee, an Illinois municipal corporation

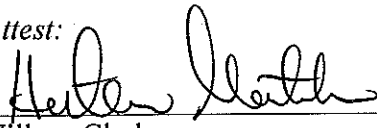
By:

President



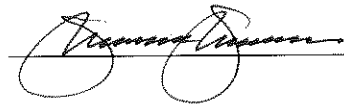
Attest:

Village Clerk



SV (East Dundee) LLC

By:





VILLAGE OF EAST DUNDEE

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

October 15, 2014

To: Village Board

From: Robert J. Skurla
Village Administrator

Ref: Outstanding Water & Sewer Bill and outstanding Amusement Tax Receipts of Santa's Village.

Attached to this memo is a report from Linda Blackerby outlining the long standing payments owed to the Village for water & sewer fees and amusement tax from the previous owners of Santa's Village. Village legal counsel has opined that the amusement tax is a direct debt of the business and does not run with the real estate. That is not the case of a water and sewer bill according to our municipal code. Consequently, the entity that was Santa's Village that relocated to LaSalle County would be responsible for that tax, not the current owners of the real estate. Our code ties the outstanding water & sewer bills to the property as a liability so the current owners did inherit that bill.

SUGGESTED DISPOSITION: I would propose we offer to waive the outstanding amusement tax of \$39,500 and ask that the water and sewer bill of \$35,784.85 be put on a 24 month payment schedule of \$1,491.04 per month until the bill is paid off.

HISTORIC TAX RECEIPTS LAST TWO FISCAL YEARS

The current owners paid \$148,495.34 in property taxes last year of which \$6,999 came directly to the Village. This year they paid property taxes of \$162,579.74 of which \$ 7,705 was paid as direct property tax to the Village. Of this year's taxes, \$34,020.16 will be paid into the Dundee Crossings TIF District. Also, Municipal Sales Tax generated from the two businesses on the property over the FY 2013-2014 year was \$ 21,264, Home Rule Sales Taxes was \$31,896 and Business Development Sales Tax was \$11,158. Additionally, Amusement Taxes collected in FY2011-12 were \$41,810, in FY 2012-13 were \$51,274, and in FY 2013-14 were \$95,888. Liquor license fees for both businesses totaled \$4,125 for FY2012-13 and \$4,125 for FY2013-14.

Recap:

| | <u>FY2013-14</u> |
|------------------------|------------------|
| Village Property Taxes | \$ 7,705 |
| TIF District Taxes | \$34,020 |
| Municipal Sales Tax | \$21,264 |
| Home Rule Sales Tax | \$31,896 |
| BDD Sales Tax | \$ 11,158 |
| Amusement Tax | \$95,888 |
| <u>Liquor Licenses</u> | <u>\$ 4,125</u> |
| TOTAL | \$206,056 |