



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Fox River Tax Increment Financing District #3: Resolution No. 2022-__ Establishing Basic Parameters a Public Private Partnership and a Redevelopment Agreement to Induce a Mixed Use (Commercial- Residential) Building at 122 E. State and 130 E. State		
Presenter & Title:	Cathleen Tymoszenko, Economic Development Director		
Date:	October 31, 2022		
Please Check Appropriate Box:			
<input checked="" type="checkbox"/>	Committee of the Whole Meeting	<input type="checkbox"/>	Special Committee of the Whole Meeting
<input checked="" type="checkbox"/>	City Council Meeting	<input type="checkbox"/>	Special City Council Meeting
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Other -
Associated Strategic Plan Goal/Objective: EV-11			
Estimated Cost: \$		Budgeted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Other Funding? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If "Other Funding," please explain: Special Allocation Fund TIF 3			
Executive Summary:			
<p>Emerald RE Holding, LLC is near to being under contract to purchase 122-130 E. State Street from Geneva Heights, LLC. The site was assembled in 2017 and cleared (two residential structures-one demolished and one relocation) in 2018. The subject site is approximately ¾ of an acre and vacant.</p> <p>Emerald RE Holding is proposing to construct a three-story, approximately 20,000 square foot mixed use building with approximately 64,000 sq. ft. of commercial retail space on the first floor and twelve apartments on the second and third floors. The commercial retail space will be occupied by Great Western Flooring, a family owned and woman operated flooring retailer providing products, design and installation service. The location will serve as a design center where clients can view products and engage in design services. Great Western Flooring, founded in Naperville in 1984, had previously operated in Geneva for over ten years prior to relocating to its current location one block west of the Geneva corporate limit in St. Charles.</p> <p>Emerald RE Holdings has completed preliminary site investigation and has defined costs in excess of \$7,377,917. The project budget includes several extraordinary costs related to site assembly, site preparation, utility extensions/upgrades and stormwater management. To overcome such costs, Emerald RE Holdings has requested TIF assistance and is seeking preliminary assurances of support for such inducement prior to moving forward with entitlements. Entitlements needed include a Comprehensive Plan Amendment, from Single Family Residential and Single Family Residential Attached to General Commercial; a Zoning Map Amendment, from the D-MHR Mixed High Density Residential District to the D-CM Commercial Mixed Use District; and possibly one or more site plan design exceptions.</p> <p>Preliminary/final engineering and architectural drawings still need to be completed. Information known to date indicates the need for an incentive of up to \$1,459,000. This level of inducement represents approximately 80% private and 20% public. Given the base EAV and age of TIF 3, an inducement at this level will likely use the total amount of resulting increment. Even without additional increment, there are many positive impacts that will be generated from the development including new sales tax dollars, a new established business fronting East State Street, new housing</p>			

opportunities (including possibly a few affordable units), increased EAV for future taxation benefits and new employment opportunities.

To move the project to the next phase, a Resolution to Induce Development has been prepared. The Resolution outlines basic development parameters, defines a framework for Public Private Partnership, acknowledges the need to assist with the land purchase and other eligible expenses associated with professional fees, site engineering, electric transmission and service upgrades and stormwater detention. The Inducement Resolution is designed to encourage Emerald to continue planning for new construction, begin entitlement process and work with the City staff on a draft Redevelopment Agreement to stipulate the use and manner for the distribution of funds with several safeguards in place to protect both parties.

Funds to support this project are not available in TIF 3 Special Allocation Fund and would require inter-fund loan or alternative financing. The proposed development meets several goals embodied in City plans. Goal specifics as well as additional details about the development will be included to the presentation to Committee of the Whole.

- Resolution

Voting Requirements:

This motion requires a simple majority of affirmative votes for passage.

The Mayor may vote on three occasions: (a) when the vote of the aldermen or trustees has resulted in a tie; (b) when one half of the aldermen or trustees elected have voted in favor of an ordinance, resolution, or motion even though there is no tie vote; or (c) when a vote greater than a majority of the corporate authorities is required by state statute or local ordinance to adopt an ordinance, resolution, or motion.

Recommendation / Suggested Action: (how the item should be listed on agenda)

Approve Resolution 2022-___ Establishing Basic Parameters for a Public Private Partnership and a Redevelopment Agreement to Induce a Mixed Use (Commercial- Residential) Building at 122 E. State and 130 E. State.