

ORDINANCE NO. 2021-10

CITY OF STREATOR, ILLINOIS
AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A TAX
INCREMENT FINANCING DISTRICT REDEVELOPMENT AGREEMENT BY AND
BETWEEN THE CITY OF STREATOR
AND
EDGE PROPERTY MANAGEMENT, LLC SERIES IV
STREATOR TIF DISTRICT II

BE IT ORDAINED BY THE CITY OF STREATOR THAT:

SECTION ONE: The TIF Redevelopment Agreement with Edge Property Management, LLC Series IV, Developer, (Exhibit A attached) is hereby approved.

SECTION TWO: The City Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Redevelopment Agreement and the City Clerk of the City of Streator is hereby authorized and directed to attest such execution.

SECTION THREE: The Redevelopment Agreement shall be effective the date of its approval on the 16th day of June, 2021.

SECTION FOUR: This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PASSED, APPROVED AND ADOPTED by the City Corporate Authorities of the City of Streator this 16th day of June, 2021.

	AYE	NAY	ABSTAIN / ABSENT
Brian Crouch	X		
Joe Scarbeary	X		
Tara Bedei, Mayor Pro Tem	X		
Matt McMullen			X Absent
Jimmie Lansford, Mayor			X Absent
TOTAL VOTES:	3		

APPROVED:

Tara L. Bedei
Mayor Pro

Date: 6 / 21 / 2021

ATTEST:

Fatima S. Henderson
City Clerk

Date: 6 / 21 / 2021

EXHIBIT A: Edge Property Management, LLC Series IV Redevelopment Agreement

**STREATOR
TAX INCREMENT FINANCING
(TIF) DISTRICT II**

TIF REDEVELOPMENT AGREEMENT

by and between

THE CITY OF STREATOR, LASALLE COUNTY, ILLINOIS

and

EDGE PROPERTY MANAGEMENT, LLC SERIES IV

JUNE 16, 2021

REDEVELOPMENT AGREEMENT
by and between
CITY OF STREATOR
STREATOR TIF DISTRICT II
and
EDGE PROPERTY MANAGEMENT, LLC SERIES IV

THIS AGREEMENT (including *all Exhibits*) is entered into this 16th day of June, 2021, by the City of Streator ("City"), an Illinois Municipal Corporation, LaSalle County, Illinois; and Edge Property Management, LLC Series IV, an Illinois Limited Liability Company, (collectively, the "Developer").

PREAMBLE

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

WHEREAS, pursuant to 65 ILCS 5/8-1-2.5 a municipality may expend funds for economic development purposes to commercial enterprises that are necessary or desirable for the promotion of economic development within the municipality; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.*, as amended (the "Act"), the City has the authority to provide incentives to owners or prospective owners of real property to develop, redevelop, and rehabilitate such property by reimbursing the owner for certain costs from resulting increases in real estate tax revenues and enter into contracts with developers necessary or incidental to the implementation of its redevelopment plan pursuant to 65 ILCS 5/11-74.4-4(b) and (j); and

WHEREAS, on October 18, 2006, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or undeveloped, the City approved a Redevelopment Plan, designated a Redevelopment Project Area and adopted Tax Increment Financing pursuant to the Act, known as the **Streator Tax Increment Financing District II** (the "TIF District"); and

WHEREAS, included in the Redevelopment Project Area is property owned by the Developer and located at 200-202 E. Main Street, Streator, Illinois (the "Property"); and

WHEREAS, the Developer is proceeding with plans to rehabilitate and renovate the former bank building located on the Property in order to open and operate a restaurant to be known as Gaetano's Vault to be located therein (the "Project"); and

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

WHEREAS, the Developer's Project is consistent with the land uses of the City as adopted; and

WHEREAS, the City has the authority under the Act to incur Redevelopment Project Costs ("Eligible Project Costs") pursuant to 65 ILCS 11-74.4-3(q) and to reimburse Developer for such costs pursuant to 65 ILCS 11-74.4-4(j); and

WHEREAS, the City has determined that this Developer's Project requires the incentives requested herein and that said Developer's Project would, as part of the Plan, promote the health, safety and welfare of the City and its citizens by attracting private investment to prevent blight and deterioration and to provide employment for its citizens and generally to enhance the economy of the City; and

WHEREAS, the City and the Developer (the "Parties") have agreed that the City shall provide a grant to the Developer for reimbursement of the Developer's Eligible Project Costs (*Exhibit 1*) in a one-time, lump-sum reimbursement amount not to exceed **Thirty Thousand Dollars (\$30,000.00)** to be paid from the Streator TIF District II Special Tax Allocation Fund as specified below in *Section C, Incentives*; and

WHEREAS, in consideration of the execution of this Agreement, the Developer has proceeded with the Project as set forth herein; and

WHEREAS, the City is entering into this Agreement having encouraged and induced the Developer to complete 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 City is extending incentives for the Developer's Project in anticipation of the expected completion of the Developer's Project as set forth herein.
4. Each of the Parties represents that it has taken all actions necessary to authorize its representatives to execute this Agreement.
5. In consideration for the Incentives offered below by the City, the Developer commits to make the following improvements and take the requisite actions to complete any commitment herein:
 - a. Developer agrees to complete the Project within twelve (12) months following the date of

execution of this Agreement; and

B. ADOPTION OF TAX INCREMENT FINANCING

The City has created a Tax Increment Financing District, currently known as “**Streator TIF District II**” which includes the Developer’s Property. The City has previously assisted certain Redevelopment Projects through TIF incentives, similar to the incentives provided herein for this Developer’s Project.

C. INCENTIVES

In consideration for the Developer completing its Project as set forth herein, the City agrees to extend to Developer the following incentives to assist Developer’s Project:

1. The City shall provide a one-time, lump-sum grant to the Developer as reimbursement of the Developer’s TIF eligible project costs as herein described in *Exhibit 1* and in an amount not to exceed **Thirty Thousand Dollars (\$30,000.00)**, provided such TIF eligible project costs are incurred by the Developer in calendar year 2021. Such reimbursement for TIF eligible project costs is to be paid from the Streator TIF District II Special Tax Allocation Fund pursuant to *Section E, “Payment of Eligible Project Costs.”*

D. LIMITATION OF INCENTIVES TO DEVELOPER

The Developer’s reimbursement shall not exceed **\$30,000.00** and shall only be reimbursed for the Developer’s TIF eligible project costs incurred by the Developer during calendar year 2021 and as herein described in *Exhibit 1*.

E. PAYMENT OF ELIGIBLE PROJECT COSTS

1. A request for payment to the Developer for Eligible Project Costs as set forth by the Act, shall be made by a Requisition for Payment of Private Development Redevelopment Costs (see *Exhibit 2*, Requisition for Verification of TIF Eligible Project Costs) in an amount not to exceed **Thirty Thousand Dollars (\$30,000.00)** as submitted by the Developer to the City’s TIF Administrator, Jacob & Klein, Ltd. and The Economic Development Group, Ltd., (collectively the “Administrator”).
2. The Requisition must be accompanied by verified bills and invoices, cancelled checks or statements of suppliers, contractors, or professionals together with Mechanic’s Lien Waivers as required by the City’s Administrator or Clerk.
3. The Requisition and documentation of TIF Eligible Project Costs as described in Paragraph 2 above **must be submitted by the Developer within twelve (12) months from the date such costs are incurred by the Developer** to be eligible for reimbursements.
4. The Administrator shall approve or disapprove the Requisition by written receipt to the Developer within thirty (30) business days after receipt of the Requisition. Approval of the Requisition will not be unreasonably withheld. If the Requisition is disapproved by the Administrator, the reasons

for disallowance will be set forth in writing and the Developer may resubmit the Requisition with such additional information as may be required and the same procedures set forth herein shall apply to such re-submittals.

5. The Parties acknowledge that the determination of Eligible Project Costs, and, therefore, qualification for reimbursement hereunder are subject to changes or interpretation made by amendments to the Act, administrative rules or judicial interpretation during the term of this Agreement.

F. LIMITED OBLIGATION

The City's obligation hereunder is to pay Developer for Eligible Project Costs limited to **Thirty Thousand Dollars (\$30,000.00)** as set forth above. 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.

G. DEFAULT; CURE; REMEDIES

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

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

H. 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.

I. 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.

J. 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 of Streator
City Clerk
204 South Bloomington Street
Streator, Illinois 61364
Ph: (815) 672-2517

TO DEVELOPER

Edge Property Management, LLC
c/o Richard Wilkinson
9 Memory Lane
Streator, Illinois 61364
Ph: (309) 261-9594

With copy to Administrator:
Jacob & Klein, Ltd.
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Ph: (309) 664-7777

K. 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.

L. INDEMNIFICATION OF CITY

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

M. AMENDMENTS TO THIS AGREEMENT

The Parties hereto may amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the Parties.

N. TERM OF THE AGREEMENT

This Agreement shall expire following payment by the City to the Developer for the one-time, lump-sum reimbursement of TIF Funds per *Section C*.

O. ASSIGNMENTS

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

P. 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.

[the remainder of this page is intentionally blank]

EXHIBIT 1

SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS

EDGE PROPERTY MANAGEMENT, LLC SERIES IV

Streator TIF District II
City of Streator, LaSalle County, Illinois

Project Description: Developer is proceeding with plans to renovate and rehabilitate the former bank building located on the Property in order to open and operate a restaurant to be known as Gaetano's Vault.

Street Location: 200-202 E. Main St. Streator, Illinois

Estimated Eligible Project Costs:

Rehabilitation and Renovation	\$80,000.00
Total Estimated TIF Eligible Project Costs¹	<u>\$80,000.00</u>

¹ Although the Developer's TIF Eligible Project Costs may exceed \$30,000.00, the City's reimbursement to the Developer shall not exceed \$30,000.00 pursuant to the terms and condition contained herein.

EXHIBIT 2

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

PRIVATE PROJECT REQUEST FOR VERIFICATION OF TIF ELIGIBLE PROJECT COSTS BY EDGE PROPERTY MANAGEMENT, LLC SERIES IV

Date _____

Attention: City TIF Administrator, City of Streator, Illinois

Re: TIF Redevelopment Agreement, dated June 16, 2021
by and between the City of Streator, Illinois, and
Edge Property Management, LLC (the "Developer")

The City of Streator is hereby requested to disburse funds from the Special Tax Allocation Fund pursuant to the Redevelopment Agreement described above in the following amount(s), to Edge Property Management, LLC 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: Edge Property Management, LLC
3. AMOUNTS REQUESTED TO BE DISBURSED:

Description of TIF Eligible Project Cost	Amount
Total	

4. The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to reimburse the Developer for Redevelopment Project Costs for the Project detailed in *Exhibit "I"* of the Redevelopment Agreement.
5. The undersigned certifies and swears under oath that the following statements are true and correct:
- (i) the amounts included in (3) above were made, incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect; and
 - (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represent a part of the funds due and payable for TIF Eligible Redevelopment Project Costs; and
 - (iii) the expenditures for which amounts are requested represent proper Redevelopment Project Costs as identified in the "Limitation of Incentives to Developer" described in *Section "D"* of the Redevelopment Agreement; have not been included in any previous Request for Reimbursement; have been properly recorded on the Developer's books; are set forth with invoices attached for all sums for which reimbursement is requested; and proof of payment of the invoices is attached; and
 - (iv) the amounts requested are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for Redevelopment Project Costs; and
 - (v) the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.

Any violation of this oath shall constitute a default of the Redevelopment Agreement and shall be cause for the 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: Arthur J. White (Developer)

TITLE: President EDGE PROPERTY MANAGEMENT LLC

APPROVED BY CITY OF STREATOR, ILLINOIS

BY: Tara L. Beden

TITLE: Mayor Pro Tem DATE: 6/21/2021

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

BY: _____

TITLE: _____ DATE: _____

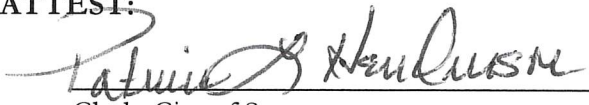
IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Streator, Illinois.

CITY

CITY OF STREATOR, an Illinois Municipal Corporation:

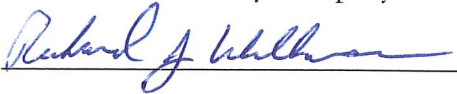
BY: 
Mayor Pro Tem, City of Streator

ATTEST:


Clerk, City of Streator

DEVELOPER

EDGE PROPERTY MANAGEMENT, LLC,
an Illinois Limited Liability Company:

BY: 

PRINTED NAME: Richard J. Wilkins

TITLE: Member

EXHIBITS ARE ATTACHED AS FOLLOWS:

Exhibit 1. Summary of Estimated TIF Eligible Project Costs

Exhibit 2. Private Project Request for Reimbursement