



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Economic Development Incentive Agreement with Charles F. Sansone Revocable Trust for 220-222 W. State Street		
Presenter & Title:	Cathleen Tymoszenko, Economic Development Director		
Date:	December 16, 2024		
Please Check Appropriate Box:			
<input 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: \$ 60,808		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>Charles Sansone is the owner of 220-222 W. State. The building was constructed in 1915 by Henry Bond Fargo, the owner's great-grandfather and has remained in the family ever since. Only three tenants have occupied the property in the past 100+ years. The most recent tenant, Good Sense Children resale shop, fully leased the space for approximately 30 years. Previously the space housed Henry's dime store. Good Sense closed in 2018 and the property has remained unoccupied for over six years. After a couple of years, efforts to lease the property were discontinued as it was determined to not be economically viable due to the extraordinary costs of renovations needed for occupancy. Necessary improvements include major upgrades of all mechanical systems (electrical, plumbing and HVAC), remediation of lead paint and asbestos from floor tiles. The owner has made recent upgrades (2021-2024) totaled approximately \$19,525 and including storm sewer repair, mold remediation, boiler/ HVAC upgrades, staircase repair and fabric awning removal. Future needed improvements include major restoration of the original brick and stone façade, removal of structural awning, windows and doors, repair/replacement of exterior wood staircase and interior staircase repairs and roof repairs. A fire alarm system throughout the building is also a necessary improvement. Contractor quotes for these line items are \$262,730 and the necessary future buildouts including mechanical systems are estimated to be in excess of \$475,000.</p> <p>With City assistance, the owner will prioritize the removal of the structural awning, the restoration of the original brick and stone façade and the installation of a fire alarm. Such improvements are pending Historic Preservation and building permit review and therefore the scope of work may be subject to change. 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 \$60,808. This amount is 80% of the estimated cost of the planned improvements. Assistance in total is approximately 10% of the total investment into the Sansone properties to date and estimated for the future.</p>			
Attachments: <i>(please list)</i>			
<ul style="list-style-type: none"> • Resolution and Economic Development Incentive Agreement 			
Voting Requirements:			
<i>This motion requires a simple majority of affirmative votes for passage. (Mayor and City Council)</i>			
<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>			
Recommendation / Suggested Action: <i>(how the item should be listed on agenda)</i>			
Approve Resolution Authorizing Economic Development Incentive Agreement between City of Geneva and Charles F. Sansone Revocable Trust for 220-222 W. State Street.			

RESOLUTION NO. 2024 - 132

**RESOLUTION AUTHORIZING EXECUTION OF
AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BY AND BETWEEN
CITY OF GENEVA AND CHARLES F. SANSONE REVOCABLE TRUST
FOR 220-222 W. STATE STREET, GENEVA IL**

**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 Development Incentive Agreement by and between City of Geneva and Charles F. Sansone Revocable Trust in the form attached hereto at Exhibit “A”, relating to the historic preservation and life safety enhancements at 220-222 W. State Street, Geneva IL.

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

PASSED by the Mayor and City Council of the City of Geneva, Kane County, Illinois, this ___ day of _____, 2024

AYES: ___ NAYS: ___ ABSENT: ___ ABSTAINING: ___ HOLDING OFFICE: ___

Mayor

ATTEST:

City Clerk

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

By and Between

CITY OF GENEVA AND CHARLES F SANSONE REVOCABLE TRUST

FOR 220-222 W STATE STREET, 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 Charles F Sansone Revocable Trust (hereinafter 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 development 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 220-222 W State Street, Geneva, Illinois 60134, and legally described in **Exhibit "A"**. The Property is improved with a two-story brick and block building consisting of approximately 9,500 square feet ("Building"). The Building is located in an established downtown commercial area adjacent to the primary intersection of State (IL RT. 38) and Third Street.

B. The property is identified as a Significant 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.

C. The Building was built in 1915 by Henry Bond Fargo, the Owner's great-grandfather, and has remained in the family ever since. Henry Bond Fargo served as Mayor of Geneva and an Illinois State Representative. Fargo was responsible for the development of several significant landmark buildings in downtown Geneva including 214-218 W State St, 220-220 W State St, 306-318 W State Street, and the Geneva Theater Building (315-323 W State St).

D. The Property was occupied by only three tenants in past 100+ years. The most recent tenant was a children's store, Good Sense Children, which fully leased and underutilized the Building for 28 years. Previously the space housed Henry's dime store that operated on all

three levels (totaling approx. 14,000 sf) for many years. Good Sense Children ceased use of the building in 2018 and the Property has remained unoccupied for more than six years. The second floor has been vacant and underutilized for approximately 35 years. After a couple years of vacancy, efforts to lease the property were discontinued as it was determined to be not economically viable due to the extraordinary cost of renovations sufficient for occupancy.

E. The corporate authorities finds that the Property, as it exists on the date of this Agreement, requires certain site and building improvements to meet the specifications and occupancy requirements of future users, the Owner has undertaken investment and repairs in recent years (2021-2024) as detailed in Exhibit “B” and is working to complete additional capital improvements as detailed in the Reimbursable Improvement Cost Budget shown in Exhibit “C”.

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

G. The Owner is seeking economic assistance from the City in order to complete the removal of a structural awning (added in approximately 1950), major restoration of the original brick and stone façade and installation of a fire alarm system throughout the building 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 life safety and marketability for redevelopment purposes will be enhanced; and

I. The corporate authorities also finds that Owner is a retired attorney and respected landlord of multiple commercial properties in Geneva IL 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 and it is in the City of Geneva's best interest to enter into this Agreement in order to have the Property advanced for redevelopment to increase employment opportunities, strengthen the commercial sector 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 Owner meets high standards of creditworthiness and financial strength.
- 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 V. 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. DEFINITIONS. For the purpose of this Agreement, the use of the term not otherwise defined herein will have the following meanings:

- (ii) “Maximum Payment” means the amount of **\$60,808.00**

SECTION VI. 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 constituting the Reimbursable Improvements will have been approved by the City as required by law and as provided in City ordinances.

B. Owner will have demonstrated to the reasonable satisfaction of the City that it has contributed up to **\$76,010.00** (or more than such amount) toward the Reimbursable Improvement Cost Budget as set forth on **Exhibit “C”** 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 VII. REIMBURSEMENT PROCEDURES

The City shall contribute, as a grant, to the cost of the historic renovation and life safety improvements of the property in an amount equal to 80% (eighty percent) but not to exceed **\$60,808** of the restoration of the original brick and stone façade and installation of a fire alarm system throughout the building as set out in **Exhibit “C”**. The City will provide this grant award

upon completion of all improvements evidenced by the closing of the building permits by the Building Division or Fire Department. 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.

SECTION VIII. TERM

The period of payment to Owner shall commence on the date that the Owner received the Certificate of Occupancy and shall continue thereafter until December 31, 2025.

SECTION IX. 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:

Charles F Sansone Revocable Trust
Charles F Sansone
4211 Beach Park Dr
Tampa FL 33609

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. 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. 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.

J. 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.

K. 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 President or his or her designee and for the Owner by any officer or employee as the Owner so authorizes.

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

M. 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:

Charles F. Sansone Revocable Trust

Charles F. Sansone

EXHIBIT A: LEGAL DESCRIPTION

Part of Lot 5, Block 39 Original Town of Geneva

PIN 12-03-414-018

Commonly known as: 220-222 W State Street, Geneva, Illinois 60134

EXHIBIT B: RECENT OWNER CAPITAL IMPROVEMENTS AND EXPENSES**(2021-2024)***

Storm Sewer Repair	8,200
Mold Remediation	9,000
Boiler/HVAC	550
Staircase	375
Fabric Awning Removal	1,400
	\$19,525

*not including routine annual expenses: real estate taxes, insurance, alarm serve, etc.

EXHIBIT C: REIMBURSEABLE IMPROVEMENT COST BUDGET

Installation of Fire Alarm	\$36,010
Removal of a structural awning and restoration of original brick and stone façade	40,000
TOTAL	\$76,010

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.