



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:		Economic Development Incentive Agreement	
Presenter & Title:		Cathleen Tymoszenko, Economic Development Director	
Date:		October 7, 2024	
Please Check Appropriate Box:			
<input checked="" type="checkbox"/>	Committee of the Whole Meeting	<input type="checkbox"/>	Special Committee of the Whole Meeting
<input checked="" type="checkbox"/>	City Council Meeting	<input type="checkbox"/>	Special City Council Meeting
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Other -
Associated Strategic Plan Goal/Objective: EV:II			
Estimated Cost: \$ 52,000		Budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Other Funding? <input type="checkbox"/> Yes <input type="checkbox"/> No
<i>If "Other Funding," please explain how the item will be funded:</i>			
Executive Summary:			
<p>The McFadden family, owners of 310 Campbell and 200 S. Third, have completed a series improvements in excess of \$500K to create new tenant suites, modernize interiors and improve life safety. The next phase of work includes the removal of the connector between buildings and restoration of front door and threshold.</p> <p>Until 2009, McFadden family businesses were the sole occupants of the buildings and the connector between properties allowed for indoor traffic. As the use of the building has changed, removal of the connector will advance the goal of eliminating non-historic features on historic buildings as advocated by the National Park Services and the Geneva Historic Preservation Commission. In keeping with prior determinations for expenditures of American Rescue Plan Act Funds set aside for Historic Preservation and Adaptive Reuse, we recommend a grant award for \$52,000. This amount is 80% of the estimated improvements planned for the next phase of work and is approximately 9% of the total project costs including this planned phase.</p>			
Attachments: <i>(please list)</i>			
<ul style="list-style-type: none"> • Property Photos • Economic Development Incentive Agreement 			
Voting Requirements:			
<p><i>This motion requires choose a simple majority of affirmative votes for passage. (City Council Only)</i></p> <p><i>The Mayor may vote on three occasions: (a) when the vote of the alderpersons has resulted in a tie; (b) when one half of the alderpersons elected have voted in favor of an ordinance, resolution, or motion even though there is no tie vote; or (c) when a vote greater than a majority of the corporate authorities is required by state statute or local ordinance to adopt an ordinance, resolution, or motion.</i></p>			
Recommendation / Suggested Action: <i>(how the item should be listed on agenda)</i>			
Consider Approval of Resolution Authorizing Development Economic Incentive Agreement between City of Geneva and Benetto/Cervelo LLC for 200 S. Third and 310 Campbell Street.			





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RESOLUTION NO. 2024 -104

**RESOLUTION AUTHORIZING EXECUTION OF
AN ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN
CITY OF GENEVA AND BENOTTO, LLC/ CERVELO, LLC .**

**BE IT RESOLVED BY THE CORPORATE AUTHORIES OF THE CITY OF
GENEVA, KANE COUNTY, ILLINOIS, as follows:**

SECTION 1: That the City Administrator is hereby authorized to execute, on behalf of the City of Geneva, An Economic Incentive Agreement by and between City of Geneva and Benotto, LLC/Cervelo, LLC, in the form attached hereto at Exhibit “A”, relating to the historic preservation and redevelopment of 200 S. Third and 310 Campbell Streets, Geneva IL.

SECTION 2: This Resolution shall become effective from and after its passage as in accordance with law.

PASSED by the City Council of the City of Geneva, Kane County, Illinois, this ____ day of _____, 2024

AYES: __ NAYS: __ ABSENT: __ ABSTAINING: __ HOLDING OFFICE: __

Approved by me this ____ day of _____, 2024.

Mayor

ATTEST:

City Clerk

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

By and Between

CITY OF GENEVA AND BENOTTO, LLC/CERVELO, LLC.

FOR 200 S. THIRD AND 310 CAMPBELL STREETS, GENEVA, IL.

This Agreement is entered into this _____ day of _____, 2024, by the City of Geneva, Kane County, Illinois, an Illinois Municipal Corporation (hereinafter referred to as the "City" or "corporate authorities"); and Benotto LLC, an Illinois limited liability company and Cervelo LLC, an Illinois limited liability company (hereinafter collectively referred to as "Owner"). The City and the Owner are collectively referred to as the "Parties."

Pursuant to the provisions of statutes and Government Funds and Plans (as hereinafter defined) and the Illinois Constitution of 1970, and in consideration of the Findings set forth below, the mutual covenants herein contained and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties agree as follows:

SECTION I. AUTHORITY

The authority for the Parties to enter into this Agreement is:

A. As a non-home rule unit of government the City's authority is expressly limited by Article VII, Section 7 of the Illinois Constitution of 1970, which provides in part that non-home rule units of government shall only have powers granted to them by law.

B. Accordingly, under Illinois law (65 ILCS 5/8-1-2.5) the corporate authorities may enter into an economic incentive agreement relating to the making of grants to any other governmental entity or commercial enterprise that are deemed necessary or desirable for the promotion of economic development within the municipality.

C. The Coronavirus State and Local Fiscal Recovery Funds, a part of the federal American Rescue Plan (known as the Government Funds and Plans), delivered funds to local government to support recovery and to ensure that governments have the resources needed to fight

the pandemic, support families and businesses, maintain public service and build a strong, resilient and equitable economy by making investments that support long-term growth and opportunity. In keeping with this goal and the U.S. Department of the Treasury Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule issued in January 2022 and amended in 2023, the City Council of the City of Geneva has determined that a portion of the City of Geneva's American Rescue Plan will be used to support investment in historic downtown Geneva.

SECTION II. FINDINGS

In accordance with the statutory provisions cited above as well as the City Council's intended use of Government Funds and Plans referenced above, the factors of consideration that have resulted in this Agreement are the following:

A. The Owner is the legal owner of certain real property ("Property") located within the boundaries of the City, commonly known as 200 S. Third and 310 Campbell Streets, Geneva, Illinois 60134, and legally described in **Exhibit A**. The Property is improved with two two-story frame buildings consisting of approximately 4,987 square feet ("Building"). The Building is located in an established downtown commercial area adjacent to the primary intersection of Third and Campbell Streets.

B. The Property is identified as a Contributing property within the local historic district and as a Contributing property in the Central Geneva Historic District, listed in the National Register of Historic Places. Both structures are labeled as contributing properties for their association of people, architecture and community development, specifically the Early Settlement Period of Geneva (1837-1857).

C. The Property was previously fully occupied by two family businesses that maintained sole occupancy until 2009 after which the space was subdivided into six units, three in each building. The connector that at one time allowed for indoor traffic between family businesses is no longer serving a purpose.

D. The Owner has undertaken extensive capital investment to create code compliant

spaces for several leasehold tenants. Such improvements include but are not limited to extensive remodeling of interior spaces, adding an ADA bathroom, creating fire separations, installing and maintaining a fire alarm and creating new storefronts. Such improvements represent a previous investment of \$447,000 as detailed in **Exhibit B**.

E. The corporate authorities finds that the Property, as it exists on the date of this Agreement, will benefit from continued investment including the removal of the connector between the properties and the restoration of the front door and threshold at the Third Street elevation hereafter sometimes referred to as the “Project” as further defined in the Project Budget as set forth in **Exhibit B**. The Project will improve the character of the property and the neighborhood by enhancing curb appeal, reestablishing the residentially scaled individuality of the two structures, allowing for the integration of new landscaping, improving drainage, providing for improved pedestrian walkways and access to parking and improving safety.

F. The Parties acknowledge that the Project requires municipal reviews and approvals by the City’s Plan and Zoning Commission, the Historic Preservation Commission and City Council.

G. The Owner, who shall act as the developer (“Developer”) of the Project, is seeking economic assistance from the City in order to complete the Project and has demonstrated that without the economic assistance to be given by the City the Project as contemplated by the Project Budget would not be economically viable; and

H. The corporate authorities finds that the Owner has demonstrated that if the Project expenditures are made, the commercial space will become more viable and will continue to be leasable and occupied; and

I. The corporate authorities also finds that Owner is a recognized and established developer of commercial lease space and has provided specific evidence of equity financing for not less than 10% of the total project costs; and

J. The corporate authorities finds that completing the Project requires assistance from

the City in order to complete the improvements and it is in the City of Geneva's best interest to enter into this Agreement in order to have the Property modified in accordance with the Project, that the Project will increase employment opportunities in the City, strengthen the commercial sector of the City and enhance the tax base of the City.

K. Pursuant to the 65 ILCS 5/8-11-20, the City Council of the City has made the following findings with respect to the Project:

- i. The Project is expected to create or retain job opportunities within the City.
- ii. The Project will serve to further the development of adjacent areas.
- iii. Without this Agreement, the Project would not be possible.
- iv. The Developer meets high standards of creditworthiness and financial strength, as demonstrated by specific evidence of equity financing for not less than 10% of the total project costs.
- v. The Project will strengthen the commercial sector of the City.
- vi. The Project will enhance the tax base of the City.
- vii. This Agreement is made in the best interest of the City.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter contained, the adequacy and sufficiency of which the parties hereto stipulate the City and the Owner agree as follows:

SECTION III. INCORPORATIONS OF RECITALS. The recitals set forth hereinabove are incorporated herein by reference as substantive provisions of this Agreement.

SECTION IV. INTENT. Subject to the Conditions Precedent set forth in Section IV below, the City is prepared to commit to the incentives under the terms and conditions hereinafter set forth to induce and assist in the Project.

SECTION V. CONDITIONS PRECEDENT

All undertakings on the part of the City pursuant to the Agreement are subject to the satisfaction of the following conditions:

A. The plans for building and signage improvements constituting the Project will have been approved by the City as required by law and as provided in City ordinances.

B. OWNER will have completed the modifications and enhancements included in the Project Budget set forth on **Exhibit B** and City has closed the permit for the Project.

C. OWNER will have demonstrated to the reasonable satisfaction of the City that it has contributed up to **\$ 65,000** (or more than such amount) toward the Project Budget set forth on **Exhibit B** prior to seeking any reimbursement. Following completion of improvements, Owner shall provide City with any documentation necessary to establish its Reimbursable Improvement Costs as defined in **Exhibit C** hereto. Such documentation shall include, but shall not be limited to, written proof of City inspections indicating code compliance (or no violations of codes) and/or compliance with approved plans, as applicable, and proof that the persons making such improvements have been paid in full. Such reimbursement must be sought on or before September 1, 2025.

SECTION VI. REIMBURSEMENT PROCEDURES

The City shall contribute, as a grant, to the cost of the historic renovation of the property in an amount equal to 80% (eighty percent) but not to exceed **\$52,000** of the Project cost as set out in **Exhibit C**. The CITY will provide this grant award upon completion of all building and site improvements evidenced by the closing of the permit by the City for the Project. The Owner shall

submit to the City a verified statement, in such detail that is satisfactory to the City, showing proof of payment for the full cost of all work and labor, and/or of each separate component amount due to the contractor(s) involved in furnishing labor, materials, or equipment in said work, and/or component part. The City shall, upon receipt of said proof of payment, issue payment to the OWNER for the portion of storefront restoration. Such payment must be applied for before September 1, 2025 and issued prior to December 31, 2025. The City shall diligently process payment of the Grant to Owner withing a reasonable time after submission of all documentation in support to fits Reimbursement improvement Costs.

SECTION VII. TERM

The period of payment to OWNER shall commence on the date that the OWNER received documentation of final inspection and permit closure thereafter until December 31, 2025.

SECTION VIII. ADDITIONAL COVENANTS

A. Time: Time is of the essence unless otherwise stated in this Agreement and all time limits set forth are mandatory and cannot be waived except by a lawfully authorized and executed written waiver by the Party excusing such timely performance.

B. Binding Effect: This Agreement shall inure to the benefit of and shall be binding upon the City and Owner and their respective successors and assigns. Notwithstanding anything herein to the contrary, the rights and benefits of this Agreement shall remain personal to Owner, provided, however, Owner may assign, without release of Owner its duties, obligations and benefits to any entity which meets the standards for transfer, conveyance or sale set forth below, and City shall direct such reimbursement payments in accordance with any assignment notice to be provided by Owner to City within thirty (30) days of such assignment.

C. Law Governing: This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

D. Severability: If any provision of this Agreement is held invalid by a court of competent jurisdiction or in the event such a court shall determine that the City does not have the power to perform any such provision, such provision shall be deemed to be excised here from and the invalidity thereof shall not affect any of the other provisions continued herein.

E. Notices: All notices and requests required pursuant to this Agreement shall be sent by certified mail as follows:

To the OWNER:

Benotto, LLC
 Cervelo LLC
 Attn: Dan McFadden
 28W757 Stafford Place, Warrenville, IL 60555

To the CITY:

City Administrator
 22 South First Street
 Geneva, IL Illinois 60134
 Phone: (630) 232-7494

With copies to:

City Clerk
 22 South First Street
 Geneva, Illinois 60134

City Attorney
 22 South First Street
 Geneva, Illinois 60134

F. Authority to Execute: The signatories of the parties hereto have been authorized by the corporate authorities of the City and the Owner to execute this Agreement on their behalf.

G. Successors and Assigns. All the terms and provisions of this Agreement will be binding on and inure to the benefit of all of the successors and assigns of the parties hereto.

H. Third-Party Beneficiaries. The City and the Owner agree that this Agreement is for the benefit of the parties hereto and not for the benefit of any third-party beneficiary. Except as otherwise provided herein, no third party will have any rights or claims against the City arising from this Agreement.

I. Time. Subject to Section 7K hereof, time is of the essence under this Agreement, and all-time limits set forth are mandatory and cannot be waived except by a lawfully authorized and executed written waiver by the party excusing such timely performance.

J. Limitation of Liability. Notwithstanding anything herein to the contrary by implication or otherwise, any obligations of the City created by or arising out of this Agreement will not be a general debt of the City on or a charge against its general credit or taxing powers but will be payable solely out of the Coronavirus State and Local Fiscal Recovery Funds as set forth in Section 3. No recourse will be had for any payment pursuant to this Agreement against any officer, employee, attorney, or elected or appointed official, past, present, or future, of the City.

K. No Waiver or Relinquishment of Right To Enforce Agreement. Failure of any party to this Agreement to insist on the strict and prompt performance of the terms, covenants, agreements, and conditions herein contained, or any of them, on any other party imposed will not constitute or be construed as a waiver or relinquishment of any party's right thereafter to enforce any such term, covenant, agreement, or condition, which will continue in full force and effect.

L. Amendment. This Agreement sets forth all the promises, inducements, agreements, conditions, and understandings between the Owner and the City relative to the subject matter thereof, and there are no promises, agreements, conditions, or understandings, either oral or written, express or implied, between them related thereto, other than as herein set forth. No subsequent alteration, amendment, change, or addition to this Agreement will be binding on the parties hereto unless authorized in accordance with law and reduced in writing and signed by them. However, whenever under the provisions of this Agreement any notice or consent of the City or the Owner is required, or the City or the Owner is required to agree or to take some action at the request of the other, such approval or such consent or such request will be given for the City, unless otherwise provided herein, by the Mayor or his or her designee and for the Owner by any officer or employee as the Owner so authorizes.

M. Counterparts. This Agreement may be executed in two or more counterparts, each of which taken together will constitute one of the same instrument.

N. Default. In the event of any material default under or violation of this Agreement, the

party not in default or violation will serve written notice on the party or parties in default or violation, which notice will be in writing and will specify the particular violation or default. All parties hereto reserve the right to cure any violation of this Agreement or default by any of them hereunder within 30 days after receipt of written notice of such default, provided that said 30-day period will be extended (a) if the alleged violation or default is not reasonably susceptible to being cured within this 30-day period, (b) if the party in default has promptly initiated a cure of the violation or default, and (c) if the party in default diligently and continuously pursues a cure of the violation or default until its completion.

IN WITNESS WHEREOF, this Agreement is entered into at Geneva, Illinois, as of the date and year shown below.

APPROVED BY the City of Geneva, Kane County, Illinois, by Resolution No. 2024-

_____, on the _____ day of _____, 2024.

CITY OF GENEVA,
an Illinois Municipal Corporation

Stephanie K. Dawkins

City Administrator

ATTEST:

City Clerk

OWNER:

BENOTTO LLC, an Illinois Limited Liability Company

Dan McFadden

CERVELO LLC, an Illinois Limited Liability Company

Dan McFadden

PIN 12-03-455-004

Cervelo LLC

310 Campbell St.

Geneva, IL 60134

THE WESTERLY 41 FEET OF THE NORTHERLY 86 FEET OF LOT 2 AND THE EASTERLY 9 FEET OF LOT 3 IN BLOCK 68 OF THE ORIGINAL TOWN OF GENEVA, IN THE CITY OF GENEVA, KANE COUNTY, ILLINOIS.

12-03-455-005

Benotto LLC

200 S Third St.

Geneva, IL 60134

THE NORTHERLY 86 FEET OF LOT 1 AND THE NORTHERLY 86 FEET OF LOT 2 (EXCEPT THE WESTERLY 41 FEET) IN BLOCK 68 OF THE ORIGINAL TOWN OF GENEVA, IN THE CITY OF GENEVA, KANE COUNTY, ILLINOIS.

EXHIBIT B: RECENT CAPITAL INVESTMENTS AND PROJECT BUDGETRecent Capital Investments

200 S. Third	\$ 297,000
Tenant Separation of Suites	
New ADA bathroom Suite 100	
Remodel Interior Suite 120	
New Storefront Suite 120	
 310 Campbell	 \$ 150,000
Convert 2 nd floor office to residential	
New bath, kitchen	
Two-hour fire separation Suite 100 & 200	
Interior Buildout & Fixtures	

Project Budget

Remove Connector	
Front Door and Threshold Restoration Third Street	\$ 65,000
 TOTAL	 \$ 512,000

EXHIBIT C: REIMBURSEABLE PROJECT COST

Removal of Connector	
Restoration of Front Door and Threshold	
TOTAL	\$65,000

Owner shall be entitled to receive 80% of amounts contributed up to the Reimbursable Improvement Costs in accordance with the terms of the Agreement, even if it contributes less than the full amount of the Reimbursable Improvement Costs. Applicable line items may increase or decrease within the Project budget.