

**CITY OF VIENNA
CITY COUNCIL MEETING
VIENNA CITY HALL**

**April 19, 2017
6:30 P.M.**

AGENDA

1. Mayor Calls Meeting to Order.

2. Roll Call:

Hill_____ Evans_____ Myrick_____ Owen_____ Racey_____ Williams_____

3. Omnibus Consent Agenda

- Approval of the April 5, 2017 City Council Meeting Minutes
- Approval of the Warrant

Motion_____ **Seconded**_____

Hill_____ Evans_____ Myrick_____ Owen_____ Racey_____ Williams_____

PUBLIC COMMENT/ADDITION TO THE AGENDA

NEW BUSINESS

4. Brian Bert, Rise Up Ministries- Requesting approval for use of the City Park

5. Aaron Hale, Modern Woodmen- Consent to offer benefits to city employees

6. Gary Dahmer, Discussion with council on installation of a sewer lift station for development of property at the former Gambit.

7. Authorization and Approval for City of Vienna Facade Improvement Grant Program

Motion_____ **Seconded**_____

Hill_____ Evans_____ Myrick_____ Owen_____ Racey_____ Williams_____

8. Authorization and Approval of TIF Recommendations:
-This-N-That Flowers & Gifts
-Perkins House Inn
-Harper Auction House

Motion_____Seconded_____

Hill_____ Evans_____ Myrick_____ Owen_____ Racey_____ Williams_____

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

- Jon Simmons, Mayor
- Aleatha Wright, City Clerk
- Shane Racey, City Superintendent
- Jim Miller, Chief of Police- Discussion of creating a City Ordinance
of vehicles involved in crimes
- Brent Williams, Fire Chief
- Josh Stratemeyer, City Attorney
- Michelle Meyers, Treasurer
- Margaret Mathis, City Librarian
- Phil Morris, Depot
- City Council

10. **Executive Session:** Employment/Compensation - 5 ILCS 120/2 (c)(1)

Out of Regular Session into Executive Session

Motion_____Seconded_____

Hill_____ Evans_____ Myrick_____ Owen_____ Racey_____ Williams_____

Out of Executive Session into Regular Session

Motion_____Seconded_____

Hill_____ Evans_____ Myrick_____ Owen_____ Racey_____ Williams_____

11. **Adjournment:**

Motion_____Seconded_____

Hill_____ Evans_____ Myrick_____ Owen_____ Racey_____ Williams_____

POSTED: AWright 4-17-17

City of Vienna Façade Improvement Grant Program



Application and Agreement

The following includes the Façade Improvement Program
Description, Grant Application, and Sample Agreement.

City of Vienna
205 N. 4th St.
Vienna, IL 62995
(618) 658-5161

Downtown Vienna Façade Improvement Grant Program

The Façade Improvement Grant Program provides financial assistance to property owners or tenants seeking to renovate or restore commercial building exteriors. This program is intended to enhance downtown Vienna and achieve overall community beautification through the improvement of the physical appearances of businesses. Through this program the City hopes to make a positive statement about the Vienna business climate to the community, visitors, as well as existing and potential business tenants. Grant funds are made available through the Vienna TIF II fund which is administered by the City of Vienna.

Goal of the Program

The goal of the program is to preserve historic façades, achieve quality façade improvement, and encourage economic investment within downtown Vienna. The City of Vienna believes that by providing incentives to spur preservation, revitalization and reinvestment in structures within downtown, it will create a more attractive business community as well as greatly complement the economic development goals of the City of Vienna.

Program Description/Grant Terms

This physical improvement grant provides a matching grant for façades. Grants under this program shall not exceed \$2,500 per building (unless otherwise approved by the City Council). The applicant is expected to match or exceed any awarded program funding through contribution of his or her own capital to the total project cost. (Example: If grant award is \$2,500 then applicant would also have to spend \$2,500 for a total project cost of \$5,000.) Grant monies will be distributed after a project is complete and the following documentation has been submitted:

- a.) Photos showing completed work.
- b.) All invoices and receipts validating project costs.

All improvements must be initiated within 4 months and completed within 1 year of grant approval date. If the applicant has not met these requirements, the City of Vienna will re-evaluate the status of the project. At its discretion, the City reserves the right to cancel or extend the funding commitment.

Eligible Applicants and Properties

Façade grant money shall only be used for exterior repairs and renovations on commercial storefronts and façades which front on public streets, alleys or parking areas within the Vienna TIF II District. Property owners or tenants of commercial property are eligible to apply. In the case where the tenant is the applicant, the permission of the property owner is required. All taxable commercial properties located within the Vienna TIF II District are eligible for this program. Mixed use properties (i.e. commercial with residential above) will be considered. Residential homes and apartment buildings will not be considered. Tax-exempt properties may be considered but on a case by case basis subject to budgetary constraints. Properties will not be eligible if any property assessments or property taxes are not paid to date. The applicant must obtain all necessary permits and inspections, and pay any corresponding fees.

FAÇADE IMPROVEMENT PROGRAM AREA



The City of Vienna reserves the right to determine the eligibility of all items in a project's scope of work. Eligible items include, but are not limited to:

- Façade rehabilitation
- Storefront repair or rehabilitation
- Door and window repair/replacement
- Exterior Painting
- Awnings
- Lighting
- Tuck pointing and masonry repair
- Other items that are viewed as necessary or complimentary to the properties exterior renovation as accepted by the City of Vienna

(*Ineligible expenses: construction of all new buildings, purchase of property or buildings; improvements not approved by the City of Vienna.)

Budget Allowance for 2017

The City has set aside \$25,000 for the program for this fiscal year.

Application Submittal

To be formally considered for a grant request, an application must be completed and submitted to the City Clerk's Office located at City Hall. Applications can be obtained at City Hall or by calling the Clerk's Office at 618-658-5161.

Application Review

The City of Vienna's decision to accept an application will be based on available funds, the merits of the proposed project, and the support it provides to the general beautification of downtown Vienna.

CITY OF VIENNA

Façade Improvement Grant Application

Please completely fill out this application and return it to the City of Vienna with the items listed in the checklist on the following.

Applicant Information	Name	Phone
	Mailing Address	Fax
	Email	Federal Tax ID#

Property Information	Address for building for which grant is sought:	
	Property Identification Number(s)	Phone

Proposed Improvement(s) - Check all that apply

<input type="checkbox"/> Brick Cleaning	<input type="checkbox"/> Exterior Doors	<input type="checkbox"/> Streetscape Elements
<input type="checkbox"/> Tuck Pointing	<input type="checkbox"/> Windows and Window Frames	<input type="checkbox"/> Landscaping
<input type="checkbox"/> Painting	<input type="checkbox"/> Shutters and Awnings	<input type="checkbox"/> Stairs, Porches, Railings
<input type="checkbox"/> Wall Façade Repair & Treatment	<input type="checkbox"/> Exterior Lighting	<input type="checkbox"/> Roofs visible from the Street
<input type="checkbox"/> Original Architectural Features (repair or replacement)	<input type="checkbox"/> Signage Repair or Replacement	<input type="checkbox"/> Improvements for ADA compliance

☐ Other proposed façade improvements (please specify)

Please describe the scope of the proposed project below (include a summary of the building's current condition, areas to be improved and how, as well as any proposed materials or colors).

The following items must be submitted with the Façade Grant Application:

- Completed and signed Vienna Façade Grant Application
- Current photographs of the property to be improved (entire façade and details) Historical photograph of the property to be improved (if available)
- Drawings of proposed improvements (drawings do not have to be architectural renderings, but should be to scale so that the City can understand the proposed project).
- Color and material samples if relevant (material specifications supplied by manufacturer)
- Preliminary estimate of cost

I agree to comply with the guidelines and standards of the City of Vienna Façade Improvement Program and I understand that this is a voluntary program, under which the City has the right to approve or deny any project or proposal or portions thereof.

Applicant(s) Signature _____ Date _____

Building Owner's Signature _____ Date _____
(if separate from applicant)

CITY OF VIENNA

Façade Improvement Grant Agreement

This Agreement, entered into this _____ day of _____ between the City of Vienna, Illinois (hereinafter referred to as "CITY") and the following OWNER/LESSEE, to witness:

Owner Name: _____

Lessee's Name: _____

Name of Business: _____

Tax ID#/Social Security#: _____

Address of Property to be improved: _____

PIN Number(s): _____

WITNESSETH:

WHEREAS, the CITY has established a Façade Improvement Program for application within the Vienna TIF II District ("District"); and

WHEREAS, said Façade Improvement Program is administered by the CITY and is funded by the TIF II fund for the purposes of controlling and preventing blight and deterioration with the District; and

WHEREAS, pursuant to the Façade Improvement Program, the CITY has agreed to participate, subject to its sole discretion, 1) in reimbursing owners/lessees for the cost of eligible exterior improvements to commercial establishments within the District up to a maximum of one-half (1/2) of the approved contract cost of such improvements, but no more than \$2,500, as set forth herein; and

WHEREAS, the OWNER/LESSEE'S property is located within the Vienna TIF II District, and the OWNER/LESSEE desires to participate in the Façade Improvement Program pursuant to the terms and provisions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements obtained herein, the CITY and the OWNER/LESSEE do hereby agree as follows:

SECTION 1

With respect to the façade improvements to the structural elevation fronting a public roadway and related improvements, the CITY shall reimburse the OWNER/LESSEE for the cost of improvements to the OWNER/LESSEE'S property at the rate of fifty percent (50%) of such costs up to a maximum amount of \$2,500.

The actual total reimbursement amounts per this Agreement shall not exceed \$_____ for façade improvements related to the eligible improvements. The improvement costs, which are eligible for CITY reimbursement, include all labor, materials, equipment, and other contract items necessary for the proper execution of the work as shown on the plans, design drawings, specifications, and estimates approved by the CITY. Such plans, design drawings, specifications, and estimates are attached hereto as EXHIBIT A.

SECTION 2

No improvement work shall be undertaken until its design has been submitted to and approved by the CITY. Following approval, the OWNER/LESSEE shall contract for the work and shall commence within one hundred and twenty (120) days and be completed within one (1) year from the date of such approval. The OWNER/LESSEE may request a ninety-day (90) extension provided there is a demonstrated hardship.

SECTION 3

The CITY shall periodically review the progress of the contractor's work on the façade improvements pursuant to the Agreement. Such inspections shall not replace any required permit inspection by the Building Inspectors. All work which is not in conformance with the approved plans, design drawings, and specifications shall be immediately remedied by the OWNER/LESSEE and deficient or improper work shall be replaced and made to comply with the approved plans, design drawings, and specifications and the terms of this Agreement.

SECTION 4

Upon completion of the improvements and upon their final inspection and approval by the CITY, the OWNER/LESSEE shall submit to the CITY a properly executed and notarized contractor statement showing the full cost of the work as well as each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials, or equipment necessary to complete the façade improvement related work. In addition, the OWNER/LESSEE shall submit to the CITY proof of payment of the contract cost pursuant to the contractor's statement and final lien waivers from all contractors and subcontractors. The CITY shall, within forty-five (45) days of receipt of the contractor's statement, proof of payment, and lien waivers, issue a check to the OWNER/LESSEE as reimbursement for one-half of the approved construction cost estimate or one-half of the actual construction cost, whichever is less, (not to exceed \$2,500), subject to the limitations set forth in Section 1 hereof.

SECTION 5

If the OWNER/LESSEE or the OWNER/LESSEE'S contractor fails to complete the improvement work provided for herein in conformity with the approved plans, design drawings, and specifications and the terms of this Agreement, then upon written notice being given by the CITY to the OWNER/LESSEE, by certified mail to the address listed above, this Agreement shall terminate and the financial obligation on the part of the CITY shall cease and become null and void.

SECTION 6

Upon completion of the improvement work pursuant to this Agreement and for a period of four (4) years thereafter, the OWNER/LESSEE shall be responsible for properly maintaining such improvements in finished form and without change or alteration thereto, as provided in this Agreement, and for the said period of four (4) years following completion of the construction thereof, the OWNER/LESSEE shall not enter into any Agreement or contract or take any other steps to alter, change, or remove such improvements, or the approved design thereof, nor shall the OWNER/LESSEE undertake any other changes, by contract or otherwise, to the improvements provided in this Agreement unless such changes are first submitted to the CITY, and any additional review body designated by the CITY, for approval.

Such approval shall not be unreasonably withheld if the proposed changes do not substantially alter the original design concept of the improvements as specified in the plans, design drawings, and specifications approved pursuant to this Agreement. OWNER/LESSEE shall execute and record a restrictive covenant at the CITY'S request.

SECTION 7

This Agreement shall be binding upon the CITY and upon the OWNER/LESSEE and its successors, to said property for a period of four (4) years from and after the date of completion and approval of the façade improvements provided herein. It shall be the responsibility of the OWNER/LESSEE to inform subsequent OWNER(S)/LESSEE(S) of the provisions of this Agreement.

SECTION 8

The OWNER/LESSEE releases the CITY from, and covenants and agrees that the CITY shall not be liable for, and covenants and agrees to indemnify and hold harmless the CITY and its officials, officers, employees, and agents from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from or in any way connected with directly or indirectly with the façade improvement(s),. Including but not limited to actions arising from the Prevailing Wage Act (820 ILCS 30/0.01 et seq.). The OWNER/LESSEE further covenants and agrees to pay for or reimburse the CITY and its officials, officers, employees, and agents for any and all costs, reasonable attorney's fees, liabilities, or expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, or causes of action. The CITY shall have the right to select legal counsel and to

approve any settlement in connection with such losses, claims, damages, liabilities, or causes of action. The provisions of this section shall survive the completion of said façade improvement(s).

SECTION 9

Nothing herein is intended to limit, restrict, or prohibit the OWNER/LESSEE from undertaking any other work in or about the subject premises, which is unrelated to the façade improvement provided for in this Agreement.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the date first appearing above.

OWNER/LESSEE

CITY OF VIENNA

Mayor

City Clerk

Memo

To: City of Vienna
From: Keith Moran
CC:
Date: April 14, 2017
Re: This n That Flowers & Gifts

The following project has submitted an application to the City requesting TIF Funds. We have spoken with the Developer, reviewed their application, and have outlined recommendations below:

Project: Painting the exterior of the building

Developer/Contact Person: Kathy Harper, Owner

Approximate Project Address: 102 E. Vine Street, Vienna, IL

PIN: 08-04-301-009

Project Description: This n That Flowers & Gifts is planning to paint the exterior of its building at 102 E. Vine Street, in Vienna (Parcel ID: 08-04-301-009). This n That Flowers & Gifts specializes in designing and arranging fresh flower arrangements, plants, and silk arrangements. The building is also home to a large gift shop that specializes in Hallmark Card items and gifts for women, men, and children. As the building is located at the main and only intersection in Vienna, the Developer believes that painting the exterior of the building would greatly beautify the corner and improve the City's image for locals and visitors alike.

This n That Flowers & Gifts is requesting TIF assistance from the City to support their investment. TIF Assistance will help the project to become cost effective as it updates the exterior of the large building located at the main intersection of the City. Without TIF assistance, it would not be cost effective for This n That Flowers & Gifts to undertake the renovations needed.

It is the goal of the City of Vienna to encourage new development and support businesses that reside within City limits. In fact, one of the main goals of the TIF program is to recruit & support commerce in the area so that the City can continue to prosper economically and grow tax revenues. The redevelopment of this commercial property is in line with these goals.

The following is a brief description of the project costs that This n That Flowers & Gifts will incur to complete the project.

This n That Flowers & Gifts PROJECT COST ESTIMATES

Description	Estimated Cost
Renovation of Existing Structure	\$15,000
TOTAL Costs	\$15,000

Approximately \$15,000 of the total cost would qualify as TIF Eligible under the Illinois TIF Act. This does not reflect the recommended assistance level or funding awarded. Please see "recommendation" for suggested assistance.

Property Taxes

The property to be redeveloped currently generates approximately \$3,400 in property tax annually, contributing approximately \$400 annually to the City's TIF Fund. With the investment in the property by painting the exterior of the building, there will only be a slight increase in property taxes. It is not anticipated that this improvement will increase the TIF increment for the City by very much.

Sales Tax

This n That Flowers & Gifts generates approximately \$145,000 annually in taxable sales. This project is not expected to produce a notable increase in sales at this time.

Employment

This n That Flowers & Gifts currently has 2 full-time and 1 part-time employees. The Developer does not anticipate adding any additional employees upon completion of the project.

MORAN

ECONOMIC DEVELOPMENT

Recommendation

Unfortunately, painting the exterior of the building will NOT cause a dramatic increase in tax revenue for the City. Therefore it will not generate much into the TIF fund for the City to both retain and reimburse the Developer. However, there is value in preserving and maintaining the aesthetics of the City's buildings, especially in the downtown business area. This type of project would best be supported through the Façade Improvement Grant Program.

The recommendation would be for the City to approve the Façade Improvement Grant Program and offer the Developer a **one-time grant payment of \$2,500, or a total of the TIF eligible costs, whichever is less.**

OR:

If the Façade Improvement Grant Program is not approved, the recommendation would still be that the City offers a small **one-time grant payment of \$2,500, or a total of the TIF eligible costs, whichever is less.**

These recommendations are based on the investment in the property and additional property tax revenue. The City's involvement in the improvements is also good public relations to new businesses within the community and perhaps this support will stimulate additional redevelopment in Vienna. Any recommendation is subject to terms of an executed Redevelopment Agreement between the City and the Developers.

NOTE on Payment

The City will REIMBURSE for TIF Eligible costs only. The owner must show proof of all work completed, as well as obtain all proper permits and licensing. The City will reimburse a maximum of \$2,500 (depending upon incentive decision) or a total of the eligible costs, whichever is less.

Memo

To: City of Vienna
From: Keith Moran
CC:
Date: April 14, 2017
Re: Perkins House Inn

The Following Project has submitted an application to the City requesting TIF Funds. We have spoken with the Developer, reviewed their application, and have outlined recommendations below:

Project: Perkins House Inn

Developer/Contact Person: Kathy Harper, Partner

Approximate Project Address: 504 W. Vine Street, Vienna, IL

PINs: 08-05-419-001, 08-05-411-002

Project Description: Perkins House Inn is proposing to purchase and remodel the historic hotel building located at 504 W. Vine Street, in Vienna (Parcel IDs: 08-05-419-001, 08-05-411-002) so that it can be used as a 16 room bed and breakfast. The historic hotel building is 123 years old, so all rooms will need some renovation and repair work before they are suitable for occupancy. Two rooms will require extensive work, and the exterior stucco work also needs repaired. Once all of the renovations are completed, the bed and breakfast will be opened and ready for guests.

Perkins House Inn is requesting TIF assistance from the City to support their investment. TIF Assistance will help the project become cost effective and ensure that the bed and breakfast is open for business in a timely manner. There is a great need for additional lodging options within the City for tourists—especially with the projected influx of tourists for the upcoming Eclipse event in August 2017. By having more rooms available, the City could see an increase in tourists who may spend additional money in Vienna during their stays. In addition, repairing the façade will help with City beautification and attract additional tourists.

MORAN

ECONOMIC DEVELOPMENT

It is the goal of the City of Vienna to encourage new development and support businesses that locate within City limits. In fact, one of the main goals of the TIF program is to recruit & support commerce in the area so that the City can continue to prosper economically and grow tax revenues. The redevelopment of this commercial property is in line with these goals.

The following is a brief description of the project costs that Perkins House Inn will incur to complete the project.

Perkins House Inn PROJECT COST ESTIMATES

Description	Estimated Cost
Purchase of Existing Facility	\$30,000
Renovation of Existing Structure	\$60,000
Cost of Installation of Machinery & Equipment	\$5,000
Working Capital	\$11,000
TOTAL Costs	\$106,000

Approximately \$90,000 of the total cost would qualify as TIF Eligible under the Illinois TIF Act. This does not reflect the recommended assistance level or funding awarded. Please see "recommendation" for suggested assistance.

Property Taxes

The property to be redeveloped currently generates approximately \$460 in property tax annually. With the investment in the property and renovation of the building, there will be an increase in property taxes which should create a TIF increment for the City. Projections as to the effect of the improvements on property taxes show that if the new improvements add approximately \$30,000 to the EAV, property taxes would increase to approximately \$3,300, with over \$3,000 being generated into the TIF Fund annually thereafter. **See Exhibit A-Projections**

It should be noted that this property is currently separated into two parcels and should be consolidated by the new owner.

Sales Tax

Upon completion, it is estimated that this project could generate anywhere from \$50,000 to \$300,000 in Hotel tax annually.

MORAN

ECONOMIC DEVELOPMENT

Employment

Perkins House Inn projects that, upon completion of the project, 5 full-time and 5 part-time positions will be created. These jobs could include management, janitorial, clerical, and grounds-keeping positions. The expected range of compensation for such positions is minimum wage through \$15 an hour.

Recommendation

The recommendation for funding would be that the City **reimburse 60% of the incremental increase for up to 10 years, with the total reimbursed amount not to exceed \$20,000.** In addition to this reimbursement, it is also recommended that the City provide the Developer with a **one-time grant of \$2,500 for façade improvements.**

OR:

The Developer is simultaneously undertaking additional redevelopment projects within the City, including exterior improvements to the Auction House. While the Auction House project has merit, completion of the Perkins House Inn project will have a much greater economic impact for Vienna. Therefore, it would be a better use of funding to provide greater support to the Perkins House Inn project instead of granting money for the Auction House project. The recommendation would be for the City to **reimburse 60% of the incremental increase for up to 10 years, with the total reimbursed amount not to exceed \$20,000, AND provide the Developer with a one-time grant of \$5,000 for façade improvements to the Perkins House.**

These recommendations are based on the investment in the property and additional property tax revenue. The City's involvement in the improvements is also good public relations to new businesses within the community and perhaps this support will stimulate additional redevelopment in Vienna. Any recommendation is subject to terms of an executed Redevelopment Agreement between the City and the Developers.

NOTE on Payment

The City will REIMBURSE for TIF Eligible costs only. The owner must show proof of all work completed, as well as obtain all proper permits and licensing. The City will reimburse a maximum of \$22,500/\$25,000 (depending upon incentive decision) or a total of the eligible costs, whichever is less.

Potential Tax Increment Financing Revenue
Perkins House Inn - 504 W. Vine St.

Parcel Index No.	08-05-419-001,
Estimated Current EAV of Property	08-05-411-002
TIF BASE	\$4,736
Investment in Property	\$4,736
Construction Cost to Assessed Value	\$106,000
Estimate Assessed Value*	85%
EAV of Estimated Improvements	\$90,100
New EAV upon Improvements	\$30,033
Total Tax Rate	\$34,769
	9.73630%
	Total Tax Bill
	\$3,385
	TIF Increment
	or Amount for Reimbursement
	\$2,924
	Year of Total Repayment
	Desired Repayment
	Est. Current Tax Bill
	\$461
	Est. to TIF
	\$0

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	TIF Increment (100%)	To Developer	To City	%
1	2017	\$4,736	\$0	\$0	\$0	\$	\$0	\$0	\$0	0
2	2018	\$4,736	\$30,033	\$34,769	\$30,033	\$	\$2,900	\$1,740	\$1,160	60%
3	2019	\$4,736	\$30,634	\$35,370	\$30,634	\$	\$3,000	\$1,800	\$1,200	60%
4	2020	\$4,736	\$31,247	\$35,983	\$31,247	\$	\$3,000	\$1,800	\$1,200	60%
5	2021	\$4,736	\$31,872	\$36,608	\$31,872	\$	\$3,100	\$1,860	\$1,240	60%
6	2022	\$4,736	\$32,509	\$37,245	\$32,509	\$	\$3,200	\$1,920	\$1,280	60%
7	2023	\$4,736	\$33,159	\$37,895	\$33,159	\$	\$3,200	\$1,920	\$1,280	60%
8	2024	\$4,736	\$33,822	\$38,558	\$33,822	\$	\$3,300	\$1,980	\$1,320	60%
9	2025	\$4,736	\$34,499	\$39,235	\$34,499	\$	\$3,400	\$2,040	\$1,360	60%
10	2026	\$4,736	\$35,189	\$39,925	\$35,189	\$	\$3,400	\$2,040	\$1,360	60%
11	2027	\$4,736	\$35,893	\$40,629	\$35,893	\$	\$3,500	\$2,100	\$1,400	60%
12	2028	\$4,736	\$36,610	\$41,346	\$36,610	\$	\$3,600	\$2,160	\$1,440	60%
13	2029	\$4,736	\$37,343	\$42,079	\$37,343	\$	\$3,600	\$2,160	\$1,440	60%
14	2030	\$4,736	\$38,090	\$42,826	\$38,090	\$	\$3,700	\$2,220	\$1,480	60%
15	2031	\$4,736	\$38,851	\$43,587	\$38,851	\$	\$3,800	\$2,280	\$1,520	60%
	2032	\$4,736	\$39,628	\$44,364	\$39,628	\$	\$3,900	\$2,340	\$1,560	60%
TOTAL 15 Years						\$57,485	\$50,600	\$30,360	\$20,240	40%
Assume 2% increase annually										
Based on figures from Developer										
*Not all costs attribute to real property value										
TOTAL 10 Years						\$36,630	\$32,000	\$19,200	\$12,800	

Memo

To: City of Vienna
From: Keith Moran
CC:
Date: April 14, 2017
Re: Auction House – Dean Harper Auction Service

The Following Project has submitted an application to the City requesting TIF Funds. We have spoken with the Developer, reviewed their application, and have outlined recommendations below:

Project: Auction House

Developer/Contact Person: Dean Harper, Owner

Approximate Project Address: 302 E. Main Street, Vienna, IL

PIN: 08-05-431-013

Project Description: Dean Harper Auction Service is planning to update the exterior of the historical building at 302 E. Main Street, in Vienna (Parcel ID: 08-05-431-013). This building was built in the 1800's and originally used as a livery stable. Through the years it has been home to several different businesses, but today it is currently used as an Auction House for Dean Harper Auction Services. He will be tuckpointing and putting a new roof on the building.

Dean Harper Auction Service is requesting TIF assistance from the City to support their investment. TIF Assistance will help the project to become cost effective and restore the exterior of one of Vienna's oldest buildings. Without TIF assistance, it would not be cost effective for Dean Harper Auction Service to undertake the renovations needed.

It is the goal of the City of Vienna to encourage new development and support businesses that reside within City limits. In fact, one of the main goals of the TIF program is to recruit & support commerce in the area so that the City can continue to prosper economically and grow tax revenues. The redevelopment of this commercial property is in line with these goals.

MORAN

ECONOMIC DEVELOPMENT

The following is a brief description of the project costs that Dean Harper Auction Service will incur to complete the project.

Auction House **PROJECT COST ESTIMATES**

Description	Estimated Cost
Renovation of Existing Structure	\$17,000
TOTAL Costs	\$17,000

Approximately \$17,000 of the total cost would qualify as TIF Eligible under the Illinois TIF Act. This does not reflect the recommended assistance level or funding awarded. Please see "recommendation" for suggested assistance.

Property Taxes

The property to be redeveloped currently generates approximately \$685 in property tax annually, but no money to the City's TIF fund. With the investment in the property and renovation of the building, there will only be a slight increase in property taxes. Therefore, this project is not projected to generate a significant TIF increment for the City.

Sales Tax

This project is not expected to generate taxable sales at this point in time.

Employment

This project is not expected to create any additional employment opportunities at this time.

Recommendation

Unfortunately, tuckpointing the building will NOT cause a dramatic increase in tax revenue for the City. Therefore, it will not generate much into the TIF fund for the City to both retain and reimburse the Developer. However, there is value in preserving and maintaining the aesthetics of the City's buildings, especially in the downtown business area. This type of project would best be supported through the Façade Improvement Grant Program.

The recommendation would be for the City to approve the Façade Improvement Grant Program and offer the Developer a **one-time grant of \$2,500, or a total of the eligible costs, whichever is less.**

OR

While this project does have merit, the Developer recognizes that the Perkins House Inn project will have a much greater economic impact on the City of Vienna. Instead of applying the \$2,500 grant for tuckpointing and cosmetic improvements on the Auction House, this money would be better spent as part of a grant to make exterior improvements and repair the stucco work on the Perkins House. The recommendation for funding would be that the one-time grant of \$2,500 be instead applied to the Perkins House Inn project.

These recommendations are based on the investment in the property and additional property tax revenue. The City's involvement in the improvements is also good public relations to new businesses within the community and perhaps this support will stimulate additional redevelopment in Vienna. Any recommendation is subject to terms of an executed Redevelopment Agreement between the City and the Developers.

NOTE on Payment

The City will REIMBURSE for TIF Eligible costs only. The owner must show proof of all work completed, as well as obtain all proper permits and licensing. The City will reimburse a maximum of \$2,500 (depending upon incentive decision) or a total of the eligible costs, whichever is less.