

**MEMORANDUM**

**TO:** Scott R. Niehaus, Village Manager

**FROM:** William J. Heniff, AICP, Director of Community Development *WJH*

**DATE:** March 17, 2016

**RE:** **PC 15-21: 611 E. Butterfield Road: Sam's Club Incentive Agreement**

In tonight's Village Board agenda is a resolution to approve an incentive agreement associated with the Sam's Club development. As a non-home community, the developer is obligated to meet the provisions of 65 ILCS 5/8-11-20. Staff, Village Counsel and the developer's counsel have been discussing the statute provisions and the result of this discussion is a change to the recitals included within the agreement as noted on the attached page. This amended language provides clarity as to the relationship of Sam's West, Inc. as developer and recognizes that they have multiple retail locations (they operate 166 clubs of which 33 are in Illinois). All other provisions of the agreement are unchanged.

**ACTION REQUESTED**

In the motion to approve the resolution, the motion should include a statement that the agreement be amended to include the language provided to the Village Board as part of the approval which clarifies the legal status of the developer in the agreement recitals.

- E. The projected cost of the Project is estimated to be Seven Million Eighty-Five Thousand Four Hundred Two and No/100 Dollars (\$7,085,402.00), as more fully set forth on Exhibit C attached hereto and made part hereof.
- F. Pursuant to 65 ILCS 5/8-11-20, the Village finds as follows:
1. As to the vacant portion of the Subject Property:
    - (a) said portion has remained vacant for at least one (1) year; or
    - (b) any buildings that were located thereon were demolished within the last year, and would have been found to qualify under subsection 2 below;
  2. As to the developed portion of the Subject Property, the buildings located thereon:
    - (a) no longer comply in all respects with current building codes; or
    - (b) have remained less than significantly occupied or utilized for a period of at least one (1) year;
  3. The Project is expected to create job opportunities within the Village;
  4. The Project will serve to further the development of adjacent areas;
  5. Without this Agreement, the Project would not be possible;
  6. The Developer, as a wholly owned subsidiary of Wal-Mart Stores, Inc., and operator of numerous Sam's Club retail facilities, meets/will meet the criteria set forth in 65 ILCS 5/8-11-20(6)(A), (B) and/or (C);
  7. The Project will strengthen the commercial sector of the Village;
  8. The Project will enhance the tax base of the Village; and
  9. This Agreement is made in the best interests of the Village.
- G. Developer and the Village acknowledge that Developer requires economic assistance from the Village in order to complete the Project, and that the Project would not be economically feasible, but for the economic assistance promised by the Village in this Agreement.
- H. Because the Project would not be economically feasible but for the economic assistance promised by the Village in this Agreement, the Village agrees, pursuant to the terms of