



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Resolution 2022-6; Authorizing First Amendment to Tax Increment Financing Redevelopment Agreement: Riganato Old World Grille (700-720 E. State)		
Presenter & Title:	Cathleen Tymoszenko, Economic Development Director		
Date:	May 5, 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:II			
Estimated Cost: \$ 3,162	Budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Other Funding? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<i>If "Other Funding," please explain how the item will be funded: TIF 2 Special Allocation Fund</i>			
Executive Summary:			
<p>On November 1, 2021, The City Council approved a Redevelopment Agreement (RDA) to authorize the use of TIF funds to reimburse Riganato Old World Grille (Owner) with the demolition of a one-story retail store (formerly occupied by Dad & Me Toys) and parking lot restoration. This work is complete with exception of landscape improvements. Landscaping was not included in the Owner's original TIF request; an Amendment to address the omission is presented. In keeping with the terms of the RDA, the Amendment proposes an increase in the grant awarded from \$23,300 or 50% of the cost of the project to \$26,462 or 50% of the project costs with landscaping. The Amendment also addresses the owner's request to remove a reimbursement prerequisite specific to a contractor's waiver. Owner is unable to obtain such waiver and provided a Sworn Statement verifying the portions of work completed by such contractor.</p> <p>Per our recommendation in October, we highlighted that the Owner has invested a significant sum into the property beginning in 2008 and continues today. The project meets several goals and objectives of the East State Street TIF 2 Redevelopment Plan and Project and is recommended for approval.</p>			
Attachments: <i>(please list)</i>			
<ul style="list-style-type: none"> • Resolution Authorizing First Amendment and First Amendment to RDA 			
Voting Requirements:			
<p>This motion requires a simple majority of affirmative votes for passage.</p> <p>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.</p>			
Recommendation / Suggested Action: (how the item should be listed on agenda)			
Approve Resolution 2022-6; "Authorizing First Amendment to Tax Increment Financing Redevelopment Agreement: Riganato Old World Grille 700-720 E. State Street.			

RESOLUTION NO. 2022-49

**RESOLUTION AUTHORIZING EXECUTION OF
FIRST AMENDMENT TO TAX INCREMENT FINANCING REDEVELOPMENT
AGREEMENT EAST SIDE REDEVELOPMENT DISTRICT;
RIGANATO OLD WORLD GRILLE, 700 & 720 E. STATE STREET**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS, as follows:

SECTION 1: That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City of Geneva, the First Amendment to Tax Increment Financing Redevelopment Agreement East Side Redevelopment District Riganato Old World Grille, in the form attached hereto at Exhibit “A”.

SECTION 2: This Resolution shall become effective from and after its passage as in accordance with law.

PASSED by the City Council of the City of Geneva, Kane County, Illinois, this _____ day of _____, 2022.

AYES: __ NAYS: __ ABSENT: __ ABSTAINING: __ HOLDING OFFICE: __

Mayor

ATTEST:

City Clerk

EXHIBIT “A”
First Amendment to Redevelopment Agreement

**FIRST AMENDMENT TO THE TAX INCREMENT FINANCING
REDEVELOPMENT AGREEMENT
EAST SIDE REDEVELOPMENT DISTRICT:
RIGANATO OLD WORLD GRILLE, 700 & 720 E. STATE STREET**

THIS FIRST AMENDMENT TO THE TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT dated November 1, 2021 by and between the City of Geneva, Illinois and Nick Nicolaou, owner of Riganato Old World Grille (the “ Redevelopment Agreement ”) is entered into this ____ day of May 2022, by the CITY OF GENEVA, Kane County, Illinois, an Illinois Municipal Corporation (hereinafter referred to as the “CITY”); and Nick Nicolaou a/k/a Kastri NJ, Ltd, doing business as “Riganato Old World Grille” (hereinafter referred to as “OWNER”).

RECITALS:

- A. The Redevelopment Agreement provides OWNER with tax increment financing assistance to facilitate the completion of private property site improvements; and
- B. OWNER has requested CITY increase the amount of funds and modify reimbursement procedures for the project at 700-720 E. State Street, Geneva, Illinois (hereafter referred to as the “Project”) and CITY has determined this request to be reasonable.

**NOW, THEREFORE, THE CITY AND THE OWNER AGREE THAT THE
REDEVELOPMENT AGREEMENT IS MODIFIED AS FOLLOWS:**

SECTION 1: That Section IV (Development Incentive Reimbursement) of the Redevelopment Agreement is amended to read as follows:

SECTION IV. DEVELOPMENT INCENTIVE REIMBURSEMENT

The CITY acknowledges that the Redevelopment Project proposed by Riganato is desirable to the CITY and to the East State Street Tax Increment Financing District and Redevelopment Project Area (hereinafter sometimes the "Area"). As such, the incentives to be granted to Riganato shall be applied as hereinafter set forth:

A. Property Improvement Grant: The CITY shall provide a defined sum grant award not to exceed \$29,625 (the “Maximum Reimbursement Amount”), to assist with certain Eligible Reimbursement Costs as enumerated at Exhibit B. This grant shall be issued upon satisfactory proof of payment of the Eligible Reimbursement Cost by Riganato, as delineated in Paragraph V below. The CITY agrees to reimburse Riganato for all of its Eligible Reimbursement Costs up to the Maximum Reimbursement Amount in keeping with the provisions of this Agreement.

A. Sources of Funds to Pay Reimbursable Improvement Costs: Any funds committed by the CITY herein are to be derived from property tax increment generated by the Redevelopment Project Area. Such reimbursement shall, however, be paid only from funds paid into the Special Tax Allocation Fund pursuant to the Act and from no other source. **THE CITY SHALL NOT BE OBLIGATED TO MAKE ANY PAYMENTS OTHER THAN FROM THE FUND, AND THE REIMBURSEMENT SHALL NOT BE DEEMED A GENERAL OBLIGATION OF THE MUNICIPALITY.**

SECTION 2: “V. REIMBURSEMENT PROCEDURES

A. Property Tax Increment: Riganato shall be responsible for payment of real property taxes in a timely manner and shall not object to the assessment as determined by the Kane County Assessor, during the term of TIF District.

B. Reimbursement of Eligible Costs: For those eligible costs that are construction costs, the Riganato shall be reimbursed from time to time as funds become available, and in the manner set forth above, after submitting the following documentation to the City in accordance with requirements below:

(1) a sworn statement from Riganato setting forth a description of all contracts entered into by Riganato in connection with the construction of the Redevelopment Project, the nature and scope of the work covered thereby, and the aggregate amounts paid to each contractor thereunder and further stating that such contracts embrace all of the work done or to be done and all of the material used or to be used in the completion of the Redevelopment Project;

(2) a sworn statement from Riganato setting forth all amounts paid to contractors or subcontractors and that Riganato has approved all work and materials for which payment has been made; and

(3) a lien waiver from each of the parties who received payment, with the exception of the building demolition contractor, under the aforesaid sworn statements that are the subject of the Redevelopment Project.

(4) proof of completion of all required inspections resulting in the closure of the building permit by the City's Building Commissioner or City Engineer for the Reimbursable Expenses relating to the Redevelopment Project.

Subject to the following limitations, the City shall make payments from the Fund in the manner as indicated upon compliance with conditions (1), (2), (3) and (4).

C. City's Right To Inspect Books and Records. Riganato agrees that, up to two years after completion and approval of the Redevelopment Project, the City, with reasonable advance notice and during normal business hours, shall have the right and authority to review, audit, and copy, from time to time, Riganato's books and records relating to the Redevelopment Project funded by the City hereunder (including the following, if any: all loan statements, general contractor's sworn statements, general contracts, subcontracts, material purchase orders, waivers of lien, paid receipts, and invoices) in order to confirm that reimbursement is being made for Redevelopment Project Costs or other purposes permitted under the Act.

SECTION 3: EXHIBIT B: PROJECT COSTS

Project Costs for Improvements Completed 2009-2020

Property Acquisition	375,000
Site Work	104,100
Interior	69,400
Remodeling/backroom	113,000
Spanish Tile roof	17,200
Demo of Old Stable house	15,150
Total	693,850

Redevelopment Project Costs 2021 Reimbursement Expenses

Demo of retail building	23,800
Parking Lot	22,800
Landscaping	6,325
Total	52,925

The City will reimburse an amount equal to 50% of the Redevelopment Project Costs 2021. Reimbursement shall not exceed \$26,462 and will be provided in a single payment. Applicable line items may increase or decrease within the \$26,462 total.

SECTION 4: The Redevelopment Agreement, except as modified in this First Amendment to the Redevelopment Agreement, shall remain in full force and effect.

IN WITNESS WHEREOF, this First Amendment to the Redevelopment Agreement is entered into at Geneva, Illinois, as of the date and year shown above.

APPROVED BY the City of Geneva, Kane County, Illinois by Resolution No 2022- ____ on the ____ day of May 2022.

CITY OF GENEVA

An Illinois Municipal Corporation
Kevin R. Burns
Mayor

RIGANATO OLD WORLD GRILLE

BY: _____
Name:
Owner

ATTEST:

City Clerk