

RESOLUTION NO. 24- _____

**A RESOLUTION OF THE CITY OF NAPERVILLE
AUTHORIZING ITS CITY MANAGER TO EXECUTE AMENDMENTS
TO EXTEND ITS EXISTING HOTEL TAX REBATE AGREEMENTS
FOR AN ADDITIONAL TWO YEARS**

RECITALS

1. **WHEREAS**, the City of Naperville, DuPage and Will Counties, of the State of Illinois is an Illinois municipal corporation and home rule unit of government under the laws and Constitution of the State of Illinois (“City”); and
2. **WHEREAS**, the City previously entered into development incentive agreements with the owners of four local hotels: Embassy Suites, Hotel Arista, Hotel Indigo and Marriott. Each agreement was established during the development or redevelopment of the subject property. They are each standalone agreements with unique terms and conditions; and
3. **WHEREAS**, the financial incentive common among all four agreements is a 20-year rebate by the City of Naperville to the respective hotels of their local hotel/motel taxes and the portion of the State of Illinois sales taxes received by the City of Naperville; and
4. **WHEREAS**, from April 1, 2020, to March 31, 2022, hotel revenue plummeted as the pandemic brought the hospitality industry to a near standstill. As a result, all four hotels experienced significant setbacks in recapturing revenues through the rebate agreements; and
5. **WHEREAS**, the hotel owners and the Naperville Development Partnership have collectively requested that the City extend the existing agreements based on the unprecedented nature of the global pandemic and its economic impacts; and
6. **WHEREAS**, the City has the authority, pursuant to the laws of the State of Illinois and its home rule authority, to promote the health, safety, and welfare of the City and its residents, and to act to achieve such objectives; and
7. **WHEREAS**, the City has the authority, pursuant to the laws of the State of Illinois and its home rule authority, to enter into economic incentive agreements relating to the development of property and to provide therein for the sharing or rebating of a portion of the City’s share of the State of Illinois Retailers’ Occupation Tax pursuant to 35 ILCS 12/1 *et seq.* and the City’s home rule Hotel and Motel Use Tax; and

8. **WHEREAS**, the City has the authority, pursuant to the laws of the State of Illinois and its home rule authority, to promote the health, safety, and welfare of the City and its residents, to prevent the spread of conditions detrimental to healthy economic development, to encourage private development in order to enhance the local tax base, to increase employment, and to enter into contractual agreements and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law for the purpose of achieving such objectives; and

9. **WHEREAS**, the Corporate Authorities of the City, after due and careful consideration, have determined that it is in the public interest to address the negative impact of the COVID pandemic on these four hotels by extending the existing hotel tax rebate agreements between the City of Naperville and the following hotels: Embassy Suites, Hotel Arista, Hotel Indigo, and Marriott for an additional twenty four (24) months beyond the expiration period currently provided in each hotel's respective hotel tax rebate agreement with the City of Naperville, less the amount of any rebates from the City that the hotels received during the period of April 1, 2020 through March 31, 2022 and without increasing the maximum incentive amount or any other terms in the respective current incentive agreements.

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NAPERVILLE, COUNTIES OF DUPAGE AND WILL, ILLINOIS, in exercise of its home rule authority, as follows:

SECTION 1: The foregoing recitals are incorporated as though fully set forth in this Section 1.

SECTION 2: The City of Naperville's City Manager is hereby authorized to execute agreements, amendments, or take any action necessary to on behalf of the City of Naperville to extend the existing hotel tax rebate agreements between the City of Naperville and the owners of the following hotels: Embassy Suites, Hotel Arista, Hotel Indigo, and Marriott for an additional twenty four (24) months beyond the expiration period currently provided in each hotel's respective hotel tax rebate agreement with the City of Naperville, less the amount of any rebates from the City that the hotels received during

the period of April 1, 2020 through March 31, 2022 and without increasing the maximum incentive amount or any other terms in the respective current incentive agreements.

SECTION 3: This Resolution shall be in full force and effect from and after its passage and approval.

ADOPTED this _____ day of _____, 2024.

AYES:

NAYS:

ABSENT:

APPROVED this _____ day of _____, 2024.

ATTEST:

Scott A. Wehrli
Mayor

City Clerk