



Thomas P. McNamara, Mayor

## **MEMORANDUM**

TO: Planning and Development Committee

FROM: Todd Cagnoni, City Administrator *T.C.*

RE: Proposed amended development agreement with First Midwest Group (Machesney Investment LLC) and McDonalds for the establishment of a McDonalds at 4103 West State Street.

DATE: December 19, 2025

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For your consideration, is proposed amended development agreement with First Midwest Group (Machesney Investment LLC) and McDonalds for the establishment of a McDonalds at 4103 West State Street for an additional amount of \$200,000. Funding Source is 2025 Casino Plan Funds / Economic Development High Risk Area in the amount of \$200,000. The funding is requested to fill the gap on the developers expected return from the development.

First Midwest Group currently owns the property under an LLC and has for the last eight years. The property is subject to a development agreement executed in 2017 that allowed the establishment of DaVita as the first phase of development. The terms of the existing development agreement provide the Developer reimbursement of 100% of the annual incremental taxes generated by the improvement to the Property, on a pay-as-you-go bases from the Springfield Corners TIF District.

The developer has provided a detailed gap analysis / narrative for the McDonalds and development which is included as part of the packet. The summary includes significant detail related to the financial gap and summary of benefits to the City, including return on investment to the City.

Staff recognizes the benefits in the establishment of the additional development on the west side, but questions why tax payers have to provide financial incentive to the benefit of McDonalds. City Council recently approved a Policy on Food Insecurity that recognizes the harm a high number of fast-food restaurants in concentrated area can have, (Food Swamp). Staff does not suggest the project should be prohibited and supported the zoning approval, but feels the utilization Economic Development funds for High Risk areas could be better invested to serve west side residents.

Funding provided outside of TIF funds will require State of Illinois prevailing wage requirements to be satisfied.

Staff recommends denial of proposed amendment to the development agreement. Should you have any questions, please let me know.