

Staff Responses to Council Questions
November 12, 2013

8. ACTIVE AGENDA

A. Ordinance: Approve an Economic Incentive Agreement with Art Van Furniture-Midwest, LLC

Please provide information regarding the Village's exercise of clawback provisions on other economic incentive agreements

The Village has exercised clawback provisions on two previous sales tax agreements:

- Saturn - In 2010, the Village drew on a letter of credit in the amount of \$93,000. The Village did not provide an up-front financial contribution to this project. Saturn was in year five of the agreement. The Village had rebated a total of \$148,439 prior to the draw on the letter of credit.
- Luxury Motors - In 2009, the Village kept \$372,069.80 of sales tax rebates when Luxury Motors failed to comply with several terms of the agreement including failure to operate a sales facility on the south side property. The Village was holding all rebate payments starting in 2008 due to Luxury Motor's failure to comply with agreement terms. The Village used this money to recoup the cost of an underground detention basin that was constructed by the Village to serve the south side Luxury Motors property. Luxury Motors was in year three of the agreement. The Village had rebated a total of \$85,000 prior to the permanent forfeiture.

Online Comments

There were no online comments this week.