

## AGENDA ITEM REPORT

**DATE OF MEETING:** February 13, 2017

**ITEM:** Ordinance Authorizing the Mayor to Execute a Redevelopment Agreement Between the City of Collinsville and Gateway RV, LLC.

**STRATEGIC PLAN GOAL:** Goal #4: *"Strong & Diverse Economy"*, and Goal #7 *"Financial Stewardship & Sustainability"*

### **BACKGROUND:**

This ordinance authorizes the Mayor to execute a Redevelopment and Economic Incentive Agreement with Gateway RV, LLC. The project consists of redevelopment and expansion activities at 2020 Mall Street. It was presented at the January 23, 2017 City Council meeting as an item under "Discussion".

The proposed project is a 6,000 SF expansion of the existing building to facilitate expanded sales and repair activities for RV's and power sport vehicles. Total project costs are estimated at \$628,818, and the applicant is requesting \$100,000 in incentives (a full analysis of the request is included in the attached memo that was presented at the January 23<sup>rd</sup> City Council meeting). The agreement includes a combination incentive in the form of a rebate of Business District Sales Tax funds from the development as well as rebating the increased TIF property taxes until the full \$100,000 incentive is met. This incentive is a rebate that is paid after the project has achieved "Substantial Completion" (which includes fully meeting all City codes, ordinances, and permitting requirements).

During the January 23 meeting, the City Council indicated general support for the requested incentive package. Issues identified by the City Council during discussion included the following:

1. Exterior Lighting: The existing lighting casts a glare in the ROW of I-55/70 and concerns were expressed regarding this issue. The applicant has indicated, and it was affirmed during the Site Plan process, that the lighting will meet City requirements and this issue will be resolved.
2. On-Site Gravel: A small area adjoining the ROW of I-55/70 is currently graveled. The applicant uses this area (graveled after other improvements were made) to store some inventory to be seen from the ROW. The applicant did not want to address this issue within the scope of this agreement but is willing to come into code compliance for this area by removing and replacing the gravel.

Staff is recommending the approval of the agreement based on the associated benefits to the overall financial condition of the City and the improvements to the site (the applicant is constantly addressing storm water and other issues, and the proposed improvements aid in alleviating numerous site deficiencies that also impact the area as a whole).

**RECOMMENDATION:** Approval

**ITEM SUBMITTED BY:** Mitchell Bair, AICP, City Manager/Economic Development Director

**ATTACHMENTS:** January 23 Staff Memo  
Draft Redevelopment Agreement  
Approved Site Plan  
Financial Projections