



March 16, 2023

Transmitted via regular mail and email to

hmcguire@stcharlesil.gov

Heather McGuire, City Administrator

City of St. Charles

2 Main Street St.

Charles, IL 60174

Dear Ms. McGuire:


There is in place between the City of St. Charles and my company, McGrath Motors, Inc., dba McGrath Honda of St. Charles, a certain Sales Tax Revenue Sharing Agreement dated September 21, 2020 (the "2020 Sales Tax Agreement"). Under the 2020 Sales Tax Agreement, the City agreed to reimburse my company, through a mix of City grant funds and sales tax revenue sharing over 15 years, a maximum amount of \$5,256,000.00. As of this date, no payment requests have been made by me to the City, and no City payments have been made.

Contrary to my original belief, I was able to initially finance this project through a combination of private funds and a commercial mortgage loan from a private bank. As such, I no longer feel the need to ask the City to make use of any taxpayer (public) funds to make any of the payments to me under the 2020 Sales Tax. Instead, I believe that those incentive payments should be paid out of the increased revenue benefits which the community receives from the Honda development itself.

Therefore, I am requesting that the City approve an amendment to the 2020 Sales Tax Agreement which calls for incentives to be limited to sales tax sharing only. I have also agreed, through negotiations with you and your staff, to reduce the maximum amount of incentives to \$5,156,000.00. A draft of the proposed Amended and Restated Sales Tax Revenue Sharing Agreement as negotiated with City Staff (but subject to final City Council approval) is attached hereto.

I would appreciate you bringing this matter before the City Council for its approval. Please let me know the date on which the City Council will consider this matter. Thank you.

Very truly yours, McGrath
Motors, Inc.

By: 
Gary D. McGrath, President

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