



**AGENDA FOR
CITY COUNCIL MEETING**

Council Chambers

401 E Third Street

Kewanee, Illinois 61443

Open Meeting starting at 7:00 p.m.

Tuesday, November 13, 2018

Posted by 6:30 p.m., November 9, 2018

1. Call to Order
2. Pledge of Allegiance
3. Consent Agenda
 - a. Approval of Minutes
 - b. Payroll
 - c. Staff Reports
 - d. Request from the YMCA for the use of the Council Chambers for their annual Christmas Auction on November 30 at 5:00 pm through December 1, 2018.
4. Presentation of Bills and Claims
5. Citizen Participation
6. Business:
 - a. **Consideration of an Ordinance** providing for the issuance of General Obligation Refunding Bonds, Series 2018 of the City of Kewanee, Henry County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.
 - b. **Consideration of an Ordinance** authorizing the City Manager to execute a Tax Increment Financing Agreement with NAPA Auto Parts for their remodel and store opening project.
 - c. **Consideration of an Ordinance** authorizing the City Manager to execute a Tax Increment Financing Agreement with The Broken Chimney Inc. d/b/a The Station for their remodel project.
 - d. **Consideration of an Ordinance** providing for a STOP sign on Mission Drive at its intersection with Midland Drive by amending Schedule I, STOP Intersections, of Chapter 77 Traffic Schedules, of Title 7 Traffic Code of the Kewanee City Code.
 - e. **Consideration of a Resolution** awarding the demolition of 117 E Seventh Street to Dana Construction.
 - f. **Consideration of a Resolution** authorizing the City Manager to execute a side letter of agreement to the existing collective bargaining agreement with AFSCME Council 31, Local 764.
 - g. **Report from the City Engineer** regarding an emergency repair at the South Water Tower.
 - h. **Review of the Administration** of the Incentive Programs.
 - i. **Discussion of** Transfer Station Summer Hours.
7. Council Communications:
8. Announcements:
9. Adjournment



The City of Kewanee engaged CliftonLarsonAllen LLP to conduct an audit of the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended April 30, 2018, in accordance with auditing standards generally accepted in the United States. As a part of the audit, CliftonLarsonAllen provided an internal control letter with certain findings regarding deficiencies within the City's internal controls, along with recommendations for mitigating such concerns. The audit identified two material weaknesses in internal controls, one significant deficiency in internal controls, and one item that is not material weaknesses or significant deficiencies, but nevertheless provides an opportunity for the City to improve its policies and practices for ensuring that adequate internal controls are in place.

Each of the items identified has been identified in the past, and three items previously identified were eliminated as points of concern for the auditors.

Below are the findings, recommendations, and management's response to each deficiency.

1. Financial statement preparation and audit adjustments (material weakness)

The City does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and ensure related footnote disclosures are complete and presented in accordance with the cash basis of accounting.

Additionally, during the course of our audit, we proposed many adjustments that individually and in the aggregate had a material effect on the City's financial statements. Adjustments were made to the Water, Sewer, and Sanitation Funds.

The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the City's internal controls. Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Recommendation: None Given

Management Response: Management concurs with the auditors' finding. As previously noted, the appearance of this item as a material weakness is a result of a change in auditors, as opposed to a change in the City's processes, with last year being the first time it was noted. The Finance Director has attended training on the development of the City's financial statements with the intent of preparing them in the

future. Staff is developing an internal control policy for financial reporting and other facets of financial administration.

2. Bank Reconciliations (material weakness)

During our audit of the cash balances, we noted that the payroll bank account was not properly reconciled throughout the fiscal year. A lack of proper controls over bank reconciliations could lead to material errors or improprieties.

Recommendation: We recommend bank reconciliations be prepared monthly. Furthermore, the reconciliations should be reviewed and approved by someone other than the preparer.

Management Response: Management concurs with the auditors' finding. Bank reconciliations were more timely this year, but development and implementation of an internal control policy for financial reporting and other facets of financial administration should fully resolve this concern.

3. Negative Cash in Pooled Bank Accounts

We noted during the audit that several funds (accounts) had a negative cash balance at year end. This implies borrowing from funds with a positive cash balance. Since loans from certain funding sources are restricted, unauthorized loans may also lead to noncompliance with external restrictions.

Recommendation: We recommend close tracking of these negative balances and appropriate approval in advance of interfund loans.

Management Response: Management concurs with the auditors' finding. The practice remained essentially the same during the fiscal year as it had in the past, with last year having been the first occurrence of this issue being noted in the audit. As recommended, staff more closely monitored the balances of pooled bank accounts. We are taking the steps necessary to address this concern in order to eliminate or mitigate this concern in future audits.

Please let me know if you have any questions or concerns.

Best regards,

A handwritten signature in cursive script that reads "Gary Bradley".

Gary Bradley
City Manager

COUNCIL MEETING 18-20 OCTOBER 22, 2018

The City Council met in Council Chambers at 6:00 PM with the Mayor calling the meeting to order and the following answering to roll call:

Andy Koehler	Council Member
Steve Faber	Council Member
Chris Colomer	Council Member
Michael Yaklich	Council Member
Steve Looney	Mayor

Council Member Faber made a motion to adjourn to executive session pursuant to Section 2 (c) (2) of the Open Meetings Act to discuss collective bargaining. Council Member Colomer seconded the motion. Roll call showed 5 ayes, no nays. The motion passed.

The executive session was adjourned at 6:46 PM on a motion made by Council Member Colomer and seconded by Council Member Koehler. Roll call showed 5 ayes, no nays. The motion passed.

Mayor Looney called the regular Council Meeting to order at 7 PM, stating that the Council was reconvening following a closed session pursuant to Section 2(c)(2) of the Open Meetings Act to discuss collective bargaining.

News media present was as follows:

Mike Helenthal	Star Courier
Shawn Kernan	WKEI

The Pledge of Allegiance was said.

Mayor Looney asked for a moment of silence for our troops still fighting overseas.

Mayor Looney explained that the next items were placed on the consent agenda and were considered to be routine in nature to be passed as a whole with one vote of the Council. Mayor Looney requested that any member of the Council or the audience wishing to have an item removed from the consent agenda for individual consideration to make the request and the item would be removed and considered following the approval of the remaining consent items. The consent agenda included minutes from the October 9, 2018 Council Meeting, payroll for the pay period ending October 13, 2018 in the amount of \$207,445.31, reports from the Incentive Programs, Water Loss Report, and Finance & Administrative Services. The consent agenda items were approved on a motion made by Council Member Faber and seconded by Council Member Yaklich. Roll call showed 5 ayes, no nays. The motion passed.

Bills submitted for approval totaling \$539,302.10 were approved on a motion made by Council Member Faber and seconded by Council Member Yaklich. Council Member Yaklich questioned the payment of mileage rather than a train ticket. City Manager Bradley noted that the mileage was for trips without access to rail service. Council Member Yaklich also received confirmation that the fence at the animal control facility was now the permanent fence. Council Member Koehler questioned the purchase of a suit coat and pants. Operations Manager Johnson noted the need for

the items for his recent graduation from IPSI. Council Member Yaklich requested an update on the return from the new ambulance billing company. Fire Chief Shook reported that there have been some hiccups with the billing of Medicare and Medicaid but those were being ironed out, so the collections are lower than anticipated at this time. City Manager Bradley explained, at the request of Council Member Yaklich, that the lime was purchased for the farm ground where our sludge was spread. Roll call showed 5 ayes, no nays. The motion passed.

CITIZEN PARTICIPATION

Mayor Looney then asked if anyone wished to speak regarding a non-agenda item. Gary Moore requested a STOP sign be considered at the t-intersection of Midland Road and Mission Drive. City Manager Bradley noted that staff would review the request and make a recommendation to the Council. There being no other requests Mayor Looney moved on to a public hearing.

PUBLIC HEARING

At 7:12 PM, Mayor Looney opened the public hearing pursuant to the requirements of Section 10 and 20 of the Bond Issuance Notification Act of the State of Illinois, as amended on the plans to issue General Obligation Limited Tax Bonds, Series 2018 in the amount not to exceed \$315,000 by reading the following statement. Notice of this hearing was published on October 10, 2018, in the Star Courier, a newspaper of general circulation in the City. This is a hearing regarding a plan to issue not to exceed \$315,000 in aggregate principal amount of the City's General Obligation Limited Tax Bonds, Series 2018 (the "Bonds"). The proceeds of the Bonds will be used to (i) pay debt service on the City's outstanding alternate revenue source bonds payable from non-referendum bond proceeds and (ii) pay certain costs of issuance of the Bonds.

The Bonds will be issued by the City in accordance with the provisions of Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended, and shall constitute a general obligation of the City, payable from (i) ad valorem taxes of the City for which its full faith and credit have been irrevocably pledged, unlimited as to rate or amount., and (ii) such other funds of the City lawfully available and annually appropriated for such purpose.

This public hearing is required by Sections 10 and 20 of the Bond Issue Notification Act of the State of Illinois, as amended. At the time and place set for the public hearing, residents, taxpayers and other interested persons will be given the opportunity to express their views for or against the proposed plan of financing, the issuance of the Bonds and the purpose of the issuance of the Bonds. Mayor Looney asked for written or verbal comments. There were no comments made. The public hearing was closed at 7:15 PM.

NEW BUSINESS

Lindsey Samp of CliftonLarsonAllen presented the results of the annual Audit. There was a brief discussion regarding the items noted in the audit. The Mayor and Council requested that a plan to address those items be presented at the next Council Meeting. The audit was accepted on a

motion made by Council Member Faber and seconded by Council Member Colomer. Roll call showed 5 ayes, no nays. The motion passed.

Resolution #5128 awarding the demolition of structures at 807 West 4th Street and 842 Birch Place was amended on the floor to award the demolition to the lowest bidder on a motion made by Council Member Faber and seconded by Council Member Yaklich. Council Member Yaklich noted that it was fiscally responsible to award the bid to lowest bidder regardless of the dollar amount difference. He also noted that the bid documents were not specific enough regarding some aspects and requested they be reviewed. Roll call showed 5 ayes, no nays. The motion passed.

Mayor Looney opened a discussion of a TIF Application for The Station. City Manager Bradley noted that the improvements proposed would not generate a lot of increment. Council Member Yaklich noted he was against the TIF application because the TIF is not for arbitrary remodeling. Council Member Faber asked about prior loans. City Manager Bradley noted that the previous business was in the TIF but there were no TIF funds rebated on the project at Broken Chimney. Council Member Colomer asked what the funds would do for the Station. Rita Speck, owner of The Station noted that the funds were to make minor repairs. The repairs needed were more than anticipated, which had become a hardship for the Specks. Mayor Looney noted that Community State Bank still owns the building and that was his concern. The Council requested that the matter be placed on the agenda for approval at the next meeting.

Another discussion for a TIF Application for NAPA Auto Parts Store was opened, next. City Manager Bradley noted the proposed improvements to the building and that this project would generate increment. Council Members were impressed with the concept and requested that the matter be placed on the agenda for approval at the next meeting.

Resolution #5129 authorizing the City Manager to execute renewal documents with Blue Cross Blue Shield of Illinois for the City's Health Insurance program was approved on a motion made by Council Member Faber and seconded by Council Member Colomer. Roll call showed 5 ayes, no nays. The motion passed.

City Engineer Nobel reviewed the status of a broken pipe in the south water tower. He gave a couple of scenarios that could take place to repair the pipe, depending on what was found. It would be repaired as an emergency repair when the resolution was decided.

A discussion regarding a request from a resident regarding installation of a 1-inch conduit under a city alley for the benefit of the Northeast Park Christmas lighting followed the water tower report. Council Members were glad a resident was willing to assist with the lighting. With there being no expense to the City the Council concurred to allow staff to proceed with the requester.

OTHER BUSINESS

Council Member Colomer thanked Sean and WKEI for broadcasting on Facebook live. He also noted that Halloween was on the following Wednesday and to watch the roads for young children.

Council Member Koehler congratulated the Second Baptist Church on their 116 Year Anniversary. He also noted the trash barrel at Berrien Park and request an addition receptacle.

Council Member Yaklich requested that a review of the Incentive Programs regarding the approval process be presented for discussion at the next Council Meeting.

Council Member Faber requested discussion regarding the hanging baskets.

Mayor Looney reminded residents to be careful on Halloween.

ANNOUNCEMENTS

City Clerk Edwards announced that the City wide cleanup would be held on Saturday, October 27 from 7 am until noon. The tire cleanup event would also take place during the same time frame at Moore Tires. The first 300 tires collected would be free of charge, with a limit of 8 per household. After the 8 tires, or the first 300 the charge would be \$2.50 per tire. We were always looking for volunteers for that event.

Saturday, October 27 and Wednesday, October 31 would not be burn days due to City-wide events planned for those dates. East Prospect Street would be closed between 5 and 7 PM for trick or treaters on Wednesday, October 31.

City Hall offices would be closed on Monday, November 12 in observance of Veteran's Day. There would be no landscape waste collection that week, with no other changes to the trash collection schedule.

There being no further business, Council Member Faber moved to adjourn the meeting and Council Member Colomer seconded the motion. Roll call showed 5 ayes, no nays. The meeting adjourned at 8:39 PM.

MELINDA EDWARDS, CITY CLERK

DATE APPROVED

Kewanee - Azavar Government Solutions Quarterly Client Update

October 2018

Client Name	Note Type	Details
Kewanee	A. Gas Revenue (Taxes and Fees) Audit	Azavar has corrected 2 addresses , that will return an estimated \$61.80 per annum to the City. Azavar is working towards a settlement with the Provider or back taxes owed.
Kewanee	B. Electric Revenue (Taxes and Fees) Audit	Azavar has corrected 2 addresses , that will return an estimated \$61.80 per annum to the City. Azavar is working towards a settlement with the Provider or back taxes owed.
Kewanee	C. Cable Revenue (Taxes and Fees) Audit	Azavar has conducted an onsite visit to the Provider and has 18 address errors . Azavar is awaiting franchise fee data from the Provider for correction date and amount of revenue to be returned.
Kewanee	D. Telecommunications Revenue (Taxes and Fees) Audit	<p>Due to recent changes in the state statute, telecom audits now require address lists be sent to them rather than them sending their lists to Azavar. Because of this, Azavar must insure that the addresses that get submitted match the data in the Provider's database <u>perfectly</u> so as to prevent accidental removal of addresses that should be coded to the municipality.</p> <p>Azavar is working on a solution so as to insure that there is no accidental loss of revenues in the audit process.</p>
Kewanee	E. Hotel/Motel Revenue (Taxes and Fees) Audit	Azavar is in the process of reviewing the client data.
Kewanee	F. Sales Tax Revenue (Taxes and Fees) Audit	Review complete--no findings.
Kewanee	G. Food and Beverage Revenue (Taxes and Fees) Audit	Not applicable.
Kewanee	H. Gas Payable Audit	Review complete--no findings.
Kewanee	I. Electric Payable Audit	Azavar is working to gather current information to perform this audit.
Kewanee	J. Telecommunications Payable Audit	Review complete--no findings.

Community Development EOM Violation Listing

From Date: 10/01/2018

To Date: 10/31/2018

File#	Owner Name	Street#	Pre-Direction	Street Name	Street Type	Phone#	Open Date	Violation Short Description	Violation Comments	How Received
18-000933	ANGELCYK, VIRGINIA R	226	EAST	COLLEGE	ST		10/01/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s)	Staff Initiated
18-000936	WALLGREN, JENNIFER R, ARTHUR L & BETTY J	418	N	West			10/01/2018	Littering	Trash and litter in yard must be pick up.	Staff Initiated
18-000936	WALLGREN, JENNIFER R, ARTHUR L & BETTY J	418	N	West			10/01/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s) suv.	Staff Initiated
18-000938	FAIRBROTHER, THOMAS III & DONNA M	915		Walnut			10/02/2018	Littering	Junk by shed.	Staff Initiated
18-000947	RICHEY, HERBERT W JR	809		WILLOW	ST		10/03/2018	Littering	Junk at curb. Must be removed.	
18-000948	Union Federal Savings & Loan	527	SOUTH	TREMONT			10/03/2018	Littering	Trash left behind from tenants and misc litter.	
18-000949	ROSAS, GABRIEL & HILDA Y	445	EAST	DIVISION	ST		10/03/2018	Unsafe, Unsightly Structures	Dead tree in back yard.	Phone
18-000951	KARAMAJANES, GEORGE & LATHOURIS, GEORGE	418		PROSPECT	PL		10/04/2018	Littering	Trash and litter in yard	Phone
18-000952	KEWANEE MHP	801		COLE	ST		10/09/2018	Littering	Misc litter mattresses, other furniture, large pile of illegal burn materials with brush. Entire park in need of clean up efforts.	Staff Initiated
18-	LOUGHE, DONALD & PATRICIA	209	SOUTH	CHESTNUT			10/09/2018	Unsafe, Unsightly Structures	Dead tree in front yard must be removed. Danger to homes and	Phone

000953									power lines. Home next door.	
18-000954	KEWANEE II MHP LLC,	829	WEST	6TH	ST		10/10/2018	Littering	Misc litter, large hole in private road, brush, dead trees, tree limbs, Entire park in need of clean up efforts.	Staff Initiated
18-000955	KEWANEE II MHP LLC,	1119		LAKE	ST		10/10/2018	Littering	Misc litter, landscape waste, tree limbs, dead tree. Entire park in need of clean up efforts.	Staff Initiated
18-000956	EGGIMAN, DARCY L & TERRY L	707	SOUTH	TREMONT			10/10/2018	Exterior Structure, Protective Treatment	Failing paint and areas of missing siding/windows	In Person
18-000959	FULTON, RONALD G	534		Cottage			10/11/2018	Unsafe, Unsightly Structures	Dead tree in front yard must be removed. Danger to homes and power lines.	Staff Initiated
18-000960	REED, JAMES L JR	108	NORTH	ELM	ST		10/11/2018	Littering	Junk by garage	Staff Initiated
18-000961	VERHEECKE, ROBERT	300	EAST	6TH	ST		10/11/2018	Littering	Rims and tires	Staff Initiated
18-000962	REED, JAMES L JR	1111		PINE	ST		10/12/2018	Littering	Trash and litter in yard	Staff Initiated
18-000965	LIN, JOSEPH XIN & YUN, LIN	535		WILLARD	ST		10/12/2018	Littering	Junk on side of home	Staff Initiated
18-000966	LIN, JOSEPH XIN & SENTING	533		WILLARD	ST		10/12/2018	Littering	Junk at curb.	Staff Initiated
18-000967	BEHNKE, RAYMOND H	236	WEST	MCCLURE			10/12/2018	Exterior Structure, Roofs and drainage	Roof on front porch falling in.	Staff Initiated
18-000969	MERRITT, WILLIAM P JR	421	NORTH	LAKEVIEW	AVE		10/12/2018	Littering	Trash and litter in yard	Staff Initiated
18-000970	PALAFOX, RUBEN	621	WEST	4TH	ST		10/12/2018	Littering	Sofa outside on porch of indoor type.	Staff Initiated
18-000971	HARRIS, CRECINDA L	611		3			10/12/2018	Littering	Junk in back yard. By garage.	Staff Initiated

18-000975	HAYES, RAY E JR & PENNY M	426	EAST	9TH	ST		10/15/2018	Littering	General yard clean up. Junk by garage.	Staff Initiated
18-000977	SALINAS, MARIA C	913	NORTH	CHESTNUT			10/15/2018	Littering	Trash and litter in yard back yard.	Staff Initiated
18-000978	HOLTSCHULT, ROBERT W	1300		LAKE	ST		10/15/2018	Littering	Junk by garage	Staff Initiated
18-000979	YORK, GEORGE T	702		ELLIOTT	ST		10/15/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s) back yard.	Staff Initiated
18-000980	INCE, DONALD G III	709		May			10/16/2018	Littering	Sofa at street	Staff Initiated
18-000981	BOSWELL, GARY & DEBORAH	425		Hollis			10/16/2018	Littering	Dead tree in front yard must be removed. Danger to homes and power lines.	Staff Initiated
18-000982	GEMAX LLC,	414		HOLLIS			10/16/2018	Unsafe, Unsightly Structures	Old dead tree falling down. Unsafe.	Staff Initiated
18-000983	ORR, DENNIS A EST	441		HOLLIS	ST		10/16/2018	Unsafe, Unsightly Structures	Dead tree in back yard. Old dead tree is unsafe.	Staff Initiated
18-000984	BROKAW, DAVID W & SHIRLEY L	802	E	PROSPECT			10/16/2018	Unsafe, Unsightly Structures	Dead tree in front yard must be removed. Danger to homes and power lines.	Staff Initiated
18-000986	NIMRICK, JULIE A & BILLY L	526	NORTH	EAST			10/16/2018	Unsafe, Unsightly Structures	Dead tree in front yard must be removed. Danger to homes and power lines.	Staff Initiated
18-000987	REED, JAMES L SR & JAMES L JR	1103		Railroad			10/16/2018	Unsafe, Unsightly Structures	Dead tree front of store.	Staff Initiated
18-000989	CRONAU, EDWARD WILLIAM	412	EAST	SOUTH			10/18/2018	Littering	Sofa outside on porch of indoor type.	Staff Initiated
18-000990	RICHARDSON, LYNETTE M	1111		ROSE	ST		10/18/2018	Storage and parking of vehicles	Unlicensed/inoperable vehicle(s) with flat tires. In yard.	Staff Initiated

								and other personal property		
18-000992	ENSLEY, MAURITA K	118	WEST	CHURCH			10/19/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s) camper and. Inoperable. Tractor.	Staff Initiated
18-000992	ENSLEY, MAURITA K	118	WEST	CHURCH			10/19/2018	Littering	Junk pile concrete blocks and steel panels.	Staff Initiated
18-000992	ENSLEY, MAURITA K	118	WEST	CHURCH			10/19/2018	Unsafe, Unsightly Structures	Camper shed	Staff Initiated
18-000993	HAYES, RAY E JR & PENNY M	912	NORTH	TREMONT			10/22/2018	Littering	2 dead trees by power lines in front yard.	In Person
18-000994	ISRAEL, ELISHEBA	101	SOUTH	ADAMS			10/22/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s) with flat tires. Truck.	Staff Initiated
18-000994	ISRAEL, ELISHEBA	101	SOUTH	ADAMS			10/22/2018	Littering	Junk around home.front and back.	Staff Initiated
18-000995	MEDLEY, RICHARD E	100		GOODRICH	ST		10/23/2018	Littering	Bed furniture in yard.	Staff Initiated
18-000996	RIGGS, TIMOTHY C & SALZMAN, EARNEST L LTR	621		FLORENCE			10/23/2018	Littering	Chair of indoor type and wheel. In front yard.	Staff Initiated
18-000997	ALQUEZADA, JUAN P & ROMAN, MARGARITA B	116	NORTH	WALNUT			10/23/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s) back yard.	Staff Initiated
18-000997	ALQUEZADA, JUAN P & ROMAN, MARGARITA B	116	NORTH	WALNUT			10/23/2018	Littering	Junk by garage general clean up needed.	Staff Initiated
18-000999	CAMEY, DAVID L JR	426	EAST	MILL	ST		10/25/2018	Littering	Trash and litter in yard sofa on porch.	Staff Initiated
18-	GERLEMAN, BRANDON C	907	WEST	MILL	ST		10/25/2018	Littering	Trash and litter in yard	Staff Initiated

001000										
18-001002	BANK REGIONS TR #90-P069-00,	314		RIDYARD	AVE		10/25/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s) with flat tires.	Staff Initiated
18-001003	GARMS, JACKIE M	337		Whitney			10/26/2018	Littering	Junk around home.front and back. General lawn clean up.	Staff Initiated
18-001004	SOPIARS, CORA O	616		HARRISON			10/26/2018	Littering	Junk in front yard.	Staff Initiated
18-001005	DEPAUW, THOMAS L & PEGGY S	341		BEACH	AVE		10/29/2018	Littering	Sofa at street	Staff Initiated
18-001006	JIMENEZ, MAXIMINO & AGUILAR, GUILLERMINA	722		Burr			10/29/2018	Littering	Trash and litter in yard	Staff Initiated
18-001007	PETTY, STEVE	421	EAST	2ND			10/29/2018	Casting Refuse on Public Ways	grass clippings in road way.	Staff Initiated
18-001008	MARTINEZ, ANTONIO & BANDERAS,AGUSTINA	322	EAST	PROSPECT			10/30/2018	Littering	Refrigerater on front porch.	Staff Initiated
18-001009	WICKEY, TERRY L & MARJORIE A	329		GOODRICH			10/30/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s)	Staff Initiated
18-001009	WICKEY, TERRY L & MARJORIE A	329		GOODRICH			10/30/2018	Littering	Junk by garage	Staff Initiated
18-001009	WICKEY, TERRY L & MARJORIE A	329		GOODRICH			10/30/2018	Storage and parking of vehicles and other personal property	Unlicensed/inoperable vehicle(s)	Staff Initiated
18-001009	WICKEY, TERRY L & MARJORIE A	329		GOODRICH			10/30/2018	Littering	Junk by garage general clean up needed.	Staff Initiated
18-001010	KOPP, BRANDON T	933		MAY	ST		10/30/2018	Littering	Junk around home.front and back. General lawn clean up.	Staff Initiated

18-001011	MELOEN, LUPE P	1003		Lake			10/30/2018	Littering	Junk by garage	Staff Initiated
18-001012	MARTINEZ, HERIBERTO BUCIO	513	N	Grace			10/30/2018	Unsafe, Unsightly Structures	Open home vacant. Broken window.	Staff Initiated
18-001012	MARTINEZ, HERIBERTO BUCIO	513	N	Grace			10/30/2018	Littering	Junk in back yard. And brush pile.	Staff Initiated
18-001012	MARTINEZ, HERIBERTO BUCIO	513	N	Grace			10/30/2018	Unsafe, Unsightly Structures	Broken window home open.	Staff Initiated
18-001012	MARTINEZ, HERIBERTO BUCIO	513	N	Grace			10/30/2018	Littering	Junk in back yard. Tree limbs pile in back yard.	Staff Initiated
18-001013	CORRAL, JOSE PEREDA	519	NORTH	GRACE			10/30/2018	Littering	Junk in back yard.	Staff Initiated
18-001014	WIEGAND, DAVID S	117	WEST	DIVISION			10/30/2018	Littering	Tires and rims. Motor jack with boat motor.needs to be in garage.	Staff Initiated
18-001015	PARKER, ROBIN G & BETH A & ADAM C	516	WEST	4TH	ST		10/30/2018	Littering	Trash and litter in yard	Staff Initiated

Violation Listing - Weeds and Tall Grasses

From Date: 10/01/2018

To Date: 10/31/2018

File#	Owner Name	Street#	Pre-Direction	Street Name	Street Type	Phone#	Open Date	Violation Short Description	Violation Comments	How Received
18-000934	SHANER, ZACHARY W	730		PINE	ST		10/01/2018	Weeds and Tall Grasses	Tall weeds and grass in yard.	Staff Initiated
18-000935	RIVERA, CANDELARIA	1334	WEST	PROSPECT			10/01/2018	Weeds and Tall Grasses	Tall weeds and grass in yard.	Staff Initiated
18-000937	BOLLINGER, RAY W & KATHRYN L	828	EAST	7TH	ST		10/01/2018	Weeds and Tall Grasses	Tall weeds and grass in yard.	Staff Initiated
18-000939	BODINE, LOGAN M D	333		Mckinley			10/02/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000940	WOOD, MATTHEW C	710		May			10/02/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000941	PEED, WILLIAM A & ANTOINETTE L	713		May			10/02/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000942	MANESS & SON LAND TR,	315	NORTH	MAIN			10/02/2018	Weeds and Tall Grasses	Tall weeds in areas around the perimeter of the building. Mostly at rear of building.	Staff Initiated
18-000942	MANESS & SON LAND TR,	315	NORTH	MAIN			10/02/2018	Weeds and Tall Grasses	Tall weeds at perimeter of building mostly at West edge.	Staff Initiated
18-000943	DURAN, JUAN J & ANA I	308		Goodrich			10/02/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000943	DURAN, JUAN J & ANA I	308		Goodrich			10/02/2018	Weeds and Tall Grasses	Tall weeds and grass in yard.	Staff Initiated
18-000944	VANCOUR, STEVEN J	812	EAST	PROSPECT	ST		10/02/2018	Weeds and Tall Grasses	Tall weeds and grass in yard.	Staff Initiated
	CUMMINGS, CHRISTINA	422		Rice			10/02/2018	Weeds and	tall weeds around home and back	Staff

18-000945	M							Tall Grasses	yard.	Initiated
18-000946	VALDEZ, SALOMON R	716	WEST	3RD	ST		10/02/2018	Weeds and Tall Grasses	Tall weeds.	Staff Initiated
18-000949	ROSAS, GABRIEL & HILDA Y	445	EAST	DIVISION	ST		10/03/2018	Weeds and Tall Grasses	Tall weeds and grass in yard back yard.	Phone
18-000950	BULLOCK, ANDREW & SARAH	618		MCKINLEY			10/04/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000952	KEWANEE MHP	801		COLE	ST		10/09/2018	Weeds and Tall Grasses	Tall weeds and brush all over park property.	Staff Initiated
18-000954	KEWANEE II MHP LLC,	829	WEST	6TH	ST		10/10/2018	Weeds and Tall Grasses		Staff Initiated
18-000955	KEWANEE II MHP LLC,	1119		LAKE	ST		10/10/2018	Weeds and Tall Grasses		Staff Initiated
18-000957	STEVENSON, DAVID W	1035		WESTERN	AVE		10/11/2018	Weeds and Tall Grasses	Tree branches hanging over side walk.	Phone
18-000958	NICOLAY, LEONARD M II & PAMELA S	1129		WESTERN			10/11/2018	Weeds and Tall Grasses	Tree branches hanging over side walk.	Phone
18-000963	WATES, LEE A & DAVID	830	SOUTH	WASHINGTON	ST		10/12/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000964	ANDERSON, TROY A & KLIMKEWICZ, KAYLEE J	222		BIRCH	PL		10/12/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000968	HARRELL, RODNEY L	307		Hilltop			10/12/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000972	FERNS, DAVID	431		PERKINS			10/15/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-000973	DEARING, ANDREW SR	625	NORTH	TREMONT			10/15/2018	Weeds and Tall Grasses	Tall grass around home.	Staff Initiated
18-	SCHAEFER, PAULA A	407		5			10/15/2018	Weeds and	Tall grass around home.	Staff

000976								Tall Grasses		Initiated
18- 000988	ALFORD, LISA B	828	S	Washington			10/18/2018	Weeds and Tall Grasses	Tall grass in lot.	Phone
18- 000992	ENSLEY, MAURITA K	118	WEST	CHURCH			10/19/2018	Weeds and Tall Grasses	Tall weeds and small trees need to be trimmed in back yard three sides of lot. Lot must be totally Cleaned up	Staff Initiated
18- 001001	CONTRERAS, JOSE	742		Rockwell			10/25/2018	Weeds and Tall Grasses	tall weeds around home and back yard.	Staff Initiated





MEMORANDUM OCTOBER 2018 WATER LOSS REPORT

DATE: November 7, 2018

TO: Gary and Rod

FROM: Dale

Attached are the charts and worksheets for the October 2018 water loss report. **Our water loss for the month was 28.8%.** Our YTD 2018 is at 28.6%, a few points above our 2017 year end low of around 25%. The average for all of 2017 was 29.1% so we have gained a slight amount over last year.

While I am very happy with our ability to cut our losses from a high of nearly 60% three and one half years ago we still have a very long way to go and should not become complacent. The APWA recommended minimum loss is 15%. This minimum loss is only a recommendation at this time, however, some states have adopted this minimum as a mandated regulation.

We should not have to wait until a minimum loss of 15% is mandated before we move forward with solving this problem. If we consider the following simple math:

Our average billed and accounted for water in 2018 is 22.82 MG per month.

At a loss ratio of 15%, the amount of finished water produced should be $22.82 / .85 = 26.85$ MG.

Our average finished water produced for 2018 is 32.00 MG per month.

Therefore, water loss per month = $32.00 - 26.85 = 5.15$ MG per month.

Therefore, water loss per day = $5,150,000 / 30.4 = 169,408$ gallons / day

Therefore our daily water loss is about $169,408 / 1440 = 117.6$ GPM leakage

We are still losing almost 170,000 gallons per day at a rate of 120 GPM and losing about \$150 / day in direct, hard production costs.

City of Kewanee, Illinois

OCTOBER 2018 Water Audit Data

CHART A

Finished Water Produced vs Billed & Accounted For Water-MG/Month

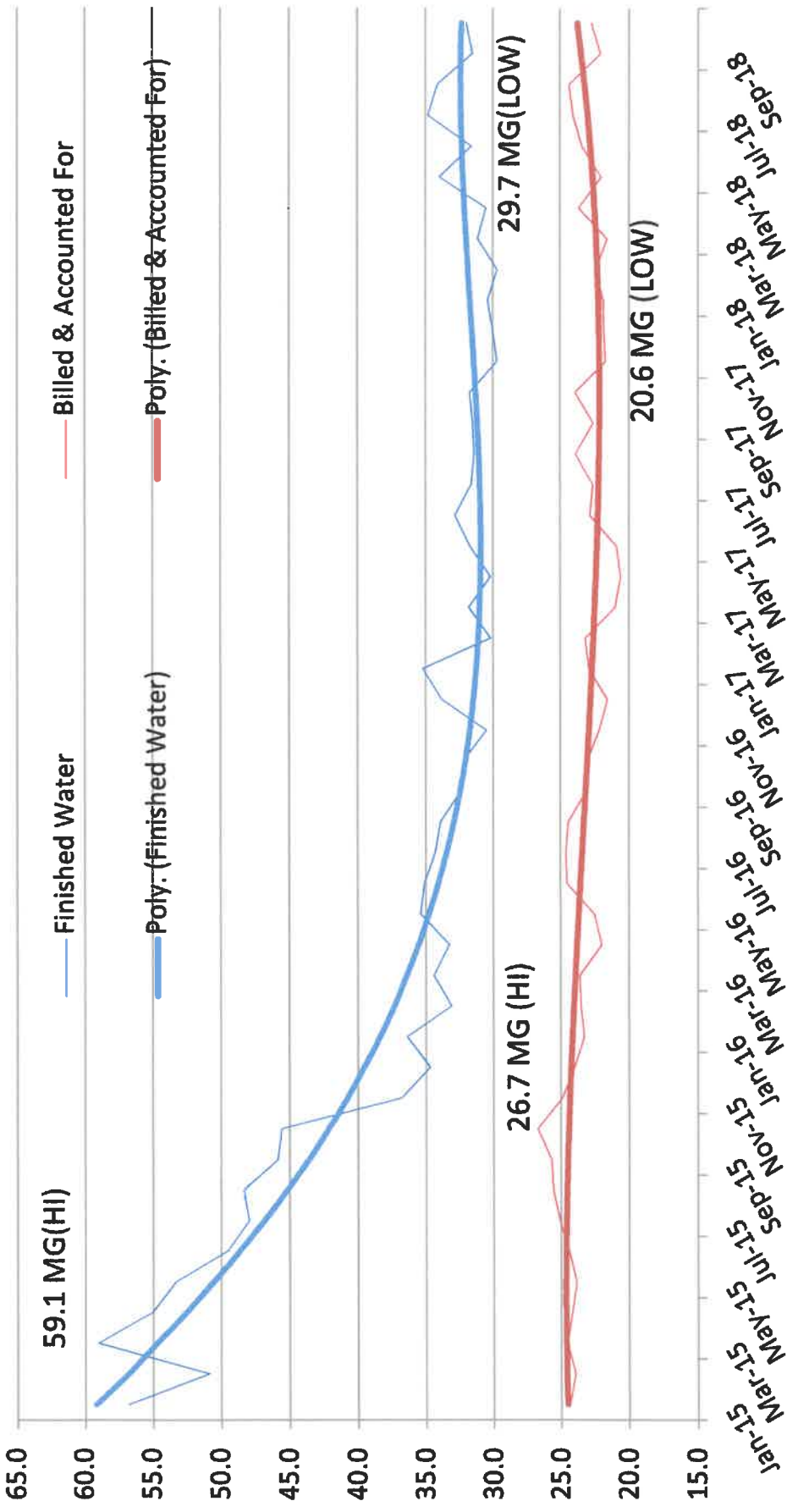


CHART B

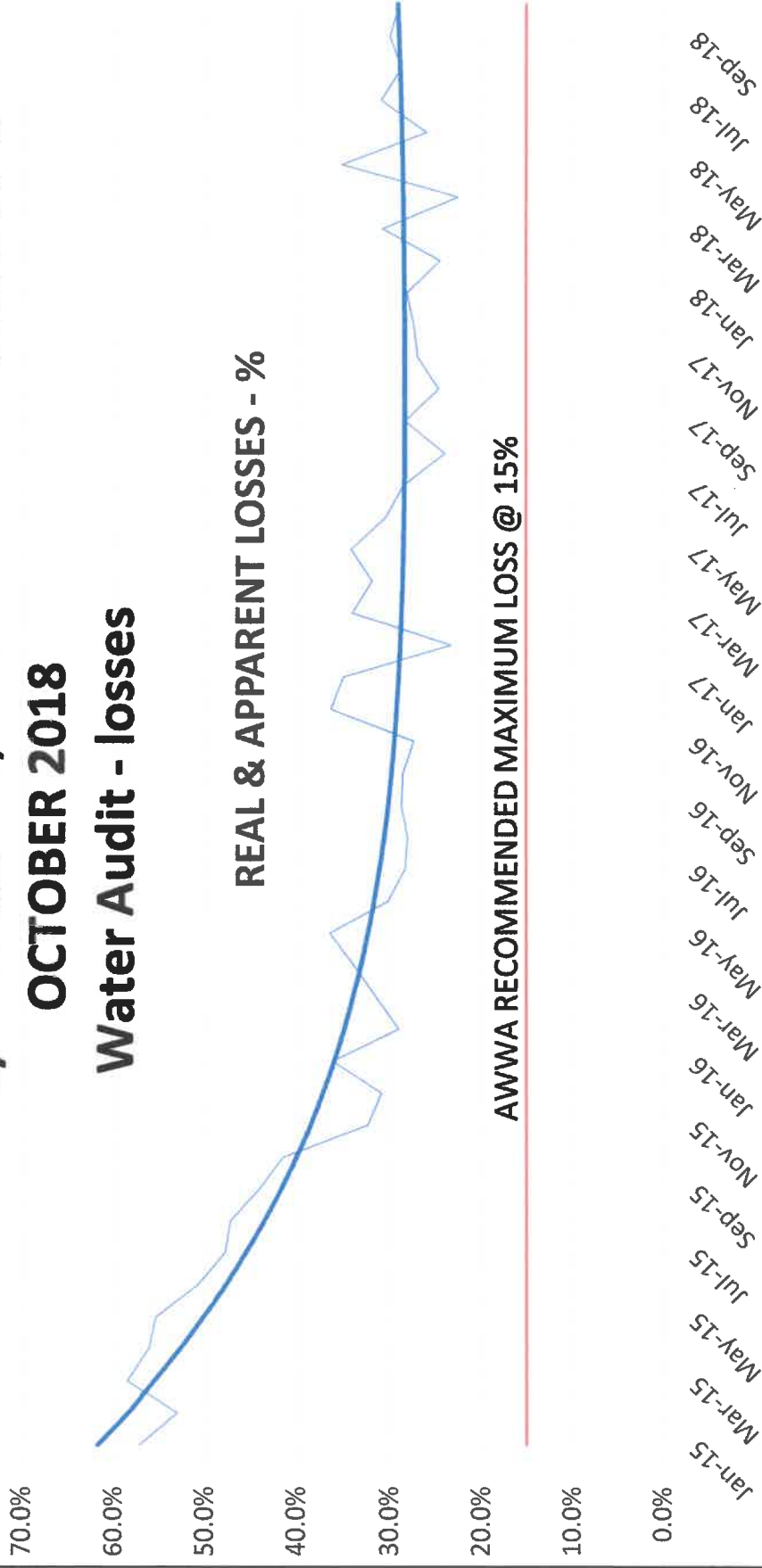
City of Kewanee, Illinois

OCTOBER 2018

Water Audit - losses

REAL & APPARENT LOSSES - %

AWWA RECOMMENDED MAXIMUM LOSS @ 15%

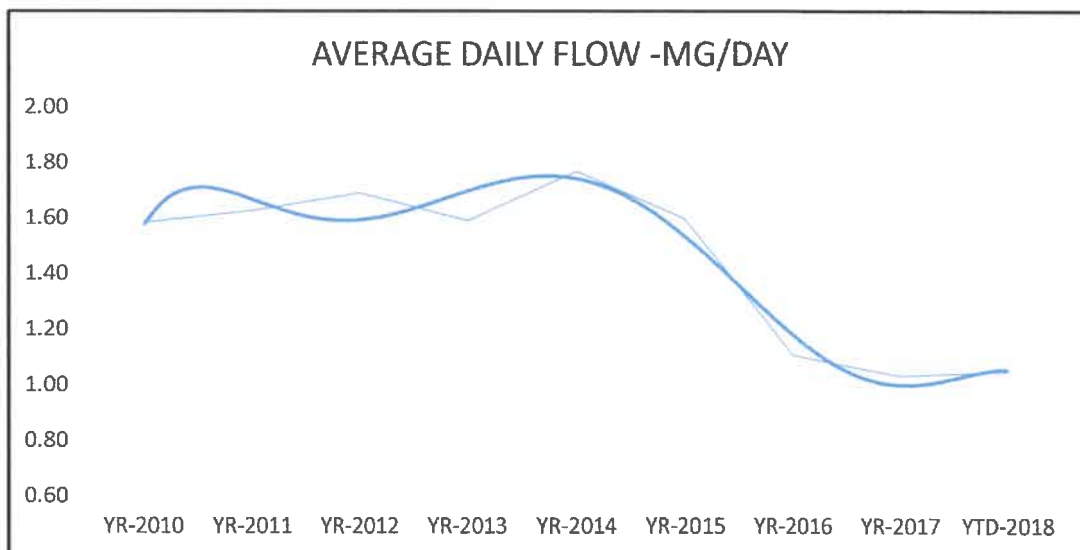
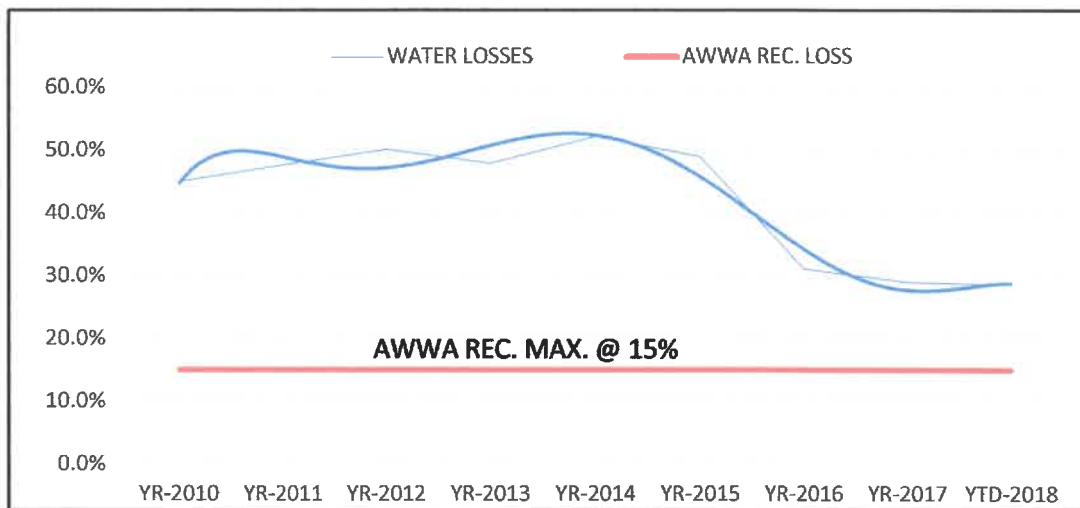


CITY OF KEWANEE, ILLINOIS WATER AUDIT DATA

MONTHLY AVERAGES / YEAR - MG

YEAR	RAW WATER	FINISHED WATER	ADF MG/DAY	AMOUNT BILLED	WWTP USEAGE	CITY OTHER	TOTAL ACC.FOR	LOSS %	AWWA MAX %
YR-2010	57.6	48.3	1.59	24.4	2	0.13	26.5	45.1%	15.0%
YR-2011	58.5	49.6	1.63	23.8	2	0.13	25.9	47.7%	15.0%
YR-2012	61	51.5	1.69	23.5	2	0.13	25.6	50.2%	15.0%
YR-2013	57.1	48.5	1.59	23.1	2	0.13	25.2	48.0%	15.0%
YR-2014	67.6	53.9	1.77	23.6	2	0.13	25.7	52.3%	15.0%
YR-2015	59.9	48.7	1.60	22.6	1.98	0.18	24.8	49.1%	15.0%
YR-2016	42.1	33.7	1.11	21.9	1.17	0.17	23.2	31.2%	15.0%
YR-2017	38.9	31.5	1.04	21.7	0.35	0.30	22.3	29.1%	15.0%
YTD-2018	41.5	32.0	1.05	22.3	0.14	0.43	22.82	28.6%	15.0%

THROUGH OCTOBER 2018



CITY OF KEWANEE, ILLINOIS WATER AUDIT DATA

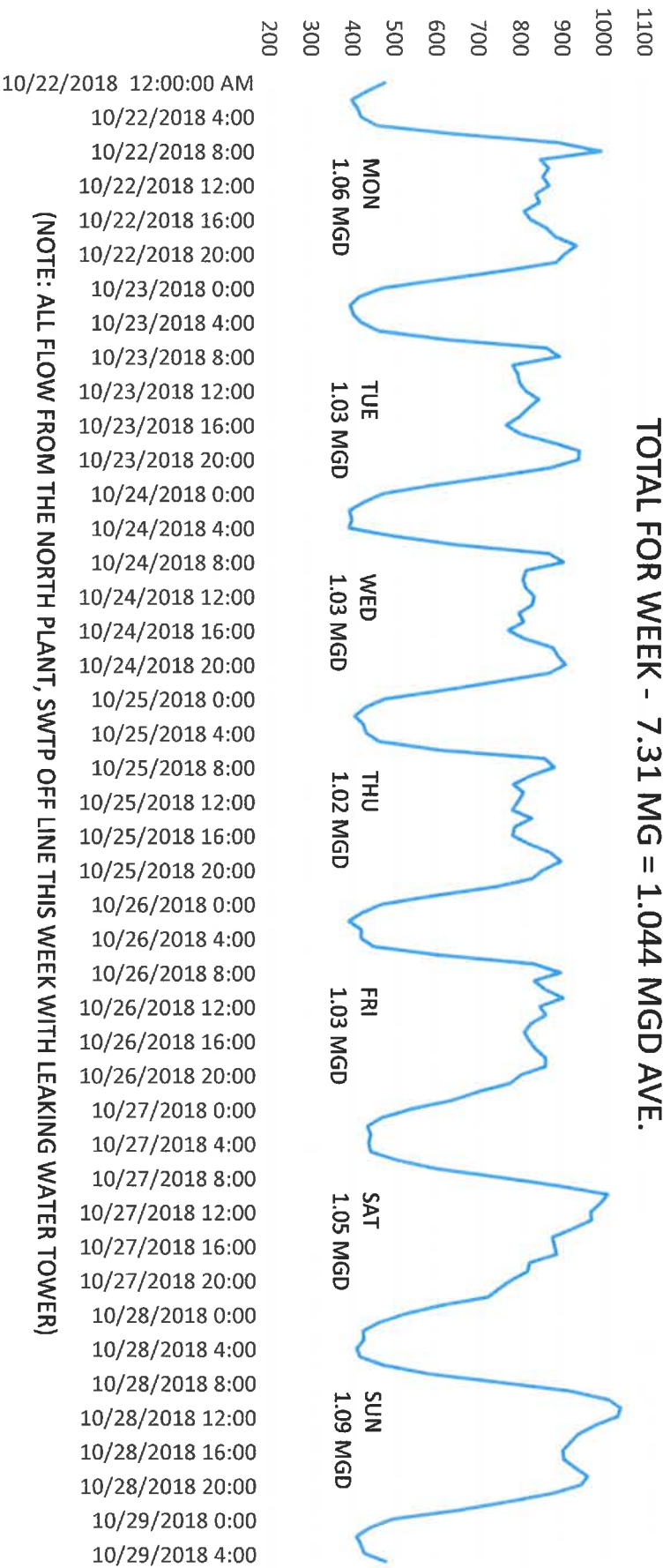
MONTHLY FLOWS / LOSSES

MONTH	RAW WATER	FINISHED WATER	AVERAGE DAILY FLOW MG / DAY	NOTES:	AMOUNT BILLED	WWTP USEAGE	CITY OTHER	TOTAL ACC.FOR	LOSS %	AWWA MAX %
Jan-15	68.44	56.8	1.83		22.24	2	0.13	24.4	57.1%	15.0%
Feb-15	63.13	50.9	1.82		22	1.81	0.13	23.9	52.9%	15.0%
Mar-15	72.87	59.1	1.90		22.13	2.28	0.13	24.5	58.4%	15.0%
Apr-15	66.66	55.1	1.84		21.85	2.2	0.13	24.2	56.1%	15.0%
May-15	66.11	53.3	1.72		21.62	2.1	0.13	23.9	55.3%	15.0%
Jun-15	62.19	49.5	1.65		22.19	2.1	0.13	24.4	50.7%	15.0%
Jul-15	59.4	47.9	1.55		22.82	2.14	0.13	25.1	47.7%	15.0%
Aug-15	58.93	48.4	1.56		23.31	2.14	0.13	25.6	47.1%	15.0%
Sep-15	55.8	45.9	1.53		23.51	2.07	0.13	25.7	44.0%	15.0%
Oct-15	56.1	45.6	1.47		24.64	1.96	0.13	26.7	41.4%	15.0%
Nov-15	45.4	36.8	1.23		22.38	1.8	0.73	24.9	32.3%	15.0%
Dec-15	43.2	34.7	1.12		22.67	1.2	0.13	24.0	30.8%	15.0%
Jan-16	45.3	36.4	1.17		21.15	2	0.13	23.3	36.0%	15.0%
Feb-16	41.1	33.1	1.14		22.21	1.18	0.13	23.5	28.9%	15.0%
Mar-16	42.7	34.4	1.11		22.16	1.02	0.42	23.6	31.4%	15.0%
Apr-16	43.2	33.3	1.11		20.82	1.06	0.13	22.0	33.8%	15.0%
May-16	44.4	35.4	1.14		21	1.4	0.13	22.5	36.4%	15.0%
Jun-16	44.3	35.1	1.17		23.11	1.29	0.13	24.5	30.1%	15.0%
Jul-16	42.4	34.3	1.11		23.15	1.33	0.13	24.6	28.3%	15.0%
Aug-16	40.5	33.9	1.09		23.12	1.18	0.13	24.4	27.9%	15.0%
Sep-16	39.1	32.4	1.08		21.95	1.05	0.13	23.1	28.6%	15.0%
Oct-16	41.6	32.2	1.04		22.03	0.88	0.13	23.0	28.4%	15.0%
Nov-16	37.8	30.5	1.02		21.41	0.64	0.13	22.2	27.3%	15.0%
Dec-16	42.4	33.8	1.09		20.21	1.02	0.33	21.6	36.2%	15.0%
Jan-17	44	35.2	1.14		21.64	1.16	0.13	22.9	34.9%	15.0%
Feb-17	37.3	30.2	1.08		22.4	0.65	0.13	23.2	23.2%	15.0%
Mar-17	38.9	31.8	1.03		20.09	0.72	0.197	21.0	33.9%	15.0%
Apr-17	36.7	30.2	1.01		20	0.47	0.13	20.6	31.8%	15.0%
May-17	39.1	31.7	1.02	Vehicle hits FH,	20.22	0.2	0.49	20.9	34.0%	15.0%
Jun-17	38.8	32.8	1.09		21.9	0.167	0.78	22.8	30.3%	15.0%
Jul-17	38.9	31.6	1.02		21.93	0.157	0.54	22.6	28.4%	15.0%
Aug-17	38.5	31.4	1.01		23.14	0.17	0.57	23.9	23.9%	15.0%
Sep-17	39.1	31.5	1.05		22.33	0.15	0.13	22.6	28.2%	15.0%
Oct-17	37.9	31.7	1.02		23.66	0.12	0.13	23.9	24.6%	15.0%
Nov-17	38.9	29.7	0.96	FH Flow Testing/Flushing	21.4	0.12	0.19	21.7	26.9%	15.0%
Dec-17	38.3	30.0	0.97	FH Flow Testing/Flushing	21.59	0.09	0.13	21.8	27.3%	15.0%
Jan-18	42.4	30.4	0.98	"FREEZE" LEAKS (1)	21.59	0.155	0.13	21.9	28.0%	15.0%
Feb-18	36.8	29.7	1.06	Leaks cont.	22.16	0.15	0.13	22.4	24.4%	15.0%
Mar-18	37.9	31.1	1.00		21.3	0.15	0.13	21.6	30.7%	15.0%
Apr-18	41	30.5	1.02		23.26	0.21	0.17	23.6	22.5%	15.0%
May-18	44.2	34.0	1.10		21.09	0.11	0.84	22.0	35.1%	15.0%
Jun-18	42.01	31.6	1.05		22.59	0.15	0.67	23.4	25.9%	15.0%
Jul-18	45.09	34.8	1.12		23.35	0.15	0.58	24.1	30.9%	15.0%
Aug-18	44.41	34.1	1.10	Est. WWTP/City Other	23.62	0.15	0.58	24.4	28.6%	15.0%
Sep-18	41.3	31.5	1.05	Est. WWTP/City Other	21.57	0.1	0.4	22.1	29.9%	15.0%
Oct-18	39.56	31.9	1.03	S Tower leak / drain .5 l	22.00	0.1	0.63	22.7	28.8%	15.0%
Nov-18										
Dec-18										

NOTES: (1) Extreme cold weather in January, -20, caused fireline pipe to freeze and burst 1/6 at old Bo-Mag bldg and other leaks in City
Amount of water lost from known and fixed leaks from 1/2 - 1/19/18 = 3.71 MG; Finished Water Amount Adjusted for this.

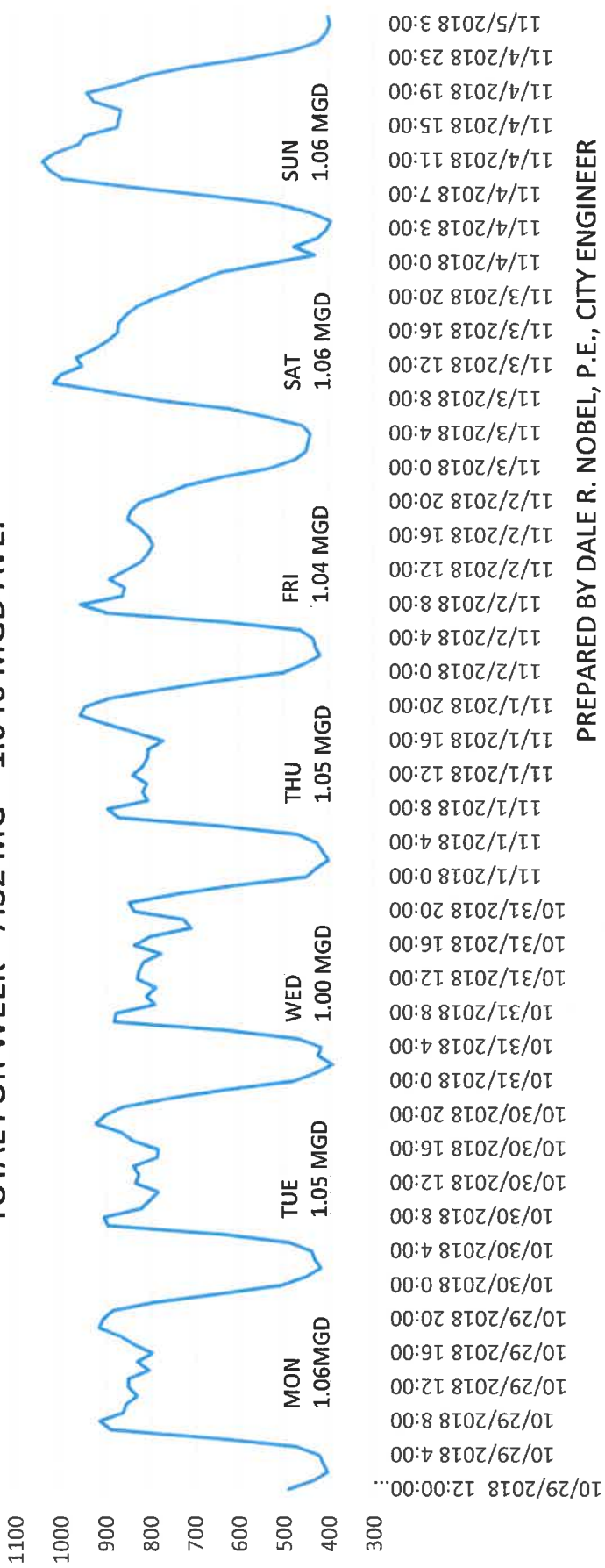
CITY OF KEWANEE WATER DEPARTMENT WEEKLY FLOW CHART

WATER FLOWS - GPM 10/22 - 10/28/2018
TOTAL FOR WEEK - 7.31 MG = 1.044 MGD AVE.



(NOTE: ALL FLOW FROM THE NORTH PLANT, SWTP OFF LINE THIS WEEK WITH LEAKING WATER TOWER)

CITY OF KEWANEE WATER DEPARTMENT
WEEKLY FLOW CHART
WATER FLOWS - GPM 10/29 - 11/5/2018
TOTAL FOR WEEK - 7.32 MG = 1.046 MGD AVE.




PREPARED BY DALE R. NOBEL, P.E., CITY ENGINEER



MEMORANDUM

November 7, 2018

To: Gary Bradley, City Manager

From: Dale R. Nobel, P.E., City Engineer 

Re: Stop Sign Requests

Over the recent weeks we have received requests for Stop signs to be placed at the following intersections:

Central/Burr & Central/Elm

This would make both of these intersections 4-ways stops on each side of the Central School

Mission/Midland

A "T" intersection currently uncontrolled with Midland the through street.

Rockwell/West

West street is currently stopped. Request is to make it a 4-way stop.

I have investigated each of these locations and can only recommend a stop sign be placed on Mission Street, stopping traffic before entering Midland.

I observed Central @ Burr and Elm during the busiest time of the day when school is letting out and only saw a "back up" of side traffic of just two vehicles on one occasion at each intersection. Also, there are student crossing guards stopping traffic on Central to let students cross. There is no need for making either of these intersections 4-way stops.

The request for a stop sign here is to "slow down traffic on Rockwell Street". Stop signs should never be placed under the desire to slow down traffic. It doesn't work and just creates unneeded Traffic control. Also, the west leg of Rockwell at this intersection has a grade of over 5% and would be very difficult to get started during the winter with slick road conditions.

Please let me know if you have any questions.



Oct. 26, 2018

Mayor Steve Looney
401 E. 3rd St.
Kewanee, IL 61443

Dear Mayor Looney and Council Members,

The YMCA of Kewanee would like to request the use of the City Council Chambers, camera, internet access and channel 13 air time for Saturday, Dec. 1st, 2018 for its annual Charity Christmas Auction. The YMCA Charity Christmas Auction will be broadcast live on channel 13 beginning at 5:00 p.m. The YMCA would also like to request access to the council chambers on Fri., Nov. 30th at 5:00 p.m. to set up for the auction (which would include bringing auction items in). We would like to offer the opportunity to the public to view the auction items prior to the event beginning at 4:00 p.m. on Saturday and in order to do this it would be helpful to start setting up on Friday evening.

Thank you for your consideration.

Sincerely,

Jodi Wall
Finance Director

YMCA of Kewanee
315 W. 1st St., Kewanee, IL 61443
(309) 853-4431 www.kewaneeymca.org

SYS DATE:11/09/18

CITY OF KEWANEE
A / P W A R R A N T L I S T
REGISTER # 177
Friday November 09,2018

SYS TIME:13:11

[NW1]

DATE: 11/09/18

PAGE 1

PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
01 LEXISNEXIS RISK SOLUTIONS 138173420181031	01-21-549	CONTRACT FEE	87.50	87.50
01 ADVANCED PROPERTIES D101918	01-41-617	SIDEWALK REIMBURSEMENT	656.40	656.40
01 AIRGAS MID AMERICA 9080162506 9081116661 9081716904	01-22-612 62-45-652 52-93-512	OXYGEN USP MEDICAL OXYGEN GUAGE REPAIR OXYGEN CYL & WELDING ROD	207.54	56.90 80.00 70.64
01 ALTORFER INC PC020544229	62-45-612	BACKHOE - BOLT	18.96	18.96
01 AMEREN ILLINOIS D102518BP D102618P	01-52-571 01-21-539	BERRIEN PK - ELECTRICITY POUND - ELECTRICITY	220.22	35.53 184.69
01 ANDERSON, GRANT 18-40E	01-22-562	REIMB TRAVEL EXPENSES	190.29	190.29
01 AUCA CHICAGO MC LOCKBOX 1591579578 1591587999 1591596449 1591604697 1591612962	62-45-471 62-45-471 62-45-471 62-45-471 62-45-471	UNIFORM RENTAL UNIFORM RENTAL UNIFORM RENTAL UNIFORM RENTAL UNIFORM RENTAL	179.70	39.27 32.50 36.05 35.94 35.94
01 AUTOMOTIVE ELECTRIC OF KEWANEE 67585 67600	62-45-612 38-71-611	BACKHOE STARTER BACKUP BATTERIES	430.80	350.00 80.80
01 AUTO ZONE 2644251404 2644254174 2644257402	62-45-613 62-45-613 62-45-613	FLEET-SHOP SUPPLIES MUFFLER & OIL SEAL BRAKE PADS & ROTORS	371.91	85.38 169.56 116.97
01 B & B PRINTING 22265 22265 22265 22266	62-45-512 52-93-652 52-93-652 01-21-551	LAMINATE LICENSE WWTP-SHIPPING CHGS WWTP-SHIPPING CHGS POLICE-SHIPPING CHGS	52.21	2.50 14.20 15.64 19.87
01 BARCO PRODUCTS INVR03525	01-41-614	PARKING BLOCK SPIKES	262.14	262.14
01 BARASH & EVERETT, LLC D110218 D110218	21-11-533 21-11-533	OCTOBER RETAINER REIMB EXPS & FEES	6574.60	6250.00 324.60
01 BEA OF ILLINOIS 2187738 2187739	51-93-512 51-93-512	LABOR-WELL#1 ANTENNA INSTALL NEW FLOW METER	4056.93	500.09 3556.84
01 BEACON TRAINING GROUP 117	01-21-830	TRAUMA KITS	1188.00	1188.00
01 BI-STATE REGIONAL COMM D100118	02-61-561	QUARTERLY MEMBERSHIP	1511.75	1511.75
01 KERRY D ANDERSON			1105.40	

SYS DATE:11/09/18

CITY OF KEWANEE
A / P W A R R A N T L I S T
REGISTER # 177
Friday November 09,2018

SYS TIME:13:11
[NW1]

DATE: 11/09/18

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PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
14683	62-45-513	REPAIR ROOF & PAINT		1105.40
01 BOSS MANUFACTURING CO 1222070 RI	51-42-473	BROWN JERSEY GLOVES	122.40	122.40
01 BREEDLOVE'S SPORTING GOODS 35649	58-36-473	CEMETERY T-SHIRTS	212.00	212.00
01 CALHOUN, JACK D110218	01-41-473	CLOTHING/BOOT ALLOWANCE	200.00	200.00
01 CAMBRIDGE TELCOM SERVICES INC D110718	01-11-537	FIBER INTERNET-CITY HALL	760.00	485.00
D110718PD	01-21-552	FIBER INTERNET-POLICE		275.00
01 CITY OF PEORIA AR080581	01-22-563	RECRUIT TRAINING-KB&RH	5000.00	5000.00
01 COLWELL, BRENT 156151	01-65-549	ELECTRICAL INSPECTION	650.00	50.00
156153	01-65-549	ELECTRICAL INSPECTION		50.00
156154	01-65-549	ELECTRICAL INSPECTION		50.00
156155	01-65-549	ELECTRICAL INSPECTION		25.00
156156	01-65-549	ELECTRICAL INSPECTION		25.00
156157	01-65-549	ELECTRICAL INSPECTION		50.00
156158	01-65-549	ELECTRICAL INSPECTION		25.00
156159	01-65-549	ELECTRICAL INSPECTION		25.00
156160	01-65-549	ELECTRICAL INSPECTION		25.00
156161	01-65-549	ELECTRICAL INSPECTION		50.00
156162	01-65-549	ELECTRICAL INSPECTION		50.00
156164	01-65-549	ELECTRICAL INSPECTION		50.00
156165	01-65-549	ELECTRICAL INSPECTION		50.00
156166	01-65-549	ELECTRICAL INSPECTION		50.00
156167	01-65-549	ELECTRICAL INSPECTION		25.00
156168	01-65-549	ELECTRICAL INSPECTION		50.00
01 COLOMER, CHRIS D110118	01-11-472	ANNUAL CAR ALLOWANCE	200.00	200.00
01 IDOIT - COMMUNICATIONS REVOLVI T1906860	01-21-552	LEADS LINE	316.70	316.70
01 COMCAST CABLE D101418D	38-71-549	INTERNET - DEPOT	119.85	119.85
01 COMCAST CABLE D101518NWP	51-93-552	INTERNET VPN - NWTP	114.85	114.85
01 COMCAST CABLE D101518SWP	51-93-552	INTERNET VPN - SWTP	94.90	94.90
01 COMCAST CABLE D102618PW	51-42-537	INTERNET - PW BLDG	94.90	47.45
D102618PW	62-45-537	INTERNET - PW BLDG		47.45
01 CORE & MAIN LP J572424	51-42-615	WATER PARTS - STOCK	20221.35	440.96
J619765	51-42-615	WATER PARTS - STOCK		5214.17
J643570	52-43-615	SEWER PARTS-STOCK		2848.99
J676388	51-42-615	METERS & RADIOS		5640.00

SYS DATE:11/09/18

CITY OF KEWANEE
A / P W A R R A N T L I S T
REGISTER # 177
Friday November 09,2018

SYS TIME:13:11
[NW1]

DATE: 11/09/18

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PAYABLE TO INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
J676388	52-43-615	METERS & RADIOS		5640.00
J691434	51-42-615	WATER PARTS - STOCK		127.68
J696462	51-42-615	WATER PARTS - STOCK		309.55
01 COUNTY LINE SERVICE INC 18237	31-71-813	SIDEWALK IMPROVS/RAMPS	13787.25	13787.25
01 CUMMINS SALES & SERVICE J9-7973	62-45-613	SENSOR & CONNECTOR	71.35	71.35
01 DANA, KIRK D102018	01-65-595	DEMO-1022 N EAST ST	3850.00	3850.00
01 DESPLINTER, BARBARA D103018	01-41-617	SIDEWALK REIMBURSEMENT	265.89	265.89
01 DINGES FIRE COMPANY 51096	01-22-471	MOON-UNIFORM ALLOWANCE	82.94	82.94
01 DOOLEY BROS PLUMBING 4.2062	52-43-515	CUT ROOTS-SEWER LATERAL	660.00	660.00
01 DOUBLE S MASONRY & CARPENTRY 4277	38-71-890	CITY HALL STEPS REPAIR	3000.00	3000.00
01 EAGLE ENTERPRISES RECYCLING IN D103118	57-44-583	RECYCLING-OCT 2018	2419.50	2419.50
01 EASTERN IOWA TIRE, INC 100057671	62-45-613	TIRES-POLICE CAR STOCK	638.01	240.90
100058924	62-45-613	STEEL WHEEL		144.21
100059211	62-45-613	TIRES - POLICE CARS		252.90
01 ED'S HEATING, A/C, PLBG & ELEC 15598	01-41-511	PLUMBING REPAIRS	219.23	114.23
15683	01-22-511	FIRE ST#2 FLOOR DRAIN		105.00
01 FABER, STEVE D110118	01-11-472	ANNUAL CAR ALLOWANCE	200.00	200.00
01 FEDERAL LICENSING INC D102918	01-21-556	FCC RULES SUBSCRIPTION	119.00	119.00
01 FRIENDS OF THE ANIMALS 628660	01-21-539	SEMI-MONTHLY CONTRACT	1333.33	1333.33
01 FRONTIER COMMUNICATIONS CORPOR D101918	01-41-552	PW-LOCAL PHONE	1461.52	223.97
D101918	54-54-552	FR PARK-LOCAL PHONE		37.67
D101918	01-11-552	F&A-LOCAL PHONE		265.72
D101918	01-22-552	FIRE-LOCAL PHONE		177.86
D101918	52-93-552	WWTP-LOCAL PHONE		122.48
D101918	57-44-552	SANIT-LOCAL PHONE		43.21
D101918	51-93-552	WTP-LOCAL PHONE		50.42
D101918	01-21-552	POLICE-LOCAL PHONE		63.98
D101918	58-36-552	CEMETERY-LOCAL PHONE		59.51
D101918	62-45-552	FLEET-LOCAL PHONE		55.05
D101918PD	01-21-552	POLICE-LOCAL PHONE		361.65
01 GENESIS OCCUPATIONAL HEALTH 282708	01-41-455	BI-STATE ANNUAL FEE DS	75.00	50.00
283464	51-42-455	CDL RANDOM DRUG TEST		25.00

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01 GRAINGER 9940584262	01-21-539	ROTARY SPEED CONTROL	86.75	86.75
01 GUSTAFSON FORD 161341 161422 5731 5760	62-45-513 62-45-513 62-45-613 62-45-613	REFLASH PCM INSTALL TIRE SENSORS KEY BRAKE PADS & ROTORS	524.57	44.96 258.50 15.00 206.11
01 THOMPSON TRUCK & TRAILER, INC X203023991:01	62-45-613	DEF FLUID & HUB CAP	39.36	39.36
01 HAYES, RAY JR 5584	52-43-515	PUSH SPOILS W/ DOZER	140.00	140.00
01 HENRY SCHEIN, INC 58270734	01-22-612	MEDICAL SUPPLIES	221.58	221.58
01 HEWITT, DANIELLE D103018	01-41-617	SIDEWALK REIMBURSEMENT	135.00	135.00
01 HODGE'S 66 INC 50264 50267 50527 50529 50532	62-45-513 62-45-513 62-45-513 62-45-513 62-45-513	DOT SAFETY TEST DOT SAFETY TEST DOT SAFETY TEST DOT SAFETY TEST DOT SAFETY TEST	148.24	26.30 26.30 35.75 35.75 24.14
01 I/O SOLUTIONS INC C43648A	01-11-541	FIRE CAPTAIN TESTS	389.00	389.00
01 ILLINOIS VALLEY CRIME PREVENTI D102118	01-21-563	PT OFFICER TRAINING-AS	2000.00	2000.00
01 INCE'S TOWING INC 19425 19527	62-45-513 62-45-513	TOW TRUCK TO STERLING TOW TAURUS TO PW YARD	770.00	620.00 150.00
01 INTERSTATE BATTERY SYSTEMS OF 10124767 19124574	62-45-612 62-45-613	CEM BACKHOE BATTERY 2 BATTERIES	593.80	233.90 359.90
01 JOHN C BEAMAN D110218	02-61-930.6	TMHR-621 W 4TH ST	1938.00	1938.00
01 KOEHLER, ANDREW W D110118	01-11-472	ANNUAL CAR ALLOWANCE	200.00	200.00
01 LAVERDIERE CONSTRUCTION INC D103018 D110518	32-42-850 51-00-159.7	BORE DOWNTOWN SERVICES BORE WATER LINE-CHURCH	10600.00	9600.00 1000.00
01 LAWSON PRODUCTS, INC 9306218684	62-45-652	BIT SET, WASHERS & PAINT	147.27	147.27
01 LINDSTROM, DON D100618A D100618B	51-42-473 51-42-473	CLOTHING/BOOT ALLOWANCE CLOTHING/BOOT ALLOWANCE	241.02	112.02 129.00
01 LOGSDON, SCOTT D101918 D102118	51-42-473 51-42-473	CLOTHING/BOOT ALLOWANCE CLOTHING/BOOT ALLOWANCE	163.93	23.94 139.99

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01 LOONEY, STEVE D110118	01-11-472	ANNUAL CAR ALLOWANCE	200.00	200.00
01 MANNON, FRANK C D101118	57-44-473	CLOTHING/BOOT ALLOWANCE	183.18	183.18
01 MARTIN EQUIPMENT OF ILLINOIS I 372147	62-45-612	BACKHOE LAMP & FILTER	255.66	255.66
01 MCKESSON MEDICAL SURGICAL 37809754	01-22-612	MEDICAL SUPPLIES	570.69	23.91
37809754	01-22-159.7	MEDICAL SUPPLIES		300.00
38114976	01-22-612	MEDICAL SUPPLIES		246.78
01 MED-TECH RESOURCE LLC 95796	01-22-612	PEDIATRIC BOARDS & BP KIT	319.00	319.00
01 MISSISSIPPI VALLEY PUMP INC 12399	52-93-512	REPAIR EBARA PUMP	4815.63	3855.00
12402	52-93-512	EBARA PUMP BRACKETS		960.63
01 MOLS, MATTHEW 18-37E	01-22-562	TRAVEL EXPS REIMBURSEMENT	595.29	537.89
18-38E	01-22-562	MEAL EXPS REIMBURSEMENT		57.40
01 MOORE TIRES KEWANEE K12562	62-45-513	TRUCK TIRE REPAIR	169.75	22.79
K13188	62-45-513	TRUCK TIRE REPAIR		54.96
K13280	62-45-513	MOUNT & BAL TIRE		92.00
01 MOORE TIRES KEWANEE K13388	01-52-512	MOWER TIRE REPAIR	38.36	38.36
01 NETWORK BUSINESS SYSTEMS INC 166251	51-42-512	TOWER ROUTER REPAIR	190.00	95.00
166251	52-43-512	TOWER ROUTER REPAIR		95.00
01 NORTHWEST PLUMBING HEATING AC 22065	38-71-549	MAINTENANCE CONTRACT	519.00	519.00
01 WALLEN, PETE D103118	38-71-549	JANITORIAL SERVICES	1250.00	1250.00
01 O'REILLY AUTOMOTIVE STORES, IN 1143-298057	52-93-653	ENGINE HOIST & LEVELER	455.97	279.98
1143-298214	52-93-619	RACHET & AIR HOSE		46.93
1143-298293	62-45-613	HINGE PIN KIT		6.68
1143-298458	62-45-613	HINGE PIN KIT		6.68
1143-298630	62-45-613	WARRANTY HINGE PIN		6.68
1143-298784	62-45-613	FOG CAPSULE		21.94
1143-299414	62-45-652	9 VOLT BATTERY		5.99
1143-299417	62-45-613	RETURNED FOG CAPSULE		21.94
1143-299779	62-45-612	TRAILER LIGHT & REFLECTORS		27.77
1143-301851	62-45-612	FUEL TUBING		3.09
1143-302349	62-45-612	HYD HOSE & CRIMPS		85.53
01 OFFICE SPECIALISTS INC 1027607-0	38-71-611	HAND TOWELS	367.33	83.08
1027608-0	38-71-611	TRASH CAN LINERS		28.41

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1027680-1	57-44-651	REGISTER PAPER & RIBBON		11.24
1027680-1	58-36-651	INK CARTRIDGES		71.22
1027680-1	01-11-651	OFFICE SUPPLIES		28.22
1027680-1	51-42-651	OFFICE SUPPLIES		28.21
1027680-2	58-36-651	INK CARTRIDGE		35.61
1028937-0	38-71-611	TOWELS & LINERS		81.34
01 OFFICE MACHINE CONSULTANTS INC			14.64	
IN156357	01-22-537	COPIER MONTHLY MAINT		14.64
01 PDC LABORATORIES INC			955.00	
I9342894	52-93-542	CHLORIDE TESTING		39.00
I9344084	52-93-542	PERMIT TESTING		898.00
I9344278	51-93-542	WATER TESTING		18.00
01 PEART, BRANDON			96.96	
D110118	57-44-473	CLOTHING/BOOT ALLOWANCE		96.96
01 PERFORMANCE PIPELINING, INC			16500.00	
1847.2	52-43-515	LATERAL LINER INSTALLATIONS		16500.00
01 PEST DOCTOR			165.00	
24929	01-41-580	PW BLDG PEST CONTROL		85.00
24930	38-71-549	MUN BLDG PEST CONTROL		60.00
24931	01-22-580	ST#2 PEST CONTROL		20.00
01 POLICE PETTY CASH			73.34	
D102618	01-21-562	TRAINING-MEAL EXPS		58.38
D102618	01-21-551	CERT MAIL POSTAGE CHGS		3.95
D102618	01-21-655	FUEL FOR GATOR		11.01
01 PUBLIC SAFETY CENTER INC			500.00	
5831318	01-22-612	MEDICAL SUPPLIES		500.00
01 PUMP SUPPLY INC			9536.84	
64070-01	52-93-870	EBARA PUMP 30 HP		9536.84
01 RAY O'HERRON COMPANY INC			438.33	
1855496-IN	62-45-613	LAPTOP DOCK MOUNTS		340.33
1855639-IN	62-45-613	BULBS		98.00
01 S&S INDUSTRIAL SUPPLY			56.66	
4773250 RI	62-45-652	SHRINK CONNECTORS		32.96
4773251 RI	62-45-652	ELECTRICAL TAPE		23.70
01 SAY IT! SIGNS			440.00	
3976	38-71-549	CITY HALL LETTERING		280.00
3976	62-45-513	TRUCK LETTERING		160.00
01 SECRETARY OF STATE			10.00	
D102218	01-21-549	RENEW NOTARY-HAMILTON		10.00
01 SENSUS USA INC			295.45	
ZA 18014499	51-42-512	REPAIR COMMAND LINK		147.73
ZA 18014499	52-43-512	REPAIR COMMAND LINK		147.72
01 SPRINGFIELD ELECTRIC			82.84	
S5843847.001	01-52-618	BERRIEN PK LIGHT PARTS		82.84
01 SSPRF/LESO			400.00	
D102518	01-21-561	LESO MEMBERSHIP		400.00
01 STAR-COURIER			95.90	

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39421	01-65-595	DEMO BID NOTICE		95.90
01 SWEARINGEN, STEPHEN D101518	01-41-473	CLOTHING/BOOT ALLOWANCE	70.27	70.27
01 TRUCK COUNTRY OF IOWA X106345912:01	62-45-613	ABS MODULATOR VALVE	260.32	245.31
X106346676:01	62-45-613	ABS MODULATOR VALVE		147.49
X106346700:01	62-45-613	RETURNED VALVE		132.48-
01 UNIFORM DEN INC 97402-01	01-22-471	WELGAT-UNIFORM ALLOWANCE	262.90	262.90
01 USA BLUEBOOK 717286	52-93-512	CHAIN HOIST	284.75	284.75
01 U.S. CELLULAR 274856461	01-41-552	CELLULAR SERVICE-PW	411.14	157.20
274856461	01-11-552	CELLULAR SERVICE-CM		60.52
274856461	58-36-552	CELLULAR SERVICE-CEM		52.40
274856461	01-65-552	CELL SV & TABLETS-CD		95.70
274856461	58-36-552	CEM-WIFI HOTSPOT		22.66
274856461	54-54-552	FR PARK-WIFI HOTSPOT		22.66
01 VERIZON WIRELESS 9815807787	01-22-552	CELLULAR SERV-FIRE	808.25	7.98
9816460857	01-21-552	CELLULAR SERV-POLICE		800.27
01 VERNON MANUFACTURING 18574	51-93-512	CROSS CONN CONTROL DEVICE	440.00	440.00
01 VIKING CHEMICAL COMPANY 69342	51-93-656	CAUSTIC SODA & CHLORINE	3793.61	1760.88
69343	51-93-656	CAUSTIC SODA & CHLORINE		2832.73
69344	51-93-656	DEPOSIT RETURN		800.00-
01 WALL, PHILLIP W 18-41E	01-22-562	REIMB MEAL EXPENSES	145.98	145.98
01 WALMART COMMUNITY 1174	01-21-563	TVS & WALL MOUNTS	857.61	366.52
1177	01-21-651	POLICE-OFFICE SUPS		44.48
2738	38-71-611	CITY HALL SUPPLIES		81.29
2863	38-71-611	JANITORIAL SUPPLIES		20.58
2941	01-52-652	DIGITAL CAMERA		139.00
3176	01-22-654	FIRE-JANITORIAL SUPS		98.08
3176	01-22-655	FIRE-AUTOMOTIVE SUPS		33.08
4027	38-71-611	JANITORIAL SUPPLIES		14.73
4115	01-65-652	INK CARTRIDGE		29.97
8847	01-22-652	AAA BATTERIES		29.88
01 YAKLICH, MIKE D110118	01-11-472	ANNUAL CAR ALLOWANCE	200.00	200.00
** TOTAL CHECKS TO BE ISSUED			138868.49	

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FUND INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
GENERAL FUND			25629.03	
ECONOMIC DEVELOPMENT			3449.75	
PUBLIC BENEFITS FUND			6574.60	
NHR SALES TAX INFRASTRUCTURE IMP			13787.25	
WATER IMPROVEMENT			9600.00	
CAPITAL MAINTENANCE/MUN. BLDG.			5619.08	
WATER FUND			22171.81	
SEWER FUND			42155.80	
FRANCIS PARK			60.33	
SANITATION			2754.09	
CEMETERY FUND			453.40	
CENTRAL MAINTENANCE			6613.35	
*** GRAND TOTAL ***			138868.49	
TOTAL FOR REGULAR CHECKS:			137,535.16	
TOTAL FOR DIRECT PAY VENDORS:			1,333.33	

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PAYABLE TO REG# INV NO	CHECK DATE G/L NUMBER	CHECK NO DESCRIPTION	AMOUNT	DISTR
01 ETERNAL ENERGY INC 355 D101718-CP	10/24/18 01-21-539	55041 INSTALL HEATERS-POUND	600.00	600.00
15 ADVANCED ASPHALT COMPANY 357 2F-2018 ROAD	11/08/18 15-41-514	1046A PAY#2F 2018 MFT ROAD	88833.14	88833.14
31 UMB BANK, NA 356 D103118-2012	11/08/18 31-71-710	BC110818 2012 BOND-PRINCIPAL	298200.00	250000.00
356 D103118-2012	31-71-720	2012 BOND-INTEREST		48200.00
44 THE ECONOMIC DEVELOPMENT GROUP 355 D100418D	10/24/18 44-84E-549	D102418 DOWNTOWN TIF-3RD QTR	1840.60	1840.60
44 THE ECONOMIC DEVELOPMENT GROUP 355 D100418K	10/24/18 44-84-549	K102418 KENTVILLE TIF-3RD QTR	409.00	409.00
44 THE ECONOMIC DEVELOPMENT GROUP 355 D100418L	10/24/18 44-84A-549	L102418 LININGER TIF-3RD QTR	409.00	409.00
44 THE ECONOMIC DEVELOPMENT GROUP 355 D100418M	10/24/18 44-84C-549	M102418 MILL CREEK TIF-3RD QTR	409.00	409.00
44 THE ECONOMIC DEVELOPMENT GROUP 355 D100418T	10/24/18 44-84D-549	T102418 TOC TIF-3RD QTR	409.00	409.00
44 THE ECONOMIC DEVELOPMENT GROUP 355 D100418W	10/24/18 44-84B-549	W102418 WALWORTH TIF-3RD QTR	409.00	409.00
44 JACOB & KLEIN LTD 355 D100418D	10/24/18 44-84E-549	102418D DOWNTOWN TIF-3RD QTR	460.15	460.15
44 JACOB & KLEIN LTD 355 D100418K	10/24/18 44-84-549	102418K KENTVILLE TIF-3RD QTR	102.25	102.25
44 JACOB & KLEIN LTD 355 D100418L	10/24/18 44-84A-549	102418L LININGER TIF-3RD QTR	102.25	102.25
44 JACOB & KLEIN LTD 355 D100418M	10/24/18 44-84C-549	102418M MILL CREEK TIF-3RD QTR	102.25	102.25
44 JACOB & KLEIN LTD 355 D100418T	10/24/18 44-84D-549	102418T TOC TIF-3RD QTR	102.25	102.25

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FUND 44	REG#	INV NO	G/L NUMBER	DESCRIPTION	AMOUNT	DISTR
44 JACOB & KLEIN LTD	355	D100418W	44-84B-549	10/24/18 102418W WALWORTH TIF-3RD QTR	102.25	102.25
44 PEOPLES NATIONAL BANK	355	D101618E	44-84C-710	10/24/18 CC043582 MC TIF EXEMPT BOND-PRINC	46609.39	43000.00
	355	D101618E	44-84C-720	MC TIF EXEMPT BOND-INT		3609.39
44 PEOPLES NATIONAL BANK	355	D101618T	44-84C-710	10/24/18 CC043583 MC TIF TX BOND-PRINC	9217.48	8500.00
	355	D101618T	44-84C-720	MC TIF TX BOND-INT		717.48
44 WHITCHER'S MAIN STREET LLC	356	D110518	44-84E-919	11/08/18 BC110818 TIF REDEV AGREEMENT	12799.07	12799.07
74 MUTUAL OF OMAHA	355	000785581838	74-14-452	10/24/18 1269A LIFE/AD&D INS-10/18	657.72	328.86
	355	00785581838-1	74-14-452	LIFE/AD&D INS-11/18		328.86
74 SISCO	355	D100518	74-14-451	10/24/18 1266A DENTAL/VISION CLAIMS	1701.80	1701.80
74 SISCO	355	D101218	74-14-451	10/24/18 1267A DENTAL/VISION CLAIMS	1171.97	1171.97
74 SISCO	355	D101918	74-14-451	10/24/18 1268A DENTAL/VISION CLAIMS	747.00	747.00
** TOTAL MANUAL CHECKS REGISTERED					465394.57	

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REPORT SUMMARY

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CASH FUND	CHECKS TO BE ISSUED	REGISTERED MANUAL	TOTAL
01	138868.49	600.00	139468.49
15	.00	88833.14	88833.14
31	.00	298200.00	298200.00
44	.00	73482.94	73482.94
74	.00	4278.49	4278.49
TOTAL CASH	138868.49	465394.57	604263.06

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PAYABLE TO REG#	INV NO	CHECK DATE G/L NUMBER	CHECK NO DESCRIPTION	AMOUNT	DISTR
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DISTR FUND	CHECKS TO BE ISSUED	REGISTERED MANUAL	TOTAL
01	25629.03	600.00	26229.03
02	3449.75	.00	3449.75
15	.00	88833.14	88833.14
21	6574.60	.00	6574.60
31	13787.25	298200.00	311987.25
32	9600.00	.00	9600.00
38	5619.08	.00	5619.08
44	.00	73482.94	73482.94
51	22171.81	.00	22171.81
52	42155.80	.00	42155.80
54	60.33	.00	60.33
57	2754.09	.00	2754.09
58	453.40	.00	453.40
62	6613.35	.00	6613.35
74	.00	4278.49	4278.49
<hr style="border-top: 1px dashed black;"/>			
TOTAL DISTR	138868.49	465394.57	604263.06

CITY OF KEWANEE CITY COUNCIL AGENDA ITEM		
MEETING DATE	November 13, 2018	
RESOLUTION OR ORDINANCE NUMBER	Ordinance #3945	
AGENDA TITLE	An Ordinance providing for the issuance of not to exceed \$315,000 General Obligation Limited Tax Bonds, Series 2018 and for the levy of a direct annual tax to pay the principal and interest on said bonds	
REQUESTING DEPARTMENT	Administration	
PRESENTER	Gary Bradley, City Manager	
FISCAL INFORMATION	Cost as recommended:	N/A
	Budget Line Item:	N/A
	Balance Available	N/A
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PURPOSE	Allows for the property tax levy for the 2015 Bonds without a reportable event that would have to be reported in Continuing Disclosure documents to the Municipal Securities Rulemaking Board.	
BACKGROUND	This is a continuation of the intent of the previously issued "KEDC Bonds". The practice to have KEDC used as a conduit was not in compliance with our bond covenants that pledge the "proceeds" from non-referendum bonds, as there were no "proceeds" obtained from the KEDC bonds. Thus, the change made a few years ago to actually sell bonds and use the proceeds as pledged. The bonds were marketed in a competitive sale, with the lowest interest rate being that of State Bank of Toulon with a rate of 2.15%. Last year's rate was 1.72%.	

SPECIAL NOTES	N/A
ANALYSIS	<p>The first and primary source for payment of 2015 Series bonds is “proceeds of the annual issuance of non-referendum bonds in accordance with the provisions of Section 8-5-16 of the municipal code, which will not exceed one-half of one percent of the assessed value of all of the taxable property located with the City (the “Non-referendum Bond Proceeds).”</p> <p>As discussed before, the bond language and what the City pledged as sources of repayment results in annual fees for the cost of issuance of these bonds. The City’s financial advisor will develop an analysis of our potential options to avoid these fees (and the annual hassle of issuing debt so that we can pay off debt), as well as the potential consequences of having such a “reportable event.”</p>
PUBLIC INFORMATION PROCESS	BINA Notice of the Public Hearing published in the Star Courier on October 10, 2018, Public Hearing held on Monday, October 22, 2018 at 7:00 pm.
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff recommends adoption
REFERENCE DOCUMENTS ATTACHED	N/A

MINUTES of a regular public meeting of the City Council of the City of Kewanee, Henry County, Illinois, held at the Kewanee Council Chambers, 401 East Third Street, Kewanee, Illinois, at 7:00 P.M., on the 13th day of November, 2018.

* * *

The Mayor called the meeting to order and directed the City Clerk to call the roll.

Upon roll call, Steve Looney, the Mayor, and the following Council Members at said location answered present: _____

_____.

The following Council Members were allowed by a majority of the members of the City Council in accordance with and to the extent allowed by rules adopted by the City Council to attend the meeting by video or audio conference: n/a _____

No Council Member was not permitted to attend the meeting by video or audio conference.

The following Council Members were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

_____.

The Mayor announced that a proposal had been received from State Bank of Toulon, Toulon, Illinois, for the purchase of the District's General Obligation Refunding Bonds, Series 2018 of the City, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said Bonds.

Whereupon the City Clerk presented and read by title an ordinance as follows, a copy of which was provided to each member of the City Council prior to said meeting and to everyone in attendance at said meeting who requested a copy:

ORDINANCE NO. 3945

AN ORDINANCE providing for the issuance of \$298,570 General Obligation Refunding Bonds, Series 2018 of the City of Kewanee, Henry County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

* * *

WHEREAS, the City of Kewanee, Henry County, Illinois (the “City”), is a duly organized and existing municipality and unit of local government of the State of Illinois, and is now operating under and pursuant to the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto (the “Code”), including the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Debt Reform Act*”); and

WHEREAS, the City has issued, and now has outstanding and unpaid, its General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015 (the “*Prior Bonds*”); and

WHEREAS, it is necessary and desirable to refund the principal and interest due on December 1, 2018 (the “*Refunded Bonds*”), with respect to the Prior Bonds (the “*Refunding*”); and

WHEREAS, the Prior Bonds are presently outstanding and unpaid and are binding and subsisting legal obligations of the City; and

WHEREAS, the City Council of the City (the “*Corporate Authorities*”) finds that it does not have sufficient funds on hand for the refunding purposes aforesaid, and that the cost thereof, including legal, financial and other expenses, will be not less than \$298,570, and that it is necessary and for the best interests of the City that it borrow the sum of \$298,570 and issue bonds of the City to evidence the borrowing; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the Mayor of the Corporate Authorities, on

the 22nd day of October, 2018, held a public hearing (the “*Hearing*”), concerning the intent of the Corporate Authorities to sell said bonds; and

WHEREAS, notice of the Hearing was given (i) by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Star Courier*, the same being a newspaper of general circulation in the City, and (ii) by posting at least 48 hours before the Hearing a copy of said notice at the principal office of the Corporate Authorities; and

WHEREAS, the Hearing was held on the 22nd day of October, 2018, and at the Hearing, the Corporate Authorities explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 22nd day of October, 2018; and

WHEREAS, the Corporate Authorities does hereby find and determine that (a) said bonds shall be issued as limited bonds under the provisions of the Debt Reform Act, and (b) upon the issuance of the \$298,570 General Obligation Refunding Bonds, Series 2018 (the “*Bonds*”), now proposed to be issued, the aggregate outstanding unpaid bonded indebtedness of the City, including said bonds, is not more than one-half of one percent of the total assessed valuation of all taxable property in the City as last equalized and determined, and pursuant to the provisions of the Debt Reform Act and Section 8-5-16 of the Code, it is not necessary to submit the proposition of issuing said bonds to the voters of the City for approval:

Now, THEREFORE, Be It Ordained by the Corporate Authorities of the City of Kewanee, Henry County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do incorporate them into this Ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that the City has been authorized by law to borrow the sum of \$298,570 upon the credit of the City and as evidence of such indebtedness to issue bonds of the City in said amount, the proceeds of said bonds to be used for the refunding purposes aforesaid, and it is necessary and for the best interests of the City that there be issued at this time \$298,570 of the bonds so authorized.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the City the sum of \$298,570 for the purpose aforesaid; and that the bonds of the City shall be designated “General Obligation Refunding Bonds, Series 2018” (the “Bonds”). The Bonds shall be dated November 27, 2018, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5 each and authorized integral multiples thereof, shall be numbered 1, shall become due and payable (without option of prior redemption) on October 15, 2019, and bear interest at the rate of 2.15% per annum.

The Bonds shall bear interest from their date until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable at maturity. Interest on each Bond shall be paid by check or draft of State Bank of Toulon, Toulon, Illinois, the bond registrar and paying agent (the “*Bond Registrar*”), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on October 1, 2019. The principal of the Bonds shall be payable in lawful money of the United States of America at the office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signature of the Mayor and be attested by the manual or facsimile signature of the City Clerk of the Corporate Authorities and the seal of the City shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. The City shall cause books for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form

satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on October 1, 2019 ending at the opening of business on October 15, 2019.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Section 5. Form of Bond. The Bonds shall be in substantially the following form:

REGISTERED
No. R-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF HENRY

CITY OF KEWANEE

GENERAL OBLIGATION REFUNDING BOND, SERIES 2018

Interest
Rate
_2.15%

Maturity
Date
October 15, 2019

Dated
Date
November 27, 2018

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the City of Kewanee, Henry County, Illinois (the “*City*”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on October 15, 2019, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the office of the State Bank of Toulon, Toulon, Illinois, as bond registrar and paying agent (the “*Bond Registrar*”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on October 1, 2019 and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on

such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

[2] This Bond is issued by the City for refunding certain outstanding obligations of the City and for the payment of the expenses incident thereto, pursuant to and in all respects in full compliance with the provisions of the Section 8-5-16 of the Illinois Municipal Code, the Bond Issue Notification Act of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by the Corporate Authorities of the City by an ordinance duly and properly adopted for that purpose, in all respects as provided by law.

[3] This Bond is not subject to optional redemption prior to maturity.

[4] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the office of the Bond Registrar in Toulon, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[5] The City hereby designates this Bond as qualified tax-exempt obligations to qualify this Bond for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

[6] The Bonds are issued in fully registered form in the denomination of \$5 each or authorized integral multiples thereof. This Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized

denominations, upon the terms set forth in the authorizing ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on October 1, 2019 and ending at the opening of business on October 15, 2019.

[7] The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

[8] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

[9] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, said City of Kewanee, Henry County, Illinois, by its City Council, has caused its corporate seal to be hereunto affixed or printed hereon, and this Bond to be signed by the manual or duly authorized facsimile signature of the Mayor and be attested by the manual or duly authorized facsimile signature of the City Clerk, all as of the Dated Date identified above.

**CITY OF KEWANEE, HENRY COUNTY,
ILLINOIS**

By: _____
Its: Mayor

(SEAL)

ATTEST:

By: _____
Its: City Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Ordinance.

STATE BANK OF TOULON, Registrar and Paying
Agent

By: _____
Its: _____

Date of Authentication: November 27, 2018

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 6. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer of the Corporate Authorities, and be by said Treasurer delivered to State Bank of Toulon, Toulon, Illinois, the purchaser thereof (the “*Purchaser*”) or other entity as set forth in the Bond Order, upon receipt of the purchase price therefor, the same being par; the contract for the sale of the Bonds heretofore entered into (the “*Purchase Contract*”) is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the City and that no person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

If applicable, the use by the Purchaser of any Preliminary Term Sheet and any final Term Sheet relating to the Bonds (the “*Term Sheet*”) is hereby ratified, approved and authorized; the execution and delivery of the Term Sheet is hereby authorized; and the officers of the Corporate Authorities are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Term Sheet, the Term Sheet and the Bonds.

Section 7. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the City a direct annual tax for each of the years while the Bonds or any of them are

outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon all of the taxable property in the City, the following direct annual tax, to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:
2018	\$304,240.35 for interest and principal up to and including October 15, 2019

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the City, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The City covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy and the City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

Section 8. Filing of Ordinance. Forthwith upon the passage and effective date of this Ordinance, the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk of the County of Henry, Illinois (the “*County Clerk*”), and it shall be the duty of the County Clerk to, annually in and for the levy year above, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with other taxes levied in said year for City purposes, in order to raise the amount aforesaid and in said year such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general purposes of the City, and when

collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated “Corporate Purpose Bond and Interest Fund of 2018” (the “*Bond Fund*”), which taxes are hereby irrevocably, pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

Section 9. [Reserved].

Section 10. Use of Bond Proceeds. Any accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. Principal proceeds (including premium) of the Bonds are hereby appropriated for the purpose of paying the principal of and interest on the Prior Bonds on December 1, 2018, and the costs of issuance of the Bonds.

Section 11. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Corporate Authorities and the City as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the City for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the

exemption from federal income taxation for interest paid on the Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. The Corporate Authorities and the City certify, covenant and represent as follows:

11.1. *Definitions.* In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“*Affiliated Person*” means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the City in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the City or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the City (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the City is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“*Bond Counsel*” means Ice Miller LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“*Capital Expenditures*” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the City were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“*Closing*” means the first date on which the City is receiving the purchase price for the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the

fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“*Control*” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

“*Controlled Entity*” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“*Controlled Group*” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

“*Controlling Entity*” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Costs of Issuance*” means the costs of issuing the Bonds, including underwriters’ discount and legal fees.

“*De minimis Amount of Original Issue Discount or Premium*” means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

“*External Commingled Fund*” means a Commingled Fund in which the City and all members of the same Controlled Group as the City own, in the aggregate, not more than ten percent of the beneficial interests.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

“*Gross Proceeds*” means amounts in the Bond Fund and amounts used to pay the Prior Bonds.

“*Net Sale Proceeds*” means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

“*Person*” means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

“*Placed-in-Service*” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Prior Bond Fund*” means the fund or funds established in connection with the issuance of the Prior Bonds to pay the debt service on the Prior Bonds.

“*Prior Bond Proceeds*” means amounts actually or constructively received from the sale of the Refunded Bonds, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Refunded Bonds were issued but only if it is to be paid within one year after the Refunded Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Refunded Bond or is otherwise associated with a Refunded Bond (e.g., a redemption right).

“*Prior Bonds*” means the City’s outstanding issues being refunded by the Bonds, as more particularly described in the preambles hereof.

“*Prior Project*” means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds.

“*Private Business Use*” means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

“*Qualified Administrative Costs of Investments*” means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

“*Qualified Tax Exempt Obligations*” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an

interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

“*Rebate Fund*” means the fund, if any, identified and defined in paragraph 4.2 herein.

“*Rebate Provisions*” means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

“*Refunded Bonds*” means those certain Prior Bonds being refunded by the Bonds.

“*Regulations*” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“*Reimbursed Expenditures*” means expenditures of the City paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

“*Sale Proceeds*” means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (e.g., a redemption right).

“*Transferred Proceeds*” means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds.

“*Yield*” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation’s purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

“*Yield Reduction Payment*” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

11.2. *Purpose of the Bonds.* The Bonds are being issued solely and exclusively to refund in advance of maturity the Refunded Bonds in a prudent manner consistent with the revenue needs of the City. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance. Except for any accrued interest on the Bonds

used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 90 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the City or for the purpose of replacing any funds of the City used for such purpose.

11.3. *Bond Fund investment.* The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the City, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the Corporate Authorities for a designated purpose.

11.4. *Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

11.5. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Bonds, other than the following:

(a) payments of interest on the Bonds for the period commencing at Closing and ending on the date one year after the date on which the Prior Project is Placed-in-Service;

(b) Costs of Issuance and Qualified Administrative Cost of Investments;

(c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon; and

(e) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

11.6. *Consequences of Contrary Expenditure.* The City acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the City will be treated as unspent Sale Proceeds.

11.7. *Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

11.8. *No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

11.9. *Hedges.* Neither the City nor any member of the same Controlled Group as the City has entered into or expects to enter into any hedge (e.g., an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The City acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The Internal Revenue Service could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The City also acknowledges that if it acquires a hedging contract with an investment element (including e.g., an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The City agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The City also agrees that it will not give any assurances to any Bond holder or any credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The City recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

11.10. *Internal Revenue Service Audits.* The City represents that the Internal Revenue Service has not contacted the City regarding the Prior Bonds or any other obligations issued by or on behalf of the City. To the best, of the knowledge of the City, no such obligations of the City are currently under examination by the Internal Revenue Service.

11.11. *Abusive Transactions.* Neither the City nor any member of the same Controlled Group as the City will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Bonds or the current refunding of the Refunded Bonds.

11.12. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in the preceding Section of this Ordinance. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from an Affiliated Person.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Ordinance, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the City will be paid at the time of Closing.

11.13. *Purpose of Bond Fund.* The Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount the greater of (a) the earnings on the investment of moneys in the Bond Fund for the immediately preceding bond year or (b) 1/13th of the principal and interest payments on the Bonds for the immediately preceding bond year.

11.14. *The Prior Bonds.* (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after the Prior Bonds were issued, all Prior Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the City's obligations.

(c) The Prior Bond Fund was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. The Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds.

(d) At the time the Prior Bonds were issued, the City reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Bonds do not include, directly or indirectly in a series, any advance refunding obligations.

(f) The City has not been notified that the Prior Bonds or any obligation refunded by the Prior Bonds are under examination by the Internal Revenue Service, and to the best of the City's knowledge the Prior Bonds nor any obligation refunded by the Prior Bonds are under examination by the Internal Revenue Service.

(g) The City acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

11.15. *No Other Gross Proceeds.* (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the City nor any member of the same Controlled Group as the City has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the City encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (e.g., any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a

particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected remaining economic life of the Prior Project is at least 10 years. The weighted average maturity of the Bonds does not exceed one year and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Bonds (the “*Principal Payment Schedule*”) is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (i.e., having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

11.16. *Compliance with Rebate Provisions.* The City covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The City will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

11.17. *Rebate Fund.* The City is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the “Rebate Fund”), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

11.18. *Records.* The City agrees to keep and retain or cause to be kept and retained for the period described in Section 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

11.19. *Fair Market Value; Certificates of Deposit and Investment Agreements.* The City will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Ordinance. In making investments of Gross Proceeds or of amounts in the Rebate Fund the City shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased

(i.e., providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the City or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the City will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the City. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the City, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The City will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

11.20. *Arbitrage Elections.* The Mayor, City Clerk and Treasurer of the Corporate Authorities are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

11.21. *Six Month Exception.* If all Gross Proceeds of the Bonds (including earnings thereon) are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required except in the case of unexpected gross proceeds arising after the date of Closing. If all proceeds (including earnings thereon) required to be spent are so

spent within this six-month period, except for 5% of the Bond proceeds, and the City spends the 5% (plus earnings thereon), within one year from the Closing, no rebate is required. To qualify for the six-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if the City qualifies for this exception, the City may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date.

11.22. *Issue Price.* For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the price being paid to the City by the Purchaser. The Purchaser is buying the Bonds as an investment for its own account with no intention to resell the Bonds. The purchase price of each of the Bonds is not less than the fair market value of the Bond as of the date the Purchaser agreed to buy the Bonds.

11.23. *Yield Limits.* Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

- (a) (i) amounts on deposit in the Bond Fund (except for capitalized interest) that have not been on deposit under the Ordinance for more than 13 months, so long as the Bond Fund continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;
- (ii) amounts to be used for a Current Refunding until the earlier to occur of 90 days after Closing or the date of final payment of debt service to be made from Bond Proceeds on the Refunded Bonds allocable to such Current Refunding;
- (b) (i) An amount the lesser of \$100,000 or five percent of the Sale Proceeds;
- (ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Ordinance);
- (iii) amounts in the Rebate Fund;
- (iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and
- (v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

11.24. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

11.25. *Federal Guarantees.* Except for investments meeting the requirements of paragraph 5.2(a) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (e.g., Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.5 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

11.26. *Investments After the Expiration of Temporary Periods, Etc.* Any amounts that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home, Loan Bank Act, as amended (e.g., Refcorp Strips).

11.27. *Payment and Use Tests.* (a) No more than five percent of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The City acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on each issue of the Prior Bonds considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the City or a member of the same Controlled Group as the City) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$5,000,000 or five percent of the sum of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The City acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

11.28. *I.R.S. Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The City will file Form 8038-G (and all other required information reporting forms) in a timely manner.

11.29. *Bank Qualification.* (a) The City hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the City hereby certifies that (i) none of the Bonds will be at any time a “private activity bond” (as defined in Section 141 of the Code) other than a “qualified 501(c)(3) bond” (as defined in Section 145 of the Code), (ii) as of the date hereof in calendar year 2018, the City has not issued any tax-exempt obligations of any kind other than the Bonds nor have any tax-exempt obligations of any kind been issued on behalf of the City and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued by or on behalf of the City during calendar year 2018 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The City is not subject to Control by any entity, and there are no entities subject to Control by the City.

(c) On the date hereof, the City does not reasonably anticipate that for calendar year 2018 it will issue any Section 265 Tax-Exempt Obligations (other than the Bonds), or that any Section 265 Tax-Exempt Obligations will be issued on behalf of it. “Section 265 Tax-Exempt Obligations” are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The City will not issue or permit the issuance on behalf of it or by any entity subject to Control by the City (which may hereafter come into existence) of Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2018 unless it first obtains an opinion of Bond Counsel to the effect that such issuance will not adversely affect the treatment of

the Bonds as “qualified tax-exempt obligations” for the purposes and within the meaning of Section 265(b)(3) of the Code.

11.30. *Termination; Interest of City in Rebate Fund.* The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

11.31. *Separate Issue.* Since a date that is 15 days prior to the date of sale of the Bonds by the City to the Purchaser, neither the City nor any member of the same Controlled Group as the City has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the City nor any member, of the same Controlled Group as the City will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

11.32. *No Sale of the Prior Project.* (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the City of the property (determined on the date of issuance of the Bonds) or (ii) the maturity date of the Bonds. The City may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the City of the property (determined on the date of issuance of the Bonds) or (ii) the maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the City reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the City deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the City reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The City acknowledges that if property financed with the Prior Bonds is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a “deliberate action” within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The City shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the City.

11.33. *Purchase of Bonds by City.* The City will not purchase any of the Bonds except to cancel such Bonds.

11.34. *Final Maturity.* The period between the date of Closing and the final maturity of the Bonds is not more than 10-1/2 years.

11.35. *Registered Form.* The City recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

11.36. *First Amendment.* The City acknowledges and agrees that it will not use, or allow the Prior Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

11.37. *Future Events.* The City acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The City shall promptly contact Bond Counsel if such changes do occur.

11.38. *Records Retention.* The City agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (i.e., copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

11.39. *Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result

in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the City receives an opinion of Bond Counsel to such effect. Unless the City otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

11.40. *Excess Proceeds.* Gross Proceeds of the Bonds and investment earnings thereon and all unspent Prior Bond Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds the amount that will be used for:

- (i) payment of principal of or interest or call premium on the Refunded Bonds;
- (ii) payment of pre-issuance accrued interest on the Bonds and interest on the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) payment of cost of issuance of the Bonds;
- (iv) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Bonds or investments of the Bonds;
- (v) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds; and
- (vi) interest on purpose investments.

11.41. *Successors and Assigns.* The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Corporate Authorities and the City.

11.42. *Expectations.* The Corporate Authorities have reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the City as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the City has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The City also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Corporate Authorities hereby authorize the officials of the City responsible for issuing the Bonds, the same being the Mayor, City Clerk and Treasurer of the Corporate Authorities, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the City and the Corporate Authorities further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 12. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 13. Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor and City Clerk of the Corporate Authorities are authorized to execute the Bond Registrar's

standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential;
- (c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;
- (d) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (e) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 14. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provisions shall not affect any of the remaining provisions of this Ordinance.

Section 15. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted November 13, 2018.

Mayor

Attest:

City Clerk

(SEAL)

Council Member _____ moved and Council Member _____
seconded the motion that said ordinance as presented be adopted.

After a full discussion thereof, the Mayor directed that the roll be called for a vote upon
the motion to adopt said ordinance.

Upon the roll being called, the following Council Members voted AYE: _____

The following Council Members voted NAY: _____

Whereupon the Mayor declared the motion carried and said ordinance adopted, approved
and signed the same in open meeting and directed the City Clerk to record the same in full in the
records of the City Council of the City of Kewanee, Henry County, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at said
meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF HENRY)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City Council of the City of Kewanee, Henry County, Illinois (the “*Council*”), and as such official am the keeper of the records and files of the Corporate Authorities.

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 13th day of November, 2018, insofar as the same relates to the adoption of Ordinance No. 3945 entitled:

AN ORDINANCE providing for the issuance of \$298,570 General Obligation Refunding Bonds, Series 2018 of the City of Kewanee, Henry County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said Meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Corporate Authorities at least 48 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as Exhibit A, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the City Code of the State of Illinois, as amended, and that the Corporate Authorities has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Corporate Authorities.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said City, this 13th day of November, 2018.

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF HENRY)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of the County of Henry, Illinois, and as such official I do further certify that on the _____ day of _____, 2018, there was filed in my office a duly certified copy of Ordinance No. 3945 entitled:

AN ORDINANCE providing for the issuance of \$298,570 General Obligation Refunding Bonds, Series 2018 of the City of Kewanee, Henry County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

duly adopted by the City Council of the City of Kewanee, Henry County, Illinois, on the 13th day of November, 2018, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this _____ day of _____, 2018.

County Clerk of the County of Henry, Illinois

CITY OF KEWANEE CITY COUNCIL AGENDA ITEM		
MEETING DATE	November 13, 2018	
RESOLUTION OR ORDINANCE NUMBER	Ordinance #3946	
AGENDA TITLE	Consideration of an Ordinance authorizing the City Manager to execute a Tax Increment Financing Agreement with NAPA Auto Parts for their remodel and store opening project.	
REQUESTING DEPARTMENT	Administration	
PRESENTER	Gary Bradley, City Manager	
FISCAL INFORMATION	Cost as recommended:	N/A
	Budget Line Item:	N/A
	Balance Available	N/A
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PURPOSE	Authorizes the City Manager to execute a TIF agreement for building rehabilitation and site preparation for the future NAPA store on Main Street.	
BACKGROUND	Brek Loos has completed the TIF Incentive application for the rehabilitation of the building that formerly housed U-Haul. Our TIF Attorney at Jacob & Klein is reviewing the application, which sufficient eligible project costs. Because the improvements to the building are substantial and it will generate additional retail sales taxes, the contract being developed is more in line with those put together for IHMVCU, Cerno's, and Save-A-Lot.	
SPECIAL NOTES	N/A	

ANALYSIS	Building improvements will be in the neighborhood of \$400,000, which should generate a significant increase in assessed valuation, thus a higher amount of TIF revenues available for reimbursement of eligible expenses.
PUBLIC INFORMATION PROCESS	Discussion at 10/22/18 Council Meeting.
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	N/A
PROCUREMENT POLICY VERIFICATION	N/A
REFERENCE DOCUMENTS ATTACHED	TIF Application

CITY OF KEWANEE, ILLINOIS

ORDINANCE NO. 3946

KEWANEE DOWNTOWN TAX INCREMENT FINANCING DISTRICT

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A TAX INCREMENT FINANCING
(TIF) DISTRICT REDEVELOPMENT AGREEMENT**

by and between

THE CITY OF KEWANEE, HENRY COUNTY, ILLINOIS

and

L&L OF STERLING, LLC

**ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF KEWANEE, HENRY COUNTY, ILLINOIS
ON THE 13TH DAY OF NOVEMBER, 2018.**

CITY OF KEWANEE, ILLINOIS: ORDINANCE NO. 3946

KEWANEE DOWNTOWN TIF DISTRICT

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A TAX INCREMENT FINANCING
(TIF) DISTRICT REDEVELOPMENT AGREEMENT**

by and between

THE CITY OF KEWANEE

and

L&L OF STERLING, LLC

The Mayor and City Council of the City of Kewanee, Henry County, Illinois (the “City”), have determined that this Redevelopment Agreement is in the best interest of the citizens of the City of Kewanee.

THEREFORE, be it ordained by the Mayor and City Council of Kewanee, Illinois, in the County of Henry, as follows:

1. The TIF Redevelopment Agreement with Napa Auto Parts (the “Developer”) attached hereto as ***Exhibit A*** is hereby approved.
2. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Redevelopment Agreement and the City Clerk of the City of Kewanee is hereby authorized and directed to attest such execution.
3. The Redevelopment Agreement shall be effective the date of its approval on the 13th day of November, 2018.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

[the remainder of this page is intentionally blank]

PASSED APPROVED AND ADOPTED by the Mayor and City Council of the City of Kewanee this 13th day of November, 2018.

MAYOR AND CITY COUNCIL	AYE VOTE	NAY VOTE	ABSTAIN	ABSENT
Chris Colomer				
Andy Koehler				
Mike Yaklich				
Steve Faber				
Steve Looney, Mayor				

APPROVED: _____, Date 11/13/ 2018
Mayor, City of Kewanee

ATTEST: _____, Date: 11/13/ 2015
City Clerk, City of Kewanee

Attachment: **EXHIBIT A.** Redevelopment Agreement by and between the City of Kewanee and L&L of Sterling, LLC

EXHIBIT A

**TAX INCREMENT FINANCING
(TIF) DISTRICT REDEVELOPMENT AGREEMENT**

by and between

THE CITY OF KEWANEE

and

**L&L OF STERLING, LLC
(NAPA AUTO PARTS PROJECT)**

**TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT AGREEMENT**

by and between

CITY OF KEWANEE, HENRY COUNTY, ILLINOIS

and

**L&L OF STERLING, LLC
(NAPA AUTO PARTS STORE PROJECT)**

KEWANEE DOWNTOWN TAX INCREMENT FINANCING DISTRICT

NOVEMBER 13, 2018

REDEVELOPMENT AGREEMENT
by and between
CITY OF KEWANEE
and
L&L OF STERLING, LLC
(NAPA AUTO PARTS STORE PROJECT)

KEWANEE DOWNTOWN TIF DISTRICT

THIS REDEVELOPMENT AGREEMENT (including Exhibits) is entered into this 13th day of November, 2018, by and between the City of Kewanee (the “City”), an Illinois Municipal Corporation, Henry County, Illinois, and L&L of Sterling, 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, 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 January 12, 2015, 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 the Kewanee Downtown TIF District (the “TIF District ”); and

WHEREAS, included in the Redevelopment Project Area is property owned by the Developer, located at 221 South Main Street, Kewanee, Illinois (real estate tax property identification number 20-33-328-012) (the “Property”); and

WHEREAS, the Developer owns said Property and has plans to remodel and operate a retail establishment located thereon (the “Project”), and will do 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 Parties have agreed that the City shall reimburse the Developer **Fifty percent (50%)** 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 tax year 2018 payable 2019 real estate tax increment generated by the Project, and shall continue only for the current remaining life of the TIF District (tax year 2037 payable 2038), or upon the Developer's receipt of the maximum reimbursement amount of **Four Hundred Fifty Thousand Dollars and No Cents (\$450,000.00)** 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 the Kewanee Downtown TIF District designated as the **"L&L of Sterling, LLC Special Account"** ("Special Account"). "Net" real estate tax increment is defined as real estate tax increment derived from the Developers's Project as previously described after a proportionate payment of administrative fees and costs and payments pursuant to TIF District intergovernmental agreements, if any.

WHEREAS, in consideration of the execution of this Agreement, the Developer is completing 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. The Developer shall complete the Project within sixteen (16) months from the date this Agreement is executed, subject to extension due to Force Majeure (defined below).
5. 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 the “Kewanee Downtown TIF District” 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 **“NAPA Auto Parts Store Project.”**

C. INCENTIVES

In consideration for the Developer purchasing the Property and substantially completing the NAPA Auto Parts Store Project as set forth herein, the City agrees to extend to the Developer the following incentives to assist the Developer’s Project:

1. The City shall reimburse the Developer **Fifty percent (50%)** of the annual “net” incremental increases in real estate tax generated over the base year by the Developer’s Project for the reimbursement of the Developer’s Eligible Project Costs (*Exhibit “1”*). Said reimbursements shall commence with the real estate tax increment derived from the real estate taxes assessed in year 2018 and paid in 2019, and continue for the current remaining life of the TIF District, which

is tax year 2037 with final payment received in 2038, or until all TIF eligible project costs as described in *Exhibit "1"* are fully reimbursed, not to exceed a total of **Four Hundred Fifty Thousand Dollars and No Cents (\$450,000.00)**, 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 the Kewanee Downtown TIF District designated as the **"L&L of Sterling, LLC Special Account"** (the "Special Account"). All monies deposited into the Special Account shall be used exclusively by the City for the purposes set forth in this Agreement.

2. "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 TIF District Intergovernmental Agreements, if any. The Developer's proportionate amount is calculated by dividing the increment generated by the Developer's Project by the total TIF District increment.

D. LIMITATION OF INCENTIVES TO DEVELOPER

1. The Developer shall be reimbursed by the City for all Eligible Project Costs permitted by the Act (subject to a limitation of \$450,000.00) from the real estate tax increment generated by this Project located on the Property and deposited into the Special Account, but only for the term of the Agreement and only from the Property included in this Project and currently owned by the Developer at that location. The parties may add additional phases and eligible project in excess of the amount authorized by this Agreement upon mutual agreement.
2. It is not contemplated nor is the City obligated to use any of its proportionate share of the monies for any of the Developer's 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 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.
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 this 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 receipt of the increment generated by the Developer's Redevelopment Project from the County.
8. 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. 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

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.

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 determination of the final evaluation and recalculation of the benefits due the Developer under this Agreement.

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.

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 2037 payable 2038); at an earlier time if the City passes an ordinance terminating the TIF District; or at a later 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 Special Account. 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. 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 plus interest accruing thereon at the rate of three percent annually from the date of default as defined below.

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.

L. TIME; FORCE MAJEURE

For this Agreement, time is of the essence. The Developer agrees to complete this Project within sixteen (16) months following the date of execution of this Agreement. Failure to do so shall be cause for the City to declare the Developer in default and unilaterally terminate this Agreement. 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 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.

M. 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 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.

N. PREPAYMENTS

Should the annual incremental tax revenue generated by the Project be sufficient to pay all cost eligible expenses prior to the expiration of the term of the Agreement, the City may, in its sole discretion, elect to pay all then remaining payments in a single lump sum payment.

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 Kewanee
401 E. Third Street
Kewanee, IL 62959
Telephone: (309) 852-2611
Fax: (309) 856-6001

TO DEVELOPER:

L&L of Sterling, LLC
218 West Third Street
Sterling, IL 61081
Telephone: (815) 915-8012

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

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 developers as reimbursement for TIF Eligible Project Costs. This position of the Department of Labor is stated as an answer to a FAQ on its website at: <https://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 the Kewanee Downtown TIF District, tax year 2037 payable 2038, 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.

[The remainder of this page is 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 Kewanee, Illinois.

CITY

Kewanee, Illinois, a Municipal Corporation

BY: _____
Mayor, City of Kewanee

ATTEST:

City Clerk, City of Kewanee

DEVELOPER

L&L of Sterling, LLC, an Illinois Limited Liability Company

BY: _____

NAME: _____

TITLE: _____

EXHIBIT 1

SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS

NAPA Auto Parts Store Project
Kewanee Downtown TIF District in the City of Kewanee, Henry County, Illinois

Project Description: The Developer owns the Property and has plans to remodel and operate a retail establishment building located thereon.

Street Location: 221 South Main Street, Kewanee,

Illinois PIN#s: 20-33-328-012

Estimated TIF Eligible Project Costs:

Land & Building Acquisition Costs	\$110,000
Site Preparation, Clearing, Grading Costs	\$10,000
Demolition.....	\$31,000
Profession Fees (Planning, Engineering, Architectural, Legal, Accounting, etc.)	\$1,300
Rehabilitation or renovation	\$300,000
Total <i>Estimated</i> TIF Eligible Project Costs*	\$454,500

*The City's reimbursement of Eligible Project Costs to the Developer shall not exceed \$450,000, as set forth in this Redevelopment Agreement.

EXHIBIT 2

CITY OF KEWANEE, ILLINOIS KEWANEE DOWNTOWN TAX INCREMENT FINANCING DISTRICT

PRIVATE PROJECT REQUEST FOR REIMBURSEMENT BY L&L OR STERLING, LLC

Date_____

Attention: City TIF Administrator, City of Kewanee, Illinois Re:

TIF Redevelopment Agreement, dated November 13, 2018
by and between the City of Kewanee, Illinois, and
L&L of Sterling, LLC (the "Developer")

The City of Kewanee 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: L&L of Sterling, 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 that:

- (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 and 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.

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 KEWANEE, ILLINOIS

BY: _____

TITLE: _____ DATE: _____

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

BY: _____

TITLE: _____ DATE: _____



TAX INCREMENT FINANCING (TIF) DISTRICT

APPLICATION FOR TIF BENEFITS RELATING TO PRIVATE (TIF) ELIGIBLE REDEVELOPMENT PROJECT COSTS

Pursuant to Section (65ILCS 5/11-74.4-4(b)) of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*), municipalities may make and enter into contracts with private developers to induce redevelopment projects which are necessary or incidental to the implementation and furtherance of its redevelopment plan and project. Municipalities may also, under certain conditions, incur project redevelopment cost and reimburse developers who incur redevelopment project costs which are authorized by a redevelopment agreement (65 ILCS 5/11-74.4-4(j)).

Private developers seeking reimbursement of TIF eligible redevelopment project costs are required by the municipality to complete this application allowing the municipality to adequately determine the developer's eligibility for assistance from the TIF District.

**Instructions: Complete each section and return via fax (309) 856-6001 or U. S. Mail or in person to:
City of Kewanee, 401 E. Third Street, Kewanee, IL 61443**

PART 1: DEVELOPER INFORMATION

Developer Legal/Business Name: L+L Properties of Sterling, LLC Date: 9-4-18

Business type: ☐ Sole Proprietorship ☐ Partnership ☒ Corporation (State of Charter: IL -)

☐ Other (please describe): _____

Developer's Contact Information:

Name Breck Loos Title President

Address 218 N. 3rd St.

City Sterling State IL. Zip Code 61081

Daytime Phone 815-625-0731 Mobile 815-590-7148

Fax _____ Email _____

PART 2: PROJECT INFORMATION

TIF District Name _____

Project Name _____

Anticipated Start Date 9-17-18 Anticipated Completion Date 12-1-18

Project Description Complete Remodel of Existing Tool Time Building with Additional Parking on south Side - Requesting City Assistance to Resurface Alley on North Side

Project is classified as: ☐ Industrial ☒ Commercial ☐ Residential



Project Street Address 221 S. Main St. Kewanee, IL. 61443

Parcel(s) Relating to the above described project:

1. Property Identification Number (PIN) 20-33-328-012
 Is this property within the TIF Boundary (or proposed boundary)? ☒ Yes or ☐ No
 Date property acquired: _____
2. Property Identification Number (PIN) _____
 Is this property within the TIF Boundary (or proposed boundary)? ☐ Yes or ☐ No
 Date property acquired: _____
3. Property Identification Number (PIN) _____
 Is this property within the TIF Boundary (or proposed boundary)? ☐ Yes or ☐ No
 Date property acquired: _____

(Please list any additional parcels on separate sheet and attach)

IF RESIDENTIAL: what is the expected absorption rate or "build-out" for the project?

PHASE 1: Number of lots = _____ @ \$ _____ per lot		
Calendar Year	Number of Homes or Units	Avg. Fair Market Value (House and Lot)

PHASE 2: Number of lots = _____ @ \$ _____ per lot		
Calendar Year	Number of Homes or Units	Avg. Fair Market Value (House and Lot)

(please describe additional phases on separate sheet and attach)

FOR ENTIRE PROJECT:

Total Projected Investment \$ 400,000 (Land and Real Estate Improvements Only)

Total Number of Jobs Created: 8 Number of Jobs FTE: 4-6

Current annual retail sales (if applicable – commercial projects only) \$ 0

Projected (new) annual retail sales generated by this project 300,000 Retail \$ 1,000,000 Total Sales



PART 3: ESTIMATED TIF ELIGIBLE PROJECT COSTS

Property Assembly Costs:	<i>Phase 1:</i>	<i>Phase 2:</i>
1. Land and buildings (acquisition costs)	\$ <u>110,000</u>	\$ _____
2. Site preparation, clearing and grading	\$ <u>3,000 10,000</u>	\$ _____
3. Demolition	\$ <u>3,000</u>	\$ _____
 Professional Fees:		
1. Planning, engineering, architectural	\$ <u>1,000</u>	\$ _____
2. Legal	\$ <u>2,500</u>	\$ _____
3. Accounting/financial	\$ _____	\$ _____
4. Marketing (land only)	\$ _____	\$ _____
5. Other professional fees	\$ _____	\$ _____
Job training and retraining services	\$ _____	\$ _____
Rehabilitation or renovation	\$ <u>300,000</u>	\$ _____
Public infrastructure improvements (Water, sewer, drainage, sidewalks, curb, etc.)	\$ _____	\$ _____
Utilities extension	\$ _____	\$ _____
 Interest Buy-Down:		
Principal \$ _____ @ _____ % per annum		
for _____ years = Estimated Interest Expense x 30%..	\$ _____	\$ _____
 Miscellaneous/Other (please specify):		
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
TOTAL ESTIMATED ELIGIBLE COSTS	\$ <u>454,500</u>	\$ _____

Additional Notes/Comments: _____

(please describe estimated eligible project costs for additional phases on separate sheet and attach)



PART 4: DECLARATIONS

City of Kewanee

Pursuant to the TIF Act, the City of Kewanee has the authority to 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 its redevelopment plan and project. Furthermore, the City of Kewanee may incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement; provided, however, that on and after the effective date of the amendatory Act of the 91st General Assembly, no municipality shall incur redevelopment project costs *(except for planning costs and any other eligible costs authorized by municipal ordinance or resolution that are subsequently included in the redevelopment plan for the area and are incurred by the municipality after the ordinance or resolution is adopted)* that are not consistent with the program for accomplishing the objectives of the redevelopment plan as included in that plan and approved by the municipality until the municipality has amended the redevelopment plan as provided elsewhere in the Act.

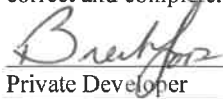
City's TIF Attorneys and/or Consultants

The City's TIF Attorneys and/or Consultants will rely on information and assumptions contained in the foregoing material to prepare financial projections relating to this project and the potential benefits of tax increment financing. They will not undertake an 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 contained herein or the results projected in any presentation is made by the City's TIF Consultants or Attorneys, its officers or employers. The City's TIF Consultants and Attorneys specifically disclaim the accuracy of the formulas and calculations used to project potential TIF benefits and have no obligation to investigate or update, recalculate or revise the calculations. The material presented to the TIF Consultants and Attorneys, based on information provided herein, is subject to risks, trends, and uncertainties that could cause actual events to differ materially from those presented. Those persons providing information contained in this Application for Reimbursement of TIF Eligible Project Costs have represented to the City's TIF Consultants and Attorneys that, as of the date it was provided, the information was accurate to the best of their knowledge. Any person viewing, reviewing or utilizing the financial projections or other presentations based on the information contained in this Application should do so subject to all of the foregoing limitations and shall conduct independent investigation to verify assumptions and calculations presented by the City's TIF Consultants and Attorneys. By acceptance and use of any presentation created from the information contained herein, the user accepts all of the foregoing limitations and releases the City's TIF Consultants and Attorneys from any liability in connection therewith.

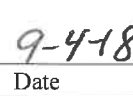
Private Developer

The Private Developer hereby asserts that this redevelopment project would not be completed without the use of tax increment financing.

The undersigned further certifies and warrants that to the best of his/her knowledge the information contained in the Application for Reimbursement of Private TIF Eligible Redevelopment Project Costs is true, correct and complete.


Private Developer

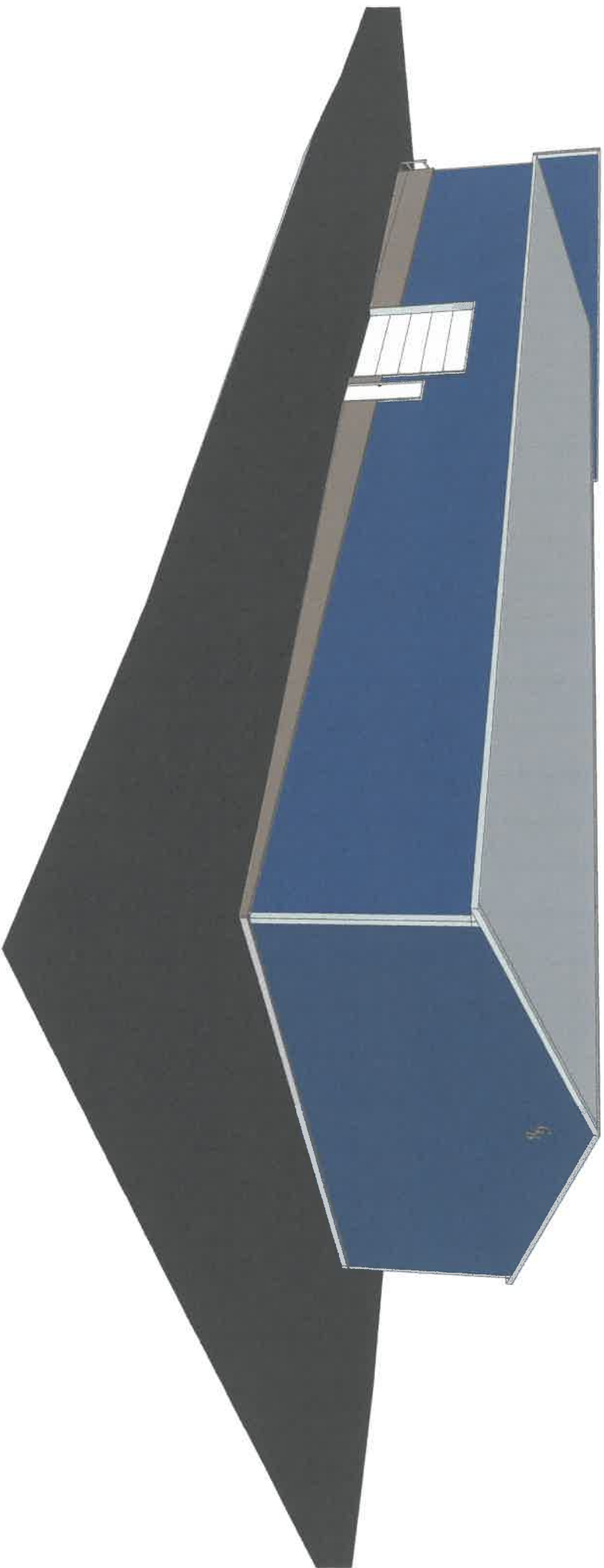

Title

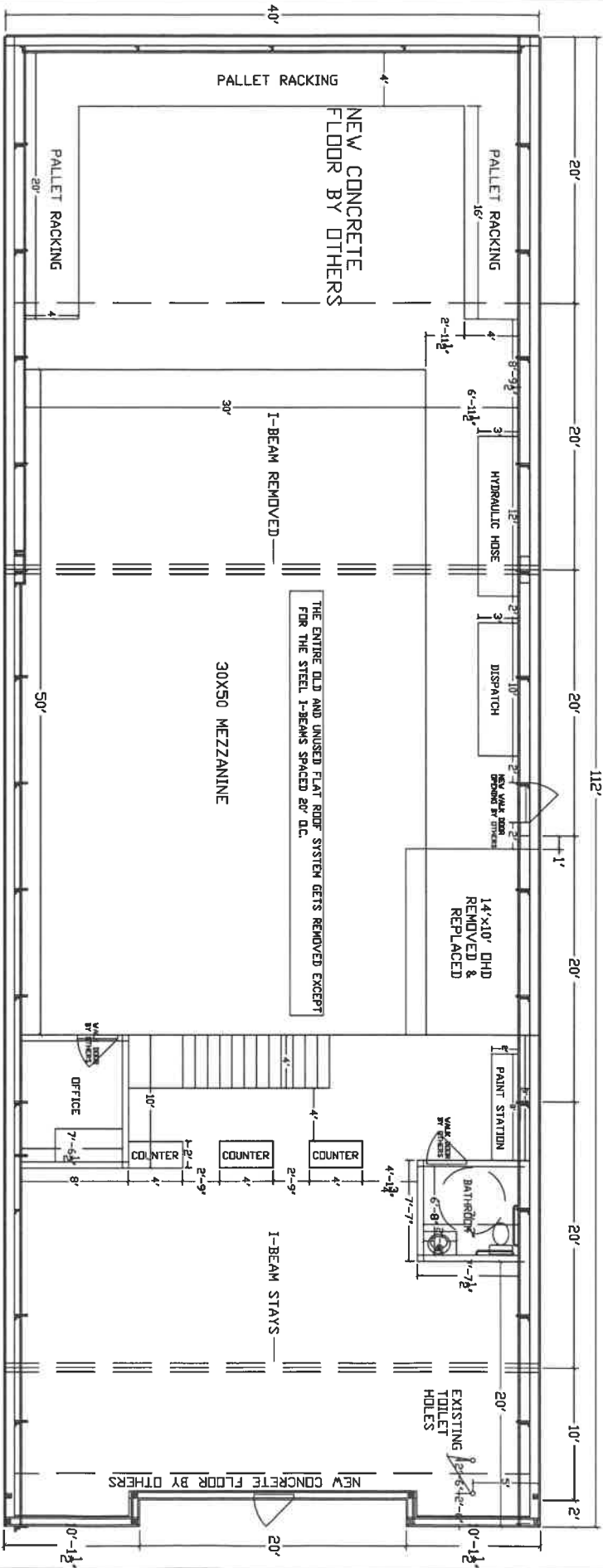

Date

Office Use Only:

Date received: _____ By _____







2088 250TH ST. WASHINGTON, IA

SHEET: 1 OF 5

DATE: 10-1-18

CITY OF KEWANEE CITY COUNCIL AGENDA ITEM		
MEETING DATE	November 13, 2018	
RESOLUTION OR ORDINANCE NUMBER	Ordinance #3947	
AGENDA TITLE	Consideration of an Ordinance authorizing the City Manager to execute a Tax Increment Financing Agreement with The Broken Chimney, Inc. d/b/a The Station for their remodel project.	
REQUESTING DEPARTMENT	Administration	
PRESENTER	Gary Bradley, City Manager	
FISCAL INFORMATION	Cost as recommended:	N/A
	Budget Line Item:	N/A
	Balance Available	N/A
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PURPOSE	Authorizes the City Manager to execute a TIF Agreement for building rehabilitation of the Station (Formerly Station House).	

BACKGROUND	Andrew and Rita Speck will be operating the business at the site of the former Station House. Their estimate for TIF eligible improvements is approximately \$9,000. The business will not generate new revenues over what was generated in the past, but will help to preserve them. Revenue retained is as important as gained, but the improvements will not generate significant new property taxes. Our TIF Attorney at Jacob & Klein is reviewing the application, which sufficient eligible project costs. Because the improvements to the building are minor and will not generate significant additional TIF revenues, the contract being developed is more in line with those put together for Jackson Peck and the Wanee Theater.
SPECIAL NOTES	N/A
ANALYSIS	Building improvements will be under \$10,000 and will not generate a significant increase in assessed valuation, thus the forgivable loan approach is recommended.
PUBLIC INFORMATION PROCESS	October 22, 2018 Council Meeting discussion.
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	N/A
PROCUREMENT POLICY VERIFICATION	N/A
REFERENCE DOCUMENTS ATTACHED	TIF Application

CITY OF KEWANEE, ILLINOIS

ORDINANCE NO. 3947

KEWANEE DOWNTOWN TAX INCREMENT FINANCING DISTRICT

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A TAX INCREMENT FINANCING
(TIF) DISTRICT REDEVELOPMENT AGREEMENT**

by and between

THE CITY OF KEWANEE, HENRY COUNTY, ILLINOIS

and

BROKEN CHIMNEY, INC D/B/A THE STATION

**ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF KEWANEE, HENRY COUNTY, ILLINOIS
ON THE 13TH DAY OF NOVEMBER, 2018.**

CITY OF KEWANEE, ILLINOIS: ORDINANCE NO. 3947

KEWANEE DOWNTOWN TIF DISTRICT

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A TAX INCREMENT FINANCING
(TIF) DISTRICT REDEVELOPMENT AGREEMENT**

by and between

THE CITY OF KEWANEE

and

BROKEN CHIMNEY, INC D/B/A THE STATION

The Mayor and City Council of the City of Kewanee, Henry County, Illinois (the “City”), have determined that this Redevelopment Agreement is in the best interest of the citizens of the City of Kewanee.

THEREFORE, be it ordained by the Mayor and City Council of Kewanee, Illinois, in the County of Henry, as follows:

1. The TIF Redevelopment Agreement with Broken Chimney Inc. d/b/a The Station (the “Developer”) attached hereto as ***Exhibit A*** is hereby approved.
2. The City Manager is hereby authorized and directed to enter into and execute on behalf of the City said Redevelopment Agreement and the City Clerk of the City of Kewanee is hereby authorized and directed to attest such execution.
3. The Redevelopment Agreement shall be effective the date of its approval on the 13th day of November, 2018.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

[the remainder of this page is intentionally blank]

PASSED APPROVED AND ADOPTED by the Mayor and City Council of the City of Kewanee this 13th day of November, 2018.

MAYOR AND CITY COUNCIL	AYE VOTE	NAY VOTE	ABSTAIN	ABSENT
Chris Colomer				
Andy Koehler				
Mike Yaklich				
Steve Faber				
Steve Looney, Mayor				

APPROVED: _____, Date 11/13/ 2018
Mayor, City of Kewanee

ATTEST: _____, Date: 11/13/ 2018
City Clerk, City of Kewanee

Attachment: **EXHIBIT A.** Redevelopment Agreement by and between the City of Kewanee and Broken Chimney, Inc. d/b/a The Station

EXHIBIT A

**TAX INCREMENT FINANCING
(TIF) DISTRICT REDEVELOPMENT AGREEMENT**

by and between

THE CITY OF KEWANEE

and

BROKEN CHIMNEY INC. D/B/A THE STATION

**TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT AGREEMENT**

by and between

CITY OF KEWANEE, HENRY COUNTY, ILLINOIS

and

BROKEN CHIMNEY, INC. D/B/A THE STATION

KEWANEE DOWNTOWN TAX INCREMENT FINANCING DISTRICT

NOVEMBER 13, 2018

**TIF REDEVELOPMENT AGREEMENT
BY AND BETWEEN
CITY OF KEWANEE
AND
BROKEN CHIMNEY, INC.**

D/B/A THE STATION

KEWANEE DOWNTOWN TIF DISTRICT

THIS TIF REDEVELOPMENT AGREEMENT (including Exhibits) (“Agreement”) is entered into this 13th day of November, 2018, by the **City of Kewanee** (the “City”), an Illinois Municipal Corporation, Henry County, Illinois, and Broken Chimney, Inc. d/b/a The Station (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 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 promotions of economic development within the community; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.4 *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 owners for certain costs from resulting increases in real estate tax revenues; and

WHEREAS, on January 12, 2015, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or undeveloped, the City adopted Tax Increment Financing under the Act, approved a Redevelopment Plan and designated a Redevelopment Area known as the **Kewanee Downtown Tax Increment Financing District** (the “TIF District”); and

WHEREAS, one such property is occupied by the Developer and located at 300 West Third Street, Kewanee, Illinois, currently PIN # 20-33-175-003 (the “Property”) and said Property is in need of development and integral to the development of the TIF District; and

WHEREAS, the Developer occupies said Property and is proceeding with plans to undertake the installation of new plumbing and needed repairs in the existing building located thereon (the “Project”) based upon incentives made available by the City; and

WHEREAS, it is the intent of the City to encourage economic development which will increase the real estate tax, which increased taxes will be used, in part, to finance incentives to assist this Developer’s Project; 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; and

WHEREAS, the Developer has requested that incentives for the development be provided by the City from incremental increases in real estate taxes of the City and its Project and that such incentives include the reimbursement of Eligible Project Costs; and

WHEREAS, the City has determined that this Project requires the incentives requested 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, to develop underutilized property, and to provide employment for its citizens and generally to enhance the economy of the City; and

WHEREAS, the City and the Developer (the “Parties”) have agreed that the City shall provide a forgivable loan to the Developer for the reimbursement of the Developer’s TIF Eligible Project Costs (*Exhibit 2, “Promissory Note”*) of an amount not to exceed **Nine Thousand No/100 Dollars (\$9,000.00)** to be paid from the Kewanee Downtown TIF District Special Tax Allocation Fund as specified below in *Section C, Incentives*; and

WHEREAS, in no event shall cumulative maximum reimbursements for the Developer’s TIF Eligible Project Costs under this Agreement exceed **Nine Thousand Dollars and No Cents (\$9,000.00)**; and

WHEREAS, the City is entering into this Agreement to induce the Developer to acquire the Property and complete the Project; and

WHEREAS, in consideration of the execution of this Agreement and in reliance thereon, the Developer has proceeded with its plans to complete the Project as set forth herein.

AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the Parties 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, and are to be construed as binding statements 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. The Developer shall complete the Project within nine (9) months from the date this Agreement is executed, subject to extension due to Force Majeure (defined below).
5. 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 the “Kewanee Downtown TIF District” 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 known as the **“The Station Remodel Project”**.

C. INCENTIVES

In consideration for the Developer completing the Dark Phase Designs Project, the City agrees to extend to Developer the following incentives to assist Developer’s Project:

1. The City agrees to loan to the Developer (also, the “Borrower”) by separate Promissory Note (attached hereto as ***Exhibit “2”***) the sum of **Nine Thousand Dollars (\$9,000.00)** from the Kewanee Downtown TIF District Special Tax Allocation Fund for TIF Eligible Project Costs incurred as a result of the Developer’s Project. The terms and conditions for the Loan shall be as follows:
 - a. The full Loan amount of \$9,000.00 shall be paid to the Developer from the Kewanee Downtown TIF District Special Tax Allocation Fund within thirty (30) days following the execution of this Agreement, or upon verification of a minimum of \$9,000 of TIF Eligible Project Costs pursuant to *Section E* below, whichever occurs later.
 - b. A separate Promissory Note is attached as ***Exhibit “2”***.
 - c. The interest rate for the Loan shall be Three Percent (3%) per annum, and shall begin to accrue on the date the Loan funds are dispersed to the Developer.
 - d. The term of the Loan shall expire on February 28, 2023.
 - e. One-fifth (1/5) of the principal of the Loan amount, plus any accrued interest thereon, shall be forgiven annually by the City commencing February 28, 2020 and continuing on February 28th of each year thereafter for the term of the Loan, provided the Developer has been at all times in full compliance with every term of this Agreement, including the following:
 - i. The Developer agrees to commercial operation of a restaurant located on the Property.
 - ii. The Developer shall annually provide verification of the payment of the real estate taxes for the property.

- iii. The Developer does not file for bankruptcy or otherwise become insolvent.
- iv. The Property is not the subject of foreclosure proceedings.
- v. The Developer does not sell or otherwise convey the Property during the term of the Loan.
- vi. The Developer shall not file any challenge, appeal or similar action which seeks to reduce the equalized assessed value of the property.

D. LIMITATION OF INCENTIVES TO DEVELOPER

1. In no event, shall the maximum cumulative reimbursements for the Developer's TIF Eligible Project Costs pursuant to *Section C(1)* above exceed Nine Thousand Dollars and No Cents (\$9,000.00) as set forth herein.
2. It is not contemplated that, nor is the City obligated, to use any of its proportionate share of the monies generated by this Project for any of Developer's Eligible Project Costs, but rather the City shall use such sums for any purpose under the Act as it may in its sole discretion determine.

E. PAYMENT OF ELIGIBLE PROJECT COSTS

1. 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 ("Requisition") submitted from time to time to Jacob & Klein, Ltd. and the Economic Development Group, Ltd. (collectively the "Administrator") and subject to their approval of the costs and 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 TIF 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 Project Costs to the City by March 1 of the following year. If there are no accumulated outstanding Eligible Project Costs previously submitted and approved by the City and if the Developer does not submit such proposed Eligible Project 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 Project Costs submitted after this deadline will be eligible for reimbursement from next year's real estate tax increment receipts.
4. Any real estate tax 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 TIF Eligible Project Costs only to the extent permitted by law and the Act and may allocate such funds for any purpose for the Term 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 TIF District Special Tax Allocation Fund 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 TIF Eligible Project Costs provided the Developer has satisfied the terms of this Agreement and costs which exceed the amount available in the TIF District Special Tax Allocation Fund to pay the Developer shall carry forward until paid without further action of the Developer. Payments shall be made within forty-five (45) days after approval of the TIF Eligible Project Costs subject to the terms of this Agreement and after receipt of the increment generated by the TIF District into the TIF District Special Tax Allocation Fund.
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 reasonably assist the Developer in every respect to obtain approval of Eligible Project Costs.
9. The Developer may submit for prior approval by the City as TIF 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 to provide to the City as requested the following:
 - A. Copies of all **PAID** annual real estate tax bills for the Property.
2. The failure of Developer to provide any information required herein after notice from the City, including verification of 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 conditional upon receipt of the foregoing information.

G. LIMITED OBLIGATION

The City's obligation hereunder to pay the Developer for its TIF Eligible Project Costs is a limited obligation to be paid solely from the TIF District Special Tax Allocation Fund. 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 give rise to the City's general credit or taxing power.

H. 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 Project. This Agreement shall not create any third-party rights and the Developer shall indemnify and hold the City harmless on any claims arising out of the Developer's construction activities.

I. COOPERATION OF THE PARTIES

The City and the Developer agree to cooperate fully with each other when requested to do so concerning the development of the Developer's Project. This includes without limitation the City assisting or sponsoring the Developer, or agreeing to jointly apply with the Developer, for any grant, award, or subsidy which may be available 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 Developer's activities.

J. DEFAULT; CURE; REMEDIES

In the event of a default under this 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 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 Agreement, it shall not be deemed to be in default under this 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 non-monetary covenant as and when it is required to under this 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 non-monetary 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.

K. TIME; FORCE MAJEURE

For this Agreement, time is of the essence. The Developer agrees to complete the Project within nine (9) months following the execution of this Agreement. Failure to do so shall be cause for the City to declare the Developer in default and unilaterally terminate the Agreement. 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 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.

L. ASSIGNMENT

The rights and obligations of the Developer under this Agreement shall not be assignable.

M. 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.

N. 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.

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 (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 Developer:

Broken Chimney, Inc. d/b/a The Station
300 West Third Street
Kewanee, Illinois 61443
(309) 761-8212

To City:

City Clerk
401 E. Third Street
Kewanee, Illinois 61443
Telephone: (309) 852-2611

With copy to:

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

P. SUCCESSORS IN INTEREST

Subject to the Provisions of *Section L* above, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

Q. 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.

R. 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 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: <https://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.

S. 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.

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. TERM OF THE AGREEMENT

This Agreement shall expire on February 28, 2023. 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 any other 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 Kewanee, Illinois.

**CITY OF KEWANEE, ILLINOIS, an
Illinois Municipal Corporation.**

**BROKEN CHIMNEY, INC. d/b/a The
Station**

By: _____
City Manager

By: _____
Rita Speck

ATTEST:

By: _____
Andrew Speck

City Clerk

EXHIBIT 1

SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS

**BROKEN CHIMNEY INC. D/B/A THE STATION
“The Station Remodel Project”**

Kewanee Downtown TIF District, City of Kewanee, Henry County, Illinois

Project Description: Developer has acquired the Property and is proceeding with plans to install an automatic fire sprinkler system in the existing building located thereon.

Location: 300 West Third Street, Kewanee,

Illinois Parcel Number: 20-33-175-003

Estimated TIF Eligible Project Costs:

Rehabilitation and Renovation Costs \$9,000

Total *Estimated* Eligible Project Costs \$9,000

*The Developer’s total reimbursement of TIF Eligible Project Costs under *Section C* of the Agreement shall not exceed **\$9,000.00**.

EXHIBIT 2

PROMISSORY NOTE

PROMISSORY NOTE

FOR VALUE RECEIVED, Broken Chimney, Inc. d/b/a The Station (the "Borrower"), promises to pay the City of Kewanee, Henry County, Illinois, an Illinois Municipal Corporation ("Lender") the principal sum of Nine Thousand Dollars (\$9,000.00) with interest accruing on the unpaid principal at the rate of three percent (3%) per annum. The aforementioned principal sum represents monies loaned by the Lender to the Borrower for the reimbursement of Borrower's TIF Eligible Project Costs, specifically redevelopment project costs, incurred as a result of a Redevelopment Project located at 300 West Third Street, Kewanee, Illinois (PIN # 20-33-175-003) (the "Property"), within the Redevelopment Project Area and that is the subject of a Tax Increment Financing District Redevelopment Agreement between the City of Kewanee and Broken Chimney, Inc. d/b/a The Station (the "Redevelopment Agreement") entered into the 13th day of November, 2018.

The term of this Promissory Note shall commence on the date the Redevelopment Agreement is executed between the Borrower and the Lender and end on February 28, 2023.

Provided that the Borrower is at all times in compliance with the Redevelopment Agreement and this Promissory Note, One-Fifth (1/5) of the principal balance of \$9,000.00, plus any accrued interest thereon, shall be forgiven by the Lender each year during the term of this Promissory Note, with the first date of forgiveness being February 28, 2020 and continuing on February 28th each year thereafter for the term of this Promissory Note. Provided that the Borrower does not Default or otherwise breach this Promissory Note or the Redevelopment Agreement, the full principal amount of this Promissory Note, plus any accrued interest thereon, shall be forgiven on the expiration of this Promissory Note.

The Borrower shall be deemed in Default of this Promissory Note, if the Borrower:

- 1) The Borrower fails to maintain commercial operations located on the Property for the Term of the Promissory Note;
- 2) Sells or otherwise conveys the subject Property during the term of this Promissory Note;
- 3) Files for bankruptcy or otherwise becomes insolvent during the term of this Promissory Note;
- 4) Fails to provide annual verification that the ad valorem real estate taxes for the subject Property have been paid;
- 5) If the Property becomes the subject of foreclosure proceedings;
- 6) If the Developer files any challenge, appeal or similar action which seeks to reduce the equalized assessed value of the Property.

In the event the Borrower is in Default under the terms of this Promissory Note or the Redevelopment Agreement and does not cure said default or breach on or before the thirtieth (30th) day after Lender gives Borrower written notice of Default thereof by personal delivery or certified mailing, the outstanding principal amount, plus any accrued interest thereon, is immediately due to the Lender and the Lender shall be entitled to all remedies permitted by law. Notice shall be deemed given on the date of personal delivery or date of mailing, whichever applies. No delay or failure in giving notice of said Default or breach shall constitute a waiver of the right of the Lender to exercise said right in the event of a subsequent or continuing Default or breach. Furthermore, in the event of such Default or breach, Borrower promises to reimburse Lender for all collection and/or litigation costs incurred by the City, including reasonable attorney fees and court costs, whether judgment is rendered or not.

This Promissory Note has been entered into and shall be performed in the City of Kewanee, Henry County, Illinois, and shall be construed in accordance with the laws of Illinois and any applicable federal statutes or regulations of the United States. Any claims or disputes concerning this Note shall, at the sole election of the Lender, be adjudicated in Henry County, Illinois.

BORROWER:

BROKEN CHIMNEY, INC.
D/B/A THE STATION

BY: _____
Rita Speck

BY: _____

Andrew Speck

LENDER:

CITY OF KEWANEE

BY: _____
City Manager, City of Kewanee

ATTEST: _____
City Clerk, City of Kewanee

DATE: _____

EXHIBIT 3

**CITY OF KEWANEE, ILLINOIS
KEWANEE DOWNTOWN TIF DISTRICT**

**PRIVATE PROJECT
REQUEST FOR REIMBURSEMENT
BY
BROKEN
CHIMNEY, INC.
D/B/A THE
STATION**

Date_____

Attention: City TIF Administrator, City of Kewanee, Illinois

Re: TIF Redevelopment Agreement, dated November 13, 2018 by and between the City of Kewanee, Illinois, and Broken Chimney, Inc. d/b/a The Station (the "Developer")

The City of Kewanee 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: Dark Phase Designs
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.

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: _____

CITY OF KEWANEE, ILLINOIS

BY: _____

TITLE: _____ DATE: _____

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

BY: _____

TITLE: _____ DATE: _____



TAX INCREMENT FINANCING (TIF) DISTRICT

APPLICATION FOR TIF BENEFITS RELATING TO PRIVATE (TIF) ELIGIBLE REDEVELOPMENT PROJECT COSTS

Pursuant to Section (65ILCS 5/11-74.4-4(b)) of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 *et. seq.*), municipalities may make and enter into contracts with private developers to induce redevelopment projects which are necessary or incidental to the implementation and furtherance of its redevelopment plan and project. Municipalities may also, under certain conditions, incur project redevelopment cost and reimburse developers who incur redevelopment project costs which are authorized by a redevelopment agreement (65 ILCS 5/11-74.4-4(j)).

Private developers seeing reimbursement of TIF eligible redevelopment project costs are required by the municipality to complete this application allowing the municipality to adequately determine the developer's eligibility for assistance from the TIF District.

**Instructions: Complete each section and return via fax (309) 856-6001 or U. S. Mail or in person to:
City of Kewanee, 401 E. Third Street, Kewanee, IL 61443**

PART 1: DEVELOPER INFORMATION

Developer Legal/Business Name: The STATION Date: 10-10-18

Business type: ☐ Sole Proprietorship ☐ Partnership ☒ Corporation (State of Charter: IL)

☐ Other (please describe): _____

Developer's Contact Information:

Name Rita Speck Title owner

Address 1307 W. Baller

City Peoria State IL Zip Code 61606

Daytime Phone 309-4536700 Mobile _____

Fax _____ Email SPECK4193@gmail.com

PART 2: PROJECT INFORMATION

TIF District Name Downtown TIF

Project Name The STATION rehab

Anticipated Start Date ASAP Anticipated Completion Date 2 wks

Project Description moving walls upgrading some plumbing -
relocating equipment replacing some flooring
painting indoor door. replacing bathroom divider (mens room)

Project is classified as: ☐ Industrial ☒ Commercial ☐ Residential Fix outside fence

adding plumbing
for another hands. n/s



Project Street Address 300 W. Third St.

Parcel(s) Relating to the above described project:

1. Property Identification Number (PIN) _____
Is this property within the TIF Boundary (or proposed boundary)? ☒ Yes or ☐ No
Date property acquired: _____
2. Property Identification Number (PIN) _____
Is this property within the TIF Boundary (or proposed boundary)? ☐ Yes or ☐ No
Date property acquired: _____
3. Property Identification Number (PIN) _____
Is this property within the TIF Boundary (or proposed boundary)? ☐ Yes or ☐ No
Date property acquired: _____

(Please list any additional parcels on separate sheet and attach)

IF RESIDENTIAL: what is the expected absorption rate or “build-out” for the project?

PHASE 1: Number of lots = _____ @ \$ _____ per lot		
Calendar Year	Number of Homes or Units	Avg. Fair Market Value (House and Lot)

PHASE 2: Number of lots = _____ @ \$ _____ per lot		
Calendar Year	Number of Homes or Units	Avg. Fair Market Value (House and Lot)

(please describe additional phases on separate sheet and attach)

FOR ENTIRE PROJECT:

Total Projected Investment \$ _____ *(Land and Real Estate Improvements Only)*

Total Number of Jobs Created: 20-25 Number of Jobs FTE: 18

Current annual retail sales (if applicable – commercial projects only) \$ 700, NA

Projected (new) annual retail sales generated by this project \$ 700,000.00



PART 3: ESTIMATED TIF ELIGIBLE PROJECT COSTS

Property Assembly Costs:	<i>Phase 1:</i>	<i>Phase 2:</i>
1. Land and buildings (acquisition costs)	\$ _____	\$ _____
2. Site preparation, clearing and grading	\$ _____	\$ _____
3. Demolition	\$ _____	\$ _____
 Professional Fees:		
1. Planning, engineering, architectural	\$ _____	\$ _____
2. Legal	\$ _____	\$ _____
3. Accounting/financial	\$ _____	\$ _____
4. Marketing (land only)	\$ _____	\$ _____
5. Other professional fees	\$ _____	\$ _____
Job training and retraining services	\$ _____	\$ _____
Rehabilitation or renovation	\$ <u>9,000</u>	\$ _____
Public infrastructure improvements (Water, sewer, drainage, sidewalks, curb, etc.)	\$ _____	\$ _____
Utilities extension	\$ _____	\$ _____
 Interest Buy-Down:		
Principal \$ _____ @ _____ % per annum		
for _____ years = Estimated Interest Expense x 30%..	\$ _____	\$ _____
 Miscellaneous/Other (please specify):		
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
TOTAL ESTIMATED ELIGIBLE COSTS	\$ _____	\$ _____

Additional Notes/Comments: _____

(please describe estimated eligible project costs for additional phases on separate sheet and attach)



PART 4: DECLARATIONS

City of Kewanee

Pursuant to the TIF Act, the City of Kewanee has the authority to 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 its redevelopment plan and project. Furthermore, the City of Kewanee may incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement; provided, however, that on and after the effective date of the amendatory Act of the 91st General Assembly, no municipality shall incur redevelopment project costs *(except for planning costs and any other eligible costs authorized by municipal ordinance or resolution that are subsequently included in the redevelopment plan for the area and are incurred by the municipality after the ordinance or resolution is adopted)* that are not consistent with the program for accomplishing the objectives of the redevelopment plan as included in that plan and approved by the municipality until the municipality has amended the redevelopment plan as provided elsewhere in the Act.

City's TIF Attorneys and/or Consultants

The City's TIF Attorneys and/or Consultants will rely on information and assumptions contained in the foregoing material to prepare financial projections relating to this project and the potential benefits of tax increment financing. They will not undertake an 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 contained herein or the results projected in any presentation is made by the City's TIF Consultants or Attorneys, its officers or employers. The City's TIF Consultants and Attorneys specifically disclaim the accuracy of the formulas and calculations used to project potential TIF benefits and have no obligation to investigate or update, recalculate or revise the calculations. The material presented to the TIF Consultants and Attorneys, based on information provided herein, is subject to risks, trends, and uncertainties that could cause actual events to differ materially from those presented. Those persons providing information contained in this Application for Reimbursement of TIF Eligible Project Costs have represented to the City's TIF Consultants and Attorneys that, as of the date it was provided, the information was accurate to the best of their knowledge. Any person viewing, reviewing or utilizing the financial projections or other presentations based on the information contained in this Application should do so subject to all of the foregoing limitations and shall conduct independent investigation to verify assumptions and calculations presented by the City's TIF Consultants and Attorneys. By acceptance and use of any presentation created from the information contained herein, the user accepts all of the foregoing limitations and releases the City's TIF Consultants and Attorneys from any liability in connection therewith.

Private Developer

The Private Developer hereby asserts that this redevelopment project would not be completed without the use of tax increment financing.

The undersigned further certifies and warrants that to the best of his/her knowledge the information contained in the Application for Reimbursement of Private TIF Eligible Redevelopment Project Costs is true, correct and complete.

Bob Speck, owner, 10-10-18
Private Developer Title Date

Office Use Only:

Date received: _____ By _____

CITY OF KEWANEE CITY COUNCIL AGENDA ITEM		
MEETING DATE	November 13, 2018	
RESOLUTION OR ORDINANCE NUMBER	Ordinance #3948	
AGENDA TITLE	Consideration of an ordinance for a stop sign at Mission Drive and Midland Drive	
REQUESTING DEPARTMENT	Police and Engineering	
PRESENTER	Dale R. Nobel, P.E. , City Engineer	
FISCAL INFORMATION	Cost as recommended:	N/A
	Budget Line Item:	N/A
	Balance Available	N/A
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PURPOSE	Amends the City code to allow for a Stop Sign to be placed at the intersection of Mission Drive and Midland Drive	
BACKGROUND	This is currently an uncontrolled "T" intersection with no significant record of accidents, however, a car was observed entering the intersection from Mission Drive without slowing down and coming close to striking a child on a bike.	
SPECIAL NOTES	The City has numerous uncontrolled intersections. Traffic is govern by the standard state "Rules of the Road" with very few problems.	
ANALYSIS	In this particular location, given the reported children on bikes traffic, the placement of a stop sign at this location is warranted.	

PUBLIC INFORMATION PROCESS	Council Agenda Notices
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Adopt the Ordinance
PROCUREMENT POLICY VERIFICATION	N/A
REFERENCE DOCUMENTS ATTACHED	None

ORDINANCE NO. 3948

AN ORDINANCE PROVIDING FOR A STOP SIGN ON MISSION DRIVE AT ITS INTERSECTION WITH MIDLAND DRIVE BY AMENDING SCHEDULE I STOP INTERSECTIONS OF CHAPTER 77 TRAFFIC SCHEDULES, OF TITLE 7 TRAFFIC CODE OF THE CITY CODE, AND DECLARING THAT THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT IMMEDIATELY UPON ITS PASSAGE AND APPROVAL AS PROVIDED BY LAW.

WHEREAS, After receiving a request from a neighborhood resident and observing of typical traffic patterns at the intersection of Mission Drive and Midland Drive, Kewanee's City Engineer and Chief of Police have made a recommendation to install a STOP sign on Mission Drive at its intersection with Midland Drive; and,

WHEREAS, Mayor and City Council hereby accept the recommendation, and find it to be in the best interest of motorist and pedestrian safety to add a STOP sign on Mission Drive at its intersection with Midland Drive.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KEWANEE, ILLINOIS, IN COUNCIL ASSEMBLED, AS FOLLOWS.

SECTION ONE: Schedule I "Stop Intersections" of Chapter 77 Traffic Schedules of the City Code shall be, and hereby is, amended by inserting the underlined words (sample) shown below in the appropriate alphabetized location:

Intersection	Corner
<u>Mission Drive and Midland Drive on Mission Drive</u>	<u>Northeast</u>

SECTION TWO: This Ordinance shall be in full force and effect immediately upon its passage and approval as provided by law.

Passed by the Council of the City of Kewanee, Illinois this 13th day of November, 2018.

ATTEST:

Melinda Edwards, City Clerk

Steve Looney, Mayor

RECORD OF THE VOTE	Yes	No	Abstain	Absent
Mayor Steve Looney				
Council Member Chris Colomer				
Council Member Steve Faber				
Council Member Michael Yaklich				
Council Member Andrew Koehler				

CITY OF KEWANEE CITY COUNCIL AGENDA ITEM		
MEETING DATE	November 13, 2018	
RESOLUTION OR ORDINANCE NUMBER	Resolution #5131	
AGENDA TITLE	Consideration of a resolution awarding the contract for demolition of 1 fast-track properties. 117 E Seventh St.	
REQUESTING DEPARTMENT	Community Development	
PRESENTER	Keith Edwards, Director of Community Development	
FISCAL INFORMATION	Cost as recommended:	\$4150.00
	Budget Line Item:	01-65-595
	Balance Available	\$27665.00
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PURPOSE	To award demolition contract to Dana Construction for buildings located at 117 E Seventh St.	
BACKGROUND	Inspections of the property and buildings located at 117 E Seventh St. provided enough evidence to execute the Fast-Track (NON-JUDICIAL) Demolition pursuant to 65 ILCS 5/11-31-1(e). As result of this Non-Judicial Demolition Process, the Director of Community Development has acquired the right to demolish the all buildings located at 117 E Seventh St. A Request For Proposal was drafted and published with a bid due date of November 1, 2018.	
SPECIAL NOTES	N/A	

ANALYSIS	Four firms presented bids. The bids were received and opened by the City Clerk on November 1, 2018. Bids received were as follows: <div>Individual Bid Cost Analysis</div> <table><tr><td>Contractor</td><td>Dana Construction</td><td>Rattliff Bros.</td><td>Martin Bros.</td><td>Hayes Excavating</td></tr><tr><td>Address</td><td></td><td></td><td></td><td></td></tr><tr><td>117 E Seventh St.</td><td>\$4,150</td><td>\$5,500</td><td>\$5,980</td><td>\$6,230</td></tr></table>					Contractor	Dana Construction	Rattliff Bros.	Martin Bros.	Hayes Excavating	Address					117 E Seventh St.	\$4,150	\$5,500	\$5,980	\$6,230
Contractor	Dana Construction	Rattliff Bros.	Martin Bros.	Hayes Excavating																
Address																				
117 E Seventh St.	\$4,150	\$5,500	\$5,980	\$6,230																
PUBLIC INFORMATION PROCESS	All legal processes required pursuant to 65 ILCS 5/11-31-1(e) to obtain the right for demolition were followed. Notice for the Request For Proposal was published in the Star Courier.																			
BOARD OR COMMISSION RECOMMENDATION	N/A																			
STAFF RECOMMENDATION	Staff recommends passing the resolution.																			
PROCUREMENT POLICY VERIFICATION	RFP published & mailed.																			
REFERENCE DOCUMENTS ATTACHED	Scope of work for 117 E Seventh St. Copies of submitted bids.																			

RESOLUTION NO. 5130

A RESOLUTION TO AWARD DEMOLITION WORK AT 117 E SEVENTH ST. TO DANA CONSTRUCTION, AND DECLARING THAT THIS RESOLUTION SHALL BE IN FULL FORCE IMMEDIATELY.

WHEREAS, The City of Kewanee acquired the right to demolish the buildings located at 813 W Fourth St. pursuant to 65 ILCS 5/11-31-1(e) Fast-Track (NON-JUDICIAL) Demolition; and,

WHEREAS, The Kewanee City Council finds it in the best interest of the City to remove the dilapidated building located on the land at 117 E Seventh St.; and,

WHEREAS, City of Kewanee staff advertised for, and solicited, sealed lump sum bids for demolition of the buildings, and related work at 117 E Seventh St. in Kewanee; and,

WHEREAS, Four firms submitted bids, and they were opened by the City Clerk at 10:00 a.m., on November 1, 2018; and,

WHEREAS, The bids received were:

Individual Bid Cost Analysis

Contractor	Dana Construction	Rattliff Bros.	Martin Bros.	Hayes Excavating
Address				
117 E Seventh St.	\$4,150	\$5,500	\$5,980	\$6,230

WHEREAS, City staff has recommended that the demolition work at 117 E Seventh St., be awarded to Dana Construction.

NOW THEREFORE BE IT RESOLVED, BY THE COUNCIL OF THE CITY OF KEWANEE THAT:

Section 1 The bid of Dana Construction of Kewanee as shown above, is hereby accepted, and the City Manager is authorized to sign the necessary documents in order to have Dana Construction complete the demolition and related work at 117 E Seventh St., in full compliance with the project documents prepared by City of Kewanee staff, and all applicable rules and regulations.

Section 2 This Resolution shall be in full force and effect immediately upon its passage and approval as provided by law.

Adopted by the Council of the City of Kewanee, Illinois this 13th day of November 2018.

ATTEST:

Melinda Edwards, City Clerk

Steve Looney, Mayor

RECORD OF THE VOTE	Yes	No	Abstain	Absent
Mayor Steve Looney				
Council Member Andrew Koehler				
Council Member Chris Colomer				
Council Member Steve Faber				
Council Member Michael Yaklich				

CITY OF KEWANEE CITY COUNCIL AGENDA ITEM		
MEETING DATE	November 13, 2018	
RESOLUTION OR ORDINANCE NUMBER	Resolution #5131	
AGENDA TITLE	Consideration of a Resolution authorizing the City Manager to execute 2 side letters of agreement to the existing collective bargaining agreement with AFSCME Council 31, Local 764.	
REQUESTING DEPARTMENT	Administration	
PRESENTER	Gary Bradley, City Manager	
FISCAL INFORMATION	Cost as recommended:	N/A
	Budget Line Item:	N/A
	Balance Available	N/A
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PURPOSE	Authorizes the City Manager to execute two side letters of agreement with AFSCME Council 31, Local 764	
BACKGROUND	Per collective bargaining, in light of the resolution of a grievance and the supreme court ruling in the Janus v AFSCME case staff negotiated with Local 764 for agreeable language to be included in side letters of agreement.	
SPECIAL NOTES	N/A	
ANALYSIS	Local 764 has indicated their agreement with the proposed language in the side letters.	
PUBLIC INFORMATION PROCESS	N/A	

BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff recommends approval.
PROCUREMENT POLICY VERIFICATION	N/A
REFERENCE DOCUMENTS ATTACHED	None

RESOLUTION NO. 5131

A RESOLUTION TO AUTHORIZE THE CITY MANAGER TO EXECUTE TWO SIDE LETTERS OF AGREEMENT TO THE EXISTING COLLECTIVE BARGAINING AGREEMENT WITH AFSCME COUNCIL 31, LOCAL 764, AND DECLARING THAT THIS RESOLUTION SHALL BE IN FULL FORCE IMMEDIATELY.

- WHEREAS,** The United States Supreme Court issued a verdict in Janus vs AFSCME regarding the payment of union dues; and
- WHEREAS,** The City and AFSCME Council 31, Local 764 have been in negotiations for several months to develop a side letter of agreement that will address the verdict; and
- WHEREAS,** The City and AFSCME Council 31, Local 764 have been in negotiation for several months to develop a side letter of agreement that will address the rotation of staff to full positions of absent union employees; and
- WHEREAS,** AFSCME Council 31, Local 764 has indicated to the City Manager the acceptance of the terms and conditions contained in the proposed side letters of agreement; and
- WHEREAS,** The City Manager recommends that the City Council authorize the proposed side letters of agreement, attached hereto as Attachments A and B; and,
- WHEREAS,** The City Council finds it to be in the best interest of the City and harmonious work place relations to approve the side letter of agreement contained herein as Attachments A and B.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF KEWANEE, IN COUNCIL ASSEMBLED AS FOLLOWS:

- Section 1** Attachments A and B to this resolution are considered a part of this resolution as if entirely rewritten within this resolution.
- Section 2** The City Manager is authorized to execute the side letters of agreement concerning payment of union dues as contained in Attachment A and staff rotation to backfill for absent staff in the sanitation division as contained in Attachment B, hereto pending ratification by Local 764.
- Section 3** This Resolution shall be in full force and effect immediately upon its passage and approval as provided by law.

Adopted by the Council of the City of Kewanee, Illinois this 13th day of November, 2018

ATTEST:

Melinda Edwards, City Clerk

Steve Looney, Mayor

RECORD OF THE VOTE	Yes	No	Abstain	Absent
Mayor Steve Looney				
Council Member Andy Koehler				
Council Member Mike Yaklich				
Council Member Steve Faber				
Council Member Chris Colomer				

SIDE LETTER OF AGREEMENT

It is the agreement of AFSCME Council 31, Local 764 and the City of Kewanee, that due to a mutually beneficial desire to provide a procedure dealing with the employer's reimbursement for certain kinds of safety footwear, Article XVI, Section 6 of the collective bargaining agreement shall be, and hereby is, amended by inserting language concerning employer reimbursement to employees required to wear safety footwear. An edited excerpt showing the insertions (sample), is shown below.

It is hereby further agreed that this side letter of agreement shall be effective throughout the remainder of the current collective bargaining agreement.

SECTION 6. UNIFORMS AND PROTECTIVE CLOTHING

If any employee is required to wear a uniform, protective clothing, or any type of protective clothing or protective device as a condition of employment, such uniforms, protective clothing or protective device, such as gas masks, shall be furnished to the employee by the Employer.

Exception to this policy is made for safety footwear. Employees required to wear OSHA-compliant footwear while on duty shall provide their own OSHA-compliant footwear. Reimbursement and general conduct of both parties concerning said safety footwear shall be as follows:

1. Employee shall select and purchase OSHA-compliant footwear.
2. Footware shall meet the applicable safety standards.
3. Footware shall be worn while on duty.
4. Footware may be worn while off duty.
5. Purchase receipts for footware have to be submitted for reimbursement. Reimbursement shall include sales tax or any other applicable taxes.
6. Reimbursement amount is limited to \$100 per employee per fiscal year, whether a single reimbursement, or in aggregate amount.
7. Multiple claims for reimbursement may be submitted in any single fiscal year.
8. The employer shall reimburse employee for safety footware irreparably damaged by a single event in the line of work, normal wear and tear excepted.
9. The employee's Department Head has to approve damage claims for safety footwear prior to reimbursement being issued.
10. Reimbursement for damaged safety footwear is not included in the \$100 annual limit.

Executed on this _____ day of August, 2009.

For AFSCME Council 31

For City of Kewanee:

Local 764:

Ricky Peed, President

Kip Spear, City Manager

Tony McCubbin, AFSCME
Council 31 Staff Representative

In response to the Supreme Court decision that now prohibits the collection of fair share fees, the Parties agree to the following:

1. The Employer shall honor employees' individually authorized deduction forms, and shall make such lawful deductions in the amounts certified by the Union for union dues, assessments, or fees; and PEOPLE contributions. Authorized deductions shall be in accordance with the terms under which an employee voluntarily authorized said deductions, and in accordance with all applicable State of Illinois and Federal laws. ([For Member Reference Only] Terms on Membership Card: This voluntary authorization and assignment shall be irrevocable for a period of one year from the date of authorization and shall automatically renew from year to year unless I revoke this authorization by sending written notice by the United States Postal Service to my Employer and to the Union postmarked not more than 25 days and not less than 10 days before the expiration of the yearly period described above, or as otherwise provided by law.)
2. The Union shall maintain accurate records of the voluntary deductions which have been authorized by represented employees, and shall give the Employer timely notice of any changes in such authorizations, with the understanding that the Employer will promptly execute said changes in payroll deductions. Upon request, and within five (5) calendar days, the Union shall provide the Employer an electronic copy of the voluntary deduction card for any bargaining unit member if a question or concern arises regarding the individually authorized membership status of the bargaining unit employee. Upon all parties signing this agreement, the Union shall furnish within fourteen (14) calendar days, an electronic file of all individually authorized membership cards that the Union has on file for the bargaining unit members.
3. With the exception of the fair share provision, the collective bargaining agreement shall remain in full force and effect, including the provision of the collective bargaining agreement which indemnifies the Employer for any claims against it in connection with compliance with deductions from employees' pay to be transmitted to the Union.

Memorandum of Understanding Between the
City of Kewanee, IL
AFSCME Local 764
AFSCME Council 31

Signed:

City of Kewanee, IL

Print Name

Signature

Date

AFSCME Local 764

Print Name

Signature

DATE

AFSCME Council 31

Print Name

Signature


DATE



MEMORANDUM

November 9, 2018

To: Gary Bradley, City Manager

From: Dale R. Nobel, P.E., City Engineer 

Re: South Water Tower Repairs

I "pulled the trigger" on the riser pipe replacement in the South Water Tower this afternoon. The tower has been out of service and off line for almost three weeks now and we are playing with fire whenever we rely strictly on one treatment plant and water tower(the north in this case). So as soon as I was confident in the project approach I moved forward.

We spent the last two weeks talking with contractors, pipe suppliers, peer engineers, IEPA and other cities where this has happened and tried to pull together all the options available to us to get this problem not just fixed but fixed in a manner that will last a lot longer than 15 years.

We will be moving forward with the Putnam County Painting Co. (PCP) of Mark Illinois. They are currently working with Wyoming to repair their water tower after the riser pipe began leaking. They have the same problem with the Iron Eating bacteria that we do, however, they were able to place a temporary patch on their pipe so the tower could be placed back on line. Our pipe is totally rotten and rusted out with numerous holes from top to bottom.

PCP will remove the existing rusted pipe and expansion joint as well as remove the pipe section through the bowl and the rusted floor sections of the upper deck as needed. They will replace the pipe with 12" carbon steel pipe, schedule 40, STD. w/ wall thickness of .375. This is the same pipe used in the original construction. To prevent the rust out problem from the Iron Eating bacteria this pipe will be cut into 10' sections with flange fittings welded on each end and coated inside and out with a Tnemec Water Tower epoxy coating that will protect the pipe from rust and bacteria. The pipes will then be bolted in place instead of field welded which would have destroyed any coating in place at the weld joint.

PCP will also install new expansion joints at both the top and bottom of the pipe and install a new Styrofoam insulation and aluminum frost jacket.

PCP's proposal for this work is \$52,850 provided we supply the pipe. I found a pipe supplier that is willing to sell us the pipe for \$52 / foot delivered. PCP's cost is \$69 / foot and would take about a week for delivery. So I ordered the pipe from American Piping Products and having it delivered to PCP the first part of next week. We will save about a \$1,000 and a week of time doing it this way.

MEMORANDUM

November 9, 2018

page 2

In addition to PCP we contacted two other water tower companies and received quotes from them as well.

Utilities Services Group (USG) is the company that cleaned and inspected this tower in 2015 and are the ones who removed the existing insulation and inspected the pipe we have now. This occurred a few days after the last council meeting. Their foreman told me he has been doing this for almost twenty years and has never seen a riser pipe in such rusted out and rotten condition.

USG submitted a proposal to install new 12" steel pipe, SCH 40, STD wall thickness of .375" welded in place in the field with the exterior only coated and then insulated and covered with an aluminum frost jacket. The interior of the pipe would have no protective coating of any kind. The price for this was \$91,667 but also included the costs already incurred for the previous inspection. (I estimate this to be about \$4,000, yet to be paid)

We were not at all interested in putting back exactly what we had before, that totally rotted out in less than 15 years, so I asked them to consider the use of stainless steel pipe. If they changed the pipe material to 316 Stainless Steel with the same SCH 40 thickness the cost increased to \$131,666, nearly \$40,000 increase!!! This cost increase was unacceptable given the PCP option.

USG did not have a means of coating carbon steel pipe after field welding in place and they were not set up to cut the pipe into smaller lengths and then weld on flange fittings so they could coat the interior and bolt them in place.

We also obtained a proposal from Maguire Iron (MI) who is one of the largest water tower manufacturers in the country. I sent them the drawings of the tower and the pictures and they understood exactly what we were up against. They also submitted a proposal to replace the pipe as per the original design for a cost of \$84,000. This is within a few thousand dollars of the USG proposal taking into account the inspection money we still need to pay.

Their stainless steel pipe option was proposed at \$98,000. This is only \$14,000 above the carbon steel option but the pipe they propose to use is a very thin pipe, only SCH 10 and would be grade 304 stainless steel, not as good as grade 316 for corrosion resistance. They tell me they have constructed numerous water towers like ours and have used this size and grade of stainless steel pipe without a problem. Since there is some concern that the Iron Eating Bacteria may also attack stainless steel pipe to some degree, I would be reluctant to install such a thin wall pipe. If they increased the thickness of the stainless steel pipe to match USG, the price would be back up near the \$130,000 range.

All things considered, I believe the PCP option of using flange jointed pipe that has been properly coated inside and out and then bolted in place, should give us 30 to 40 years of service and will cost us about half that of stainless steel is the way to go.

ACKNOWLEDGEMENTS

In 2016, the City of Kewanee formed the Economic Development Planning Committee and Community Development/Neighborhood Revitalization Planning Committee to establish a comprehensive approach to community and economic development planning. The planning committees developed plans that were formally adopted by the City of Kewanee on August 8th, 2016.

Kewanee Community Development/ Neighborhood Revitalization Planning Committee:

Sue Sagmoen
Mary Jo Gibson
Carrie Boelens
Sam Rux
Ray Jacobs
William Jordan
Suzanne Burkhart

Kewanee Economic Development Planning Committee

Kathy Albert
Pat Sullivan
Diane Packee
Mark Rewerts
Shane Kazubowski
Lisa Rashid
Dan Kuffel
Lynn Sutton

Recognizing the impact that financial incentives can have in both community and economic development, each plan adopted contained within it a specific recommendation for the development and implementation of guidelines governing the use of incentives. These guidelines are intended to serve as a “one stop shop” for the availability and applicability of incentive programs provided by or supported by the City of Kewanee for current or future residents and businesses in the community or eligible areas. They are intended to be a living document, amended as may be necessary and proper to add or remove incentive programs, and update their use, eligibility requirements, reporting requirements, or other pertinent information.

Incentive Guidelines

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Redevelopment Programs

Redevelopment Projects

Tax Increment Financing (TIF)

Brownfield Assessment Program

Façade Improvement Program

Redevelopment Programs

TAX INCREMENT FINANCING (TIF)

PURPOSE

Tax Increment Financing (TIF) is a tool which pledges future gains in taxes to finance the current improvements which will result in those gains. TIF is designed to channel funding toward improvements in areas where development/redevelopment may not otherwise occur.

AUTHORIZATION

65 ILCS 5/Art 11 Div 74.4 et seq. and any amendments thereto, known as the Tax Increment Allocation Redevelopment Act (The "Act").

ELIGIBLE AREAS

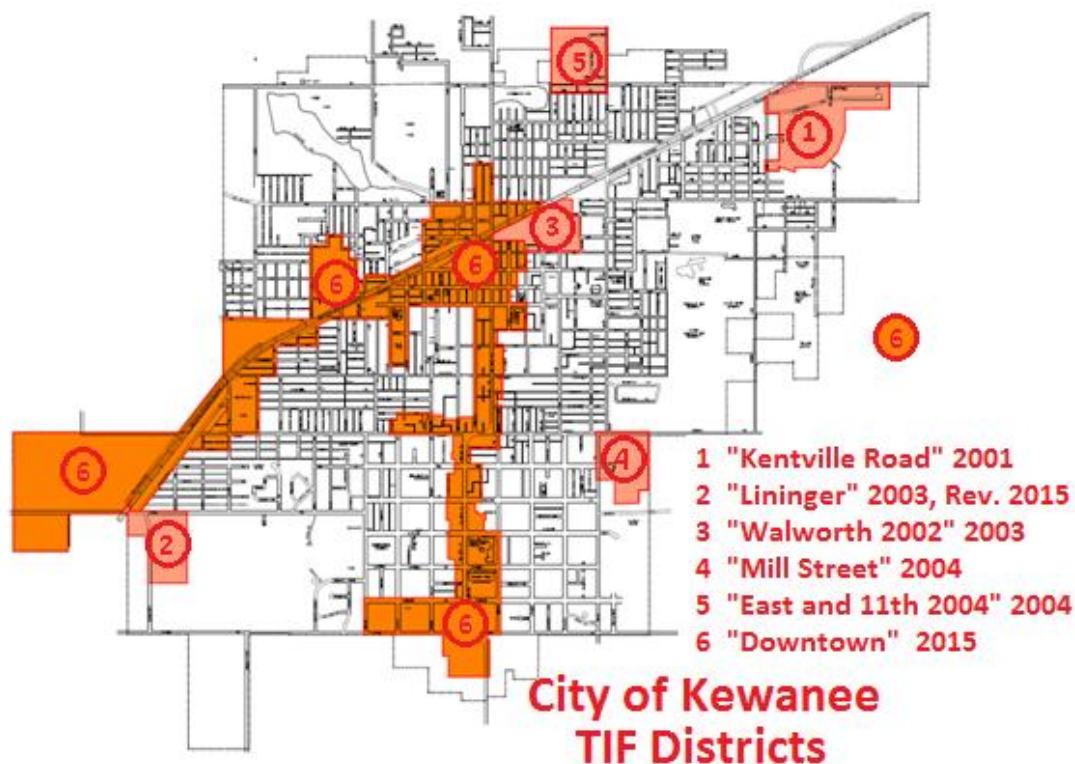
In Illinois, a TIF project must be located within a "TIF District" which may be established by a city due to (1) Blighted Conditions; (2) Conservation Conditions; and (3) Industrial Park Conservation Conditions.

The City of Kewanee has adopted six(6) TIF plans in the past, each with active TIF areas that are eligible for the use of tax increment financing.

HOW THE PROGRAM WORKS

When an area is developed or redeveloped, there is an increase in the value of the property. The increased site value and investment creates more taxable property, which increases tax revenues. The increased tax revenues are the "tax increment." TIFs pledge all or a portion of the future increased revenue for repayment of eligible costs associated with the improvements.

Tax Increment Financing does not result in increased property tax rates or special purpose assessments. Projects utilizing Tax Increment Financing revenues may be funded by the use of special obligation bonds, general obligation bonds (Full Faith and Credit Bonds), or on a pay as you go basis.



Redevelopment Programs

ELIGIBLE USES

Permissible redevelopment project costs or expenses include but are not limited to:

- Acquisition, demolition, clearance and other land assembly and site preparation activities.
- Relocation assistance
- Professional services such as architectural, engineering, legal, property marketing and financial planning
- Financing costs, including interest assistance
- Area-wide public infrastructure improvements such as road and sidewalk repairs, utility upgrades, water and sewer projects.
- Rehabilitation or renovation of existing public or private buildings.
- Correction or mitigation of environmental problems and concerns.
- Job training, workforce readiness, and other related educational programs.
- Incentives to retain or attract private development.
- Marketing

Redevelopment project costs shall not include costs incurred in connection with the construction of buildings or other structures to be owned by or leased to a Developer, except for multi-level parking facilities.

FUNDING

The City may use proceeds of special obligation bonds or full faith and credit tax increment bonds to finance the undertaking of a redevelopment project. The maximum maturity of any such special obligation bonds or full faith and credit tax increment bonds shall be 23 years. The City may also issue revenue bonds, or private activity bonds to benefit a Developer located within a redevelopment district.

Special Obligation Bonds:

The City may issue special obligation bonds to finance permissible expenses of a redevelopment project. Principle and interest on such bonds may be payable:

1. From tax increments allocated to, and paid into a special fund of the City;
2. From revenues of the City derived from or held in connection with the undertaking and carrying out of any redevelopment project;
3. From private sources, contributions, or other financial assistance from the state or federal government;
4. From any combination of these methods.

Special obligation bonds are not general obligations of the City, nor in any event shall they give rise to a charge against its general credit or taxing powers or be payable out of any funds or properties other than those sources set forth above. Should the annual increment fall short of the amount necessary to pay the principal and interest of the special obligation bonds issued under this policy, the remaining amount payable is the responsibility of the applicant, not the City.

Full Faith and Credit Bonds

The City may also issue full faith and credit bonds to finance a redevelopment project. These bonds are payable, both as to principal and interest:

1. From the revenue sources identified for special obligation bonds; and
2. From a pledge of the City's full faith and credit to use its ad valorem taxing authority for repayment thereof in the event all other authorized sources or revenue are not sufficient.

Except in extraordinary circumstances in the sole discretion of the Governing Body, the proceeds of full faith and credit tax increment bonds shall only be used to pay for public

Redevelopment Programs

improvements or public projects which would otherwise be eligible to be paid for with the proceeds of City general obligation bonds.

Pay as You Go

TIF can also be used to reimburse a Developer for eligible redevelopment project plan costs on a “Pay as You Go” basis as opposed to issuing bonds. Under this method, the City may agree to reimburse the Developer for eligible redevelopment project costs over a period of time not to exceed twenty-three (23) years from the date of redevelopment project plan approval in accordance with the terms set forth in the Redevelopment Agreement. The reimbursement amount is paid solely from all or a portion of the tax increment, and the Developer takes the risk that the portion of the increment pledged for reimbursement will be insufficient to retire the eligible redevelopment project costs.

APPLICATION PROCEDURE (Existing)

For application within an existing TIF District, applications are available at City Hall, on the City’s website, or through the Chamber of Commerce and the Kewanee Economic Development Corporation. Applications consist of Developer Information, Project Information, Project Costs, and required disclaimers and declarations.

Upon completion of the application form, the information is submitted to the City’s contracted TIF Administrator/TIF Counsel for their review and the drafting of a TIF Redevelopment Agreement. The redevelopment agreement is then placed on the City Council agenda for consideration by the governing body.

APPROVAL PROCEDURE (Existing)

The City has proactively adopted six (6) TIF Districts. Properties within the six redevelopment project areas are eligible for the use of Tax Increment Financing, using an application and approval process that is considerably easier to navigate than would be

required for the establishment of a new Tax Increment Financing Plan.

The general objectives of the City in granting TIF for economic development are:

1. Promote, stimulate and develop the general and economic welfare of the State of Illinois and the City;
2. Promote the general welfare of residents through assisting in the development, redevelopment, and revitalization of central business areas, blighted areas, conservation areas, and environmentally contaminated areas located within the City;
3. Create new and retain existing jobs; and
4. Expand the economic base and tax base of the City.

The City recognizes that a simple system of determining the amount of TIF to be granted in order to reach these objectives may not always be equitable if applied uniformly to different kinds of redevelopment project plans. As a result, in determining the actual amount and duration of TIF to be granted, the City shall review each application on a case by case basis and consider the factors and criteria set forth in this Policy including where applicable, the feasibility of the project, the amount of TIF requested, anticipated, and the duration of the proposed financing to retire TIF obligations. Although no minimum capital investment is required by the City, the investment made by an applicant is a factor to be considered by the City in determining whether or not to authorize a redevelopment project plan.

All TIF applications shall be considered in light of the “but for” principle, i.e., TIF must make such a difference in the decision of the Applicant that the project would not be economically feasible “but for” the availability of TIF. In evaluating the economic feasibility, the staff may consider factors that include but are not limited to:

Redevelopment Programs

- The extraordinary or unique costs associated with developing the project;
- The applicants financial investment;
- The property, sales and other tax and fee revenue that may result from the project;
- The credit worthiness and experience of the applicant;
- Market demand or need for the proposed business;
- Public improvements or public benefit resulting from the use of TIF

APPLICATION PROCEDURE (New)

Applications for the creation of a new TIF District must follow a statutorily defined approval process. Applications should include the following:

- Legal description of the proposed boundaries of the project area;
- Map of the project plan area with accompanying tax parcel ID information;
- A project plan that identifies all the proposed redevelopment project areas and identifies all of the buildings, facilities and other improvements that are proposed to be constructed or improved in each redevelopment project area;
- If applicable, a study from qualified personnel providing the necessary information to result in a determination of blight or substantiate conservation area findings as the basis for establishing the redevelopment district area;
- Information regarding expected capital expenditures by the Applicant;
- An itemization of development assistance requested;
- Summary of the proposed financing plan, including sources and uses of funds;
- A detailed description of the proposed buildings, facilities and other improvements to be constructed in the project area, including the estimated fair market and assessed value of the improvements and the estimated date in which construction of the

improvements will be commenced and completed;

- The proposed relocation plan if any relocation will be required under the project plan.
- The applicable application fee.
- All statutorily required public notices and publication dates in order to maintain compliance with the Act.

APPROVAL PROCEDURE (New)

Staff and its consultants will thoroughly review the plan to ensure the feasibility of the plan and the likelihood of its successful implementation and make recommendation on the approval or denial of the plan prior to any public hearings on the plan. Plan approval and successful implementation is best achieved after a series of iterative meetings between the developer, staff, and consultants to address any and all concerns associated with the plan and its implementation.

The general objectives of the City in granting TIF for economic development are:

1. Promote, stimulate and develop the general and economic welfare of the State of Illinois and the City;
2. Promote the general welfare of residents through assisting in the development, redevelopment, and revitalization of central business areas, blighted areas, conservation areas, and environmentally contaminated areas located within the City;
3. Create new and retain existing jobs; and
4. Expand the economic base and tax base of the City.

The City recognizes that a simple system of determining the amount of TIF to be granted in order to reach these objectives may not always be equitable if applied uniformly to different kinds of redevelopment project plans. As a result, in determining the actual amount and duration of TIF to be granted, the City shall review each application on a case by case basis and consider the factors and criteria set forth in

Redevelopment Programs

this Policy including where applicable, a Feasibility Study, as required by state law, as well as the amount and duration of previous TIF projects supported by the City.

Although no minimum capital investment is required by the City, the investment made by an applicant is a factor to be considered by the City in determining whether or not to authorize a redevelopment project plan.

All TIF applications shall be considered in light of the “but for” principle, i.e., TIF must make such a difference in the decision of the Applicant that the project would not be economically feasible “but for” the availability of TIF. In evaluating the economic feasibility, the staff shall consider factors that include but are not limited to:

- The extraordinary or unique costs associated with developing the project;
- The applicants financial investment;
- The property, sales and other tax and fee revenue that may result from the project;
- The credit worthiness and experience of the applicant.

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Redevelopment Programs

BROWNFIELD ASSESSMENT PROGRAM

PURPOSE

A Brownfield site is real property of which the expansion, redevelopment or reuse may be complicated by contamination or perceived contamination on the property. Through this program, the USEPA can provide Brownfield Assessments to eligible applicants on projects that benefit community need or job creation, and provide technical assistance to municipalities and the public concerning Brownfield issues at no cost.

AUTHORIZATION

This program was reauthorized the the Brownfields Authorization Increase Act of 2016 (H.R. 5782) providing funding through approval of a federal grant from the United States Environmental Protection Agency.

ELIGIBLE APPLICANTS

The Brownfields Program typically works with local municipalities, not-for-profit, and quasi-government entities to assess properties. Assessment as a Brownfield site is required prior to the use of federal funds in environmental remediation of eligible sites.

However, a privately owned property may be eligible for funding if the applicant is one of the above-mentioned entities, or if one of the entities writes a letter of support for the project.

ELIGIBILITY CRITERIA

The Brownfields Assessment Program targets projects that meet the following requirements:

- It must meet the definition of a Brownfield
- The current property owner cannot be the cause of the contamination
- The property owner must agree to provide access to the property
- All grant funded materials and reports must be made available to the public.

Three main criteria are use for prioritizing Brownfields:

1. The level of contamination and threat to human health and the environment.
2. Redevelopment potential of the site.
3. Community goals and priorities.

PROGRAM BENEFITS/ELIGIBLE USES

The program encourages the redevelopment and reuse of potentially environmentally contaminated properties.

There are four categories of activities that can be funded under the program:

1. Phase I Environmental Site Assessments (ESA). A Phase I ESA involves a review of public and historic records, maps and photographs, an inspection of the property, and interviews with owners, occupants, neighbors, and local government officials. The purpose of a Phase I ESA is to discover any historic uses of the property that may point toward possible contamination.
2. Phase II Environmental Assessments (ESA). If a Phase I ESA indicates the possibility of contamination, the next step could be a Phase II ESA, which involves sampling and laboratory analysis. The types of activities often included in a Phase II ESA are soil and groundwater sampling, materials testing, and testing storage tanks and other vessels.
3. Site Investigations. If a Phase II ESA identifies contamination, the next step may be a site investigation. This is done to further define the nature and extent of an contamination.
4. Remedial Planning. Once site investigation has been completed, the next step is remedial planning. During this step, various remediation strategies

Redevelopment Programs

are evaluated based on effectiveness, total cost, and compatibility with proposed redevelopment plans.

APPLICATION/APPROVAL PROCEDURE

Once the City has been awarded funding under the federal program, a local application process will be developed and implemented to ensure compliance with state and federal eligibility requirements. Applications will be available and City Hall and online through the City's website.

Approval of eligible projects is a ministerial act conducted at the staff level based on project eligibility and applicability, requiring no action from the governing body.

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Redevelopment Programs

FAÇADE IMPROVEMENT PROGRAM

PURPOSE

The purpose of the Façade Improvement Program is to assist building owners within the Downtown area with improvements to street facing storefronts or areas with a high degree of public visibility. Projects that assist with the restoration of a building's character and streetscape compatibility are encouraged. Such aesthetic improvements are designed to promote, stimulate and develop the general and economic welfare of the historic heart of the community and serving as a catalyst for other enhancements to the area.

AUTHORIZATION

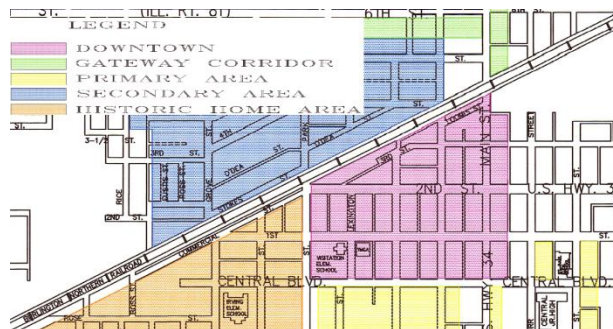
The City of Kewanee is the administrator of this program and where applicable will facilitate implementation of the program through identification of properties and structures eligible for the program. Budgetary approval for the program rests with the authority of the City Council, while authorization for program implementation is the responsibility of the City Manager and assigned staff.

ELIGIBLE AREAS

Eligible projects must take place within the area generally bounded on the north by the southern boundary to the BNSF railroad right of way, on the east by the alley ½ block east of Main street, on the west by Park Street, and on the south by Central Boulevard.

ELIGIBLE APPLICANTS

The applicant must be the owner of property located within the downtown area. The property must be up to date on all real estate taxes and be unencumbered by liens, and must be in need of improvements or maintenance, the completion of which would serve the goals of the program.



PROGRAM BENEFITS/ELIGIBLE USES

The program encourages enhancement to the appearance of one of the City's key commercial areas. Eligible use of program funds include but are not limited to:

- Awnings, canopies, and shutters
- Lighting (exterior)
- Painting and Specialty Painting
- Restoration of original architectural features
- Tuckpointing
- Windows
- Doorways and entrances

Qualified Applicants may serve as their own contractor/labor force, but in such cases program funds will only be used for the costs of materials.

FUNDING INFORMATION

The program operates year round, with applications accepted on a continual basis and funded on a first come, first served basis until budgeted resources are exhausted. The program will reimburse for 50% of eligible project costs up to \$10,000 per project.

APPLICATION/APPROVAL PROCEDURE

Applications are available at City Hall and online through the City's website. The City will evaluate applications based on the information submitted (Plans, renderings, etc.) and the

Redevelopment Programs

project's conformance with adopted plans and design guidelines adopted by the City, if applicable.

A completed application form and required submittals shall be submitted to the City, including a detailed description of the work to be completed, appropriate drawings, budget estimates, proposed project schedule, and proof of ownership.

Projects should adhere to the following principles as closely as possible:

- Paint will only be used on surfaces that have previously been painted (i.e. no painting of brick buildings that have not been painted in the past)
- The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.
- Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical or pictorial evidence.
- Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.

Approval of applications, though dependent upon available funding as budgeted by the City Council, is conducted at the staff level based on

project eligibility and applicability, and requires no action from the governing body.

Applicants shall apply for and receive a building permit prior to undertaking any work requiring a permit under the Building Code. Construction shall proceed according to the approved plans and subject to periodic inspections. Construction must be completed within 180 days of execution of award, unless a written extension is granted by the City.

The Property Owner shall agree and consent to the City recording a lien on the property in the amount of the grant. Said lien will remain in the property until the end of the third year following the payment of the grant when it will then be released by the City. If the property is sold prior to the end of the third year, the lien shall be repaid to the City on a prorated annual basis. (i.e. if the property is sold during the first year following a grant award, 100% of the grant must be repaid. If it is sold during the third year following a grant award, 33% of the grant shall be repaid).

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Redevelopment Programs

Loan Programs

Kewanee Small Business Interest Payment Program

Loan Programs

KEWANEE SMALL BUSINESS INTEREST PAYMENT PROGRAM

PURPOSE

The program is designed to stimulate economic growth and create jobs that will improve the living conditions of residents in the community. The program provides financial assistance to eligible businesses and development projects while mitigating the amount of risk taken on by the City.

Businesses receiving funds through the program will be required to obtain conventional financing and create or retain a sufficient number of jobs to merit public investment.

AUTHORIZATION

The City of Kewanee is the administrator of this program and where applicable will facilitate implementation of the program through identification of companies that might benefit from the program. Budgetary and participant approval for the program rests with the authority of the City Council, while authorization for program implementation is the responsibility of the City Manager and assigned staff

ELIGIBLE AREAS

Financing under this program is available to all eligible businesses located within the city limits of the City of Kewanee.

ELIGIBLE APPLICANTS

Applicants for the program must be existing legal businesses, located within the City of Kewanee, with a proper local business license (if applicable), insurance, and required permits per local, state and federal requirements, or corporations in good standing looking to locate or relocate in Kewanee. If an applicant is a new start-up business and does not have proper licenses or insurance, then these items can be made a condition of approval. The business can be a tenant leasing space or an owner of property where the business is located. The existing

business must create or retain three (3) or more permanent full time equivalent (FTE) jobs.

HOW THE PROGRAM WORKS

Approved applicants obtain a loan through a commercial lender of their choice. Upon review and approval of semi-annual reports submitted by the applicant to the City, provided that agreed upon benchmarks have been achieved by the applicant, the City provides reimbursement to the applicant for interest expenses incurred as a result of the loan.

PROGRAM BENEFITS/ELIGIBLE USES

Funds under this program are restricted to interest payments on certain eligible costs. Some common eligible costs are:

- Operating capital (including license and permit fees if applicable)
- Renovation of leased space or owned buildings (including engineering, architectural, and local permits or fees), new construction, or acquisition of existing commercial or industrial space.
- Purchase of manufacturing equipment (with or without installation costs)
- Furniture, fixtures and equipment (FF&E)

The lending institution shall disburse funds and calculate interest thereon incrementally on a reimbursement basis, or through direct payment of vendor/contractor invoices, as eligible costs are verified. The City of Kewanee and program participants shall negotiate benchmarks and goals for employment, sales, and other measurables to ensure that the City's investment of funds is merited.

FUNDING LIMITS

Program funding and availability is at the discretion of the City Council. Funding is

Loan Programs

limited to \$2,000 per year for each job created within any two consecutive reporting periods, with a maximum funding amount of \$40,000 per year per participant.

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Community Development Incentives

Community Development Programs

Demolition Grant Program

Sidewalk Replacement Program

Community Development Incentives

DEMOLITION GRANT PROGRAM

PURPOSE

The purpose of this program is to assist property owners with the costs of demolishing vacant, dilapidated, unfit, and unsafe residential or commercial structures within the city limits of Kewanee. The City will participate jointly with property owners on a 50/50 shared cost basis, up to a maximum of \$4,000 paid by the City. The program will improve the overall appearance of the community, restore neighborhood pride, better the quality of life for residents and create a sense of public equity by encouraging reinvestment in distressed areas which will help to stabilize and improve our declining tax base.

AUTHORIZATION

The City of Kewanee is the administrator of this program and where applicable will facilitate implementation of the program through identification of properties and structures eligible for the program. Budgetary approval for the program rests with the authority of the City Council, while authorization for program implementation is the responsibility of the City Manager and assigned staff.

ELIGIBLE AREAS

The program is city-wide and can be utilized on residential or commercial properties, as well as outbuildings or other structures deemed uninhabitable, dilapidated, unfit, or unsafe by the City.

ELIGIBLE APPLICANTS

- Applicants who own real property on which a residential building is located, which is deemed by the City to be unfit or unsafe for human use or habitation.
- Property owners who wish to voluntarily demolish an unsafe or unfit residential structure.
- Property owners of unsafe or unfit residential structures who wish to relinquish ownership of the property by

providing to the City of Kewanee a clear title, title insurance, deed and current tax statement showing that all taxes are paid on the property.

Applicants that provide proof that their income is at or below the federal guidelines in Illinois for poverty shall be eligible to be reimbursed for the cost of providing title insurance. The cost shall not be included in the maximum cost paid by the City for demolition.

- Owners of mobile homes who own the property where the mobile homes are set and located.
- Properties with a mortgage or lien will be considered ineligible unless the mortgage company(s) or lien holder(s) provides a signed consent approval or release of lien to the City. The City shall ask the mortgage company or lien holder for approval.
- Properties that are in receipt of insurance proceeds for the cost of demolition, including those related to loss by fire, will not be eligible for this program.

ELIGIBILITY CRITERIA

All structures must be vacant, in a state of disrepair, create a threat to the health, safety and welfare of area residents, and have a blighting influence on neighboring properties of the City. The City may approve or deny an application based on available budget, total cost of demolition and location. All structures must be inspected and determined to be in a state of disrepair by the Community Development Department prior to application for the program.

ELIGIBLE STRUCTURES

Residential buildings including the accessory structures, whether the primary residential building is being demolished or not, are

Community Development Incentives

eligible. Mobile homes that are owned by the owner of the land where the mobile homes are located, including those that are located within a mobile home park, are eligible. Some commercial properties may be eligible, on a case by case basis, but the funding for such demolition may differ from residential structures.

PROGRAM BENEFITS/ELIGIBLE USES

By participating in this program a property owner may reduce the total amount owed on their property taxes due to liens placed on the property to pay for the costs of demolition of a condemned property. By participating, the City will be more willing to negotiate on other fines/fees associated with the property so that the property owner might be able to rebuild on the lot for future development, rather than leave it vacant, or more easily transfer the property to other owners who are better able to use or maintain the property, particularly in the case of absentee owners.

FUNDING LIMITS

Program funding will be available to property owners on a 50/50 shared cost basis to assist in the removal of the structures. On a case by case basis, some additional fees and fines associated with the property may be waived. This is primarily dependent upon the ultimate use of the property once the structure is demolished. If the

property owner is willing to rebuild on the lot within 2 years of demolition, or is willing to donate the vacant lot to the City (if in an area that the City has now or in the future designates as a target area for redevelopment), the City will be more likely to waive other liens that may be on the property.

APPLICATION/APPROVAL PROCEDURE

Applications are available at City Hall and online through the City's website.

Approval of applications, though dependent upon available funding as budgeted by the City Council, is a ministerial act conducted at the staff level based on project eligibility and applicability, requiring no action from the governing body.

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Community Development Incentives

SIDEWALK REIMBURSEMENT PROGRAM

PURPOSE

The purpose of this program is to assist property owners with the costs of rebuilding existing Public Sidewalks that abut their property within the City limits of Kewanee. The City will reimburse the property owner the sum of either \$2.00 per square foot for all sidewalk constructed at residential standards (min. of 4 inch thickness concrete) or \$3.00 per square foot for all sidewalk constructed at commercial standards (min. of 6 inch thickness concrete). The program will improve the overall appearance of the community, enhance the flow of pedestrian traffic, restore neighborhood pride, better the quality of life for residents and create a sense of public equity by encouraging reinvestment in distressed areas which will help to stabilize and improve our declining tax base.

AUTHORIZATION

The City of Kewanee is the administrator of this program and where applicable will facilitate implementation of the program through identification of properties with Public sidewalks eligible for the program. Budgetary approval for the program rests with the authority of the City Council, while authorization for program implementation is the responsibility of the City Manager and assigned staff.

ELIGIBLE AREAS

The program is city-wide and can be utilized on residential or commercial properties having an existing Public Sidewalk already in place that is determined to be in need of replacement by City Staff.

ELIGIBLE APPLICANTS

Applicants who own real property on which a Public Sidewalk abuts, which is deemed by the City to be deteriorated, damaged or in some other way in need of replacement.

ELIGIBILITY CRITERIA

All Public Sidewalks being applied for under

this program must be in a state of disrepair, create a safety hazard, or have a blighting influence on neighboring properties of the City. The City may approve or deny an application based on available budget, total cost of the sidewalk and location. All sidewalks must be inspected and determined to be in a state of disrepair by the City Engineering Department or the Community Development Department prior to application for the program.

ELIGIBLE SIDEWALKS

Only those Public sidewalks that are wholly upon the City Right Of Way. Private sidewalks are not eligible. Sidewalks upon the City Right Of Way that abut a private driveway but not including the entrance of the driveway between the roadway and the sidewalk.

PROGRAM BENEFITS/ELIGIBLE USES

By participating in this program residents will be able to replace a blighted Public Sidewalk with a brand new sidewalk that will enhance the curb appeal of their property which may improve their property value.

FUNDING LIMITS

Program funding will be available to property owners at the rate of \$2.00 per square foot for all sidewalk constructed at residential locations, with the exception of any sidewalk immediately abutting a driveway, which must be constructed at commercial standards. Sidewalks required to be constructed at commercial standard will be reimbursed at the rate of \$3.00 per square foot.

CONSTRUCTION SPECIFICATIONS

- Forms: 2"x4"s may be used for side forms of residential sidewalks not crossing a driveway. 2"x6"s may be used for side forms of driveway sections of sidewalk.
- Slope: There must be a slope of ¼" per foot to drain water toward the street.

Community Development Incentives

- **Thickness:** All residential standard sidewalks not including driveway sections must be 4" thick. Driveway sections and all commercial standard sidewalks must be 6" thick.
- **Subgrade:** All subgrade material must be well tamped and watered before concrete is poured.
- **Concrete:** Concrete must be "Class B" State mix.
- **Contraction Joints:** Same as the width. (The length of each slab should be the same as the width).
- **Finish:** Broom Finish (Smooth finish sidewalks are prohibited).
- **Curing:** Concrete must be covered with burlap and kept wet or covered with impermeable paper or polyethylene sheeting method for 72 hours or other methods approved by the City.
- **Inspections:** An inspection must be performed by the City Engineering Department or the Community Development Department after the forms are set. This inspection **MUST** be performed before concrete is poured.
- **Final Inspection:** After the concrete is poured, call the City Engineering Department or the Community Development Department again and we will measure the sidewalk. You will be reimbursed \$2.00 per square foot for residential 4" sidewalk and \$3.00 per square foot for 6" driveway sections and

6" commercial sidewalk.

APPLICATION/APPROVAL PROCEDURE

Applications are available at City Hall and online through the City's website and must be completed and approved prior to the commencement of work on the project.

Approval of applications, though dependent upon available funding as budgeted by the City Council, is a ministerial act conducted at the staff level based on project eligibility and applicability, requiring no action from the governing body.

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Housing Programs

Distressed Property Reinvestment Program
Infill Development Program
Targeted Minor Home Repair Program

Housing Programs

DISTRESSED PROPERTY REINVESTMENT PROGRAM

PURPOSE

The Distressed Property Reinvestment Program was established in Kewanee in 2016 with program funding provided by the City of Kewanee, with additional public and private sector funding when available. The goal of the program is to assist individuals and families in achieving the “American Dream” of home ownership through loan guarantees that facilitate the renovation/rehabilitation of distressed properties that would otherwise be potential candidates for demolition. Through bank financed “sweat-equity” or small contractor improvement projects, the program is designed to encourage reinvestment in and preservation of target neighborhoods and the existing housing stock.

AUTHORIZATION

The City of Kewanee is the administrator of this loan guarantee program and where applicable will facilitate the implementation of the program through the acquisition of eligible houses for the program. Budgetary approval for the program rests with the authority of the City Council, while authorization for program implementation is the responsibility of assigned staff.

ELIGIBLE AREAS

The program is City-wide, with preference given to targeted areas as identified in adopted plans of the City Council.

ELIGIBLE APPLICANTS

Applicants must complete an application process which is similar to one required by any lender.

ELIGIBILITY CRITERIA

- Must meet LMI guidelines
- Subject Property must have clean title
- Subject property must be owner occupied

PROGRAM BENEFITS/ELIGIBLE USES

Eligible uses of guaranteed loan proceeds include but are not limited to:

- Repair and replacement of windows and doors
- Roof repair and replacement of roof covering
- Exterior paint
- Foundation Repair
- Drywall, interior paint and finishing
- Cabinetry
- Flooring
- Electrical
- Plumbing
- Repair to porches and steps
- Repair to exterior foundation walls
- Exterior walls and trim
- Flashing /guttering

Private sanitary sewer repairs

FUNDING LIMITS

Loan guarantees are limited to \$40,000 per single family owner occupied structure. Program funding on an annual basis is limited to funding availability and outstanding loan guarantee liabilities.

APPLICATION/APPROVAL PROCEDURE

Applications are available at City Hall and online through the City’s website.

Approval from a qualified commercial lender through the financial institution’s typical process is required. Approval of applications, though dependent upon available funding as budgeted by the City Council, will be completed at the staff level to determine project eligibility and applicability, requiring no action from the governing body, prior to submission by staff to an independent volunteer board established and appointed by the City Council.

Housing Programs

REPORTING REQUIREMENTS

Quarterly reports providing to an update in the status of improvements must be provided during the renovation process. Thereafter, annual reports must be provided to ensure continued use of the property by the applicant as their primary residence.

SPECIAL PROGRAM REQUIREMENTS

A one-time fee of the greater amount of \$250 or one percent (1%) of the guaranteed amount, payable from loan proceeds, is required for program administration/participation. Check issuance from the lending institution shall be coordinated through the program administrator

and assigned staff. Where applicable, work completed must be in compliance with existing building codes and inspected by appropriate City inspectors. All contractors must be licensed and meet all requirements necessary to perform work in the City of Kewanee.

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Housing Projects

INFILL DEVELOPMENT PROGRAM

PURPOSE

The Infill Development Program helps to promote the revitalization of Kewanee's older neighborhoods, stabilizes property tax rates, promotes the efficient use of existing infrastructure, encourages private investment in targeted neighborhoods, and provides for affordable housing options within the community.

AUTHORIZATION

The City of Kewanee is the administrator of this program. Budgetary approval for the program rests with the authority of the City Council, while authorization for program implementation is the responsibility of the City Manager and assigned staff.

ELIGIBLE AREAS

The program is targeted for neighborhoods identified in the Community Development/Neighborhood Revitalization Plan as Primary, Secondary, Gateway, or Historic Homes areas. Properties outside of the districts that meet applicant eligibility requirements may be considered on a case by case basis as funding allows.

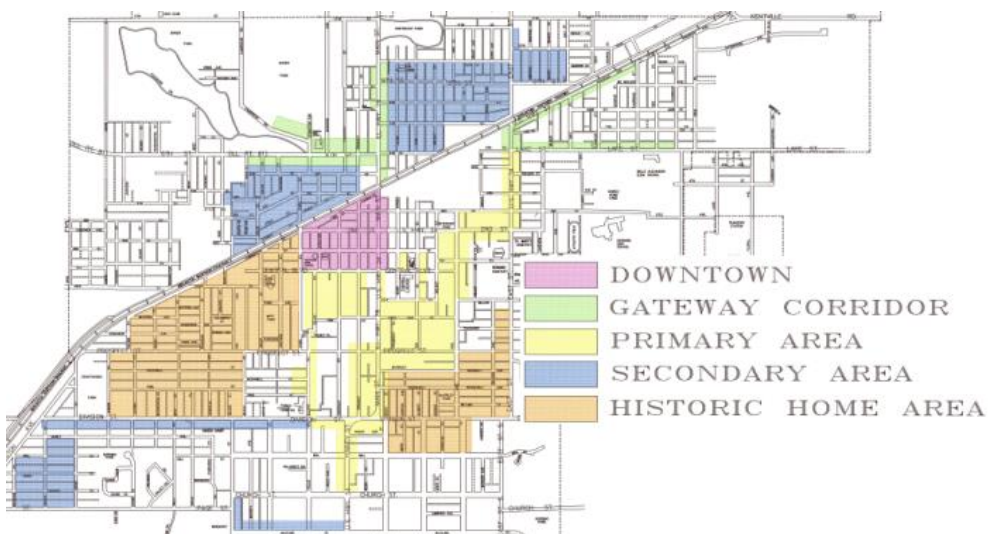
ELIGIBLE APPLICANTS

Applicants who own or have under contract and are able to develop property or properties within the targeted areas. The program is intended to provide owner occupied housing.

PROGRAM BENEFITS/ELIGIBLE USES

The program is established to help homeowners who desire a custom built house as well as builders seeking to build homes with the intent to sell them.

- Homes must be new construction
- Must be built in compliance with existing codes
- Should be in keeping with adjacent structures in terms of size, mass, materials, and appearance
- Properties remain eligible for use of other financing mechanism's including Tax Increment Financing and Enterprise Zone benefits, as applicable
- Increased flexibility regarding property setbacks, parking, and other elements consistent with traditional neighborhood design.



Housing Projects

FUNDING INFORMATION

The program operates year round, with applications accepted on a continual basis and funded on a first come, first served basis until budgeted resources are exhausted. Maximum grant award is \$2,500 per newly constructed unit. When available, the City will augment such contributions with developable lots for infill development at no cost to the owner/builder.

APPLICATION/APPROVAL PROCEDURE

Developers/builders may contact the City

Manager to discuss potential development plans and inquire as to the availability of vacant lots. Interested buyers must contact the builder/developer or realtor representing the builder directly.

CONTACT

City of Kewanee

Gary Bradley, City Manager

401 E. Third Street,

Kewanee, IL 61443

Phone: (309)853-4200

Email: gbradley@Cityofkewanee.net

Website: www.Cityofkewanee.com

Housing Projects

TARGETED MINOR HOME REPAIR PROGRAM

PURPOSE

The Targeted Minor Home Repair Program assists homeowners who live in targeted areas of Kewanee identified in the Community Development/Neighborhood Revitalization Plan. Under the program, homeowners may receive assistance for work such as painting, fixing gutters, plumbing, roofing, electrical, windows, or assistance with other minor home repairs.

AUTHORIZATION

The City of Kewanee is the administrator of this program. Budgetary approval for the program rests with the authority of the City Council, while authorization for program implementation is the responsibility of the City Manager and assigned staff.

ELIGIBLE AREAS

The program is targeted for neighborhoods identified in the Community Development/Neighborhood Revitalization Plan as Primary, Secondary, Gateway Corridors, or Historic Homes areas. Homes outside of the districts that meet applicant eligibility requirements may be considered on a case by case basis as funding allows.

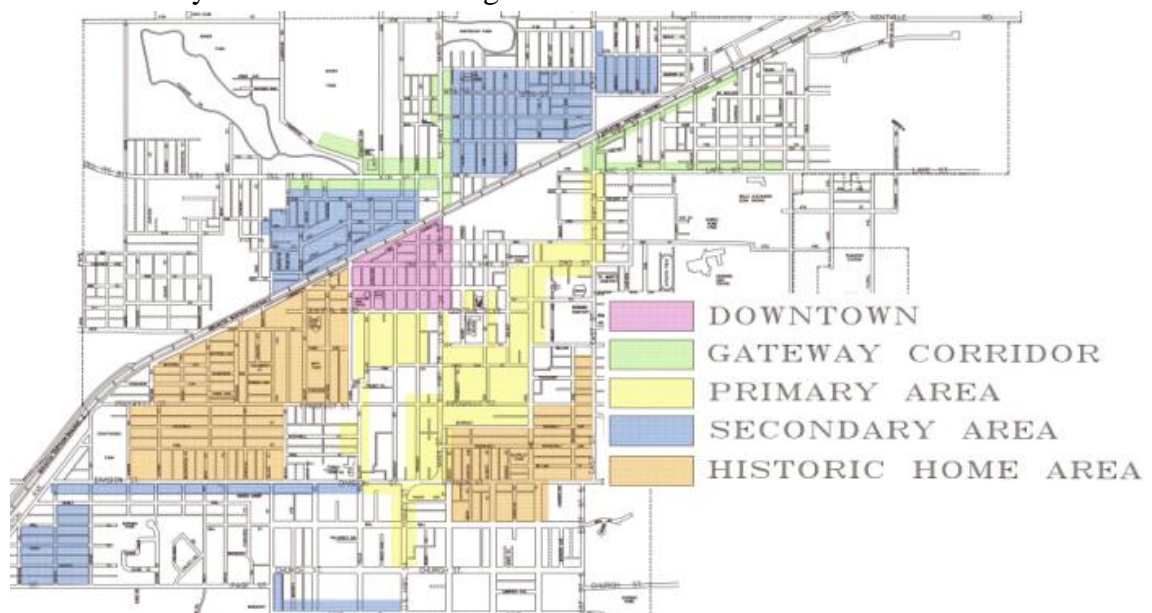
ELIGIBLE APPLICANTS

Applicants own and reside in the property to be repaired, cannot own more than one residential property, and cannot have received home repair assistance from the city in the past five years. Eligible Applicants may become ineligible if conditions of the home are determined to be beyond the scope of the program guidelines. Applicants must meet the Low Income Guidelines established by HUD to be eligible for the program.

PROGRAM BENEFITS/ELIGIBLE USES

Examples of work done as part of this program include the following:

- Exterior painting
- Re-hanging guttering
- Plumbing-replace broken service line
- Plumbing-replace collapsed sewer lateral
- Electrical System-replace main electrical panel
- Replacement of broken windows
- Roof repairs.



Housing Projects

Qualified Applicants may serve as their own contractor/labor force, but in such cases program funds will only be used for the costs of materials.

FUNDING INFORMATION

The program operates year round, with applications accepted on a continual basis and funded on a first come, first served basis until budgeted resources are exhausted. The maximum grant available under this program is \$7,500 per residential unit.

APPLICATION/APPROVAL PROCEDURE

City Staff will contact potential applicants based on staff evaluation of properties or in partnership with third party organizations. Applications will be made available to eligible applicants after submission of preliminary documents (pre-application eligibility checks). The City will evaluate applications based on the information submitted and the project's conformance with adopted goals and desired outcomes of the City's Community and Economic Development Plans.

A completed application form and required submittals shall be submitted to the City, including a detailed description of the work to be completed, project estimates, proposed project schedule, and proof of ownership.

The Property Owner shall agree and consent to the City recording a lien on the property in the amount of the grant. Said lien will remain on the property until the end of the third year following the payment of the grant when it will then be released by the City. If the property is sold prior to the end of the third year, the lien shall be repaid to the City on a prorated annual basis. (i.e. if the property is sold during the first year following a grant award, 100% of the grant must be repaid. If it is sold during the third year following a grant award, 33% of the grant shall be repaid).

Applicants shall apply for and receive a building permit prior to undertaking any work requiring a permit under the Building Code. Construction shall proceed according to the approved plans and subject to periodic inspections. Construction must be completed within 180 days of execution of award, unless a written extension is granted by the City.

Approval of applications, though dependent upon available funding as budgeted by the City Council, is conducted at the staff level based on project eligibility and applicability, and requires no action from the governing body.

CONTACT

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Targeted Minor Home Repair Program
FY 18 Projects and Expenditures

Approval Date	Name	Street Address	Work Requested	# Of Bids	Project Estimate	2019 Expenditures	Contractor	Total Investment
April 10, 2018	Tom & Terrie Keefner	338 West Prospect St	Replace sewer line, front porch repair, repair steps, paint house	2	\$7,500.00	\$7,500.00	Dana Well & Drill	7500
April 10, 2018	Kendra Bowers	415 Elliott St	Roof, soffitt, fascia, foundation repairs	2	\$7,500.00	\$7,500.00	Rebuilding Together	7500
April 10, 2018	Craig Newman	104 S Elm St	Repair Steps, gutters, downspouts, tuckpoint chimney, replace windows	2	\$7,500.00	\$7,500.00	Rebuilding Together	7500
April 10, 2018	Betty Dorsey	108 N Vine St	Removal of old porch behind house, remove existing debris, build new 12' x 10' deck with footings, replace and reframe 4 basement windows and exterior basement door, Intall new support for porch roof, install steel roofing and flashing along with gutters on porch.	2	\$6,303.36	\$5,008.30	Two Guys Construction	\$6,582.01
April 25, 2018	Wanda Woods	1608 E 7th	Roof	1	\$5,512.09	\$5,512.09	Home Owner	\$5,512.09
April 11, 2018	Lynette Cruse	107 S Walnut St	Remove old gutter system and replace with new seamless gutter system, Replace rotted wood siding, install steel fascia and soffit.	2	\$7,080.00	\$6,605.07	Astorga Contracting	\$6,944.57
January 18, 2018	Linda DeLeon	402 W Oak	Replace sewer line, front porch repair, repair steps, paint house	2	\$4,675.00	\$4,675.00	S Dana Construction	\$4,675.00

FY 18 YTD Total

\$34,617.16

FY 19 Projects and Expenditures

April 10, 2018	Sue Ostrowski	215 S Tremont St	Replace 2 entry doors, replace storm door, replace 4 windows, remove & re-frame roof over back door/patio area.	2	\$7,500.00	\$7,500.00	DeReu Construction	\$7,500.00
April 10, 2018	Lynette Cruse	107 S Walnut St	Remove old gutter system and replace with new seamless gutter system, Replace rotted wood siding, install steel fascia and soffit. - Carryover from FY 18	2	\$339.50	\$339.50	Astorga Contracting	Total Above
April 10, 2018	Betty Dorsey	108 N Vine St	Removal of old porch behind house, remove existing debris, build new 12' x 10' deck with footings, replace and reframe 4 basement windows and exterior basement door, Intall new support for porch roof, install steel roofing and flashing along with gutters on porch. - Carry over from FY 18	2	\$1,573.71	\$1,573.71	Two Guys Construction	Total Above
May 9, 2018	Anton& Michelle Turch	618 W 5th St	Remove & replace roofing (upper & lower flat roof), sheeting, soffit, gutters, one entry door at rear of house, replace two windows.	4	\$7,425.00	\$7,425.00	JC Beaman	\$7,425.00
May 16, 2018	Chris Shadrick	1131 Rose St	Roof repair, gutters, new siding.	1	\$7,342.84	\$7,365.77	Home Owner	\$7,365.77

June 12, 2018	Penni Russell	217 S Tremont St	Replace 1 double hung window, build wood steps over existing damaged concrete steps on front porch, seal cracks & prep porch for paint, install screen door (special order due to size), replace footing support for front porch, paint back porch, scrape house and paint.	3	\$7,000.00	\$7,035.61	Murray Bros.	\$7,035.61
September 25, 2018	Ruben Palafox	621 W 4th St	Tear off and re-roof flat roof, replace rotted boards and install rubber roofing	2	\$1,938.00	\$1,938.00	JC Beaman	\$1,938.00
September 25, 2018	Paul Ensley	405 N. Cottage	Tear off and re-roof, seamless gutters, install 5 replacement windows, storm door	2	\$6,700.00	\$0.00	DeReu Construction	\$0.00
October 19, 2018	Pam Rosebeck	427 Franklin St	Foundation Repair	2	\$3,100.00	\$0.00	Hand's Masonry & Concrete Restoration	\$0.00
October 19, 2018	Brian Elgin	610 W 5th St	Tear off and re-roof, install rubber roofing on flat roof area, add ice barrier per code.	3	\$5,540.00	\$0.00	JC Beaman	\$0.00

YTD Totals				Approved/Spent	\$48,459.05	\$33,177.59		
Total Expended Since Inception							\$77,478.05	