



Agenda Item Executive Summary

Item Name Purchase of Village Owned Property Committee or Board Board

BUDGET IMPACT

Amount: \$250,000

Budgeted

no

List what fund

General Fund

EXECUTIVE SUMMARY

For the Village Board's consideration is an ordinance regarding the sale of Village owned property at 59 and Lake Street which is currently under a land lease agreement with the Bartlett Automotive Mall. Last year, the Village Board approved a development incentive agreement with the Bartlett Automotive Mall. The agreement contained an option to purchase the property for a sum of \$250,000. They are requesting to exercise the option to purchase the property.

ATTACHMENTS (PLEASE LIST)

Memo, Ordinance

ACTION REQUESTED

- For Discussion Only
- Resolution
- Ordinance
- Motion: I move to approve Ordinance 2022 - _____. An Ordinance Approving First Amendment to Vacant Land Lease With Option to Purchase Real Estate Owned By The Village Of Bartlett.

Staff: Paula Schumacher, Village Administrator Date: August 8, 2022

Memorandum

TO: Village President and Board of Trustees
FROM: Paula Schumacher, Village Administrator
DATE: August 8, 2022
SUBJECT: Purchase of Village Owned Property

For the Village Board's consideration is an ordinance regarding the sale of Village owned property at 59 and Lake Street which is currently under a land lease agreement with the Bartlett Automotive Mall.

Last year, the Village Board approved a development incentive agreement with the Bartlett Automotive Mall. In this agreement the Village agreed to rent the land for \$100.00 per year for ten years, with three five-year renewal options. The agreement also contained an option to purchase the property for a sum of \$250,000. When the Village had received \$7,000,000 in sales tax under the incentive agreement, that purchase price would drop to \$1,000.

According to our agreement, the sale option could be exercised after a certificate of occupancy is issued by the Village to the dealership. However, Mr. Loquerico is requesting to exercise this option earlier, to help facilitate development of the project.

Rather than a certificate of occupancy being the determining factor for the option, they are requesting that when the Village issues "initial permits" and work has started at the dealership site, the option to purchase can be acted upon. The initial permits to be issued by the Village would include mass grading and foundation permits. The Village has already issued a demolition permit with some conditions for the project.

In the Class 7C application to Cook County, the estimate for constructing the new dealerships and relocating the current dealership from Elgin to Bartlett is approximately \$15M. The estimated tax revenues in the first year of the incentive agreement are approximately \$549,944. Lastly, the dealerships will create 25 new permanent full-time jobs and shift 78 employees from Elgin to Bartlett.

ORDINANCE NO. 2022 - _____

**AN ORDINANCE APPROVING FIRST AMENDMENT TO VACANT
LAND LEASE WITH OPTION TO PURCHASE REAL ESTATE
OWNED BY THE VILLAGE OF BARTLETT**

WHEREAS, the Village of Bartlett as the Lessor, and Bartlett Automotive Mall, LLC as the Lessee, entered a certain Vacant Land Lease dated as of November 16, 2021 (the "Lease Agreement") for the lease of certain vacant real property legally described on Exhibit 1 (the "Leased Premises"), and granted to the Lessee the right and option to purchase the Leased Premises for the sum of \$250,000 (the "Option Price"), but subject to certain terms and conditions (the "Purchase Option"), including without limitation, that if exercised by the Lessee the Leased Premises are to be sold pursuant to a certain form of Real Estate Sale Agreement (the "Contract") between the Village of Bartlett as the Seller and Loquercio Automotive Group, LLC as the Purchaser, and the deed of conveyance for the Leased Premises/Real Estate being subject to certain Permitted Exceptions including, but not limited to, a Restrictive Covenant as defined in both the Lease Agreement and the Contract; and

WHEREAS, because the Leased Premises/Real Estate being leased/sold by the Lessor/Seller is owned by an Illinois municipal corporation, the Lease Agreement and the Contract to be utilized to exercise the Purchase Option was required to be, and was, approved by an ordinance passed by not less than a 3/4 vote of the corporate authorities of the Village of Bartlett, to wit:

ORDINANCE 2021-103. "AN ORDINANCE AUTHORIZING A VACANT LAND LEASE WITH OPTION TO PURCHASE FOR REAL ESTATE OWNED BY THE VILLAGE OF BARTLETT WHICH IS NO LONGER NECESSARY, APPROPRIATE, REQUIRED FOR THE USE OF, PROFITABLE TO, OR FOR THE BEST INTEREST OF THE VILLAGE, FOR THE 10.6123 +/- ACRE PARCEL OF PROPERTY LOCATED AT THE SOUTHWEST CORNER OF IL RT. 20 AND IL RT. 59, BARTLETT, ILLINOIS"

(hereinafter referred to as "Ordinance 2021-103") was passed by the corporate authorities of the Village of Bartlett on November 16, 2021; and

WHEREAS, the law similarly requires any amendment to such contracts, including both the Lease Agreement and the Contract herein, to be approved by an ordinance passed by not less than a 3/4 vote of the corporate authorities; and

WHEREAS, the Lessee desires to amend the conditions in the Lease Agreement as to when it may exercise the Purchase Option so that it can do so sooner at the full Option Price to better enable it to procure financing for the acquisition and development of not only the Leased Premises/Real Estate but also a certain Companion Site as defined in that certain Development Incentive Agreement dated November 16, 2021, with a new automobile dealership building and improvements to be constructed on the said

Companion Site, and a parking lot and stormwater management improvements to be constructed on the Leased Premises/Real Estate; and

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois, as follows;

SECTION ONE: The First Amendment to Vacant Land Lease dated August 16, 2022, appended hereto and expressly made a part hereof, is hereby approved, thereby modifying subsection (b) (i) of Article 44 of the Lease Agreement regarding the Option Exercise Period of the Purchase Option to provide that it now begins “not prior to the date the Lessee has obtained from the Village two or more permits as to the Companion Site regarding the demolition of existing structures, and the conduct of mass grading, and/or the construction of building foundations (collectively the “Initial Permits”) and work has commenced on two or more of the Initial Permits”.

SECTION TWO: The Village President and the Village Clerk are hereby authorized and directed to sign and attest, respectively, the said First Amendment to Vacant Land Lease.

SECTION THREE: SEVERABILITY. The various provisions of this Ordinance are to be considered as severable, and if any part or portion of this Ordinance shall be held invalid by any Court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance.

SECTION FOUR: REPEAL OF PRIOR ORDINANCES. All prior Ordinances and Resolutions in conflict or inconsistent herewith are hereby expressly repealed only to the extent of such conflict or inconsistency.

SECTION FIVE: EFFECTIVE DATE. This Ordinance shall be in full force and effect upon passage and approval.

ROLL CALL VOTE:

AYES:

NAYS:

ABSENT:

PASSED: August 16, 2022

APPROVED: August 16, 2022

Kevin Wallace, Village President

ATTEST:

Lorna Giles, Village Clerk

CERTIFICATION

I, the undersigned, do hereby certify that I am the Village Clerk of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois, and that the foregoing is a true, complete and exact copy of Ordinance 2022 - _____ on August 16, 2022, and approved on August 16, 2022, as the same appears from the official records of the Village of Bartlett.

Lorna Giles, Village Clerk

FIRST AMENDMENT TO VACANT LAND LEASE

THIS FIRST AMENDMENT TO VACANT LAND LEASE AGREEMENT (“**First Amendment**”) dated as of this 9th day of August, 2022, between The Village of Bartlett, Illinois, an Illinois Municipal Body, (hereinafter referred to as “**Lessor**”) and Bartlett Automotive Mall LLC, an Illinois limited liability company (hereinafter referred to as “**Lessee**”)

I. RECITALS

A. Lessor and Lessee entered into a certain Vacant Land Lease dated November 16, 2021, pursuant to Village Ordinance 2021-103 (the “**Lease**”), the terms and provisions of which are incorporated herein by reference. Capitalized terms used but not otherwise defined herein shall have the meanings as set forth in the Lease.

B. The Parties now desire to modify and amend the Lease as set forth in this First Amendment.

II. CONSIDERATION AND AGREEMENT

In consideration of the mutual observance by the Parties of their respective covenants as set forth herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, it is agreed as follows.

1. **Modification to Article 44 Regarding Purchase Option.** Subsection (b) of Article 44 of the Lease is hereby replaced in their entirety with the following Subsection (b):

(b) The Purchase Option must be exercised by Lessee, if at all, during the period (the “**Option Exercise Period**” (i) beginning not prior to the date the Lessee has obtained from the Village two or more permits as to the Companion Site regarding the demolition of existing structures, the conduct of mass grading, and / or the construction of building foundations (collectively, the “**Initial Permits**”), and work has commenced under two or more of the Initial Permits, and (ii) not later than prior to the sixtieth (60th) day preceding the expiration of the Term of this Lease (as same may be extended), and failing to do so, the Purchase Option shall thereafter expire and be null and void. Additionally, the Purchase Option may not be exercised at any time while Lessee is in default under this Lease.

2. **Ratification.** Except as expressly modified and amended hereby, the Lease shall remain unmodified and in full force and effect.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day first above written.

LESSOR:

Village of Bartlett, Illinois

By: _____

Name: Kevin Wallace

Title: Village President

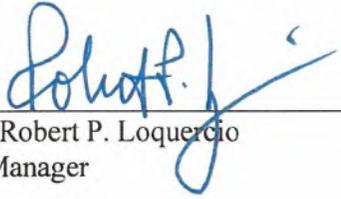
Attest:

By: _____

Name: Lorna Giles, Village Clerk

LESSEE:

Bartlett Automotive Mall LLC

By:  _____

Name: Robert P. Loquercio

Title: Manager

EXHIBIT 1
LEGAL DESCRIPTION OF LEASED PREMISES

LEGAL DESCRIPTION

PARCEL 1:
THAT PART OF THE EAST 1/2 OF SECTION 28, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 28, THENCE EASTERLY ALONG THE NORTH LINE OF THE SOUTH EAST 1/4 OF SAID SECTION 28, A DISTANCE OF 1197.24 FEET, THENCE SOUTHERLY PARALLEL WITH THE WEST LINE OF SAID SOUTH EAST 1/4, A DISTANCE OF 73.92 FEET, THENCE SOUTH 76 DEGREES 41 MINUTES EAST, A DISTANCE OF 601.56 FEET FOR THE POINT OF BEGINNING, THENCE SOUTH 0 DEGREES 14 MINUTES EAST, A DISTANCE OF 375.79 FEET, THENCE SOUTH 85 DEGREES 20 MINUTES EAST, A DISTANCE OF 350.0 FEET, THENCE NORTH 0 DEGREES 14 MINUTES WEST, A DISTANCE OF 284.20 FEET TO THE CENTER LINE OF THE CONNECTING ROAD BETWEEN U. S. ROUTE 20 AND STATE ROUTE 58, THENCE NORTHWESTERLY AND NORTHERLY ALONG SAID CENTER LINE BEING ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 281.9 FEET, A DISTANCE OF 287.9 FEET TO THE SOUTHERLY LINE OF U. S. ROUTE 20, THENCE NORTHWESTERLY ALONG SAID SOUTHERLY LINE BEING ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2342.01 FEET, A DISTANCE OF 312.80 FEET, THENCE SOUTH 0 DEGREES 14 MINUTES EAST, A DISTANCE OF 224.21 FEET, THENCE NORTH 76 DEGREES 41 MINUTES WEST, A DISTANCE OF 3.0 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THAT PART OF THE AFORESAID PROPERTY LYING WITHIN THE RIGHT OF WAY OF THE CONNECTING ROAD BETWEEN U. S. 20 AND ROUTE 58, BEING SITUATED IN HANOVER TOWNSHIP, IN COOK COUNTY, ILLINOIS

EXCEPT THAT PART OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 28 AND RUNNING THENCE ON AN ILLINOIS STATE PLANE COORDINATE SYSTEM, 1927 DATUM, EAST ZONE GRID BEARING OF SOUTH 0 DEGREES 06 MINUTES 38 SECONDS EAST ON THE WEST LINE OF SAID NORTHEAST 1/4, 2562.50 FEET TO THE SOUTHWEST CORNER OF SAID NORTHEAST 1/4; THENCE NORTH 88 DEGREES 41 MINUTES 08 SECONDS EAST ON THE NORTH LINE OF THE SOUTH EAST 1/4 OF SAID SECTION 28, A DISTANCE OF 1768.60 FEET TO THE SOUTHWESTERLY LINE OF U. S. ROUTE 20, SAID POINT BEING ON A 2296.05 FOOT RADIUS CURVE THE CENTER OF CIRCLE OF SAID CURVE BEARS NORTH 21 DEGREES 17 MINUTES 07 SECONDS EAST FROM SAID POINT; THENCE SOUTHEASTERLY ALONG SAID CURVE 263.98 FEET, CENTRAL ANGLE 8 DEGREES 35 MINUTES 15 SECONDS TO A POINT OF REVERSE CURVATURE; THENCE ALONG A 38.00 FOOT RADIUS CURVE CONCAVE TO THE SOUTHWEST, CENTRAL ANGLE 85 DEGREES 58 MINUTES 41 SECONDS, 54.00 FEET TO A POINT OF REVERSE CURVATURE (SAID POINT OF REVERSE CURVATURE BEING ON THE WESTERLY LINE OF THE CONNECTING ROAD BETWEEN U. S. 20 AND STATE ROUTE 58) THENCE (THE FOLLOWING 2 COURSES BEING ALONG THE WESTERLY LINE OF SAID CONNECTING ROAD) ALONG A 299.72 FOOT RADIUS CURVE CONCAVE TO THE EAST, CENTRAL ANGLE 21 DEGREES 39 MINUTES 31 SECONDS, 113.30 FEET TO THE POINT OF BEGINNING, THE CENTER OF CIRCLE OF SAID CURVE BEARS NORTH 78 DEGREES 59 MINUTES 03 SECONDS EAST FROM SAID POINT OF BEGINNING; THENCE CONTINUING SOUTHEASTERLY ALONG SAID CURVE 187.92 FEET, CENTRAL ANGLE 37 DEGREES 50 MINUTES 06 SECONDS; THENCE SOUTH 0 DEGREES 22 MINUTES 38 SECONDS EAST, 224.28 FEET; THENCE NORTH 85 DEGREES 28 MINUTES 38 SECONDS WEST, 16.30 FEET TO A POINT ON A 300.00 FOOT RADIUS CURVE, THE CENTER OF CIRCLE OF SAID CURVE BEARS NORTH 87 DEGREES 38 MINUTES 10 SECONDS EAST FROM SAID POINT; THENCE NORTHERLY ALONG SAID CURVE 59.59 FEET, CENTRAL ANGLE 11 DEGREES 22 MINUTES 53 SECONDS; THENCE NORTH 11 DEGREES 00 MINUTES 57 SECONDS WEST ALONG TANGENT 340.71 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

PARCEL 2:

THAT PART OF THE EAST 1/2 OF SECTION 28, TOWNSHIP 41, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: COMMENCING AT THE CENTER OF SAID SECTION 28; THENCE EASTERLY ALONG THE NORTH LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 28, A DISTANCE OF 1197.24; THENCE SOUTH 0 DEGREES 43 MINUTES WEST, A DISTANCE OF 73.90 FEET; THENCE SOUTH 76 DEGREES 41 MINUTES EAST, A DISTANCE OF 81.88 FEET FOR THE PLACE OF BEGINNING; THENCE SOUTH 0 DEGREES 43 MINUTES WEST, A DISTANCE OF 454.01 FEET; THENCE SOUTH 85 DEGREES 20 MINUTES EAST, A DISTANCE OF 514.60 FEET; THENCE NORTH 0 DEGREES 14 MINUTES WEST, A DISTANCE OF 375.79 FEET; THENCE SOUTH 76 DEGREES 41 MINUTES EAST, A DISTANCE OF 3.0 FEET; THENCE NORTH 0 DEGREES 14 MINUTES WEST, A DISTANCE OF 278.08 FEET TO THE CENTER LINE OF U. S. ROUTE 20; THENCE NORTHWESTERLY ALONG SAID CENTER LINE BEING ALONG A CURVE TO THE RIGHT, A DISTANCE OF 81.8 FEET; THENCE NORTH 64 DEGREES 53 MINUTES WEST ALONG SAID CENTER LINE, A DISTANCE OF 285.50 FEET; THENCE SOUTH 0 DEGREES 43 MINUTES WEST, A DISTANCE OF 82.48 FEET TO THE PLACE OF BEGINNING; (EXCEPT THAT PART TAKEN FOR HIGHWAY PURPOSES) IN COOK COUNTY, ILLINOIS



Commonly Known As: 1105 West Lake Street, Bartlett, Illinois, being the approximate 10.6123 acre parcel of land bearing Cook County Tax Parcel Identification Number 06-28-204-002-0000; 06-28-400-014-0000; 06-28-400-016-0000, 06-28-400-018-0000; and 06-28-400-019-0000, located slightly west of the southwest corner of Illinois Route 20 and Illinois Route 59 intersection, commonly referred to as the former "Groh Camper & Knaak Property", Bartlett, IL