



## Community and Economic Development Department Resolution

To: Mayor and Board of Trustees

From: Amanda Orenchuk, Director

For: Village Board Meeting of: July 12, 2021

Subject: Tonality Brewing Company

Financial Impact:

Attachments:

1. Location Map 169 North Seymour Avenue (DOCX)
2. Exhibit A - Economic Development Assistance Agreement (DOCX)
3. Exhibit A (ii) - TIF Assistance Agreement (DOCX)
4. Exhibit A (i) - Purchase and Sale Agreement (DOCX)
5. Exhibit A (iii) - Sales Tax Sharing Agreement (DOCX)
6. Tonality Brewing - Site Plan - 169 North Seymour Avenue (PDF)

### Motion

**Motion** to Adopt a Resolution Approving and Authorizing the Execution of an Economic Assistance Agreement Between the Village of Mundelein and Tonality Brewing Company LLC for the Property at 169 North Seymour Avenue.

### Comments

In January 2021, the Village of Mundelein received a Letter of Interest from Tonality Brewing Company (Tonality) to purchase 169 North Seymour Avenue. Public Works had vacated the building, which was used as Facility Maintenance. Prior to use by Public Works, it was used as a Fire Station. The Village, in preparation of vacating the building removed the covenant by the Kracklauer Family and formed the Kracklauer Fund for the Arts. The Village posted notice of the potential disposition of property and asked interested parties to submit offers. The notice was posted on April 2, 2021.

The proposal by Tonality is to acquire the building at approximately the appraised value, around \$340,000. The group anticipates almost \$1 million in renovations to the building to convert the space to a micro brewery, pub, and restaurant. The plans include installing an elevator, completely gutting and rehabilitating the building, installation of bathrooms, kitchen, outdoor patio space, and rooftop dining space.

Tonality requests economic assistance in starting up the business due to the large startup costs of converting the space. The following provides a quick summary of the proposal and assistance.

1. Village Property purchase price of \$340,000, with a first right of refusal provision and a credit for remediation.
2. Maximum assistance: \$180,000. They are required to spend quite a bit and occupy/open before qualifying for the incentives.
3. TIF Assistance: Has to finish build out, have occupancy, and open. 50% for 5 years, maximum total of \$65,000.
4. BIG Program Eligible: \$50,000 (has to certify \$100,000 in eligible costs).
5. Sales Tax Sharing: Maximum of \$65,000. 50% over 5-year term. Has to complete build out and open. Must demonstrate expenditures of at least \$130,000 to qualify. Cannot duplicate expenditures from BIG Program.

AMO/jlm