



City of SANDWICH, ILLINOIS

City Hall Annex · 128 East Railroad Street

Special Council Meeting

May 24, 2018 @ 9:00 AM

MINUTES

Mayor Olson called the meeting to order at 9:00 AM.

Roll call was taken:

Present: Mayor Olson, City Clerk li, Aldermen Chmielewski, Dell, Killey, McMahon, Redden & Robinson

Absent: Alderman Kelleher

Also present: Attorney Harrill

Proposed Gjovik Ford Sales Tax Rebate Agreements: Two option agreements were presented to the Council for review regarding a sales tax rebate for the Gjovik Ford construction project. The terms of the first agreement state that commencing January 1, 2020, an annual rebate will be made to Gjovik Ford the greater of (1) 15% of the total Retailer's Occupation Tax, or (2) any of the total that exceeds \$250,000.00 as collected by the City. The second sales tax rebate agreement states that commencing January 1, 2020, Gjovik Ford will receive an annual rebate of the total sales tax that exceeds \$250,000.00 for a period of 15 years with a maximum rebate cap of \$800,000.00.

Alderman Redden argued that the vote should be delayed until there was a full Council. Stating that 3 weeks is not enough time to review the proposals, he favored reviewing the financials of both agreements to determine which proposal is best for the City. He further noted that 15 years is a long commitment that may impact the City negatively in the future. Frustrated there were no numbers for comparison, Alderman Redden said he could not support either proposal.

Alderman Redden moved to delay the vote until Tuesday, May 29th. Motion was seconded by Alderman McMahon. Aye: Aldermen McMahon & Redden Nay: Aldermen Chmielewski, Dell, Killey & Robinson Motion failed 2:4

Mayor Olson felt the second option was favorable to city adding that new improvements will increase real estate taxes that will benefit all taxing bodies in the community, particularly the school district that receives the bulk from real estate taxes. Gjovik car dealerships have been the top sales tax contributor for over 40 years, and the Mayor said he viewed the proposal as a partnership between the dealership and the City.

Alderman McMahon voiced he did not like the threats from Gjovik that if the City did not agree to the either proposal, the Ford dealership would move to another City. At Monday's meeting of May 21st,

the statement was made to include that the Chevy and GM dealerships, owned by Olaf Gjovik, would also relocate.

Motion was made by Alderman Dell, and seconded by Alderman Robinson, to pass the resolution based on the proposal that commencing on January 1, 2020, Gjovik Ford will receive an annual rebate of the total sales tax that exceeds \$250,000.00 for a period of 15 years with a maximum rebate cap of \$800,000.00, whichever occurs first. Aye: Aldermen Chmielewski, Dell, Killey & Robinson Nay: Alderman McMahon & Redden Motion carried 4:2

Audience Comments: None

Adjournment:

There being no further business to come before the Council, **motion made by Alderman Robinson and seconded by Alderman Redden to adjourn the Regular Council meeting at 9:18 AM. Motion carried unanimously by viva voce vote.**

/s/ Denise Li – City Clerk