

8/15/2005

48-R-05

**A RESOLUTION**

**Authorizing the City Manager to Sign  
A Redevelopment Agreement for Sales Tax Sharing  
with Autobarn Motors, Ltd.**

**WHEREAS**, the City, pursuant to Section 10 of Article VII of the Constitution of the State of Illinois, is authorized to contract or otherwise associate with individuals in any manner not prohibited by law or ordinance; and

**WHEREAS**, 65 ILCS 5/8-11-20 (the "Statute") authorizes municipalities to enter into economic incentives agreements in order to encourage the development or redevelopment of land within their corporate limits; and

**WHEREAS**, Autobarn Motors, Ltd. (the "**Developer**") is the owner of an automobile sales center (the "**Center**") located at 1001, 1012 and 1034 Chicago Avenue in Evanston, which is located on real estate legally described and depicted in **Exhibit A** of the Agreement attached hereto and made part hereof, doing business as the Autobarn Mazda of Evanston and Autobarn Volkswagen of Evanston and has been in operation for approximately 12 years; and

**WHEREAS**, the Center has generated for calendar year 2003 \$291,500.00 in sales tax revenue to the City (the "**Base Year Sales Tax**"); and

**WHEREAS**, Developer has purchased approximately 5.3 acres of real estate located at 3450 West Oakton Street in Skokie, Illinois and has announced an intention to relocate a major portion of the automobile dealership including sales and service to said community; and

**WHEREAS**, said relocation will result in a substantial reduction in sales tax revenue to the City of Evanston; and

**WHEREAS**, Developer has expressed his willingness to remain in the City of Evanston if the City agrees to rebate a portion of any sales tax revenue received by the City that are generated by the redevelopment of certain property; and

**WHEREAS**, the property at 1015 and 1033 Chicago Avenue and 520 Greenleaf (the "**Toyota Property**") currently operated as an automobile dealership known as Evanston Toyota will be closed and will cease all operations as of November 1, 2005 and thereby will no longer contribute to the sales tax base of the City, which real estate is legally described and depicted in **Exhibit B** of the Agreement attached hereto and made part hereof; and

**WHEREAS**, Developer has expressed a desire to purchase and redevelop the Toyota Property for the purpose of relocating and expanding a portion of its existing automobile dealerships including the relocation of the Volkswagen and Mazda operations; and

**WHEREAS**, a portion of the existing Center located at 1034 Chicago Avenue will remain in operation as a used motor vehicle sales facility; and

**WHEREAS**, the Toyota Property and 1034 Chicago Avenue (the “Property”) will be the location of the expanded and relocated Automobile Sales Center; and

**WHEREAS**, Developer desires to redevelop an automobile sales center area on the Toyota Property; and

**WHEREAS**, such automobile sales center will include a relocated Volkswagen and a relocated Mazda dealership; and

**WHEREAS**, the extraordinary costs associated with the acquisition and redevelopment of the Property, including the Toyota Property, require certain incentives from the City, and the incentives that will be offered to offset these extraordinary costs will be in the form of rebates from the City’s portion of local sales taxes generated on the Property; and

**WHEREAS**, the City desires to increase sales tax revenues, property tax revenues, retain existing businesses, diversify the tax base, create new jobs, and provide for the general enhancement of the tax base of the City for the benefit of the City and other governmental entities; and

**WHEREAS**, the City has determined that providing financial assistance in the form of such sales tax rebates is a proper exercise of its home rule powers; and

**WHEREAS**, the City, in reliance on historical growth data of the Developer, has prepared certain sales tax projections, copies of which are attached hereto and made a part hereof as **Exhibit D** of the Agreement, setting forth certain potential real estate and sales tax revenues to the City and Certain other governmental bodies; and

**WHEREAS;** pursuant to the Statute, the City Council of the City of Evanston have made the following findings with respect to the Property, including the Toyota Property, and the Project;

- A. The Project is expected to retain and to create job opportunities within the City;
- B. The Project will serve to further the development of areas adjacent to the Property;
- C. Without this Agreement, the Project would not be possible;
- D. The Developer meets high standards of credit worthiness and financial strength;
- E. The Project will maintain the neighborhood commercial base of the City;
- F. The Project will protect and enhance the sales tax base of the City; and
- G. This Agreement is made in the best interest of the City.

**WHEREAS,** the Developer represents and warrants that the Project requires economic assistance from the City and but for the undertakings of the City as set forth in this Agreement, Developer would not acquire the Toyota Property, or construct the Project on the Property and would relocate to Skokie, and

**WHEREAS,** the City has agreed, pursuant to the terms of this Agreement, to provide certain sales tax sharing provisions in order to insure the economic feasibility of the Project which will have the benefits described above.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

**SECTION 1:** That the City Manager is hereby authorized and directed to sign a Redevelopment Agreement with Autobarn Motors, Ltd., for sales tax sharing, attached hereto as Exhibit 1.

**SECTION 2:** That the City Manager is hereby authorized and directed to negotiate any additional conditions of the application as may be determined to be in the best interests of the City.

**SECTION 3:** That the Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

  
Lorraine H. Morton, Mayor

ATTEST:

  
City Clerk

Adopted: August 15, 2005