

CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

FINANCE COMMITTEE

Tuesday, June 9, 2015¹
6:00 P.M.² – Committee Room A

AGENDA

1. Call to Order, Roll Call, and Establishment of a Quorum
2. Selection of a Chairman and Vice Chairman
3. Approval of Minutes
 - A. Finance Committee of February 26, 2015
4. Public Participation / Presentations
5. Items for Consent
 - A. Ordinance No. 15-O-0020 – Changes to Chapter 18 of the City Code
 - B. Ordinance No. 15-O-0021 – Amendments to the Municipal Code concerning Business Registration Regulation (Fees and Penalties)
 - C. Ordinance No. 15-O-0022 – Economic Incentive Agreement – Bluestone Single Tenant Properties, LLC
6. Items for Discussion
 - A. Ordinance No. 15-O-0015 Residency Requirements in the City Code
7. Unfinished Business
8. New Business
9. Reports from Staff
10. Executive Session (if needed)
11. Adjournment

¹ Rescheduled from June 25, 2015

² Rescheduled from 7:00 P.M.

Draft

MINUTES

FINANCE COMMITTEE February 26, 2015 7:00 P.M.

1. Call to Order, Roll Call, and Establishment of a Quorum.

The meeting was called to order at 7:00 P.M. Roll call found Aldermen Dimas, Chassee, Smith, Stout, Meissner and Grodoski present.

Aldermen Fuesting was absent.

Staff in attendance: City Administrator Michael Guttman, Administrative Services Department Director Linda Martin and Community Development Department Director John Said.

Also in attendance: Fred Wise, Wise Plastics Technologies.

2. Approval of Minutes.

A. Finance Committee December 9, 2014. Alderman Stout moved and Alderman Chassee seconded a motion to approve the minutes as presented. The motion was approved by voice vote.

3. Public Participation / Presentations.

4. Items for Consent.

A. Ordinance No. 15-O-0009 - An Ordinance of the City of West Chicago, DuPage County, Illinois, Authorizing the Mayor to Execute a Certain Economic Incentive Agreement – Wise Plastics Technologies.

B. Ordinance No. 15-O-0007 - An Ordinance Amending the Annual Budget for the City of West Chicago, DuPage County, Illinois for the Fiscal Year Commencing January 1, 2015 and Ending December 31, 2015 Passed and Adopted by Ordinance No. 14-O-0030.

C. Resolution No. 15-R-0011 – A Resolution Authorizing the Mayor to Enter into a Contract with Houseal Lavigne Associates for Facilitation of a City-Wide Strategic Plan. City Administrator Michael Guttman stated that he had been in touch with the consultants after the current Finance Committee packet had been distributed. The consultants will revise the current proposal before it is sent to City Council to reflect two new benchmarks.

- Consultant(s) will attend a City Council Meeting, most likely in March 2015.

- A “Do-It-Yourself Kit” will be added to the proposal, as a majority of Aldermen were in favor of this idea.

Alderman Stout moved and Alderman Smith seconded a motion to recommend to City Council the approval of Consent Items A., B. and C. Voting Yea: Aldermen Stout, Smith, Dimas, Chassee, Meissner and Grodoski. Voting Nay: 0. Motion carried.

- 5. Items for Discussion.** None.
- 6. Unfinished Business.** None
- 7. New Business.** None
- 8. Reports from Staff.** None
- 9. Executive Session.** None
- 10. Adjournment.**

Alderman Chassee moved and Alderman Stout seconded a motion to adjourn. The motion was approved by voice vote and the meeting adjourned at 7:04 P.M.

Respectfully submitted,
Arlene Fisher

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Ordinance No. 15-O-0020 – Changes to Chapter 18 of the City Code

AGENDA ITEM NUMBER: 5.A.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: June 9, 2015

COUNCIL AGENDA DATE: June 15, 2015

STAFF REVIEW:

SIGNATURE _____

APPROVED BY CITY ADMINISTRATOR:

SIGNATURE _____

ITEM SUMMARY:

The attached Ordinance makes three changes to Chapter 18 of the City Code:

- (1) Requires 24 hours notice in order to get a deed certification stamp to give staff sufficient time to ensure that all debts due and owing the City have been paid.
- (2) No longer allows personal checks when owners are paying debts due and owing the City prior to getting a deed certification stamp.
- (3) At the strong recommendation of the City Attorney, the administrative hearing process for utility bills is being removed from the City Code since: (a) there is already an established judicial process in place via the Circuit Court for such disputes; (b) customers have been wanting to use these to address ability to pay issues which was not the intent and there are existing Code provisions that address such; and (c) customers have previously requested hearings simply to delay water service termination, which also wasn't the intent of this provision.

ACTIONS PROPOSED:

Staff recommends adoption of Ordinance No. 15-O-0020.

COMMITTEE RECOMMENDATION:

ORDINANCE NO. 15-O-0020

AN ORDINANCE AMENDING CHAPTERS 1 AND 18 OF THE CODE OF ORDINANCES
OF THE CITY OF WEST CHICAGO – PROCEDURES FOR OBTAINING A DEED
CERTIFICATION STAMP AND WATER AND SEWER SERVICE HEARINGS

BE IT ORDAINED by the City Council of the City of West Chicago, Illinois, in regular session assembled, as follows:

Section 1. That Section 1-11(a) of the Code of Ordinances of the City of West Chicago is hereby deleted in its entirety and the following language shall be substituted:

“(a) Prior to the conveyance or transferring of any interest in any real estate by deed, lease, or other instrument, all fees, fines, and other charges due and owing to the city, past or delinquent, that were assessed or charged as the result of the enforcement of any provision of this Code against or relative to the use, occupancy, or condition of such property or for the provision of water, sewer, or other city services to such property shall be paid in full **by money order, cashier’s check, certified check, credit card or cash. With no less than twenty-four hours notice,** the city clerk shall certify payment of such by affixing a seal, stamp, or other impression, in a form and with such wording and devices as the city council shall approve, to the document in a conspicuous location on the cover or first page. There shall be no charge or fee for such certification or for the seal, stamp, or other impression.”

Section 2. That Sections 18-12 and 18-13 of the Code of Ordinances of the City of West Chicago are hereby deleted in their entirety and marked as “Reserved.”

Section 3. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

Section 4. That this Ordinance shall be in full force and effect ten (10) days from and after its passage, approval and publication in pamphlet form as provided by law.

PASSED this 15th day of June 2015.

Alderman L. Chassee	_____	Alderman J. Beifuss	_____
Alderman A. Hallett	_____	Alderman J. Banas	_____
Alderman M. Birch	_____	Alderman S. Dimas	_____
Alderman K. Meissner	_____	Alderman R. Stout	_____
Alderman L. Grodoski	_____	Alderman D. F. Earley	_____
Alderman J. Sheahan	_____	Alderman M. Edwalds	_____
Alderman N. Ligino-Kubinski	_____	Alderman J. C. Smith, Jr.	_____

APPROVED as to form: _____
City Attorney

APPROVED this 15th day of June 2015.

Ruben Pineda, Mayor

ATTEST:

Nancy M. Smith, City Clerk

PUBLISHED: _____

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Ordinance No. 15-O-0021

Amendments to the Municipal Code concerning Business Registration regulations regarding fees and penalties

AGENDA ITEM NUMBER: 5.B.

FILE NUMBER: _____

COMMITTEE AGENDA DATE:
June 9, 2015

COUNCIL AGENDA DATE:

STAFF REVIEW: John D. Said

SIGNATURE 

APPROVED BY CITY ADMINISTRATOR: Michael Guttman **SIGNATURE** _____

ITEM SUMMARY:

City staff proposes to revise requirements for the annual business registration program concerning fees and penalties.

The proposed changes to the business registration program consist of revising fees to reflect a \$25 renewal fee prior to or on December 31 of each year, with an increase to \$100 from January 1 onward. Business owners may also be assessed penalties for paying their registration fees after the required December 31 deadline.

City staff proposes these changes to simplify administration of the program, provide a more "business-friendly" registration approach, and to more closely align with the requirements of other communities in the area. Currently, the Municipal Code requires a doubling of fees each month that they are not paid, which can quickly compound and cause financial duress for business owners. Business owners that adhere to the new fee schedule, even if slightly tardy in payment, will have less of a financial burden. Finally, as detailed in the attached notes, most other communities in the area that have business registration (or business license) fees charge a nominal rate for them.

ACTIONS PROPOSED:

Staff recommends adoption of Ordinance No. 15-O-0021.

COMMITTEE RECOMMENDATION:

ORDINANCE NO. 15-O-0021

AMENDMENTS TO ARTICLE 3, CHAPTER 9 AND APPENDIX G OF THE MUNICIPAL CODE REGARDING BUSINESS REGISTRATION REGULATIONS AND FEES

BE IT ORDAINED, by the City Council of the City of West Chicago, in regular session assembled, as follows:

Section 1. That Article 3, Chapter 9, Section 9-50 of the Code of Ordinances of the City of West Chicago is hereby deleted in its entirety.

Section 2. That Appendix G, Section 4.1 of the Code of Ordinances of the City of West Chicago be deleted in its entirety and replaced with the following language:

“Sec. 4.1. - Business registration.

Initial Registration	\$50.00
Renewal paid by December 31	\$25.00
Renewal paid after December 31, in addition to any penalty imposed as provided for in Chapter 1, Section 1-8 of the Code of Ordinances of the City of West Chicago	\$100.00

"

Section 3. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 4. That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

ADOPTED this 15th day of June 2015.

Alderman L. Chassee	_____	Alderman J. Beifuss	_____
Alderman D. Earley	_____	Alderman J. Sheahan	_____
Alderman L. Grodoski	_____	Alderman A. Hallett	_____
Alderman S. Dimas	_____	Alderman M. Birch	_____
Alderman J.C. Smith, Jr.	_____	Alderman K. Meissner	_____
Alderman M. Edwalds	_____	Alderman R. Stout	_____
Alderman J. Banas	_____	Alderman N. Ligino-Kubinski	_____

APPROVED as to form: _____
City Attorney

APPROVED this 15th day of June 2015.

Mayor Ruben Pineda

ATTEST:

City Clerk Nancy M. Smith

PUBLISHED: _____

Business License/Registration Requirements - Other Communities

- St. Charles: does not require general business licenses (per website). Licenses required for carnival, cigarette sales, liquor and other 'specialized' businesses.
- Geneva: only certain types of businesses require license (per website). Licenses required for liquor, pedicab and other 'specialized' businesses.
- Batavia: research of website somewhat inconclusive, although it appears that their requirements are similar to Geneva and St. Charles in that overall business licenses are not required, but they are for 'specialty' businesses.
- Warrenville: business licensing/registration required for all businesses, with some exceptions - medical offices, state-exempted uses (list provided from their staff). Annual fee; \$30 (website says \$35; see below) first time (new); re-registering \$10 (renewal). No late fees; only citations if not complied. (phone call to Senior Planner Natalia Domovessova 4.2.15.). Also specific licenses for particular businesses; scavenger, liquor, etc.

Business License

Any business operating within the City must obtain a license. The original business license is \$35 with an annual renewal fee of \$10. A business license is valid for one year beginning on January 1 and expiring on December 31 of each year. A variety of other types of licenses may be required depending upon the nature of the business.

- Winfield: per Village website, business license fees apply to all businesses. Fees based on square footage; \$50 - \$500 per business. Some types of businesses (such as "specialized" businesses, as well as others) have specific fees, as noted in website. These range from \$25 to \$1000, with some using a \$x per _____ formula. January 1 renewal date. Delinquent payments noted as follows (from website):

Failure to pay the license fee on or before the due date and through the fifty ninth day of delinquency, shall result in the imposition and expectation of the payment of a ten percent (10%) penalty on the outstanding balance and the original license fee. Failure to pay the license fee on or after the sixtieth day of delinquency shall result in the imposition and expectation of the payment of a twenty percent (20%) outstanding balance and the original license fee.

The imposition of the penalty does not preclude the village from taking other measures to enforce the regulations of this chapter. (Ord. 08-7-35, 7-17-2008)

- Carol Stream: per Village website:

Businesses located in Carol Stream are required to register with the Village annually. As a registered business with the Village, you will be on our mailing list for receipt of training and other assistance programs available to businesses. The police, fire and paramedics will be able to better serve you by having the name of a responsible person to contact in the event of a natural disaster, accident or criminal activity. Prospective and current residents/customers who inquire about what types of businesses and services the community offers will be provided names of registered businesses. (This list is not sold.)

- Elmhurst: per City website, fee is \$25 (plus any additional license fees for 'specialty' businesses, such as amusements, liquor, food, auto repair, taxi, tobacco and others). Dec. 31 expiration date. License fees paid after the due date/payment deadline shall increase by 25% (Sec. 31-19 of Mun. Code). Penalty - not less than \$50 nor more than \$500 for violation (including non-renewal).
- Aurora: similar to St. Charles, Geneva, etc.; licenses only required for certain types of businesses, such as pawnbrokers, secondhand dealers, junk shops, etc. Hotels are required to obtain cert. of bus. registration.
- North Aurora: requires all businesses to be registered. Fees are \$50 (prorated for new businesses; local govt. agencies are exempt). City and Fire Prot. District inspect all businesses annually. Anyone not in compliance subject to fine of \$50 - 750. (Chapter 5.06 - Registration of Business Operation Locations). Additional fees for licenses for 'specialized' businesses.

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Ordinance No. 15-O-0022

Economic Incentive Agreement
Northwest Corner, Route 59 and Route 38 (Roosevelt Road)
Bluestone Single Tenant Properties, LLC

AGENDA ITEM NUMBER: 5. C.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: June 9, 2015

COUNCIL AGENDA DATE: _____

STAFF REVIEW: John D. Said

SIGNATURE JDS

APPROVED BY CITY ADMINISTRATOR: Michael Guttman

SIGNATURE _____

ITEM SUMMARY:

The subject company, Bluestone Single Tenant Properties, is requesting economic incentives to financially assist its plans to construct a fueling center and convenience store at the northwest corner of Route 59 and Route 38 (Roosevelt Road). The Economic Incentive Agreement, as jointly prepared by City staff and Bluestone, consists of sales tax revenue sharing for the revenues to be generated by the new business at this location. During previous zoning review of this project by the Development Committee, the applicant discussed the anticipated submittal of a financial incentive request at a later date. Bluestone has recruited Thornton's to occupy the subject site, and plans to assign the incentive to Thornton's as beneficiary.

The duration of the Agreement is fifteen (15) years, with a stipulation that the agreement will begin once the convenience store opens. The City will provide a 50% rebate for that period, up to a maximum of \$1,750,000. The agreement specifies that payments shall not exceed these time and amount limitations. Should the fueling center or convenience store cease operations for one hundred eighty (180) days or longer, then sales tax distribution payments shall cease, unless the developer is engaged in a remodeling project for this location.

The Agreement recognizes the significant offsite improvements, specifically to the new Route 59/Dayton Avenue intersection to be constructed, which will be completed by Bluestone as the project developer. The project also addresses a long-term City request to close the Oak Street right of way through the subject property, which will be vacated and made part of the development site, thereby minimizing cut-through traffic between Route 59 and Roosevelt Road. These improvements will provide a public benefit for the community overall, and for traffic management in the Route 59/Roosevelt Road area specifically.

The development project also includes demolition of the existing used car dealer and law office building in this area. The removal of these buildings, along with the Oak Street closure, will provide area on the site for a future retail use to go along with the Thornton's fueling center.

The development, as previously approved by the City, consists of a fueling center, including separate diesel pumps, along with a convenience store. The attached Fiscal Impact Study, prepared for Bluestone by Strategy Planning Associates, summarizes the economic benefits associated with this pro-

posed fueling center/convenience store project.

ACTIONS PROPOSED:

Consideration of Ordinance No. 15-O-0022 regarding an Economic Incentive Agreement with Blue-stone Single Tenant Properties.

COMMITTEE RECOMMENDATION:

ORDINANCE NO. 15-O-0022

**AN ORDINANCE OF THE CITY OF WEST CHICAGO, DUPAGE COUNTY,
ILLINOIS, AUTHORIZING THE MAYOR TO EXECUTE A CERTAIN
ECONOMIC INCENTIVE AGREEMENT – BLUESTONE SINGLE TENANT
PROPERTIES**

WHEREAS, the City Council of the City of West Chicago, DuPage County, Illinois (hereafter "City"), has heretofore determined that it is necessary and advisable for the public health, safety, welfare and convenience of residents of the City that the City promote business growth and new employment opportunities within West Chicago; and,

WHEREAS, Bluestone Single Tenant Properties, LLC (hereafter "Bluestone") is desirous of developing commercial space within West Chicago for a new fueling center and convenience store; and,

WHEREAS, the City and Bluestone find it in their respective best interests to proceed with this project in order to enhance tax revenues and provide employment opportunities for local residents; and,

WHEREAS, the terms of the Economic Incentive Agreement assist in enhancing the economy of West Chicago; and,

WHEREAS, the Economic Incentive Agreement is on file with the City Clerk of the City and available for public inspection.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of West Chicago, Illinois, in regular session assembled.

Section 1. That the Mayor be and the same is hereby authorized to execute the Economic Incentive Agreement between the City and Bluestone, in substantially the form attached hereto as Exhibit "A", and, by this reference, incorporated herein and all other documents required to effectuate the purpose of the Economic Incentive Agreement.

Section 2. That all ordinances and resolutions, or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 3. That this Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as provided by law.

PASSED this _____ day of _____ 2015.

Alderman L. Chassee	_____	Alderman J. Beifuss	_____
Alderman D. Earley	_____	Alderman J. Sheahan	_____
Alderman L. Grodoski	_____	Alderman A. Hallett	_____
Alderman S. Dimas	_____	Alderman M. Birch	_____
Alderman J.C. Smith, Jr.	_____	Alderman K. Meissner	_____
Alderman M. Edwalds	_____	Alderman R. Stout	_____
Alderman J. Banas	_____	Alderman N. Ligin-Kubinski	_____

APPROVED as to form: _____
City Attorney

APPROVED this _____ day of _____ 2015.

Mayor Ruben Pineda

ATTEST:

City Clerk Nancy M. Smith

PUBLISHED: _____

ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN THE CITY OF WEST CHICAGO AND BLUESTONE SINGLE TENANT PROPERTIES, LLC

THIS ECONOMIC INCENTIVE AGREEMENT (hereafter "Agreement ") is made and entered into as of the ____ day of June, 2015 ("Agreement Date") by and between the CITY OF WEST CHICAGO, ILLINOIS, (hereafter "City") an Illinois home rule municipal corporation and BLUESTONE SINGLE TENANT PROPERTIES, LLC, a Delaware limited liability company (hereafter "Bluestone" or "Developer"). (Hereafter the City and the Developer are sometimes referred to individually as a "Party" and collectively as the "Parties").

RECITALS

A. This Agreement relates to the proposed development of a parcel of land ("Property") that is depicted on and legally described on an ALTA survey for the property, attached hereto and incorporated herein by reference as EXHIBIT A, which is commonly known as the northwest corner of Illinois Route 59 (Neltnor Boulevard) and Illinois Route 38 (Roosevelt Road) in West Chicago, Illinois. The Property is located at a signalized intersection along the busiest thoroughfare in the City and comprises 4.768 acres of land, certain parcels of which have been vacant for over a year or are improved with buildings that have been unoccupied for over a year as described more particularly in the definition of "Property" in Article II below.

B. The Developer desires to redevelop a portion of the Property for a fuel center and convenience store, featuring a 4,400 square foot principal building, as well as twenty (20) fueling positions for automobiles and three (3) fueling positions for commercial diesel vehicles. The redevelopment would increase sales and real estate taxes derived from the Property, and, through designs intended to mitigate the anticipated increased of traffic from the redevelopment, would improve existing traffic patterns on Neltnor Boulevard (Illinois Route 59), Roosevelt Road, and Dayton Avenue.

C. Developer sought and obtained from the City certain entitlements, including approval of zoning and plat requests to allow a fueling center, via Ordinance No. 15-O-0012 and Resolution No. 15-R-0017.

D. The Developer has also entered into a contract to purchase the Property and has entered into a lease on a portion of the Property with a tenant that intends to develop and operate a convenience store and fueling center defined below as the "Project" on the Property.

E. It is necessary for the successful development and completion of the Project (as defined in Article Two below) that the Developer enter into this Agreement with the City for sales tax revenue sharing. Developer represents and warrants that economic assistance from the City is necessary to undertake the Project and that without this Agreement, the Project would neither proceed nor be possible. The City hereby acknowledges based on Developer's representation and warranty, that economic assistance from the City is necessary to undertake the Project and that without this Agreement, the Project would neither proceed nor be possible.

F. Pursuant to Section 8-11-20 of the Illinois Municipal Code, 65 ILCS 5/8-11-20, the City Council may enter into economic incentive agreements relating to the redevelopment of land within the City's corporate limits. Under such a redevelopment agreement, the City is

authorized to distribute a portion of any retailer's occupation taxes received by the City pursuant to the Illinois Retailers' Occupation Tax Act (35 ILCS 120/1 et seq.) were generated by such development or redevelopment over a finite period of time.

G. Prior to entering into this Agreement, the City Council has made the following findings required by Section 8-11-20 of the Illinois Municipal Code with respect to the Property and the Project:

1. The undeveloped parcels comprising the Property have remained vacant for over one (1) year; and the improved parcels comprising the Property have buildings that have been either significantly unoccupied for one (1) year.
2. The Project is expected to create job opportunities within the City.
3. The Project will serve to further the development of adjacent areas.
4. Without this Agreement the Project would not be possible.
5. The Developer meets high standards of credit worthiness and financial strength as demonstrated by demonstrating that we have at least 10% of the equity required for the Project.
6. The Project will strengthen the commercial sector of the City.
7. The Project will enhance the tax base of the City; and
8. The agreement is made in the best interests of the City.

H. The City Council accordingly has determined that it is desirable and in the City's interests to assist Developer in the manner set forth herein and as this Agreement may be supplemented and amended, if and when agreed to by both Parties.

I. The City, in order to stimulate and induce development of the Property, has agreed to reimburse a portion of the Extraordinary Costs for the project (as defined in Article Two below) through sales tax revenue sharing, all in accordance with the terms and provisions of the Act and this Agreement. The City has taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the City according to the terms hereof, and any and all actions of the City precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.

J. The Developer has taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Developer according to the terms hereof, and any and all action of the Developer precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

ARTICLE ONE INCORPORATION OF RECITALS

The findings, representations and agreements set forth in the above Recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though fully set out in this Article One, and constitute findings, representations and agreements of the City and Developer according to the tenor and import of the statements in such Recitals.

ARTICLE TWO DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, including above in the recitals hereto and as follows:

"Act" means the Sections 8-11-20 and 8-11-21 of the Illinois Municipal Code, 65 ILCS 5/8-11-20 and 8-11-21, as from time to time amended that grants the City the power to enter into economic incentive agreements or redevelopment agreements relating to the development or redevelopment of land within the City's corporate limits by which the City is authorized to distribute a portion of its retailers' occupation taxes received by the City pursuant to the Illinois Retailers' Occupation Tax Act (35 ILCS 120/1 et seq.) as a direct result of such development or redevelopment.

"Agreement" means this Redevelopment Agreement dated June __, 2015, between the City and Bluestone.

"Bluestone" means Bluestone Single Tenant Properties, LLC, or any successor to or assignee of its corporate business or any assignee of this Agreement.

"City" means either the City of West Chicago

"Change in Law" means the occurrence, after the Effective Date, of an event described in Section (a) below, provided such event materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement and such event is not caused by the Party relying thereon:

- (a) Change in Law means any of the following: (i) the enactment, adoption, promulgation or modification of any federal, state or local law, ordinance, code, rule or regulation (other than by the City or with respect to those made by the City, only if they violate the terms of this Agreement); (ii) the order or judgment of any federal or state court, administrative agency or other governmental body; (iii) except as otherwise provided herein, the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for the undertaking of the services to be performed under this Agreement; or (iv) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a

governmental agency (other than the City or with respect to those made by the City, only if they violate the terms of this Agreement).

"Code" means the United States Internal Revenue Code of 1986, as amended.

"C-Store Opening Date" means the first date on which sales to the general public of merchandise from of the convenience store and fuels from the fueling facility occurs.

"Developer" means Bluestone Single Tenant Properties, LLC, a Delaware limited liability company, or any successor in interest thereof.

"Department" shall mean the Illinois Department of Revenue or any successor department or agency of the State to its functions.

"Extraordinary Project Costs" means a portion of the expenses reimbursed by the City to Developer as outlined in Article Five of this Agreement.

"Fuel Center Operator" means the tenant of Developer that operates the convenience store and fuel center to be constructed on the Property.

"Gross Receipts" means that which is ascribed to it in the Retailers' Sales and Occupation Tax Act.

"Party" means the City or Developer and its successors and/or assigns as permitted herein, as the context requires.

"Parties" means the City and Developer and their successors and/or assigns as permitted herein, as the context requires.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof, or any agency or entity created or existing under the compact clause of the United States Constitution.

"Project" means, collectively: (i) the construction of a Fuel Center containing twenty (20) fueling positions for automobiles and three (3) fueling positions for commercial diesel vehicles and a convenience store containing approximately 4,400 square feet, and (ii) a retail outparcel, both as generally consistent with the plans submitted and referenced in Ordinance No. 15-O-0012 ("Ordinance") with the staff revisions referenced in the Ordinance, if any, and consistent with the other conditions contained in the Ordinance. "Property" means the 4.768 acres of land comprised of four (4) separate parcels: a 2.962-acre parcel of vacant land which is vacant and has remained so for at least one year ("Parcel A"); a .726-acre parcel of land improved with a commercial building that has remained unoccupied for at least one year ("Parcel B"); a .595-acre parcel of land operated as a used car sales facility, which is improved with a small commercial building that does not comply with current City codes ("Parcel C"); and the .485-acre parcel of land that has been vacant for at least one year and is to be vacated by the State of Illinois ("Parcel D"), all of which are legally described on EXHIBIT A and depicted on EXHIBIT B as the site upon which the Project will be implemented and constructed.

"Replacement Retailers Sales and Occupation Tax" means any tax comparable to the "Retailers' Sales and Occupation Tax" which is instituted or adopted by the City to replace the "Retailers' Sales and Occupation Tax" in the event that the State Legislature either repeals the "Retailers' Sales and Occupation Tax" or adopts a law that has the effect of no longer sharing the proceeds of the same with the City.

"Retailers' Sales and Occupation Tax" or "Sales Tax" mean any and all taxes imposed and collected by the City under the Home Rule Retailer's Occupation Tax Act, 65 ILCS 5/8-11-1, *et seq.*; the Home Rule Service Occupation Tax Act, 65 ILCS 5/8-11-5, *et seq.*; the Home Rule Use Tax Act, 65 ILCS 5/8-11-6, *et seq.*; and the portion (presently one [1] percent) of any and all taxes distributed to and actually received by Village which are imposed and collected by the State pursuant to the Retailer's Occupation Tax Act, 35 ILCS 120/1, *et seq.*, the Service Occupation Tax Act, 35 ILCS 115/1, *et seq.*; the Use Tax Act, 35 ILCS 105/1, *et seq.*; and the Service Use Tax Act, 35 ILCS 110/1, *et seq.*, from sales and service transactions occurring on the Property, including without limitation any increases in such taxes or replacements thereof due to changes in Illinois statutes or municipal ordinances, any such taxes imposed on internet generated sales from which Illinois sales tax receipts are derived, and any other retailer's occupation tax, service occupation tax, use tax, or sales tax, except as expressly authorized by this definition, together with any interest earned on Sales Taxes while held by the Department. However, "Sales Taxes" shall not mean any portion of the Use Tax which is distributed on the basis of population (per capita distribution) and not included in the term "Sales Taxes."

"Sales Tax Contribution Cap" shall mean the sum of One Million Seven Hundred Fifty Thousand and no/100 Dollars (\$1,750,000.00).

"Sales Tax Distributions" shall mean the periodic payments made by the City to Developer from Sales Tax received by the City as provided herein.

"State" means the State of Illinois.

"Supporting Documentation" shall mean certified copies of the transmittals to the Illinois Department of Revenue ST-1 and/or ST-2 form or successor form and a copy of the check or other proof of payment for the full amount of the Sales Tax due as a shown therein.

"Term" means until the earlier that the City makes payment of the last of the Sales Tax Distributions or fifteen (15) years from the first day of the first full month after the C-Store Opening Date..

"Uncontrollable Circumstance" means any event which:

- A. is beyond the reasonable control of and without the fault of the Party relying thereon; and
- B. is one or more of the following events:
 - (i) a Change in Law;
 - (ii) insurrection, riot, civil disturbance, sabotage, act of the public enemy,

- explosion, nuclear incident, war or naval blockade;
- (iii) epidemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary or ordinary weather conditions or other similar act of God;
- (iv) governmental condemnation or taking other than by the City;
- (v) strikes or labor disputes;
- (vi) unreasonable delay in the issuance of building or other permits or approvals by the City or other governmental authority having jurisdiction;
- (vii) shortage or unavailability of essential materials, which materially change the ability of the Party relying thereon to carry out its obligations under this Agreement; or
- (viii) unknown or unforeseeable geo-technical or environmental conditions;

Uncontrollable Circumstance shall not include: economic hardship; unavailability of materials (except as described in b (vii) above); or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor). For each day that the City or Developer is delayed by an Uncontrollable Circumstance, the dates set forth in this Agreement shall be extended by one (1) day.

ARTICLE THREE CONSTRUCTION

This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- A. Definitions include both singular and plural.
- B. Pronouns include both singular and plural and cover all genders.
- C. The word "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation."
- D. The headings of Articles and Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- E. The exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement. In the event of a conflict between the exhibit and the terms of this Agreement, the terms of this Agreement shall control.

Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.

F. In connection herewith concerning written directions or authorization in respect of the investment of any funds, notwithstanding any provision hereof to the contrary, such direction or authorization orally by telephone, other telecommunication or otherwise, confirmed in writing, including by email/teletype/facsimile transmission, shall be appropriate and is hereby approved. Failure of the investing agent to actually receive such written confirmation shall not render invalid or ineffective any such oral direction or authorization.

G. The City Administrator, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the City and with the effect of binding the City as limited by and provided for in this Agreement. Developer is entitled to rely on the full power and authority of the Persons executing this Agreement on behalf of the City as having been properly and legally given by the City.

H. In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by Developer in a different manner, Developer hereby designates Richard Claes of Bluestone Single Tenant Properties, LLC as its authorized representative who shall individually have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of Developer and with the effect of binding Developer in that connection (such individual being an "Authorized Developer Representative"). Developer shall have the right to change its authorized Representative by providing the City with written notice of such change which notice shall be sent in accordance with Section 15.2.

ARTICLE FOUR PROJECT IMPLEMENTATION

The City and Developer agree to cooperate in implementing the Project in accordance with the Parties' respective obligations set forth in this Agreement and specific approvals by the City in the future of the development of the Property and Project. Whenever any Party is required to take any action pursuant to the terms of this Agreement, including but not limited to giving any consent, such action shall not be unreasonably withheld or delayed.

ARTICLE FIVE EXTRAORDINARY DEVELOPER EXPENSES

Developer has presented the City with estimated extraordinary project costs that exceed Three Million One Hundred Thousand Dollars (\$3,100,000.00) and the City has agreed to reimburse Developer for a portion of those costs up to the amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000.00) as part of a sales tax sharing agreement pursuant to the Act. These costs include, but are not limited to: (i) the extraordinary expenses and additional consideration in connection with the acquisition of the Property; (ii) Improvements to Illinois Route 59 and Illinois Route 38, including re-opening the west leg of the intersection with Dayton Avenue, road widening and traffic signal modifications; (iii) demolition; and (iv) the costs associated with the acquisition of the public's interest in the south

leg of the Oak Street right-of-way from the State of Illinois.

ARTICLE SIX CITY COVENANTS AND AGREEMENTS

6.1 City's Obligations. The City shall have the obligations set forth in this Article Six.

6.2 Sales Tax Contribution.

A. Amount. The City shall make periodic payments to Developer in an amount not to exceed the Sales Tax Contribution Cap (defined as \$1,750,000.000) from the Sales Tax collected by the City that is attributable to the Project ("Sales Tax Distributions"). The City's obligation for making the periodic payments provided here shall not commence until the C-store Opening Date. The Sales Tax Distributions shall be calculated as follows: (i) commencing on the C-store Opening Date until the fifteenth anniversary of the first day of the first full month following the C-Store Opening Date, or until the Sales Tax Contribution Cap is fully satisfied and paid in full to Developer, whichever comes first, the City shall exclusively retain the first fifty percent (50%) of Sales Taxes received by the City attributable to the Developer's operation on the Project Site and the City shall distribute to Developer the remaining fifty percent (50%) of the Sales Taxes received by the City attributable to retail sales generated by the Project. After the Sales Tax Contribution Cap is satisfied or the fifteenth anniversary of first full month following the C-Store Opening Date, whichever comes first, the City shall receive and retain 100% of the sales tax revenue generated by the project. The timing of the payments is detailed in subparagraph B below.

B. City Payments. The City shall pay Developer the Sales Tax Distribution payments as provided for in subparagraph A above three (3) times each calendar year in March, July and November from Sales Tax revenue received by the City. Payment by the City shall be made within thirty (30) days of receipt of an invoice indicating the amount of the then current Sales Tax Distribution due to the Developer and all Supporting Documentation. The amount of the Sales Tax Distribution payment shall be based upon the information in such invoice and Supporting Documentation, except where such information is inconsistent with that provided by the Department, in which case amount of the Sales Tax Distribution payment shall be based upon the information provided by the Department. The Parties acknowledge that the agreement to distribute Sales Tax or Retailers' Sales and Occupation Tax revenue as herein provided is predicated on existing law and policy in the State of Illinois providing for the payment to Illinois municipalities of one percent (1%) of the Sales Tax and Home Rule Sales Tax generated by businesses within each such municipality. The General Assembly of the State of Illinois has, from time to time, considered modifying or eliminating the distribution of Sale Tax revenues to Illinois municipalities. The Parties desire to make express provision for the effect of such change upon the operation of this Agreement:

- (i) The City shall not, under any circumstance, be required to impose a sales or other tax or fee other for the purposes of providing funds for the payment of the distributions herein contemplated in the event that the distribution of the Retailers ' Sales and Occupation Tax to the City is eliminated.
- (ii) The distribution payments required herein of the City shall not constitute a

general obligation of the City, but be payable solely from the Sales Tax receipts paid by Developer as provided above. Should the Illinois General Assembly hereafter and during the term of this Agreement eliminate or limit the distribution of Sales Tax revenue to Illinois municipalities, or otherwise alter the distribution formula in a manner which prevents the City and Developer from being able to ascertain with specificity the amount of municipal Sales Tax being received by the City as a direct result of the retail sales activities of the Project, or should such distribution be limited or eliminated by a legislative enactment, the City shall not be obligated to find a revenue source to fulfill its obligations hereunder to the Developer.

- (iii) The City shall distribute the payments required herein in the event that the City adopts a Replacement Retailers' Sales and Occupation Tax.

C. Developer's Obligations.

- (i) Pursuant to Section 6.2 A & B above, Developer shall submit an invoice for Sales Tax Distribution payments due to Developer to the City in the following calendar months: March (for Sales Tax attributable to the Project for the preceding months of November, December, January and February), July (for Sales Tax attributable to the Project for the preceding months of March, April, May and June), and November (for Sales Tax attributable to the Project for the preceding months of July, August, September and October) with the complete Supporting Documents for each of the reporting periods. Said provision of the Supporting Documents is a material term and condition of this Agreement, and a condition precedent to the Sales Tax Distribution payments provided for herein.
- (ii) Also, if requested by the City, Developer shall execute all required authorizations in favor the City necessary for the City to receive directly from the Illinois Department of Revenue any information possessed by the Department relating to Developer's collection and payment of taxes.

D. Eligibility for Sales Tax Payments. Only Developer, its successors or assigns, as provided in Section 14.16 shall be entitled to the Sales Tax payments provided for herein. Sales Tax payments shall be made only from Sales Taxes generated on the Project Site from the retail convenience store, fuel center and other businesses (if any) lawfully conducted by Developer, its successors and assigns or its or their lessees or their sub-lessees, and by no other Person and from no other business located outside the Property.

E. Termination of Sales Tax Distributions. The City, on its own volition, subject to the notice of default provisions in Article Twelve may terminate the Sales Tax Distributions during the Term upon the occurrence of any of the following:

- (i) The cessation of the retail convenience store or fuel center business operations on the Project Site for a consecutive period of one hundred eighty (180) days or more. However, if the cessation of either the retail convenience store or fuel center business occurs after the Developer applies to and is issued a building permit by the City for a remodel, this subparagraph shall not apply.

- (ii) Failure of Developer to maintain the standards of credit worthiness and financial strength set forth in Section 10.3 and in subparagraph G(5). of the Recitals of this Agreement.
- (iii) Conviction of the Developer, its successors and assigns or its or their lessees or their sub-lessees for noncompliance with any ordinance, rule, or regulation of the City or other unit of local government or with any state or federal law which poses an imminent threat to the public welfare and the failure to cure such within sixty (60) days after said conviction by the City or other governmental body.
- (iv) Conviction of the Developer, its successors and assigns or its or their lessees or their sub-lessees, including any of their employees or agents, for three (3) violations of Article XXIV, Tobacco Sales or of Chapter 9 of the Code of Ordinances of the City of West Chicago occurring on the Property within any twelve-month (12) period.

Should the City terminate this Agreement pursuant to this Section, Developer shall be entitled to a distribution payment of Sales Taxes prorated to the date of termination, and the City shall have no further obligation to the Developer under this Agreement.

6.3 City Cooperation. The City agrees to cooperate with Developer, and shall affirmatively support Developer's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity other than the City and upon request of Developer, will promptly execute any applications or other documents that Developer intends to file with such other governmental or quasi-governmental entities in respect to the Project. The City shall further promptly process, and not unreasonably withhold its approval of requests of Developer for: applicable demolition permits, building permits; driveway permits; curb cuts or other permits necessary for the construction of the Project.

6.4 City Compliance with State Law. Pursuant to § 65 ILCS 5/8-11-21(c), the City shall complete and submit a report by electronic filing to the Department of Revenue acknowledging the execution of this Agreement by the City and Developer within thirty (30) days after the execution of the Agreement.

ARTICLE SEVEN DEVELOPER'S COVENANTS AND AGREEMENTS

7.1 Developer's Redevelopment Obligations. Developer shall have the obligations set forth in this Article for the development, construction, financing, completion and furtherance of the Project.

7.2 Developer's Commitments.

- (a) Demolition - Site demolition, tree clearing and soil balancing for the Property and Project shall be performed by the Developer.
- (b) Developer shall grant, dedicate or convey all rights-of-way and easements

without cost to the City on the Property in order to provide for all required improvements, including, but not limited to, roadway widening, streetlights, bike paths, water mains, storm and sanitary sewer mains, detention or retention ponds, gas, electricity and cable television. Such easements shall be in such locations as may be mutually agreed upon and/or as approved by the City in the final plat(s) of subdivision for the Property.

- (c) Developer shall install all necessary water mains, sanitary sewer mains and storm sewers necessary to serve the Project in accordance with final engineering plans approved by the City. The Developer shall install any storm water retention/detention systems that may be required by any other governmental body having applicable jurisdiction thereof or, alternatively, pay any required fee in lieu thereof.
- (d) The Developer shall pay all City fees. The City has determined that no recaptures are due and owing.
- (e) To the extent required by the Illinois Prevailing Wage Act, 820 ILCS 130/0.0 1, *et seq.*, Developer shall pay not less than the general prevailing wage Rates to any of its workers on the Project, shall file with the City certified payrolls and shall otherwise comply with the provisions of that act. Further, Developer shall give consideration to City residents and businesses to vendor, employment and subcontractor opportunities for the construction of the Project. Evidence of such consideration shall be provided to the City prior to any temporary or final Certificate of Occupancy being granted by the City.

7.3 Compliance with Applicable Laws. Developer shall at all times acquire, install, construct, operate and maintain the Project in conformance with all applicable laws, rules, ordinances and regulations. All work with respect to the Project shall conform to all applicable federal, state and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision and planned development codes, building codes, environmental laws (including any law relating to public health, safety and the environment, and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereunder), life safety codes, property maintenance codes and any other applicable codes and ordinances of the City in effect from time to time during the course of construction of the Project, unless the same conflicts with an express term of this Agreement.

7.4 Progress Meetings. Developer shall meet with and make presentations to the City Council and/or City staff as reasonably requested by the City Administrator in order to keep the City apprised of the progress of the Project.

7.5 Fees and Expenses. Developer shall pay City all required taxes, fees and charges associated with the Project and that are in effect on the date(s) permits are applied for said Project improvements.

ARTICLE EIGHT ADDITIONAL COVENANTS OF DEVELOPER

8.1 Developer Existence. Developer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as a Delaware limited liability company, so long as Developer maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.

8.2 Construction of Project. Developer shall diligently pursue obtaining all required permits and Developer shall cause construction of the Project on the Property to be prosecuted and completed pursuant to the terms hereof with due diligence, in good faith and without delay, subject to Uncontrollable Circumstances and the other provisions of this Agreement.

8.3 Further Assistance and Corrective Instruments. The City and Developer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement to the extent legally permitted and within the City's sound legal discretion.

8.4 Disclosure. Prior to the execution of this Agreement, Developer shall disclose to the City the names, addresses and ownership interests of all Persons that comprise in excess of 5% of Developer.

ARTICLE NINE ADHERENCE TO CITY CODES AND ORDINANCES

All development and construction of the Project shall comply in all respects with the provisions in the Building, Plumbing, Mechanical, Electrical, Storm Water Management, Fire Prevention, Property Maintenance, Zoning and Subdivision Codes of the City and all other germane codes and ordinances of the City and County of DuPage in effect on the date that an application for a building permit and/or earth moving permit for such development or construction is filed, and from time to time during construction that are applicable, except as otherwise provided herein and to the extent all such codes and ordinances are of general applicability to property within the City. Developer has examined and is familiar with all the covenants, conditions, restrictions, building regulations, zoning ordinances, property maintenance regulations, environmental laws and land use regulations, codes, ordinances, federal, state and local ordinances, and the like, and represents and warrants that the Project will be developed in accordance with same.

ARTICLE TEN REPRESENTATIONS AND WARRANTIES OF DEVELOPER

Developer represents, warrants and agrees as the basis for the undertakings on its part herein contained that as of the date hereof and until completion of the Project:

10.1 Organization and Authorization. Developer is a Delaware limited liability company duly organized and existing under the laws of the State of Delaware, and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute, deliver

and perform, this Agreement. Developer is solvent, able to pay its debts as they mature and financially able to perform all the terms of this Agreement. To Developer's knowledge, there are no actions at law or similar proceedings which are pending or threatened against Developer which would result in any material and adverse change to Developer's financial condition, or which would materially and adversely affect the level of Developer's assets as of the date of this Agreement or that would materially and adversely affect the ability of Developer to proceed with the construction and development of the Project.

10.2 Non-Conflict or Breach. Neither the execution and delivery of this Agreement by Developer, the consummation of the transactions contemplated hereby by Developer, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Developer conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of Developer (with Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which Developer or any of its partners or venturers is now a party or by which Developer or any of its partners or its venturers is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of Developer, any related party or any of its venturers under the terms of any instrument or agreement to which Developer, any related party or any of its partners or venturers is now a party or by which Developer, any related party or any of its venturers is bound.

Financial Resources. Developer has sufficient financial and economic resources to implement and complete Developer's obligations contained in this Agreement.

ARTICLE ELEVEN REPRESENTATIONS AND WARRANTIES OF THE CITY

The City represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

11.1 Organization and Authority. The City is a municipal corporation duly organized and validly existing under the law of the State of Illinois, is a home rule unit of government, and has all requisite corporate power and authority to enter into this Agreement.

11.2 Authorization. The execution, delivery and the performance of this Agreement and the consummation by the City of the transactions provided for herein and the compliance with the provisions of this Agreement (i) have been duly authorized by all necessary corporate action on the part of the City, (ii) require no other consents, approvals or authorizations on the part of the City in connection with the City's execution and delivery of this Agreement, and (iii) shall not, by lapse of time, giving of notice or otherwise result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the City is subject.

11.3 Litigation. To the best of the City's knowledge, there are no proceedings pending or threatened against or affecting the City in any court or before any governmental authority which involves the possibility of materially or adversely affecting the ability of the City to perform its obligations under this Agreement.

11.4 Utility Connections. Developer shall grant or cause to be granted utility easements in favor of the City as may be necessary or appropriate to accommodate the utilities shown on the Final Plans.

ARTICLE TWELVE

EVENTS OF DEFAULT AND REMEDIES

12.1 Developer Events of Default. The following shall be Events of Default with respect to this Agreement:

- (a) If any representation made by Developer in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to the City pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default within thirty (30) days after written notice from the City.
- (b) Default by Developer for a period of thirty (30) days after written notice thereof in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure, or financial condition of Developer; provided, however, that such default or breach shall not constitute an Event of Default if such default cannot be cured within said thirty (30) days and Developer within said thirty (30) days initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within ninety (90) days after such notice.
- (c) Default by Developer for a period of thirty (30) days after written notice thereof in the performance or breach of any material covenant, warranty or obligation contained in this Agreement other than those in paragraph (b) of this Section; provided, however, that such default shall not constitute an Event of Default if such default cannot be cured within said thirty (30) days and the Developer, within said thirty (30) days initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within ninety (90) days after such notice, subject to Uncontrollable Circumstances.
- (d) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order that is not stayed and in effect for a period of sixty (60) consecutive days.
- (e) The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Developer

to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others and not dismissed within sixty (60) consecutive days.

- (f) Failure to have funds to meet Developer's obligations; provided, however, that such default shall constitute an Event of Default only if Developer does not remedy the default within thirty (30) days after written notice from the City.
- (g) Developer abandons the Project on the Property. Abandonment shall be deemed to have occurred when work stops on the Property for more than ninety (90) days for any reason other than: (i) uncontrollable circumstances or (ii) if Developer is ahead of its planned construction schedule as demonstrated by constructions schedules or other Developer information previously provided the City .
- (h) Developer materially fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the buildings contemplated by this Agreement; provided, however, that such default shall constitute an Event of Default only if the Developer does not, within ninety (90) days after written notice from the City, remedy the default.

12.2 City Events of Default. The following shall be Events of Default with respect to this Agreement:

- (a) If any representation made by the City in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to Developer pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made; provided, however, that such default shall constitute an Event of Default only if the City does not remedy the default, within thirty (30) days after written notice from Developer.
- (b) Default by the City in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure or financial condition of the City; provided, however, that such default or breach shall constitute an Event of Default only if the City does not, within thirty (30) days after written notice from Developer, initiate and diligently pursue appropriate measures to remedy the default.
- (c) Default by the City in the performance or breach of any material covenant, warranty or obligation contained in this Agreement; provided, however, that such default shall not constitute an Event of Default if the City commences cure within thirty (30) days after written notice from Developer and in any event cures such default within ninety (90) days after such notice, subject to Uncontrollable Circumstances.

- (d) Failure to have funds to meet the City's obligations, within thirty (30) days after written notice from Developer of such failure.

12.3 Remedies for Default.

In the case of an Event of Default hereunder:

- (a) The defaulting Party shall, upon written notice as provided in Sections 12.1 and 12.2 above from the non-defaulting Party, take immediate action to cure or remedy such Event of Default. If in such case, any monetary Event of Default or Event of Default in paragraph 12.1(a) is not cured within thirty (30) days after receipt of the above notice, or if in the case of a non-monetary Event of Default, action is not taken or not diligently pursued, or if action is taken and diligently pursued but such Event of Default or breach shall not be cured or remedied within a reasonable time, but in no event more than ninety (90) days from the receipt of notice as provided above in Sections 12.1 and 12.2 unless extended by mutual agreement, the non-defaulting Party may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach, including, but not limited to administrative proceedings, by suits or actions for mandamus, or any other proceeding, in law or in equity, including specific performance to enforce or compel the performance of the defaulting Party's obligations under this Agreement.
- (b) In case the City shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, then, and in every such case, Developer and the City shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of Developer and the City shall continue as though no such proceedings had been taken.
- (c) In the case of an Event of Default by Developer and its failure to cure such default after due notice and within the time periods provided in Sections 12.1, 12.2 and this Section 12.3, in addition to any other remedies at law or in equity, the City shall be relieved of its obligations under this Agreement, provided, however, the cancellation or termination of this Agreement shall have no effect on the construction permits already issued by the City for the Property (unless and only to the extent that any such permits are not the basis for any litigation) and authorizations granted to Developer for buildings permitted and under construction to the extent permitted by said Court order; and the cancellation or termination of this Agreement shall have no effect on perpetual easements contained in any recorded document.
- (d) In the case of an Event of Default by the City and its failure to cure such default after due notice and within the time periods provided in Sections 12.1, 12.2 and this Section 12.3, in addition to any other remedies at law or in equity, the Developer shall be relieved of its obligations under this Agreement if it so elects, and the Developer shall have the right, if it so elects, to terminate this Agreement.

- (e) The prevailing Party shall be entitled to recovery of reasonable attorneys' fees and costs.

12.4 Defense of This Agreement. If during the term of this Agreement, any lawsuits or other proceedings are filed or initiated against a Party before any court, commission, board, bureau, agency, unit of government or sub-unit thereof, arbitrator, or other instrumentality, that may materially affect or inhibit the ability of either party to perform its obligations under, or otherwise to comply with, this Agreement (hereafter "Litigation"), the Party against which the Litigation is filed or initiated shall promptly deliver a copy of the complaint or charge related thereto to the other Parties and shall thereafter keep the other Parties fully informed concerning all aspects of the Litigation. Each Party shall, to the extent necessary, cooperate with the other party. In such event the Developer, on notice from City shall assume, fully and vigorously, the entire defense of such lawsuit and all expenses of whatever nature relating thereto; provided, however:

- (a) Neither Party shall make any settlement or compromise of the lawsuit, nor fail to pursue any available avenue of appeal of any adverse judgment, which would impose any liability on the other Party, without the prior approval of that Party; and
- (b) If the City, in its sole discretion, determines there is, or may probably be, a conflict of interest between City and the Developer, on an issue of importance to the City having a potentially substantial adverse effect on the City, then the City shall have the option of being represented by its own legal counsel. In the event the City exercises such option, then Developer shall reimburse the City from time to time on written demand from the City Administrator and notice of the amount due for any expenses, including but not limited to court costs, attorneys' fees and witnesses' fees, and other expenses of litigation, incurred by the City in connection therewith.

The City and Developer each agree to use their respective best efforts to defend the validity of this Agreement, and all ordinances and resolutions adopted and agreements executed pursuant to this Agreement, including every portion thereof and every approval given, and every action taken, pursuant thereto.

12.5 No Waiver by Delay or Otherwise. Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that neither Party should be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise); nor shall any waiver in fact made with respect to any specific Event of Default be considered or treated as a waiver of the rights by the waiving Party of any future Event of Default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, nor the manner or time thereof, of any obligation or any condition under the Agreement shall be considered a waiver of any rights except if expressly waived in writing.

12.6 Rights and Remedies Cumulative. The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the

exercise of any one or more of such remedies shall not preclude the exercise by such Party, at that time or different times, of any other such remedies for the same Event of Default.

ARTICLE THIRTEEN EQUAL EMPLOYMENT OPPORTUNITY

13.1 No Discrimination. Developer will comply with all federal, state and local laws relating to equal employment opportunity. To the extent permitted by law, Developer will use reasonable efforts to employ qualified residents of the City.

13.2 Advertisements. Developer will, in all solicitations or advertisements for employees placed by or on behalf of Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

13.3 Contractors. Any contracts made by Developer with any general contractor, agent, employee, independent contractor or any other Person in connection with the Project shall contain language similar to that recited in Section 13.1 and 13.2 above.

ARTICLE FOURTEEN MISCELLANEOUS PROVISIONS

14.1 Cancellation. In the event Developer or the City shall be prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges herein contained, including Developer's duty to build the Project, by the order of any court of competent jurisdiction, or in the event that all or any part of the Act or any ordinance adopted by the City in connection with the Project, shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Project or the covenants and agreements or rights and privileges of Developer or the City, then and in any such event, the Party so materially affected may, at its election, cancel or terminate this Agreement in whole (or in part with respect to that portion of the Project materially affected) by giving written notice thereof to the other within sixty (60) days after such final decision or amendment. If the City cancels this Agreement pursuant to this Section 14.1, to the extent it is then appropriate, the City, at its option, may also terminate its duties, obligation and liability under all or any related documents and agreements provided. Further, the cancellation or termination of this Agreement shall have no effect on the permits issued by the City for the Property and authorizations granted to Developer for buildings permitted and under construction to the extent permitted by said Court order; and the cancellation or termination of this Agreement shall have no effect on perpetual easements contained in any recorded document.

14.2 Notices. All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by email/telex, telegram or telecopy; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested.

If to City: City of West Chicago
475 Main Street
West Chicago, Illinois 60185
Attention: City Administrator

With a copy to: Patrick K. Bond
Corporation Counsel
Bond Dickson & Associates, P.C.
400 S. Knoll Street, Unit C
Wheaton, IL 60187

If to Developer: Richard Claes
Bluestone Single Tenant Properties, LLC
400 North Michigan Avenue, Suite 800
Chicago, Illinois 60611

With a copy to: Thomas R. Burney
Law Offices of Thomas R. Burney
40 Brink Street
Crystal Lake, Illinois 60014

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or at the transmission time noted on the transmission by electronic means. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (d) shall be deemed received forty-eight (48) hours following deposit in the mail.

14.3 Time of the Essence. Time is of the essence of this Agreement.

14.4 Integration. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.

14.5 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

14.6 Recordation of Agreement. The Parties agree to record a memorandum of this Agreement in form and content mutually agreeable to the City and the Developer, and executed by the Developer upon its acquisition of the Property in the DuPage County Recorder's Office. Developer shall pay the recording charges.

14.7 Severability. If any provision of this Agreement, or any Section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Agreement shall be construed as if such invalid part were never included

herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

14.8 Choice of Law; Venue. This Agreement shall be governed by the laws of the State of Illinois and the venue for any action shall be in the Circuit Court of the Eighteenth Judicial Circuit, DuPage County, and Wheaton, Illinois.

14.9 Entire Agreement and Amendments. This Agreement (together with the exhibits attached hereto) is the entire agreement between the City and Developer relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the City and Developer, and may not be modified or amended except by a written instrument executed by the Parties hereto.

14.10 Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other Person other than the City and Developer nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the City or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

14.11 Waiver. Any Party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

14.12 Cooperation and Further Assurances. The City and Developer each covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the City or Developer or other appropriate Persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement.

14.13 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective authorized successors and assigns.

14.14 No Joint Venture, Agency or Partnership Created. Nothing in this Agreement, or any actions of the Parties to this Agreement, shall be construed by the Parties or any third person to create the relationship of a partnership, agency or joint venture between or among such Parties.

14.15 No Personal Liability of Officials of City or Developer. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of the City, its Mayor, any appointed or elected official, officer, partner, member, director, agent, employee or attorney of the City or Developer, in his or her individual capacity, and no official, officer, partner, member, director, agent, employee or attorney of the City or Developer shall be liable

personally under this Agreement or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Agreement, or any failure in that connection.

14.16 Assignment. The Developer may not assign this Agreement without the express written consent of the City, which consent shall not be unreasonably withheld or delayed; provided, however, Developer shall have the right without City consent to assign this Agreement to the Fuel Center Operator or an entity in which the Developer owns no less than a fifty percent (50%) interest, in which case the City shall be notified in writing of the effective date of the assignment and any instructions for the remittance of future Sales Tax Distributions if an entity other than the Developer shall become entitled to them as a result of said assignment.

14.17 Repealer. To the extent that any ordinance, resolution, rule, order or provision of the City's code of ordinances, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

14.18 Term. This Agreement shall remain in full force and effect until the earlier that the City makes payment of the last of the Sales Tax Distribution or fifteen (15) years from the earlier of (i) the first day of the first full month following the C-Store Opening Date, or (ii) December 31, 2031, provided, however, the Developer's construction obligations hereunder shall terminate pursuant to certificates of completion issued by the City.

14.19 Estoppel Certificates. Each of the Parties hereto agrees to provide the other, upon not less than ten (10) business days prior request, a certificate (hereafter "Estoppel Certificate") certifying that this Agreement is in full force and effect (unless such is not the case, in which such Parties shall specify the basis for such claim), that the requesting Party is not in default of any term, provision or condition of this Agreement beyond any applicable notice and cure provision (or specifying each such claimed default) and certifying such other matters reasonably requested by the requesting Party. If either Party fails to comply with this provision within the time limit specified, it shall be deemed to have appointed the other as its attorney-in-fact for execution of same on its behalf as to that specific request only.

**ARTICLE FIFTEEN
EFFECTIVE DATE**

The Effective Date for this Agreement shall be the day on which this Agreement is fully executed pursuant to duly enacted City ordinance authorizing the execution of and adoption this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

City of West Chicago,
an Illinois municipal corporation

By: _____

Mayor Ruben Pineda

Attest:

City Clerk Nancy M. Smith

Bluestone Single Tenant Properties, LLC, a
Delaware Limited Liability Company

By: _____

Managing Member

Name: _____

Witnessed:

By: _____

Name: _____

Title



April 15, 2015

Michael Guttman
City Administrator
City of West Chicago
475 Main Street
West Chicago, IL 60185

Re: Bluestone Single Tenant Properties
Proposal for Economic Incentive
Route 59 & Roosevelt Road, City of West Chicago

Dear Mr. Guttman:

I am writing to provide an overview of our request for an economic incentive to offset certain extraordinary project costs for the redevelopment of the northwest corner of Illinois Route 59 & Illinois Route 38 from the City of West Chicago. As you know, Bluestone Single Tenant Properties proposes to redevelop the subject property with a state-of-the-art convenience store and fuel center along with an outlot with frontage on Roosevelt Road for the future development of a "yet to be determined" retail or restaurant facility.

Bluestone has contracted to purchase an assemblage of three parcels of land from three separate property owners. Pursuant to discussions that we had with City staff early in the site planning process, Bluestone has also incorporated the proposed vacation of the portion of Oak Street that lies south of Dayton Road and north of Roosevelt Road. The redevelopment of these parcels of land into a viable commercial property requires a significant investment in extraordinary project costs, including the reconnection of the west leg of Dayton Road to Illinois Route 59.

Bluestone's initial development plans included solely the redevelopment of the three-acre property bound by Route 59, Dayton Avenue, Oak Street, and Roosevelt Road currently owned by Airhart Construction. City staff and the Mayor, however, recommended that Bluestone incorporate additional properties to the west along Roosevelt Road in an effort to redevelop this area into more viable retail space. Accordingly, Bluestone has contracted to purchase the properties at 1300 Oak Street and 511 E. Roosevelt Road.

From the inception of the project, it has been the intention of Bluestone Single Tenant Properties to seek an economic incentive from the City of West Chicago to recover the extraordinary construction costs associated with the proposed development in order to render the project financially viable for Bluestone and its tenants. Over the last several months, we have been working through the approval process with the City and the Illinois Department of Transportation ("IDOT") to finalize our design to the extent necessary to determine the range of these costs. Based upon the traffic and intersection design studies prepared by Kimley-Horn Associates and the detailed engineering plans that have been completed to date

BLUESTONE SINGLE TENANT PROPERTIES, LLC

WRIGLEY BUILDING - SOUTH TOWER
400 N. MICHIGAN AVENUE, SUITE 800 | CHICAGO, ILLINOIS 60611
TEL (312) 519-7100 | FAX (312) 878-4860

by Manhard Engineering, the most significant extraordinary project costs for the proposed redevelopment include:

- ⇒ More than \$2,000,000 in "off-site" project costs for roadway improvements required by IDOT to facilitate the re-opening of the west leg of the intersection of Dayton Road, modification of the traffic signal, installation of turning lanes on Route 59 & Route 38, and other miscellaneous roadway construction costs. Attached to this letter is a detailed construction cost estimate from Novak Construction Company dated 2/13/15 estimating the cost of the roadway improvement work to be \$2,052,941. While these roadway improvements are required to render the subject property suitable for retail development, this extraordinary cost places a significant financial burden on the project. We have included the intersection design plans currently in review by IDOT; this was the basis of the cost estimate provided by Novak Construction Company.
- ⇒ While every potential commercial project requires the developer to invest in comprehensive civil engineering plans, the complexity of the "off-site" IDOT roadway improvements at the subject location requires an incremental investment in traffic and civil engineering design and these extraordinary design fees will total in excess of \$100,000.
- ⇒ During our due diligence discussions with IDOT, Bluestone discovered that IDOT retains "vacation rights" to right-of-way for the portion of Oak Street that lies south of Dayton Road to its connection point on Roosevelt Road. Although fee simple title to the right-of-way was never dedicated to IDOT, in order to assimilate the vacated Oak Street right-of-way into our plan, we will be required to purchase IDOT's vacation rights based on their fair market value as established by an independent real estate appraisal. IDOT has engaged an appraiser to assess the value of its vacation rights and the appraisal report is due to IDOT by April 15, 2015. Based upon preliminary appraisals received by IDOT on April 13th, the vacation rights are valued at \$135,000.
- ⇒ As noted above, the City and the Mayor encouraged Bluestone to acquire additional properties along Roosevelt Road in an effort to "clean up" the Roosevelt Road Frontage. The additional cost of this land acquisition totals \$845,000.

It is important to note that, in order to obtain a permit for access to Illinois Route 59 and Illinois Route 38, IDOT will require the off-site improvements for any redevelopment of these properties. Candidly, absent an economic incentive from the City of West Chicago, the foregoing \$3,132,941 of extraordinary costs render an investment in this development financially infeasible for Bluestone or any other competent developer.

Fortunately, we believe that the incremental real estate taxes and retail sales taxes generated by our proposed development are sufficient to offset these extraordinary development costs and still provide the City of West Chicago with a robust stream of revenue. Attached to this letter is a Draft Fiscal & Economic Impact Study prepared by Steve Hovany of Strategy Planning Associates dated March 21, 2015 ("Hovany Study") that substantiates the projected economic impact to the City of West Chicago for our proposed project.

A summary of the estimated projected annual revenue in calendar year 2017 is provided below:

Revenue Category	Estimated Annual Revenue
Municipal 1% Share of Illinois Retail Sales Tax	\$ 157,440
Home Rule $\frac{3}{4}$ % Sales Tax	\$ 113,580
Municipal Share of Commercial Property Tax	\$ 7,466
Other Tax Revenue to City	\$ 2,851
Total Projected Annual Revenue	\$ 281,337
Note: If the Illinois Bio Diesel Sales Tax exemption expires in 2018 or is repealed by the Illinois General Assembly, the City of West Chicago's projected revenue would increase by an additional \$170,625 annually.	

We believe that the foregoing summary accurately represents a good faith estimate of the annual revenue that will be generated by the development. It is important to note that the estimate of annual retail sales tax revenue is based upon the retail sales tax generated by the development of the convenience store and fuel center only and does not include any estimate of retail sales tax generated from the "yet to be determined" use of excess parcel of land.

Given the significant economic impact of the proposed development, Bluestone Single Tenant Properties ("BSTP") respectfully requests that City of West Chicago ("City") grant an economic incentive to BSTP to offset certain extraordinary costs of our proposed development. Specifically, BSTP proposes the following:

- ⇒ From the date of the opening of the convenience store and fueling facility to the public ("C-Store Opening Date") until the fifth anniversary of the C-Store Opening Date, the City of West Chicago shall receive twenty-five percent (25%) and BSTP shall receive seventy five percent (75%) of the sales tax revenue generated by the retailers/restaurants operating on the subject property that is received by the City until BSTP has received an aggregate amount of the "Economic Incentive Cap" defined below;
- ⇒ From the day after the fifth anniversary of the C-Store Opening Date until the tenth anniversary of the C-Store Opening Date, the City of West Chicago shall receive fifty percent (50%) and BSTP shall receive fifty percent (50%) of the sales tax revenue generated by the retailers/restaurants operating on the subject property that is received by the City until BSTP has received an aggregate amount of the Economic Incentive Cap;
- ⇒ From the day after the tenth anniversary of the C-Store Opening Date until the fifteenth anniversary of the C-Store Opening Date, the City of West Chicago shall

receive seventy five percent (75%) and BSTP shall receive twenty five percent (25%) of the sales tax revenue generated by the retailers/restaurants operating on the subject property that is received by the City until BSTP has received an aggregate amount of the Economic Incentive Cap. Whether BSTP has or has not collected incentive payments equal to the amount of Economic Incentive Cap by the fifteenth anniversary of the C-Store Opening Date, BSTP shall no longer be entitled to share in any of the retail sales tax revenue generated by the project after the fifteenth anniversary of the C-Store Opening Date; thereafter, the City shall retain one hundred percent (100%) of the retail sales tax revenue generated by the project.

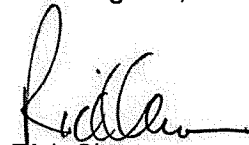
- ⇒ The maximum amount of economic incentive that shall be paid to BSTP shall be Two Million Two Hundred Thousand Dollars (\$2,200,000) ("Economic Incentive Cap");
- ⇒ Payments of the economic incentives to BSTP shall be made twice per calendar year on January 15th and July 15th for revenue collected in the preceding six (6) months;
- ⇒ The term of the agreement for the proposed economic incentive shall be the earlier of (i) the date BSTP receives incentive payments an amount equal to the Economic Incentive Cap, or (ii) fifteen (15) years from the C-Store Opening Date.

Based upon the foregoing financial projections and sales tax sharing proposal, the revenue received by the City of West Chicago (after distributions for the economic incentives to BSTP up to the Economic Incentive Cap of \$2,200,000 and disregarding the effect of inflation) over the first twenty years of the project would be in excess of \$3,425,000 if the Illinois Bio Diesel Sales Tax Exemption remained status quo through 2036. In the event the Bio Diesel tax exemption expires in 2018, the twenty-year tax revenue received by the City of West Chicago from the project would increase to more than \$6,800,000 after the payment of incentives to BSTP up to the Economic Incentive Cap of \$2,200,000.

After you have had the opportunity to review the substance of our proposal, please contact me to schedule a mutually convenient date and time for a meeting at the West Chicago City Hall to discuss any questions or comments that you have.

I look forward to hearing from you soon. Thank you in advance for your consideration.

Best Regards,



Rick Claes
Managing Member

April 14, 2015

Mike Mackinnon
Director of Development
Bluestone Single Tenant Properties
353 N. Clark Street, 8th Floor
Chicago, Illinois 60654



Dear Mr. Mackinnon:

Strategy Planning Associates, Inc. was retained by Bluestone Single Tenant Properties, LLC to evaluate the fiscal and economic impact to the City of West Chicago, Il from the development of a convenience store with fuel center. The proposed development will be located at the intersection of State Route 38 and State Route 59.

There is a second lot on the parcel which will be developed in a compatible use. At the time of this report, the specific user of the second lot in this development has not been identified by Bluestone. In an effort to be conservative in the economic and fiscal impact of this development, any incremental revenues that will be generated by the second lot have been excluded from this study.

An executive summary follows this transmittal letter. The full report includes tables that show the projected revenues and employment impacts resulting from construction and operating the proposed development.

Sincerely,

STRATEGY PLANNING ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Steven J. Hovany".

Steven J. Hovany, AICP
President

EXECUTIVE SUMMARY

FISCAL AND ECONOMIC IMPACT CONCLUSIONS

Strategy Planning Associates, Inc. has been retained by Bluestone Single Tenant Properties, LLC. to evaluate the fiscal and economic impact to the City of West Chicago, IL from the development of a convenience store and fuel center. The proposed development will be located at the northwest corner at the intersection of State Route 38 and State Route 59 in West Chicago, IL.

There is a second lot on the parcel which will be developed in a compatible use. At the time of this report, the specific user of the second lot in this development has not been identified by Bluestone. In an effort to be conservative in the economic and fiscal impact of this development, any incremental revenues that will be generated by the second lot have been excluded from this study.

The primary purpose of this study is to demonstrate the direct revenues that result from the new development to the City of West Chicago, including job and wage creation from its construction and operational phases.

All future dollar figures are in present dollar values. We make no allowance for the effects of inflation, increased sales, the appreciation of assessed values, or the increased tax revenues due to those higher assessed values. These adjustments would call for speculation and therefore would be debatable and distort the real objective of the study.

The study is not a budget-forecasting document or development plan. Simply, our findings are intended to help guide policy decisions.

The main findings of this analysis are:

- The total investment value is \$7.5 million consisting of \$3.50 million construction and \$2.00 million in equipment costs and \$2.0 million in off site costs.
- The total taxable value or Equalized Assessed Value (EAV) at completion is projected as \$1,165,500.
- The development is projected to generate annual recurring revenues to the City of West Chicago of \$281,337; \$63,498 to Elementary School District 33; and \$29,576 to High School District 94.
- Total annual property tax revenues of \$133,095 to all districts attributed to the new development.

The economic impact of the construction process is tied to the level of direct employment and purchases of goods involved in construction. This impact can be

projected by estimating salaries paid and the amount spent on the purchase of goods necessary for construction of the development. The following summary evaluates the construction phase impacts of the development using this approach.

- The construction of this development is projected to generate over 93 full time equivalent construction and construction related jobs, creating a total wage income of \$3,358,096. Of this amount, \$2,552,153 is disposable income. Not only could a good number of these jobs go to workers in the local area, but the estimated spending on consumption goods and services at local businesses during the construction phase are estimated to be \$177,625.
- The new development will directly employ an estimated 13 full time equivalent workers during the operations phase. A high portion of these positions will be filled by local workers. These jobs will receive a projected \$389,780 in annual salary and wages of which \$296,233 is disposable income. The potential of capturing and circulating the new expendable income brought to the community by the new employees can boost the viability of existing retail and service providers.
- Projected spending by these new employees on convenience and comparison goods in West Chicago is projected at \$52,218.

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1.0 INTRODUCTION

Strategy Planning Associates, Inc. has been retained by Bluestone Single Tenant Properties, LLC. to evaluate the revenue impact to the City of West Chicago, IL from the development of a gas station with a convenience store and a yet to be determined out parcel. The proposed development will be located at the northwest corner at the intersection of State Route 38 and State Route 59, West Chicago, IL. See Figure 1.

The primary purpose of this study is to demonstrate the direct revenues that result from the new development to the City of West Chicago, including job and wage creation from its construction and operational phases.

All future dollar figures are in present dollar values. We make no allowance for the effects of inflation, increased sales, the appreciation of assessed values, or the increased tax revenues due to those higher assessed values. These adjustments would call for speculation and therefore would be debatable and distort the real objective of the study. The study is not a budget-forecasting document or development plan. Simply, our findings are intended to help guide policy decisions.

There is a second lot on the parcel which will be developed in a compatible use. At the time of this report, the specific user of the second lot in this development has not been identified by Bluestone. In an effort to be conservative in the economic and fiscal impact of this development, any incremental revenues that will be generated by the second lot have been excluded from this development study.

1.1 Occupancy Schedule

The study anticipates absorption (total occupancy) to be completed in January, 2016 with the convenience store with fuel center becoming operational. See Table 1.

1.2 Estimated Taxable Value

The following table shows the estimated taxable value of the proposed development. See Table 2.

The assessed value is estimated at \$3,500,000. The total taxable value of the development, after completion, is estimated at \$1,165,500. (The \$2.00 million in equipment is not calculated as real estate for property tax purposes. Neither is the \$2.00 million in off site improvements) This value is calculated by using a combination of commercial valuation statistics and the actual assessed values of similar properties currently in DuPage County, IL. The Assessor's value is not indicative of a fluctuating fair market value. The taxable value of the development is calculated as follows: estimated adjusted assessors market value multiplied by the DuPage

County commercial assessment rate of 33.33%. Generally Assessors value approximates construction cost.

1.3 Total Investment Cost

In addition to the construction cost of \$3.50 million, off site improvements of \$2.00 and equipment costs \$2.00 million result in a total buildout cost of \$7.5 million. The investment for the 2nd retail lot is not included in this calculation.

TABLE 1. West Chicago Convenience Store and Fuel Center - SR 59 and SR38: Development Schedule

New Commercial Constructed/Occupied Per Year	Avg. Assessor's Value**	Project Year***									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Convenience Store with Fuel Center*	\$3,500,000	1	1	1	1	1	1	1	1	1	1

* Construction cost of the convenience store with fuel center estimated at \$3.5 million . Additional \$2.0 million projected for equipment plus \$2.0 million for off site improvement (intersection improvements).

**Average Assessor's value is calculated by using a combination of commercial valuation statistics of similar store properties currently in DuPage County, IL. The Assessor's value is not indicative of a future fluctuating fair market values.

*** Projected completion of development and full occupancy: January, 2016

TABLE 2. West Chicago Convenience Store and Fuel Center - SR 59 and SR38: Estimated Taxable Value

Year Occupied		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Year Taxes Payable		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Convenience Store with Fuel Center*		\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Subtotal of Assessed Value: **		\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Commercial Assessed Value Multiplier	33.30%	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500
Total Taxable Value		\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500

**Average Assessor's value is calculated by using a combination of commercial valuation statistics of similar store properties currently in DuPage County, IL. The Assessor's value is not indicative of a future fluctuating fair market values.

2.0 REVENUE IMPACT TO THE CITY OF WEST CHICAGO

The revenues estimated in this study reflect recurring annual revenues related to the new development. We project the fiscal impact on the City government as a whole, and not to specific departments.

We are not including revenues from building permits or other non-recurring fees in our revenue projections. We assume in this study that building permit fees, inspection fees, and any one-time plat review fees are structured to meet costs of inspection services and planning staff services. Similarly, in this study we exclude revenues related to proprietary operations (for example, those related to water and sewer services). We assume any applicable up-front charges such as tap-on fees and user consumption fees are structured to meet costs of these services.

2.1 New Revenue Estimates

Tables 3, 4, 5 and 6 summarize the new revenues to the City and aligned districts from the proposed development.

2.2 Property Tax Revenue

We estimate annual real property tax revenue to the City of West Chicago at \$7,466 per year after the development is completed. This includes the City tax rate of 0.5973 and one-half of the Township Road and Bridge tax rate of 0.1732, both for \$100 in assessed value. The development is expected to have a taxable value of \$1,165,500. Applying the 2013 tax rate total annual property tax revenues of \$133,095 to all taxing jurisdictions attributed to the new development. Because property taxes are collected in arrears, the first year property tax amount is not collected until the second year and so on.

In addition to property taxes paid to the City, associated districts will get the following property tax revenue. See Table 3.

- West Chicago Park District will receive \$5,731.
- West Chicago Fire District will receive \$11,876.
- West Chicago Library District will receive \$3,759.

Of equal importance to the City of West Chicago the following property taxes are projected to the School Districts. See Table 4.

- Elementary School District 33 is projected to receive \$63,498 in property tax annually.
- High School District 94 is projected to receive \$29,576 in property taxes annually.

2.3 Sales Tax Revenue

We estimate annual sales generated from the operation of the convenience store with fuel center development to be \$28.68 million. These sales figures are based on actual same store sales in as submitted to the Illinois Department of Revenue. Projected gasoline sales are 450,000 gallons per month at an average price of \$2.95 per gallon. Projected diesel sales are 250,000 gallons per month at an average price of \$3.25 per gallon. The convenience store is projected to have \$250,000 in monthly sales.

There are two exemptions to the standard allocation of sales tax.

1. For gasoline, the ethanol exemption provides that sales tax applies to 80% of sales.
2. As biodiesel is over 10% of the diesel blend, diesel sales are exempt from paying sales tax. This law expires in 2018. If the law is not extended, the diesel sales tax to West Chicago would be \$170,625 per year.

The City of West Chicago receives a 1% tax on adjusted total sales, or an estimated \$157,440 annually plus an additional local Home Rule Sales Tax of 0.75% tax on adjusted total sales, or an estimated \$113,580 annually. This Home Rule Sales Tax is applied to 80% of convenience store revenues. The total projected sales from the convenience store with fuel station is projected at \$28.68 million and \$15.74 million when exemptions are applied producing annual sales tax revenue of \$271,020 to the City of West Chicago.

While the development will produce direct sales tax revenues for the City, we can expect that there will be spending by the employees during construction phase and employees during the operational phase to local businesses in West Chicago. This is further explored later in the study.

2.4 Electric Utility Tax Revenue

The City of West Chicago levies a 5% monthly Electric Utility Tax based on usage. Therms usage was estimated based on comparable stores. Based on these figures, the City of West Chicago is expected to receive \$2,727 annually in Electric utility usage and franchise fees.

2.5 Telecom Tax Revenue

The City of West Chicago levies a 6% monthly Telecom Tax based on usage.

West Chicago is expected to receive \$124 annually.

2.6 Total Revenues

Table 6 shows the total annual projected revenues to the City of West Chicago.
Total annual revenues projected to the City of West Chicago are \$281,337.

TABLE 3. Real Property Tax Revenue to the City of West Chicago and Aligned Districts

Property Tax	Tax Rate Per \$100 Taxable Value (2010) *	Assessment Year and Year Payable									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Commercial Taxable Value		\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500
Winfield TWP Road and Bridge (50%)	0.0866	\$505	\$505	\$505	\$505	\$505	\$505	\$505	\$505	\$505	\$505
City of West Chicago	0.5973	\$6,962	\$6,962	\$6,962	\$6,962	\$6,962	\$6,962	\$6,962	\$6,962	\$6,962	\$6,962
West Chicago Park District	0.4917	\$5,731	\$5,731	\$5,731	\$5,731	\$5,731	\$5,731	\$5,731	\$5,731	\$5,731	\$5,731
West Chicago Fire District	1.019	\$11,876	\$11,876	\$11,876	\$11,876	\$11,876	\$11,876	\$11,876	\$11,876	\$11,876	\$11,876
West Chicago Library District	0.3225	\$3,759	\$3,759	\$3,759	\$3,759	\$3,759	\$3,759	\$3,759	\$3,759	\$3,759	\$3,759
*Total Property Tax Revenue	2.5171	\$28,832	\$28,832	\$28,832	\$28,832	\$28,832	\$28,832	\$28,832	\$28,832	\$28,832	\$28,832

* Aligned districts only

TABLE 4. Income to School Districts

Revenue	Tax Rate Per \$100	Total by Year									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Taxable Value		\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500
Property Tax Revenue	5.4481	\$0	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498
Total Revenues		\$0	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498	\$63,498

Annual Revenues to High School District 94

Revenue	Tax Rate Per \$100	Total by Year									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Taxable Value		\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500	\$1,165,500
Property Tax Revenue	2.5376	\$0	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576
Total Revenues		\$0	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576	\$29,576

TABLE 5. Local Sales Tax Revenue To West Chicago

Total Sales *		Total by Year									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Convenience Store Sales Per Month *	\$250,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Gasoline Sales per Gallon Per Year**	\$2.95	\$15,930,000	\$15,930,000	\$15,930,000	\$15,930,000	\$15,930,000	\$15,930,000	\$15,930,000	\$15,930,000	\$15,930,000	\$15,930,000
Subject to Sales Tax 80%		\$12,744,000	\$12,744,000	\$12,744,000	\$12,744,000	\$12,744,000	\$12,744,000	\$12,744,000	\$12,744,000	\$12,744,000	\$12,744,000
Diesel Sales per Gallon Per Year***	\$3.25	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000
Subject to Sales Tax 0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SALES		\$28,680,000	\$28,680,000	\$28,680,000	\$28,680,000	\$28,680,000	\$28,680,000	\$28,680,000	\$28,680,000	\$28,680,000	\$28,680,000
Subject to Sales Tax		\$15,744,000	\$15,744,000	\$15,744,000	\$15,744,000	\$15,744,000	\$15,744,000	\$15,744,000	\$15,744,000	\$15,744,000	\$15,744,000
Sales Tax Revenue to the City											
% of Total Sales	1%	\$157,440	\$157,440	\$157,440	\$157,440	\$157,440	\$157,440	\$157,440	\$157,440	\$157,440	\$157,440
Home Rule Sales Tax****	0.75%	\$113,580	\$113,580	\$113,580	\$113,580	\$113,580	\$113,580	\$113,580	\$113,580	\$113,580	\$113,580
TOTAL SALES TAX REVENUE		\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020

* Sales figures include monthly Convenience Store Sales of \$250,000.

**Gasoline Sales (450,000 avg gallons per month). The ethanol exemption provides that sales tax applies to 80% of sales.

*** Diesel (250,000 avg gallons per month) As biodiesel is over 10% of the blend, the diesel is exempt from paying sales taxes. This law expires in 2018. If the law is not extended the diesel sales tax to West Chicago would be \$170,625 per year

**** Home rule sales tax applied to 80% of convenience store sales.

TABLE 6. Revenues to the City of West Chicago

Revenue Source	Total by Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Commercial Property Tax	\$0	\$7,466	\$7,466	\$7,466	\$7,466	\$7,466	\$7,466	\$7,466	\$7,466	\$7,466
Commercial Sales Tax*	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020	\$271,020
Electric Utility Tax **	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727
Simplified Telecom***	\$124	\$124	\$124	\$124	\$124	\$124	\$124	\$124	\$124	\$124
Totals	\$273,871	\$281,337	\$281,337	\$281,337	\$281,337	\$281,337	\$281,337	\$281,337	\$281,337	\$281,337

* Sales figures include monthly Convenience Store Sales of \$250,000.

** Convenience store with fuel center electric usage obtained from monthly bills from comparable facilities.

*** Convenience store with fuel center Simplified Telecom Fee figures estimated.

Note: Water/Sewer revenue is not included as these are Enterprise Funds. Real Estate Transfer Tax, Permits or Fee revenue is not included as they are one time, non-recurring revenues.

3.0 PROPERTY TAX REVENUES TO ALL DISTRICTS

The development is expected to have a taxable value of \$1,165,500. Applying the 2013 tax rate of 11.4196 per \$100 of the equalized assessed value to the taxable value results in total annual property tax of \$133,095 attributed to the new development. See table 7.

TABLE 7. Property Tax to all Districts

Taxing Jurisdiction	Tax Rate/\$100*	Extension **
County of DuPage	0.1491	\$1,738
County Health Department	0.0549	\$640
Forest Preserve District	0.1657	\$1,931
DuPage Airport Authority.0158	0.0178	\$207
DuPage Water Commision	0.0000	\$0
Winfield Township	0.1318	\$1,536
Winfield TWP Road and Bridge	0.1732	\$2,019
City of West Chicago	0.5973	\$6,962
West Chicago Park District	0.4917	\$5,731
West Chicago Fire District	1.0190	\$11,876
West Chicago Mosq. District	0.0153	\$178
West Chicago Library District	0.3225	\$3,759
Elementary School District 33	5.4481	\$63,498
High School District 94	2.5376	\$29,576
College of DuPage	0.2956	\$3,445
TOTAL	11.4196	\$133,095

* Tax on completion of development using 2013 individual tax rates.

** Based on the Taxable Value of \$1,165,500.00 dollars.

4.0 ECONOMIC IMPACT

The economic impact to the community is measured by the wealth it brings into the community and the ability of the community to capture this wealth and circulate it within the community. The proposed development will add new value to the community, increase the overall wealth and stability of the economic base, and contribute to the circulation of wealth within West Chicago. The direct economic impact of the development is identified as construction phase impact and operations phase impact.

The fiscal portion of this study emphasizes the immediate income to West Chicago from the development program. Property tax and sales tax incomes dominate the discussion. The economic impact portion of this study emphasizes impacts to the broader community and brings out the secondary and tertiary effects of the initial investment in the community.

The economic impact portion relies on accepted economic models reflecting how local economies work and not a detailed analysis of the West Chicago economy.

5.0 CONSTRUCTION PHASE IMPACTS

The following sections quantify the effect of the proposed development on the City of West Chicago economy.

5.1 Impact of Construction Phase

The economic impact of the construction process is tied to the level of direct employment and purchases of goods involved in construction. This impact can be projected by estimating salaries paid and the amount spent on the purchase of goods necessary for construction of the development. The following section evaluates the construction phase impacts of the development using this approach.

5.2 Estimate of Contract Construction Value

The Urban Land Institute estimates that land development and vertical construction is typically about 77.2% of project's construction value. Based on this, an estimated \$5,790,000 will be spent on contract construction from this development including equipment. See Table 8.

Included in Table 8 is a generalized breakout of how contract construction is segmented out. While not specific to this site it does indicate economy segments effected.

CONSTRUCTION PHASE IMPACTS

TABLE 8. Estimate of Contract Construction Value (77.2% of Project Value)

Construction		Project Year
		2016
Convenience Store with Fuel Center*	*	\$3,500,000
Equipment		\$2,000,000
Off site (intersection improvements)		\$2,000,000
Total Cumulative Construction Expenditure		\$7,500,000
Typical Construction Expenditures of Selected Categories **		
Planning, Engineering & Design	4.4%	\$330,000
Site Improvements	10.4%	\$780,000
Direct Building, and Equipment Construction	50.0%	\$3,750,000
Indirect Building Construction and Fees	4.9%	\$367,500
Marketing	4.5%	\$337,500
Overhead	3.0%	\$225,000
Annual Selected Expenditures		\$5,790,000
Cumulative Selected Expenditures ***		\$5,790,000

* Estimated expenditures for this site provided by the client.

**The expenditure for selected categories is projected by applying anticipated costs based on a typical development pro-forma in the Urban Land Institute's Development Handbook.

***Contract Construction as a Fraction of Total Construction Exp. - 77.2%

5.3 Employment Impacts in Construction Phase

Contract construction is projected to be \$5,790,000. Of this amount an estimated \$3,358,096 or 58% will be paid out in wages and salaries. The employment impact of the new development is computed by multiplying the dollar value of the project's contract construction wage income by the metropolitan average for construction employee hours per \$1,000 value of contract construction. This computation yields the 185,214 construction labor hours required by the project. Dividing the hours by 2,000 (the average number of hours of labor per year) results in the number of full-time-equivalent (FTE) jobs generated by the project. The following table shows the construction of the proposed development could result in a total of 93 FTE jobs during the construction period.

TABLE 9. Employment Impacts in Construction Phase - # Full Time Equivalent Jobs

Employment Impacts Income by Project Component in Construction Phase				
Component	Share of Expenditures	Labor Hrs/\$1,000*	Total Labor Hours	FTE Jobs **
Commercial Retail/Office				
On-site Construction	32.9%	44.44	49,099	25
Off-site Construction	8.7%	44.44	12,984	6
Manufacturing	32.6%	60.61	66,354	33
Trade, Transportation and Services	19.4%	66.53	43,344	22
All others	6.4%	62.5	13,433	7
Total			185,214	93

* Source: Robert Ball, "Employment Created by Construction Expenditures," Monthly Labor Review. Published by the Urban Land Institute.

** A full time equivalent job (FTE) consists of 2,000 labor hours. Published by the Bureau of Labor Statistics.

5.4 Construction Related Disposable Income

The income impact is calculated by multiplying the number of labor hours in each category by the average hourly earnings appropriate to that job. The following table shows this calculation. This analysis uses local metropolitan averages¹. The contract construction for the proposed development could result in \$3,358,096 in wages for construction employees. The Bureau of Labor and Statistics estimates that disposable income is 76% of total income, which results in \$2,552,153 worth of disposable income for workers directly involved in construction.

1. Bureau of Labor Statistics, Area Occupational Employment and Wage Estimates, Lake County-Kenosha County, IL-WI Metropolitan Division.

CONSTRUCTION PHASE IMPACTS

TABLE 10. Employment Income Impacts of Construction Phase - Income Created by FTE Jobs

Employment Income Impacts of Construction Phase - Income Created by FTE Jobs				
Component	Total Labor Hours	Avg. Hourly Earnings*	Total Wage Income	Disposable Income **
Commercial Retail/Office				
On-site Construction	49,099	\$22.50	\$1,104,737	\$839,600
Off-site Construction	12,984	\$22.50	\$292,134	\$222,022
Manufacturing	66,354	\$16.50	\$1,094,844	\$832,082
Trade, Transportation and Services	43,344	\$15.03	\$651,456	\$495,106
All others	13,433	\$16.00	\$214,925	\$163,343
TOTAL	185,214		\$3,358,096	\$2,552,153

* Source: Bureau of Labor and Statistics, Area Occupational Employment and Wage Estimates

** Disposable income is estimated at 76% of personal wage income. Source: US Bureau of Labor Statistics, Consumer Spending Patterns, Chicago Metro Area

5.5 Construction Related Consumption Income

Of the \$2,552,153 in disposable construction wage income, the Bureau of Labor Statistics estimates that 92% of disposable income is allocated to consumption expenditures. We do not have any detailed data identifying where these workers will live or where they spend their money so the study conservatively estimates that 7.6% of consumption expenses take place in West Chicago. Based on the current City's commercial mix, we expect these workers will spend 20% of convenience goods spending and 5% of comparison spending and 5% other goods services locally, totaling \$177,625 annually or 7.6% of the total.

TABLE 11. Expenditure Impacts of Construction Phase Employment - \$Spent on Consumption Goods and Services Locally

Expenditure Impacts of Construction Phase Employment - \$ Spent on Convenience & Comparison Goods Locally				
Type of Expenditure	As a Fraction of Total Consumption	Expenditures *	% Spent Locally	Local Expenditures
Convenience Goods	0.171	\$401,505	0.200	\$80,301
Comparison Goods	0.232	\$544,732	0.050	\$27,237
Other Goods/Services	0.597	\$1,401,745	0.050	\$70,087
TOTAL	1.000	\$2,347,981		\$177,625

*Monies available for consumption spending estimated at 92% of disposable income dollars going towards Comparison and Convenience Goods.

6.0 OPERATIONAL PHASE IMPACTS

The following sections quantify the effect of the proposed development on the West Chicago economy.

6.1 Direct Impact of Operational Phase

The direct impact of the commercial development can be measured in terms of output and employment in its operations. The development is expected to employ 13 full time equivalent employees. The convenience store with fueling center is anticipating 1 manager and 12 salespeople, this has been estimated by the client.

The economic impact is derived by multiplying the number of jobs in this employment category by the average earnings specific to the category and region. The Bureau of Labor Statistics reports average hourly wages for retail employment in the area. Multiplying these figures by the number of full-time equivalent workers results in a total of \$389,780 in annual wages. The Bureau of Labor and Statistics estimates that disposable income is 76% of total income, which results in \$296,233 worth of disposable income for workers employed at the development.

TABLE 12. Employment Income Impacts of Operations Phase - Income Created by FTE Jobs

Employment Income Impacts of Operations Phase - Income Created by FTE Jobs				
Component	Employees *	Avg. Hourly Earnings**	Total Wage Income***	Disposable Income****
Manager (Gas Station w/Convenience Store)	1	\$25.69	\$51,380	\$39,049
Retail Salespersons (Convenience store with fuel center)	12	\$14.10	\$338,400	\$257,184
Total	13		\$389,780	\$296,233

* Convenience store with fuel center estimate provided by the client.

6.2 Operations Related Consumption Income

Of the \$296,233 in disposable employee wage income, the Bureau of Labor Statistics estimates that 92% of disposable income is allocated to consumption spending. The Bureau of Labor Statistics have also determined a fraction of that consumer spending that is supported by convenience and comparison spending. We do not have any detailed data identifying where these workers will live or where they will

OPERATIONAL PHASE IMPACTS

spend their money so the study conservatively estimates that 19.0% of consumption expenses take place in West Chicago. Based on the current City's commercial mix, we expect these workers will spend 20% of convenience goods spending and 5% of comparison spending and 5% other goods services locally, totaling \$52,218 annually or 19.0% of the total.

TABLE 13. Expenditure Impacts of Operations Phase Employment - \$ Spent on Consumption Goods and Services Locally

Expenditure Impacts of Operations Phase Employment - \$ Spent on Convenience & Comparison Goods Locally				
Type of Expenditure	As a Fraction of Total Consumption	Expenditures	% Spent Locally	Local Expenditures
Convenience Goods	0.171	\$46,603	0.500	\$23,302
Comparison Goods	0.232	\$63,228	0.200	\$12,646
Other Goods/Services	0.597	\$162,703	0.100	\$16,270
TOTAL		\$272,534		\$52,218

*Monies available for consumption spending estimated at 92% of disposable income dollars going towards Consumption goods and services.

7.0 SUMMARY

The proposed development of a gas station-convenience store and restaurant in the City of West Chicago, Il will positively impact the City of West Chicago and its surroundings.

- The total taxable value of the development after completion is estimated to be \$1,165,500.
- The total construction of buildings, offsites and equipment is projected at \$7.5 million.
- The development is estimated to generate annual revenues to the City of West Chicago of \$281,337.
- Property tax revenue to Elementary School District 33 is estimated to be \$63,498, and to High School District 94 to be \$29,576.
- and \$133,095 to all taxing jurisdictions annually.

The economic impact to the community is measured by the wealth it brings into the community and the ability of the community to capture this wealth and circulate it within the community. The proposed development will add new value to the community, increase the overall wealth and stability of the economic base, and contribute to the circulation of wealth within West Chicago. The direct economic, including secondary and tertiary impact of the development are summarized below:

- The construction of this development could generate over 93 full time equivalent construction and construction-related jobs, creating a total wage income of \$3,358,096. Not only could a good number of these jobs go to workers in the local area, but the estimated spending on consumption goods at local businesses during the construction phase are estimated to be \$177,625.
- The new development is projected to directly employ an estimated 13 full time equivalent workers during the operational phase. A high portion of these positions will be filled by local workers. These jobs will receive a projected \$389,780 in annual salary and wages. This potential of capturing and circulating the new expendable income brought to the community by the new employees can boost the viability of existing retail and service providers.

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Ordinance No. 15-O-0015 – Residency Requirements in the City Code

AGENDA ITEM NUMBER:6.A.**FILE NUMBER:****COMMITTEE AGENDA DATE:****COUNCIL AGENDA DATE:** May 18, 2015**STAFF REVIEW:****SIGNATURE** _____**APPROVED BY CITY ADMINISTRATOR:****SIGNATURE** _____**ITEM SUMMARY:**

During the appointment processes for the last two Chiefs of Police (who did and do not live in West Chicago per their contracts), several Aldermen indicated that the residency requirements should be removed from the City Code for the officials appointed by the Mayor with concurrence from the City Council. This issue was recently directed to the Finance Committee for consideration.

ACTIONS PROPOSED:

Consideration of Ordinance No. 15-O-0015.

COMMITTEE RECOMMENDATION:

ORDINANCE NO. 15-O-0015

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE
CITY OF WEST CHICAGO – RESIDENCY REQUIREMENTS**

BE IT ORDAINED by the City Council of the City of West Chicago, DuPage County, Illinois, in regular session assembled, as follows:

Section 1. That the following sentence shall be deleted from Chapter 2, Article III, Sections 2-121 and 2-166 of the Code of Ordinances of the City of West Chicago: “He shall reside within the city during the term of his appointment”.

Section 2. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 3. That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

PASSED this 18th day of May 2015.

Alderman L. Chassee	_____	Alderman J. Beifuss	_____
Alderman A. Hallett	_____	Alderman L. Grodoski	_____
Alderman K. Meissner	_____	Alderman J. C. Smith, Jr.	_____
Alderman R. Stout	_____	Alderman N. Ligino-Kubinski	_____
Alderman M. Birch	_____	Alderman D. Earley	_____
Alderman J. Sheahan	_____	Alderman S. Dimas	_____
Alderman J. Banas	_____	Alderman M. Edwalds	_____

APPROVED as to form: _____
City Attorney

APPROVED this 18th day of May 2015.

Mayor, Ruben Pineda

ATTEST:

City Clerk, Nancy M. Smith

PUBLISHED: _____

ARTICLE III. APPOINTED OFFICERS

Editor's note—Section 2 of Ord. No. 2727, adopted Jan. 3, 1994, retitled Art. III, "City Administrator" as "Appointed Officers." Section 3 of Ord. No. 2727, reclassified §§ 2-121—2-141 as a new Art. III, Div. 1 entitled, "City Administrator," and § 4 of Ord. No. 2727 added a new Div. 2 to read as herein set out.

DIVISION 1. CITY ADMINISTRATOR

Sec. 2-121. Office created; appointment and qualifications.

There is hereby created the office of city administrator. The city administrator shall be appointed by the mayor with the advice and consent of the city council. The appointment shall be by written contract for a period not exceeding four (4) years and which must terminate no later than the end of the term of the then presiding mayor. He shall reside within the city during the term of his appointment.

(Ord. No. 06-O-0001, § 4, 2-6-2006)

Sec. 2-122. Chief administrative official.

The city administrator shall be responsible to the mayor and city council for the efficient administration of the city. The city administrator shall be responsible for the recruitment, selection and removal of all employees whose positions are not subject to either appointment by the mayor with the advice and consent of the city council as detailed in this article III or the civil service commission.

(Ord. No. 06-O-0001, § 4, 2-6-2006)

Sec. 2-123. Removal.

The city administrator may be removed from office by the mayor with the advice and consent of the city council.

(Ord. No. 06-O-0001, § 4, 2-6-2006)

Sec. 2-124. Bonding requirements.

(a) Before taking office, the city administrator shall furnish a fidelity bond in the amount of seven thousand five hundred dollars (\$7,500.00) and with such surety as may be approved by the council. Said bond shall be conditioned on the faithful performance of his duty and conditioned to indemnify the city for any loss by reason of any act of the city administrator. The cost of the bond shall be paid by the city and filed with the clerk after being approved by the council.

(b) The city is currently a member of a self-insurance pool known as the Intergovernmental Risk Management Agency ("IRMA"). IRMA currently provides public officials fidelity, crime and honesty (dishonesty) coverages equivalent to or in excess of the bonding requirements set

15-0-0015

Sec. 2-147. Compensation.

The corporation counsel shall receive as compensation the sum of three thousand dollars (\$3,000.00) per year, payable in twelve (12) equal monthly installments, for attendance at regular council meetings. In addition, he shall receive an hourly rate as from time to time set by the council for legal services performed. He shall not receive any compensation on a percentage basis.

(Ord. No. 06-O-0001, § 4, 2-6-2006)

Sec. 2-148. Appointment of additional attorneys.

When necessary, the mayor, with the advice and consent of the city council, shall appoint additional attorneys to perform legal services for the city or to assist the corporation counsel on special matters.

(Ord. No. 06-O-0001, § 4, 2-6-2006)

Secs. 2-149—2-165. Reserved.**DIVISION 3. CHIEF OF POLICE****Sec. 2-166. Office created; appointment and qualifications.**

There is hereby created the office of the chief of police. The chief of police shall be appointed by the mayor with the advice and consent of the city council, and shall report to the city administrator. The appointment may be by written contract for a period not exceeding four (4) years and which must terminate no later than the end of the term of the then presiding mayor. He shall reside within the city during the term of his appointment.

(Ord. No. 06-O-0001, § 4, 2-6-2006)

Sec. 2-167. Duties.

The chief of police shall have a job description which has been approved by the city council.

(Ord. No. 06-O-0001, § 4, 2-6-2006)

ARTICLE IV. RESERVED***Secs. 2-168—2-264. Reserved.**

***Editor's note**—Section 4 of Ord. No. 06-O-0001, adopted Feb. 6, 2006, amended and at the city's instruction deleted Art. IV, Divs. 1—4, 6—8, 10, 11, which pertained to executive departments. For complete derivation see the Code Comparative Table at the end of this volume.