



REPORT TO APC

ITEM NAME: Denyon Homes
Developer's Agreement
MEETING DATE: 06/12/2023
PRESENTING COMMITTEE:
RDA
COMMITTEE CONTACT:
STAFF CONTACT: Peter
Wegner & Duane Gau
PREPARED BY: Clerk Bobbi
Birk-LaBarge

ISSUE: Looking for approval on final agreement to undertake development made by and between the Village of Kronenwetter and Denyon Homes, Inc. for the purchase of (1) lot located within TID2 for commercial development. The physical location of said lot is 1059 Kronenwetter Drive PIN: 145-2707-214-0085, Lot 1 & 2 D/A Out lot 1.

OBJECTIVES: Developer is looking to purchase and develop (1) lot located within TID2 to increase the tax increment within the Village of Kronenwetter in a timely basis.

ISSUE BACKGROUND/PREVIOUS ACTIONS: The first agreement draft was brought forth to the village board on May 08, 2023. The village board proposed changes to sections of the agreement. Those requested proposed changes were given to Denyon Homes President; Heath Tappe. Mr. Tappe agreed to the proposal changes. A final agreement has been prepared for review by the village board and is awaiting approval. Verbiage in sections 5a., 5b., 5c., 6a., 6b., 6c. and other areas of the first draft have been made.

PROPOSAL: Recommend approval of the second draft development agreement between Denyon Homes Inc., and the Village of Kronenwetter.

ADVANTAGES: Village to receive monetary funds for the sale of the property. The sale of this property will provide additional development and increment increase and may be seen as an opportunity for continued growth from other companies seeking development.

TID2 will receive \$45,000.00 in 2023 and taxable increment of \$500,000 in 2025 as well as total taxable increment of \$750,000 by 2027.

DISADVANTAGES: This parcel has been in ownership with the village since 2015. No additional development or increment has been seen in 8+ years. Not being supportive to the agreement will terminate said agreement and the parcel will remain "as-is."

ITEMIZE ALL ANTICIPATED COSTS (Direct or Indirect, Start-Up/One-Time, Capital, Ongoing & Annual, Debt Service, etc.)

RECOMMENDED ACTION: Motion to approve the updated development agreement between the Village of Kronenwetter and Denyon Homes Inc.

OTHER OPTIONS CONSIDERED: N/A

TIMING REQUIREMENTS/CONSTRAINTS:

FUNDING SOURCE(s) – Must include Account Number/Description/Budgeted Amt CFY/% Used CFY/\$

Remaining CFY

Account Number:

Description:

Budgeted Amount:

Spent to Date:

Percentage Used:

Remaining:

ATTACHMENTS (describe briefly): First draft developer's dgreement, final draft developer's agreement, office preliminary plans