

**CITY OF VIENNA
CITY COUNCIL MEETING
VIENNA CITY HALL
205 North 4th St
April 7, 2021
6:30 P.M.**

AGENDA

1. Mayor Owen Calls Meeting to Order.

2. Roll Call:

Hill_____ Penrod_____ Owen_____ Racey_____ Tuey_____ Evans_____

NEW BUSINESS

3. Omnibus Consent Agenda

- Approval of the March 17, 2020 Meeting Minutes
- Approval of the Warrant

Motion_____ Seconded_____

Hill_____ Penrod_____ Owen_____ Racey_____ Tuey_____ Evans_____

4. Kathy Poole, Request to hold baseball tournament fundraiser at the city ballpark for Brayden King Memorial Fund

5. Brenda McKenzie- 6th Street stop signs

6. Authorization and Approval to purchase 100 Gas Meters from Holland Supply Company- \$17,000.00- Gas Fund

Motion_____ Seconded_____

Hill_____ Penrod_____ Owen_____ Racey_____ Tuey_____ Evans_____

7. TIF Application Review for KF Meats, LLC
-Recommendation of Council

Motion _____ Seconded _____

Hill _____ Penrod _____ Owen _____ Racey _____ Tuey _____ Evans _____

8. Sewer Pump Repair/Purchase-
-Shane Racey

Motion _____ Seconded _____

Hill _____ Penrod _____ Owen _____ Racey _____ Tuey _____ Evans _____

9. Authorization and Approval to hire Part Time employee for mowing season

Motion _____ Seconded _____

Hill _____ Penrod _____ Owen _____ Racey _____ Tuey _____ Evans _____

10. **PUBLIC COMMENT/ADDITION TO THE AGENDA**

11. **City Elected and Appointed Officials:**

- Richard Owen, Mayor
- Melissa Presser, City Attorney
- Aleatha Wright, City Clerk- City Wide Yard Sale 5/21-5/22
DJ for July 4th
- Shane Racey, City Supt
- Michelle Meyers, Treasurer
- Jim Miller, Chief of Police
- Brent Williams, Fire Chief
- City Council

12. **Adjournment:**

POSTED: 4-5-21

BY: A. Wright

Memo

To: City of Vienna
From: Moran Economic Development
CC:
Date: March 30, 2021
Re: Application for TIF Assistance Review – KF Meats

The following Project Proposal has been submitted to the City requesting consideration for the provision of TIF Funds in support of the costs expected to be incurred. We have reviewed the applicant's proposal and have outlined key project features and economic impact aspects below:

Project: Existing Building Renovation for Commercial Purposes

Applicant/Developers: KF Meats LLC, owner, Monty Kerley

Project Location: 200 Industrial Drive, Vienna, IL (Vienna TIF #1)

Johnson County PIN: 08-04-201-008

Estimated Total Project Cost: \$149,980 (Breakdown on following pages)

Project Overview: The applicant will be leasing the vacant building at 200 Industrial Drive (old Back Forty Tractors & Equipment building) for the purposes of operating a food retail facility that will focus on raw and processed meat products. The building is not currently set up for this purpose, and will require extensive renovations to prepare the facility to be utilized for the desired business operations.

Work items include, but are not limited to:

- Electrical & lighting upgrades
- Installation of furnaces and freezer equipment
- Interior and exterior structural repairs and renovations such as new windows, doors, remodeling, and restroom facility upgrades.
- Installation of tar & chip driveway surface for parking and driving

The renovation and repair of existing commercial buildings for retail purposes is in line with the goals and objectives of the TIF Plan

The applicant states that without the provision of TIF assistance, the project may not be financially feasible. .

Potential Employment Opportunity Impact

The applicant estimates that this business will require 3 full-time and 2 part-time employees to operate normally on a day to day basis. These will include managerial roles, butchers, sales associates, and clerks.

Estimated Economic Impact on Sales Tax Revenue

The City will collect the usual 1% from all taxable sales which occur at this location. (\$100,000 in taxable sales will result in \$1,000 in tax revenue for the City's general fund).

The applicant has indicated that they estimate near \$2M in taxable sales to occur at this location annually. This represents \$20,000 in sales tax revenue for the City. This figure is an estimate and does not represent a guarantee of performance.

Estimated Project Costs

KF Meats, LLC – Renovation Costs

Description	Estimated Cost	Estimated TIF Eligible
Electrical & Lighting Upgrades	\$5,700	\$5,700
Equipment Purchase & Installation	\$40,000	\$0
Interior & Exterior Renovations & Remodeling	\$40,000	\$40,000
Parking & Driveway Improvements	\$18,000	\$18,000
Legal & Professional Fees	\$4,000	\$4,000
Financing Costs	\$42,280	\$12,000
TOTAL	\$149,980	\$79,700

Estimated TIF Eligible Costs

TIF Eligible costs are those costs incurred by the Developer during the performance of the work required for the project which are legally reimbursable under the Illinois TIF Act. Any financial assistance provided by TIF Funds may not exceed the total TIF eligible costs incurred. Actual costs incurred during the performance of the project would need to be reviewed in order to make final determinations of eligibility in accordance with the TIF Act. The legal eligibility of these costs does not guarantee the provision of any level of funding.

Estimated Economic Impact on Property Taxes

	PRE PROJECT	AFTER PROJECT	CHANGE
*Taxable Value	\$70,074	\$87,241	\$17,167
Total Tax Bill	\$6,849	\$8,527	\$1,678
TIF Revenue	\$0	\$1,675	\$1,675

Please see attached Exhibit B – Projections, for more detailed information regarding property tax estimates.

*Actual taxable value will be determined by the County Assessor, and may vary widely based on their assessment of the improvements to the property.

- Projections indicate that this project could result in approximately \$17,500 in new TIF Revenue over the next 10 years.

Request for TIF Assistance: The applicant has requested assistance with all TIF eligible costs incurred during the completion of the project.

Opinion on the Provision of TIF Assistance

Should the City wish to provide TIF funds to support this project, the recommended strategy for assistance would be a one-time grant payment payable upon completion of the project, as well as an annual reimbursement of 60% of the TIF Increment generated.

Suggested Assistance Package to offer:

Grant Amount: TBD by the City Council at their discretion – suggested \$5,000 – \$10,000

Payable upon completion of the entire project as determined by the City.

AND/OR

Annual Reimbursement Payment: 60% of TIF Increment Generated by Property

Term: 10 Years

Limit: 100% TIF Eligible Costs Incurred

No payments are recommended to be made prior to the review of the eligible costs incurred, as verified and confirmed by the City or its consultants, in their sole discretion. No payments utilizing TIF Funds may exceed the total Eligible Redevelopment Project costs verified to have been incurred in conjunction with the project.

NOTE

The provision of TIF assistance is at the complete discretion of the City, and this document is simply meant to serve as an overview of the project and evaluation of the application for assistance submitted by the Developer, as well as expression of our opinion, based on our professional experience, of an assistance strategy which the City could consider utilizing in regard to TIF funds. Any actions taken should be in accordance with the desires of the City, the availability of funding, and in accordance with all provisions of the TIF Act.

Any actual payment is subject to terms of an executed Redevelopment Agreement between the City and the Developer. Any reimbursement may not exceed the total Eligible Redevelopment Project costs verified to have been incurred in conjunction with the project.

REAL ESTATE TAX PROJECTIONS
KF Meats, LLC - Existing Building Renovation
200 Industrial Drive - Vienna, IL - TIF #1

Project PIN(s)	08-04-201-008	
Estimated Current EAV of Properties (assuming demolition)	\$70,074	Est. Current Tax Bill
TIF BASE	\$70,100	\$6,849
Estimated Total Project Cost (Hard Costs)	\$103,000	Est. to TIF
Project Costs to Assessed Value*	50%	-\$3
Estimate Assessed Value of Improvements	\$51,500	
EAV of Estimated Improvements	\$17,167	
New EAV with Improvements	\$87,241	Total Tax Bill
Total Tax Rate	9.77448%	\$8,527

TIF Increment or Amount Available for Reimbursement
\$1,675

Payment Year	Year	Current or Base EAV	EAV of Improvements	New EAV w/ Improvements	New EAV w/ Improvements Minus Base EAV	Estimated Full Tax Bill	Estimated TIF Increment	EXAMPLE SHARING SCENARIO			
								To Developer	%	To City	%
	2020	\$70,100	\$0	\$0	\$0	\$0		\$0	0	\$0	0
1	2021	\$70,100	\$17,167	\$87,241	\$17,141	\$8,527	\$1,680	\$1,008	60%	\$672	40%
2	2022	\$70,100	\$17,338	\$87,412	\$17,312	\$8,544	\$1,690	\$1,014	60%	\$676	40%
3	2023	\$70,100	\$17,512	\$87,586	\$17,486	\$8,561	\$1,710	\$1,026	60%	\$684	40%
4	2024	\$70,100	\$17,687	\$87,761	\$17,661	\$8,578	\$1,730	\$1,038	60%	\$692	40%
5	2025	\$70,100	\$17,864	\$87,938	\$17,838	\$8,595	\$1,740	\$1,044	60%	\$696	40%
6	2026	\$70,100	\$18,042	\$88,116	\$18,016	\$8,613	\$1,760	\$1,056	60%	\$704	40%
7	2027	\$70,100	\$18,223	\$88,297	\$18,197	\$8,631	\$1,780	\$1,068	60%	\$712	40%
8	2028	\$70,100	\$18,405	\$88,479	\$18,379	\$8,648	\$1,800	\$1,080	60%	\$720	40%
9	2029	\$70,100	\$18,589	\$88,663	\$18,563	\$8,666	\$1,810	\$1,086	60%	\$724	40%
10	2030	\$70,100	\$18,775	\$88,849	\$18,749	\$8,685	\$1,830	\$1,098	60%	\$732	40%
TOTAL 10 Years						\$86,049	\$17,530	\$10,518		\$7,012	

Assume 1% increase annually

Based on figures from the Developer

*Not all costs contribute to real property value