



Agenda Item Summary

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Submitted By

Tammie Grossman, Director Development Customer Services

Reviewed By

LKS

Agenda Item Title

An Ordinance Approving a Third Amendment to the Sales Tax Rebate Sharing Agreement with Gugly, Inc. for the Redevelopment of the Property Located at 1 Lake Street (formerly 412 North Austin Boulevard) Consistent with the Recommendation of the Oak Park Economic Development Corporation and Authorizing its Execution

Overview

The Oak Park EDC previously recommended that the Village enter into a Redevelopment Agreement that included a Sales Tax Sharing agreement with Gugly, Inc. to redevelop the property located at 1 Lake Street (previous address 412 N. Austin Boulevard) into a restaurant. Gugly, Inc. is now requesting an extension to complete the restaurant. The Oak Park EDC is recommending adopting a Third Amendment to the the Redevelopment Agreement extending the delivery date to September 30, 2019.

Staff Recommendation

Adopt the Ordinance

Fiscal Impact

See attached recommendation.

Background

The Oak Park EDC had previously assisted Pioneer Property Advisors with marketing efforts since the company purchased 1 Lake Street (previous address 412 N Austin Boulevard) in 2012, with limited favorable response. The entity responsible for the development, Gugly, Inc now building out a restaurant concept that will be a full service brew-pub, offering 144 seats on two levels with a rooftop deck/bar area.

On May 2, 2016 the Village Board concurred with the EDC's recommendation to support the project with an incentive payable in the form of an initial grant of \$50,000 and a tiered rebate of future sales taxes (no more than \$50,000 annually) generated by the proposed tenant, a full-service brewpub, or another similar operation. During years 1-4, the Developer is entitled to 100% of the Municipal Sales and Liquor tax generated not to exceed \$50,000 per year. During Years 5-7, the Developer is entitled to 50% of the Municipal Sales and Liquor tax generated not to exceed \$50,000 per year. That Agreement was condition on the restaurant opening on June 30, 2017. The First Amendment extended the date to March 31, 2018.

This agenda item is for an Amendment to the above agreement to extend the opening date from December 31, 2018 to September 30, 2019.

Alternatives

Refer the matter back to the Oak Park EDC for additional information and/or further review.

Previous Board Action

On May 2, 2016, the Village Board authorized the execution of the Redevelopment agreement and Sales Tax Sharing Agreement with the June 30, 2017 completion date.

On June 5, 2017, the Village Board authorized the execution of the First Amendment to extend the completion date to March 31, 2018.

On March 19, 2018, the Village Board authorized the execution of the Second Amendment to extend the completion date to September 30, 2019.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A.

Performance Management (MAP) Alignment

A governance priority for the Development Customer Service Department is Economic Development Management.