

**CITY OF LOVES PARK
AGENDA
FINANCE & ADMINISTRATION COMMITTEE
MONDAY, OCTOBER 25, 2021 – 5:40 P.M.
CITY COUNCIL CHAMBERS
100 HEART BLVD.**

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

4. ITEMS FOR CONSIDERATION

- A. Resolution authorizing the city's employee health insurance plan with Northern Illinois Health Plan for one year, effective December 1, 2021.
- B. Resolution authorizing the Mayor to file the HIPAA Exemption Election letter for the city's group health plan.
- C. Resolution authorizing an amendment to the City of Loves Park Comprehensive Group Health Plan to exclude pregnancy benefits for dependent children.
- D. Resolution authorizing the City of Loves Park to enter into a redevelopment agreement with David Champion, relating to the property located at 5440 North Second Street.
- E. Resolution authorizing the City of Loves Park to enter into a redevelopment agreement with Rocket Group, LLC, relating to the property located at 5919 North Second Street.

5. LIST OF BILLS

6. GENERAL DISCUSSION/PUBLIC COMMENT

Anyone wishing to speak at the Finance Committee meeting shall contact the Mayor's office by 4:00 p.m. the day of the scheduled meeting at 815-654-5030.

7. ADJOURN

FINANCE AND ADMINISTRATION COMMITTEE
MEETING MINUTES
CITY HALL COUNCIL CHAMBERS

DATE OF MEETING: October 18, 2021

CALLED TO ORDER: 5:40 P.M.

MEMBERS PRESENT: Aldermen John Jacobson, Mark Peterson, John Pruitt, Jim Puckett

ALSO PRESENT: Attorney Gino Galluzzo, Aldermen A. Marie Holmes, Robert Schlensker, Doug Allton, Dan Jacobson, James Thompson, Police Chief Chuck Lynde, Chief Wiltfang

MINUTES APPROVAL: October 11, 2021

Alderman Peterson moved to approve minutes. Second by Alderman Pruitt.
Motion carried. 4 Ayes – 0 Nays

ITEMS FOR CONSIDERATION

1. List of Bills: No questions or concerns.
2. Items for consideration.
 - A. Resolution authorizing the Mayor to hire Sandra Wolfe for the position of Secretary in the Mayor's office, at a salary of \$44,105.00 per year effective October 19, 2021.

Alderman Peterson moved to approve. Second by Alderman Pruitt.
Motion carried. 4 Ayes – 0 Nays

3. General Discussion.

4. Adjournment.

Alderman Peterson moved for adjournment. Second by Alderman Pruitt.
Motion carried. 4 Ayes – 0 Nays

Adjournment: 5:43 P.M.

RESPECTFULLY SUBMITTED: ALDERMAN JOHN JACOBSON OF THE FINANCE COMMITTEE

CITY OF LOVES PARK

BY ALDERMAN

RESOLUTION NO.

DATE: October 25, 2021

DEPARTMENT: City Clerk's Office

RESOLVED, that by the adoption of this resolution,

The City of Loves Park shall renew the city's employee health insurance plan for one year, with Northern Illinois Health Plan to act as third-party administrator, and Verasource/IISI/Companion to act as reinsurance carrier. Renewal shall be effective December 1, 2021.

Ald. John Jacobson, Chairman

Ald. Jim Puckett

Ald. Mark Peterson, Vice Chairman

Mayor Gregory R. Jury

Ald. John Pruitt

Attest: Robert J. Burden

MOTION:
SECOND:
VOTING:

CITY OF LOVES PARK

BY ALDERMAN

RESOLUTION NO.

DATE: October 25, 2021

DEPARTMENT: City Clerk's Office

RESOLVED, that by the adoption of this resolution,

WHEREAS, the City of Loves Park is the plan sponsor of the City of Loves Park Comprehensive Group Health Plan, a self-funded and non-federal government insurance plan; WHEREAS, the City Council authorizes the Mayor, Gregory R. Jury to file the HIPAA EXEMPTION ELECTION letter attached hereto as Exhibit "A" and take necessary action in acquiring exemption from the HIPAA requirements detailed in the attached exhibit. NOW THEREFORE BE IT RESOLVED by the City Council of Loves Park, that by the adoption of this resolution: 1. The Mayor of the City of Loves Park is hereby authorized and directed to file the letter attached hereto as exhibit "A" and take other necessary action in order to exempt the City of Loves Park, the Plan Sponsor of the City of Loves Park Comprehensive Group Health Plan, from the HIPAA requirements detailed therein Exhibit "A".

Ald. John Jacobson, Chairman

Ald. Jim Puckett

Ald. Mark Peterson, Vice Chairman

Mayor Gregory R. Jury

Ald. John Pruitt

Attest: Robert J. Burden

MOTION:
SECOND:
VOTING:



— ROBERT J. BURDEN MMC, CITY CLERK —

October 25, 2021

Centers for Medicare & Medicaid Services (CMS)
Center for Consumer Information and Insurance Oversight (CCIIO)
ATTN: HIPAA Opt-Out
200 Independence Avenue, SW
Room 733H-02
Washington, DC 20201

RE: HIPAA EXEMPTION ELECTION

Name of Plan: City of Loves Park Comprehensive Group Health Plan

Plan Sponsor: City of Loves Park

EIN: 36-6005976 **Plan Number:** 501

Plan Year/Period of Plan Coverage: December 1, 2021 through November 30, 2022

Plan Administrator: City of Loves Park

Dear Sir:

The City of Loves Park Comprehensive Group Health Plan is not provided through insurance. The City of Loves Park elects under authority of section 2722(a)(2) of the Public Health Service (PHS) Act, and 45 CFR 146.180 of Federal regulations, to exempt the City of Loves Park Comprehensive Group Health Plan from the following requirements of title XXVII of the PHS Act:

1. Standards related to benefits for mothers and newborns.
2. Parity in the application of certain limits to mental health benefits.

This election has been made in conformity with all rules of the plan sponsor, including any public hearing, if required. I certify that the undersigned is authorized to submit this election on behalf of the City of Loves Park Comprehensive Group Health Plan. A copy of the notice to plan

enrollees is enclosed. If CMS has any questions regarding this election, please contact Robert J. Burden, City of Loves Park City Clerk at (815) 654-5034.

Sincerely,

Gregory R. Jury
Mayor

Attachment: Notice to Plan Enrollees

CITY OF LOVES PARK COMPREHENSIVE GROUP HEALTH PLAN

NOTICE TO PLAN PARTICIPANTS

Group health plans sponsored by State and local governmental employers must generally comply with Federal law requirements in title XXVII of the Public Health Service Act. However, these employers are permitted to elect to exempt a plan from the requirements listed below for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. The City of Loves Park has elected to exempt the City of Loves Park Comprehensive Group Health Plan from the following requirements:

1. Protection against limiting hospital stays in connection with the birth of a child to less than 48 hours for a vaginal delivery, and 96 hours for a cesarean section.
2. Protections against having benefits for mental health and substance use disorders be subject to more restrictions than apply to medical and surgical benefits covered by the plan.

The exemption from these Federal requirements will be in effect for the plan year beginning December 1, 2020 and ending November 30, 2021. The election may be renewed for subsequent plan years.

CITY OF LOVES PARK

BY ALDERMAN

RESOLUTION NO.

DATE: October 25, 2021

DEPARTMENT: City Clerk's Office

RESOLVED, that by the adoption of this resolution,

The City of Loves Park shall adopt Amendment Number 1 to the City of Loves Park Comprehensive Group Health Plan, amending the Summary Plan Description to reflect exclusion of pregnancy benefits for dependent children.

Ald. John Jacobson, Chairman

Ald. Jim Puckett

Ald. Mark Peterson, Vice Chairman

Mayor Gregory R. Jury

Ald. John Pruitt

Attest: Robert J. Burden

MOTION:
SECOND:
VOTING:

**AMENDMENT NUMBER #1
TO THE CITY OF LOVES PARK
COMPREHENSIVE GROUP HEALTH PLAN**

EFFECTIVE December 1, 2021, the City of Loves Park Comprehensive Group Health Plan is hereby amended as follows:

I. In the MEDICAL BENEFITS section, beginning on page 82, the following is ADDED after "Physician Services" and before "Preventive Care":

Pregnancy Expenses. Expenses attributable to a Pregnancy. Pregnancy expenses of Dependent Children are not covered. Benefits for Pregnancy expenses are paid the same as any other Sickness. ***NOTE: Preventive care charges for Pregnancy are covered under the Preventive Care benefit in the Medical Benefits section.***

In accordance with the Summary of Benefits and this section, benefits for the care and treatment of Pregnancy that are covered will be subject to all applicable Plan limitations and maximums (if any), and are payable in the same manner as medical or surgical care of an Illness.

II. In the MEDICAL EXCLUSIONS section, beginning on page 90, the following is ADDED after "Personal Convenience Items" and before "Private Duty Nursing":

Pregnancy of a Dependent Child. Incurred by an eligible Dependent Child, including, but not limited to, pre-natal, delivery and post-natal care, treatment of miscarriage and complications due to Pregnancy, unless specifically provided as a covered benefit elsewhere in this Plan. ***NOTE: Preventive care charges for Pregnancy are covered under the Preventive Care benefit in the Medical Benefits section.***

.....

The undersigned of the City of Loves Park hereby certifies that the amendment stated above was adopted by the City of Loves Park Comprehensive Group Health Plan. The undersigned further certifies that this document is a true copy of Amendment Number 1 to the City of Loves Park Comprehensive Group Health Plan Summary Plan Description.

(Name)

(Date)

(Title)

CITY OF LOVES PARK

BY ALDERMAN: John Jacobson

RESOLUTION NO:

COMMITTEE: Finance and Administration

DATE: _____, 2021

Resolved, by the adoption of this Resolution,

That the City of Loves Park, Illinois, is authorized to enter into a redevelopment agreement with David Champion, ("Developer"), relating to property located at 5440 North Second Street, within the North Second Street Tax Increment Financing Redevelopment Project Area, as per the attached Redevelopment Agreement.

MOTION:

SECOND:

Finance and Administration Committee:

Alderman John Jacobson, Chairman

Alderman Mark Peterson

Alderman John Pruitt

Alderman Jim Puckett

Mayor Gregory R. Jury

ATTEST – Clerk Robert Burden

REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (“Agreement”) dated as of this _____ day of November 2021 is made by and between the City of Loves Park, an Illinois municipal corporation, (“City”) and David Champion, (“Developer”). All capitalized terms are defined herein or otherwise have such definition as set forth in the Tax increment Allocation Redevelopment Act, 65 ILCS 5/11 -74.4 *et seq*, as amended, (the “Act”).

RECITALS

WHEREAS, the City is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended; and

WHEREAS, the City is authorized under the Act to undertake the redevelopment, including but not limited to, the approval of redevelopment plans and projects, of “blighted areas” and “conservation areas” within the City if the conditions specified in the Act are met, and is further authorized to utilize tax increment allocation financing (“TIF”) to pay the costs of such redevelopment permitted under the Act; and

WHEREAS, Developer intends to improve certain real estate located at 5440 North Second Street, Loves Park Illinois, which is described in the attached “Exhibit A” (“Developer Property”) by exterior masonry repair, replacing interior flooring, roofing, and replacing the furnace and air; and

WHEREAS, on February 13, 2006 the City adopted a Resolution Authorizing and Directing a Feasibility Study and Authorizing Reimbursement of Costs Concerning the Redevelopment of Certain Property in the City of Loves Park, Illinois in connection with the North Second Street Tax Increment Financing Redevelopment Project Area (“Redevelopment Project Area” or “North Second Street TIF District”); and

WHEREAS, the City subsequently adopted Ordinance No. 3238-06, authorizing the establishment of a “Tax Increment Financing Interested Parties Registry” and adopting rules for the registry; and

WHEREAS, on April 23, 2007, the city Council adopted Resolution 07-59 which, in accordance with the terms and conditions of the Act, set the time and date for a Joint Review Board Meeting, and a Public Hearing and provided for the mailing of certain notices, as such items are defined under and required by the Act; and

WHEREAS, on May 16, 2007, the City convened a Joint Review Board (“JRB”) which met to review the feasibility study and other planning documents related to the Redevelopment Project Area and proposed Redevelopment Plan for the North Second Street TIF District (“Redevelopment Plan”) and based upon said review, in addition to the review of the enacting ordinances and all other materials as required by the Act, the majority of the JRB members found the Redevelopment Project Area and Redevelopment Plan met the requirements of the Act and approved both the Redevelopment Project Area and the Redevelopment Plan; and

WHEREAS, the City, in accordance with the Act, conducted public hearings with respect to the Redevelopment Plan and the Redevelopment Project Area at meetings of the City Council which were held on April 4, 2007 and June 11, 2007; and

WHEREAS, the City found that the Redevelopment Project Area had not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without adoption of the Redevelopment Plan; and

WHEREAS, the City, after due and careful consideration, concluded that the redevelopment of the Redevelopment Project Area as provided in the Redevelopment Plan, would further the growth of the City, facilitate the redevelopment of the entire Redevelopment Project Area, increase the assessed valuation of real estate situated within the Redevelopment Project Area, increase the economic activity within the City, provide jobs to residents of the City, and otherwise be in the best interest of the City by furthering the health, safety, morals, and welfare of its residents and taxpayers; and

WHEREAS, pursuant to the Act, the City, by Ordinances No. 3368-07, No. 3369-07 and No. 3370-07 approved the Redevelopment Plan and Project, designated the Redevelopment Project Area, specifically entitled the North Second Street Tax Increment Financing Redevelopment Project Area, and adopted tax increment financing for the Redevelopment Project Area, respectively; and

WHEREAS, the City desires to redevelop the Redevelopment Project Area pursuant to its Redevelopment Plan, as such term is defined in the Act; and

WHEREAS, the City now desires to enter into this Redevelopment Agreement with the Developer and agrees to use available TIF funds to defray expenses incurred by the Developer for the redevelopment of the Developer Property consistent with the improvements set out in Section 3.2.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Developer agree as follows:

SECTION I
INCORPORATION OF RECITALS

- 1.1 The Recitals set forth above are an integral part of this Agreement and by this reference are incorporated herein in this Section I.

SECTION II
REPRESENTATIONS AND WARRANTIES

- 2.1 **Representations and Warranties of Developer**, to induce City to execute this Agreement and perform the obligations of City hereunder, Developer hereby represents and warrants to the City as follows:
- (a) No litigation or proceedings are pending, or to the best of Developer's knowledge, are threatened against Developer, which could: (i) affect the ability of Developer to perform its obligations pursuant to and as contemplated by the terms and provisions of this Agreement; or (ii) materially affect the operation or financial condition of Developer; and
 - (b) To the best of Developer's knowledge, the execution, delivery and performance by Developer of this Agreement does not constitute, or will not, upon giving of notice or lapse of time, or both, constitute a breach or default under any other agreement to which Developer is a party to or may be bound under; and
 - (c) The Parties executing this Agreement on behalf of Developer have been duly authorized by all appropriate action to enter into, execute, and deliver this Agreement and perform the terms and obligations contained herein.
- 2.2 **Survival of Representations and Warranties**, Developer agrees that all its representations and warranties set forth in this Section and elsewhere in this Agreement are true as of the execution date of this Agreement and shall survive during the term of this Agreement and after the expiration of the term of this Agreement.

SECTION III
TAX INCREMENT FINANCING ("TIF")

- 3.1 **Tax Increment Financing of Redevelopment Project Costs**, Developer has represented to the City that, but for the financial assistance of TIF, the Developer Project (hereinafter defined) would not be economically viable. The Parties agree that TIF, implemented in accordance with the terms and provisions of the Act would be a source of funding for the Developer Project which would make the Developer Project economically viable.
- 3.2 **Available Tax Increment**, The City shall make payment to the Developer for the reimbursement of: Fifty percent (50%) of the costs incurred for the following eligible property improvements for the Developer Property; (i) Parking-lot Replacement. Total reimbursement shall not exceed fifteen thousand dollars (\$15,000.00). The project must be completed no later than April 30, 2022.

- 3.3 **Timing of Payments**, Payments to Developer as required under Section 3.2 of this Agreement shall be made once the Developer Project is completed and Developer has notified the City and submitted sufficient evidence for the City to determine the costs were actually incurred and paid by Developer and that the costs are eligible reimbursable project costs pursuant to the Act. "Sufficient evidence" is defined as legible copies of invoices from vendors that indicate a cost was actually incurred and which provide the City with sufficient detail to identify the nature of the work performed in order to determine eligibility for reimbursement from TIF funds and copies of canceled checks or other forms of proof that the incurred costs were actually paid in full by the Developer. Any liens on the property for non-payment of a vendor completing items (1) and (2) in Section 3.2 shall be considered prima facie evidence of non-payment and Developer shall not be eligible to receive the 50% reimbursement until such time as the vendor is paid in full and the lien released.
- 3.4 **Default**, The City's failure to pay tax increment to Developer shall not be considered a default under this Agreement, regardless of the reason for such failure.
- 3.5 **Obligations of City**, The obligations contained within this Agreement are not Full and Faith and Credit obligations of the City. The City will have no obligation to issue any Notes or Bonds. All payment obligations on the part of the City contained in this Agreement are subject to the provisions of the Act.
- 3.6 **Restrictions on Assignment**, Developer shall not have the right to assign its rights and obligations under this Agreement without the express prior written consent of the City, whose consent shall have the right to assign this Agreement at any time to any corporation, partnership or other business entity controlled by Developer or by the majority of the members or officers thereof or to any land trust of which Developer or other business entity controlled by Developer or the majority of the members or officers thereof is the beneficiary. For purposes of this Section, Developer shall not be deemed to be in control of another business entity unless Developer has an ownership interest in such business entity equal to or greater than 51%. Furthermore, the rights conferred to Developer by this Agreement may not be assigned without the obligations also conferred to Developer.

SECTION IV **COMPLIANCE WITH LAW**

- 4.1 **Defense of TIF District**, In the event that any court or governmental agency having jurisdiction over enforcement of the Act and the subject matter contemplated by this Agreement shall determine that this Agreement, or payments to be made hereunder are contrary to law, or in the event that the legitimacy of the North Second Street TIF District is otherwise challenged before a court or governmental agency having jurisdiction thereof, the City and Developer shall reasonably cooperate with each other concerning an appropriate strategy acceptable to both Parties to defend the integrity of the North Second Street TIF District, and this Agreement. Furthermore, each Party shall pay their respective legal fees, court costs and other expenses directly related to defense of the North Second Street TIF District and Redevelopment Plan that each Party shall incur as a result of defense of the same. In the event of an adverse lower court or agency ruling, payments shall be reinstated retroactively if such adverse ruling is reversed by

the reviewing court or agency. The City shall not seek to set aside, or otherwise challenge, its obligations under this Agreement during the pending of any appeal.

- 4.2 **Use of Land**, Developer intends that the Developer Property shall be utilized primarily for commercial use that generates sales tax for the City, which shall not include industrial uses.

SECTION V

DEFAULT REMEDIES

- 5.1 **Default/Remedies**, If either Party shall default under this Agreement or fail to perform or keep any term or condition required to be performed or kept by such Party, including the occurrence of an Event of Default as set forth in Paragraph 5.2, such Party shall, upon written notice from the other Party proceed to cure or remedy such default or breach within fifteen (15) days after receipt of such notice, provided, however, that in the event such default is incapable of being cured within said fifteen (15) day period and the defaulting Party commences to cure the default within said fifteen (15) day period and proceeds with due diligence to cure the same, such Party shall not be deemed to be in default under this Agreement. In the case of the City default, Developer shall have as its sole and exclusive remedy the right of specific performance. In the event of a default by Developer, the City will be under no obligation to make any payments to Developer during the period of default or at any time in the future and may require repayment of funds previously paid to Developer under this Agreement.
- 5.2 **Event of Default**, For purposes of the Agreement, the occurrence of any one or more of the following shall constitute an "Event of Default":
- (a) If, at any time, any material term, warranty, representation or statement made or furnished by City or Developer (including the representations and warranties of Developer described in subsection 2.1 hereof) is not true and correct in any material respect and because of which either Party is unable to fulfill its obligations hereunder; or
 - (b) If any petition is filed by or against City or Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereinafter existing (and in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within ninety (90) days after filing); or
 - (c) Any assignment, pledge, encumbrance, transfer or other disposition that is prohibited under this Agreement.
 - (d) If Developer fails to meet any of the conditions or covenants contained in this Agreement, including, but not limited to those contained in Section III hereof.
- 5.3 **Waiver and Estoppel**, Any delay by City or Developer in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive City or Developer of or limit such rights in any way. No waiver made by City or Developer with respect to any specific default shall be construed, considered or treated as a waiver of the rights of City or Developer with respect to any other defaults.

SECTION VI
GENERAL

- 6.1 **Drafter Bias**, The Parties acknowledge and agree that the terms of this Agreement are the result of on-going and extensive negotiations between the Parties, both of whom are represented by independent counsel and that this Agreement is a result of said negotiations. As a result, in the event that a court is asked to interpret any portion of this contract, neither of the Parties shall be deemed the drafter hereof and neither shall be given benefit of such presumption that may be set out by law.
- 6.2 **Partnership not intended nor Created**, Nothing in this Agreement is intended nor shall be deemed to constitute a partnership or joint venture between the Parties.
- 6.3 **Entirety and Binding Effect**, This document represents the entirety of the Agreement between the Parties and shall be binding upon them and inure to the benefit of and be enforceable by and against their respective successors, personal representatives, heirs, legatees, and assigns.
- 6.4 **Survival of Provisions**, If any of the provisions of this Agreement are determined to be invalid pursuant to any statute or rule of law of the State of Illinois or of any judicial district in which it may be so brought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict herewith, however the remainder of this instrument and any other application of such provision shall not be affected thereby.
- 6.5 **Use of Headings**, The headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit or extend the scope or intent of the clauses to which they pertain.
- 6.6 **Amendments and Modifications**, Except as otherwise provided for herein, this Agreement may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purpose unless it is in writing, and bears the signatures of all of the Parties hereto.
- 6.7 **Defaults**, Subject to the provisions of Paragraph 6.8, in the event of a default and/or litigation arising out of enforcement of this Agreement, the Parties hereto acknowledge and agree that each Party shall be responsible for their own costs, charges, expenses, and their reasonable attorney's fees arising as a result thereof.
- 6.8 **Indemnification**, Developer agrees to indemnify and hold the City and its officers, elected and appointed, employees, agents, and attorneys harmless from and against any and all loss, damage, cost, expense, injury, or liability the City may suffer or incur in connection with the failure of the Developer to comply with this Agreement.

6.9 **Notices.** All Notices and requests pursuant to this Agreement shall be sent as follows:

To the Developer:

David Champion
5440 North Second Street
Loves Park, IL. 61111

To the City:

City of Loves Park
Attn: Mayor Greg Jury
100 Heart Boulevard
Loves Park, IL. 61111

With copy to:

Allen Galluzzo Hevrin Leake, LLC.
Attn: Gino Galluzzo
6735 Vistagreen Way, Suite 110
Rockford, Il. 61107

or at such other addresses as Parties may indicate in writing to the other. Notice may be sent either by personal delivery, courier or by certified mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

- 6.10 **Counterparts.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the main effect as if the signatures thereto and hereto were upon the same instrument.
- 6.11 **Construction.** This Agreement shall be subject to and construed under the laws of the State of Illinois and the exclusive venue for any action involving this Agreement shall be the Circuit Court of Winnebago County, Illinois.
- 6.12 **Previous Agreement.** The foregoing is the Agreement between the Parties hereto as it now exists at the execution hereof and it is expressly understood, agreed and distinctly acknowledged that all previous communications and negotiation between the Parties, either written or oral, that are not contained herein are hereby withdrawn, nullified, and void.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE VOLUNTARILY SET THEIR HANDS AND SEALS ON THIS AGREEMENT, AND BY DOING SO HAVE ACKNOWLEDGED THAT THEY HAVE READ THE FOREGOING INSTRUMENT IN ITS ENTIRETY AND ACKNOWLEDGE THAT THE SAME IN A LEGALLY BINDING AGREEMENT, AND THAT THEY HAVE CONSCIOUSLY EXECUTED THE SAME AS THEIR OWN FREE AND VOLUNTARY ACT AND DO HEREBY SUBMIT TO AND ACKNOWLEDGE THE TERMS AND CONDITIONS HEREIN.

David Champion

City of Loves Park, Illinois Municipal

By: _____
Its: Owner

By: _____
Its: Mayor

ATTEST:

By: _____
Its: City Clerk

EXHIBIT "A"

LEGAL DESCRIPTION OF DEVELOPER PROPERTY

EASTWOOD & STOCKBURGERS 2ND SUB OF LOVES PARK (EXC S PT MEAS 72.52 FT ON E LN & 48.03 FT ON NWLY LN TO LOVES PARK CITY BY 94- 53185) E 47.5 FT W 382.50 FT LOTS 96-97 & 98, Loves Park, IL. 61111

Property Identification Number: 11-12-226-085

CITY OF LOVES PARK

BY ALDERMAN: John Jacobson

RESOLUTION NO:

COMMITTEE: Finance and Administration

DATE: _____, 2021

Resolved, by the adoption of this Resolution,

That the City of Loves Park, Illinois, is authorized to enter into a redevelopment agreement with Rocket Group, LLC, (“Developer”), relating to property located at 5919 North Second Street, within the North Second Street Tax Increment Financing Redevelopment Project Area, as per the attached Redevelopment Agreement.

MOTION:

SECOND:

Finance and Administration Committee:

Alderman John Jacobson, Chairman

Alderman Mark Peterson

Alderman John Pruitt

Alderman Jim Puckett

Mayor Gregory R. Jury

ATTEST – Clerk Robert Burden

REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (“Agreement”) dated as of this _____ day of November 2021 is made by and between the City of Loves Park, an Illinois municipal corporation, (“City”) and Rocket Group, LLC., (“Developer”). All capitalized terms are defined herein or otherwise have such definition as set forth in the Tax increment Allocation Redevelopment Act, 65 ILCS 5/11 -74.4 *et seq*, as amended, (the “Act”).

RECITALS

WHEREAS, the City is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended; and

WHEREAS, the City is authorized under the Act to undertake the redevelopment, including but not limited to, the approval of redevelopment plans and projects, of “blighted areas” and “conservation areas” within the City if the conditions specified in the Act are met, and is further authorized to utilize tax increment allocation financing (“TIF”) to pay the costs of such redevelopment permitted under the Act; and

WHEREAS, Developer intends to improve certain real estate located at 5919 North Second Street, Loves Park Illinois, which is described in the attached “Exhibit A” (“Developer Property”) by exterior masonry repair, replacing interior flooring, roofing, and replacing the furnace and air; and

WHEREAS, on February 13, 2006 the City adopted a Resolution Authorizing and Directing a Feasibility Study and Authorizing Reimbursement of Costs Concerning the Redevelopment of Certain Property in the City of Loves Park, Illinois in connection with the North Second Street Tax Increment Financing Redevelopment Project Area (“Redevelopment Project Area” or “North Second Street TIF District”); and

WHEREAS, the City subsequently adopted Ordinance No. 3238-06, authorizing the establishment of a “Tax Increment Financing Interested Parties Registry” and adopting rules for the registry; and

WHEREAS, on April 23, 2007, the city Council adopted Resolution 07-59 which, in accordance with the terms and conditions of the Act, set the time and date for a Joint Review Board Meeting, and a Public Hearing and provided for the mailing of certain notices, as such items are defined under and required by the Act; and

WHEREAS, on May 16, 2007, the City convened a Joint Review Board (“JRB”) which met to review the feasibility study and other planning documents related to the Redevelopment Project Area and proposed Redevelopment Plan for the North Second Street TIF District (“Redevelopment Plan”) and based upon said review, in addition to the review of the enacting ordinances and all other materials as required by the Act, the majority of the JRB members found the Redevelopment Project Area and Redevelopment Plan met the requirements of the Act and approved both the Redevelopment Project Area and the Redevelopment Plan; and

WHEREAS, the City, in accordance with the Act, conducted public hearings with respect to the Redevelopment Plan and the Redevelopment Project Area at meetings of the City Council which were held on April 4, 2007 and June 11, 2007; and

WHEREAS, the City found that the Redevelopment Project Area had not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without adoption of the Redevelopment Plan; and

WHEREAS, the City, after due and careful consideration, concluded that the redevelopment of the Redevelopment Project Area as provided in the Redevelopment Plan, would further the growth of the City, facilitate the redevelopment of the entire Redevelopment Project Area, increase the assessed valuation of real estate situated within the Redevelopment Project Area, increase the economic activity within the City, provide jobs to residents of the City, and otherwise be in the best interest of the City by furthering the health, safety, morals, and welfare of its residents and taxpayers; and

WHEREAS, pursuant to the Act, the City, by Ordinances No. 3368-07, No. 3369-07 and No. 3370-07 approved the Redevelopment Plan and Project, designated the Redevelopment Project Area, specifically entitled the North Second Street Tax Increment Financing Redevelopment Project Area, and adopted tax increment financing for the Redevelopment Project Area, respectively; and

WHEREAS, the City desires to redevelop the Redevelopment Project Area pursuant to its Redevelopment Plan, as such term is defined in the Act; and

WHEREAS, the City now desires to enter into this Redevelopment Agreement with the Developer and agrees to use available TIF funds to defray expenses incurred by the Developer for the redevelopment of the Developer Property consistent with the improvements set out in Section 3.2.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Developer agree as follows:

SECTION I
INCORPORATION OF RECITALS

- 1.1 The Recitals set forth above are an integral part of this Agreement and by this reference are incorporated herein in this Section I.

SECTION II
REPRESENTATIONS AND WARRANTIES

- 2.1 **Representations and Warranties of Developer**, to induce City to execute this Agreement and perform the obligations of City hereunder, Developer hereby represents and warrants to the City as follows:
- (a) No litigation or proceedings are pending, or to the best of Developer's knowledge, are threatened against Developer, which could: (i) affect the ability of Developer to perform its obligations pursuant to and as contemplated by the terms and provisions of this Agreement; or (ii) materially affect the operation or financial condition of Developer; and
 - (b) To the best of Developer's knowledge, the execution, delivery and performance by Developer of this Agreement does not constitute, or will not, upon giving of notice or lapse of time, or both, constitute a breach or default under any other agreement to which Developer is a party to or may be bound under; and
 - (c) The Parties executing this Agreement on behalf of Developer have been duly authorized by all appropriate action to enter into, execute, and deliver this Agreement and perform the terms and obligations contained herein.
- 2.2 **Survival of Representations and Warranties**, Developer agrees that all its representations and warranties set forth in this Section and elsewhere in this Agreement are true as of the execution date of this Agreement and shall survive during the term of this Agreement and after the expiration of the term of this Agreement.

SECTION III
TAX INCREMENT FINANCING ("TIF")

- 3.1 **Tax Increment Financing of Redevelopment Project Costs**, Developer has represented to the City that, but for the financial assistance of TIF, the Developer Project (hereinafter defined) would not be economically viable. The Parties agree that TIF, implemented in accordance with the terms and provisions of the Act would be a source of funding for the Developer Project which would make the Developer Project economically viable.
- 3.2 **Available Tax Increment**, The City shall make payment to the Developer for the reimbursement of: Fifty percent (50%) of the costs incurred for the following eligible property improvements for the Developer Property; (i) Demolition, (ii) New plumbing, (iii) New Electrical, (iv) New HVAC, (v) New Flooring, (vi) Handicap Ramp, (vii) New Doors, (viii) New Sign, (ix) New Fence, (x) Awnings. Total reimbursement for the property improvements shall not exceed thirty-five thousand dollars (\$35,000.00). The project must be completed no later than April 30, 2022.

- 3.3 **Timing of Payments**, Payments to Developer as required under Section 3.2 of this Agreement shall be made once the Developer Project is completed and Developer has notified the City and submitted sufficient evidence for the City to determine the costs were actually incurred and paid by Developer and that the costs are eligible reimbursable project costs pursuant to the Act. "Sufficient evidence" is defined as legible copies of invoices from vendors that indicate a cost was actually incurred and which provide the City with sufficient detail to identify the nature of the work performed in order to determine eligibility for reimbursement from TIF funds and copies of canceled checks or other forms of proof that the incurred costs were actually paid in full by the Developer. Any liens on the property for non-payment of a vendor completing items (1) and (2) in Section 3.2 shall be considered prima facie evidence of non-payment and Developer shall not be eligible to receive the 50% reimbursement until such time as the vendor is paid in full and the lien released.
- 3.4 **Default**, The City's failure to pay tax increment to Developer shall not be considered a default under this Agreement, regardless of the reason for such failure.
- 3.5 **Obligations of City**, The obligations contained within this Agreement are not Full and Faith and Credit obligations of the City. The City will have no obligation to issue any Notes or Bonds. All payment obligations on the part of the City contained in this Agreement are subject to the provisions of the Act.
- 3.6 **Restrictions on Assignment**, Developer shall not have the right to assign its rights and obligations under this Agreement without the express prior written consent of the City, whose consent shall have the right to assign this Agreement at any time to any corporation, partnership or other business entity controlled by Developer or by the majority of the members or officers thereof or to any land trust of which Developer or other business entity controlled by Developer or the majority of the members or officers thereof is the beneficiary. For purposes of this Section, Developer shall not be deemed to be in control of another business entity unless Developer has an ownership interest in such business entity equal to or greater than 51%. Furthermore, the rights conferred to Developer by this Agreement may not be assigned without the obligations also conferred to Developer.

SECTION IV COMPLIANCE WITH LAW

- 4.1 **Defense of TIF District**, In the event that any court or governmental agency having jurisdiction over enforcement of the Act and the subject matter contemplated by this Agreement shall determine that this Agreement, or payments to be made hereunder are contrary to law, or in the event that the legitimacy of the North Second Street TIF District is otherwise challenged before a court or governmental agency having jurisdiction thereof, the City and Developer shall reasonably cooperate with each other concerning an appropriate strategy acceptable to both Parties to defend the integrity of the North Second Street TIF District, and this Agreement. Furthermore, each Party shall pay their respective legal fees, court costs and other expenses directly related to defense of the North Second Street TIF District and Redevelopment Plan that each Party shall incur as a result of defense of the same. In the event of an adverse lower court or agency ruling, payments shall be reinstated retroactively if such adverse ruling is reversed by

the reviewing court or agency. The City shall not seek to set aside, or otherwise challenge, its obligations under this Agreement during the pending of any appeal.

- 4.2 **Use of Land**, Developer intends that the Developer Property shall be utilized primarily for commercial use that generates sales tax for the City, which shall not include industrial uses.

SECTION V

DEFAULT REMEDIES

- 5.1 **Default/Remedies**, If either Party shall default under this Agreement or fail to perform or keep any term or condition required to be performed or kept by such Party, including the occurrence of an Event of Default as set forth in Paragraph 5.2, such Party shall, upon written notice from the other Party proceed to cure or remedy such default or breach within fifteen (15) days after receipt of such notice, provided, however, that in the event such default is incapable of being cured within said fifteen (15) day period and the defaulting Party commences to cure the default within said fifteen (15) day period and proceeds with due diligence to cure the same, such Party shall not be deemed to be in default under this Agreement. In the case of the City default, Developer shall have as its sole and exclusive remedy the right of specific performance. In the event of a default by Developer, the City will be under no obligation to make any payments to Developer during the period of default or at any time in the future and may require repayment of funds previously paid to Developer under this Agreement.
- 5.2 **Event of Default**, For purposes of the Agreement, the occurrence of any one or more of the following shall constitute an "Event of Default":
- (a) If, at any time, any material term, warranty, representation or statement made or furnished by City or Developer (including the representations and warranties of Developer described in subsection 2.1 hereof) is not true and correct in any material respect and because of which either Party is unable to fulfill its obligations hereunder; or
 - (b) If any petition is filed by or against City or Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereinafter existing (and in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within ninety (90) days after filing); or
 - (c) Any assignment, pledge, encumbrance, transfer or other disposition that is prohibited under this Agreement.
 - (d) If Developer fails to meet any of the conditions or covenants contained in this Agreement, including, but not limited to those contained in Section III hereof.
- 5.3 **Waiver and Estoppel**, Any delay by City or Developer in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive City or Developer of or limit such rights in any way. No waiver made by City or Developer with respect to any specific default shall be construed, considered or treated as a waiver of the rights of City or Developer with respect to any other defaults.

SECTION VI
GENERAL

- 6.1 **Drafter Bias**, The Parties acknowledge and agree that the terms of this Agreement are the result of on-going and extensive negotiations between the Parties, both of whom are represented by independent counsel and that this Agreement is a result of said negotiations. As a result, in the event that a court is asked to interpret any portion of this contract, neither of the Parties shall be deemed the drafter hereof and neither shall be given benefit of such presumption that may be set out by law.
- 6.2 **Partnership not intended nor Created**, Nothing in this Agreement is intended nor shall be deemed to constitute a partnership or joint venture between the Parties.
- 6.3 **Entirety and Binding Effect**, This document represents the entirety of the Agreement between the Parties and shall be binding upon them and inure to the benefit of and be enforceable by and against their respective successors, personal representatives, heirs, legatees, and assigns.
- 6.4 **Survival of Provisions**, If any of the provisions of this Agreement are determined to be invalid pursuant to any statute or rule of law of the State of Illinois or of any judicial district in which it may be so brought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict herewith, however the remainder of this instrument and any other application of such provision shall not be affected thereby.
- 6.5 **Use of Headings**, The headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit or extend the scope or intent of the clauses to which they pertain.
- 6.6 **Amendments and Modifications**, Except as otherwise provided for herein, this Agreement may not be amended, modified, or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination, or waiver shall be effective for any purpose unless it is in writing, and bears the signatures of all of the Parties hereto.
- 6.7 **Defaults**, Subject to the provisions of Paragraph 6.8, in the event of a default and/or litigation arising out of enforcement of this Agreement, the Parties hereto acknowledge and agree that each Party shall be responsible for their own costs, charges, expenses, and their reasonable attorney's fees arising as a result thereof.
- 6.8 **Indemnification**, Developer agrees to indemnify and hold the City and its officers, elected and appointed, employees, agents, and attorneys harmless from and against any and all loss, damage, cost, expense, injury, or liability the City may suffer or incur in connection with the failure of the Developer to comply with this Agreement.

6.9 **Notices**, All Notices and requests pursuant to this Agreement shall be sent as follows:

To the Developer:

Rocket Group, LLC.
Attn: Joseph Montalvo
698 Stonemint Drive
Roscoe, IL. 61073

To the City:

City of Loves Park
Attn: Mayor Greg Jury
100 Heart Boulevard
Loves Park, IL. 61111

With copy to:

Allen Galluzzo Hevrin Leake, LLC.
Attn: Gino Galluzzo
6735 Vistagreen Way, Suite 110
Rockford, Il. 61107

or at such other addresses as Parties may indicate in writing to the other. Notice may be sent either by personal delivery, courier or by certified mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

- 6.10 **Counterparts**, This Agreement may be signed in any number of counterparts, each of which shall be an original, with the main effect as if the signatures thereto and hereto were upon the same instrument.
- 6.11 **Construction**, This Agreement shall be subject to and construed under the laws of the State of Illinois and the exclusive venue for any action involving this Agreement shall be the Circuit Court of Winnebago County, Illinois.
- 6.12 **Previous Agreement**, The foregoing is the Agreement between the Parties hereto as it now exists at the execution hereof and it is expressly understood, agreed and distinctly acknowledged that all previous communications and negotiation between the Parties, either written or oral, that are not contained herein are hereby withdrawn, nullified, and void.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE VOLUNTARILY SET THEIR HANDS AND SEALS ON THIS AGREEMENT, AND BY DOING SO HAVE ACKNOWLEDGED THAT THEY HAVE READ THE FOREGOING INSTRUMENT IN ITS ENTIRETY AND ACKNOWLEDGE THAT THE SAME IN A LEGALLY BINDING AGREEMENT, AND THAT THEY HAVE CONSCIOUSLY EXECUTED THE SAME AS THEIR OWN FREE AND VOLUNTARY ACT AND DO HEREBY SUBMIT TO AND ACKNOWLEDGE THE TERMS AND CONDITIONS HEREIN.

Rocket Group, LLC

City of Loves Park, Illinois Municipal

By: _____
Its: Owner

By: _____
Its: Mayor

ATTEST:

By: _____
Its: City Clerk

EXHIBIT "A"

LEGAL DESCRIPTION OF DEVELOPER PROPERTY

RE-SUB BLK 1 FRITZ CARLSON REALTY COS SUB PT SW 1/4 SEC 6-44-2 LOT 001 BLOCK 002, Loves Park, IL.
61111

Property Identification Number: 12-06-302-001