



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to consider economic development incentive for former St. Charles Chrysler, Dodge, Jeep. 1611 East Main St.
Presenter:	Chris Aiston

Please check appropriate box:

	Government Operations		Government Services
X	Planning & Development (05/14/12)		City Council
	Public Hearing		

Estimated Cost:	NA	Budgeted:	YES		NO	
-----------------	----	-----------	-----	--	----	--

If NO, please explain how item will be funded:

Executive Summary:

Al Piemonte, representing St. Charles Chrysler, Dodge, Jeep, 1611 E. Main Street has approached the City with a request for an economic development incentive to retain and expand his auto dealership enterprise in St. Charles, to wit: For the City to reimburse sales taxes derived from this existing dealership operating out of 1611 E. Main Street and 410 Tyler Road.

Piemonte is asking that City reimburse him 50% of the City's annual 1% municipal retail sales taxes for all such revenues in excess of \$128,000. However, if annual sales tax revenues do not meet or exceed this figure, Piemonte will guarantee that the City will receive no less than \$100,000. The aforesaid sales taxes will be distributed for 15 years or until such time as the Piemonte costs are reimbursed, whichever is first.

As part of this arrangement, the city is purchasing property that will improve stormwater management in the area. The property to be purchased will be improved to enhance stormwater management for the immediate area, Tyler Road, and downstream properties.

Attachments: *(please list)*

- Terms Sheet for formal Reimbursement Agreement**
- Diagram of Property to be redeveloped**

Recommendation / Suggested Action *(briefly explain)*: Recommend City Council direct staff and legal counsel to draft sales tax reimbursement agreement with St. Charles Chrysler, Dodge, Jeep.

<i>For office use only:</i>	<i>Agenda Item Number: 4b</i>
-----------------------------	-------------------------------

**DRAFT TERMS FOR:
TYLER/PRODUCTION, LLC, ST. CHARLES CADILLAC, D.B.A. ST CHARLES
CHRYSLER, JEEP, DODGE, RAM ECONOMIC INCENTIVE**

1. Tyler/Production, LLC (hereafter, T/P) to pay for the cost of engineering/modeling, permitting fees and such other studies or analyses required to provide necessary information to proceed, to include, but not necessarily limited to:
 - a. Determining limits of floodplain in a post-grading effort to maximize developable land on approximately 6.16 acre parcel at SE corner of Production and Tyler Roads (“Tyler Production Subdivision” or “Subdivision”).
 - b. Producing cost estimate for design/engineering and construction of stormwater management improvements on Outlot A of Tyler Production Subdivision (approximately 1.025 acres). City to purchase said Outlot A from T/P.
 - c. Cost for these activities shall be per Professional and Licensed Engineer’s scope and quote for services. City will contract directly with said engineer (TBD) for such services. City reserves the right to choose an alternative Professional Engineer for Construction Observation services.
 - d. Plat of Survey for Closing.
 - e. Environmental investigation/assessment. City has obtained Phase I ESA and may require Tyler/64 to perform limited Phase II ESA at T/P expense. This shall also include the obtainment of the Illinois Environmental Protection Agencies Clean Construction Demolition Debris (CCDD) form LPC 663. T/P shall pay all costs associated with any required environmental cleanup based on the Phase I and II, procurement of the “No Further Remediation” (NFR) and the CCDD disposal.
 - f. St. Charles Cadillac, d.b.a. St. Charles Chrysler, Jeep, Dodge, Ram (hereafter St. Charles Chrysler) agrees to purchase from T/P certain real estate as follows: Lot 1, Lot 2 and Outlot B of Tyler Production Subdivision, the total of such real estate equaling approximately 5.14 acres.
2. St. Charles Chrysler agrees to construct certain facilities on properties described in para 1.f., above, including a parking lot built to specifications as determined and approved by the City and necessary to enhance the sales volume capacity of its existing Chrysler-Jeep-Dodge-Ram automobile dealership and a storm water detention facility necessary to accommodate said dealership and as required per the development of said parking lot. Such facilities are anticipated to accommodate the generation of significant additional sales tax revenue for the City. Construction of these facilities shall commence no later than one hundred and eighty days (180 days) from the time the City has completed its above-described work planned for Outlot A.
3. City has retained professional services to obtain a property value appraisal for the total 6.16-acre property (Subdivision) as described in para. 1. a., above.
4. Within one year of obtaining, and with due consideration of the aforesaid appraisal, City shall purchase from T/P Outlot A of Tyler Production Subdivision.

The sales price of said purchase shall not exceed \$130,000.00 (One Hundred Thirty Thousand Dollars and No Cents).

5. City shall pay T/P for a construction and maintenance access easement across property(ies) adjacent to, and not including, the City's 1.025-acre purchased property and amount not exceeding \$30,000.00 (Thirty Thousand Dollars and No Cents). Said easement shall be sufficient in area to allow for a dump truck and/or backhoe to maneuver safely within its boundaries.
6. City to enter into sales tax reimbursement agreement with St. Charles Chrysler. Total amount reimbursed over agreement period to be equal to the sum of the following costs:
 - a. Property improvements described in para. No. 2 above. This cost shall be equal to the actual cost of improvements or in the amount of \$300,000 (Three Hundred Thousand Dollars and No Cents), whichever is less;
 - b. Certain physical improvements to existing dealership property deemed required or preferred by St. Charles Chrysler for the purpose of better merchandising and enhancing visibility of for-sale vehicle inventory from surrounding streets. This cost shall be equal to the actual cost of improvements or in the amount of \$300,000, whichever is less;
 - c. The purchase price of the property transferred from T/P to St. Charles Chrysler for \$800,000.00 (Eight Hundred Thousand Dollars and no cents), whichever is less, in the land sale transferring ownership of Lots 1 and 2 and Outlot B of Tyler Production Subdivision;
 - d. Interest paid on debt incurred by St. Charles Chrysler for improvement costs described in paras. 6. a. and 6.b, and in its purchase of properties described above in par 6.c., respectively; City shall reimburse interest paid at actual rate obtained or 6.5 percent, whichever is lower.
7. Retail sales tax revenue subject to the sales tax reimbursement shall be as follows: fifty percent (50%) of City's one-percent municipal retail sales tax (MT) revenue generated by St. Charles Chrysler commencing at the first day of the month immediately following the month the reimbursement agreement is executed by both parties. City shall disburse reimbursement to St. Charles Chrysler at each four-month revenue period during the reimbursement period as described below and within 45 days of receiving certification of sales tax revenues from the Illinois Department of Revenue.
8. Sales tax reimbursement period shall not exceed a period of fifteen (15) years or until such time as the total reimbursement disbursed to St. Charles Chrysler equals the total amount of those activities set forth in paragraph 6 above, whichever occurs first.
9. City to manage, oversee, and pay for construction of drainage channel improvements in Outlot A. T/P may, at the City's sole discretion, be allowed to complete the storm water management improvements on terms to be agreed upon by the parties.

10. If dealership is sold or otherwise transferred to another party, St. Charles Chrysler may assign - subject to approval of the City, which shall not be unreasonably withheld - retail sales tax reimbursement to successor dealership.

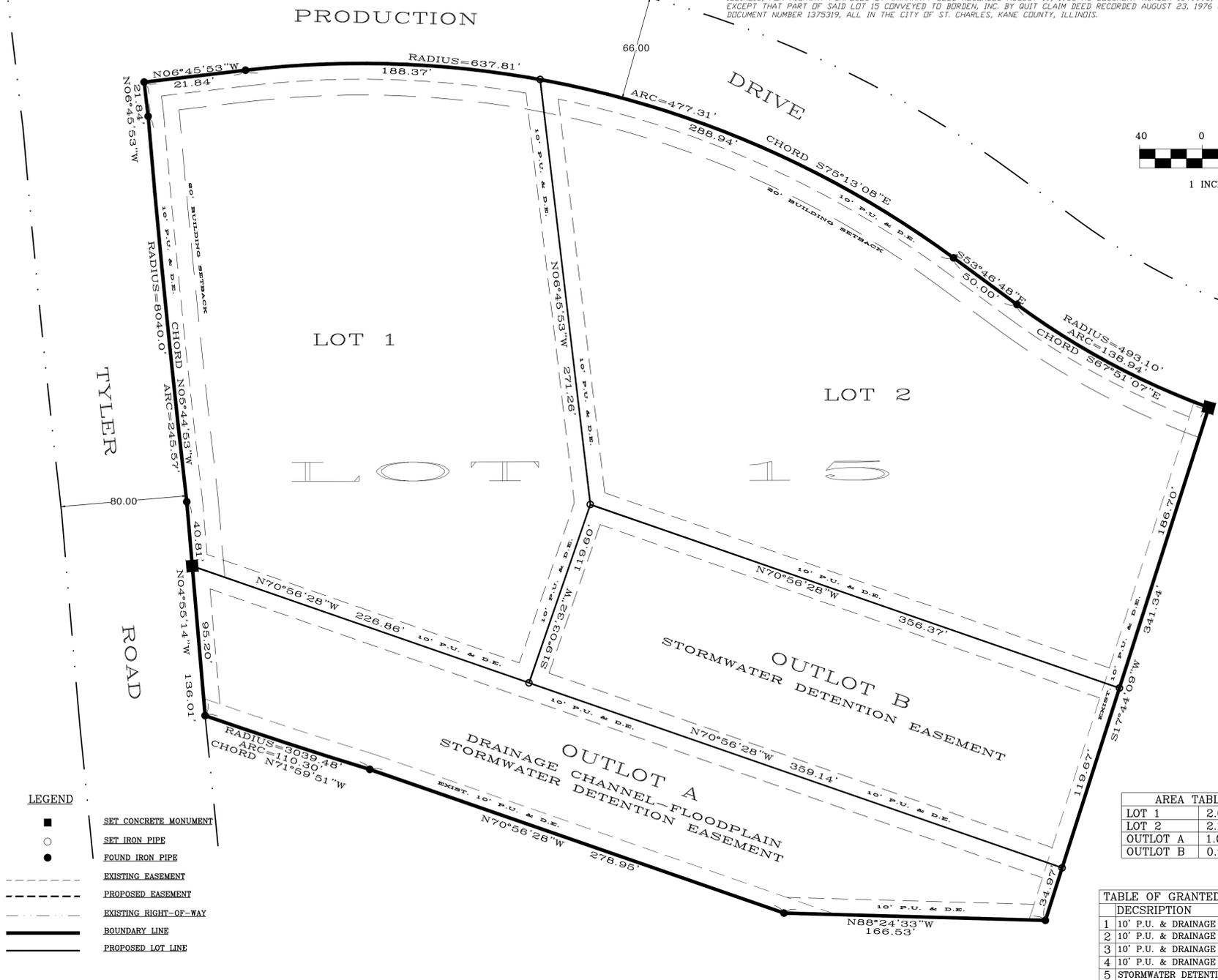
11. If dealership is closed or vacated and not re-established within thirty (30) days, at any time during the fifteen year period, disbursement of sales tax reimbursement to dealership shall be terminated.

12. If MT annual revenue generated from the dealership does not meet or exceed \$126,000 (One Hundred and Twenty-six Thousand Dollars and No Cents) , the City shall notify St. Charles Chrysler in writing, certified mail, return receipt requested, of same and, within ninety (90) days from the receipt of said notice, St Charles Chrysler shall be required to pay the City an amount equal to the difference between fifty percent (50%) of actual annual MT and \$100,000 (one hundred thousand dollars). In the event St. Charles Chrysler fails to make such payment to the City, in the time prescribed, the Reimbursement Agreement may be terminated by the City.

13. The existing structures on Lots 1, 2 and Outlots A and B shall be removed by T/P before land transfers take place.

FINAL PLAT OF SUBDIVISION OF TYLER PRODUCTION SUBDIVISION

LOT 15 IN DELNDR INDUSTRIAL PARK SUBDIVISION, BEING A SUBDIVISION IN PART OF SECTIONS 26 AND 35, TOWNSHIP 40 NORTH, RANGE 8 EAST OF THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 14, 1958 AS DOCUMENT NUMBER 875646, EXCEPT THAT PART OF SAID LOT 15 CONVEYED TO THE CITY OF ST. CHARLES, ILLINOIS, FOR HIGHWAY PURPOSES BY WARRANTY DEED RECORDED AUGUST 19, 1983 AS DOCUMENT NUMBER 1649993, AND EXCEPT THAT PART OF SAID LOT 15 CONVEYED TO BORDEN, INC. BY QUIT CLAIM DEED RECORDED AUGUST 23, 1976 AS DOCUMENT NUMBER 1375319, ALL IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.



LEGEND

- SET CONCRETE MONUMENT
- SET IRON PIPE
- FOUND IRON PIPE
- EXISTING EASEMENT
- - - PROPOSED EASEMENT
- · - · - EXISTING RIGHT-OF-WAY
- BOUNDARY LINE
- - - PROPOSED LOT LINE

AREA TABLE

LOT 1	2.038 ACRES ±
LOT 2	2.124 ACRES ±
OUTLOT A	1.025 ACRES ±
OUTLOT B	0.975 ACRES ±

TABLE OF GRANTED EASEMENTS

DESCRIPTION	AREA
1 10' P.U. & DRAINAGE - LOT 1	0.262 AC
2 10' P.U. & DRAINAGE - LOT 2	0.244 AC
3 10' P.U. & DRAINAGE - OUTLOT A	0.181 AC
4 10' P.U. & DRAINAGE - OUTLOT B	0.183 AC
5 STORMWATER DETENTION EASEMENT	2.000 AC

PUBLIC UTILITY EASEMENT PROVISIONS

A permanent non-exclusive easement is hereby granted to the City of St. Charles and to all public utility companies of any kind operating under franchise granting them easement rights from said City of St. Charles, including but not limited to, Ameritech and NICOR and to their successors and assigns, in, upon, across, over, under, and through the areas shown by dashed lines and labeled "PUBLIC UTILITY EASEMENT" on the plat of subdivision hereon drawn for the purpose of installing, constructing, inspecting, operating, replacing, renewing, altering, enlarging, removing, repairing, cleaning, and maintaining above ground and underground electrical systems, cable television, communication, gas, telephone or other utility lines or appurtenances, sanitary and storm sewers, drainage ways, storm water detention and retention, water mains and any and all manholes, hydrants, pipes, connections, catch basins, buffer boxes and without limitation, such other installations as may be required to furnish public utility service to adjacent areas together with the right of access across the real estate platted herein for the necessary personnel and equipment to make any or all of the above work (herein collectively referred to as "grantees"). The right is also hereby granted to said grantees to cut down, trim, or remove any trees, shrubs, or other plants that interfere with the operation of or access to said utility installations, without limitation, in, on, upon or across, under, or through said easements. In the event utility maintenance is performed within the utility easement, the City of St. Charles will have no obligation with respect to surface restoration including, but not limited to, the restoration, repair, or replacement of any landscaping provided, however, the grantees shall be obligated following any such work, to backfill and mound so as to retain suitable drainage, remove debris, and leave the area in generally clean and workmanlike condition. No permanent buildings or trees shall be placed on said easements, but the easement areas may be used for gardens, shrubs, landscaping, paving, fences, sidewalks, curbing, and other purposes that do not interfere with the aforesaid uses and rights. Where an easement is used for storm or sanitary sewers, other utility installations shall be subject to the prior approval of said City of St. Charles so as not to interfere with the gravity flow in said sewer sewers. Utility installations, other than those managed by the City of St. Charles, shall be subject to the approval of the City of St. Charles, as to design and location, and all other installations are subject to the ordinances of the City of St. Charles.

STORMWATER DETENTION EASEMENT PROVISIONS

A permanent non-exclusive easement is hereby granted to the City of St. Charles and to their successors and assigns, in, upon, across, over, under, and through the areas shown by dashed lines and labeled "STORMWATER DETENTION EASEMENT" on the plat of subdivision hereon drawn for the purpose of installing, constructing, inspecting, operating, replacing, renewing, altering, enlarging, removing, repairing, cleaning, and maintaining storm sewers, drainage ways, storm water detention and retention and any and all manholes, pipes, connections, catch basins, and without limitation, such other installations as may be required to furnish stormwater detention. The right of access across the real estate platted herein for the necessary personnel and equipment to make any or all of the above work (herein collectively referred to as "grantees") is also granted. No building shall be placed on said easement premises without prior written consent from the City of St. Charles. The responsibility of maintaining the detention area easement shall be binding on the heirs, executors, administrators, successors and assigns of the landowners. No person shall destroy or modify slopes or otherwise affect the detention volume without having first received written approval from the City of St. Charles. The City shall have the right but not the obligation to restore any detention volume lost through unauthorized activities.

SPECIAL FLOOD HAZARD AREA CERTIFICATION

This is to certify that the parcels identified as Outlot A and Outlot B in this record of deed are located in the Special Flood Hazard Area identified for the City of St. Charles, Illinois by the Federal Emergency Management Agency on the Flood Insurance Rate Map, Panel No. _____, dated _____, 20____.

Norbert V. Lambert
Illinois Land Surveyor No. 1863

SURVEYOR'S CERTIFICATE

STATE OF ILLINOIS)) SS
COUNTY OF DUPAGE)

THIS IS TO CERTIFY THAT I, NORBERT V. LAMBERT, ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 1863, HAVE SURVEYED AND SUBDIVIDED THE PLAT HEREON SHOWN, ALL DISTANCES ARE SHOWN IN FEET AND DECIMAL PARTS THEREOF.

I HEREBY CERTIFY THAT THE PROPERTY DESCRIBED HEREON IS LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS, THAT HAS ADOPTED A COMPREHENSIVE PLAN.

I HEREBY CERTIFY THAT THE BOUNDARY MONUMENTS ARE SET ALONG THE PERIMETER OF THE PROPERTY AND UPON COMPLETION OF CONSTRUCTION THE INTERIOR IRON PIPES AT ALL LOT CORNERS AND POINTS OF CHANGES IN ALIGNMENT WILL BE SET.

GIVE UNDER MY HAND AND SEAL THIS _____ DAY OF _____, A.D. 20____.

ILLINOIS LAND SURVEYOR NO. 1863
REFER TO DEED OR GUARANTEE POLICY FOR RESTRICTIONS NOT SHOWN ON SURVEY.

BY CORPORATION
CITY OF ST. CHARLES, ILLINOIS
PUBLIC UTILITY AND ELECTRIC UTILITY EASEMENT

THIS INDENTURE, made in the City of St. Charles, State of Illinois, by and between _____ (hereinafter referred to as "CORPORATION") and the CITY OF ST. CHARLES, a MUNICIPAL CORPORATION, organized and existing under the laws of the State of Illinois, of Kane and DuPage Counties, Illinois, (hereinafter referred to as "CITY").

WITNESSETH That CORPORATION in consideration of the sum of One (\$100) Dollar and other good and valuable consideration paid to him by CITY, the receipt and sufficiency of which is hereby acknowledged does hereby grant and give unto the CITY OF ST. CHARLES a permanent, exclusive easement over, under and upon the following real estate described on the Plat of Easement, attached hereto, for the construction, reconstruction, restoration, maintenance, review, access and repair of public utilities, to include electric utilities, also to include future communication cables, hereto as said CITY may deem necessary, together with the right of access thereto for the necessary personnel and equipment to do any or all of the above work provided. The right is also hereby granted to said CITY to cut down, trim or remove any trees, shrubs or other plants that interfere with the operation of or access to said installations in, on, upon, across, under, or through said easement. In the event utility maintenance is performed within the utility easement, the City of St. Charles will have no obligation with respect to surface restoration including, but not limited to, the restoration, repair, or replacement of any landscaping provided, however, the grantees shall be obligated following any such work, to backfill and mound so as to retain suitable drainage, remove debris, and leave the area in a generally clean and workmanlike condition. No permanent buildings or trees shall be placed on said easements, but the easement area may be used for gardens, shrubs, landscaping, paving, fences, sidewalks, and other purposes that do not interfere with aforesaid uses and rights.

LEGAL DESCRIPTION
Plat of Easement with said easement provisions shown and described is attached hereto.

That CORPORATION hereby retains the right to enjoy said easement and right of way for its own purposes, provided that such purposes shall not interfere with the uses and right-of-way granted to the CITY herein. All construction by the CITY shall be done in a good, workmanlike manner, and the CITY also agrees that the premises will be left in a neat and presentable condition.

WITNESS our hands and seals this _____ day of _____, 20____.

NAME OF CORPORATION _____ MAYOR
BY: _____ CITY CLERK

STATE OF ILLINOIS)) SS
COUNTY OF _____)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that personally known to me to be the _____ President of the _____ Corporation, and _____ personally known to me to be the Secretary of said corporation, and persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledge that as such President and Secretary of said Corporation, and caused the Corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of _____ of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said Corporation, for the uses and purposes therein set forth.

Given under my hand and seal this _____ day of _____, 20____.

SEAL _____ NOTARY PUBLIC
CONSENT OF MORTGAGEE

Mortgage dated _____, 20____ and recorded _____, 20____ as Document No. _____ made by _____ to secure a note for \$ _____, this _____ day of _____, 20____.

BY: _____
ATTEST: _____

OWNERS CERTIFICATE
STATE OF ILLINOIS)) SS
COUNTY OF KANE)

THIS IS TO CERTIFY THAT TYLER PRODUCTION LLC IS OWNER OF THE LAND DESCRIBED IN THE PLAT, AND THAT IT HAS CAUSED THE SAME TO BE SURVEYED AND SUBDIVIDED AS INDICATED HEREON. FOR THE USES AND PURPOSES HEREIN SET FORTH, AND DOES HEREBY ACKNOWLEDGE AND ADOPT THE SAME UNDER THE TITLE HEREON INDICATED.

ALSO, THIS IS TO CERTIFY THAT PROPERTY BEING SUBDIVIDED AFORESAID, AND TO THE BEST OF OWNER'S KNOWLEDGE AND BELIEF, SAID SUBDIVISION LIES ENTIRELY WITHIN THE LIMITS OF:
ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303

BY: TYLER PRODUCTION LLC
409 ILLINOIS AVENUE, UNIT 1D
ST. CHARLES, ILLINOIS 60174

DATED THIS _____ DAY OF _____, A.D. 20____.
BY: _____

NOTARY CERTIFICATE
STATE OF ILLINOIS)) SS
COUNTY OF KANE)

I, THE UNDERSIGNED, A NOTARY PUBLIC, IN AND FOR SAID COUNTY, IN THE STATE AFORESAID, DO HEREBY CERTIFY THAT _____ PERSONALLY KNOWN TO ME TO BE THE MANAGER OF TYLER PRODUCTION LLC, APPEARED BEFORE ME THIS DAY IN PERSON AND ACKNOWLEDGED THAT AS SUCH MANAGER, SIGNED AND DELIVERED THE PLAT OF HIS OWN FREE AND VOLUNTARY ACT, AND AS THE FREE AND VOLUNTARY ACT OF SAID TYLER PRODUCTION LLC FOR THE USES AND PURPOSES HEREIN SET FORTH.

GIVEN UNDER MY HAND AND NOTARIAL SEAL THIS _____ DAY OF _____, A.D. 20____, AT _____.

DIRECTOR OF PUBLIC WORKS CERTIFICATE
STATE OF ILLINOIS)) SS
COUNTY OF KANE)

I, _____ DO HEREBY CERTIFY THAT THE REQUIRED IMPROVEMENTS HAVE BEEN INSTALLED, OR THE REQUIRED GUARANTEE BOND HAS BEEN POSTED FOR THE COMPLETION OF ALL REQUIRED LAND IMPROVEMENTS.

DIRECTOR OF PUBLIC WORKS
DATED AT _____, ILLINOIS, THIS _____ DAY OF _____, A.D. 20____.

ILLINOIS LAND SURVEYOR NO. 1863
REFER TO DEED OR GUARANTEE POLICY FOR RESTRICTIONS NOT SHOWN ON SURVEY.

PLAN COMMISSION CERTIFICATE
STATE OF ILLINOIS)) SS
COUNTY OF KANE)
APPROVED THIS _____ DAY OF _____, A.D. 20____.
CITY OF ST. CHARLES PLAN COMMISSION

CHAIRMAN _____

CITY COUNCIL CERTIFICATE
STATE OF ILLINOIS)) SS
COUNTY OF KANE)
APPROVED AND ACCEPTED THIS _____ DAY OF _____, A.D. 20____.
CITY COUNCIL OF THE CITY OF ST. CHARLES

MAYOR _____
CITY CLERK _____

COUNTY CLERK'S CERTIFICATE
STATE OF ILLINOIS)) SS
COUNTY OF KANE)

I, _____ COUNTY CLERK OF KANE COUNTY, ILLINOIS, DO HEREBY CERTIFY THAT THERE ARE NO DELINQUENT GENERAL TAXES, NO UNPAID CURRENT TAXES, NO UNPAID FORFEITED TAXES AND NO REDEEMABLE TAX SALES AGAINST ANY OF THE LAND INCLUDED IN THE PLAT HEREIN DRAWN. I FURTHER CERTIFY THAT I HAVE RECEIVED ALL STATUTORY FEES IN CONNECTION WITH THE PLAT HEREIN DRAWN.

GIVEN UNDER MY HAND AND SEAL OF THE COUNTY CLERK AT GENEVA, ILLINOIS, THIS _____ DAY OF _____, A.D. 20____.

COUNTY RECORDER'S CERTIFICATE
STATE OF ILLINOIS)) SS
COUNTY OF KANE)

THIS INSTRUMENT NO. _____ WAS FILED FOR RECORD IN THE RECORDER'S OFFICE OF KANE COUNTY, ILLINOIS ON THIS _____ DAY OF _____, A.D. 20____, AT _____ O'CLOCK _____ M.

KANE COUNTY RECORDER _____

CONSTRUCTION MANAGEMENT
630.354.6976

COUNTY ENGINEERS INC.
DESIGN/ENGINEERING
2202 GARY LANE, GENEVA, ILLINOIS 60134

Common Address : TYLER - PRODUCTION
Builder/Client : JRD INC.
Job No. : _____

Grading _____
Mortgage _____
Foundation _____

Date Dwn. / By _____
Bk. - Pg. _____
Date _____

Vacant _____
Type of Survey _____

Plat of Subdivision
SHEET 1 OF 1

Scale: 1" = 40'