
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: BRENT EICHELBERGER, VILLAGE ADMINISTRATOR
ALISON MURPHY, ASSISTANT TO THE VILLAGE ADMINISTRATOR/
VILLAGE CLERK
SUBJECT: RESOLUTION: APPROVING THE EXECUTION OF AN ADDENDUM TO
COMMERCIAL LEASE AGREEMENT DATED JULY 7, 2022 BETWEEN
PRAIRIE GLEN PARTNERS, LLC AND THE VILLAGE OF SUGAR
GROVE (160 S. MUNICIPAL DRIVE)
AGENDA: JULY 19, 2022 REGULAR BOARD MEETING
DATE: JULY 14, 2022

ISSUE

Should the Village Board approve a resolution approving the execution of an addendum to commercial lease agreement dated July 7, 2022 between Prairie Glen Partners, LLC and the Village of Sugar Grove (160 Municipal Drive).

DISCUSSION

During negotiations for the lease for the property at 160 S. Municipal Drive, the Village and the owner reached agreement that the Village would split the cost of the property tax bill, however, the provision did not make it into the final approved lease agreement. The attached resolution executes an addendum to the original lease agreement in which the Village would be responsible for 45% share of the property tax bill.

COST

There is approximately \$500 cost for attorney fees to review the agreement.

RECOMMENDATION

That the Village Board approve a resolution approving the execution of an addendum to commercial lease agreement dated July 7, 2022 between Prairie Glen Partners, LLC and the Village of Sugar Grove (160 Municipal Drive).



RESOLUTION NO. 20220719LEASE

**A RESOLUTION APPROVING THE EXECUTION OF AN ADDENDUM TO COMMERCIAL LEASE AGREEMENT
DATED JULY 7, 2022 BETWEEN PRAIRIE GLEN PARTNERS, LLC AND THE VILLAGE OF SUGAR GROVE, AN
ILLINOIS MUNICIPAL CORPORATION
(160 S. MUNICIPAL DRIVE)**

WHEREAS, PRAIRIE GLEN PARTNERS, LLC ("LESSOR") owns or soon will own the property and the building located at 160 S. Municipal Drive, Sugar Grove, Illinois ("**Property**"); and,

WHEREAS, the VILLAGE OF SUGAR GROVE ("VILLAGE" or "LESSEE") has entered into a lease agreement with LESSOR to lease a portion of the Property; and,

WHEREAS, the parties have discussed the issue of LESSEE paying its pro-rata share of the real estate taxes that may be assessed against the leased portion of the Subject Real Property in consideration of LESSOR undertaking payment of all common area maintenance charges; and,

WHEREAS, Section 11-76-1 of the Illinois Municipal Code (65 ILCS 5/11-76-1) authorizes municipalities to lease real estate; and,

WHEREAS, the Village Board has determined that the best interest of the Village and its residents will be served by approving the addendum to the July 7, 2022 lease agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES FOR THE VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: It is hereby determined that it is advisable, necessary and in the public interest that the VILLAGE approve the execution of an addendum to the July 7, 2022 commercial lease agreement with LESSOR, a copy of which is attached hereto as Exhibit A and made a part hereof, and said lease agreement addendum is hereby approved.

Section 2: The Village President is hereby authorized and directed to sign and the Village Clerk is hereby authorized and directed to attest to said lease agreement addendum.

Section 3: From and after the effective date of this Resolution, the Village President and Village Clerk, or their respective designees, are hereby authorized and directed to do all things necessary and essential to carry out the terms of this Resolution and said lease agreement addendum.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, on this 19th day of July, 2022.

Jennifer Konen, President of the Board of Trustees of the
Village of Sugar Grove, Kane County, Illinois

ATTEST:
Alison Murphy, Clerk, Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Matthew Bonnie	_____	_____	_____	_____
Trustee Sean Herron	_____	_____	_____	_____
Trustee Heidi Lendi	_____	_____	_____	_____
Trustee Michael Schomas	_____	_____	_____	_____
Trustee Ryan Walter	_____	_____	_____	_____
Trustee James F. White	_____	_____	_____	_____

STATE OF ILLINOIS)
)
COUNTY OF KANE)

**ADDENDUM TO COMMERCIAL LEASE AGREEMENT DATED JULY 7, 2022
BETWEEN
PRAIRIE GLEN PARTNERS, LLC AND THE VILLAGE OF SUGAR GROVE,
AN ILLINOIS MUNICIPAL CORPORATION**

THIS ADDENDUM is hereby incorporated into and made an integral part of the above-referenced Commercial Lease between PRAIRIE GLEN PARTNERS, AN ILLINOIS LIMITED LIABILITY COMPANY (hereinafter referred to as “**LESSOR**”), and THE VILLAGE OF SUGAR GROVE, AN ILLINOIS MUNICIPAL CORPORATION, (hereinafter referred to as “**LESSEE**”).

WITNESSETH:

WHEREAS, the LESSEE has contracted to sell certain real estate to the LESSOR, a portion of which contains the building located at 160 S. Municipal Drive (the “Subject Property”) and, pursuant to the terms of the Lease has agreed to lease a portion of the Subject Property from LESSOR, the leasehold being determined to be 2700 square feet and the Subject Property being 6000 square feet; and

WHEREAS, the parties entered into a written Commercial Lease as titled above on June 7, 2022 (the “Lease”); and

WHEREAS, in prior years with the Village of Sugar Grove being the Owner of the said Real Property referenced in said Lease having been treated as tax exempt by the Kane County Supervisor of Assessments and the Sugar Grove Township Assessor; and

WHEREAS, the parties hereto anticipate the LESSOR purchasing the Subject Property from LESSEE will result in the loss of the tax exempt status; and

WHEREAS, commencing with the change of possession date in 2022 as of the date of Closing, said property likely will be placed on the tax rolls of the Sugar Grove Township Assessor and the Kane County Supervisor of Assessments; and

WHEREAS, the parties have discussed the issue of LESSEE paying its pro-rata share of the real estate taxes that may be assessed against the leased portion of the Subject Real Property in consideration of LESSOR undertaking payment of all common area maintenance charges;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. RECITALS: The above Recitals between the parties to this Addendum to Commercial Lease Agreement Between Prairie Glen Partners, LLC and the Village of Sugar Grove, an Illinois Municipal Corporation agree that said Recitals are material elements of this Agreement and are sufficient consideration to require both parties to undertake the duties and obligations contained herein.
2. REIMBURSEMENT OF LESSOR FOR REAL ESTATE ATTRIBUTABLE TO THE AREA RENTED BY LESSEE: Commencing with the date the Sugar Grove Township Assessor and the Kane County Supervisor of Assessments assess real estate taxes against the Subject Property, the Village of Sugar Grove shall reimburse LESSOR, within 21 days of the date of issuance of LESSOR's written notice of receipt of the annual real estate tax bill issued as to the Subject Property, its pro-rata share of such real estate taxes, said share being agreed to be forty-five percent (45%) of the Subject Property.

The parties agree that they shall jointly meet with the Sugar Grove Township Assessor to attempt to arrive at a fair assessment of the Subject Property containing the portion thereof leased by LESSEE, in light of the fact that there is a joint sale price for two buildings and vacant lots that are being transferred pursuant to the same closing and agreement.

3. THE RIGHT TO OBJECT TO REAL ESTATE TAX ASSESSMENT: Either party to this Agreement shall have the absolute right jointly or severally to protest any assessment if the respective Party objects to the current or modified assessment in any calendar year with the Kane County Board of Appeals.
4. INTEGRATION OF AGREEMENT: This Addendum to Commercial Lease Agreement Between Prairie Glen Partners, LLC and the Village of Sugar Grove, an Illinois Municipal Corporation is hereby integrated and shall be treated as part of the original Lease between LESSOR and LESSEE.
5. RATIFICATION: The parties hereby ratify, confirm, and republish all other contents of the original Commercial Lease Agreement between them except to the extent of adding the obligation of LESSEE to reimburse LESSOR for real estate taxes on an annual basis.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, this day and year first above written.

LESSOR:
PRAIRIE GLEN PARTNERS, LLC

By: _____
JAMES G. RATOS, MANAGER

Date: _____

LESSEE:
VILLAGE OF SUGAR GROVE, an Illinois
a Municipal Corporation

By: _____
JENNIFER KONEN, VILLAGE PRESIDENT

Attest: _____
ALISON MURPHY, VILLAGE CLERK

Date: _____

