

**FINANCE AND ADMINISTRATION  
MINUTES**

**Monday, October 27, 2008**

Minutes of a regular meeting of the Finance and Administration Committee of the City of O'Fallon, held in the Mayor's Conference Room, City Hall, 255 S. Lincoln, O'Fallon, Illinois on October 27, 2008. CALL TO ORDER: Time: 5:30 p.m.

ROLL CALL:	MEMBERS:		
	Chairman West	<u>  X  </u>	True <u>  X  </u>
	Grogan	<u>  X  </u>	Drolet J. <u>  X  </u>
	Medford	<u>  X  </u>	
STAFF LIASON:	Dean Rich		Alderman N.Drolet
	Pam Funk		Alderman Reckamp
	Walter Denton		Alderman Engler
			Alderman Bennett

**Approval of the minutes from September 8, 2008**

**Item A: TIF Update:** There are no changes from the last meeting. The developer is attempting to meet with the District 104 Board. The Public Hearing was continued to the November 3<sup>rd</sup> Council Meeting.

**Item B: Schmitt Economic Development Assistance Request:** The City has been in discussion with Jack Schmitt for the last 3 months. Cadillac has given Mr. Schmitt two options- expand or sell out. The current dealership operation does not produce enough capital for a \$1,000,000 expansion required by Cadillac. Mr. Schmitt has requested assistance with two additional dealerships to supplement the current operation- Suzuki and Mahindra. The city has proposed to Mr. Schmitt that our Economic Initiative Policy would authorize a 50/50 sharing of sales tax up to \$250,000 per dealership not to exceed 10 years.

Mr. Schmitt requested a two year extension to his current \$300,000 agreement as the new construction would interrupt his final years of Cadillac sales. The city can extend his agreement for 2 years and still remain within our dollar limit. The amount remaining will be less than \$30,000. Mr. Schmitt has agreed to stay within our economic incentive policy and has submitted a policy so stating. Mr. Schmitt would however like to reserve the option of re-negotiating for up to \$50,000 in additional assistance if the EPA requirements are extensive from two older buildings which formerly occupied the proposed site for the new Cadillac dealership.

Discussion centered on the two dealerships, their product lines and possible sales. The Director of Finance pointed out that Mr. Schmitt will use his existing building and service bay for the new car lines. Both the sales area and service bay will require extensive remodeling to accommodate the new cars. This is a Win/Win for the City as we retain the Cadillac dealership and get 50% of the new sales tax from day one.

Motion to approve- Grogan, Second – True All Ayes.

**ADJOURNMENT:**           6:03 p.m.           **PREPARED BY:**           Dean Rich