



COMMITTEE OF THE WHOLE MEETING

**OF THE STREATOR CITY COUNCIL
TO BE HELD AT
204 SOUTH BLOOMINGTON STREET
STREATOR, ILLINOIS 61364**

**TUESDAY, MAY 14, 2019
1:30 P.M.**

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

DISCUSSION ITEMS-

- 1. Proposed TIF Redevelopment Agreement for 409 E. Main Street**
- 2. SHS Epidemic Use of Vaping Devices & Electronic Cigarettes**

ADJOURNMENT

NOTE: Anyone planning to attend the meeting who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk's office at (815) 672-2517, 24 hours prior to the meeting. Staff will be pleased to make the necessary arrangements.

OFFICE MEMORANDUM

TO City Manager
FROM Community Development Director
SUBJECT 409 E Main Street
DATE May 2, 2019

Enclosed with this memo please find a copy of a proposed TIF redevelopment agreement for the 409 E Main Street property. This property has been a long standing code enforcement issue and has deteriorated to a point that the building needs intervention in the very near term or demolition will be required. The out of town property owner is an elderly man with no means to address the issues with the building. To abate an imminent threat to safety the City has already had to undertake work to stabilize brick work on both the front and back of the building which resulted in the City filing a lien against the building of roughly \$8,000.

The main issue with this building is that due to its condition no developer or potential purchaser has been willing to take on the project to restore the building. Last fall at Scot's direction the Fire Chief and I went through the building and I developed the following cost estimates:

- Demolition - \$185,000
 - This price is estimated based on the price the City paid to demolish 220 E Main and then repair the remaining Monroe Tap wall as we would have to do based on Council policy
- Rehabilitation - \$217,000
 - Estimated 30 YD Dumpster and Landfill Fees -\$18,000
 - Estimated 320 Man-hours for Demolition - \$64,000
 - Estimated Masonry Repair Work - \$15,000
 - Estimated Roof Repair Costs - \$80,000
 - Based on previous DuraLast roof costs
 - Estimated Façade Renovation - \$40,000
 - Based on average costs under the façade grant program

The City Council has been briefed on these numbers and asked that staff find a potential solution to avoid the City having to undertake either the demolition or the rehabilitation.

As a result of this, Scot and I reached out to two local contractors/developers to discuss the possibility of an agreement which has resulted in the attached RDA. Following Scot's departure I negotiated the terms of this RDA with Jeff Zavada, a local contractor

and worked with our TIF consultant, Jacob and Klein, to have the RDA drafted. The reimbursement numbers presented are what Mr. Zavada has stated that he needs to undertake the project, and to show his commitment he has already placed and had an offer accepted pending the outcome of this RDA. His offer to the owner is to cover only the amount still owed to the mortgage holder (roughly \$2,500) and to cover the cost of the City's lien. Per Scot's direction the current owner will receive no payment for the building due to the deterioration he has allowed to happen.

The terms of the RDA stated simply are:

- 100% increment over the life of the TIF (TIF Projections are attached)
- Guarantee of a \$15,000 TIF façade grant
- \$60,000 in direct reimbursement following completion of eligible work

In discussions with Mr. Zavada he has stated that if the RDA is approved this spring he would begin work and complete the work this year which would mean that the full \$75,000 immediate payment would need to be made this year.

To ensure that the City could entertain such a proposal Wes Levy ran the enclosed Cash Flow Summary of the City's two main TIF funds and found cash balances following allocated and projected costs of over \$200,000 for the next 3 fiscal years.

I am providing this information so that you can discuss this matter with the Council and determine how best to proceed. If you would like any other information or for me to set up a meeting with Mr. Zavada please let me know.

**TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT AGREEMENT**

by and between

**CITY OF STREATOR,
LASALLE AND LIVINGSTON COUNTIES, ILLINOIS**

and

JEFF ZAVADA

STREATOR TAX INCREMENT FINANCING DISTRICT II

MAY 15, 2019

REDEVELOPMENT AGREEMENT

by and between
CITY OF STREATOR
and
JEFF ZAVADA

STREATOR TIF DISTRICT II

THIS REDEVELOPMENT AGREEMENT (including Exhibits) is entered into this 15th day of May, 2019 by and between the City of Streator (the “City”), an Illinois Municipal Corporation, LaSalle and Livingston Counties, Illinois, and Jeff Zavada (the “Developer”).

PREAMBLE

WHEREAS, the City has the authority to promote the health, safety and welfare of the City and its citizens, and to prevent the spread of blight and deterioration and inadequate public facilities, including sanitary sewer, by promoting the development of private investment in the marketability of property thereby increasing the tax base of the City and providing employment for its citizens; and

WHEREAS, Pursuant to 65 ILCS 5/8-1-2.5, a municipality may appropriate and expend funds for economic development purposes, including without limitation for commercial enterprises that are deemed necessary or desirable for the promotion of economic development within the community; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 et seq., as amended (the “Act”), the City has the authority to provide incentives to owners or prospective owners of real property to redevelop, rehabilitate and/or upgrade such property by reimbursing the owner for certain costs from resulting increases in real estate tax revenues (“real estate tax increment”) or from other City revenues; and

WHEREAS, on October 18, 2006, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or obsolete or a combination thereof, the City approved a Tax Increment Financing Redevelopment Plan and Projects (the “Plan”), designated a Redevelopment Area and adopted Tax Increment Financing as provided under the Act for Streator TIF District II (the “TIF District”); and

WHEREAS, included in the Redevelopment Project Area is property located at 409 E. Main Street, Streator, Illinois, (PIN# 33-36-103-029) (hereinafter referred to as the “Property”); and

WHEREAS, the Developer is proceeding with plans to acquire the property and renovate and rehabilitate the existing building located thereon (the “Project”), and is doing so based on the availability of TIF incentives offered by the City; and

WHEREAS, it is the intent of the City to encourage economic development which will increase the real estate tax revenue of the City, which increased incremental taxes will be used, in part, to finance incentives to assist development within the Tax Increment Financing District; and

WHEREAS, the Developer’s proposed Project is consistent with the TIF District Redevelopment Plan and Projects for the Redevelopment Project Area and further conforms to the land uses of the City as adopted; and

WHEREAS, pursuant to Section 5/11-74.4-4(b) of the Act, the City may make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of the Redevelopment Plan; and

WHEREAS, pursuant to Section 5/11-74.4-4(j) of the Act, the City may incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement and further defined in Section 5/11-74.4-3(q) of the Act, including those Estimated TIF Eligible Project Costs as herein listed in the attached *Exhibit "1"* of this Redevelopment Agreement; and

WHEREAS, the Developer requested that incentives for the development be provided by the City from incremental increases in real estate taxes of the City generated from its Project and the City agreed to such incentives; and

WHEREAS, the City has determined that this Project required the incentives requested as set forth herein and that said Project will, as a part of the Plan, promote the health, safety and welfare of the City and its citizens by attracting private investment to prevent blight and deterioration and to generally enhance the economy of the City; and

WHEREAS, the City has reviewed the conditions of the Property and has reason to believe that the costs of the necessary public and private improvements to be incurred by the Developer in furtherance of the Project are eligible project costs under the Act and are consistent with the Redevelopment Plan of the City; and

WHEREAS, in consideration of the execution of this Agreement, the Developer will complete the Project as set forth in *Exhibit "1"*; and

WHEREAS, the City is entering into this Agreement having encouraged and induced the Developer to proceed with the Project located on said Property.

AGREEMENTS

NOW, THEREFORE, the Parties, for good and valuable consideration, the receipt of which is acknowledged, agree as follows:

A. PRELIMINARY STATEMENTS

1. The Parties agree that the matters set forth in the recitals above are true and correct and form a part of this Agreement.
2. Any terms which are not defined in this Agreement shall have the same meaning as they do in the Act, unless indicated to the contrary.
3. The Developer shall remain in compliance with all municipal ordinances relating to property development, property condition, zoning, subdivision and building codes. Failure to cure the violation of any such ordinance within thirty (30) days upon being provided written notice of the same by the City shall be cause for the City to declare the Developer in Default and unilaterally terminate this Agreement, except where such failure is not reasonably susceptible to cure within such 30-day period, in which case the Developer shall have such additional time to cure as is reasonably necessary, provided that

the Developer has commenced such cure within such 30-day period and continues to diligently prosecute the same to completion.

4. Each of the Parties represents that it has taken all actions necessary to authorize its representatives to execute this Agreement.

B. ADOPTION OF TAX INCREMENT FINANCING

The City has created a Tax Increment Financing District known as "Streator TIF District II" which includes the Developer's Property. The City has approved certain Redevelopment Project Costs, including the types described in *Exhibit "1"* for the Developer's Project which shall be hereafter known as the "**Jeff Zavada Redevelopment Project**."

C. INCENTIVES

In consideration for the Developer purchasing the Property and completing the Project as set forth herein, the City agrees to extend to the Developer the following incentives to assist the Developer's Project:

1. Upon verification of at least \$60,000.00 of TIF eligible project costs, as set forth in *Section E*, the City shall reimburse the Developer a one-time lump-sum amount not to exceed **Sixty Thousand Dollars (\$60,000.00)** from the Special Tax Allocation Fund.
2. In addition, the City agrees to provide the Developer with a façade grant up to a total amount not to exceed **Fifteen Thousand Dollars (\$15,000.00)** pursuant to the terms of the *Streator Downtown Building Façade Renovation and Replacement Grant and Loan Program* adopted by the City on September 20, 2017.
3. In addition to the reimbursements provided for in *Sections C(1) and C(2)* above, the City shall reimburse the Developer **One Hundred Percent (100%)** of the annual "net" incremental increase in real estate tax revenues derived from the Developer's Project for reimbursement of the Developer's Estimated TIF Eligible Project Costs as set forth in *Exhibit "1"* attached hereto. Such reimbursement shall commence with the first tax year that real estate tax increment is generated by the Project, and shall continue only for the current remaining life of the TIF District (tax year 2029 payable 2030), or upon the Developer receiving the maximum reimbursement amount, including the amounts set forth in *Sections C(1) and C(2)* above, of **One Hundred Twenty Thousand Dollars (\$120,000.00)** as set forth in *Exhibit "1"* attached hereto, whichever occurs first. These funds are to be allocated to and when collected shall be paid to the city treasurer for deposit in a separate account within the Special Tax Allocation Fund for Streator TIF District II, designated as the **Jeff Zavada Project Special Account** ("Special Account").
4. "Net" real estate tax increment is defined as increases in annual real estate tax increment derived from the Developer's Project after payment of the proportionate amount of administrative fees and costs incurred by the City and payments pursuant to any Intergovernmental Agreements. The Developer's proportionate amount is calculated by dividing the increment generated by the Developer's Project by the total TIF District increment.
5. In the event the Developer sells or otherwise conveys the Property, absent a written assignment to the purchaser of the Property that has been accepted by the City pursuant to

Section N below, any reimbursements remaining to be paid to the Developer hereunder shall cease and this Agreement shall terminate.

D. LIMITATION OF INCENTIVES TO DEVELOPER

1. The Developer shall be reimbursed by the City for all TIF Eligible Project Costs permitted by the Act (subject to a limitation of \$120,000.00) from the real estate tax increment generated by the Project on the Property and deposited into the Special Account, but only for the term of the Agreement and only from the Property included in the Project and currently owned by the Developer at that location.
2. It is not contemplated nor is the City obligated to use any portion of the real estate tax increment generated by the Developer's Project to reimburse the Developer for its TIF Eligible Project Costs but, rather, the City shall use its sums for any purpose under the Act as it may in its sole discretion determine.
3. The Developer agrees to substantially complete the project, subject to Force Majeure, as defined herein.

E. PAYMENT OF ELIGIBLE PROJECT COSTS

1. Payment to the Developer for TIF Eligible Project Costs as set forth by the Act, shall be made by a Requisition for Payment of Private Development Redevelopment Costs (*Exhibit "2"*, "Requisition") submitted from time to time by the Developer to the City's TIF Administrator Jacob & Klein, Ltd., with copy to The Economic Development Group, Ltd. (collectively, the "Administrator"), and subject to the Administrator's approval of the costs and to the availability of funds in the Special Account.
2. All Requisitions must be accompanied by verified bills or statements of suppliers, contractors or professionals together with mechanic's lien waivers (whether partial or full) from each of the parties entitled to a payment that is the subject of the Requisition as required by the City.
3. In order for the Developer to receive reimbursement of Eligible Project Costs for costs it has incurred in any year as set forth in *Paragraphs 1* and *2* above, the Developer must submit such proposed eligible costs to the City by March 1 of the following year. If there are no accumulated outstanding costs previously submitted and approved by the City and if the Developer does not submit such proposed eligible costs by this deadline, the Developer will forfeit reimbursement of such costs from the prior year's real estate tax increment to be paid in the current year. Any approved eligible costs submitted after this deadline will be eligible for reimbursement from the next year's real estate increment receipts.
4. Any real estate increment not required to be paid to the Developer under the terms of *Paragraph 3* above shall be available to the City for any purpose set forth in the TIF Plan and allowed by the Act.
5. The Developer shall use such sums as reimbursement for Eligible Project Costs only to the extent permitted by law and the Act and may allocate such funds for any purpose for the terms of this Agreement or the term of the TIF District whichever is longer.
6. The Administrator shall approve or disapprove a Requisition by written receipt to the Developer within thirty (30) business days after receipt of the Requisition. Approval of the

Requisition will not be unreasonably withheld. If a Requisition is disapproved by the Administrator, the reasons for disallowance will be set forth in writing and the Developer may resubmit the Requisition with such additional information as may be required and the same procedures set forth herein shall apply to such re-submittals.

7. All TIF Eligible Project Costs approved shall then be paid by the City from the Special Account to the Developer, or to others as directed by the Developer, pursuant to the Redevelopment Plan and as allowed by Illinois Law. The City shall pay such approved eligible costs annually, provided the Developer has satisfied the terms of the Agreement and costs which exceed the amount available to pay the Developer shall carry forward, until paid, without further action of the Developer. Payment shall be made within forty-five (45) days after approval subject to the terms of this Agreement and after the City's receipt of the increment generated by the Developer's Project from the County.
8. The Parties acknowledge that the determination of TIF Eligible Project Costs, and, therefore, qualification for reimbursement hereunder are subject to changes or interpretation made by amendments to the Act, administrative rules or judicial interpretation during the term of this Agreement. The City has no obligation to the Developer to attempt to modify those decisions but will assist the Developer in every respect as to obtaining approval of Eligible Project Costs.
9. The Developer may submit for prior approval by the City as Eligible Project Costs under the Act estimates of costs before they are incurred subject to later confirmation by actual bills.

F. VERIFICATION OF TAX INCREMENT

1. It shall be the sole responsibility of the Developer or its designee to provide to the City, as requested in writing, copies of all PAID real estate tax bills, annually, for the Property.
2. The failure of Developer to provide any information required herein after written notice from the City, and the continued failure to provide such information within (30) days after such notice, shall be considered a breach of this Agreement and shall be cause for the City to deny payments hereunder to the Developer, which payments are conditional upon receipt of the foregoing information.

G. REIMBURSEMENT OF THE DEVELOPER'S SHARE OF TAX OBJECTION REFUNDS

1. If a refund of tax increment (including any accrued statutory interest thereon) is potentially due from the City's TIF Fund as the result of any tax objection, assessment challenge or formal appeal to the Illinois Property Tax Appeal Board (PTAB), issuance of a certificate of error or other such action, including any appeals therefrom, concerning the potential reduction of assessed value of the Property, the City may at its sole discretion withhold the Developer's share of any such possible refund (including any accrued statutory interest thereon) from future reimbursements calculated to be paid to the Developer under this Agreement. Furthermore, the Developer is hereby obligated to provide written notice to the City within five (5) days of filing any such objection, assessment challenge or formal appeal to the PTAB or other such action, including any appeals therefrom, that could potentially reduce the assessed value of the Property. Failure to provide such notice shall be considered a breach of this Agreement and shall be cause for the City to deny payments hereunder to the Developer.

2. Any funds withheld by the City under this *Section G* shall be deposited by it into a separate interest-bearing bank account. Upon final determination of the assessed value of the Property, the City shall pay to the Developer the principal amount due under this Agreement as recalculated. The City shall be entitled to retain any interest earned on the account as partial payment for the administration of the account due to the delay of the delay of the determination of the final evaluation and recalculation of the benefits due the Developer under this Agreement.
3. If it appears to the City that it will be unable to recover the Developer's share of any such refund (including any accrued statutory interest thereon) from the remaining future reimbursements due the Developer under this Agreement, the Developer shall reimburse the City for the Developer's remaining unpaid share of such refund within thirty (30) days upon receiving written demand of the same from the City.
4. Notwithstanding anything contained in this Agreement to the contrary, the obligations contained in this *Section G* shall remain in effect for the remaining life of the TIF District, whether the TIF District expires upon the current expiration of the Redevelopment Plan and Projects adopted by the City (tax year 2029 payable 2030); at an earlier time if the City passes an ordinance terminating the TIF District; or at a larger time if the TIF District is legislatively extended. Furthermore, the obligations set forth in this *Section G* shall survive the expiration of the TIF District if a tax objection or other such action taken by the Developer is pending prior to the expiration of the TIF District and shall continue until final disposition of such action.

H. LIMITED OBLIGATION

The City's obligation hereunder to pay the Developer for Eligible Project Costs is a limited obligation to be paid solely from the increment generated by the Project. Said obligation does not now and shall never constitute an indebtedness of the City within the meaning of any State of Illinois constitutional or statutory provision and shall not constitute or give rise to a pecuniary liability of the City or a charge or lien against any City fund or require the City to utilize its taxing authority to fulfill the terms of this Agreement.

I. CITY PUBLIC PROJECTS

The City intends to use part or all of its share of the Project's real estate increment for other public projects within the TIF District or within contiguous TIF Districts as allowed by law. The City shall be eligible for reimbursement of the cost of doing so, as well as other eligible costs incurred by the City in the TIF District.

J. LIMITED LIABILITY OF CITY TO OTHERS FOR DEVELOPER'S EXPENSES

There shall be no obligation by the City to make any payments to any person other than the Developer, nor shall the City be obligated to make direct payments to any other contractor, subcontractor, mechanic or materialman providing services or materials to the Developer for the Developer's Project.

K. COOPERATION OF THE PARTIES

1. The City and the Developer agree to cooperate fully with each other when requested to do so concerning the development of the Developer's Redevelopment Project. This includes without limitation the City assisting or sponsoring the Developer, or agreeing to jointly apply

with the Developer, for any grant, award, subsidy or additional funding which may be available from other governmental sources as the result of the Developer's or City's activities. This also includes without limitation the Developer assisting or sponsoring the City, or agreeing to jointly apply with the City, for any grant, award, or subsidy which may be available as the result of the City's or the Developer's activities.

2. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions, and certifications (and, in the City's case, the adoption of such ordinances and resolutions), as may be necessary or appropriate, from time to time, to carry out the terms, provisions, and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions, and intent.
3. The Parties shall cooperate fully with each other in seeking from any or all appropriate governmental bodies all approvals (whether federal, state, county or local) required or useful for the construction or improvement of property and facilities in and on the Property or for the provision of services to the Property, including, without limitation, wetland mitigation, gas, telephone, and electric utility services, roads, highways, rights-of-way, water and sanitary sewage facilities, and storm water disposal facilities.

L. DEFAULT; CURE; REMEDIES

In the event of a default under this Redevelopment Agreement by any party hereto (the "Defaulting Party"), which default is not cured within the cure period provided for below, then the other Party (the "Non-defaulting Party"), may have an action for damages, or, in the event damages would not fairly compensate the Non-defaulting Parties for the Defaulting Party's breach of this Redevelopment Agreement, the Non-defaulting Party shall have such other equity rights and remedies as are available to them at law or in equity. Any damages payable by the City hereunder shall be limited to the real estate tax increment payable to the Developer under the terms of this Agreement.

In the event a Defaulting Party shall fail to perform a monetary covenant which it is required to perform under this Redevelopment Agreement, it shall not be deemed to be in default under this Redevelopment Agreement unless it shall have failed to perform such monetary covenant within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying that it has failed to perform such monetary covenant. In the event a Defaulting Party fails to perform any nonmonetary covenant as and when it is required to under this Redevelopment Agreement, it shall not be deemed to be in default if it shall have cured such default within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying the nature of the default, provided, however, with respect to those nonmonetary defaults which are not capable of being cured within such thirty (30) day period, it shall not be deemed to be in default if it commences curing within such thirty (30) day period, and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

M. TIME; FORCE MAJEURE

The Developer and the City shall not be deemed in default with respect to any obligations of this Agreement on its part to be performed if the Developer or City fails to timely perform the same and such failure is due in whole, or in part, to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, weather conditions wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, war, fuel shortages, accidents, casualties, Acts of God, acts caused directly or indirectly by the City (or the City's agents, employees or invitees) when applicable to Developer or third parties, or any other cause beyond the reasonable control of Developer or the City.

N. ASSIGNMENT

The rights (including, but not limited to, the right to payments contemplated by *Section C* of this Agreement) and obligations (or either of them) of the Developer under this Agreement shall be fully assignable by the Developer, including a collateral assignment necessary for private financing, provided written notice is provided to the City and the City's consent is obtained prior to such assignment. The City's consent shall not be unreasonably withheld provided that the nature of the Project is not substantially changed, and further provided that the assignee is financially capable of fulfilling the obligations of the assignor. Any such assignment shall be subject to all the terms and conditions contained in this Agreement. Further, no such assignment shall be deemed to release the assignor of its obligations to the City under this Agreement unless the consent of the City to the release of the assignor's obligations is first obtained.

O. WAIVER

Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right of remedy does so in writing. No such waiver shall obligate such party to waive any right of remedy hereunder or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

P. SEVERABILITY

If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

Q. NOTICES

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

TO CITY:

City Clerk, City of Streator
204 S. Bloomington Street
Streator, IL 61364
Telephone: (815) 672-2517
Fax: (815) 672-7566

With Copy to:

Jacob & Klein, Ltd.
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Telephone: (309) 664-7777
Fax: (309) 664-7878

TO DEVELOPER:

Jeff Zavada
111 Wisconsin Ave.
Streator, IL 61364
Telephone: _____

With Copy to:

R. SUCCESSORS IN INTEREST

Subject to the provisions of *Section N*, above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

S. NO JOINT VENTURE, AGENCY, OR PARTNERSHIP CREATED

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

T. INDEMNIFICATION OF CITY

It is the understanding of the Parties that the position of the Illinois Department of Labor is that the Illinois Prevailing Wage Act does not apply to TIF increment received by private developers as reimbursement for private TIF Eligible Project Costs. This position of the Department of Labor is stated as an answer to a FAQ on its website at:

<http://www.illinois.gov/idol/FAQs/Pages/prevailing-wage-faq.aspx>.

The Developer shall indemnify and hold harmless the City, and all City elected or appointed officials, officers, employees, agents, representatives, engineers, consultants and attorneys (collectively, the Indemnified Parties), from any and all claims that may be asserted against the Indemnified Parties or one or more of them, in connection with the applicability, determination, and/or payments made under the Illinois Prevailing Wage Act (820 ILCS 130/0.01 et. seq.), the Illinois Procurement Code, and/or any similar State or Federal law or regulation. In addition, the Developer agrees to indemnify and hold harmless the City for any claim asserted against the City arising from the Developer's Project and/or this Agreement or any challenge to the eligibility of project costs reimbursed to the Developer hereunder. This obligation to indemnify and hold harmless obligates Developer to defend any such claim and/or action, pay any liabilities and/or penalties imposed, and pay all defense costs of City, including but not limited to the reasonable attorney fees of City.

U. ENTIRE AGREEMENT

The terms and conditions set forth in this Agreement and exhibits attached hereto supersede all prior oral and written understandings and constitute the entire agreement between the City and the Developer with respect to the subject matter hereof.

V. TITLES OF PARAGRAPHS

Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.

W. WARRANTY OF SIGNATORIES

The signatories of Developer warrant full authority to both execute this Agreement and to bind the entity in which they are signing on behalf of.

X. TERM OF THE AGREEMENT

Notwithstanding anything contained herein to the contrary, this Agreement shall expire upon the first to occur of the current expiration of Streator TIF District II, tax year 2029 payable 2030, or upon the Developer receiving all incentives included herein. The Agreement shall expire sooner if the Developer files for bankruptcy or otherwise becomes insolvent, the Property becomes the subject of foreclosure proceedings, or upon default by the Developer of this Agreement.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Streator, Illinois.

CITY
Streator, Illinois, an Illinois Municipal Corporation

DEVELOPER
Jeff Zavada

BY: _____
Mayor, City of Streator

Jeff Zavada

ATTEST:

City Clerk, City of Streator

EXHIBIT 1

SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS

Jeff Zavada Project
Streator TIF District II
City of Streator, LaSalle and Livingston Counties, Illinois

Project Description: The Developer is proceeding with plans to acquire the property and renovate and rehabilitate the existing building located thereon.

Street Location: 409 E. Main Street, Streator, Illinois

PIN#: 33-36-103-029

Estimated TIF Eligible Project Costs:

Site Preparation, Demolition Costs	\$33,000.00
Rehabilitation, Renovation Costs.....	\$87,000.00
Total <i>Estimated</i> TIF Eligible Project Costs.....	\$120,000.00

*Note: Developer's total reimbursements for TIF eligible project costs are not to exceed **\$120,000.00**.

EXHIBIT 2

**CITY OF STREATOR, ILLINOIS
STREATOR TAX INCREMENT FINANCING DISTRICT II**

**PRIVATE PROJECT
REQUEST FOR REIMBURSEMENT
BY
JEFF ZAVADA**

Date: _____

Attention: City TIF Administrator, City of Streator, Illinois

Re: TIF Redevelopment Agreement, dated May 15, 2019
by and between the City of Streator, Illinois, and Jeff Zavada

The City of Streator is hereby requested to disburse funds from the Special Tax Allocation Fund pursuant to the Redevelopment Agreement described above in the following amount(s), to the Developer and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Redevelopment Agreement.

1. REQUEST FOR REIMBURSEMENT NO. _____
2. PAYMENT DUE TO: Jeff Zavada
3. AMOUNTS REQUESTED TO BE DISBURSED:

Description of TIF Eligible Project Cost	Amount
Total	

4. The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to reimburse the Developer for Redevelopment Project Costs for the Project detailed in *Exhibit "1"* of the Redevelopment Agreement.
5. The undersigned certifies and swears under oath that the following statements are true and correct:
 - (i) the amounts included in (3) above were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect; and

- (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represent a part of the funds due and payable for TIF Eligible Redevelopment Project Costs; and
 - (iii) the expenditures for which amounts are requested represent proper Redevelopment Project Costs as identified in the "Limitation of Incentives to Developer" described in *Section "D"* of the Redevelopment Agreement; have not been included in any previous Request for Reimbursement; have been properly recorded on the Developer's books; are set forth with invoices attached for all sums for which reimbursement is requested; and proof of payment of the invoices; and
 - (iv) the amounts requested are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for Redevelopment Project Costs; and
 - (v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.
 - (vi) Any violation of this oath shall constitute a default of the Redevelopment Agreement and shall be cause for the City to unilaterally terminate the Redevelopment Agreement.
6. Attached to this Request for Reimbursement is *Exhibit "1"* of the Redevelopment Agreement, together with copies of invoices, proof of payment of the invoices, and Mechanic's Lien Waivers relating to all items for which reimbursement is being requested.

BY: _____ (Developer)

TITLE: _____

APPROVED BY CITY OF STREATOR, ILLINOIS

BY: _____

TITLE: _____ DATE: _____

REVIEWED BY JACOB & KLEIN, LTD. & THE ECONOMIC DEVELOPMENT GROUP, LTD.

BY: _____

TITLE: _____ DATE: _____

**** PRELIMINARY ESTIMATE FOR REVIEW ONLY ****

CITY OF STREATOR TIF DISTRICT II

409 E. MAIN ST REHAB PROJECT

4/18/2019

TIF FORMED: 2006

Calendar Year of Receipts	2018	2019	2020	2021	2022	2023	2024
Total Real Estate Tax Increment		Built	Assessed	\$3,797	\$3,873	\$3,950	\$4,029
Taxing Districts & Admin. Fees				\$218	\$222	\$227	\$231
Net Real Estate Tax Increment				\$3,579	\$3,651	\$3,724	\$3,798
Developer's Share of Net RETI				\$3,579	\$3,651	\$3,724	\$3,798
Cumulative Developer Share				\$3,579	\$7,230	\$10,954	\$14,752
City's Share of Net RETI				\$0	\$0	\$0	\$0

Calendar Year of Receipts	2025	2026	2027	2028	2029	2030	TOTALS
Total Real Estate Tax Increment	\$4,110	\$4,192	\$4,276	\$4,362	\$4,449	\$4,538	\$41,576
Taxing Districts & Admin. Fees	\$566	\$577	\$932	\$951	\$1,327	\$1,718	\$6,967
Net Real Estate Tax Increment	\$3,544	\$3,615	\$3,344	\$3,411	\$3,122	\$2,820	\$34,609
Developer's Share of Net RETI	\$3,544	\$3,615	\$3,344	\$3,411	\$3,122	\$2,820	\$34,609
Cumulative Developer Share	\$18,297	\$21,912	\$25,256	\$28,667	\$31,789	\$34,609	
City's Share of Net RETI	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Real Estate Assumptions	
Total Projected Market Value	\$114,561
Projected Taxable Value	\$38,187
TIF Base EAV	\$8,750
Projected Increase in EAV	\$29,437
Est. Real Estate Tax Increment	\$3,797
Parcel #33-36-103-029	

Total Est. Eligible Project Costs: \$120,000

Variables	
Inflation Rate	2.0%
Total Tax Rate (2017)	12.89885%
Tax Dist & Admin (Yrs 1-5)	5.74%
Tax Dist & Admin (Yrs 6-7)	13.76%
Tax Dist & Admin (Yrs 8-9)	21.79%
Tax Dist & Admin (Yr 10)	29.82%
Tax Dist & Admin (Yr 11)	37.85%
Developer Share of Net	100%

The information and assumptions contained in the foregoing material are based upon information, material and assumptions provided to Jacob & Klein, Ltd. (J&K) and the Economic Development Group, Ltd. (EDG) by outside persons including public officials. J&K and EDG have not undertaken independent investigation to verify any of the information or material contained herein. No warranty, express or implied, as to the accuracy of the materials and information or the results projected in the foregoing presentation is made by J&K or EDG, its officers or employees. J&K and EDG specifically disclaim the accuracy of the formulas and calculations and has no obligation to investigate or update, recalculate or revise the calculations. The material presented herein is subject to risks, trends and uncertainties that could cause actual events to differ materially from those presented. Those providing information contained in this presentation have represented to J&K and EDG that, as of the date it was provided, the information was accurate to the best of their knowledge. Any person viewing, reviewing or utilizing this presentation should do so subject to all of the foregoing limitations and shall conduct independent investigation to verify the assumptions and calculations contained herein. By acceptance and use of this presentation, the user accepts all of the foregoing limitations and releases J&K and EDG from any liability in connection therewith. J&K and EDG are not providing financial advice.

City of Streator

CASH FLOW SUMMARY - TIF 2 and 3 combined

	2019	2020	2021
Balance Sheet			
<u>Beginning Cash</u>	\$ 886,969	\$ 415,969	\$ 210,079
Revenue			
Property Taxes	600,000	618,000	645,810
Interest	1,500	50	50
Transfers	115,050	-	-
Bond Proceeds	-	-	-
Other Revenue	2,500	2,500	2,500
	<u>719,050</u>	<u>620,550</u>	<u>648,360</u>
Expenses			
Intergov Agreements	200,000	200,000	200,000
Bartoli	4,000	4,000	4,000
Carbone	2,000	2,000	2,000
1st National	7,000	7,000	7,000
Northpoint Development	331,000		
Beautiful City	10,000	10,000	10,000
Bond Principal	225,000	235,000	240,000
Bond Interest	109,050	105,450	101,450
Professional Fees	30,000	30,000	30,000
Projects	122,000		
Transfers			
To TIF IV	50,000	50,950	
To Grant Fund	100,000	182,040	
	<u>1,190,050</u>	<u>826,440</u>	<u>594,450</u>
<u>Ending Cash</u>	415,969	210,079	263,989



Streator Township High School

District #40

202 W. Lincoln Avenue
Streator, Illinois 61364-2102

Phone: 815.672.0545

Fax: 815.673.3637

Item # 2

Dear Mr. Mayor and Council Members

For your consideration, we are requesting assistance in dealing with the current teenage epidemic of the use of vaping devices and electronic cigarettes. This has become extremely popular in schools across America and Streator High School is no exception. We have confiscated dozens of vaping devices and are being told by other students that dozens more are being brought to school on a daily basis.

We would like for you to consider amending the current smoking ordinance to include possession of vaping devices (JUULs, NJOYs, etc.) or alternate nicotine delivery devices. We realize this is not going to control the behavior but it would assist in being a deterrent for students bringing these devices to Streator High School.

We would use the ordinance to help enforce the safety and healthy aspects we try to foster here at Streator High School. It is important to the school administration that all students are not tempted with these devices, especially students who might not normally be inclined to participate in these activities. Most times vaping becomes a communal act where students meet up in the bathroom and share one device.

Thank you for your consideration in helping us deal with this issue. We have enclosed a few ordinances that other cities are currently using. I hope these will help you view how other communities are dealing with this problem. Feel free to contact us at any time and we will answer any questions you have in this matter.

Sincerely,

Beau Doty

Assistant Principal

Streator Township High School

815-672-0545 ext. 523

Sgt. George Krasnican

School Resource Officer

Streator Township High School

815-672-0545 ext. 507

Vision Statement

Streator Township High School prepares its graduates to live and adapt in a changing world by offering a challenging academic and career-ready curriculum with a solid technological foundation and a comprehensive extracurricular program in a safe and effective learning environment.

EEOC