

ORDINANCE NO. _____

Date Passed: September 26, 2016

**AN ORDINANCE APPROVING DEVELOPMENT AGREEMENT
(1300 North 7th Street)**

WHEREAS, the City of Rochelle is a body politic and corporate, organized and existing pursuant to the Illinois Municipal Code, 65 ILCS 5/I-I-I, et. seq.; and

WHEREAS, DKS Real Estate, LLC, an Illinois limited liability company ("Owner"), is the owner of a certain tract of land located at 1300 North 7th Street, legally described as shown on **Exhibit A**, which is improved with a commercial building and parking lot currently used as an automobile repair facility in connection with an adjoining automobile dealership ("the Property"); and

WHEREAS, the Property has previously been annexed into the City and zoned B-2 (commercial-highway); and

WHEREAS, Owner intends to relocate a Chrysler/Jeep Dealership to the Property by remodeling the existing building facility, including a new automobile showroom and repair facility ("Development"), with the dealership to be operated by Sawicki Motor Company, Inc., an Illinois corporation ("Operator"), pursuant to the terms of a development agreement attached hereto as **Exhibit B** ("Development Agreement"); and

WHEREAS, the Rochelle City Council makes the following findings with respect to the sales tax rebate provisions of paragraph 2(b) of the Development Agreement: (1) that the building on the Property no longer complies with current building codes; (2) that the Development is expected to create or retain job opportunities within the City; (3) that the Development will serve to further the development of adjacent areas; (4) that without the agreement for a rebate of sales taxes the Development would not be possible; (5) that the Owner and Operator meet high standards of creditworthiness and financial strength, as demonstrated by a letter from a financial institution with assets of \$10,000,000.00 or more attesting to the financial strength of the Owner and Operator; (6) that the Development will strengthen the commercial sector of the City; (7) that the Development will enhance the tax base of the City; and (8) that the sales tax rebate agreement is made in the best interest of the City; and

WHEREAS, the City Council finds that approval of the Development Agreement is in the best interests of the City, and that the City Manager should be authorized to execute said agreement in substantially the form attached hereto as **Exhibit B**, and to take all other necessary steps in relation thereto;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCHELLE, OGLE COUNTY, ILLINOIS, as follows:

1. The recitals set forth above are incorporated herein as findings of the City Council.

2. The Development Agreement, as presented to the City Council, is hereby approved, and the City Manager is authorized to execute said agreement in substantially the same form, on behalf of the City, and to take all other necessary steps in relation thereto.

This ordinance shall become effective after its passage, approval and publication as provided by law.

PASSED AND APPROVED this 26th day of September, 2016.

Ayes: _____ Nays: _____ Abstain: _____

Mayor

Attested: _____
City Clerk

Exhibit A

Chicago Title Insurance Co SCHEDULE A CONTINUED

Part of the North Half (1/2) of the Southwest Quarter (1/4) of Section 13, Township 40 North, Range 1 East of the Third Principal Meridian, in Ogle County, Illinois, bounded from a point of beginning located as follows: Commencing on the South line of the North Half (1/2) of the Southwest Quarter (1/4) of said Section 13, at a point 60 feet West of the center line of Illinois State Bond Issue Route No. 70 (said center line being that certain one located, adopted and established as such center line by official survey shortly prior to the original construction of said Illinois State Bond Issue Route No. 70 and not a subsequently re-located center line); running thence Northeasterly, parallel with aforesaid center line, 300 feet to the point of beginning; from said point of beginning running Northeasterly, parallel with aforesaid center line, 150 feet; thence West, parallel with the South line of said North Half (1/2) of said Southwest Quarter (1/4), 300 feet; thence Southwesterly parallel with aforesaid center line, 150 feet; thence East, parallel with the South line of said North Half (1/2) of said Southwest Quarter (1/4), 300 feet to the point of beginning; situated in the Township of Flagg, the County of Ogle and the State of Illinois.

1300 N 7th Street Rochelle, IL 61068

REGISTERED AGENT:

Kanzley Title Group, Inc., 119 S. 4th Street, Oregon, IL 61061
Phone (815)732-2445 Fax: (815)732-3742

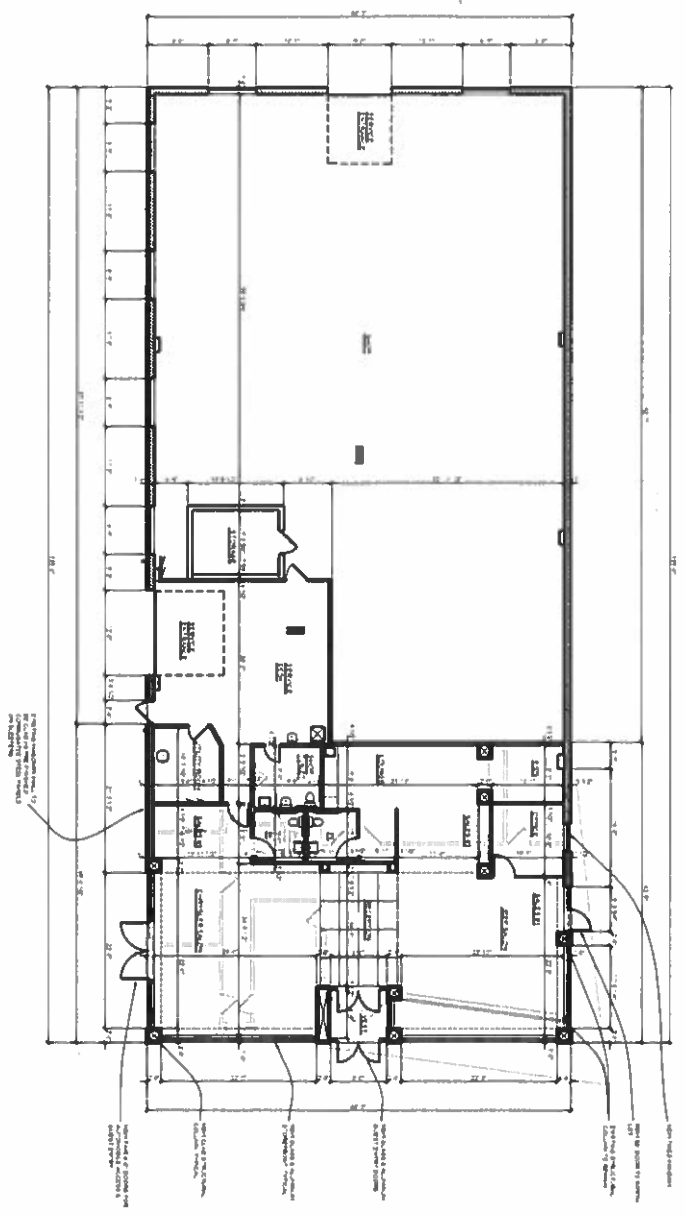
SCHEDULE A Continued
ALTA Commitment 2006 (6/17/08)

(KO219112COM.PFD/KO219112COM/2)



PROPOSED FIRST FLOOR PLAN

DATE: 01/11/16
SCALE: 1/8" = 1'-0"



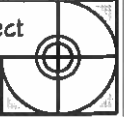
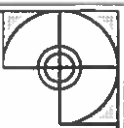
**DESIGN CONCEPT ONLY
NOT FOR CONSTRUCTION**

SHEET
A2.1
 OF
 5

PROJECT NAME	Chrysler / Jeep Remodeling
PROJECT ADDRESS	1260 N. 7th St. Rochelle, IL 61066
PROJECT CONTACT	Mr. Dan Sawicki (815) 562-8757
DATE	01/11/16
DESIGNED BY	R. A. VanDerHeyden
CHECKED BY	R. A. VanDerHeyden
DATE	01/11/16

Chrysler / Jeep Remodeling
Sawicki Motor Company, Inc.
 1260 N. 7th St. Rochelle, IL 61066
 Contact: Mr. Dan Sawicki (815) 562-8757

R. A. VanDerHeyden, Architect
 410 East Main Street Genoa, Illinois 60135
 (815) 784 - 4535
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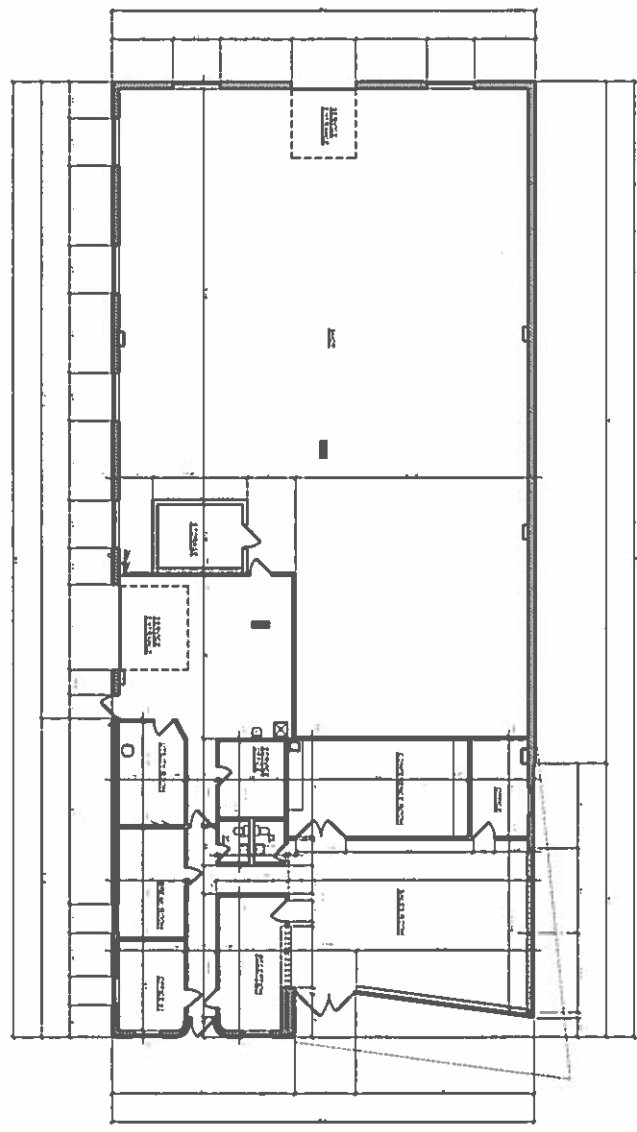




NORTH

EXISTING FIRST FLOOR PLAN

Scale: 1/8" = 1'-0"



DESIGN CONCEPT ONLY
NOT FOR CONSTRUCTION

Sheet
X2.1
5

DATE	11/11/15
PROJECT	Chrysler / Jeep Remodeling
CLIENT	Sawicki Motor Company, Inc.
LOCATION	1260 N. 7th St. Rochelle, IL 61065
SCALE	1/8" = 1'-0"
DESIGNER	R. A. VanDerHeyden, Architect
DATE	11/11/15

Chrysler / Jeep Remodeling
Sawicki Motor Company, Inc.
 1260 N. 7th St. Rochelle, IL 61065
 Contact: Mr. Dan Sawicki (815) 562-8787

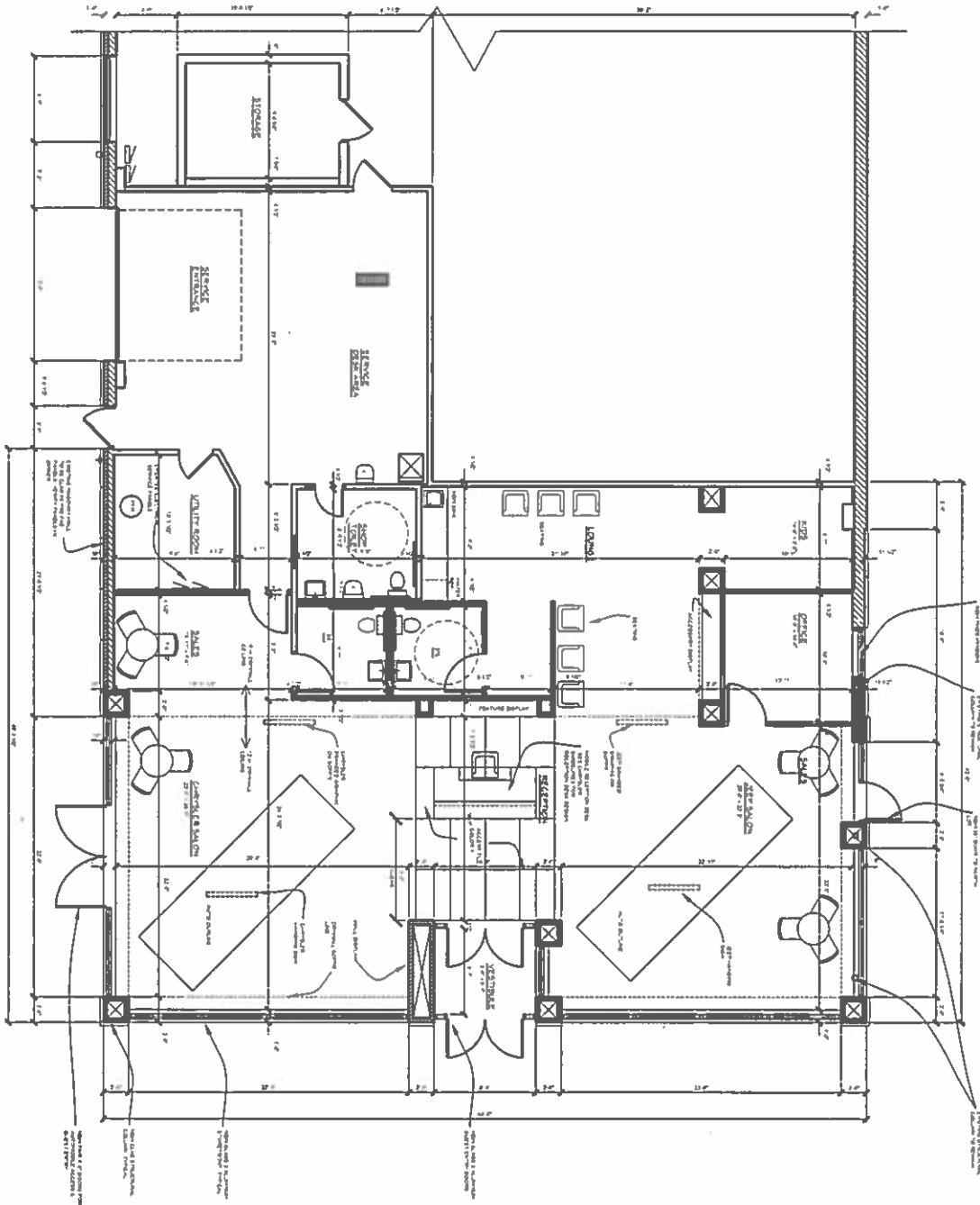
R. A. VanDerHeyden, Architect
 410 East Main Street Genoa, Illinois 60135
 (815) 754 - 4833
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PROPOSED FIRST FLOOR PLAN

DATE: 11/13/16
SCALE: AS SHOWN
PROJECT NO: 16-011



**DESIGN CONCEPT ONLY
NOT FOR CONSTRUCTION**

	A2.2 SHEET 5
	PROJECT NO: 16-011 DATE: 11/13/16 SCALE: AS SHOWN PROJECT NO: 16-011

**Chrysler / Jeep Remodeling
Sawicki Motor Company, Inc.**

1260 N 7th St. Rochelle, IL 61068
 Contact: Mr. Dan SAWICKI (815) 962-8787

R. A. VanDerHeyden, Architect

410 East Main Street Genoa, Illinois 60135
 (815) 784 - 4835
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DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") entered into as of the ___ day of September, 2016, between the City of Rochelle, an Illinois municipal corporation ("City"), DKS Real Estate, LLC, an Illinois limited liability company and Sawicki Motor Company, Inc., an Illinois corporation :

WITNESSETH

THAT WHEREAS, DKS Real Estate, LLC , an Illinois limited liability company ("Owner") is the owner of a parcel of land located within the corporate boundaries of the City, legally described as shown on **Exhibit A** attached hereto, consisting generally of 1.03 acres, more or less, improved with a commercial building and a parking lot, which is currently used as an automobile repair facility in connection with an adjoining automobile dealership ("Property"); and

WHEREAS, Sawicki Motor Company, an Illinois corporation ("Operator") is in the business of operating car dealerships; and

WHEREAS, Owner and Operator intend to develop the Property for use as an automobile dealership, including remodeling the existing building to provide for a showroom facility for new Chrysler and Jeep vehicles, and remodeling the existing building to provide for a repair facility for Chrysler and Jeep vehicles ("Development"), with the dealership to be operated by Operator, provided that the City offers to Owner and Operator certain economic incentives to do so; and

WHEREAS, the City deems it to be in the best interests of the City for the Property to be developed in the manner intended by Owner and Operator, and for the City to offer certain economic incentives to Owner and Operator to do so; and

WHEREAS, the Rochelle City Council has made the following findings with respect to the sales tax rebate provisions of paragraph 2(b) of this Agreement: (1) that the buildings on the Property no longer comply with current building codes; (2) that the Development is expected to create or retain job opportunities within the City; (3) that the Development will serve to further the development of adjacent areas; (4) that without the agreement for a rebate of sales taxes the Development would not be possible; (5) that Owner and Operator meet high standards of creditworthiness and financial strength, as demonstrated by a letter from a financial institution with assets of \$10,000,000.00 or more attesting to the financial strength of Owner and Operator; (6) that the Development will strengthen the commercial sector of the City; (7) that the Development will enhance the tax base of the City; and (8) that this Agreement is made in the best interest of the City; and

WHEREAS, the parties have entered into this Agreement for the purpose of memorializing the agreements reached by the parties with respect to the

Development, and the economic incentives to be offered by the City to Owner and Operator for the Development;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Development of Property. Owner and Operator agree to develop the Property as an automobile dealership with related uses, with development commencing on or before December 31, 2016, and being substantially completed on or before December 31, 2017. The Development shall include the remodeling of the current building to include an automobile showroom and repair facilities, façade improvements and landscaping improvements, all as depicted on the Plan attached as **Exhibit B**. The Development shall comply in all respects with the requirements of the Rochelle Municipal Code on the Commencement Date of Development, except as expressly set forth in this Agreement, unless a variance is granted following the procedures set forth in the Rochelle Municipal Code. The commencement of development shall be the date that any building permit is issued by the City for any portion of the construction of the Development.

2. Employment. The Property, as so developed, shall employ a minimum of eight (8) full-time equivalent employees for at least five (5) years, beginning on the date the Development is substantially complete.

3. Economic Incentives. In consideration of the Development of the Property by Owner and Operator in conformity with the terms of this Agreement, including without limitation the employment requirements set forth in Section 2, the City shall provide the following economic incentives to Owner and Operator for the Development:

(a) **Real Estate Tax Abatement:** The City will provide to Owner an abatement of the City's real estate taxes attributable to any new improvements added to the Property, on a graduated basis over five (5) years, commencing with the real estate taxes for the year 2017, payable in 2018 as follows: 90% for year one, 75% for year two, 60% for year three, 45% for year four, and 30% for year five. Additionally, the City will use its best efforts to obtain the same percentage rebates for the same tax years from all other taxing bodies which impose real estate taxes on the Property. The foregoing abatement(s) will not apply to real estate taxes attributable to the Property as it exists on the date of this Agreement.

(b) **Sales Tax Rebate:** The City will rebate to Operator a sum equal to one-half of the one percent portion of Operator's Retail Occupation Tax paid by Operator to the Illinois Department of Revenue ("Department") and distributed by the Department to the City, for sales generated at the Property, for a period of three (3) consecutive years, commencing with the calendar year 2017; provided, however, that the City will rebate only the portion of Operator's Retail Occupation Tax attributable to sales and services rendered at the new showroom/repair facility on the Property, including automobile sales and repairs. Operator shall execute the required consent forms to

allow the Department to share Operator's sales tax information and returns with the City, and shall provide documents showing the portion of Operator's Retail Occupation Tax attributable to sales and services rendered at the new showroom facility. The City's rebate to Operator shall be made by the end of the month in which the City receives the Department's distribution to the City for the applicable months. In the event Operator use local contractors (contractors whose business offices are served by Rochelle Municipal Utilities) for the Development, and the local contractors' contracts account for at least 50% of the total contracted cost of the Development, the City will extend the sales tax rebate for an additional two (2) consecutive years, commencing with the calendar year 2017, on the same terms. Operator shall provide adequate documentation to the City of its compliance with the terms of this provision when applying for an extension. In no event shall any rebate be made on taxes paid by Operator after the calendar year 2021. This Agreement does not require that the Development be the exclusive business location or sales office for Operator in Illinois. However, during the term of this Agreement, the Development shall not be covered by another economic incentive agreement providing for a rebate of sales taxes. The rebate provided herein does not apply to the taxes imposed by the City pursuant to Section 90-131 of the Rochelle Municipal Code.

(c) **Building Permit Fees:** The City will waive any building permit fees for new construction or renovations of existing structures on the Property for a period of one (1) year from the date of this Agreement.

(d) **Codes:** Construction of new structures on the Property, and renovations to existing structures, shall be subject to the provisions of the building codes incorporated by reference in Chapter 22 of the Rochelle Municipal Code as of the date of this Agreement. Portions of the existing structures which are not being renovated, and which were in compliance with applicable building codes at the time of construction or installation, shall remain subject to those codes, and shall not be subject to the provisions of the building codes incorporated by reference in Chapter 22 of the Rochelle Municipal Code.

3. **Term.** This Agreement shall terminate on December 31, 2021.

4. **Entire Agreement; Non-Assignability; Severability.** Except as otherwise expressly set forth herein, this Agreement represents the entire agreement of the parties with respect to the subject matter hereof, and supersedes and discharges all prior oral or written, or contemporaneous oral, agreements. This Agreement may not be assigned by either party. If any portion of this Agreement should for any reason be declared to be invalid or illegal by a court of competent jurisdiction, the remaining portions of this Agreement shall remain in full force and effect.

5. **Contingencies.** The agreements and covenants of Owner and Operator herein are expressly contingent upon Owner and Operator obtaining such financing for

the construction of the Development as Owner and Operator elect, in their sole and exclusive discretion, to accept from any one or more financiers.

6. Remedies. Each party shall have all remedies at law or equity for breach of this Agreement by another party. The prevailing party in any lawsuit arising under this Agreement shall be entitled to recover its reasonable attorney's fees in addition to any other relief obtained. Without limiting the foregoing, the City shall be entitled to recover from Owner and Operator any economic incentives provided pursuant to this Agreement in the event of a material breach by Owner or Operator of any of the terms of this Agreement, including without limitation the employment requirements contained in Section 2.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date set forth above.

THE CITY OF ROCHELLE, an Illinois municipal corporation

By: _____
David S. Plyman, City Manager

Attest: _____
Bruce W. McKinney, City Clerk

DKS REAL ESTATE, LLC, an Illinois limited liability company

By: _____
Dan K. Sawicki, Member

SAWICKI MOTOR COMPANY, INC., an Illinois corporation

By: _____
Its: President

Exhibit A

Chicago Title Insurance Co SCHEDULE A CONTINUED

Part of the North Half (1/2) of the Southwest Quarter (1/4) of Section 13, Township 40 North, Range 1 East of the Third Principal Meridian, in Ogle County, Illinois, bounded from a point of beginning located as follows: Commencing on the South line of the North Half (1/2) of the Southwest Quarter (1/4) of said Section 13, at a point 60 feet West of the center line of Illinois State Bond Issue Route No. 70 (said center line being that certain one located, adopted and established as such center line by official survey shortly prior to the original construction of said Illinois State Bond Issue Route No. 70 and not a subsequently re-located center line); running thence Northeasterly, parallel with aforesaid center line, 300 feet to the point of beginning; from said point of beginning running Northeasterly, parallel with aforesaid center line, 150 feet; thence West, parallel with the South line of said North Half (1/2) of said Southwest Quarter (1/4), 300 feet; thence Southwesterly parallel with aforesaid center line, 150 feet; thence East, parallel with the South line of said North Half (1/2) of said Southwest Quarter (1/4), 300 feet to the point of beginning; situated in the Township of Flagg, the County of Ogle and the State of Illinois.

1300 N 7th Street Rochelle, IL 61068

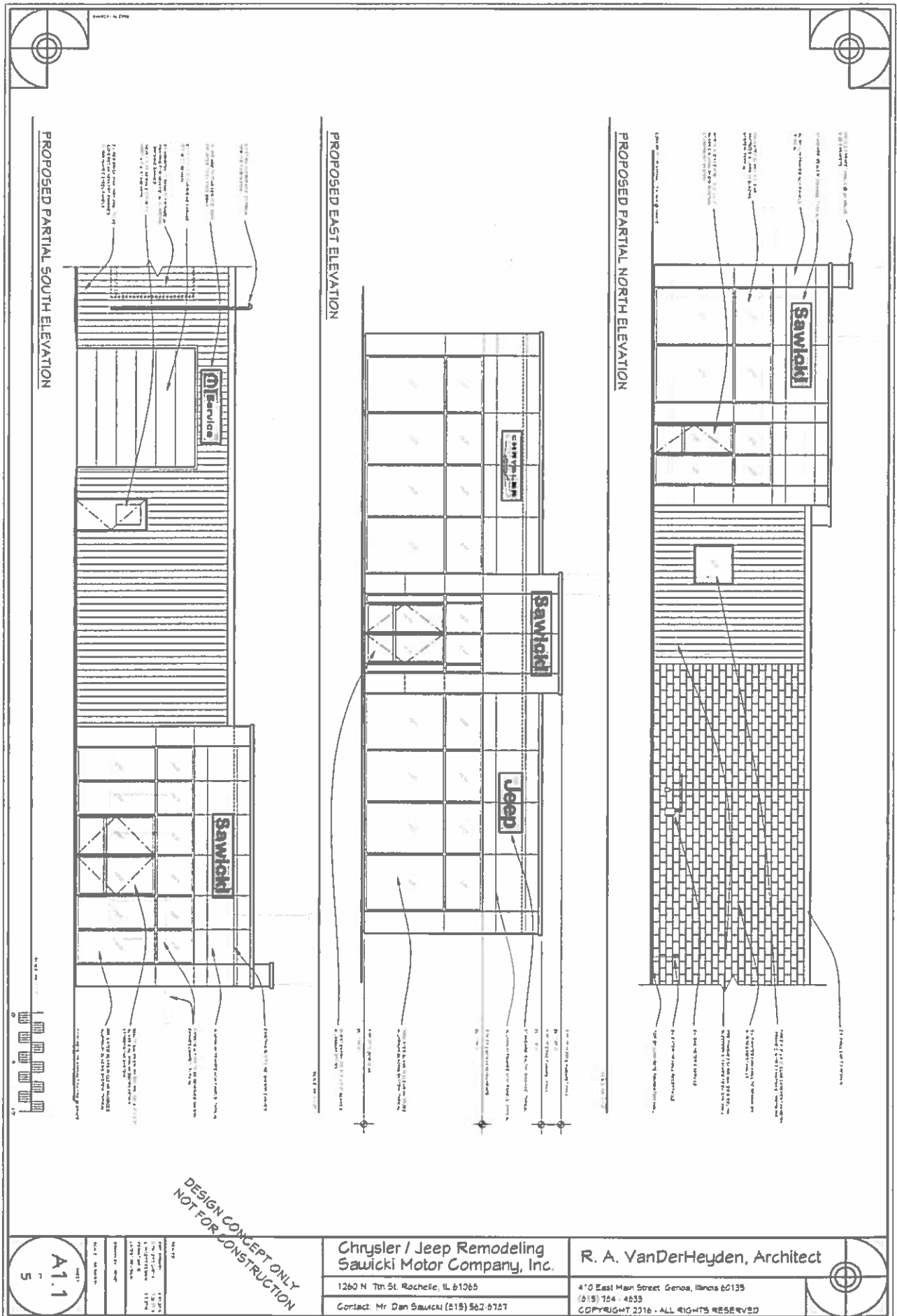
REGISTERED AGENT:

Kendrey Title Group, Inc., 119 S. 4th Street, Oregon, IL 61081
Phone (815)732-2445 Fax: (815)732-3742

SCHEDULE A Continued
ALTA Commitment 2006 (6/17/06)

(KO219112COM.PFD/KO219112COM/2)

Exhibit B

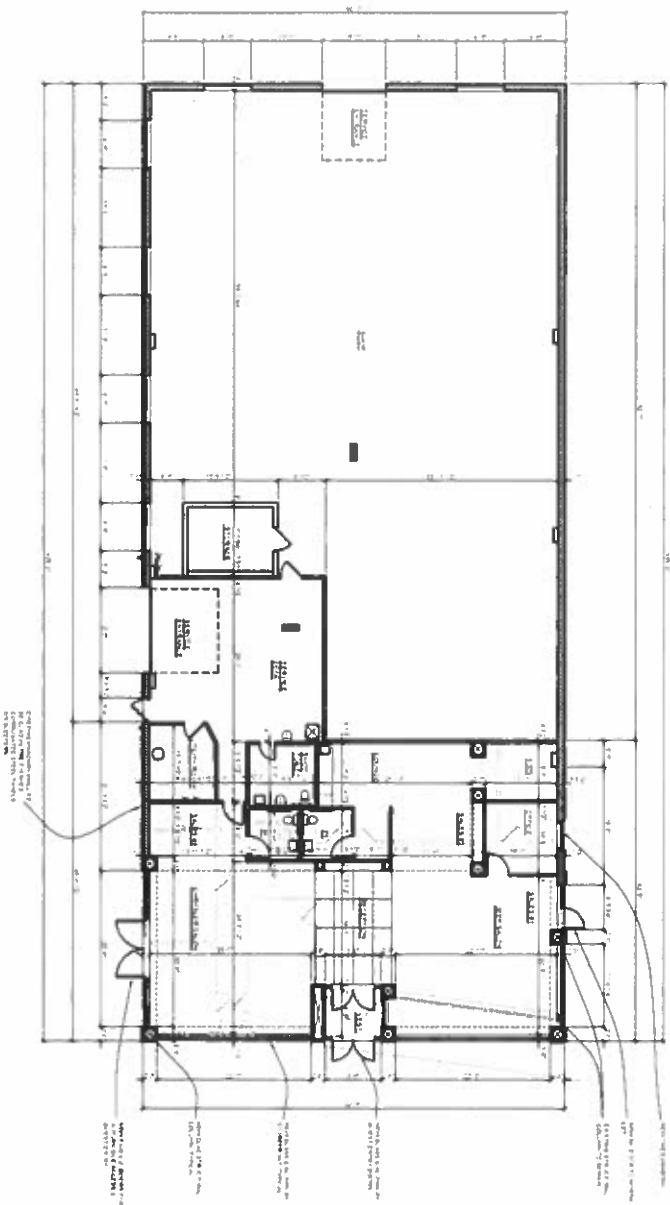




NORTH

PROPOSED FIRST FLOOR PLAN

DATE: 11/11/16



**DESIGN CONCEPT ONLY
NOT FOR CONSTRUCTION**

A2.1
5

DATE:	11/11/16
PROJECT:	Chrysler / Jeep Remodeling
CLIENT:	Sawicki Motor Company, Inc.
ARCHITECT:	R. A. VanDerHeyden, Architect
SCALE:	AS SHOWN

**Chrysler / Jeep Remodeling
Sawicki Motor Company, Inc.**
1260 N 7th St. Rochelle, IL 61068
Contact: Mr. Dan Sawicki (615) 562-8151

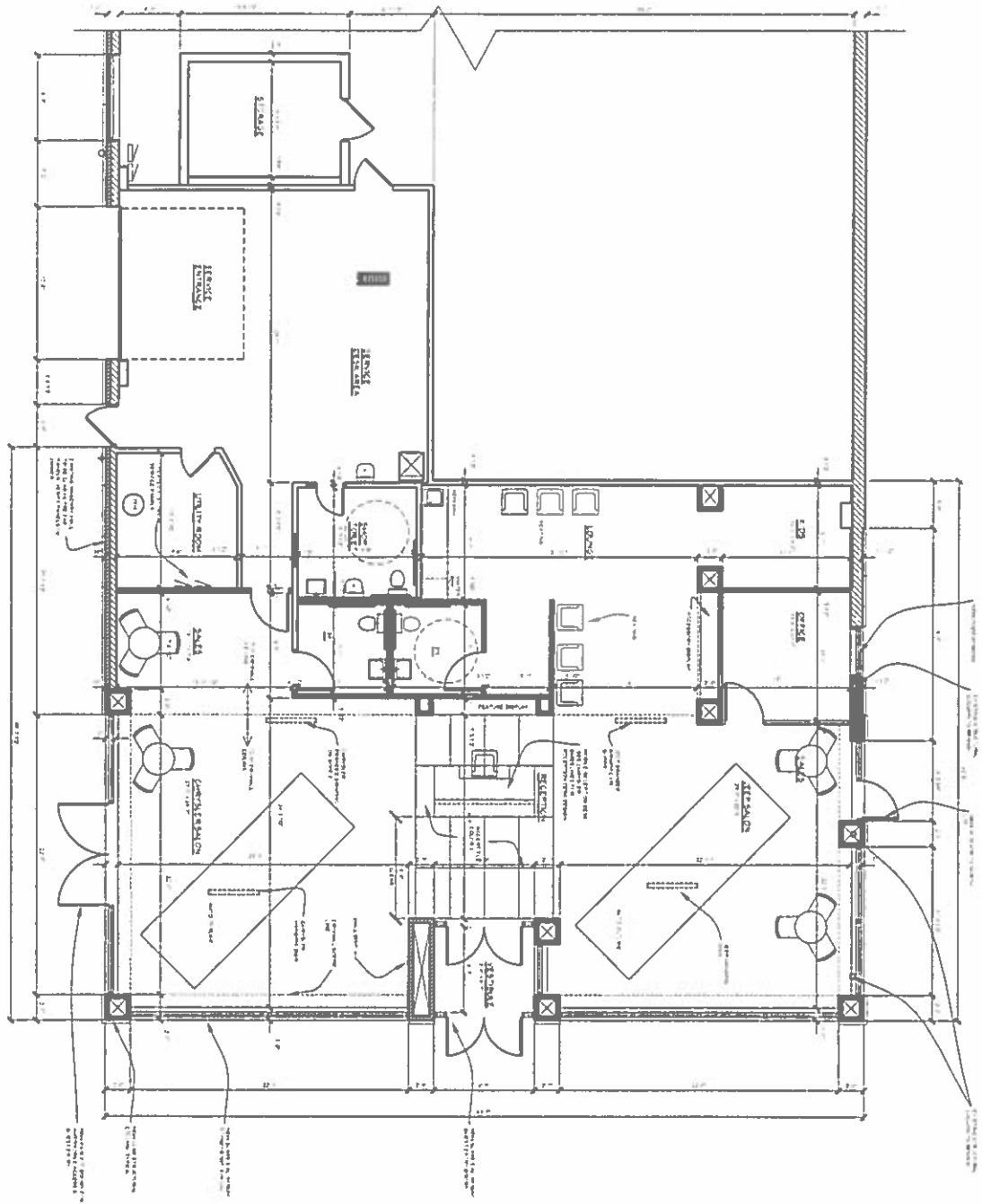
R. A. VanDerHeyden, Architect
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PROPOSED FIRST FLOOR PLAN

DATE: 01/11/16
DRAWN BY: R.A.V.
CHECKED BY: R.A.V.
SCALE: AS SHOWN



**DESIGN CONCEPT ONLY
NOT FOR CONSTRUCTION**

A2.2
5

PROJECT NO.	16-001
DATE	01/11/16
SCALE	AS SHOWN
DRAWN BY	R.A.V.
CHECKED BY	R.A.V.
DATE	01/11/16

**Chrysler / Jeep Remodeling
Sawicki Motor Company, Inc.**

1260 N. 7th St. Rochelle, IL 61065
Contact: Mr. Dan Sawicki (815) 562-8787

R. A. VanDerHeyden, Architect

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