



**AGENDA FOR  
CITY COUNCIL MEETING**

*Council Chambers*

401 E Third Street

Kewanee, Illinois 61443

**Workshop** starting at 6:00 p.m.

**Open Meeting** starting at 7:00 p.m.

**Monday, August 22, 2016**

Posted by 6:15 p.m., August 19, 2016

1. Call to Order
2. Work Session – regarding staff and training direction
3. Pledge of Allegiance
4. Consent Agenda
  - a. Approval of Minutes
  - b. Payroll
  - c. Staff Reports
5. Presentation of Bills and Claims
6. Citizen Participation
7. Business:
  - a. **Consideration of a Resolution** awarding the 2016 annual street maintenance program to Advanced Asphalt Company, Inc.
  - b. **Consideration of a Resolution** to authorize a communications facilities franchise agreement with Mobilitie, LLC.
  - c. **Consideration of an Ordinance** to declare certain vehicles and equipment excess and no longer needed by the City of Kewanee.
  - d. **Discussion of TIF Incentives** for Johnson Theaters, Inc for their “Wanee Theater Renovation Project”.
  - e. **Discussion of Community and Economic Development Incentive Policies.**
  - f. **Discussion of a Public Service Agreement** with Kewanee Chamber of Commerce.
  - g. **Discussion of a proposed Travel Policy** for City employees and officials.
8. Council Communications:
9. Announcements:
10. Adjournment



## ***City Manager***

401 E. Third Street

Kewanee, IL 61443-2365

Voice (309) 852-2611 Fax (309) 854-5329

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# **I l l i n o i s**

## **MEMORANDUM**

**Date:** August 19, 2016  
**From:** Gary Bradley, City Manager  
**To:** Mayor & Council  
**RE:** Council Meeting of **Monday, August 22, 2016**

### **WORKSHOP AT 6:00 P.M.**

### **REGULAR MEETING AT 7:00 P.M.**

1. **Bikes, benches, etc.** – The city sold an estimated 275-300 excess bicycles that were being stored in the quonset hut, receiving \$629 for the sale, and more importantly freeing up space in the building. Now that we can get to the benches that are stored in the building, we're making plans for their placement, along with the placement of the decorative trash receptacles in the building.
2. **Fire and Police Commission** – The Fire and Police Commission met Tuesday, August 16th discussing Fire Department promotion lists and testing and rule changes to conform to state statutes.
3. **City Center** – Staff has continued to work on the City Center project to identify cost effective solutions for the owner that allow the maximum use of available space without triggering the requirement for the addition of sprinklers for fire suppression.
4. **Sewer Treatment Plant Clarifier Project** – The sewer treatment plant has been offline this week for the clarifier project, but is now back on line and this portion of the improvements completed.
5. **Stormwater Improvement Projects** – Staff has been working to install stormwater infrastructure to mitigate flooding in the 1100 block of Rockwell. The manhole is on site for the improvements to the 900 block of Madison, but the contractor has been delayed by other projects. We'll communicate with Mr. Wilson to keep him in the loop about the timing of the project.
6. **West Park** – Staff, the Park District, and our contractor have been working to remove a number of dead trees and stumps from West Park in advance of the Hog Days Festival.
7. **Water Main Replacement Project** – Staff has submitted an application to the IEPA for water main replacement on 13th Street.

8. **Engineering Services** – Staff is in the process of drafting a Request for Qualifications (RFQ) for on-call Engineering Services to help with the design and installation of infrastructure improvements and a completion of the city's Capital Improvement Plan if needed.
9. **Banking Services** – Staff is in the process of preparing a Request for Proposals (RFP) for banking services in accordance with the best practices of the Government Finance Officers Association (GFOA).
10. **Temporary Portable Signs** – Since the adoption of the sign ordinance, staff has worked with property owners to help ensure compliance. As you may recall, a “grace period” was given to afford sign owners the opportunity to bring signs into compliance, particularly with regard to temporary portable signs. The vast majority of them were removed or made permanent without much concern. Staff met with a few remaining owners, as Councilmember Koehler alluded to at the August 8<sup>th</sup> meeting when discussing the sign at the Senior Citizens Center. I indicated that assistance through the form of incentives might be available through a façade/sign improvement program in the near future with the adoption of incentive programs or in the case of the sign at the Senior Citizens Center, through fundraisers and civic organizations. The owner of one sign has taken to social media to voice their concerns that they are being targeted and build support for them being allowed to retain their sign. You may be contacted by people who support the sign remaining or there may be a presence at the council meeting requesting that the sign be allowed to stay.
11. **Personal** – I took two days off to spend with the kids before sending them back to school, one at Wisconsin Dells and the other just a day at home with them and wrapping up last minute stuff before sending them off to school. The downside is that I’m two days behind on things I’d liked to have accomplished.
12. **Enterprise Zone Application** – Enclosed for your review and comments is an agreement with a consultant to complete an enterprise zone application for the city/county. The county will be considering the agreement in September. We need to decide if we want to apply on our own without the county should they vote no, and of course whether or not we want to use an outside consultant to put the application together for us. The cost is budgeted, and is worth it if the application is approved. It’s my intent to split the costs between us, the county, some of the other Cities in the county, and some of the companies that gain major tax advantages by being in the zone (i.e. the energy companies).

## **COUNCIL MEETING 16-15 AUGUST 8, 2016**

The City Council met in Council Chambers at 7:00 PM with the Mayor calling the meeting to order and the following answering to roll call:

Andy Koehler	Council Member
Mike Yaklich	Council Member
Deann Schweitzer	Council Member
Kellie Wallace-McKenna	Council Member
Steve Looney	Mayor

News media present were as follows:

Mike Berry	Star Courier
Bob McKee	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 July 25, 2016 Council Meeting, payroll for the pay period ending July 23, 2016 and Fire Department Back Pay of \$207,128.97, department head reports from Revolving Loan Fund, Police Department, Code Enforcement, ESDA, Building & Zoning, Public Works and Bock, Inc. The consent agenda items were approved on a motion made by Council Member Wallace-McKenna and seconded by Council Member Schweitzer. Roll call showed 5 ayes, no nays. The motion passed.

Bills submitted for approval totaling \$665,944.40 were approved on a motion made by Council Member Schweitzer and seconded by Council Member Yaklich. Roll call showed 5 ayes, no nays. The motion passed.

### **CITIZEN PARTICIPATION**

Mayor Looney asked if anyone wished to speak. There being no such requests Mayor Looney moved on to new business.

### **NEW BUSINESS**

Resolution #4992 authorizing the rescission of a sales contract with Kurt and Carrie Gustafson for Lot 6 of Block 1 of Mill Creek Station Subdivision and repayment of the \$1500 purchase price was approved on a motion made by Council Member Wallace-McKenna and seconded by

Council Member Koehler. Council Member Yaklich made the case for repaying the \$282.93 that the City actually received. City Manager Bradley acknowledged the merits of that point of view and the alternate view for repaying the entire amount, stating it was a political choice. Mayor Looney advised that he would abstain because the realtor in question was his sister-in-law Jodi Looney. The discussion included the need for the lot to be leveled and reseeded prior to the city accepting possession. Roll call showed 3 ayes, 1 nay, 1 abstain, with Council Member Yaklich casting the dissenting vote. The motion passed.

Resolution #4993 to appoint a member of the Zoning Board of Appeals as chairman was approved on a motion made by Council Member Yaklich and seconded by Council Member Schweitzer. Roll call showed 5 ayes, no nays. The motion passed.

Resolution #4994 to establish the City of Kewanee Economic Development Plan was approved on a motion made by Council Member Wallace-McKenna and seconded by Council Member Schweitzer. The Council Members and Mayor all thanked the respective committee members for their work on the plan. Roll call showed 5 ayes, no nays. The motion passed.

Resolution #4995 to establish the City of Kewanee Community Development/Neighborhood Revitalization Plan was approved on a motion made by Council Member Wallace-McKenna and seconded by Council Member Yaklich. Council Member Yaklich questioned the structure of the map depicting the houses targeted for demolition or rehabilitation. City Manager Bradley reported that the map would remain fluid to account for progress in the implementation of the plan. He also noted that the houses reflected on the map were subjective. One of the recommendations of the plan was to conduct a housing analysis which would result in an unbiased opinion on the houses that should be targeted. A brief discussion occurred regarding the process to facilitate the demolition or rehabilitation of the houses in question. Mayor Looney again thanked the committee members for their work on the plan. Roll call showed 5 ayes, no nays. The motion passed.

## **OTHER BUSINESS**

Council Member Yaklich noted the \$435,000 in improvements through the permit process for the month of July.

Council Member Wallace-McKenna acknowledged that she had received some complaints regarding the cemetery. She reported that the cemetery had been short staffed due to injuries and thanked the staff for their work in getting caught up. She also noted that several trees were down in West Park. Council Member Wallace-McKenna then passed on a complaint that she had received regarding long weeds in the city right-of-way at the bottom of the hill out behind the boiler shop.

Council Member Schweitzer announced a derby car race being promoted by the Henry County Housing Authority for their youth program. The derby would be held on Tuesday, August 9 at 6 pm at Goods Gymnasium at the Kewanee High School.

Council Member Koehler announced that Council Member Schweitzer had joined Dan Swanson as his campaign manager. He also noted two instances in the past couple of weeks that showed there would be no favoritism shown in Kewanee. He explained that he had thought he had

someone caring for one of his properties, but the property had not been mowed, so he was told to get it mowed. He also noted that the sign at the Senior Citizen Center did not conform to the new sign regulations, and so they were taking steps to get that into compliance.

City Manager Bradley announced that the Rebuilding Together Henry County work day would take place on August 20 with registration at Windmont Park or online.

Mayor Looney also thanked the cemetery staff for their extra work to get the mowing and trimming caught up. He also noted the thousands of pounds of waste that the sanitation workers had collected. He thanked City workers and volunteers for making Kewanee a great place to live.

#### **ANNOUNCEMENTS**

There being no further business, Council Member Wallace-McKenna moved to adjourn the meeting and Council Member Schweitzer seconded the motion. Roll call showed 5 ayes, no nays. The meeting adjourned at 7:32 PM.

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MELINDA EDWARDS, CITY CLERK

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DATE APPROVED

**COUNCIL MEETING 16-16**  
**AUGUST 15, 2016**

The City Council met in Council Chambers at 7:00 PM with the Mayor calling the meeting to order and the following answering to roll call:

Andy Koehler  
Mike Yaklich  
Steve Looney

Council Member  
Council Member  
Mayor

Council Members Schweitzer and Wallace-McKenna were absent with regrets.

The Pledge of Allegiance was said.

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

**CITIZEN PARTICIPATION**

Mayor Looney asked if anyone wished to speak. There being no such requests Mayor Looney moved on to new business.

**NEW BUSINESS**

A bid opening for the sale of the vacant lot at 517 Roosevelt Avenue was conducted with City Clerk Edwards opening and reading the one bid received from Doug and Jennifer Vickrey for \$550. The bid was accepted on a motion made by Council Member Koehler and seconded by Council Member Yaklich. Roll call showed 3 ayes, no nays. The motion passed.

A bid opening for the sale of the vacant lot at 603 E Third Street was not conducted as City Clerk Edwards announced that no bids were received.

**OTHER BUSINESS**

Council Member Koehler reminded motorists that school was back in session and to watch for children.

**ANNOUNCEMENTS**

There being no further business, Council Member Koehler moved to adjourn the meeting and Council Member Yaklich seconded the motion. Roll call showed 3 ayes, no nays. The meeting adjourned at 7:03 PM.

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MELINDA EDWARDS, CITY CLERK

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DATE APPROVED



*FINANCE & ADMINISTRATIVE SERVICES*

**JULY 2016**

Water Bill Payments Processed

At counter	975
By mail	410
By dropbox	580
At bank	<u>213</u>
Total Water Bill Payments	<b>2178</b>

Other Payments	241
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Total Payments Processed	<b>2419</b>
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Customer Contacts (non-payment)

By phone	1322
At counter	503
Work orders written	<u>307</u>
Total Customer Contacts	<b>2132</b>

Misc Requests/Employee Contacts

By phone or in-person	<b>508</b>
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**City of Kewanee Health Care**  
Revenue and Expense History

2016	Providers	Rx	Life	Stop Loss	SL Aggregate	Admin Fees	Broker Fees	Wellness	Total Exps	Revenues	Gain/Loss
Jan-16	\$123,045.51	\$14,901.86	\$327.60	-\$8,531.84	\$0.00	\$7,512.83	\$6,300.00	\$189.18	\$143,745.14	\$108,902.54	-\$34,842.60
Feb-16	\$89,735.36	\$12,556.01	\$331.80	\$16,628.04	\$15,401.00	\$8,245.71	\$0.00	\$39.18	\$142,937.10	\$154,254.12	\$11,317.02
Mar-16	\$74,217.13	\$3,837.11	\$331.80	\$16,838.36	\$0.00	\$7,769.66	\$0.00	\$39.18	\$103,033.24	\$110,189.04	\$7,155.80
Apr-16	\$144,078.81	\$15,145.87	\$327.60	\$14,538.42	\$0.00	\$9,165.00	\$6,300.00	\$39.18	\$189,594.88	\$111,837.55	-\$77,757.33
May-16	\$153,422.42	\$17,415.39	\$323.40	\$1,484.69	\$0.00	\$9,349.79	\$0.00	\$146.31	\$182,142.00	\$115,496.64	-\$66,645.36
June-16	\$68,587.99	\$12,376.92	\$323.40	\$13,243.56	\$0.00	\$7,564.49	\$0.00	\$78.44	\$102,174.80	\$120,611.21	\$18,436.41
July-16	\$67,087.32	\$12,870.36	\$0.00	\$9,879.29	\$0.00	\$10,895.75	\$6,300.00	\$46.31	\$107,079.03	\$114,777.66	\$7,698.63
Aug-16											
Sept-16											
Oct-16											
Nov-16											
Dec-16											
<b>Total:</b>	\$720,174.54	\$89,103.52	\$1,965.60	\$64,080.52	\$15,401.00	\$60,503.23	\$18,900.00	\$577.78	\$970,706.19	\$836,068.76	-\$134,637.43
<b>Average:</b>											
<b>Jan - Dec</b>	\$102,882.08	\$12,729.07	\$280.80	\$9,154.36	\$2,200.14	\$8,643.32	\$2,700.00	\$82.54	\$138,672.31	\$119,438.39	-\$19,233.92

**CITY OF KEWANEE  
PAID CLAIMS ANALYSIS**

Paid Date Range:

7/1/16 - 7/31/16

**DENTAL**

Active	\$3,335.18
Retired	<u>\$632.05</u>
	<u>\$3,967.23</u>

**VISION**

Active	\$646.90
Retired	<u>\$646.90</u>
	<u>\$646.90</u>

**MEDICAL**

**Hospital/Facility**

Active	\$31,837.80
Retired	<u>\$624.45</u>
	<u>\$32,462.25</u>

**Doctor**

Active	\$28,443.25
Retired	<u>\$1,567.69</u>
	<u>\$30,010.94</u>

**DRUG**

Active	\$11,485.08
Retired	\$2,215.60
RX Credit	<u>(\$830.32)</u>
	<u>\$12,870.36</u>

**RUN-OUT CLAIMS**

**Medical**

**Dental Vision**

	<u>\$0.00</u>
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**TOTAL CLAIMS**

**\$79,957.68**

**ADMIN FEES** \$10,895.75

**STOP LOSS FEES** \$9,879.29

**BROKER FEES** \$6,300.00

**WELLNESS PROGRAM** \$46.31

**LIFE INSURANCE**

**TOTAL EXPENSES**

**\$107,079.03**

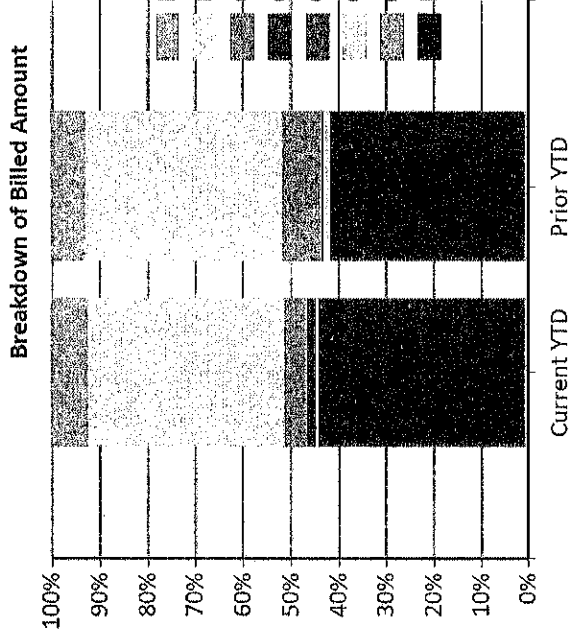
# Financial Overview: Financial Summary



**Report Description:** Provides a breakdown of the medical order of reduction from billed to paid for the current month, current account year to date period, prior account year to date period and a percent change. This report may highlight key measures and their potential impact on paid expenses.

## Medical Order of Reduction

Paid Month	Jul 2016	Jan 2015 - Jul 2015	Jan 2016 - Jul 2016	% Change
Billed	\$477,728	\$1,040,779	\$1,840,905	76.9%
Not Covered	\$10,033	\$71,482	\$139,063	94.5%
Covered	\$467,695	\$969,298	\$1,701,842	75.6%
Discount	\$202,759	\$430,983	\$755,593	75.3%
Allowed	\$264,935	\$538,314	\$946,249	75.8%
Out of Pocket	\$7,002	\$84,746	\$90,814	7.2%
COB	\$6,439	\$5,592	\$33,503	508.9%
COB Medicare	\$0	\$0	\$0	
Other Reductions	\$2,478	\$13,152	\$9,165	-30.3%
Other Adjustments	\$0	\$0	(\$300)	
Paid - Provider	\$249,017	\$434,915	\$813,067	86.9%
Other Payments	\$86	\$1,728	\$877	-49.2%
Medical Paid	\$249,103	\$436,643	\$813,944	86.4%



## Group Liability Breakdown

Paid Month	Jul 2016	Jan 2015 - Jul 2015	Jan 2016 - Jul 2016	% Change
Medical Paid	\$249,103	\$436,643	\$813,944	86.4%
Pharmacy Paid	\$13,507	\$76,091	\$92,750	21.9%
Total Paid Claims	\$262,609	\$512,734	\$906,694	76.8%
Recoveries				
Total Paid Claims + Recoveries	\$262,609	\$512,734	\$906,694	76.8%
Fees & Credits	(\$9,098)	\$155,397	\$123,583	-20.5%
Group Liability	\$253,511	\$668,130	\$1,030,278	54.2%

## Fees and Credits Breakdown

	Jul 2016	Jan 2015 - Jul 2015	Jan 2016 - Jul 2016	% Change
Access Fee	\$4,524	\$6,741	\$12,571	86.5%
Admin Fee	\$6,373	\$42,370	\$45,070	6.4%
ASO Adjustments	(\$35,831)	(\$3,625)	(\$61,455)	-1,595.3%
Rx Credit Fees	(\$830)	(\$3,986)	(\$5,872)	-47.3%
Aggregate Stop Loss		\$16,122	\$15,401	-4.5%
Specific Stop Loss	\$16,667	\$97,775	\$117,869	20.6%
Extra Fees				
Summary	(\$9,098)	\$155,397	\$123,583	-20.5%

**Other reductions** includes penalties, workers compensation savings, and subrogation savings.  
**Other payments** includes Blue Card access fees and surcharges. Also displayed are other adjustments.

Group - 1825  
Coverage - DIV  
RLOB - ALL

CITY OF KEWANEE  
- DIVISION SUMMARY -

Check dates 07/01/2016 - 07/31/2016

Claim Category	Charges	Ineligible	ZPO Discount	Deductible Amounts	Coinsurance Out of Pocket	COB Savings	Cost Share OOP	COB Cost Share OOP	Total Paid	Claim Count	Lines
0001 DEN	4,756.00	229.31	88.00	250.00	852.91	0.00	0.00	0.00	3,335.18	19	46
0001 V-S	775.78	128.88	0.00	0.00	0.00	0.00	0.00	0.00	646.90	6	11
0002 DEN	687.00	28.82	0.00	0.00	26.13	0.00	0.00	0.00	632.05	3	9
FEES DEN	52.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52.65	2	2
~ GROUP TOTAL ~	6,271.43	387.61	88.00	250.00	879.04	0.00	0.00	0.00	4,666.78	30	68

Group - 1825  
Division - ALL  
Coverage - ALL  
RLOB - ALL

CITY OF KEWANEE  
- ALL DIVISIONS -  
- GROUP SUMMARY -

Check dates 07/01/2016 - 07/31/2016

Claim Category	Charges	Ineligible	FPO Discount	Deductible Amounts	Coinsurance Out of Pocket	COB Savings	Cost Share OOP	Share OOP	Total Paid	Claim Count	Lines
DEN DENTAL	5,455.65	258.73	88.00	250.00	879.04	3.00	0.00	0.00	4,019.89	24	57
VIS VISION	775.78	128.88	0.00	0.00	0.00	0.00	0.00	0.00	646.90	6	11
- GROUP TOTAL -	6,271.43	387.61	88.00	250.00	879.04	0.00	0.00	0.00	4,666.78	30	68

## Dependent Breakdown

PARTICIPANT	3,595.65	116.67	62.00	200.00	640.76	0.00	0.00	0.00	2,576.22	14	33
SPOUSE	1,088.88	142.34	5.00	0.00	0.00	0.00	0.00	0.00	941.54	6	17
DEPENDENT	1,586.90	128.80	21.00	50.00	238.28	0.00	0.00	0.00	1,149.02	10	18
- GROUP TOTAL -	6,271.43	387.61	88.00	250.00	879.04	0.00	0.00	0.00	4,666.78	30	68

***BOCK INC.***  
***MONTHLY REPORT FOR***  
***JULY, 2016***

***SUBMITTED BY:*** *Alan Bockert*

## **IEPA SUMMARY**

No communications with the IEPA for the month of July.

## **MAINTENANCE SUMMARY**

BOCK INC. generated 33 preventive work orders for the month. All 33 work orders were completed. In addition to the preventive work orders, there was 3 corrective maintenance work orders performed.

## **SAFETY SUMMARY**

Because safety is an important part of our daily practice, we have been without a loss time injury at the plant for 18 months.

## **OPERATIONS SUMMARY**

Flow for the month averaged 3.147 MGD with the rainfall totaling 5.59. inches.

Total KWH used for the month was 148,800.

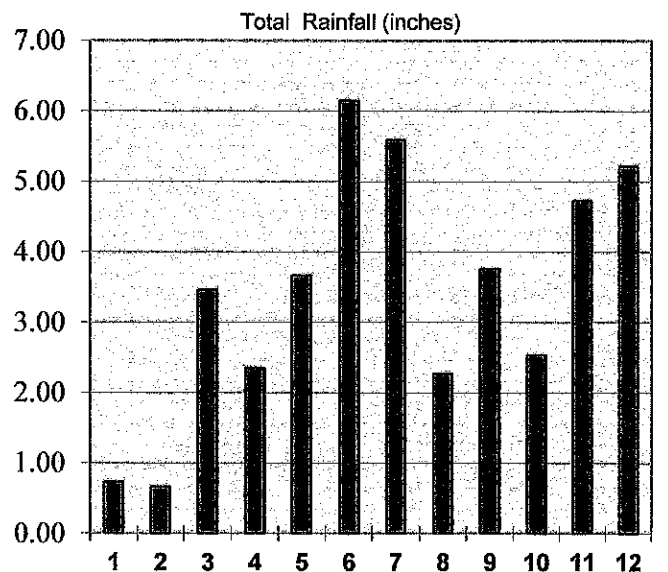
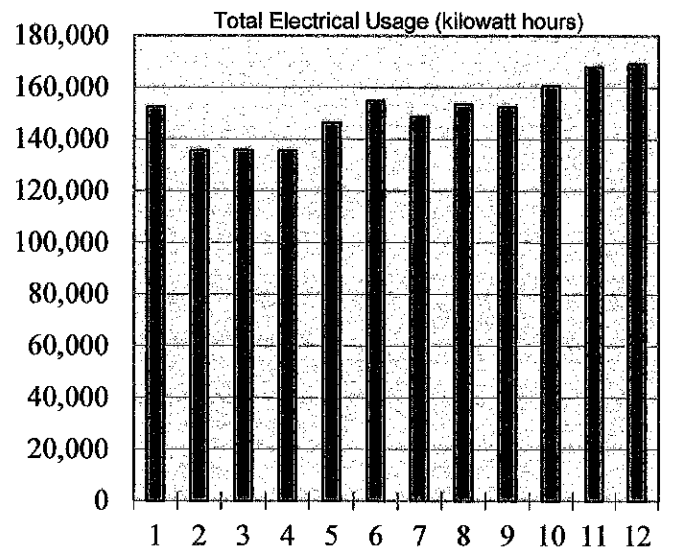
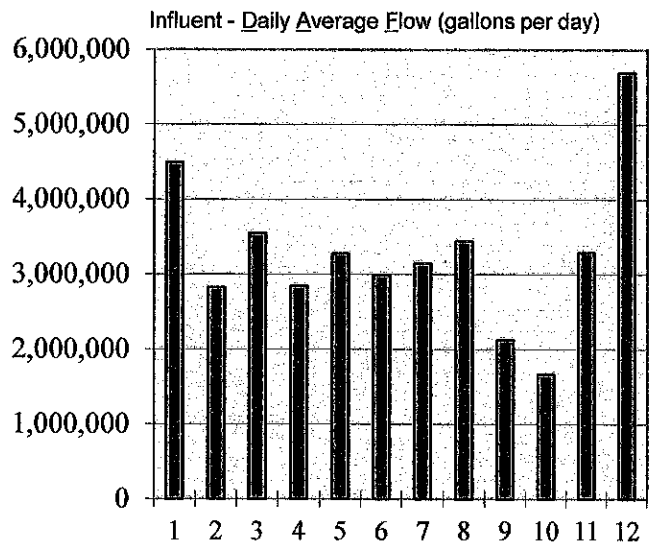
All permit limits on the effluent were met for the month. Sludge applied to the field totaled 54,000 gallons for the month.

Kewanee, Illinois  
Wastewater Treatment Plant  
Twelve Month Moving Average Report  
Submitted by  
Bock Inc.

Date		Influent - <u>Daily Average Flow</u> (gallons per day)	Total Electrical Usage (kilowatt hours)	Total Rainfall (inches)
1	January 2016	4,496,298	152,400	0.73
2	February 2016	2,821,806	135,600	0.66
3	March 2016	3,546,714	135,600	3.46
4	April 2016	2,843,939	135,600	2.35
5	May 2016	3,274,294	146,400	3.66
6	June 2016	2,991,209	154,800	6.15
7	July 2016	3,147,261	148,800	5.59
8	August 2015	3,445,160	153,600	2.27
9	September 2015	2,121,272	152,400	3.76
10	October 2015	1,669,365	160,800	2.54
11	November 2015	3,285,228	168,000	4.73
12	December 2015	5,694,994	169,200	5.22
Total		39,337,540	1,813,200	41.12
Average		3,278,128	151,100	3.43

The Plant Design Average Flow is  
2,000,000 Gallons per Day.

The Plant Design Maximum Flow is  
5,000,000 Gallons per Day.







# DMR Copy of Record

**Permit**  
 Permit #: IL0029343  
 Major: Yes  
 Permitted Feature: 001 External Outfall  
 Monitoring Period: From 07/01/16 to 07/31/16  
 Considerations for Form Completion  
 DMR LOAD LIMITS DISPLAYED  
 Principal Executive Officer  
 First Name: Stanley  
 Last Name: Bokowitz  
 No Data Indicator (NODI)  
 Form NODI:

**Permittee:** KEWANEE CITY OF  
**Permittee Address:** 401 EAST THIRD STREET  
 KEWANEE, IL 61445  
**Facility Location:** KEWANEE STP  
**Discharge:** 001-0 STP OUTFALL  
**DMR Due Date:** 08/25/16  
**Status:** NEIDMR Validated  
**Title:** Operation-In-Charge  
**Telephone:** 309-562-2789

Code	Parameter Name	Monitoring Location	Season	Param NODI	Qualifier	Value 1	Qualifier	Value 2	Unit	Qualifier	Value 1	Qualifier	Value 2	Qualifier	Value 3	Units	Ref	Frequency of Analysis	Sample Type
00300	Oxygen, dissolved (DO)	1 - Effluent Gross	0	-	Sample Permit Reg.			7.43	8 AM WK AV		7.24		7.77			19 - mg/L	0	07/07 - Weekly	GR - GRAB
00400	pH	1 - Effluent Gross	0	-	Sample Permit Reg.			7.82			5 MINIMUM		8 MAXIMUM			12 - SU	0	07/07 - Weekly	GR - GRAB
00500	Residual, total suspended	1 - Effluent Gross	0	-	Sample Permit Reg.	18.5		32.1	20 - lb/d		0.5		0.7			19 - mg/L	0	07/07 - Weekly	CP - COMPOS
00600	Nitrogen, total (as N)	1 - Effluent Gross	0	-	Sample Permit Reg.	500 MD AVG		1007 DAILY MX	20 - lb/d		12 MD AVG		24 DAILY MX			19 - mg/L	0	07/07 - Weekly	CP - COMPOS
00610	Nitrogen, ammonia total (as N)	1 - Effluent Gross	2	-	Sample Permit Reg.	2.5		8.2	20 - lb/d		0.105		0.353			19 - mg/L	0	07/07 - Weekly	CP - COMPOS
00610	Nitrogen, ammonia total (as N)	1 - Effluent Gross	2	-	Sample Permit Reg.	38 MD AVG		220 DAILY MX	20 - lb/d		9 MD AVG		6 DAILY MX			19 - mg/L	0	07/07 - Weekly	CP - COMPOS
00610	Nitrogen, ammonia total (as N)	8 - Other Treatment Process	2	-	Sample Permit Reg.			2.6	20 - lb/d				2.3 WKLY AVG			19 - mg/L	0	07/07 - Weekly	CP - COMPOS
00680	Phosphorus, total (as P)	1 - Effluent Gross	0	-	Sample Permit Reg.											19 - mg/L	0	07/30 - Monthly	CP - COMPOS
00690	Chloride (as Cl)	1 - Effluent Gross	0	-	Sample Permit Reg.											19 - mg/L	0	07/07 - Weekly	CP - COMPOS
00690	Flow, in conduit or thru treatment plant	1 - Effluent Gross	0	-	Sample Permit Reg.	3,402,298		3,023,276	MGD		0.5		0.5			19 - mg/L	0	07/30 - Monthly	GR - GRAB
57000	Chlorine, total residual	1 - Effluent Gross	0	-	Sample Permit Reg.											19 - mg/L	0	07/30 - Monthly	GR - GRAB
74000	Coliform, total general	1 - Effluent Gross	0	-	Sample Permit Reg.											19 - mg/L	0	07/30 - Monthly	GR - GRAB

8002800, carbonaceous (5 day, 20 °C) 1 - Effluent Gross

0

Value NODE	
Sample	42.2
Percent	417 MO AVG
Node	417 MO AVG

42.2

53.2

534 DAILY MX

25-lb/d

1.34

10 MO AVG

1.77

20 DAILY MX

18 - mg/L

0

01/07 - Weekly

01/07 - Weekly

#### Submission Note

If a parameter row does not contain any values for the Sample nor Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analysis, and Sample Type.

#### Edit Check Errors

No errors.

#### Comments

Chlorination did not occur this monitoring period.

#### Attachments

No attachments.

#### Report Last Saved By

KEMANEE CITY OF

User: stanb@bockinc.net

Name: Stan Bocklewitz

E-Mail: stanb@bockinc.net

Date/Time:

2016-08-15 13:49 (Time Zone: 05:00)

# DMR Copy of Record

**Permit**  
 Permit #: IL0029343  
 Major: Yes  
**Permitted Feature:**  
 001 External Outfall  
**Report Dates & Status**  
 Monitoring Period: From 02/01/16 to 07/31/16  
 Considerations for Form Completion

**Permittee:**  
 Kewanee, City of  
 401 EAST THIRD STREET  
 KEWANEE, IL 61443  
**Discharge:**  
 001-S  
 SEMI ANNUAL SAMPLING @ 001

**Facility:**  
 Kewanee STP  
 194 FISHER AVENUE  
 KEWANEE, IL 61443  
**Status:**  
 Not DMR Validated

**Principal Executive Officer**  
 First Name: Stanley  
 Last Name: Bockewitz  
 No Data Indicator (NODI)  
 Form NODI:

**Title:**  
 Operation-in-Charge  
**Telephone:**  
 309-852-2789

Code	Parameter Name	Monitoring Location Season & Period NODI	Quantity or Location			Quantity or Concentration			# of Ex Frequency of Analysis	Sample Type
			1	2	3	1	2	3		
00550 Cl & Gases		1 - Effluent Gross	0			5.7	19 - mg/L	06/99 - See Permit	GR - GRAB	
		Sample Permit Req. Value NODI								
00718 Cyanide, weak acid, dissociable		1 - Effluent Gross	0			5	28 - ug/L	06/99 - See Permit	GR - GRAB	
		Sample Permit Req. Value NODI								
00720 Cyanide, total [as CN]		1 - Effluent Gross	0			5	28 - ug/L	06/99 - See Permit	GR - GRAB	
		Sample Permit Req. Value NODI								
00991 Fluoride, total [as F]		1 - Effluent Gross	0			0.028	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01002 Arsenic, total [as As]		1 - Effluent Gross	0			0.001	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01007 Barium, total [as Ba]		1 - Effluent Gross	0			0.052	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01027 Cadmium, total [as Cd]		1 - Effluent Gross	0			0.001	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01032 Chromium, hexavalent [as Cr]		1 - Effluent Gross	0			0.005	19 - mg/L	06/99 - See Permit	GR - GRAB	
		Sample Permit Req. Value NODI								
01034 Chromium, total [as Cr]		1 - Effluent Gross	0			0.004	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01042 Copper, total [as Cu]		1 - Effluent Gross	0			0.003	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01045 Iron, total [as Fe]		1 - Effluent Gross	0			0.033	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01046 Iron, dissolved [as Fe]		1 - Effluent Gross	0			0.022	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01051 Lead, total [as Pb]		1 - Effluent Gross	0			0.001	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01052 Manganese, total [as Mn]		1 - Effluent Gross	0			0.005	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01057 Nickel, total [as Ni]		1 - Effluent Gross	0			0.005	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								
01077 Silver, total [as Ag]		1 - Effluent Gross	0			0.003	19 - mg/L	06/99 - See Permit	24 - COM/P24	
		Sample Permit Req. Value NODI								



# DMR Copy of Record

Permit #: LU029343  
 Major: Yes

Permittee: KEWANEE CITY OF  
 Permittee Address: 401 EAST THIRD STREET  
 KEWANEE, IL 61443

Facility: KEWANEE STP  
 Facility Location: 194 FISHER AVENUE  
 KEWANEE, IL 61443

Permitted Features: 003  
 External Outfall

Discharge: 003-0  
 EMERGENCY HIGH LEVEL OVERFLOW

## Report Dates & Status

Monitoring Period: From 07/01/16 to 07/31/16  
 Considerations for Form Completion

DMR Due Date: 09/25/16

Status: No DMR Validated

## Principal Executive Officer

First Name: Stanley  
 Last Name: Bockwitz

Title: Operator-in-Charge

Telephone: 309-552-2789

Form NODI: No Data Indicator (NODI)

Code	Description	Monitoring Location	Season	# Param. NODI	Quantity of Discharge			Quantity of Concentration			# of EC	Frequency of Analysis	Sample Type
					Quantity 1 Value	Quantity 2 Value	Quantity 3 Value	Quantity 1 Value	Quantity 2 Value	Quantity 3 Value			
00310 BOD	5 day, 20 deg. C	1 - Effluent Gross	0	-	Sample Permit Req. Value NODI			Real Mon DAILY MAX 15 - mg/L	C - No Discharge			DJDS - Daily When Discharging	GR - GRAB
00350 Solids	Total suspended	1 - Effluent Gross	0	-	Sample Permit Req. Value NODI			Real Mon DAILY MAX 15 - mg/L	C - No Discharge			DJDS - Daily When Discharging	GR - GRAB
74000 Coliform	fecal general	1 - Effluent Gross	0	-	Sample Permit Req. Value NODI			Real Mon DAILY MAX 15 - mg/L	C - No Discharge			DJDS - Daily When Discharging	GR - GRAB
7401 Flow	1 - Effluent Gross	0	-	-	Sample Permit Req. Value NODI			Real Mon DAILY MAX 15 - mg/L	C - No Discharge			DJDS - Daily When Discharging	GR - GRAB

## Submission Note

If a parameter row does not contain any values for the Sample not Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analysis, and Sample Type.

## Edit Check Errors

No errors.

## Comments

## Attachments

No attachments.

## Report Last Saved By

KEWANEE CITY OF

User: stanb@bockwitz.net

Name: Stan Bockwitz

E-Mail: stanb@bockwitz.net

Date/Time:

2016-08-15 14:20 (Time Zone: -05:00)

# DMR Copy of Record

**Permit**  
 Permit #: IL0029343  
 Major: Yes  
 Permitted Feature: 004  
 External Outfall  
 Report Dates & Status: From 07/01/16 to 07/31/16  
 Monitoring Period:  
 Considerations for Form Completion  
 NUMBERS OF DAYS OF DISCHARGE:  
 Principal Executive Officer  
 First Name: Stanley  
 Last Name: Bockwitz  
 No Data Indicator (NOD)  
 Form NOD:

**Permittee:** KEWANEE, CITY OF  
**Permittee Address:** 401 EAST THIRD STREET  
 KEWANEE, IL 61443  
**Facility:** KEWANEE STP  
 194 FISHER AVENUE  
 KEWANEE, IL 61443  
**Discharge:** 004-0  
 EXCESS FLOW LAGOON OUTFALL- EAST LAGOON  
**DMR Due Date:** 08/25/16  
**Status:** Not DMR Validated  
**Title:** Operator-in-Charge  
**Telephone:** 309-852-2793

Code	Sample Name	Monitoring Location Season & Form NOD	Quantity of Loading	Time	Quantity	Value	Quantity	Value	Quantity	Value	Units	# of Eps	Frequency of Analysis	Sample Type
00300	Oxygen, dissolved [DO]	1 - Effluent Gross	0											
00310	BOD, 5-day, 20 deg. C	1 - Effluent Gross	0											
00400	pH	1 - Effluent Gross	0											
00530	Solids, total suspended	1 - Effluent Gross	0											
00610	Nitrogen, ammonia total [as N]	1 - Effluent Gross	0											
00665	Phosphorus, total [as P]	1 - Effluent Gross	0											
00680	Chlorine, total residual	1 - Effluent Gross	0											
74055	Calcium, total general	1 - Effluent Gross	0											
82220	Flow, total	1 - Effluent Gross	0											

**Submission Note**  
 If a parameter row does not contain any values for the Sample nor Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analysis, and Sample Type.

**Edr Check Errors**  
 No errors.  
**Comments**


**Attachments**  
 No attachments.  
 Report Last Saved By  
 KEWANEE, CITY OF  
 User: stbhb@bockwitz.net  
 Name: Stan Bockwitz  
 E-Mail: stbhb@bockwitz.net

Date/Time: 2016-08-16 14:21 (Time Zone: -0500)

Sample	Quantity or Loading	Units	Qualifier 1	Value 1	Qualifier 2	Value 2	Qualifier 3	Value 3	Units	Ref. No.	Frequency of Analysis	Sample Type
Sample	Quantity 1	Value 1	Qualifier 2	Value 2	Qualifier 3	Value 3	Qualifier 4	Value 4	Units	Ref. No.	Frequency of Analysis	Sample Type
Parent Bag Value MOD1												
Sample												
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Date/Time: 2016-08-15 14:21 (Time Zone: -05:00)



 <b>CITY OF KEWANEE CITY COUNCIL AGENDA ITEM</b>	
<b>MEETING DATE</b>	August 22, 2016
<b>RESOLUTION OR ORDINANCE NUMBER</b>	Resolution #4996
<b>AGENDA TITLE</b>	Consideration of a Resolution awarding the 2016 Street Maintenance program to Advanced Asphalt Company, Inc
<b>REQUESTING DEPARTMENT</b>	Engineering
<b>PRESENTER</b>	Dale Nobel, Engineer
<b>FISCAL INFORMATION</b>	Cost as recommended: \$454,921.235
	Budget Line Item: 15-41-514
	Balance Available 550,000
	New Appropriation Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>PURPOSE</b>	To provide street maintenance using MFT funds including oil/chip sealing, hot mix sand seal special (Micro-surfacing), full depth patching, utility adjustments, and asphalt milling with overlay.
<b>BACKGROUND</b>	The City receives approximately \$350,000 annually from the State's gas tax called Motor Fuel Tax, City Fund Number 15. We have accumulated approximately \$550,000 in this fund to date. This year's program will improve approximately 8 lane miles of local streets.
<b>SPECIAL NOTES</b>	MFT Funds can only be expended when in compliance with the rules and regulations of IDOT. This has required the City to move forward with the installation of Handicap Ramps at various locations ahead of street work as can be seen along Central Boulevard.
<b>ANALYSIS</b>	None

**Item A**

<b>PUBLIC INFORMATION PROCESS</b>	The request for bids was posted on the IDOT bulletin for two weeks prior to opening. Per IDOT requirements.
<b>BOARD OR COMMISSION RECOMMENDATION</b>	NA.
<b>STAFF RECOMMENDATION</b>	Approve the Resolution to Award the 2016 GM Street Program to Advanced Asphalt Company, Inc.
<b>REFERENCE DOCUMENTS ATTACHED</b>	Street Program Map and Bid Tab.

## RESOLUTION NO. 4996

A RESOLUTION AWARDED THE 2016 ANNUAL STREET MAINTENANCE PROGRAM TO ADVANCED ASPHALT COMPANY, INC. AND DECLARING THAT THIS RESOLUTION SHALL BE IN FULL FORCE IMMEDIATELY.

**WHEREAS,** The City Council, by Resolution 4985, adopted May 23, 2016, has appropriated Motor Fuel Tax (MFT) moneys for the purpose of maintaining and improving the roads in the City of Kewanee; and,

**WHEREAS,** Said improvement is the annual street maintenance program, known as Section 16-00000-00-GM; and,

**WHEREAS,** Sealed bids were advertised for and solicited, and two bids were received, to carry out the street and highway maintenance work known as Section 16-00000-00 GM, more commonly known as the 2016 annual street maintenance program; and,

**WHEREAS,** The engineer's estimate and bids received for 2016 annual street maintenance program are summarized below, and detailed on Attachment A:

FIRM	Cost	Delta \$ From Estimate	Delta % From Estimate
<i>Engineer's Estimate</i>	<i>\$506,723.50</i>	—	—
Advanced Asphalt	\$454,921.25	-\$51,802.25	-10.22%
Brandt Construction	\$491,817.70	-\$14,905.80	-2.94%

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

**Section 1**      The City Council hereby accepts and approves Advanced Asphalt Company Inc.'s bid as the lowest, most responsible bid for the 2016 annual street maintenance program, Sec. 16-00000-00 GM for fiscal year 2016-2017.

**Section 2**      The Mayor, City Manager, City Engineer, and City Clerk are hereby authorized to execute the necessary documents, at the end of the IDOT protest period, to enter into an agreement with Advanced Asphalt Company, Inc. to perform Sec. 16-00000-00 GM, a/k/a 2016 annual street maintenance program as specified in the plans prepared by the City Engineer, at the units prices in Advanced Asphalt Company Inc.'s bid.

**Section 3**      The City Clerk shall, as soon as practicable after the close of the period as stated in Section 1 hereof, submit to the Department of Transportation, on forms furnished by said Department, a certified statement showing expenditures from and balances remaining in the accounts(s) for this period.

**Section 4** 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 22<sup>nd</sup> day of August, 2016.

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 Deann Schweitzer				
Council Member Kellie Wallace-McKenna				
Council Member Michael Yaklich				

# TABULATION OF BIDS

DATE: 08/08/16

PROJECT: 2016 GM

TIME: 10:00 AM

OWNER: City of Kewanee

WITNESS: Melinda Edwards

PROJECT # 16-00000-00-GM

BID

BIDDER

CITY/

BID GL

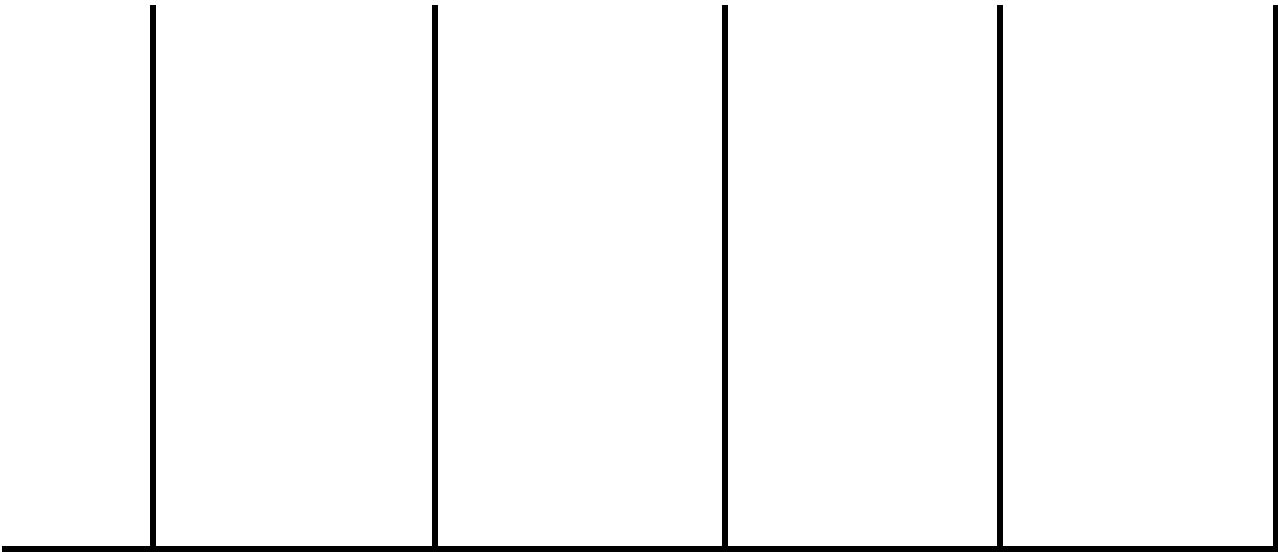
ENGINEER'

ITEM NO	ITEM	UNIT	QUANTITY	ESTIMATED UNIT PRICE
1	Aggregate Surface Course, 2"	TON	1090	38.00
2	Aggregate Base Repair, 10"	SY	255	65.00
3	Preparation of Base	SY	9570	2.00
4	Asphalt MC-30	GAL.	3580	5.50
5	Asphalt PG 46-28	GAL.	3568	5.00
6	Asphalt HFE-90	GAL.	9087	5.00
7	Cover Coat Aggregate, CA-13	TON	149	62.00
8	Seal Coat Aggregate, CA-16	TON	284	62.00
9	Bituminous Materials, Prime Coat	LB	61524	1.00
10	Bituminous Surface Removal, Variable Depth	SY	3580	7.00
11	Leveling Binder, MN, N50	TON	188	105.00
12	HMA Surface Course, Mix C	TON	282	105.00
13	Incidental HMA Surface	TON	10	150.00
14	Bituminous Hot-Mix Sand Seal Special	TON	1432	105.00
15	Class D Patches, 6"	SY	102.9	115.00
16	Pipe Culvert, TY. 1, 8"	FT	40	25.00
17	Driveway Aggregate	TON	20	50.00
18	Aggregate Shoulder, TY. A	TON	20	50.00
19	Manhole Frame & Grate Adjustment	EA.	14	900.00
20	Water Valve Adjustment	EA.	14	325.00

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TOTAL ESTIMATE/ BID

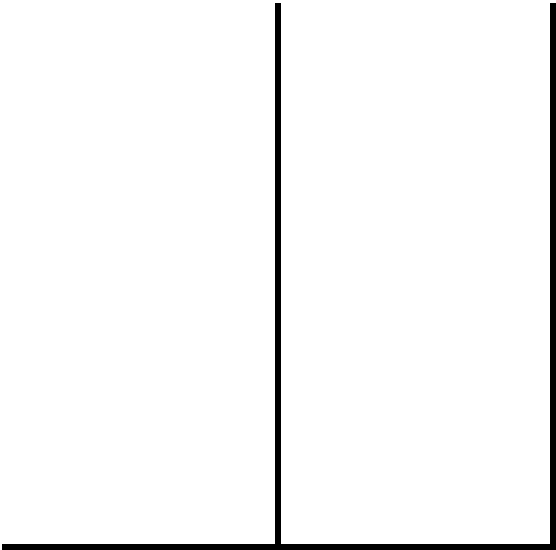
DER NAME :	Advanced Asphalt, Co.		Brandt Construction		Valley Construction		McCarthy Improvements	
: ADDRESS :	P.O. Box 234		700 4th Street West		3610 78th Ave. West		5401 Victoria Ave.	
/STATE/ZIP :	Princeton, Illinois 61356		Milan, Illinois 61264		Rock Island, Illinois 61201		Davenport, Iowa 52807	
JARANTEE :	BID BOND		BID BOND					
S ESTIMATE								
ESTIMATE TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
41420.00	35.00	38150.00	38.00	41420.00		0.00		0.00
16575.00	45.00	11475.00	48.00	12240.00		0.00		0.00
19140.00	1.75	16747.50	4.50	43065.00		0.00		0.00
19690.00	7.00	25060.00	5.00	17900.00		0.00		0.00
17840.00	5.00	17840.00	3.30	11774.40		0.00		0.00
45435.00	4.75	43163.25	3.00	27261.00		0.00		0.00
9238.00	70.00	10430.00	58.50	8716.50		0.00		0.00
17608.00	70.00	19880.00	58.50	16614.00		0.00		0.00
61524.00	0.50	30762.00	0.35	21533.40		0.00		0.00
25060.00	6.00	21480.00	6.00	21480.00		0.00		0.00
19740.00	90.00	16920.00	119.50	22466.00		0.00		0.00
29610.00	90.00	25380.00	119.50	33699.00		0.00		0.00
1500.00	175.00	1750.00	405.00	4050.00		0.00		0.00
150360.00	100.00	143200.00	125.00	179000.00		0.00		0.00
11833.50	115.00	11833.50	96.00	9878.40		0.00		0.00
1000.00	50.00	2000.00	43.00	1720.00		0.00		0.00
1000.00	40.00	800.00	125.00	2500.00		0.00		0.00
1000.00	45.00	900.00	125.00	2500.00		0.00		0.00
12600.00	900.00	12600.00	650.00	9100.00		0.00		0.00
4550.00	325.00	4550.00	350.00	4900.00		0.00		0.00



<div>506723.50</div> <div>COMPARISON TO ESTIMATE</div>	<div>454921.25</div> <div>-10.22%</div>	<div>491817.70</div> <div>-2.94%</div>	<div>0.00</div> <div>0.00%</div>	<div>0.00</div> <div>0.00%</div>
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		<b>CITY OF KEWANEE CITY COUNCIL AGENDA ITEM</b>	
<b>MEETING DATE</b>	August 22, 2016		
<b>RESOLUTION OR ORDINANCE NUMBER</b>	Resolution #4997		
<b>AGENDA TITLE</b>	Consideration of a Resolution to authorize a communications facilities franchise agreement with Mobilitie LLC		
<b>REQUESTING DEPARTMENT</b>	Administration		
<b>PRESENTER</b>	Gary Bradley, Manager		
<b>FISCAL INFORMATION</b>	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	
<b>PURPOSE</b>	Provides an agreement for the placement of communications facilities tower in the city right of way.		
<b>BACKGROUND</b>	City staff was approached by representatives from Mobilitie LLC regarding the placement of equipment on a pole in the City right of way. The equipment is purported to boost cell phone coverage in the downtown area, as it relates to data usage for two of the nation's four cellular services.		
<b>SPECIAL NOTES</b>	City staff and the City Attorney have reviewed the proposed agreement.		

<b>ANALYSIS</b>	<p>Cell phone usage becomes more relevant with each passing year. This is apparent if you look around to see many people checking their phones for messages, facebook, etc. The installation of the facilities would make the streaming of data on a personal device more reliable. The increased reliability will serve to assist in making the downtown area more inviting to customers of the existing and future businesses.</p> <p>In exchange for the installation, and one of the corrections requested to the agreement, would be annual payments to the City of \$1000 per pole for years 1 – 5, escalating to \$1500 per pole for years 6-10 and then \$2000 per pole for the remaining five years.</p> <p>At this time, the request is for one pole.</p>
<b>PUBLIC INFORMATION PROCESS</b>	N/A
<b>BOARD OR COMMISSION RECOMMENDATION</b>	N/A
<b>STAFF RECOMMENDATION</b>	Staff has requested a few modifications to the agreement, should those modifications be approved by Mobilitie LLC prior to Monday's meeting, staff would recommend adoption. If not, staff recommends the item be tabled to the next meeting.
<b>REFERENCE DOCUMENTS ATTACHED</b>	Proposed Franchise Agreement.

## **RESOLUTION NO. 4997**

A RESOLUTION TO AUTHORIZE A COMMUNICATIONS FACILITIES FRANCHISE AGREEMENT WITH MOBILITIE, LLC, AND DECLARING THAT THIS RESOLUTION SHALL BE IN FULL FORCE IMMEDIATELY.

**WHEREAS,** The City of Kewanee has the right and power to regulate and permit the installation, attachment, operation and maintenance of communications facilities in the Public Right-of-Way within the City limits; and,

**WHEREAS,** Mobilities, LLC has requested pursuant to applicable federal and state law and regulations that the City of Kewanee enter into a fifteen-year, non-exclusive, franchise agreement for a Communications Facilities in Kewanee; and,

**WHEREAS,** The City Council finds it to be in the best interest of the citizens to enter into the proposed franchise agreement to help provide the services, facilities, and equipment necessary to meet the future communications related needs for the community.

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

**Section 1** The text of the preamble to this resolution is hereby made part thereof.

**Section 2** The City Manager is hereby authorized to execute all necessary documents to put into effect the Communications Facilities franchise agreement with Mobilitie, LLC as contained in Attachment A hereto.

**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 22<sup>nd</sup> day of August, 2016.**

ATTEST:

\_\_\_\_\_  
Steve Looney, Mayor

\_\_\_\_\_  
Melinda K. Edwards, City Clerk

RECORD OF THE VOTE	Yes	No	Abstain	Absent
Mayor Steve Looney				
Council Member Andrew Koehler	.	.	.	.
Council Member Deann Schweitzer	.	.	.	.
Council Member Kellie Wallace-McKenna	.	.	.	.
Council Member Mike Yaklich	.	.	.	.

 <b>CITY OF KEWANEE CITY COUNCIL AGENDA ITEM</b>	
<b>MEETING DATE</b>	August 22, 2016
<b>RESOLUTION OR ORDINANCE NUMBER</b>	Ordinance #3845
<b>AGENDA TITLE</b>	Consideration of an Ordinance to declare certain vehicles and equipment excess and no longer required to operations of the City of Kewanee
<b>REQUESTING DEPARTMENT</b>	Police Department
<b>PRESENTER</b>	Jim Dison, Chief
<b>FISCAL INFORMATION</b>	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
<b>PURPOSE</b>	To clear excess and surplus vehicles from City Fleet
<b>BACKGROUND</b>	Some vehicles are old police squads that are no longer recommended for repair and use. Some vehicles are police seized vehicles awarded to department after legal and administrative proceedings.
<b>SPECIAL NOTES</b>	N/A
<b>ANALYSIS</b>	N/A
<b>PUBLIC INFORMATION PROCESS</b>	Published agenda and information available prior to sale. Vehicles proposed to be sold via online auction or seal bid after local notification
<b>BOARD OR COMMISSION RECOMMENDATION</b>	N/A
<b>STAFF RECOMMENDATION</b>	Staff recommends passage

<b>REFERENCE DOCUMENTS ATTACHED</b>	Proposed Ordinance with Listed vehicles
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ORDINANCE NO. 3845

AN ORDINANCE TO DECLARE CERTAIN VEHICLES AND EQUIPMENT EXCESS AND NO LONGER REQUIRED IN THE OPERATIONS OF THE CITY OF KEWANEE AND DIRECTING THE CITY MANAGER TO DISPOSE OF SAME, AND DECLARING THAT THIS ORDINANCE SHALL BE IN FULL FORCE IMMEDIATELY.

**WHEREAS,** The City Manager finds, subsequent to the recommendation of the staff, that various vehicles and equipment are no longer necessary or useful to, or for the best interests of the City and its operations, and are considered excess; and,

**WHEREAS,** The items determined to be excess are:

VEHICLES		
Item	VIN # / Serial #	Mileage/Desc.
2005 Chevrolet Impala	2G1WF55K959140988	To be Sold Where Is As is; Electrical problems; oil leaks; A/C Inoperable, Needs brakes; transmission issues; Mileage 94608
2006 Ford Crown Victoria	2FAFP71W96X166230	To be Sold Where is As is; Oil Cooler hoses leak; charging issues; body damage; Axle seals leaking; Mileage 125556
2001 Ford Crown Victoria	2FAFP71W21X105438	To Be Sold Where is As is; 94093 miles. Rusting, peeling paint, exhaust leaks, oil leaks, emissions issues
2004 Pontiac Bonneville	1G2HX54K04U187590	Police Seizure, mileage not confirmed, To be Sold Where is As is
2000 Chevrolet Impala	2B3KA43G18H244920	Police Seizure, mileage not confirmed; To be sold Where is As is
2009 Ford Crown Victoria	2FAHP71V79X144814	To be sold Where is As is; Needs battery; brakes; power steering gear leaks; possible rear axle issues; Mileage 125556

**NOW THEREFORE BE IT ORDAINED, BY THE KEWANEE CITY COUNCIL, IN COUNCIL ASSEMBLED, AS FOLLOWS:**

**Section 1** The items listed above are hereby declared to be excess property of the City of Kewanee, and the City Manager is authorized to execute any documents necessary to transfer ownership of said excess property.



**Section 2** The City Manager is hereby authorized to solicit bids, whether they be sealed bids, bids at public auction, or bids via electronic methods on the items listed above. All proper commissions charged by any third party to list or sell any given item shall be deducted from the proceeds of the sale of the item. The City reserves the right to reject any or all bids, or to retain any item or piece of equipment at its discretion, or to dispose of any item or piece of equipment for scrap value if not deemed appropriate for sale.

**Section 3** 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 22<sup>nd</sup> day of August 2016.

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 Deann Schweitzer				
Council Member Kellie Wallace-McKenna				
Council Member Michael Yaklich				

		<b>CITY OF KEWANEE CITY COUNCIL AGENDA ITEM</b>	
<b>MEETING DATE</b>	August 22, 2016		
<b>RESOLUTION OR ORDINANCE NUMBER</b>	Discussion only		
<b>AGENDA TITLE</b>	Discussion of TIF Incentives for Johnson Theaters, Inc for their "Wanee Theater Renovation Project."		
<b>REQUESTING DEPARTMENT</b>	Administration		
<b>PRESENTER</b>	Gary Bradley, City Manager		
<b>FISCAL INFORMATION</b>	Cost as recommended:	TBD	
	Budget Line Item:	TBD	
	Balance Available	N/A	
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>PURPOSE</b>	Provides economic incentives for improvement to the local movie theater.		
<b>BACKGROUND</b>	Johnson Theaters has completed the TIF Incentive application for the "Wanee Theater Renovation Project". Our TIF Attorney at Jacob & Klein has reviewed the application and determined the eligible project costs of \$115,590.		
<b>SPECIAL NOTES</b>	N/A		

<b>ANALYSIS</b>	<p>These documents are provided for discussion only at this time.</p> <p>Johnson Theaters provides an entertainment venue that retains people in the city, who would otherwise travel to other areas to watch movies, and attracts others to our community for entertainment and other forms of commerce. The owners of the theater have made plans to renovate and rehabilitate the movie theater. The TIF eligible project costs for this proposed project would be \$115,590.</p> <p>The proposed reimbursement agreement would mimic the terms of the previous agreements approved in the Downtown TIF, with the City agreeing to reimburse Johnson Theaters 50% of their annual “net” incremental increase in property tax revenues received from Johnson Theaters, on a “pay as you go” basis, up to the maximum of \$115,590 over the life of the agreement.</p> <p>The amount actually paid over the life of the agreement depends on the amount of increment actually created through increased value in the EAV for the building.</p> <p>There is a second proposed redevelopment agreement with the City agreeing to loan Johnson Theaters Inc \$10,000 (placeholder amount) from the Downtown TIF Fund. The loan would be forgiven over the period of five years provided that Johnson Theaters continually operates a movie theater on the premises for those five years. The concept of the forgivable loan from the TIF fund was proposed by the City’s TIF Advisors to provide incentives because it is not anticipated that the property tax increases would be significant enough to provide for much of the reimbursement needed to assist with the project. (The TIF Attorney does not anticipate very much TIF increment from this project).</p> <p>The Downtown TIF fund has so far this fiscal year received \$47,000, which would represent approximately half of the TIF increment anticipated this year. The balance in the Downtown TIF fund today is just over \$87,000. The TIF Funds come from all of the properties located in the TIF District, including commercial and residential, that have seen an increase in assessed value.</p> <p>The City currently has commitments to reimburse Cerno’s, Save-A-Lot, and IH Mississippi Valley Credit Union for their improvement projects. It is not known at this time the amount of their annual requests for reimbursement, but it is anticipated that there will be sufficient funds for this proposal.</p>
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**Item D**

<b>PUBLIC INFORMATION PROCESS</b>	This discussion
<b>BOARD OR COMMISSION RECOMMENDATION</b>	N/A
<b>STAFF RECOMMENDATION</b>	Staff is seeking direction from Council.
<b>REFERENCE DOCUMENTS ATTACHED</b>	Proposed Redevelopment Agreements for TIF Increment reimbursement and forgivable loan from previously received TIF increment.

**TAX INCREMENT FINANCING DISTRICT  
REDEVELOPMENT AGREEMENT**

by and between

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

and

**JOHNSON THEATERS, INC.  
(WANEE THEATER PROJECT)**

**KEWANEE DOWNTOWN TAX INCREMENT FINANCING DISTRICT**

**AUGUST \_\_\_\_\_, 2016**

# **REDEVELOPMENT AGREEMENT**

by and between

**CITY OF KEWANEE**

and

**JOHNSON THEATERS, INC.  
(WANEE THEATER PROJECT)**

## **KEWANEE DOWNTOWN TIF DISTRICT**

**THIS REDEVELOPMENT AGREEMENT** (including Exhibits) is entered into this \_\_\_\_<sup>th</sup> day of August, 2016, by and between the City of Kewanee (the “City”), an Illinois Municipal Corporation, Henry County, Illinois, and Johnson Theaters, Inc., an Illinois Corporation (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 106 South Main Street, Kewanee, Illinois (real estate tax property identification number 20-33-257-002) (the “Property”); and

**WHEREAS**, the Developer owns said Property and is proceeding with plans to renovate and rehabilitate the movie theater located thereon (the “Project”), and is doing so based on the availability of TIF incentives offered by the City; and

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

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

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

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

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

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

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

**WHEREAS**, 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 2016 payable 2017 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 **One Hundred Fifteen Thousand Five Hundred Ninety Dollars and No Cents (\$115,590.00)** 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 **"Johnson Theaters, Inc. 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 **“Wanee Theater Renovation Project.”**

### **C. INCENTIVES**

In consideration for the Developer purchasing the Property and substantially completing the Wanee Theater Renovation 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 2016 and paid in 2017, 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 **One Hundred Fifteen Thousand Five Hundred Ninety Dollars and No Cents (\$115,590.00)**, 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 “**Johnson Theaters, Inc. 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.
3. In the event the Developer sells or otherwise conveys the property, absent a written assignment that has been accepted by the City pursuant to *Section N* below, any reimbursements remaining to be paid to the Developer hereunder shall cease and this Agreement shall terminate.

#### **D. LIMITATION OF INCENTIVES TO DEVELOPER**

1. The Developer shall be reimbursed by the City for all Eligible Project Costs permitted by the Act (subject to a limitation of \$115,590.00) and as set forth in ***Exhibit “1”*** 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. CITY PUBLIC PROJECTS**

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

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

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

## **K. COOPERATION OF THE PARTIES**

1. The City and the Developer agree to cooperate fully with each other when requested to do so concerning the development of the Developer's Redevelopment Project. This includes without limitation the City assisting or sponsoring the Developer, or agreeing to jointly apply with the Developer, for any grant, award, subsidy or additional funding which may be available from other governmental sources as the result of the Developer's or City's activities. This also includes without limitation the Developer assisting or sponsoring the City, or agreeing to jointly apply with the City, for any grant, award, or subsidy which may be available as the result of the City's or the Developer's activities.
2. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions, and certifications (and, in the City's case, the adoption of such ordinances and resolutions), as may be necessary or appropriate, from time to time, to carry out the terms, provisions, and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions, and intent.
3. The Parties shall cooperate fully with each other in seeking from any or all appropriate governmental bodies all approvals (whether federal, state, county or local) required or useful for the construction or improvement of property and facilities in and on the Property or for the provision of services to the Property, including, without limitation, wetland mitigation, gas, telephone, and electric utility services, roads, highways, rights-of-way, water and sanitary sewage facilities, and storm water disposal facilities.

## **L. DEFAULT; CURE; REMEDIES**

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

In the event a Defaulting Party shall fail to perform a monetary covenant which it is required to perform under this Redevelopment Agreement, it shall not be deemed to be in default under this Redevelopment

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

#### **M. TIME; FORCE MAJEURE**

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.

#### **N. ASSIGNMENT**

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

#### **O. 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.

#### **P. 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.

## **Q. 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.

## **R. 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 61443  
Telephone: (309) 852-2611  
Fax: (309) 856-6001

### **TO DEVELOPER:**

Johnson Theaters, Inc.  
Attn: Oliver Johnson, President  
106 South Main Street  
Kewanee, IL 61443  
Telephone: (309) 853-7479

### 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

## **S. 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.

## **T. 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.

## **U. 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.

## **V. 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.

## **W. 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.

## **X. 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.

## **Y. 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**  
**Johnson Theaters, Inc.**, an Illinois Corporation

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

H:\KEWANEE\TIF VI Downtown\Agreements\Johnson Theaters (Wanee Theater)\Kewanee Downtown TIF\_Johnson Theaters Inc\_50%  
RDA\_3 August 2016.wpd



# **EXHIBIT 1**

## **SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS**

Wanee Theater Renovation Project  
Kewanee Downtown TIF District in the City of Kewanee, Henry County, Illinois

Project Description: The Developer owns the Property and is proceeding with plans to renovate and rehabilitate the movie theater located thereon.

Street Location: 106 South Main Street, Kewanee, Illinois

PIN#: 20-33-257-002

### **Estimated TIF Eligible Project Costs:**

Rehabilitation and Renovation of Existing Buildings . . . . . \$115,590

**Total *Estimated* TIF Eligible Project Costs\* . . . . . \$115,590**

\*The City's reimbursement of Eligible Project Costs to the Developer shall not exceed \$115,590, 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 JOHNSON THEATERS, INC.**

Date\_\_\_\_\_

Attention: City TIF Administrator, City of Kewanee, Illinois

Re: TIF Redevelopment Agreement, dated August \_\_\_\_\_, 2016  
by and between the City of Kewanee, Illinois, and  
Johnson Theaters, Inc. (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: Johnson Theaters, Inc.
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 is attached; and
  - (iv) the amounts requested are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for Redevelopment Project Costs; and
  - (v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.

Any violation of this oath shall constitute a default of the Redevelopment Agreement and shall be cause for the City to unilaterally terminate the Redevelopment Agreement.

6. Attached to this Request for Reimbursement is ***Exhibit "1"*** of the Redevelopment Agreement, together with copies of invoices, proof of payment of the invoices, and Mechanic's Lien Waivers relating to all items for which reimbursement is being requested.

BY: \_\_\_\_\_ (Developer)

TITLE: \_\_\_\_\_

---

**APPROVED BY CITY OF KEWANEE, ILLINOIS**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

---

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

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

**TAX INCREMENT FINANCING DISTRICT  
REDEVELOPMENT AGREEMENT**

by and between

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

and

**JOHNSON THEATERS, INC.  
(WANEE THEATER PROJECT)**

**KEWANEE DOWNTOWN TAX INCREMENT FINANCING DISTRICT**

**AUGUST \_\_\_\_\_, 2016**

**TIF REDEVELOPMENT AGREEMENT  
BY AND BETWEEN  
CITY OF KEWANEE  
AND  
JOHNSON THEATERS, INC.  
(WANEE THEATER PROJECT)**

**KEWANEE DOWNTOWN TIF DISTRICT**

**THIS TIF REDEVELOPMENT AGREEMENT** (including Exhibits) (“Agreement”) is entered into this \_\_\_\_<sup>th</sup> day of August, 2016, by the **City of Kewanee** (the “City”), an Illinois Municipal Corporation, Henry County, Illinois, and **Johnson Theaters, Inc., an Illinois Corporation** (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 owned by the Developer and located at 106 South Main Street, Kewanee, Illinois, currently PIN # 20-33-257-002 (the “Property”) and said Property is in need of development and integral to the development of the TIF District; and

**WHEREAS**, the Developer has acquired said Property and is proceeding with plans to renovate and rehabilitate the existing movie theater 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 **Ten Thousand and No/100 Dollars (\$10,000.00)** 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 **Ten Thousand Dollars and No Cents (\$10,000.00)**; 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 proceed 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 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 known as the **“Wanee Theater Renovation Project”**.

## **C. INCENTIVES**

In consideration for the Developer completing the Wanee Theater Renovation 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 **Ten Thousand Dollars (\$10,000.00)** 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 \$10,000.00 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 \$10,000 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 August 30, 2021.
  - 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 August 30, 2017 and continuing on April 30<sup>th</sup> 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 continually operate a theater named the Wanee Theater 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 Ten Thousand Dollars and No Cents (\$10,000.00) 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 for 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 sixteen (16) 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 (3<sup>rd</sup>) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

### **To Developer:**

Johnson Theaters, Inc.  
c/o Oliver Johnson, President  
106 South. Main Street  
Kewanee, Illinois 61443

### **To City:**

City of Kewanee  
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 August 30, 2021. 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.**

By: \_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

**DEVELOPER:  
JOHNSON THEATERS, INC., an  
Illinois Corporation.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT 1**

**SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS**

**JOHNSON THEATERS, INC.  
“Wanee Theater Renovation Project”**

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

Project Description:   Developer has acquired the Property and is proceeding with plans to  
renovate and rehabilitate the existing movie theater located thereon.

Location:   106 South. Main Street, Kewanee, Illinois

Parcel Number:   20-33-257-002

**Estimated TIF Eligible Project Costs:**

Rehabilitation and Renovation Costs ..... \$115,590

**Total *Estimated* Eligible Project Costs ..... \$115,590**

\*The Developer’s total reimbursement of TIF Eligible Project Costs under *Section C* of the Agreement shall not exceed **\$10,000.00**.

**EXHIBIT 2**

**PROMISSORY NOTE**

## **PROMISSORY NOTE**

FOR VALUE RECEIVED, JOHNSON THEATERS, INC., an Illinois Corporation (the "Borrower"), promises to pay the City of Kewanee, Henry County, Illinois, an Illinois Municipal Corporation ("Lender") the principal sum of Ten Thousand Dollars (\$10,000.00) 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 106 South. Main Street, Kewanee, Illinois (PIN # 20-33-257-002) (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 Johnson Theaters, Inc. (the "Redevelopment Agreement") entered into the \_\_\_\_\_<sup>th</sup> day of August, 2016.

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 August 30, 2021.

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 \$10,000.00, 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 August 30, 2017 and continuing on August 30<sup>th</sup> 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 continually operate a movie theater 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 (30<sup>th</sup>) 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:**

JOHNSON THEATERS, INC.

BY:\_\_\_\_\_

NAME:\_\_\_\_\_

TITLE:\_\_\_\_\_

**LENDER:**

CITY OF KEWANEE

BY:\_\_\_\_\_

Mayor, 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  
JOHNSON THEATERS, INC.  
(WANEE THEATER PROJECT)**

Date \_\_\_\_\_

Attention: City TIF Administrator, City of Kewanee, Illinois

Re: TIF Redevelopment Agreement, dated August \_\_\_\_\_, 2016  
by and between the City of Kewanee, Illinois, and Johnson Theaters, Inc. (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: Johnson Theaters, Inc.
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 "I"*** 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: \_\_\_\_\_

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**CITY OF KEWANEE, ILLINOIS**

BY: \_\_\_\_\_


TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

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


BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

		<b>CITY OF KEWANEE CITY COUNCIL AGENDA ITEM</b>	
<b>MEETING DATE</b>		August 22, 2016	
<b>RESOLUTION OR ORDINANCE NUMBER</b>		Discussion Only	
<b>AGENDA TITLE</b>		Discussion of Community and Economic Development Incentive Policies	
<b>REQUESTING DEPARTMENT</b>		Administration	
<b>PRESENTER</b>		Gary Bradley, City Manager	
<b>FISCAL INFORMATION</b>		Cost as recommended:	TBD
		Budget Line Item:	Varied
		Balance Available	N/A
		New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>PURPOSE</b>		Establish Incentive Policies and Guidelines	
<b>BACKGROUND</b>		Both the Economic Development and Community Development Plans contain a recommendation to establish incentives for Economic and/or Community Development. Staff is working on the first set of incentive programs and developing format that will allow for the regular and routine updating of the incentive policies, as indicated in the recently adopted plans.	
<b>SPECIAL NOTES</b>		N/A	
<b>ANALYSIS</b>		The policies are being put together so that the ones most likely to be used or most currently in demand are adopted first. Those include TIF, Demolition Assistance Grants, a Small Business Interest Payment Program, a Minor Home Repair/Sweat Equity Grant Program, and Brownfield Redevelopment.	

**Item E**

<b>PUBLIC INFORMATION PROCESS</b>	N/A
<b>BOARD OR COMMISSION RECOMMENDATION</b>	N/A
<b>STAFF RECOMMENDATION</b>	Staff will present the basics of each program and is soliciting input from Council in regards to recommended programs, which will be finalized and presented for your consideration at the subsequent meeting.
<b>REFERENCE DOCUMENTS ATTACHED</b>	N/A

		<b>CITY OF KEWANEE CITY COUNCIL AGENDA ITEM</b>	
<b>MEETING DATE</b>		August 22, 2016	
<b>RESOLUTION OR ORDINANCE NUMBER</b>		Discussion Only	
<b>AGENDA TITLE</b>		Discussion of a Public Service Agreement with Kewanee Chamber of Commerce	
<b>REQUESTING DEPARTMENT</b>		Administration	
<b>PRESENTER</b>		Gary Bradley, City Manager	
<b>FISCAL INFORMATION</b>		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
<b>PURPOSE</b>		To establish a well defined relationship with the Kewanee Chamber of Commerce in regards to Economic Development activities	
<b>BACKGROUND</b>		Just as the City has a number of loosely defined incentive programs, we have a number of loosely defined or even undefined relationships with organizations that can assist in improving the economic climate and quality of life in the community. While many people could clearly identify both the Chamber of Commerce and Kewanee Economic Development Corporation as partners in economic development, fewer could define the roles and responsibilities of each in improving the economic prospects of the community.	
<b>SPECIAL NOTES</b>		N/A	

<b>ANALYSIS</b>	<p>Recommendation #4 of the City's Economic Development Plan is to establish well defined relationships with Economic Development partners in the community/region.</p> <p>While many people could clearly identify the Chamber of Commerce as a partner in economic development, fewer could define the roles and responsibilities of each in improving the economic prospects of the community. A coordinated and fully functioning effort with regard to each of our existing partners can only serve to maximize the effectiveness of the programs that are available.</p> <p>The proposed agreement would define the role of the Chamber of Commerce in exchange for the payments historically made to the Chamber. The Chamber has been provided a copy of the agreement for their review.</p>
<b>PUBLIC INFORMATION PROCESS</b>	N/A
<b>BOARD OR COMMISSION RECOMMENDATION</b>	N/A
<b>STAFF RECOMMENDATION</b>	Staff is seeking feedback from Council regarding the proposed agreement.
<b>REFERENCE DOCUMENTS ATTACHED</b>	Proposed Public Service Agreement.

AGREEMENT BETWEEN THE CITY OF KEWANEE

AND

KEWANEE CHAMBER OF COMMERCE

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016, between the City of Kewanee, Illinois, (hereinafter "the City") and the Kewanee Chamber of Commerce (hereinafter "the Chamber").

W I T N E S S E T H:

WHEREAS, the City recognizes the need for continued economic development within the community and wishes to provide for a coordinated effort to encourage, promote, and foster the economic development of the community; and

WHEREAS, the Chambers of Commerce, in addition to their other community activities and functions, have traditionally been called upon to actively promote business development and economic growth within communities for the purpose of job creation and retention and expansion of existing businesses and the local tax base; and

WHEREAS, it is the desire of the parties that the entities involved in furthering the economic well being of the community maintain their historic roles in that regard while combining their efforts for enhanced accomplishment in the area of economic development; and

WHEREAS, the parties agree that the goals of the City and the implementation of the recently adopted economic development plan can best be accomplished through cooperation of the parties as outlined herein:

NOW, THEREFORE, in consideration of the covenants and conditions stated herein, and in consideration of the mutual benefits which will accrue to each of the parties hereto, as well as to the public good of all the citizens of Kewanee, the parties have agreed and do hereby agree as follows:

1. THE CHAMBER WILL:

A. Provide qualified and competent staff and volunteers to assist with the development and implementation of the City's Business Retention and Expansion Program, the development and dissemination of marketing materials to assist in the recruitment of new businesses and the promotion of economic development programs, including but not limited to the gathering and dissemination of information, research, promotional programs, and publications to individuals and business prospects wishing to locate in Kewanee.

B. Indemnify the City and hold it harmless from any and all claims, suits, demands and causes of action resulting from the acts or failure to act of any agent, servant or employee of the Chamber, or any other person pursuant to this Agreement. Be responsible for the operation of the programs carried out under the terms of this agreement. The Chamber Director or the Chamber's designate shall be responsible for the day-to-day operations of economic development activities and the general supervision and management of the business affairs under this Agreement.

C. Provide a semi-annual report and presentation to the City showing the activity of the Chamber hereunder in support of the City's Economic Development efforts. The report need not be lengthy, but should be specific as to the tasks accomplished.

D. Operate additional programs hereunder for the general public good and for the promotion of business, industry and trade within the City as has traditionally been the Chamber's role, including but not limited to the



annual Independence Day Fireworks Display, cleanup of the downtown area, and assistance with or provision of special events and festivals.

THE CITY WILL compensate the Chamber for services rendered pursuant to this Agreement in the sum of \$8,640, such funds to be expended only under the terms, conditions and restrictions and for the purposes specifically set forth in this agreement. Payments shall be conditioned upon the City's timely receipt of these reports of the Chamber set forth above.

THE CITY AND CHAMBER JOINTLY AGREE:

A. That all persons working for the Chamber under this Agreement shall be employees of the Chamber or volunteers, subject to its exclusive management and control, and shall in no way be considered employees of the City; and that any liability which might arise under the Worker's Compensation Law of the State of Illinois due to any injury of any employee or volunteer of the Chamber shall be the sole liability of the Chamber.

B. That this contract is not assignable.

C. That this Agreement shall continue in force and the payments hereunder shall continue until either a new agreement is approved or until the City Council votes to terminate the existing agreement. Payments shall not terminate nor services cease without 90 days notice to the other party.

WITNESS OUR HANDS THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.

THE CITY OF KEWANEE, ILLINOIS  
A MUNICIPAL CORPORATION

BY \_\_\_\_\_  
Gary Bradley, City Manager

KEWANEE CHAMBER OF COMMERCE  
A NON-PROFIT CORPORATION

BY \_\_\_\_\_  
Mark Mikenas, Executive Vice President

 <b>CITY OF KEWANEE CITY COUNCIL AGENDA ITEM</b>		
<b>MEETING DATE</b>	August 22, 2016	
<b>RESOLUTION OR ORDINANCE NUMBER</b>	Discussion Only	
<b>AGENDA TITLE</b>	Discussion of a proposed Travel Policy	
<b>REQUESTING DEPARTMENT</b>	Leadership Team	
<b>PRESENTER</b>	Jim Dison, Chief	
<b>FISCAL INFORMATION</b>	Cost as recommended:	TBD
	Budget Line Item:	Varied
	Balance Available	N/A
	New Appropriation Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>PURPOSE</b>	To provide eligible expense guidelines for City employees, appointed officials, and elected officials who conduct official business, represent the City at conferences or conventions, or attend training courses or seminars and/or business-related meetings, and any other reason for travel not listed or inclusive in the above for good cause and as approved in advance by the City Manager or his designee	
<b>BACKGROUND</b>	The Illinois General Assembly recently passed Public Act 099-0604, entitled the Local Government Travel Expense Control Act. The Act had minimum requirements necessary in a local government travel policy.	
<b>SPECIAL NOTES</b>	N/A	

<b>ANALYSIS</b>	<p>The City's current travel policy is included in the Administrative Code, but does not meet all of the criteria required in the Public Act. The Public Act is effective as of January 1, 2017. Staff took a proactive approach and drafted this proposal to incorporate the requirements of the Public Act, as well as taking the opportunity to update other parts of the existing policy.</p> <p>A Summary of the Public Act requirements includes:</p> <ol style="list-style-type: none"> <li>1. Adoption of a local expense reimbursement policy, including, at minimum, types of official business for which travel, meal and lodging expenses are allowed; the maximum allowable reimbursement for travel, meal and lodging expenses and a standardized form for submission of expenses.</li> <li>2. The new law requires local governments to formally approve any expense that exceeds the maximum allowed under the local policy by roll call vote of the corporate authorities.</li> <li>3. Prohibition of Entertainment Expenses, unless the event is ancillary to the purpose of the program or event.</li> </ol>
<b>PUBLIC INFORMATION PROCESS</b>	N/A
<b>BOARD OR COMMISSION RECOMMENDATION</b>	N/A
<b>STAFF RECOMMENDATION</b>	Staff is seeking feedback from the Council on the content of this proposed policy.
<b>REFERENCE DOCUMENTS ATTACHED</b>	Proposed Travel Policy, Public Act 099-0604

CITY OF KEWANEE  
TRAVEL AND BUSINESS EXPENSE POLICY

The City of Kewanee provides reimbursement for eligible expenses incurred by City employees, appointed officials, and elected officials while traveling on City business. The City maintains an accountable plan for travel expenses and reimbursements in accordance with IRS regulations and Illinois Law. Documentation for all expenses except certain defined items is required.

**PURPOSE**

To provide eligible expense guidelines for City employees, appointed officials, and elected officials who conduct official business, represent the City at conferences or conventions, or attend training courses or seminars and/or business-related meetings, and any other reason for travel not listed or inclusive in the above for good cause and as approved in advance by the City Manager or his designee.

**AUTHORITY FOR TRAVEL**

All travel must have sufficient budget appropriation and advance Department head approval.

**ALLOWABLE TRAVEL AND BUSINESS EXPENSES**

The maximum allowable reimbursement for travel, meal and lodging expenses shall be \$2500. Submitted expenses exceeding \$2500 shall require a roll call vote of approval by the City Council. The City will not reimburse expenses for the following:

- Shows
- Amusements
- Theaters
- Circuses
- Sporting Events
- Any other place of public or private entertainment or amusement unless ancillary to the purpose of the program or event being attended.

The following types of expenses are normally approved for reimbursement:

1. Registrations fees for meetings, seminars, or conventions. Documentation is required, including agenda if available.
2. Special luncheons and banquets that are included as part of the conference, but charged separately. Documentation is required, including agenda if possible.
3. Transportation. The most economical mode of transportation shall be selected. Criteria to be considered include the length of trip, travel time and cost. Allowable transportation expenses may include:
  - a. City vehicle. Actual expenses for gas, oil, repairs, and other operating expenses will be reimbursed upon presentation of receipts.
  - b. Personal vehicle when a City vehicle is not available. Mileage reimbursement shall be in accordance with IRS guidelines. Employees must submit actual beginning and ending odometer readings to substantiate mileage. Employees must present proof of automobile liability insurance prior to use of their vehicle. Alternately, mileage may be substantiated by printing and attaching to the expense requisition the most direct route mileage calculated using an internet mapping service. Reimbursement will not exceed what is the most economical considering factors such as airfare, car rental, number of people traveling, mileage for local travel, etc.
  - c. In situations where an employee desires to use their personal vehicle and a department or pool vehicle is available; the City will reimburse at 50% of IRS guidelines.
  - d. Air travel. Air travel shall be at the lowest available fare, and, if possible, planned in advance to take advantage of the most economical rate. Receipts are required.
  - e. Other travel. Rental of automobiles, taxis, or public transportation are reimbursed at cost with verification of receipts.
  - f. Expenses related to a traveling spouse or guests are not eligible for reimbursement by the City.
4. Lodging. Reimbursement shall be for actual expenses incurred and that are

attributed to the employee or official only.

- a. Lodging expenses are not allowable when the place of travel is less than 50 miles from the City of Kewanee unless exigent circumstances or dangerous weather would cause an unexpected stay.
- c. Fees for pay television, movie rentals, fitness rooms, in-room mini-bars, and other such items are ineligible for reimbursement.

### **MEALS**

Meals are reimbursable for actual cost. Tips are reimbursable up to a maximum of 20% of the bill. Any tip(s) in excess of 20% is not reimbursable by the City. The City shall not reimburse for any alcoholic beverages.

The time of departure from Kewanee or from the destination determines the meals eligible for reimbursement, according to the following schedule:

<u>Depart from Kewanee</u>	<u>Depart from Destination</u>	<u>Allowed</u>
Before 7:00 a.m.	Before 7:00 a.m.	Breakfast
Between 11 a.m. and 12 noon	Between 11 a.m. and 12 noon	Lunch
After 5 p.m.	After 5 p.m.	Dinner

Reimbursements may not be claimed for meals included in conference or seminar registration fees paid by the City.

### **OTHER EXPENSES**

Other expenses related to the approved travel, such as tolls, parking fees, taxicab, fax, office supplies, courier services, or business-related telephone calls are allowed. Itemized receipts are required.

### **CREDIT CARDS**

Employees are encouraged to use a City credit card when one is available.

Employees may elect to use their personal credit cards to charge City Travel expenses.

Reimbursements shall be made in accordance with the provisions set forth in this policy and only with itemized receipts.

### **TRAVEL ADVANCES**

Travel advances are discouraged. An advance check may be issued if training or conference is more than three days, regardless of location. Itemized receipts and balance of advance shall be returned to the Finance Department within five business days of returning from the trip.

### **TRAVEL REQUEST**

Travel requests shall be submitted for any travel that will require overnight lodging for one or more nights. Such requests shall be submitted to the Department head for approval. The Department head will forward the approved request to the Finance Department for a trip number assignment. Travel that will be out-of-state and require lodging will also require the approval of the City Manager.

### **EXPENSE REPORT**

Employees must submit an itemized expense report to the Department Head within 5 business days following the return from travel. The expense report must include all information and receipts to support each expense.

### **FAILURE TO COMPLY**

Failure to comply with this policy will result in a lack of reimbursement and may result in loss of travel privileges.

### **FRAUD**

Employees who intentionally perform a fraudulent act with respect to falsifying business expenses shall be subject to disciplinary action up to and including dismissal. Specific examples of fraudulence include a) Credit card abuse; b) travel expense falsification, including duplication.

### **EXCEPTIONS**

Exceptions to this policy may be granted by the City Manager for cause and with reasonable advance notice.

AGREEMENT FOR TECHNICAL SERVICES AND ASSISTANCE  
BY AND BETWEEN  
THE CITY OF KEWANEE AND HENRY COUNTY, ILLINOIS  
AND  
ECONOMIC DEVELOPMENT RESOURCES, L.L.C.

THIS AGREEMENT, entered into this \_\_\_\_ day of \_\_\_\_\_, 2016 by and between the City of Kewanee and Henry County, Illinois, and Economic Development Resources, L.L.C. ("EDR"); and,

WHEREAS, the Cities of Kewanee and Galva, Illinois, the Villages of Atkinson, Annawan, Cambridge, Carbon Cliff, Orion and Woodhull, Illinois, and Henry County, Illinois (collectively, the "Joint Applicants"), have need of assistance in the completion of the Application for New Enterprise Zone Designation (the "Application") in the 2016 round, pursuant to the Illinois Enterprise Zone Act (the "Act"), as amended; and,

WHEREAS, EDR is duly experienced in providing such assistance;

NOW, THEREFORE, the City of Kewanee, Henry County, and EDR, for the considerations and under the conditions hereinafter set forth, do mutually agree as follows:

## **SCOPE OF SERVICES**

These Services will be performed by EDR in order to complete the Application in certain portions of the Cities of Kewanee and Galva, the Villages of Atkinson, Annawan, Cambridge, Carbon Cliff, Orion and Woodhull, and unincorporated Henry County.

### **TASK I:      Boundary Determinations**

In this Task, EDR will work with the Joint Applicants to determine both the boundary of the area proposed to be designated as an Enterprise Zone (the "Zone"), and the boundary of the Local Labor Market Area (the "LLMA").

#### **A. Zone Boundary**

1. EDR will meet with the Joint Applicants to discuss the Enterprise Zone program, review the boundary of the existing Enterprise Zone, and discuss the boundary proposed for the Zone (including properties which may be added to, or deleted from, the existing Enterprise Zone).
2. EDR will digitize the boundary proposed for the Zone to identify its specific boundaries and determine its size, relative to the maximum square mile limitation set by the Act.
3. EDR will review the boundary of the Zone with the Joint Applicants, and the Joint Applicants will finalize the boundary.



## **B. LLMA Boundary**

The LLMA is the geographic area from which various data (including but not limited to employment, unemployment, building vacancy, assessed value, availability and condition of infrastructure) required to complete the Application will be collected.

1. EDR will meet with the Joint Applicants to discuss the boundary proposed for the LLMA.
2. EDR will discuss the proposed LLMA boundary with representatives of the Illinois Department of Employment Security (“IDES”) in order to assist in identifying a boundary which meets the requirements of the Act and Part 520.100 et seq. of the Joint Committee on Administrative Rules Administrative Code (the “Rules”).
3. The Joint Applicants and EDR will review IDES’ suggestions concerning the LLMA boundary, and will make a determination of the boundary.
4. EDR will then digitize the LLMA boundary to match it to census tracts, as required by the Rules.
5. EDR and the Joint Applicants will review the digitized boundary of the LLMA, and the Joint Applicants will finalize the boundary.

## **TASK II:     The Application**

In this Task, EDR will complete the Application, involving researching the data and writing the narratives needed to address the 10 Eligibility Criteria within the Application, and guide the Joint Applicants through the administrative steps required to complete the Application and file this document with the Department of Commerce and Economic Opportunity (“DCEO”).

### **A. Eligibility Criteria**

1. Unemployment
  - a) EDR will research unemployment rates within the LLMA (as defined in Task A), and compare these rates to the State’s averages.
2. Employment Opportunities
  - a) The City of Kewanee will provide records of historical annual Enterprise Zone investment from the existing Kewanee Enterprise Zone for the last 15 years (2001-2016), including business name, total aggregate investment, and full-time equivalent jobs created or retained, for each business which has received enterprise zone incentive(s) during that time period.
  - b) EDR will calculate the projected number of full-time equivalent jobs created, and retained, as well as the aggregate investment in the Zone, within 15 years from the expected date of designation of the Zone.

- c) The Joint Applicants may obtain written documentation from businesses in the Zone committing to create, or retain, full-time equivalent jobs and declaring an estimated amount of investment. EDR will provide a draft letter to use with such businesses.
- d) EDR will provide a narrative addressing how the designation of the Zone and projections identified in 2 a) and b) will result in the alleviation of the effects of poverty and unemployment within the LLMA.

### 3. Poverty

- a) EDR will determine the poverty rate of the LLMA.
- b) EDR will calculate the number and percentage of children in the LLMA that are eligible for free/reduced price school lunches.
- c) EDR will identify the number and percentage of households in the LLMA that receive SNAP benefits.

### 4. Abandoned Coal Mine, Brownfield or Federal Disaster Area

- a) EDR will identify the presence of, and the severity of, abandoned coal mines, brownfields and federal disaster areas within the Zone boundary.

### 5. Large Scale Business Closings

- a) EDR will determine the number of plant closures, and workers affected by such closures, in the LLMA within 10 years prior to the date of the Application.
- b) EDR will determine the number of State or federal facility closures in the LLMA within the five years prior to the date of the Application.

### 6. Vacant Structures

- a) EDR will identify the total number of industrial and commercial parcels and properties within the LLMA, and the extent and severity of vacancy, or deterioration, of such parcels and properties.
- b) EDR may include information provided by third party sources, and DCEO, in its narrative pertaining to vacant structures.

### 7. Tax Base Improvement Plan

- a) EDR will create a plan to demonstrate how designation of the Zone will improve the State and local government tax bases (such taxes include, but are not limited to, state and local sales taxes, property tax, and State income tax).

## 8. Public Infrastructure Improvement Plan

- a) The Joint Applicants will provide an inventory of all “public infrastructure” (as that term is defined in the Rules) within the LLMA as of the date of the Application.
- b) EDR will write a summary report regarding the existing public infrastructure inventory.
- c) EDR will meet with the Joint Applicants to identify and discuss public infrastructure projects to be completed in the next three years, from the date of the Application.
- d) For each of the Applicants, EDR will write a three year public infrastructure improvement and development plan (including by not limited to: capital improvements projects; financing of such improvements; timetable for initiation and completion of the improvements; justification for such improvements).

## 9. Career Skills Programs

- a) EDR will compile an inventory of all high schools and community colleges within the LLMA.
- b) EDR will research and document, for the current school year, each such institution’s participation in career skills programs, including ACT Work Keys, Manufacturing Skills Standard Certification, or other industry-based credentials that prepare students for careers.
- c) EDR will determine the percentage of high school and community colleges that are engaged in such programs.

## 10. Equalized Assessed Valuation

- a) The Joint Applicants will provide EDR with GIS shapefile data for all parcels within the LLMA.
- b) EDR will research and compare the change in the annual equalized assessed values (for commercial and/or industrial properties) within the LLMA to the State’s average change of such values for a period of five years prior to the Application.

## **B. Additional Application Components**

### 1. Economic Development in the Zone

- a) EDR will meet with the Joint Applicants to discuss the Joint Applicants’ goals and objectives for economic development within the Zone.
- b) EDR will create the statement setting forth these goals and objectives, including specific three-year development goals and objectives of the Zone, and a Zone

implementation plan describing specific tasks, activities and commitments that must be accomplished to achieve each three year objective.

- c) EDR will meet with the Joint Applicants to review this statement, and revise the statement as required.

## 2. Local Incentives and Programs

- a) EDR will identify non-municipal (public or private) incentives, programs, special activities or commitments that will be offered in the Zone; including, for each, a description, how it will be implemented, who will provide it, the estimated impact on revenue of the local government, any special qualifications or conditions imposed on its applicability, period of availability and effective date provided.
- b) EDR will write the draft Resolution authorizing property tax abatement, to be signed by the affected taxing districts, and submit it to the Joint Applicants for review.

## 3. Role of the Designated Zone Organization (“DZO”)

- a) EDR and the Joint Applicants will meet to discuss the designation of one, or more DZOs, and outline the role(s) (including functions, programs and services to be performed or provided) of the DZO.
- b) EDR will prepare the statement concerning this issue.

## 4. Municipality or County Incentives

- a) EDR will work with the Joint Applicants to identify, and provide detail concerning, any tax, grant, and other financial incentives or benefits, and any programs, to be provided by the Joint Applicants to business enterprises within the Zone, other than those provided in the Ordinance designating the Zone, which are not provided throughout the individual jurisdictions comprising the Joint Applicants.

## 5. Economic Impact of the Zone

- a) EDR will develop an estimate of the economic impact of the Zone upon the revenues of each of the Joint Applicants, considering all of the tax incentives, financial benefits and programs contemplated.

## 6. Management Structure of the Zone

- a) EDR will work with the Joint Applicants to determine the management structure of the Zone, and EDR will write the statement describing this structure.

## 7. Draft Designating Ordinance for Joint Applicants

- a) EDR will write the draft Designating Ordinance for the designation of the Zone and submit the draft Ordinance to the Joint Applicants for review; the Joint Applicants will determine the tax incentives and tax benefits to be provided in the Zone.
- b) EDR will make revisions to the draft Ordinance, as directed by the Joint Applicants.

## 8. Joint Applicant Information

- a) EDR will write the statement detailing the need for the Zone to cover portions of more than one municipality or county, and a description of the agreement between the Joint Applicants.

## 9. Intergovernmental Agreement for Joint Applicants

- a) EDR will write the draft Intergovernmental Agreement to be signed and approved by all Joint Applicants and submit it to the Joint Applicants for review; this document will include the following components:
  - i. the duration of the Zone;
  - ii. a description of the Zone;
  - iii. the provisions for the tax incentives, programs and other benefits to be offered;
  - iv. a provision for the position of Zone Administrator and a description of the responsibilities of the position and the selection process;
  - v. a management structure for the operation of the Zone; and,
  - vi. the methods of selecting DZOs and coordinating their activities with each designating unit of government.
- b) EDR will make revisions to the draft Intergovernmental Agreement, as directed by the Joint Applicants.

## 10. Boundary Map

- a) EDR will create the map of the Zone that identifies the Zone's boundaries (indicating any territories located within an existing Enterprise Zone) and provides names of streets and highways. EDR will then provide these data to the Joint Applicants as ESRI ArcGIS shapefiles.

## 11. Statement Concerning Local Labor Market Area

- a) Using information from the meeting with IDES, as well as data on commuting patterns, public transportation, employment patterns and other information as may be required, EDR will write the statement demonstrating that the LLMA is appropriate for the Zone and meets the requirements for a local labor market area as found in the Act (including, but not limited to data demonstrating that individuals can reside and find employment within a reasonable distance or can readily change jobs without changing their place of residence).

## 12. Additional Materials

- a) The Joint Applicants will provide: the legal description of the boundary of the Zone; the transcript of the Public Hearing(s), a copy(ies) of the Notice of Public Hearing, and certified copies of the Designating Ordinance and the Intergovernmental Agreement.

### **C. The Public Hearing**

#### 1. Notice of Public Hearing

- a) EDR will write a draft Notice of Public Hearing and submit the draft Notice to the Joint Applicants for review.
- b) EDR will make revisions to the Notice of Public Hearing, as directed by the Joint Applicants.
- c) The Joint Applicants will publish the Notice of Public Hearing in a newspaper of general circulation within the Zone.

#### 2. Public Hearing

- a) EDR will conduct the Public Hearing.

#### 3. Transcript of Public Hearing

- a) The Joint Applicants will retain a court reporter to record and transcribe the Public Hearing for use in the Application.

### **D. Submittal to DCEO**

1. EDR will compile the Application materials (including all narratives, maps, and base data sets) and provide the Application to the Joint Applicants for review.
2. EDR will make revisions to the Application, as directed by the Joint Applicants.
3. The Joint Applicants will provide EDR with electronic copies of all signed documents (including notices, transcript, resolutions, designating ordinance and intergovernmental agreement).
4. EDR will compile all materials for the Application and upload the complete Application to the DCEO website.

**TASK III: DCEO Application Review and Decisions**

Following the December 31, 2016 deadline, DCEO is instructed, by law, to begin reviewing all applications and assigning scores to the applications' eligibility criteria. After June 30, 2017, the Illinois Enterprise Zone Board is instructed by law to review such scores and other documentation prepared by DCEO in order to make decisions regarding approval of the applications.

**A. Materials**

1. After December 31, 2016, EDR will assist the Joint Applicants in preparing any additional information pertaining to the Application as may be requested by DCEO.

**B. Meetings**

1. EDR will attend all public meetings of the Illinois Enterprise Zone Board relating to the review, scoring and decision making pertaining to the Application, and inform the Joint Applicants of the activities at such meetings.

**FEE**

The Fee for the completion of all the Tasks is \$62,500 plus actual out of pocket expenses incurred by EDR. Payment of the Fee will be made in accordance with the following schedule:

Upon signing of this Agreement .....	\$2,500
60 days from signing the Agreement .....	\$30,000
120 days from signing the Agreement.....	\$25,000
Following uploading of the complete application to DCEO.....	\$5,000

Actual out of pocket expenses will consist of actual costs incurred by EDR for printing, delivery, travel, long distance telephone charges and any other similar expenses required to provide the above Scope of Services. Such expenses will be billed monthly to the City of Kewanee and Henry County at their direct and actual cost to EDR.

Payment of the fee due and reimbursable expenses will be made by the City of Kewanee and Henry County to EDR within 30 days of the receipt of the invoice concerning these items. Unpaid invoices will accrue interest of 1.5% per month until paid.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this \_\_\_\_ day of \_\_\_\_\_, 2016.

ATTEST:

CITY OF KEWANEE, ILLINOIS

\_\_\_\_\_

\_\_\_\_\_  
Steve Looney  
Mayor

ATTEST:

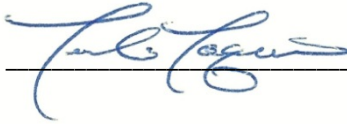
HENRY COUNTY, ILLINOIS


\_\_\_\_\_

\_\_\_\_\_  
Roger Gradert  
Board Chairman

ATTEST:

ECONOMIC DEVELOPMENT RESOURCES L.L.C.

  
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\_\_\_\_\_  
Eugene Norber  
President