

# SEIZE THE FUTURE

## AURORA, ILLINOIS

**To:** Finance Committee  
**From:** Dave Hulseberg, President/CEO  
**Date:** 8/13/2015  
**Re:** Sales Tax Revenue Sharing Agreement – JTE Family Properties, LLC – 1030-1034 Prairie Street

**Project Background:** JTE Family Properties, LLC has purchased the vacant building at 1030-1034 Prairie Street with an intention to renovate the property and operate a restaurant, to be known as Spartan Ale House. Spartan will offer a menu of pub food in a casual dining environmental, interactive vending, and five video gaming terminals. The subject property was purchased by JTE for \$262,900. JTE has indicated that other project costs will include \$578,500. The agreement calls for JTE to proceed with required right-of-way improvements to Prairie Street and the City will install the required right-of-way improvements to Hartford Avenue. Given the total investment costs of the project, the project will not be able to proceed without economic assistance from the City through a sales tax revenue sharing agreement between the city and JTE.

The sales tax revenue sharing agreement will provide a rebate to JTE up to \$110,000 over a ten year period of sales tax generated by Spartan Ale House. The sales tax rebate allocation shall be as follows:

**Sales Tax Rebate:** 90% of the state sales tax distributed to the City from the State during the first 12 month period after the commencement date.

80% of the state sales tax distributed to the City from the State during the second 12 month period after the commencement date.

70% of the state sales tax distributed to the City from the State during the third 12 month period after the commencement date.

60% of the state sales tax distributed to the City from the State during the fourth 12 month period after the commencement date.

50% of the state sales tax distributed to the City from the State during the next six (6) 12 month periods.

Home Rule Sales Taxes received by the City will not be rebated.

**Provisions:** If JTE Family Properties, LLC fails to meet the obligations agreed upon within the Sales Tax Revenue Sharing agreement, the City shall be repaid in the following manner:

In the first twelve (12) month period after the Commencement Date, the City shall be repaid one-hundred percent (100%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

In the second twelve (12) month period after the Commencement Date, the City shall be repaid ninety percent (90%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

In the third twelve (12) month period after the Commencement Date, the City shall be repaid eighty percent (80%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

In the fourth twelve (12) month period after the Commencement Date, the City shall be repaid seventy percent (70%) of any sums paid or rebated to JTE pursuant to this Agreement, since the

# SEIZE FUTURE

## AURORA, ILLINOIS

Commencement Date.

In the fifth twelve (12) month period after the Commencement Date, the City shall be repaid sixty percent (60%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

In the sixth twelve (12) month period after the Commencement Date, the City shall be repaid fifty percent (50%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

In the seventh twelve (12) month period after the Commencement Date, the City shall be repaid forty percent (40%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

In the eighth twelve (12) month period after the Commencement Date, the City shall be repaid thirty percent (30%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

In the ninth twelve (12) month period after the Commencement Date, the City shall be repaid twenty percent (20%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

In the tenth twelve (12) month period after the Commencement Date, the City shall be repaid ten percent (10%) of any sums paid or rebated to JTE pursuant to this Agreement, since the Commencement Date.

**Seize the Future  
Recommendation:**

The Seize the Future Board of Directors, at their regularly scheduled meeting on August 11<sup>th</sup>, made a favorable recommendation of the Sales Tax Revenue Sharing Agreement between the City of Aurora and JTE Family Properties, LLC.