



Legislation Text

File #: 17-237, **Version:** 1

ACTION REQUESTED:

Communication from the City Manager with a Request to ADOPT an ORDINANCE Approving the MARUTI GAGAN MANAGEMENT, LLC REDEVELOPMENT AGREEMENT. (Council District 2)

BACKGROUND: Maruti Gagan Management is a Danville, IL based developer and owner of 22 Burger King franchises throughout Central Illinois. This includes two Burger King restaurants in Peoria and one in East Peoria. The company hopes to construct a new store at 1705 N. Knoxville (corner of Richmond and Knoxville). The property was the site of a Burger King, though under different ownership, until the early 2000s. The former building was demolished and the property has been vacant ever since. The current development plan includes assembly of the corner property which has already been cleared of a small building.

The developer expects to invest approximately \$1.9 million to construct a new building that will employ 18-20 full time equivalents. Construction is expected to start soon and be completed by the end of 2017.

FINANCIAL IMPACT: The property is located within the East Village Growth Cell TIF District. The attached redevelopment agreement provides the City's standard TIF incentive of a rebate of 50% of any increase in taxes. Based on the assessed value of \$350,000 of the McDonalds property north of this site on Knoxville, staff estimates the total property tax bill upon completion will be \$33,000. Of this amount, \$9,000 are "base" taxes and \$24,000 would be "incremental" taxes. The developer would be entitled to a rebate of \$12,000 with the balance of \$12,000 able to be utilized in the East Village TIF. The Agreement also specifies that the rebate will not be paid if the store closes.

NEIGHBORHOOD CONCERNS: None known.

IMPACT IF APPROVED: The Agreement will be signed and the project will proceed.

IMPACT IF DENIED: The Agreement will not be signed and the project may be reduced, delayed or cancelled.

ALTERNATIVES: None.

EEO CERTIFICATION NUMBER: Not applicable.

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Grow Peoria: Businesses, Jobs, and Population

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Grow employers and jobs.

DEPARTMENT: City Manager's Office

