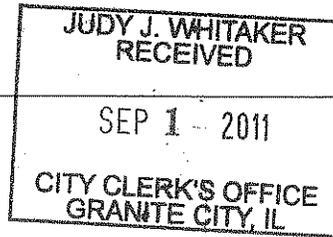


Industrial Search/Economic Development Committee Meeting

September 6, 2011

- 1) Weber Chevrolet Inducement Resolution
- 2) Prairie Farms redevelopment agreement amendment – time extension
- 3) Carron's reimbursable expense approval



August 29, 2011

Ed Hagnauer
Mayor
City of Granite City
2000 Edison Ave.
Granite City, Illinois 62040

Jonathan Ferry
Economic Development Director
City of Granite City
2000 Edison Ave.
Granite City, Illinois 62040

Re: Expansion of Weber Chevrolet

Gentlemen,

As you may know, Weber Granite City Chevrolet Co (“Weber Chevrolet”) has been selling quality, American-made vehicles at its location on Progress Parkway in the City of Granite City (the “City”) for over 18 years. During that time, we have done our best to be a good corporate citizen, remain committed to fair employment practices, and play a positive role in the community, in part by working with the City on a variety of projects and issues. I believe that our relationship with the City has proven to be beneficial for both of us. As a result, Weber Chevrolet would very much like to continue to locate its Madison County operations in the City.

As we have discussed, Weber Chevrolet is currently considering an expansion of its operations in Madison County by constructing an entirely new dealer facility for the sale and service of Chevrolet vehicles (the “Project”). Weber Chevrolet estimates that it will expend approximately \$2.5 million of its own funds to complete the Project, and expects to both increase its sales revenue and hire 4 or 5 additional employees as a result. This, in turn, will increase the sales tax revenue generated by Weber Chevrolet for the City. However, the expense will likely have a severe negative effect on the profitability of the organization for the next ten years.

In order to ensure the economic viability and success of the Project, Weber Chevrolet believes that it is in both of our interests to come to an agreement to share a portion of the sales tax revenue that will flow to the City as a result of Weber Chevrolet’s completion of the Project within the City limits. Weber Chevrolet has twice entered into similar Tax Rebate Agreements with the City of Columbia, Illinois in conjunction with expansions of its St. Clair County operations, and those arrangements have proven to work to the advantage of both industry and government, as the improvements significantly increase sales, and therefore, tax revenue.

Weber Chevrolet is now in a position to begin the Project shortly, and has been in discussions with other local governments in Madison County regarding tax incentives which may be available to Weber Chevrolet if it chose to relocate its Madison County operations. Accordingly, Weber Chevrolet would like to open formal discussions with the City regarding a potential tax rebate agreement as soon as possible. To that end, please let this letter serve as Weber Chevrolet's request to be heard on this issue at the next meeting of the City Council. If given an audience by that body, I will be present as a representative of Weber Chevrolet to discuss the Project and the proposal set forth in this letter in greater detail.

Again, on behalf of Weber Chevrolet, I would like to thank the City for serving as our partner over the years. We look forward to strengthening this relationship, and our community, through ever greater investment in Granite City.

Sincerely,

A handwritten signature in black ink, appearing to read 'George Weber IV', with a long vertical line extending downwards from the end of the signature.

George Weber IV