

ORDINANCE 2016-07

APPROVING A TIF REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF STREATOR AND BEAUTIFUL CITY THEATER, CORPORATION.

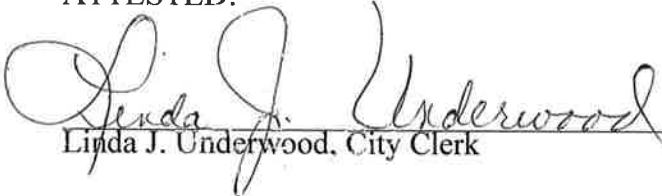
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STREATOR, LA SALLE AND LIVINGSTON COUNTIES ILLINOIS, that Jimmie D. Lansford, Mayor is hereby authorized and directed to execute a TIF Redevelopment Agreement by and between the City of Streator, LaSalle County, Illinois and Eagle Theater Corp. within the City of Streator, Illinois

Passed by the City Council of the City of Streator, LaSalle and Livingston Counties, Illinois at a special meeting thereof held on the 12<sup>th</sup> day of July 2016, and approved by me as Mayor on the same day.

APPROVED:

  
\_\_\_\_\_  
Jimmie D. Lansford, Mayor

ATTESTED:

  
\_\_\_\_\_  
Linda J. Underwood, City Clerk

RECORD OF THE VOTE	Yes	No	Abstain	Absent
Mayor Jimmie D. Lansford	√			
Councilwoman Tara Bedei	√			
Councilman Ed Brozak	√			
Councilman Brian Crouch	√			
Councilman William Phelan	√			

**CITY OF STREATOR  
NORTHPOINT TAX INCREMENT FINANCING (TIF) DISTRICT**

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**TIF REDEVELOPMENT AGREEMENT**

by and between

**THE CITY OF STREATOR, LASALLE COUNTY, ILLINOIS**

and

**BEAUTIFUL CITY, LLC**

July 12, 2016

**CITY OF STREATOR  
NORTHPOINT TAX INCREMENT FINANCING (TIF) DISTRICT  
REDEVELOPMENT AGREEMENT**

**by and between  
CITY OF STREATOR  
and  
BEAUTIFUL CITY, LLC**

**THIS AGREEMENT** (including *Exhibit 1*) is entered into this 12th day of July, 2016, by the City of Streator (“City”), an Illinois Municipal Corporation, LaSalle County, Illinois; and Beautiful City, LLC., an Illinois Limited Liability Company (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, by promoting the development of private investment 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 expend funds for economic development purposes to commercial enterprises that are necessary or desirable for the promotion of economic development within the municipality; 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 develop, redevelop, and rehabilitate such property by reimbursing the owner for certain costs from resulting increases in real estate tax revenues and enter into contracts with developers necessary or incidental to the implementation of its redevelopment plan pursuant to 65 ILCS 5/11-74.4-4(b) and (j); and

**WHEREAS**, the City, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or obsolete or a combination thereof, adopted Tax Increment Financing and established a Tax Increment Allocation Redevelopment Area under the Act known as the Streator Northpoint TIF District (the “TIF District”) on April 28, 2016; and

**WHEREAS**, included in the Redevelopment Area is property (former theater building) to be acquired by the Developer which is located at 301 W. Danny’s Drive, Streator, Illinois (PIN *See Attached Exhibit 1*) (collectively the “Property”); and

**WHEREAS**, the Developer will acquire said Property and proceed with plans to renovate and rehabilitate the Property located thereon for the purpose of operating a six screen movie theater “Project”); and

**WHEREAS**, it is the intent of the City is to encourage economic development which will increase the real estate tax base of the City and the tax base of other taxing bodies, 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 Project is consistent with the TIF Plan and with the land uses of the City as adopted; and

**WHEREAS**, the City has the authority under the Act to incur Redevelopment Project Costs ("Eligible Project Costs") and to reimburse Developer for such costs pursuant to 65 ILCS 11-74.4-4(j); and

**WHEREAS**, the City has determined that this Developer's Project requires the incentives requested herein and that said Developer's Project would, as 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 provide employment for its citizens and generally to enhance the economy of the City; and

**WHEREAS**, the City and the Developer ("Parties") have agreed that the City shall provide a one-time, lump-sum payment to the Developer as a reimbursement of Developer's TIF eligible project costs as herein described in *Exhibit 2* in an amount not to exceed Three Hundred **Thousand and 00/100 Dollars (\$300,000.00)**. The City anticipates the funds necessary to make such payment will be generated by Alternate TIF Revenue Bonds to be sold by City. Additionally, once the sum of \$300,000.00 is recouped by the City, thru TIF funds generated by the Project, the City shall share with the Developer 50% of the net tax increment generated by Developer's project until the termination of the TIF District, (December 31, 2039, with final increment received in 2040), or payment of all Developer's TIF eligible costs, whichever occurs first. Such reimbursement for TIF eligible project costs is to be paid from the Streator Northpoint TIF District Special Tax Allocation Fund as specified below in *Section C, Incentives*; and

**WHEREAS**, this Agreement is contingent, in its entirety, upon the Developer acquiring title to the Property and securing the financing necessary to complete the Project as specified in Section A(7) herein, and

**WHEREAS**, in consideration of the execution of this Agreement, the Developer shall proceed with the Project as set forth herein; and

**WHEREAS**, the City is entering into this Agreement having encouraged and induced the Developer to renovate the building on the 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 City is extending incentives for Developer's Project in anticipation of the expected completion of the Developer's Project as set forth herein.
4. The Developer agrees to complete the Project within Twelve (12) months from the date of execution of this Agreement subject to the exception of Force Majeure (defined below). For the purpose of this Agreement, the Developer's Project will be deemed complete when the movie theater opens for business and all of the conditions and improvements set forth in *Exhibit 2* have been completed.
5. Each of the Parties represents that it has taken all actions necessary to authorize its representatives to execute this Agreement.
6. This Agreement is subject to and contingent in its entirety on the Developer securing the following sources of financing for its Project:
  - a) Revolving loan fund proceeds in the amount of \$150,000.00.
  - b) Debt financing through a bank or other financial institution of an amount not less than \$960,000.00.
7. As a condition of the Agreement, upon request of the City, the Developer shall provide for inspection by the City Manager evidence satisfactory to the City of the bank deposits that document the commitment of equity investor funding and bank financing in amounts not less than such provided herein.
8. The Developer shall carry adequate insurance on the Property to cover the replacement cost of the completed Project and shall name the City as loss payee of any such policy. The City agrees that it shall have a subordinate loss payee to the bank lender referenced above.

## B. DEFINITIONS

1. **"Bond Issue"**. General Obligation Bonds or Alternative TIF Revenue Bonds with support of the City's General Obligation shall be issued by the City in the amount of Three Hundred Thousand Dollars (\$300,000.00) in addition to: (1) any amounts necessary to pay capitalized interest on the Bond Issue; and (2) the cost of issuance of such Bond Issue. After payment of: (1) any amounts necessary to pay capitalized interest on the Bond Issue; and (2) the costs of issuance of such Bond Issue, the proceeds from the Bond Issue shall be used to reimburse the Developer for a portion of its TIF Eligible Project Costs as set for in *Exhibit 2* attached hereto.
2. **"Pledged Project Revenues"**. Shall mean the sum of: (1) One Hundred Percent (100%) of the "net" annual real estate tax increment generated by the Developer's Project. "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 TIF District Intergovernmental Agreements

approved by City. The Developer's proportionate amount is calculated by dividing the increment generated by the Developer's Project by the total TIF District real estate tax increment.

3. **"TIF Bond Developer Project Fund"**. Shall mean the account described in *Section D*.
4. **"TIF Eligible Project Costs"**. TIF Eligible Project Costs shall mean those costs which are eligible for reimbursement under the TIF Act and are further described in Exhibit 2 attached hereto.

### C. ADOPTION OF TAX INCREMENT FINANCING

The City has created a Tax Increment Financing District, currently known as **"Streator Northpoint TIF District"** which includes the Developer's Property.

### D. INCENTIVES

In consideration for the Developer purchasing the Property and substantially 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. **Reimbursement from Bond Issue Proceeds.** The City shall reimburse the Developer from the proceeds of the Bond Issue an amount not to exceed Three Hundred Thousand Dollars (\$300,000.00), as a lump sum payment, for the Developer's TIF Eligible Project Costs as set forth in *Exhibit 2* attached hereto. The proceeds from the Bond Issue remaining, after payment of: (1) any amounts necessary to pay capitalized interest on the Bond Issue; and (2) the cost of issuance of such Bond Issue, shall be deposited into an account designated as the **"TIF Bond Developer Project Fund"** and shall be used to reimburse the Developer for its TIF Eligible Project Costs, subject to the procedure for verification of TIF Eligible Project Costs set forth in *Section F* below.

In the event the City elects not to issue Alternative TIF Revenue Bonds as provided herein, the City will pay the same \$300,000.00 amount from its various TIF funds to satisfy the obligations of this Agreement. The determination of this payment structure shall be made and finalized by City within three (3) months from the date of this Agreement.

2. **Pay-As-You-Go Reimbursement.** The City shall receive all tax increment generated by the Project until such time as the City is fully repaid all bond payments made towards the bond issuance, plus all amounts paid for capitalized interest and all bond issuance costs. After accounting for annual debt service to repay the \$300,000.00 portion of the Alternative TIF Revenue Bond, or one-twentieth (1/20th) thereof in the event the City elects to pay the \$300,000.00 obligation from its TIF Revenues directly, and all issuance costs reimbursed to City, then fifty percent (50%) of the net incremental increases in real estate taxes generated over the base year amount generated by the Developer's Project during the remaining life of the TIF District, after paying all costs to service the \$300,000.00 repayment for the reimbursement of the Developer's Eligible Project Costs, including Eligible Project Costs for any future additions

or improvements to the building not specified in *Exhibit 2*, shall be paid annually to Developer. 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 this TIF District. The remaining fifty percent (50%) of the net incremental increases in real estate taxes generated over the base year amount will be used for TIF Eligible Costs on or adjoining the Project property at the discretion of the City, or for any other TIF Eligible expenditure allowed under the law.

“Net Increment” is defined as increases in annual real estate tax increment derived from the Developer’s Project as previously described after payment for a proportionate amount of administrative fees and costs and payments pursuant to Intergovernmental Agreements, if any.

3. **Limitation of Incentives to Developer.** If, during the Term of this Agreement, the Developer is in default of this Agreement and remains in default after the applicable notice and cure periods set forth in *Section G* below, the Developer shall receive no further reimbursements hereunder, and any reimbursements previously received by the Developer shall be returned by it to the City within thirty (30) days.

#### **E. TERMS OF THE BOND ISSUES**

1. The Parties agree that the Pledged Project Revenues shall be pledged to the annual payment of principal and interest of the Bond Issue. Annual principal and interest payments of the Bond Issue shall be made, first, from the annual real estate tax increment portion of the Pledged Project Revenues. If the City pays the \$300,000.00 obligation without issuing Bonds, then one-twentieth (1/20th) or \$15,000.00 per year, shall be the annual amount of tax increment credited back to the City’s TIF accounts, as stipulated in Section D.2. above.
2. The City shall issue the Bonds once the Developer has provided satisfactory evidence of financing.
3. The Bond Issue shall be secured with future incremental tax revenues. If this is insufficient, any City claim for reimbursement shall be subordinate to the bank’s \$960,000.00 loan and the City’s \$150,000.00 Revolving Loan Fund instruments.
4. The Parties agree to modify this Agreement as reasonably required by the City’s Bond Counsel, for the issuance of the Bond Issue consistent with the intention of the Parties as set forth in this Agreement, provided no such modification shall cause any additional cost or expense to be borne by the Developer.

#### **F. PAYMENT OF ELIGIBLE PROJECT COSTS**

1. A request for payment to the Developer for Eligible Project Costs as set forth by the Act, shall be made by a Requisition for Payment of Private Development Redevelopment Costs (*Exhibit 3*, Request for Verification of TIF Eligible Project Costs) as submitted by the Developer to the City’s TIF Administrator, Jacob & Klein, Ltd. and The Economic Development Group (collectively the “Administrator”). Payment is subject to the Administrator’s approval of the costs and to the availability of funds in the Special Account.

2. The Requisition must be accompanied by verified bills and invoices, cancelled checks or statements of suppliers, contractors, or professionals together with Mechanic's Lien Waivers as required by the City's Administrator or Clerk.
3. The Requisition and documentation of TIF Eligible Project Costs as described in *Paragraph 2* above must be submitted by the Developer to be eligible for reimbursement.
4. The Administrator shall approve or disapprove the 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 the Requisition is disapproved by the Administrator (or subsequently by the Illinois Department of Revenue), 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.
5. The Parties acknowledge that the determination of 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.

#### **G. DEFAULT BY THE DEVELOPER**

1. Each of the following shall constitute an event of default by the Developer under this Agreement:
  - a. The Developer fails to cure the violation of any municipal ordinance relating to property development, property condition, zoning, subdivision or building codes within thirty (30) days upon being provided written notice of such violation by the City, 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.
  - b. The Developer files for bankruptcy or otherwise becomes insolvent during the Term of this Agreement.
  - c. Dissolution of the Developer's corporation during the Term of this Agreement.
  - d. The Property becomes the subject of foreclosure proceedings during the Term of this Agreement which proceedings are not vacated within thirty (30) days following the notice of filing of such foreclosure action.
  - e. The Developer fails to complete the Project within twelve (12) months following the date of execution of this Agreement, subject to extension due to Force majeure (defined below).
  - f. Commercial operations operating on the Property at the completion of the Project cease for



a period of greater than ninety (90) days during the Term of this Agreement.

- g. Beginning with the year of the first full assessment of the fully-completed Project (tax year 2017 payable in 2018) and in any year thereafter during the Term of this Agreement, the Equalized Assessed Valuation of the Property is less than \$250,000.00.
2. Effect of Default: If, during the Term of this Agreement, the Developer is in default of this Agreement and remains in default after the applicable notice and cure periods set forth herein, and remaining reimbursements owed the Developer hereunder shall cease and the Developer shall return any reimbursements already received by it to the City within thirty (30) days.

## **H. LIMITED OBLIGATION**

The City's obligation hereunder to pay Developer for Eligible Project Costs is limited to a one-time, lump-sum payment to the Developer as a reimbursement of the Developer's TIF Eligible Project Costs and to TIF funds generated by the Project as specified in *Section D*. Except as specifically authorized by a Bond issue of City pursuant to this Agreement, 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. 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") shall have an action for damages, or in the event damages would not fairly compensate the Non-defaulting Party's 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) days period, and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## **J. TIME; FORCE MAJEURE**

For this Agreement, time is of the essence. The Developer agrees to complete construction of the Project within twelve months (12) following the execution of this Agreement, subject to extension due to Force Majeure (defined below). Failure to do so shall be cause for the City to unilaterally terminate the Agreement after notice and the opportunity to cure as provided in *Section G*. However, 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 the City fails to timely perform the same and such failure is due in whole, or in part, to any strike, lock-out, civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruptions of power, condemnation, riots, insurrections, war, fuel shortages, Acts of God, acts caused directly or indirectly by the City (or the City's agents, employees or invitees) when applicable to the Developer or third parties, or any other cause beyond the reasonable control of the Developer or the City (collectively, "Force Majeure").

## **K. 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.

## **L. 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.

## **M. VERIFICATION OF REAL ESTATE TAX INCREMENT**

1. It shall be the sole responsibility of the Developer or its successors in interest to provide to the City, as requested in writing, copies of all annual PAID real estate tax bills for the Property.
2. The failure of Developer to provide any additional information required herein after written notice from the City, including verification of TIF eligible project costs, and the continued failure to provide such information within thirty (30) days after such notice shall be considered a material breach of this Agreement and shall be cause for the City to deny payments hereunder to the Developer, which payments are conditioned upon receipt of the foregoing information.

## **N. REIMBURSEMENT OF THE DEVELOPER'S SHARE OF TAX OBJECTION REFUNDS**

1. If a refund of tax increment (including any statutory interest thereon) is potentially due from the City's TIF Fund as the result of any tax objection, assessment challenge or appeal to the Illinois Property Tax Appeal Board (PTAB), issuance of a certificate of error or other such action, including any appeals therefrom, that concerns the potential reduction of assessed value of the

Property, the City may at its sole discretion withhold the amount of any such possible refund from the annual amounts to be paid on the Bond Issue. Any shortfall in the annual Bond payments that result from the City withholding such funds shall be made up from the Special Service Area Tax Revenues levied against the Developer's Property.

2. The Developer is hereby obligated to provide written notice to the City within five (5) days of its filing any such objection, assessment challenge or appeal to the PTAB or other such action, including any appeals therefrom, that seek to reduce the assessed value of the Property. Failure to provide such notice shall be considered a material breach of this Agreement and shall be cause for the City to deny any further reimbursement hereunder to the Developer and the Developer shall be required to refund to the City any funds already received by it hereunder.
3. Any funds withheld by the City under this section shall be deposited by it into a separate interest bearing bank account. 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 in the determination of the final evaluation and recalculation of the increment available for payment on the Bond Issue under this Agreement.
4. That portion of funds withheld by the City under this section which is not required to be refunded to the County Treasurer as a result of the reduced assessment of the Property shall be applied to the next payment of principal and interest due, if any, on the Bond Issue.

#### **O. 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 (3<sup>rd</sup>) 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  
Northpoint Plaza, Suites 15-16  
Streator, IL 61364  
Telephone: (815) 672-2517  
Fax: (815) 672-7566

**TO DEVELOPER:**

Beautiful City, LLC  
c/o Kurt Eric Gubelman  
7844 E. Westlake Drive  
Robinson, IL 62454  
Telephone: (618) 553-9524

*With copy to:*

Jacob & Klein, Ltd. and  
Economic Development Group, Ltd.  
1701 Clearwater Avenue  
Bloomington, Illinois 61704  
Telephone: (309)664-7777

#### **P. 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.

#### **Q. 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.. 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.

#### **R. ASSIGNMENT**

The rights and obligations (or either of them) of the Developer under this Agreement, including but not limited to, the right to payments contemplated by *Section C* of this Agreement, shall not be assignable or transferrable by the Developer to another party unless the City's consent is obtained in writing prior to such assignment.

#### **S. SUCCESSORS IN INTEREST/TIF SUCCESSION**

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

#### **T. 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.

#### **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. Upon approval of this Agreement, the parties agree that the prior Agreement between the parties regarding this Property is hereby revoked.

## V. TERM OF THE AGREEMENT

This Agreement shall expire upon the first to occur of : (1) the currently scheduled expiration date of the TIF District , tax year 2039 payable in 2040; (2) full reimbursement of all of Developer's TIF eligible costs, or (3) upon default by Developer under this Agreement after the applicable notice and cure periods provided herein.

*[Remainder of page intentionally left blank.]*

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**

**City of Streator, Illinois**, an Illinois Municipal Corporation

By: Jimmie D. Lansford  
Mayor, City of Streator  
**Jimmie D. Lansford**

Attest:

By: Linda J. Underwood  
City Clerk, City of Streator  
**Linda J. Underwood**

**DEVELOPER**

**Beautiful City, LLC** . an Illinois Limited Liability Company

By: Kurt E. Gubelman

Name: Kurt Eric Gubelman

Title: Managing Member

**EXHIBIT 1**

**PERMANENT INDEX NUMBERS**

Beautiful City, LLC. Project  
Streator Northpoint TIF District  
City of Streator, LaSalle County, Illinois

**Beautiful City, LLC Parcels:**

**Parcel No.** \_\_\_\_\_

**Map No.**

**EXHIBIT 2**

**SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS**

Beautiful City, LLC Project  
Streator Northpoint TIF District III  
City of Streator, LaSalle County, Illinois

**Project Description:** the Developer will acquire the Property and proceed with plans to renovate and rehabilitate the building located thereon for the purpose of making the Property an operating six (6) screen movie theater (the "Project"). The Project will be considered complete for terms of this Agreement upon its opening for business as a movie theater.

Property Description: (PIN *See Attached Exhibit 1*) located at 301 W. Danny's Drive, Streator, Illinois.

**Estimated TIF Eligible Project Costs:**

Land Acquisition/Property Assembly . . . . .	\$ 7,000.00
Marketing/Feasibility/Analysis. . . . .	\$ 28,400.00
Professional Fees (Architectural, Engineering, Legal). . . . .	\$ 5,000.00
Rehab, renovation/Reconstruction, Repair, Remodel of Existing Structure. . . . .	\$ 132,600.00
Financing Costs/Interest (Limited to 30%) . . . . .	\$ 158,923.00
Job Training. . . . .	\$ 27,000.00
Planning & Administrative Management . . . . .	\$100,000.00
 <b>Total Estimated TIF Eligible Project Costs. . . . .</b>	 <b>\$458,923.00**</b>

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\*\* Of this amount, only \$300,000.00 will be paid in 2016 as provided herein. The balance shall be paid from the reimbursement of 50% of the additional tax increment paid to the Developer as provided in Section D, Incentives, of this Agreement in years 2017 to 2039.



**EXHIBIT 3**

**CITY OF STREATOR, ILLINOIS  
STREATOR NORTHPOINT TAX INCREMENT FINANCING (TIF) DISTRICT**

**PRIVATE PROJECT  
REQUEST FOR VERIFICATION OF TIF ELIGIBLE PROJECT COSTS  
BY  
BEAUTIFUL CITY, LLC.**

Date \_\_\_\_\_

Attention: City TIF Administrator, City of Streator, Illinois

Re: TIF Redevelopment Agreement, dated \_\_\_\_\_, 2016  
by and between the City of Streator, Illinois, and  
Beautiful City, 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: Beautiful City, 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"* 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, 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 is attached; 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.

Any violation of this oath shall constitute a default of the Redevelopment Agreement and shall be cause for the Village 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: \_\_\_\_\_