



City of Rochelle

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TO: David Plyman, City Manager

**FROM: Chris Limas, AICP
Community Development Director**

DATE: June 8, 2011

SUBJECT: Former Wal-Mart Facility Retail Incentive Program

In early Fall of this year the new Wal-Mart Supercenter will be opening at its new location. With the opening of the new store the old store which is 53,000 square feet in size and the site which is 8.5 acres, will be vacant.

Recently the Rochelle Chamber of Commerce and Business Development formed a committee to look at what incentives could be offered to try to entice someone to occupy the site or redevelop the site. There have been interested parties looking at the site and the Chamber feels in order to avoid vacancy and to secure a retail anchor for the 251 Northern Gateway to the City that some sort of retail incentive package should be offered. Also, by securing an anchor it will help generate traffic and new potential customers for existing businesses in the corridor. Attached you will find a copy of the proposed incentive package which is requested to be approved in concept. If approved, the Chamber and staff will be working on refining it to its final form and developing an application process for approval of the incentives. Peggy Friday, Executive Director/CEO, will be in attendance to discuss the program.

Staff has reviewed the proposed incentives and has the following comments:

- 1) Real Estate Tax Abatement – A tax abatement can be offered by the City but only for the increase in property taxes paid. This is only for new physical improvements such as an expansion to the building per City ordinance. The City would have to get approvals from other taxing bodies for their abatements.
- 2) Sales Tax Rebate – This can be offered.
- 3) Storm Water -The Illinois Municipal Code limits what the City can deviate from existing codes. Existing structures are exempted from the current code. Any redevelopment would bring the current code into play. The City will determine if a fee in lieu is appropriate at the time of development but the fee cannot be reduced for the same reason noted above in regards to the Illinois Municipal Code.
- 4) Building Permit Fees – This can be offered.

- 5) Grandfathering of Existing Structures – Structures are grandfathered for when portions the existing structure is not altered or affected by the alteration per code. Any additions have to comply with the existing code and cannot be varied. Without knowing the work to be done, it is hard to tell what has to meet the current code.

Staff is recommending **approval** of a retail incentive program as presented with the final details worked out with staff and the Chamber. Staff and City Attorney Alan Cooper will be available to discuss any legal and non-legal questions on this proposal.