



Kennay Farms Distilling, LLC

December 13, 2018

Mr. Jeff Fiegenschuh

City Administrator, City of Rochelle

420 N. 6th Street

Rochelle, Illinois 61068

RE: TIF for 714 N. 6th Street, Rochelle, IL

Dear Mr. Fiegenschuh,

As you know, Kennay Farms Distilling has been renovating the Hub Theatre building located at 416 Lincoln Highway, into a state-of-the-art distillery and brewery facility. After two years of planning and construction, we are happy to report our business will be opening very soon in downtown Rochelle.

In recent months, the idea of having the Kennay Farms Rickhouse has become reality with the acquisition of four lots located directly west of the distillery and the demolition of several buildings thereon, making way for a stately barreling and bottling facility.

The City of Rochelle has worked with us in the past on agreements for our front balcony overlooking the historic Lincoln Highway, as well as facilitating an easement for piping product from our distillery to our storage building. These partnerships not only enhance our offerings to the public, but also add value to the downtown as together we promote a unique opportunity for tourism in Rochelle.

As we have incurred substantial costs in renovating this 1926 movie theater and constructing a new 22,000 square foot Rickhouse. We are looking for ways to mitigate some of the additional expenses that are needed to complete the corner block of North 6th Street and 5th Avenue. We are asking that the following items be considered for TIF reimbursement:

Property Assembly Costs:

1. Land acquisition costs – four lots located at North 6th Street and 5th Avenue.
2. Site preparation - hauling charges for the removal of debris from the newly-excavated site; hauling charges for bringing in dirt and gravel fill.
3. Demolition – four lots located at the corner block of North 6th Street and 5th Avenue.

Professional Fees:

1. **Professional fees – architectural for the design of the Rickhouse; engineering for the placement of the Rickhouse**
2. **Legal – Acquisition/closings/deeds for the property located at 417 N. 6th Street; Piping Easement with the City of Rochelle.**
3. **Accounting/financial – fees associated with our CPA and banking institutions**

Public infrastructure improvements – enhancement to current water, sewer, and drainage; newly-constructed sidewalks, curbs, etc.

Utilities Extension – gas service

Interest Buy-Down ~ Estimated interest on principal loan over 15 years

Miscellaneous/Other:

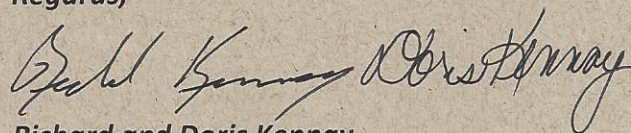
1. **Signage – Rickhouse and private parking lot**
2. **Repair – alleyway and private parking lot**

Attached is our Application for TIF Benefits Relating to Private (TIF) Eligible

Redevelopment Project Costs. Please feel free to contact us should you have any questions.

Thank you for your thoughtful consideration.

Regards,


Richard and Doris Kennay

815.751.4381 / 815.901.3207

kennayfarmsdistilling@gmail.com

Enclosures



TAX INCREMENT FINANCING (TIF) DISTRICT

APPLICATION FOR TIF BENEFITS RELATING TO PRIVATE (TIF) ELIGIBLE REDEVELOPMENT PROJECT COSTS

Pursuant to Section (65 ILCS 5/11 -74.4-4(b)) of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 et. seq.), municipalities may make and enter into contracts with private developers to induce redevelopment projects which are necessary or incidental to the implementation and furtherance of its redevelopment plan and project. Municipalities may also, under certain conditions, incur project redevelopment costs and reimburse developers who incur redevelopment project costs which are authorized by a redevelopment agreement (65 ILCS 5/11-74.4-4 (j)).

Private developers seeking reimbursement of TIF eligible redevelopment project costs are required by the municipality to complete this application allowing the municipality to adequately determine the developer's eligibility for assistance from the Tax Increment Financing (TIF) District.

INSTRUCTIONS: Complete each section and return via U.S. Mail to: The City of Rochelle, 420 N. 6th Street, P.O. Box 601, Rochelle, IL 61068: Attention: Michelle Pease

PART I: DEVELOPER INFORMATION

Developer Legal/Business Name: Kennay Farms Distilling Rchouse Date: 12. .18

Business type: [] Sole Proprietorship; [] Partnership; [] Corporation (State of Charter: ___); [X] Other (please describe): LLC

Developer's Contact Information:

Name Richard Kennay Title Owner

Address 8991 S. Prairie Road

City Ashton State IL Zip 61006

Fax - email rrkennay@gmail.com

PART II: PROJECT INFORMATION

TIF District Name Downtown & Southern Gateway TIF

Project Name Kennay Farms Distilling Rchouse

Anticipated Start Date 9.4.18 Anticipated Completion Date 1.31.19

Project Description 11,700 square foot bottling and barreling storage facility



Project is classified as: Industrial Commercial

Project Street Address: 417 N. 6th Street, Rochelle, IL 61068

FOR ENTIRE PROJECT:

Total Projected Investment \$ 2,100,000.00 (Land and Real Estate Improvements Only)

Total Number of Jobs Created: 4

Number of Jobs FTE: 4

Current annual retail sales (if applicable – commercial projects only) \$ N/A

Projected (new) annual retail sales generated by this project \$ 1,500,000.00

PART III: ESTIMATED TIF ELIGIBLE PROJECT COSTS

Property Assembly Costs:

	Phase I:	Phase II:
1. Land and buildings (acquisition costs)	\$ <u>460,000.00</u>	\$ _____
2. Site preparation, clearing and grading	\$ <u>40,000.00</u>	\$ _____
3. Demolition	\$ <u>90,000.00</u>	\$ _____

Professional Fees:

1. Planning, engineering, architectural.....	\$ <u>160,000.00</u>	\$ _____
2. Legal	\$ <u>9,000.00</u>	\$ _____
3. Accounting/financial	\$ <u>6,000.00</u>	\$ _____
4. Marketing (land only)	\$ <u>N/A</u>	\$ _____
5. Other professional fees	\$ <u>N/A</u>	\$ _____

Job training and retraining services..... \$ 3,000.00 \$ _____

Rehabilitation or renovation (existing buildings) \$ N/A \$ _____

Public infrastructure improvements \$ 98,000.00 \$ _____
(Water, sewer, drainage, sidewalks, curb, etc.)

Utilities extension \$ 48,000.00 \$ _____

Interest Buy-Down:

Principal \$ 2,100,000 @ 5.5 % per annum
for 15 years = Estimated Interest Expense

x 30% \$ 519,750.00 \$ _____

Miscellaneous/Other (please specify):

1. <u>Signage - Building and Parking Lot</u>	\$ <u>22,000.00</u>	\$ _____
2. <u>Repair of alleyway and Parking Lot</u>	\$ <u>41,000.00</u>	\$ _____
3. _____	\$ _____	\$ _____



TOTAL ESTIMATED ELIGIBLE COSTS..... \$ 1,496,750.00 \$ _____

Additional Notes/Comments: _____

(Please describe estimated eligible project costs for additional phases on a separate sheet and attach)

PART IV: DECLARATIONS

Private Developer

The Private Developer hereby asserts that this redevelopment project would not be completed without the use of tax increment financing. The Private Developer also warrants and represents that it has the full authority to execute any TIF agreement and has the financial ability to pay for and complete the entire redevelopment project prior to receiving any TIF Reimbursements.

The undersigned further certifies and warrants that to the best of his/her knowledge the information contained in this Application for Reimbursement of Private (TIF) Eligible Redevelopment Project Costs is true, correct and complete, under penalty of perjury.

Bill Gorman _____, Owner _____, 12-13-18
Private Developer Title Date

OFFICE USE ONLY:

Date received: _____ by: _____