
DATE: March 23, 2026
TO: Committee of the Whole
FROM: Martin J. Shanahan
SUBJECT: Discussion of a Development / Economic Incentive Agreement with Riverside Powersports of Ottawa, LLC

PURPOSE

Discuss a Development / Economic Incentive Agreement with Riverside Powersports of Ottawa, LLC doing business as Polaris of Plano (Plano Polaris).

BACKGROUND

15456 Route 34 (the Property) is a vacant building located on the south side of Route 34 between Healthy Beginnings Pediatrics and a farm field (adjacent to Rural King). The one-story white building is the former location of Napa Auto Parts, which has been closed for a number of years. Approximately six (6) months ago, Riverside Powersports of Ottawa, LLC (Riverside Powersports or Developer) approached the City of Plano requesting consideration for economic development incentives to support the launch of Plano Powersports, a new Polaris dealership located at 15456 Route 34, Plano, IL (the Development Project).

Riverside Powersports are powersports enthusiasts, and they help experience the fun and adventures from Beta Motorcycles, Genuine Scooter Co, Kawasaki, Yamaha, Suzuki, Bad Boy Mowers, Harris Pontoon Boats, ICON EV, SYM Scooters, Lance Scooters, and Honda® vehicles. They offer new and pre-owned motorcycles and other powersports vehicles. The average Polaris store sells 200-220 new units per year at an average price of \$22,000. The best store sells 500+ units per year in the Chicagoland area.

DISCUSSION

The building at 15456 Route 34 currently generates \$0.00 in sales tax for the City of Plano. A significant amount of upgrades and investment is needed for a retail business to locate at the building, including but not limited to a new roof, upgraded windows, flooring and lighting, and improvements to the parking lot. Riverside Powersports will purchase the building, anticipates a total project investment that will approach \$1,000,000, estimates first year annual sales over \$4,500,000, (the amount of the sales tax at 1% would be approximately \$45,000) and the creation of 10 to 15 full time jobs. Riverside Powersports believes the dealership will generate steady annual sales tax revenue for Plano, revitalize commercial property on Route 34, attract customers from across the region, boosting local business and serve as a long-term anchor in Plano's motorsports and outdoor recreation economy.

Pursuant to 65 ILCS 5/8-11-20, Plano may enter into an Economic Incentive Agreement and provide incentives for development of the Property so long as certain statutory requirements are met:

1. That the Property has remained vacant for at least one year;
2. That the Development Project is expected to create or retain job opportunities within the City;
3. That the Development Project will serve to further the development of adjacent areas;
4. That without this Agreement, the Development Project would not be possible;
5. That Riverside Powersports meets high standards of creditworthiness and financial strength;
6. That the Development Project will strengthen the commercial sector of the City;
7. That the Development Project will enhance the tax base of the City;
8. That this Agreement is made in the best interest of the City; and
9. Pursuant to the Illinois Municipal Code, as amended ("Code"), the City has authority to enter into an economic incentive agreement relating to the development of land within corporate limits, including an agreement to share or rebate a portion of the retailer's occupation taxes received by the City that are generated by the Development Project.

Riverside Powersports has demonstrated to the City's satisfaction that it has the experience and capacity to complete the Development Project and meet the statutory requirements. Riverside Powersports and the City have determined that without the financial assistance provided under this Agreement, the Development Project would not be feasible and that Riverside Powersports would not undertake the Development Project.

The City and Riverside Powersports have negotiated the terms of a seven (7) year Development / Economic Incentive Agreement. The car dealership economic incentive agreements in Plano were utilized as templates for much of the proposed language. Subject to the terms and conditions of the Agreement, the City would make Rebate Payments as follows:



YEAR	July 1, 2026* to June 30, 2027	July 1, 2027 to June 30, 2028	July 1, 2028 to June 30, 2029	July 1, 2029 to June 30, 2030	July 1, 2030 to June 30, 2031	July 1, 2031 to June 30, 2032	July 1, 2032 to June 30, 2033
Developer	100%	75%	75%	50%	25%	25%	25%
City	0%	25%	25%	50%	75%	75%	75%

*Depending on the date of the grand opening, the start and end dates of the Agreement may be shifted.

A copy of the proposed Development / Economic Incentive Agreement is attached.

Jeff Bass and Bob Bibeau are present to answer any questions.

RECOMMENDATION

It is recommended that a Development / Economic Incentive Agreement with Riverside Powersports of Ottawa, LLC, be considered for review and passage at an upcoming City Council meeting.

Respectfully submitted

A handwritten signature in black ink, appearing to read "M. Shanahan Jr."

Martin J. Shanahan Jr.
 City Administrator

**CITY OF PLANO AND RIVERSIDE POWERSPORTS OF
OTTAWA, LLC DEVELOPMENT/ECONOMIC
INCENTIVE AGREEMENT**

THIS DEVELOPMENT / ECONOMIC INCENTIVE AGREEMENT (the “Agreement”) is made and entered into as of the ___ day of _____, 2026 by and between the City of Plano, an Illinois Municipal Corporation located in Kendall County (the “City”) and Riverside Powersports of Ottawa, LLC Doing Business As (DBA) **Polaris of Plano / Plano Polaris** (the “Developer”).

RECITALS

- A. The City is an Illinois municipality and hereby enters into this Agreement pursuant to 65 ILCS 5/8-11-20 (“Enabling Statute”). Pursuant to Section 6(a) of Article VII of the Constitution of the State of Illinois of 1970, the City has determined that it has the authority to enter into this Agreement.
- B. The Developer owns and intends to develop a Powersports dealership (“Development Project”) on the property located at 15456 Route 34 as legally described in Exhibit “A” (the “Property”). Developer has demonstrated to the City’s satisfaction that the Developer has the experience and capacity to complete the Development Project. The Developer and the City have determined that without the financial assistance provided under this Agreement the Development Project would not be feasible and that the Developer would not undertake the Development Project. The Developer has expressly conditioned the undertaking of the Development Project on the City’s agreement to pledge a portion of the Sales Tax Revenues (defined later) it receives from the Development Project, all as provided in this Agreement;
- C. The City deems it to be of significant importance to encourage development within the City so as to maintain a viable real estate tax and sales tax base and employment opportunities. Accordingly, the City has made the following findings necessary pursuant to the Enabling Statute:
 - 1. That the Property has remained vacant for at least one year;
 - 2. That the Development Project is expected to create or retain job opportunities within the municipality;
 - 3. That the Development Project will serve to further the development of adjacent areas;
 - 4. That without this Agreement, the Development Project would not be possible;

5. That the Developer meets high standards of creditworthiness and financial strength;
 6. That the Development Project will strengthen the commercial sector of the municipality;
 7. That the Development Project will enhance the tax base of the City;
 8. That this Agreement is made in the best interest of the City; and
 9. Pursuant to the Illinois Municipal Code, as amended ("Code"), the City has authority to enter into an economic incentive agreement relating to the development of land within corporate limits, including an agreement to share or rebate a portion of the retailer's occupation taxes received by the City that are generated by the development.
- D. Subject to the terms and conditions of this Agreement, the City agrees to make the Rebate Payment (defined below) to the Developer.
- E. This Agreement has been submitted to the Corporate Authorities of the City for consideration and review, and the Corporate Authorities have given all notices and taken all actions required to be taken prior to the execution of this Agreement to make this Agreement effective.

NOW THEREFORE, to maintain and revitalize business within the City by assuring opportunities for development and attracting sound and stable commercial growth; to promote the public interest and to enhance the tax base of the City; to induce the Developer to undertake the Development Project; in consideration of the Developer's agreement to undertake the Development Project and the City's agreement to make the Rebate Payments to the Developer; and in consideration of the mutual promises, covenants, stipulations and agreements herein contained in this Agreement, the Developer and the City hereby agree as follows:

1. **Incorporation of Recitals**

The recitals set forth above are incorporated hereby by this reference as if fully set forth herein.

2. **Creation of Economic Incentive Agreements**

The City acknowledges that an Economic Incentive Agreement for the Development Project within the Property will provide incentives for development within the Property, which will provide sales tax benefits to the City. The City shall, upon application by Developer or its assigns, pursuant to 65 ILCS 5/8-11-20 or any other statutory means, enact all Ordinances and execute all agreements to share or rebate a portion of the City's allocated portion of

sales tax revenue, as set forth herein, to Developer or as assigned in writing by Developer, pursuant to the terms of this Agreement (hereinafter referred to as “Rebate Payments”). For purposes of this Agreement a “Commercial Retail User” shall be any user that collects sales tax as *part* of its operation. A Commercial Retail User shall be referred to herein as a “Generator”.

The City acknowledges that its agreement to execute this Development / Economic Initiative Agreement is a material inducement to Developer to undertake the Development Project.

3. Development Incentive Reimbursement

- A. **Commencement:** City and Developer agree that any such agreed upon Incentives shall not commence until **July 1, 2026**.
- B. **Incentives:** The Developer, pursuant to the terms of this Agreement, shall be paid a portion of the City’s share of sales tax generated by any “Generator” on the Property. The total Rebate Payments to be made to the Developer by City, from sales tax generated on the property, shall not exceed the sum of two hundred fifty thousand dollars and no cents (\$250,000.00) (“Incentives”). The final amount of the total Rebate Payments to be made shall be determined and calculated in accordance with the provisions of Sub-paragraph C of this Section. Developer shall be entitled to recover up to the total amount of the Incentives for a period of seven (7) years, **commencing on July 1, 2026 and ending on June 30, 2033**. In the event Developer recovers its full Incentives of two hundred fifty thousand dollars and no cents (\$250,000.00) prior to expiration date of **June 30, 2033**, the right to recovery shall terminate earlier than the previous stated expiration date. In the event Developer has not received all of its Incentives, this Agreement shall be treated as expired at the **close of business on June 30, 2033**. No interest shall be paid on the Incentives.
- C. **Calculation of Rebate Payments Amount:** Developer has requested of the City, based upon Developer’s estimate of the development costs and Developer incentive costs, a sum not to exceed two hundred fifty thousand dollars and no cents (\$250,000.00), for which it seeks Rebate Payments. A portion of the development costs, for which Developer seeks sales tax rebates, is associated with the estimated costs to the Developer for improvements to 15456 Route 34. Said improvement costs are set forth and itemized on Exhibit “B” to this Agreement.
- D. The City shall distribute the 1% municipal share of the sales tax revenue generated by any Generator as follows:

YEAR	July 1, 2026 to June 30, 2027	July 1, 2027 to June 30, 2028	July 1, 2028 to June 30, 2029	July 1, 2029 to June 30, 2030	July 1, 2030 to June 30, 2031	July 1, 2031 to June 30, 2032	July 1, 2032 to June 30, 2033
Developer	100%	75%	75%	50%	25%	25%	25%
City	0%	25%	25%	50%	75%	75%	75%

- E. **Sales Tax and Sales Tax Revenue Defined:** The terms “Sales Tax” and “Sales Tax Revenue” used throughout this Agreement refer to the City’s share of the revenues generated by the sale of merchandise, from and collected under the Retailer’s Occupation Tax, or the City’s share of any other “sales tax” or similar tax that may be enacted by the State of Illinois or any governmental agency or body created under the laws of the State of Illinois, based upon gross sales, and located within the State of Illinois, that is collected by the Generators as a result of business transactions occurring on the Property. In the event that the City’s share of said sales tax or substitute tax is reduced or increased by the State, then the affected Generator’s share thereof shall be reduced or increased in the same proportion.
- F. **Payment Obligation:** The City agrees to pay Developer or its assignee the Developer’s proportionate share of the monthly sales tax remittances made to the City by the Illinois Department of Revenue (DOR) within thirty (30) days of receipt by the City of the Quarterly Reports provided to the City by the DOR certifying the sales tax generated by each Generator on the Property, and continuing until the Incentives are paid to the Developer as set forth in this Agreement.
- (i) The monthly sales tax remittances shall mean an amount as set forth in Section 3 D. above of the sales tax revenue received by the City from the State generated by each Generator on the Property. All amounts paid to the Developer will be due and payable solely from the sales tax revenues received by the City from the Illinois Department of Revenue from any Generator’s sales for the preceding quarter.
 - (ii) Provided, however, if the City no longer receives sales tax revenues generated by a Generator due to a change in Illinois statutes, then the City shall make payments to the Developer from any alternate sources of revenue provided to the City by the State, if any are made, which are intended, specifically, as a replacement or substitute for sales tax revenue presently received by the City and anticipated to be generated from the project.

G. Sources of Funds to Pay Reimbursable Development Project Costs:

- (i) Funds necessary to pay for the Incentives are to be solely derived from the sales tax generated by the Generators. This pledge of sales tax revenues hereby is approved by the City.
- (ii) In order to comply with the terms of this Agreement, Developer shall require in writing all tenants in the Property and to any subsequent purchasers of any portion of the Property to direct the Illinois Department of Revenue to provide the City with a breakdown of sales tax being remitted to the City for each commercial retailer on-site, in the event Developer or a commercial retailer fails to provide the City with written authority for release of said information from the Illinois Department of Revenue the City shall have no duty to remit sales tax proceeds from that commercial retailer to the Developer.

4. Assignability

It is expressly agreed and understood by the parties to this Agreement that the benefits contemplated in the Development/Economic Initiative Agreement and pursuant to 65 ILCS 5/8-11-20 are assignable at the option of the Developer. Absent a specific written Agreement between the Developer and the City, the Developer shall be permitted to assign only all of its rights and benefits under this Agreement and shall not be able to assign the same in a piece meal fashion. Upon such written assignment by the Developer, assignee shall have all rights currently vested in the Developer under the Development Agreements, this Ordinance and applicable law, and shall be entitled to enforce same by any legal or equitable remedy.

5. Reimbursement Procedures

- A. Sales Tax Reports: Developer agrees to cause all Generators to execute and deliver to the City a written direction, in form and content acceptable to the City and the Illinois Department of Revenue ("DOR"), authorizing the DOR to release to the City the sales tax figures for the Generator, on a quarterly basis and during the term of this Agreement. The City agrees to take the necessary action to initiate the transaction. Should the DOR cease to release the sales tax information to the City on a quarterly basis, Developer and all Generators shall be responsible for any further action to obtain the sales tax information from the DOR or shall be responsible for submittal of the sales tax information as provided for in the next paragraph of this Agreement.
- B. In the event the DOR fails to submit to the City the quarterly sales tax information for any Generator as provided for in Section A above, Developer shall cause Generators to, contemporaneous with the filing of sales tax reports with the Illinois Department of Revenue or successor agency, furnish to the City copies of any and all sales tax returns, sales tax reports, amendments, or any other paper filed with the State of Illinois, said Department of Revenue or other

appropriate governmental entity, pertaining to the Generators, and certified as being true and correct, which documents are being provided to the City for purposes of identifying sales tax revenues collected pursuant to this Agreement.

- C. **Confidentiality**: The City acknowledges and agrees that information to be provided by Generators hereunder are proprietary and valuable information and that any disclosure or unauthorized use thereof will cause irreparable harm to Developer and/or Developer's affiliates and/or Generator and/or Generator's affiliates, and to the extent permitted by state or federal law, including but not limited to Section 7(1)(g) of the Illinois Freedom of Information Act, the City agrees to hold in confidence all sales figures and other information provided by Developer or Generators or obtained from Developers' or Generators' records in connection with this Agreement, and in connection therewith, the City shall not copy any such information except as necessary for dissemination to the City's agents or employees as permitted hereinafter. The City shall be permitted to disclose such information (i) to its agents or employees who are reasonably deemed by the City to have a need to know such information for purposes of this Agreement; provided, that such agents and employees shall hold in confidence such information to the extent required of the City hereunder or (ii) to the extent required by order of court or by state or federal law. The confidentiality requirements of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind the City, its successors, assigns and legal representatives for a period of five (5) years from the termination, expiration or cancellation of this Agreement.

6. **Audit**

Each payment by the City to Developer shall be accompanied by a statement executed by the City Treasurer or the Treasurer's designee, setting forth the calculations of such payment and identifying the sales tax return period to which the payment relates. The City Treasurer or the Treasurer's designee shall further issue a statement setting forth all payments made to date to Developer. Developer shall have one (1) year following the receipt of said payment to contest any of the calculations or information contained in said statements. Developer shall have the right to review all sales tax reports provided to the City by the State relating to any Generator within 30 days of a written request from the Developer, approved by the Generator.

7. **Default/Right To Cure**

No party shall be deemed in default hereunder until such Party has failed to cure the alleged default within thirty (30) days in the case of a monetary default, or within thirty (30) days in the case of a non-monetary default, from notice of such default from the other Party; provided, however, if the nature of such non-monetary default is such that it cannot reasonably be cured within such thirty (30) days period, then such Party shall not be deemed in default if such Party commences to cure such default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion. Developer shall be in default if the

Property is vacated.

In the event of a default and except as may be otherwise provided herein to the contrary, the non-defaulting party may: (i) terminate this Agreement upon written notice to the defaulting party, recover from the defaulting party all damages incurred by the non-defaulting party; (ii) except as may be otherwise expressly provided to the contrary herein, seek specific performance of this Agreement, and, in addition, recover all damages incurred by the non-- defaulting party; (the parties declare it to be their intent that this Agreement may be specifically enforced); (iii) pursue all other remedies available at Law, it being the intent of the parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the non-defaulting party.

8. **No Obligation to Develop, Open or Operate**

Nothing contained in this Agreement shall be deemed to obligate Developer, Generator or any of Generator's affiliates to construct any improvements on the Property or to open or operate any form of business in the Property for any period of time or at all.

9. **Additional covenants**

- A. **Time**: Time is of the essence unless otherwise stated in this Agreement and all time limits set forth are mandatory and cannot be waived except by a lawfully authorized and executed written waiver by the party excusing such timely performance.
- B. **Binding Effect**: This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.
- C. **Severability**: If any provision of this Agreement is held invalid by a court of competent jurisdiction or in the event such a court shall determine that the City does not have the power to perform any such provision, such provision shall be deemed to be excised herefrom and the invalidity thereof shall not affect any of the other provisions contained herein.
- D. **Notices**: All notices and requests required pursuant to this Agreement shall be sent by certified mail as follows:

To Developer:

Jeff Bass
8031 W. 159th St.
Tinley Park, IL 60477

Bob Bibeau

To the City:

City of Plano

17 East Main Street Plano, IL 60545
Attention: City Clerk

With copies to:

William R. Thomas
Ottofen DiNolfo Hasenbalg & Castaldo, Ltd.
2441 Warrenville Road, Suite 310
Lisle, IL 60532

- E. Authority to Execute: The signatories of the parties hereto warrant that they have been lawfully authorized by the City Council of the City and the Developer, to execute this Agreement on their behalf.
- F. Attorneys' Fees: If a party commences a legal proceeding to enforce any of the terms of this Agreement, the prevailing party in such action shall have the right to recover reasonable attorneys' fees and costs from the other Party to be fixed by the court in the same action.
- G. Relationship of the Parties: Nothing herein shall be deemed or construed by the Parties or by any third party as creating the relationship of principal and agent or of partnership or joint venture between the Parties, it being understood and agreed that no provision herein, nor any acts of the parties, shall be deemed to create any relationship between the parties.
- H. Remedies Not Exclusive: Except as may be otherwise expressly provided herein, the various rights and remedies herein contained and reserved to each of the parties, except as herein otherwise expressly provided, are not exclusive of any other right or remedy of such party, but are cumulative and in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission of the right to exercise any power or remedy by either party shall impair any such right, power or remedy or be construed as a waiver of any default or non-performance or as acquiescence therein.
- I. Effective Date: This Agreement shall not become effective unless and until the Developer acquires the Property from the current owner of the Property.

IN WITNESS WHEREOF, this Agreement is entered into at Plano, Illinois, as of the date and year shown above.

Exhibit "A"

legal description

DRAFT

Exhibit "B"

Improvement costs are set forth and itemized

Item	Amount
Exterior Paint & Caulk	\$15,000
New Roof Showroom Building	\$55,000
Parking lot	\$9,000
Signage	\$18,500
Awning	\$8,500
New Windows	\$12,000
Garage Doors	\$11,500
Showroom remodel:	
Flooring	\$22,500
Demo	\$10,000
Frame offices & parts area	\$12,500
Drywall/Paint Interior	\$17,500
Lighting interior	\$17,500
Bathrooms	\$15,000
Counters	\$7,500