
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: MATT ANASTASIA, FINANCE DIRECTOR
SUBJECT: RESOLUTION: AUTHORIZING ECONOMIC DEVELOPMENT AGREEMENT WITH THREE BROTHERS & PAPOU LLC. (BURNT BARREL)
AGENDA: JANUARY 17, 2023
DATE: JANUARY 9, 2023

ISSUE

Shall the Village Board approve an economic development agreement with Three Brothers & Papou, LLC. (Burnt Barrel).

DISCUSSION

This is the first of two related items requiring Board action: the other being a resolution authorizing a sales tax inducement agreement between the Village and Three Brothers & Papou LLC. (Burnt Barrel).

The applicant, Three Brothers & Papou, LLC., is requesting approval of an economic development agreement that would apply to the properties owned by the applicant within the established business district boundaries. These properties include the current bank building, being converted to a restaurant by the applicant. The remaining PINs are currently vacant land, but are to be developed in the future. The applicant is currently requesting financial assistance for the improvements, upgrades and work being completed to the old bank building to successfully convert it into a restaurant.

The economic development agreement established the expectations and conditions under which the use of any economic development incentive may be applied by the Village. The agreement recognizes the property improvements proposed by the Applicant. The economic development agreement is similar to others the Village Board has approved in the past for Culver and Dunkin' Donuts.

COST

There is no cost to the Village in approving the economic development agreement.

RECOMMENDATION

The Village Board approve Resolution #20230117CCED Authorizing execution of an economic development agreement with Three Brothers & Papou, LLC. (Burnt Barrel), subject to Attorney review.



VILLAGE OF SUGAR GROVE

KANE COUNTY, ILLINOIS

Resolution No. 20230117CCED

**A Resolution Authorizing an Economic Development Agreement between the Village of
Sugar Grove, Three Brothers & Papou, LLC
and College Corner, LLC
Village of Sugar Grove
Kane County, Illinois**

Adopted by the
Village President and Board of Trustees
of the Village of Sugar Grove
Kane County, Illinois
this 17th day of January, 2023

Published in Pamphlet Form
by authority of the Village President and Board of Trustees
of the Village of Sugar Grove
Kane County Illinois
this 17th day of January, 2023

RESOLUTION NO. 20230117CCED

**A RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN THE VILLAGE OF SUGAR GROVE, THREE BROTHERS & PAPOU, LLC,
AND COLLEGE CORNER, LLC**

WHEREAS, the Village of Sugar Grove (“**Village**”) is not a home rule municipality within Article VII, Section 6A of the 1970 Constitution of the State of Illinois, and accordingly, seeks to act pursuant to the powers granted to it under 65 ILCS 5/1-1 *et seq.*; and,

WHEREAS, the Village desires to enter into an economic development agreement with Three Brothers & Papou, LLC and College Corner, LLC; and,

WHEREAS, it is in the Village’s best interest to enter into said economic development Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the President and Board of Trustees as follows:

1. That the Village Board hereby authorizes the execution of *An Economic Development Agreement between the Village of Sugar Grove, Three Brothers & Papou, LLC and College Corner, LLC*, attached hereto and made part hereof by this reference.
2. The Village President and Village Clerk are hereby directed to execute said agreement on behalf of the Village and to take any and all other actions necessary to effectuate the terms of this Agreement.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, on this 17th day of January, 2023.

Jennifer Konen, Village President

ATTEST: _____

Alison Murphy, Village Clerk

	Aye	Nay	Absent	Abstain
Trustee Heidi Lendi	—	—	—	—
Trustee Matthew Bonnie	—	—	—	—
Trustee Sean Herron	—	—	—	—
Trustee James F. White	—	—	—	—
Trustee Ryan Walter	—	—	—	—
Trustee Michael Schomas	—	—	—	—
Village President Jennifer Konen	—	—	—	—

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (“Agreement”) is entered into this 17th day of January, 2023, by and between the **VILLAGE OF SUGAR GROVE**, an Illinois Municipal Corporation (“**Village**”), **THREE BROTHERS & PAPOU, LLC., d/b/a Burnt Barrel II**, an Illinois Limited Liability Company (“**Developer**”), and **COLLEGE CORNER, LLC**, an Illinois Limited Liability Company (“**Owner**”) as each may individually be referred to as a “**Party**” and collectively referred to as the “**Parties**”.

WITNESSETH:

WHEREAS, The Village is an Illinois Municipal Corporation existing under and by virtue of the Constitution and laws of the State of Illinois, including by not limited to the Illinois Municipal Code (65 ILCS 5/*et seq.*) (“**Code**”); and,

WHEREAS, Section 8-11-20 of the Code (65 ILCS 5/8-11-20) authorizes the corporate authorities of a municipality to enter into Economic Incentive Agreements as provided therein; and,

WHEREAS, Illinois law has also long recognized that expenditures of municipal funds for economic development is within the powers of municipalities for the public welfare; and,

WHEREAS, College Corner, LLC owns certain parcels located within the College Corners Business Improvement District (“**Business Improvement District**” or “**BID**”), with said parcels more specifically identified on **Exhibit A**, attached hereto and incorporated herein by reference (“**College Corner Parcels**”); and,

WHEREAS, Three Brothers & Papou, LLC is the owner and developer of 799 Heartland Drive, Sugar Grove, Illinois 60554 and commonly identified by PIN 14-08-253-004 (“**Burnt Barrell II Property**”) which is also located within the Business Improvement District, and which has an existing building; and,

WHEREAS, Developer has found it necessary and desirable to rehabilitate said existing structure and to convert, develop, and operate it as a restaurant to be known as Burnt Barrel II in Sugar Grove (“**Project**”); and

WHEREAS, all of the property legally described in **Exhibit A** is located within the corporate limits of the Village and within the Business Improvement District; and

WHEREAS, development of the Project will require significant improvements to the existing site and facilities; and

WHEREAS, the operation and construction of the Project will create job opportunities and economic development within the Village; and

WHEREAS, the Village has established the Business Improvement District and imposed a 1% (one percent) Sales Tax within said Business Improvement District (“**BID Sales Tax**”); and

WHEREAS, without this Agreement, the Project would not be possible; and

WHEREAS, it is the intent of the Owner to develop the remaining parcels described in **Exhibit A** in a manner that meets the requirements of §8-11-20 of the Municipal Code; and

WHEREAS, it is in the best interest of the Village, the Owner, and the Developer to enter into this Agreement.

SECTION 1. Incorporation.

The Preambles to this Agreement are hereby declared to be the findings of the Parties. Said Preambles, and all Exhibits referred to in this Agreement, are incorporated by reference as though fully set forth in this Section 1.

SECTION 2. Findings for Burnt Barrell II Property.

- A. The Village finds that the Burnt Barrell II Property meets the following requirements of §8-11-20 of the Municipal Code:
 - a. That the building on the Burnt Barrell II Property has remained less than significantly unoccupied or underutilized for a period of at least one year;
 - b. The Project is expected to create or retain job opportunities within the Village;
 - c. The development of the Burnt Barrell II Property will serve to further the development of adjacent areas;
 - d. But for this Agreement, the development of the Burnt Barrell II Property would not be possible;
 - e. Developer meets the high standards of creditworthiness as demonstrated by one or more of the following:
 - i. Corporate debenture ratings of BBB or higher by Standard & Poor’s Corporation or Baa or higher by Moody’s Investor Services, Inc.
 - ii. A letter from a financial institution with assets of \$10,000,000 or more attesting to the financial strength of Developer, and/or
 - iii. Specific evidence of equity financing for not less than 10% of the total project costs.

- iv. The development of the Burnt Barrell II Property will strengthen the commercial sector of the Village;
- v. The development of the Burnt Barell II Property will enhance the tax base of the Village; and,
- vi. An economic incentive agreement is in the best interest of the Village.

SECTION 3. Conditions Precedent to the Undertaking on the part of the Village.

All undertakings on the part of the Village pursuant to this Agreement with respect to the Burnt Barrell II Property are subject to the satisfaction of the following conditions by the Developer:

- A. The Developer shall rehabilitate an existing structure and convert and develop it into a restaurant, to be known as Burnt Barrel II, including building and site improvements more specifically outlined in the Economic Incentive Agreement, attached hereto and incorporated herein as **Exhibit 1**, located on the Burnt Barrell II Property and shall have obtained from the Village its final certificate of occupancy for the Project on or before June 30, 2023.
- B. The Developer shall construct and operate the Project all in accordance with all applicable zoning ordinances and regulations, and all building and fire code regulations, unless otherwise granted zoning entitlements through the Planning and Zoning Commission and Corporate Authorities.

SECTION 4. Undertaking on the Part of the Village upon satisfaction by the Developer of all the Conditions stated in Section 2 hereof.

- A. The Village shall enter into an Economic Incentive Agreement with the Developer, in substantially in the form attached hereto as **Exhibit 1**, to pay to Developer one hundred percent (100%) of the BID Sales Tax collected from the Burnt Barrell II Property for a period of fifteen (15) years duration (“**Inducement Term**”). The Inducement Term shall commence upon the Project receiving a final Certificate of Occupancy from the Village.

SECTION 5. Conditions Precedent to the Undertaking on the part of the Village with respect to the College Corner Parcels.

All undertakings on the part of the Village pursuant to this Agreement with respect to the remaining parcels described on **Exhibit A** are subject to the satisfaction of the following conditions by Owner:

- B. The Village finds that the remaining parcels described in **Exhibit A** are vacant but meet the requirements of §8-11-20 of the Municipal Code.

- C. Owner shall develop Lots [redacted] and [redacted], commonly identified by PINs [redacted] to commercially develop said parcels in a manner that continues to meet any requirements of §8-11-20 of the Municipal Code (all collectively referred to as the “**Future Projects**”) located on the above-specified College Corner Parcels and shall have obtained from the Village its final certificate of occupancy for each of the Future Projects on or before [redacted] as a condition of the Village entering into an Economic Incentive Agreement with respect to any such Future Projects.
- D. Owner shall construct and operate the Future Projects all in accordance with all applicable zoning ordinances and regulations, and all building and fire code regulations, unless otherwise granted zoning entitlements through the Planning and Zoning Commission and Corporate Authorities.

SECTION 6. Undertakings on the Part of the Village upon satisfaction by Owner of all the Conditions herein stated.

- A. On the condition of Owner meeting the requirements of Section 5 of this Agreement the Village commits to entering into an Economic Incentive Agreement with the Village substantially in the form attached hereto as **Exhibit 1**, except as may need to be modified to incorporate specifics with regard to Owner and the Future Projects, to pay to Owner one hundred percent (100%) of the BID Sales Tax collected from future development on Owner’s Parcels [redacted] and [redacted] for a period of fifteen (15) years duration for each Future Project (each, an “**Inducement Term**”). Each Future Project’s respective Inducement Term shall commence upon the development on the parcel receiving a final Certificate of Occupancy from the Village.

SECTION 7. Representations and Warranties of Owner and Developer.

- A. Owner and Developer each hereby represents and warrants that but for economic assistance from the Village, the Project and the Future Projects would not be undertaken within the Village.
- B. Owner and Developer each hereby represents and warrants that at all times they shall comply with all applicable zoning ordinances and regulations, and all building and fire code regulations, and all other applicable Village ordinances, resolutions, codes and regulations.

SECTION 8. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and the forum of any dispute shall be in the Sixteenth Judicial Circuit, Kane County, Illinois.

SECTION 9. Amendment.

This Agreement may be amended only by the mutual consent of the Parties, or their successors and assigns, by a written instrument specifically referencing this Agreement.

SECTION 10. Notices.

All notices, elections and other communications between the Parties shall be in writing and shall be mailed by certified mail, return receipt requested, postage prepaid, or delivered personally to the Parties at the following addresses or such other addresses as the Parties may, by notice, designate:

For the Village:

Village of Sugar Grove
10 S. Municipal Dr.
Sugar Grove, Illinois 60554
Attention: Village Administrator and Village Clerk

With copy to:

Mickey, Wilson, Weiler, Renzi, Lenert & Julien, P.C.
140 S. Municipal Dr.
Sugar Grove, Illinois 60554
Attention: Laura M. Julien

For the Developer:

Three Brothers & Papou, LLC.
d/b/a Burnt Barrel II
3150K Cannonball Trail
Yorkville, Illinois 60560-1040

For the Owner: College Corner, LLC

With a copy to:

Daniel J. Kramer
Attorney at Law
1107A S. Bridge St.
Yorkville, Illinois 60560

Notices shall be deemed received on the fourth (4th) business day following deposit in the U.S. Mail, if given by certified mail as aforesaid, and upon receipt or refusal, if personally delivered.

SECTION 11. Effective Date.

This Agreement shall be effective on the date set forth above.

SECTION 12. Mutual Assistance and Consents.

The Parties agree to do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out the terms of this Agreement, including, without limitation, the enactment by the Village of such ordinances and resolutions and the taking of such other actions as may be necessary to enable the Parties' compliance with the terms and provisions of this Agreement. In the event that any Party to this Agreement is required to grant its consent or approval to the other Party to this Agreement in connections with any of the terms and provision of this Agreement, such consent or approval shall not be unreasonably withheld.

SECTION 13. Severability.

If any provision, covenant or portion of this Agreement is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Agreement.

SECTION 14. Entire Agreement and Execution.

This Agreement supersedes all prior agreements, negotiations and exhibits and is a full integration of the entire agreement of the Parties. This Agreement may be executed and delivered in counterparts, each of which when executed and delivered shall be an original, and all of which when executed shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes.

SECTION 15. Successors and Assigns.

This Agreement may not be assigned by Owner or Developer unless said assignment is approved by Resolution of the Corporate Authorities.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year first above written, and by so executing this Agreement, they mutually represent and warrant to one another that they have full power and authority to enter into this Agreement.

VILLAGE OF SUGAR GROVE,
An Illinois Municipal Corporation

ATTEST:

By: _____
Alison Murphy, Village Clerk

By: _____
Jennifer Konen, Village President

THREE BROTHERS & PAPOU, LLC.,
d/b/a Burnt Barrel II

ATTEST:

By: _____
Its: _____

By: _____
Its: _____

COLLEGE CORNER, LLC

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

EXHIBIT A

COLLEGE CORNER PARCELS:

- 14-08-251-003
- 14-08-251-031
- 14-08-251-033
- 14-08-251-034
- 14-08-251-035

*Denotes parcel eligible for Economic Incentive Agreement for Future Project

BURNT BARRELL II PROPERTY:

14-08-253-004

LOT 11 IN SUGAR GROVE RESEARCH PARK, ACCORDING TO THE PLAT THEREOF
RECORDED ON MARCH 21, 1990 AS DOCUMENT NO. 90K14321, IN THE VILLAGE OF SUGAR
GROVE, KANE COUNTY, ILLINOIS.

EXHIBIT 1