

ORDINANCE 2017-05

APPROVING A TIF REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF STREATOR AND NORTHPOINT DEVELOPMENT HOLDINGS

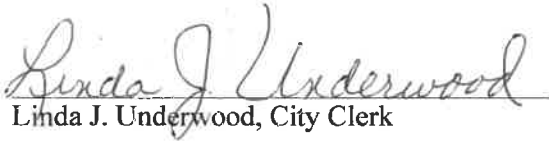
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STREATOR, LA SALLE AND LIVINGSTON COUNTIES ILLINOIS, that Jimmie D. Lansford, Mayor, is hereby authorized and directed to execute a TIF Northpoint Redevelopment Agreement; a copy of which is attached hereto and made a part hereof by reference.

Passed by the City Council of the City of Streator, LaSalle and Livingston Counties, Illinois at a regular meeting thereof held on the 15th day of **February 2017**, and approved by me as Mayor on the same day.

APPROVED:


Jimmie D. Lansford, Mayor

ATTEST:


Linda J. Underwood, City Clerk

RECORD OF THE VOTE	Ayes	Nays	Abstain	Absent
Mayor Jimmie D. Lansford	√			
Councilwoman Tara Bedei	√			
Councilman Ed Brozak	√			
Councilman Brian Crouch	√			
Councilman William Phelan			√	

**TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT AGREEMENT**

by and between

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

and

NORTHPOINT DEVELOPMENT HOLDINGS, LLC

STREATOR NORTHPOINT TAX INCREMENT FINANCING DISTRICT

FEBRUARY 15, 2017

009, 33-23-219-011, 33-23-219-012 (legally described in *Exhibit "3"* attached hereto) (hereinafter referred to as the "Property"); and

WHEREAS, the Developer owns said Property and is proceeding with plans to rehabilitate and renovate the blighted shopping center located thereon for public and commercial use which may include a hotel development (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, the City shall reimburse the Developer for its TIF Eligible Project Costs as set forth in *Exhibit "1"* attached hereto and verified pursuant to *Section E* below out of the proceeds from the Bonds. Said reimbursements shall not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) and shall be payable only from the proceeds of the Bonds less any costs for issuance and administration of the Bonds and capitalized interest (if any); and

1. The City shall reimburse the Developer for its TIF Eligible Project Costs as set forth in *Exhibit "1"* attached hereto and verified pursuant to *Section E* below from the proceeds of the Bonds. The reimbursement of the Developer's TIF Eligible Project Costs hereunder shall not exceed **Two Million Five Hundred Thousand Dollars (\$2,500,000)** and shall be payable only from the proceeds of the Bonds less any amounts necessary for issuance and administration of the Bonds and capitalized interest (if any).
 - a. In order for the Developer to be reimbursed for its TIF Eligible Project Costs hereunder, it must submit such costs for verification pursuant to *Section E* below within three years from the date of execution of this Agreement. To the extent the Developer has not submitted enough TIF Eligible Project Costs to exhaust the proceeds of the Bonds on or before three years from the date of execution of this Agreement, the City may, in its sole discretion, provide an extension of up to an additional three years. If the City does not grant such an extension, or if there remains proceeds from the Bonds after expiration of any extension so granted by the City, the City may use any remaining proceeds from the Bonds for any other purpose allowed by the TIF Act and the Bond Ordinance.

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 and as set forth in *Exhibit "1"* (subject to the limitation of \$2,500,000) only from the balance of the proceeds of the Bonds less any amounts necessary for costs of issuance of the Bonds, capitalized interest (if any) and administration of the Bonds, but only for the term of the Agreement.
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 beyond what may be necessary to make payments of principal and/or interest due on the Bonds. Any agreement to reimburse the Developer for its TIF Eligible Project Costs from the real estate tax increment generated by the Developer's Project shall be done by a separate redevelopment agreement and shall be at the sole discretion of the City.
3. The Developer agrees to substantially complete the project, subject to Force Majeure, as defined below.

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.

H. 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.

I. 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.

J. 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.

K. 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.

P. 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

TO DEVELOPER:

Northpoint Development Holdings, LLC
c/o Keith Weinstein
PO Box 3876
Peoria, IL 61612
Telephone: (309) 672-1975
Fax: (309) 999-1075

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

With Copy to:

Graves Law Offices
c/o Samuel B. Zabek
60 State Street
Peoria, IL 60612
Telephone: (309) 671-4300
Fax: (309) 673-8432

Q. SUCCESSORS IN INTEREST

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

R. 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.

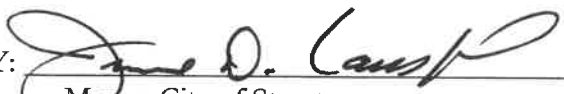
S. INDEMNIFICATION OF CITY

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

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.

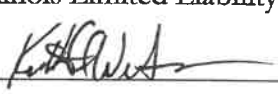
CITY

Streator, Illinois, a Municipal Corporation

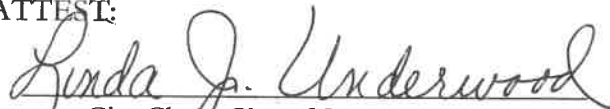
BY: 
Mayor, City of Streator

DEVELOPER

**Northpoint Development Holdings, LLC,
an Illinois Limited Liability Company**

BY: 

ATTEST:


City Clerk, City of Streator

NAME: Keith Weinstein

TITLE: Managing Member

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EXHIBIT 2

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

**PRIVATE PROJECT
REQUEST FOR REIMBURSEMENT
BY
NORTHPOINT DEVELOPMENT HOLDINGS, LLC**

Date _____

Attention: City TIF Administrator, City of Streator, Illinois

Re: TIF Redevelopment Agreement, dated February 15, 2017
by and between the City of Streator, Illinois, and
Northpoint Development Holdings, LLC (the "Developer")

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: Northpoint Development Holdings, LLC
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"***

EXHIBIT 3

**LEGAL DESCRIPTION
OF THE NORTHPOINT DEVELOPMENT HOLDINGS, LLC PROPERTY**