# FY 2013 ANNUAL TAX INCREMENT FINANCE REPORT



Name of Municipality: United City of Yorkville		Reporting F	Reporting Fiscal Year:			
County:		Kendall	Fiscal Year	End:		4/30/2013
Unit Code:		047/035/30				
		TIF Administr	ator Contact Info	ormation		
First Name:	Rob		Last Name:	Fredrickson		
Address:	800 Game	Farm Road	Title:	Finance Director		
Telephone:	630-553-8	534	City:	Yorkville	Zip:	60560
Mobile	815-274-9	223	E-mail	rfredrickson@yorkv	ille.il.us	
Mobile			Best way to	X Email		_Phone
Provider	Sprint		contact	Mobile		Mail
I attest to the	e best of m	y knowledge, this report of the r	redevelopment pr	oject areas in: City/V	illage of	ħ
		te at the end of this reporting Fit. seq.1 Or the Industrial Jobs R				development Act
That	ho	hoher		October 23,	2013	
Written sign	ature of TIF	- Administator		Date		
Continu 4 (6	RE II OO EM	4 74 4 5 (d) (4 5) and 65 11 CC	5/11 7/ 6 22 /d\ /	(4 E)*\		

**Section 1** (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*)

FILL OUT ONE FOR EACH TIF DISTICT							
Name of Redevelopment Project Area Date Designated Date Termin							
United City of Yorkville							
Tax Increment Financing Redevelopment							
Project Area - Downtown Yorkville	6/13/2006						

<sup>\*</sup>All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

# SECTION 2 [Sections 2 through 5 must be completed for <u>each</u> redevelopment project area listed in Section 1.] FY 2013

Name of Redevelopment Project Area:	Downtown Yorkville
Primary Use of Redevelopment Project Area*:	Commercial
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area de	esignated? (check one):
Tax Increment Allocation Redevelopment Actx Industrial Jobs Recovery	Law

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State		
Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)]	<u> </u>	
If yes, please enclose the amendment labeled Attachment A	Х	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all		
of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-		
22 (d) (3)]		
Please enclose the CEO Certification labeled Attachment B	į	х
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and		
5/11-74.6-22 (d) (4)]		
Please enclose the Legal Counsel Opinion labeled Attachment C		х
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan,		
including any project implemented in the preceding fiscal year and a description of the activities	<u> </u>	
undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]	<u> </u>	
If yes, please enclose the Activities Statement labeled Attachment D	I	
,,,,		x
Were any agreements entered into by the municipality with regard to the disposition or redevelopment		
of any property within the redevelopment project area or the area within the State Sales Tax Boundary?	<u> </u>	
[65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)]	I	
If yes, please enclose the Agreement(s) labeled Attachment E	I	х
Is there additional information on the use of all funds received under this Division and steps taken by the		
municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and	I	
5/11-74.6-22 (d) (7) (D)]	I	
If yes, please enclose the Additional Information labeled Attachment F	х	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have		
received or are receiving payments financed by tax increment revenues produced by the same TIF? [65]	<u> </u>	
ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)]	<u> </u>	
If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	х	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65	^	
ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)]	I	
If yes, please enclose the Joint Review Board Report labeled Attachment H	<u> </u>	х
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and		
[5/11-74.6-22 (d) (8) (A)]	<u> </u>	
If yes, please enclose the Official Statement labeled Attachment I	х	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of		
obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-	<u> </u>	
5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)]	<u> </u>	
If yes, please enclose the Analysis labeled Attachment J	х	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation		
fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)	<u> </u>	
If yes, please enclose Audited financial statements of the special tax allocation fund	I	
labeled Attachment K	<u> </u>	x
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into		
the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)]	ļ 	
If yes, please enclose a certified letter statement reviewing compliance with the Act labeled	ļ 	
Attachment L		Х
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an	 	
accounting of any money transferred or received by the municipality during that fiscal year pursuant to	 	
those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]	 	
If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	Х	

<sup>\*</sup> Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

# SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2013

TIF NAME: Yorkville Downtown

Total Amount Designated (Carried forward from Section 3.3)

Fund Balance at Beginning of Reporting Period \$ 257,953

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Repo	rting Year	Cum	ulative*	% of Total
Property Tax Increment	\$	39,981	\$	378,048	10%
State Sales Tax Increment					0%
Local Sales Tax Increment					0%
State Utility Tax Increment					0%
Local Utility Tax Increment					0%
Interest	\$	428	\$	4,105	0%
Land/Building Sale Proceeds	\$	5,000	\$	5,000	0%
Bond Proceeds	\$	-	\$	3,506,099	90%
Transfers from Municipal Sources					0%
Private Sources					0%
Other (identify source; if multiple other sources, attach					
schedule)					0%
Total Amount Deposited in Special Tax Allocation	*must	-	ted w	here 'Reportir	ng Year' is
Fund During Reporting Period	\$	45,409	1		
Tund burning reporting Ferrod	7	73,703	J		
Cumulative Total Revenues/Cash Receipts			\$	3,893,252	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	\$	86,425			
Distribution of Surplus			]		
Total Expenditures/Disbursements	\$	86,425			
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	\$	(41,016)			
FUND BALANCE, END OF REPORTING PERIOD*  * if there is a positive fund balance at the end of the reporting period, you must	\$ complete	216,937 e Section 3.3	] 3		

\$

(483,063)

FY 2013 Downtown Yorkville

FY 2013

TIF NAME: Yorkville Downtown

# ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

FOR AMOU Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-	3.2 B MUST BE COMPLETED		
10 (o)]	Amounts	Reporting Fiscal Year	
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)			
Legal Services	17,361		
Auditing Services - TIF Compliance Report	167		
Engineering Services - Downtown TIF	3,272		
Engineering Services - Kendallwood Estates	3,594		
Engineering Services - Downtown Parking Lot	13,052		
		\$ 37,447	
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		Ψ 37,441	
Canoecopia Marketing Expenses	963		
2. Proposity appearable demolities site proposition of a site section of the sect		\$ 963	
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)	00.000		
Engineering Services - Site Remediation	28,203		
		<b>A</b>	
<ol> <li>Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)</li> </ol>		\$ 28,203	
Building Repairs	8,146		
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		\$ 8,146	
IL Route 47 Expansion	11,667		
		\$ 11,667	
<ol><li>Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY</li></ol>			
		\$ -	

SECTION 3.2 A	
PAGE 2 7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7)	
and (o)(12)	
	\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)	
	\$ -
9. Approved capital costs. Subsection (q)(7) and (o)(9)	-
o. Approved capital costs. Cabsection (q)(1) and (0)(0)	
	\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing	
projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY	
	\$ -
44. Polacetian costs. Subscation (a)(0) and (a)(40)	-
11. Relocation costs. Subsection (q)(8) and (o)(10)	
	\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)	
13. Costs of job training, retraining advanced vocational or career education provided by other	\$ -
taxing bodies. Subsection (q)(10) and (o)(12)	
	\$ -

FY 2013

SECTION 3.2 A	
PAGE 3	
14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)	
	\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY	
	\$ -
40. O-st of decrees and an artist of a set of decrees on the set of (44.5). The	ъ <u>-</u>
16. Cost of day care services and operational costs of day care centers. Subsection (q) $(11.5)$ - Tax Increment Allocation Redevelopment TIFs ONLY	
	•
	-
TOTAL ITEMIZED EXPENDITURES	¢ 86.425

FY 2013 Downtown Yorkville

### Section 3.2 B

#### FY 2013

**TIF NAME: Downtown Yorkville** 

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

\_\_\_\_\_ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

Name	Service	Amount		
Kathleen Field Orr & Associates	Legal Services	\$ 17,361		
Engineering Enterprises, Inc.	Enginering Services	\$ 44,912		
State of Illinois Treasurer - c/o IDOT	IL Rte 47 Expansion	\$ 11,667		

### SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

# Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2013

TIF NAME: Downtown Yorkville

FUND BALANCE, END OF REPORTING PERIOD		\$ 216,937	
	Amount of Original Issuance	Amount Designated	
1. Description of Debt Obligations			
	•		
Total Amount Designated for Obligations	\$ -	\$ -	
2. Description of Project Costs to be Paid			
IL Rte 47 Expansion Project		\$ 200,000	
Imperial Investments Redevelopment Agreement Phase 1 (est.)		\$ 500,000	
Total Amount Designated for Project Costs		\$ 700,000	
TOTAL AMOUNT DESIGNATED		ć 700.000	
TOTAL AMOUNT DESIGNATED		\$ 700,000	
SURPLUS*/(DEFICIT)		\$ (483,063)	

<sup>\*</sup> NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

# SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

#### FY 2013

### **TIF NAME: Downtown Yorkville**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

# \_\_X\_\_\_ No property was acquired by the Municipality Within the Redevelopment Project Area

# Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
	-
Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

FY 2013 Downtown Yorkville

# SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G) PAGE 1

#### FY 2013

TIF NAME: Downtown Yorkville

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1  $\underline{\text{MUST BE INCLUDED}}$  WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED  $\underline{\text{ONLY IF}}$  PROJECTS ARE LISTED ON THESE PAGES

ENTER total number of projects undertaken by the Mu	nicinality W	Vithin the Redev	elonment Project Area		
and list them in detail below*.	noipailty V	vicini the Nedev	eiopinent i Toject Aled		
TOTAL:	11/1/99 to Date		Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project	
Private Investment Undertaken (See Instructions)	\$	2,000,000	\$ -	\$	2,000,000
Public Investment Undertaken	\$	24,063	\$ -	\$	24,063
Ratio of Private/Public Investment		83 3/26			83 3/26
Project 1: *IF PROJECTS ARE LISTED NUMBER MU Landscaping	JST BE E	NTERED ABOV	E		
Private Investment Undertaken (See Instructions)  Public Investment Undertaken	\$	24,063	\$ -	\$	24,063
Ratio of Private/Public Investment	Ф	0		Ф	0
Ratio of Private/Public Investment		0			0
Project 2: Imperial Investments - Phase 1 (est.)					
Private Investment Undertaken (See Instructions)	\$	2,000,000	-	\$	2,000,000
Public Investment Undertaken	Φ	2,000,000	Φ -	Φ	2,000,000
Ratio of Private/Public Investment		0			0
itatio of i fivate/i ubile fivestificht		0		ļ	0
Project 3:					
Private Investment Undertaken (See Instructions)					
Public Investment Undertaken					
Ratio of Private/Public Investment		0			0
Project 4:					
Private Investment Undertaken (See Instructions)					
Public Investment Undertaken					
Ratio of Private/Public Investment		0			0
Project 5:					
Private Investment Undertaken (See Instructions)					
Public Investment Undertaken					
Ratio of Private/Public Investment		0			0
Project 6:					
Private Investment Undertaken (See Instructions)					
Public Investment Undertaken					
Ratio of Private/Public Investment		0			0

PAGE 2

	PAGE 2	
Project 7:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 8:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 9:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 10:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 11:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 12:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 13:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 14:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 15:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0

PAGE 3

Project 16:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 17:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 18:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 19:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 20:	]	
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 21:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 22:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 23:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 24:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
Project 25:		
Private Investment Undertaken (See Instructions)		
Public Investment Undertaken		
Ratio of Private/Public Investment	0	0
L	1	

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. \*even though optional MUST be included as part of complete TIF report

#### **SECTION 6**

FY 2013

**TIF NAME: Downtown Yorkville** 

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment

project area was designated	Base	EAV	Rep	orting Fiscal Year EAV
6/13/2006	\$	5,745,902	\$	6,179,000

List all overlapping tax districts in the redevelopment project area. If overlapping taxing district received a surplus, list the surplus.

\_\_X\_\_\_ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -

#### **SECTION 7**

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -

#### **SECTION 8**

Provide a general description of the redevelopment project area using only major boundaries:

Optional Documents	Enclosed	
Legal description of redevelopment project area		previously provided
Map of District		previously provided



# United City of Yorkville 800 Game Farm Road Yorkville, Illinois, 60560 Telephone: 630-553-4350

# CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Gary J. Golinski, Mayor of the United City of Yorkville, Kendall County, Illinois, certify that the City has complied with all of the requirements of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq*. during the fiscal year ending April 30, 2013, in connection with the administration of the Downtown Tax Increment Financing District.

May / Nourski Gary J. Golinski, Mayor

# LAW OFFICE KATHLEEN FIELD ORR & ASSOCIATES

53 West Jackson Blvd. Suite 964 Chicago, Illinois 60604 (312)382-2113 (312)382-2127 facsimile

KATHLEEN FIELD ORR kfo@kfoassoc.com

October 7, 2013

Judy Baar Topinka, State Comptroller Office of the State Comptroller Local Government Division 100 West Randolph Street, Suite 15-500 Chicago, Illinois 60601-3252

Re: Downtown Tax Increment Finance Redevelopment Project Area for the Fiscal Year Ending April 30, 2013

Dear Sir:

I, Kathleen Field Orr, am the City Attorney for the United City of Yorkville, Kendall County, Illinois, and acted as special "TIF" Counsel throughout the fiscal year covered by the referenced Report.

I have reviewed all of the information provided by the City Administration and I find that the United City of Yorkville, Illinois, has complied with all of the applicable provisions of the Illinois Tax Increment Allocation Redevelopment Act.

Very truly yours,

KATHLEEN FIELD ORR & ASSOCIATES

KATHLEEN FIELD ORR

KFO/kms

# **Activities Statement**Downtown Yorkville

The Downtown TIF district was created in 2006 to help facilitate mixed use development in the downtown area. Over the last two fiscal years, the City has entered into several agreements with Imperial Investments for the redevelopment of several buildings in the downtown area. This proposed mixed use development has resulted in two new store fronts being added to the downtown in fiscal year 2013, Rowdy's Bar & Grill and an Asian-style barbeque restaurant called Mongolian 211.

Construction began in fiscal year 2013 on the IL Route 47 expansion, which is a joint project between the City and the Illinois Department of Transportation. This project will include various roadway and infrastructure (water, sanitary sewer, storm sewer) improvements on Route 47 from just south of Kennedy Road through its intersection with IL Route 71. The cost of the project that is applicable to the Downtown TIF district is approximately \$200,000. In addition, the City conducted several engineering studies in the Downtown TIF, including the remediation of a brownfield site and the potential for a new parking lot in the downtown area.

# UNITED CITY OF YORKVILLE KENDALL COUNTY, ILLINOIS

## **ORDINANCE NO. 2013-02**

AN ORDINANCE APPROVING A FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA (Imperial Investments, LLC)

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois This 8<sup>th</sup> day of January, 2013

Published in pamphlet form by the authority of the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois on April 26, 2013.

# Ordinance No. 2013- 02

# AN ORDINANCE APPROVING A FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA

(Imperial Investments, LLC)

WHEREAS, by Ordinance No. 2006-46 adopted by the Mayor and City Council of the United City of Yorkville (the "Corporate Authorities") on June 13, 2006, the Downtown Yorkville Tax Increment Financing Redevelopment Project and Plan (hereinafter the "Redevelopment Plan") was approved, which project and plan covered some of the oldest properties of the City which constitute a significant portion of the City's historic Downtown; and,

WHEREAS, by Ordinance No. 2006-47 and No. 2006-48 adopted by the Corporate Authorities on June 13, 2006, the City designated approximately 200 acres containing 114 buildings as a "redevelopment project area" ("Yorkville Downtown Redevelopment Project Area") and adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (hereinafter referred to as the "Act"); and,

WHEREAS, pursuant to the TIF Act, on April 23, 2012, Ordinance No. 2012-06, the Corporate Authorities entered into a Redevelopment Agreement for the Downtown Yorkville Project Area (the "Original Agreement") with Imperial Investments, LLC (the "Developer"), in order to induce the development and redevelopment of certain properties within the Yorkville Downtown Redevelopment Project Area; and,

WHEREAS, pursuant to the Original Agreement, the City agreed to reimburse the Developer for Redevelopment Project Costs for certain projects as identified therein; and,

WHEREAS, the Developer has now submitted proposals to the City to acquire additional properties within the Yorkville Downtown Redevelopment Project Area for the

purpose of redevelopment, rehabilitation and renovation, all such projects being in furtherance of the Redevelopment Plan (the "Additional Projects"); and,

WHEREAS, the Developer has further advised the City that in order to proceed with these additional new projects, additional financial assistance shall be needed and, therefore, in addition to the designation of the Yorkville Downtown Redevelopment Project Area and the adoption of the TIF Act, the Developer has also requested financial assistance from the revenues to be derived from a portion of the commercial area of the Yorkville Downtown Redevelopment Project Area as a result of the designation of such area as a "Business District" in accordance with the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3 et seq.) the "Business District Act"); and,

WHEREAS, the City desires the Developer to proceed with the Additional Projects and is, therefore, willing to commit additional incentives pursuant to the Act and the Business District Act in order to induce the Developer to undertake these Additional Projects, all as set forth in the First Amendment to the Redevelopment Agreement for the Downtown Yorkville Redevelopment Project Area ("Imperial Investments, LLC"), attached hereto and made a part hereof.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois, as follows:

Section 1. The First Amendment to the Redevelopment Agreement for the Downtown Yorkville Redevelopment Project Area (Imperial Investments, LLC) is hereby approved and the Mayor and City Clerk are hereby authorized to execute said Agreement.

Section 2. The City Administrator is hereby authorized to undertake any and all action as may be required to implement the terms thereof.

Section 3. This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois, this

<u>08</u> day of <u>January</u> , A.D. 201	3.	
CHDIC FINIZIOLICED 4	TZTONI TZ (O) (O) T T	\_/
CHRIS FUNKHOUSER	KEN KOCH	
CARLO COLOSIMO	DIANE TEELING	
JACKIE MILSCHEWSKI	MARTY MUNNS	
	~ . ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	
ROSE ANN SPEARS	LARRY KOT	

APPROVED by me, as Mayor of the United City of Yorkville, Kendall County, Illinois, this <u>36</u> day of <u>FEBRUARY</u>, A.D. 2013.

Mayor /

Attest:

City Clerk

# FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA

(Imperial Investments, LLC)

THIS FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT (the "Amendment") dated April 23, 2012, by and between the United City of Yorkville, Kendall County, Illinois, a municipal corporation (hereafter the "City") and Imperial Investments, LLC; an Illinois limited liability company corporation (hereafter the "Developer") is dated as of April January 9, 2013.

### WITNESSETH:

WHEREAS, by Ordinance No. 2006-46 adopted by the Mayor and City Council of the City (the "Corporate Authorities") on June 13, 2006, the Downtown Yorkville Tax Increment Financing Redevelopment Project and Plan (hereinafter the "Redevelopment Plan") was approved, which project and plan covered some of the oldest properties of the City which constitute a significant portion of the City's historic Downtown; and,

WHEREAS, by Ordinance No. 2006-47 and No. 2006-48 adopted by the Corporate Authorities on June 13, 2006, the City designated approximately 200 acres containing 114 buildings as a "redevelopment project area" ("Yorkville Downtown Redevelopment Project Area") and adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (hereinafter referred to as the "Act"); and,

WHEREAS, pursuant to the TIF Act, on April 23, 2012, pursuant to Ordinance No. 2012-06, the Corporate Authorities entered into a Redevelopment Agreement for the Downtown Yorkville Project Area (the "Original Agreement") with the Developer in order to induce the

development and redevelopment of certain properties within the Yorkville Downtown Redevelopment Project Area; and,

WHEREAS, pursuant to the Original Agreement, the City agreed to reimburse the Developer for Redevelopment Project Costs as specifically identified therein for the following four (4) Projects:

- 1. Cobblestone Bakery Project No. 1;
- 2. Follies Theater Project No. 2;
- 3. Follies Box Office Project No. 3; and,
- 4. Van Emmon Apartments Project No. 4; and,

WHEREAS, the Developer has now submitted proposals to the City to acquire additional properties within the Yorkville Downtown Redevelopment Project Area for the purpose of redevelopment, rehabilitation and renovation, all such projects being in furtherance of the Redevelopment Plan; and,

WHEREAS, the Developer has further advised the City that in order to proceed with these additional new projects, additional financial assistance shall be needed and, therefore, in addition to the designation of the Yorkville Downtown Redevelopment Project Area and the adoption of the TIF Act the Developer has requested a portion of the commercial area of the Yorkville Downtown Redevelopment Project Area be designated a "Business District" in accordance with the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3 et seq.) the "Business District Act"); and,

WHEREAS, pursuant to the Business District Act, the City is authorized to adopt a development or redevelopment plan and impose a business district retailers' occupation tax and a

business district service occupation tax ("Business District Taxes") to pay business district project costs including the planning, execution and implementation of an approved business district plan; and,

WHEREAS, pursuant to its powers and in accordance with the requirements of the Business District Act, the Corporate Authorities authorized a review of the eligibility of an area within the City to determine whether such area could be benefitted by the Business District Act, in order to eliminate those blighting factors which have, historically, inhibited development; and,

WHEREAS, after a review of the requirements under the Business District Act and the conditions of the properties within the proposed district, it was determined that there existed blighting conditions sufficient to designate the proposed area, depicted on Exhibit A attached hereto and made a part hereof, as the Downtown Yorkville Business Development District (the "Downtown Business District") under the Business District Act; and,

WHEREAS, upon the findings of eligibility for the proposed Downtown Business District, the Corporate Authorities authorized the preparation of a Downtown Yorkville Business District Development Plan setting forth the goals and objects, proposed projects, estimated budget and the potential sources of funds to implement said Plan for the proposed Downtown Business District; and,

WHEREAS, pursuant to the Business District Act, once a business district is designated, the Corporate Authorities may impose a retailers' occupation tax, service occupation tax, and a hotel operators' occupation tax in an amount not to exceed one percent (1%) to pay costs to be incurred in connection with the planning, execution and implementation of the goals and objectives as set forth in the business district plan, and the Corporate Authorities have, in fact,

imposed a retailers' occupation tax, service occupation tax, and hotel operators' occupation tax of one percent (1%) in the business district; and,

WHEREAS, pursuant to the Business District Act, on January 8, 2013, the Corporate Authorities, after public hearings, passed Ordinance No. 2013-01 designating the Downtown Yorkville Business District to include the property depicted on *Exhibit A* (the "Downtown Yorkville BD") and imposed retailers' occupation tax and a service occupation tax in the amount of one percent (1%) on all commercial operations within its boundaries for the planning, execution and implementation of the Downtown Yorkville Business District Plan (the "Business District Plan"); and,

WHEREAS, the additional new projects include the acquisition and rehabilitation of:

- 1. 209 South Bridge Street;
- 2. The parking lot immediately to the north of 209 South Bridge Street;
- 3. 213 South Bridge Street;
- 4. An expansion of the Cobblestone Bakery Project No. 1 (collectively the "Additional Projects"); and,

WHEREAS, the City desires the Developer to proceed with the Additional Projects and is, therefore, willing to commit additional incentives available pursuant to the Act and the Business District Act in order to induce the Developer to undertake these Additional Projects, all as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set forth, the parties agree as follows:

Section 1. Incorporation. The representations and recitations set forth in the preambles hereto are material to this Amendment and are hereby incorporated into and made a part of this Amendment as though fully set forth in this Section I and said representations and recitations constitute the understandings of the City and the Developer.

# Section 2. The Imperial Investment Additional Projects.

- A. The Developer represents and warrants that it has acquired the following properties, said properties being located within the Downtown Yorkville Redevelopment Project Area and the Downtown Business District:
- 1. The property commonly known as 101/107 W. Van Emmon Street, identified as parcel No 02-33-283-014 and hereinafter referred to as "Cobblestone Bakery Expansion Project No. 1";
- 2. The property commonly known as 213 S. Bridge Street, identified as parcel No. 02-32-283-007 hereinafter referred to as "Mongolian 211 Project";
- 3. The property commonly known as 209 S. Bridge Street, identified as parcel No. 02-32-283-005 hereinafter referred to as "Kendall Grill Project"; and,
- 4. The parking lot directly north of 209 S. Bridge Street, identified as parcel Nos. 02-32-283-003 and 02-32-287-002, hereinafter referred to the "Parking Lot Improvement Project".
- B. The Developer covenants and agrees to develop the Additional Projects in conformance with all applicable federal, state and City laws, regulations, ordinances, zoning and building codes, life safety codes, property maintenance codes and all other applicable ordinances of the City (collectively hereinafter referred to as the "Legal Requirements").

C. On or before March 31, 2013, the Developer shall have submitted plans for each of the Additional Projects, which plans shall be in conformance with the Legal Requirements and shall have also submitted an estimated itemized budget for each such Additional Project.

# Section 3. Developer's Obligations as a Condition Precedent to the City's Commitment.

A. On or before December 31, 2013, the Developer shall have completed all of the Additional Projects in a good and workmanlike manner and in accordance with the Legal Requirements.

B. On or before December 31, 2013, the Developer shall have commenced operation of Mongolian 211 and restaurant the Kendall Grill at 213 South Bridge Street and 209 South Bridge Street, respectively.

# Section 4. Obligations and Commitments of the City.

A. So long as no notice pursuant to Section 20 of the Original Agreement has been issued and remains uncured and so long as the Developer shall have completed construction of the Additional Projects in conformance with the Legal Requirements, the City shall reimburse the Developer for "Redevelopment Project Costs" as hereinafter defined and itemized on Exhibit B attached hereto to pay any cost included in the estimated budget for Additional Projects which are eligible as Redevelopment Project Costs in an amount not to exceed twenty-five percent (25%) of all costs incurred by the Developer in connection with the Additional Projects plus costs of financing, marketing and professional fees paid by the Developer.

B. All reimbursements to the Developer shall be in conformance with the requirements and procedures set forth in the Original Agreement.

- C. In connection with the establishment and ongoing administration of the Downtown Business District, the City has established a special fund pursuant to the requirements of the Business District Act, known as the Downtown Yorkville Business District Tax Allocation Fund ("BD Fund"), into which the City shall deposit all sales tax revenues imposed at a rate of one percent (1%) generated by businesses operating in the Downtown Yorkville BD ("BD Taxes"). The City shall thereafter transfer all BD Taxes in the BD Fund as follows:
  - (i) On March 1 of each year during the term of this Agreement, the City shall deposit all BD Taxes deposited into the BD Fund into the Imperial Investment BD Sub-Account of the Special Tax Allocation Fund as established in the Original Agreement.
  - (ii) Notwithstanding the foregoing obligation on the part of the City to reimburse the Redevelopment Project Costs from BD Taxes, such obligation is contingent upon written authorization from the Developer to the Illinois Department of Revenue to release any and all information regarding the payment of sales taxes and service taxes collected by the businesses operating at the Imperial Investment Projects and Additional Projects. Failure on the part of any business to provide such written authorization shall result in a cancellation and waiver of the City's obligation to reimburse the Developer from BD Taxes attributable to such business.

THE CITY'S OBLIGATIONS TO REIMBURSE THE DEVELOPER UNDER THIS
AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL
TAXES DEPOSITED IN THE IMPERIAL INVESTMENT SUBACCOUNT OF THE STAF

FROM TIME TO TIME AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE CITY. As used in this Agreement, "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the Redevelopment Project Area and its improvements which is attributable to the increase in the equalized assessed value of all the Imperial Investment Projects and all projects of the Developer which are approved by the City and their improvements over the initial equalized assessed value of all approved Imperial Investment Project.

- D. Redevelopment Project Costs, in addition to the meaning set forth in Section 4B of the Original Agreement, shall also mean Business District Project Costs as defined in the Business District Act.
- E. Reimbursement of Redevelopment Project Costs shall be made annually on each STAF Allocation Date (or, if later, the date which is ten (10) days following approval by the City of payment of such Redevelopment Project Costs), as provided in the Original Agreement; provided, that reimbursement of Redevelopment Project Costs shall only be made to the extent money is available therefore in the Imperial Investment Subaccount of the STAF from deposits of BD Taxes and Incremental Taxes. To the extent money in the Imperial Investment Subaccount is insufficient to reimburse the Developer for Redevelopment Project Costs, such Request for Reimbursement shall be held for payment on the following STAF Allocation Date.

# Section 6. Undertakings on the Part of Developer.

A. The Developer covenants and agrees that the Project shall result in a private investment of no less than \$2,000,000.00 for the Additional Projects.

B. The Developer hereby covenants and agrees to promptly pay, as the same become due, any and all taxes and governmental charges of any kind that may at any time be assessed with regard to its operation including all real estate taxes assessed against the Imperial Investment Projects or any other location in the City owned or controlled by the Developer.

Section 7. Term. Section 7 of the Original Agreement is amended to state that unless earlier terminated pursuant to Section 20 of the Original Agreement, the term of this Redevelopment Agreement shall commence on the date of execution and end December 31, 2029, regarding the City's obligation to deposit Incremental Taxes into the Imperial Sub-Account and December 31, 2036, with regard to the City's obligation to deposit BD Taxes, into the Imperial Investment Sub-Account.

Section 8. All other provisions of the Original Agreement not amended by this Amendment one hereby affirmed as in full force and effect.

Section 9. Counterparts. This Amendment Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to the Redevelopment Agreement to be executed by their duly authorized officers on the above date at Yorkville, Illinois.

United City of Yorkville, an Illinois municipal corporation

By:

Mayor

Attest:

City Clerk

IMPERIAL INVESTMENTS, LLC, an Illinois liability company

Hv.



United City of Yorkville GIS Parcel Data and Aerial Photography Provided By Kendall County GIS The Data is provided without warranty or any representation of accuracy, timeliness, or completeness. It is the responsibility of the "Requester" to determine accuracy, timeliness, completeness, and appropriateness of its use. The United City of Yorkville makes no warranties, expressed or implied, to the use of the Data.



# Exhibit B

# IMPERIAL INVESTMENTS YORKVILLE TIF ELIGIBLE PROPERTIES COSTS AND EXPENSES

Property Name:	Property Name: Cobblestone Expansion	Property Name:	Property Name: Cobblestone Expansion
Address or PIN # 02-32-283-014	02-32-283-014	Address or PIN # 02-32-283-012	02-32-283-012
Acquisition Cost: NA	NA	Acquisition Cost: NA	NA
General renovation costs:	\$ 217,000.00	General renovation costs:	\$ 217,000.00
All engineering, architectural design costs:	\$ 3,400.00	All engineering, architectural design costs:	\$,400.00
Any legal fees incurred by developer:		Any legal fees incurred by developer:	
Signage costs:	\$ 667.00	Signage costs:	\$ 667.00
Outdoor lighting costs:	\$ 400.00	Outdoor lighting costs:	\$ 400.00
Landscaping costs:	\$ 334.00	Landscaping costs:	\$ 334.00
Any interest costs on borrowing: TBD	TBD	Any interest costs on borrowing: TBD	TBD
Comments:	Comments: General Renovation Costs are being Finalized. This is a part	Comments:	Comments: General Renovation Costs are being Finalized. This is a part of 101 W
	of 101 W Van Emmon		Van Emmon

Property Name:	Address or PIN #	Acquisition Cost:	General renovation costs:	All engineering, architectural design costs:	Any legal fees incurred by developer:	Signage costs:	Outdoor lighting costs:	Landscaping costs:	Any interest costs on borrowing:	Comment:	
Property Name: Cobblestone Expansion	02-32-283-011	NA	\$ 217,000.00	\$ 3,400.00	•	\$ 667.00	\$ 400,00	\$ 334.00		Comments: General Renovation Costs are being Finalized. This is a part	of 101 W Van Emmon
Property Name:	Address or PIN # 02-32-283-011	Acquisition Cost: NA	General renovation costs:	All engineering, architectural design costs:	Any legal fees incurred by developer:	Signage costs:	Outdoor lighting costs:	Landscaping costs:	Any interest costs on borrowing: TBD	Comments:	

Property Name:	Property Name: Mongolian 211 (Previously Bridge Street Café)		Mongolian 211 (Previously Bridge Street Café)
		Property Name:	
Address or PIN #	Address or PIN # 213 S Bridge Street (02-32-283-007)	Address or PIN#	Address or PIN # 211 S Bridge Street (02-32-283-006)
Acquisition Cost:	\$ 250,000.00	Acquisition Cost:	\$
General renovation costs:	\$ 125,000.00	General renovation costs:	\$ 125,000.00
All engineering, architectural design costs:	\$,400.00	All engineering, architectural design costs:	\$,400.00
Any legal fees incurred by developer:	\$ 500.00	Any legal fees incurred by developer:	\$ 500.00
Signage costs:	1,000.00	Signage costs:	\$ 1,000.00
Outdoor lighting costs:	\$	Outdoor lighting costs:	\$
Landscaping costs:	\$ 1,000.00	Landscaping costs:	\$ 1,000.00
Any interest costs on borrowing:	TBD	Any interest costs on borrowing:	TBD
Comments	Comments Does not include costs to renovate 2nd Floor as use has not	Comments:	Comments: Does not include costs to renovate 2nd Floor as use has not been
	been determined at this time.		determined at this time.

Property Name: h	Property Name: Kendall Grill (Previously Kendall Pub)	Property Name:	Property Name: Mongolian 211 (Previously Bridge Street Café)
Address or PIN # 2	Address or PIN # 209 S Bridge Street (02-32-283-005)	Address or PIN#	Address or PIN # 215 S Bridge Street (02-32-283-010)
Acquisition Cost:	00:000,006 \$	0.00 Acquisition Cost:	\$ 165,000.00
General renovation costs:	\$ 375,000.00	0.00 General renovation costs:	\$ 125,000.00
All engineering, architectural design costs:	000'6 \$	9,000.00 All engineering, architectural design costs:	\$,400.00
Any legal fees incurred by developer:	1,000	1,000.000 Any legal fees incurred by developer:	\$ 500.00
Signage costs:		TBD Signage costs:	1,000.00
Outdoor lighting costs:		TBD Outdoor lighting costs:	\$
Landscaping costs:		TBD Landscaping costs:	1,000.00
Any interest costs on borrowing:		TBD Any interest costs on borrowing: TBD	TBD
Comments	Comments Renovation costs being finalized.	Comments:	Comments: Does not include costs to renovate 2nd Floor as use has not been
			determined at this time. Note: General Renovation Costs have not been
			finalized)

rioperty ivaline:			
Imperial Inv	mperial Investments Vacant Lot (Adjacent to the Pub)	Property Name: \(\frac{1}{2}\)	Property Name: Vacant Lot (Adjacent to the Pub)
# VIdress or DIN #			
201-203 Bri	201-203 Bridge Street, parcel number (02-32-283-003)	Address or PIN # 2	Address or PIN # 205 S Bridge Street (02-32-283-004)
Acquisition Cost: \$	67,500.00	Acquisition Cost:	\$ 67,500.00
General renovation costs: \$	6,000.00	General renovation costs:	\$ \$
All engineering, architectural design costs: \$	500.00	All engineering, architectural design costs:	\$
Any legal fees incurred by developer: \$	500.00	Any legal fees incurred by developer:	\$ 500.00
Signage costs: TBD		Signage costs:	TBD
Outdoor lighting costs: TBD		Outdoor lighting costs:	TBD
Landscaping costs: TBD		Landscaping costs:	TBD
Any interest costs on borrowing: TBD		Any interest costs on borrowing:	TBD
Comment: Lot presently being utili	ently being utilized for Parking. Imperial has graded	Comments : L	Comments: Lot presently being utilized for Parking. Imperial has graded and added
and added I	and added base Asphalt Coat. Future plans for the property	al.	base Asphalt Coat. Future plans for the property have not been

# UNITED CITY OF YORKVILLE KENDALL COUNTY, ILLINOIS

#### ORDINANCE NO. 2013-12

AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA (TCB 123, LLC d/b/a Rowdys)

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois This 12<sup>th</sup> day of February, 2013

Published in pamphlet form by the authority of the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois on April 26, 2013.

# Ordinance No. 2013-12

# AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA

(TCB 123, LLC d/b/a Rowdys)

WHEREAS, by Ordinance No. 2006-46 adopted by the Mayor and City Council of the United City of Yorkville (the "City") on June 13, 2006, the Downtown Yorkville Tax Increment Financing Redevelopment Project and Plan (hereinafter the "Redevelopment Plan") was approved, which project and plan covered some of the oldest properties of the City which constitute a significant portion of the City's historic Downtown; and,

WHEREAS, by Ordinance No. 2006-47 and No. 2006-48 adopted by the Mayor and City Council of the City on June 13, 2006, the City designated approximately 200 acres containing 114 buildings as a "redevelopment project area" ("Yorkville Downtown Redevelopment Project Area") and adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (hereinafter referred to as the "Act"); and,

WHEREAS, pursuant to the Act and in furtherance of the Redevelopment Plan, TCB 123, LLC (the "Developer") submitted to the United City of Yorkville (the "City") a proposal to acquire the property commonly known as 210 South Bridge Street, Yorkville, Illinois, identified as Parcel No. 02-33-154-003, and lease a portion of the property commonly known as 212 South Bridge Street, Yorkville, which properties are located within the Yorkville Downtown Redevelopment Project Area (the "Subject Property"), for the purpose of redevelopment as a restaurant and bar to operate under the name of "Rowdys" and has advised the City that in order to proceed, financial assistance would be required for certain costs to be incurred, which costs would constitute "Redevelopment Project Costs" as defined by the Act; and,

WHEREAS, the Developer is prepared to proceed to enter into an installment purchase contract for the Subject Property and the redevelopment thereof in reliance upon the incentives committed by the City as set forth in the Redevelopment Agreement attached hereto and made a part hereof.

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois, as follows:

Section 1. The Redevelopment Agreement for the Downtown Yorkville Redevelopment Project Area (TCB123, LLC d/b/a "Rowdys") is hereby approved and the Mayor and City Clerk are hereby authorized to execute said Agreement.

Section 2. The City Administrator is hereby authorized to undertake any and all action as may be required to implement the terms thereof.

Section 3. This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois, this day of February, A.D. 2013.

CARLO COLOSIMO	<u> </u>	KEN KOCH	<u> </u>
JACKIE MILSCHEWSKI	<u> </u>	LARRY KOT	<u> </u>
MARTY MUNNS		CHRIS FUNKHOUSER	Y_
ROSE ANN SPEARS		DIANE TEELING	<u> </u>

APPROVED by me, as Mayor of the United City of Yorkville, Kendall County, Illinois, this 27 day of FEBRUARY, A.D. 2013.

Mayor Way J. Holink

Attest:

Beth Wanen City Clerk

Ordinance No. 2013-12
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#### REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA

(TCB123, LLC d/b/a Rowdys)

THIS AGREEMENT dated as of the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_ 2013, by and between the United City of Yorkville, Kendall County, Illinois, a municipal corporation (hereafter the "City") and TCB123, LLC, an Illinois limited liability company corporation (hereafter the "Developer").

#### WITNESSETH:

WHEREAS, by Ordinance No. 2006-46 adopted by the Mayor and City Council of the City (the "Corporate Authorities") on June 13, 2006, the Downtown Yorkville Tax Increment Financing Redevelopment Project and Plan (hereinafter the "Redevelopment Plan") was approved, which project and plan covered some of the oldest properties of the City which constitute a significant portion of the City's historic Downtown; and,

WHEREAS, by Ordinance No. 2006-47 and No. 2006-48 adopted by the Corporate Authorities on June 13, 2006, the City designated approximately 200 acres containing 114 buildings as a "redevelopment project area" ("Yorkville Downtown Redevelopment Project Area") and adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (hereinafter referred to as the "Act"); and,

WHEREAS, pursuant to the TIF Act, the Corporate Authorities are empowered to undertake the development and redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "conservation area" as defined in

Section 11.74.4.4-3(a) of the Act as in the case of the Yorkville Downtown Redevelopment Project Area; and,

WHEREAS, the Corporate Authorities have determined that the blighting factors which are readily observed in the Yorkville Downtown Redevelopment Project Area are detrimental to the public and impair redevelopment of this area of the City, with the result that it is necessary to incur extraordinary costs in order to see it redeveloped and revitalized. The blighting factors in the Yorkville Downtown Redevelopment Project Area will continue to impair growth and redevelopment but for the use of tax increment allocation financing to pay Redevelopment Project Costs (as defined in Section 3 of this Agreement) which necessarily must be incurred to implement a program of redevelopment; and,

WHEREAS, pursuant to the Act and in furtherance of the Redevelopment Plan the Developer has submitted to the City a proposal to acquire the property commonly known as 210 South Bridge Street, Yorkville, Illinois, identified as Parcel No. 02-33-154-003 and to lease a portion of 212 South Bridge Street, Yorkville, Illinois, identified as Parcel No. 02-33-154-024 (collectively, the "Subject Property"), which is located within the Yorkville Downtown Redevelopment Project Area, for the purpose of redevelopment as a restaurant and bar (the "Project"), and has advised the City that in order to proceed, financial assistance would be required for certain costs to be incurred, which costs would constitute "Redevelopment Project Costs"; and,

WHEREAS. as a result of the Developer's proposal, the City passed Resolution No. 2012-34 on December 11, 2012, being a Resolution to Induce the Redevelopment of Certain

Property within the Yorkville Downtown Tax Increment Redevelopment Project Area (the "Resolution"); and,

WHEREAS, the Developer is prepared to proceed with the Project in reliance upon the aforesaid Resolution and has now requested this Agreement in order to specifically outline the respective obligations of the parties hereto in connection with the Project and the implementation of the Redevelopment Plan for the Yorkville Downtown Redevelopment Project Area, all as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set forth, the parties agree as follows:

Section 1. Incorporation. The representations and recitations set forth in the preambles hereto are material to this Redevelopment Agreement and are hereby incorporated into and made a part of this Redevelopment Agreement as though fully set forth in this Section I and said representations and recitations constitute the understandings of the City and the Developer.

#### Section 2. The Developer's Project.

A. The Developer represents and warrants that on or before March 1, 2013, it shall have entered into an installment purchase contract for 210 South Bridge Street and a lease for one of the first floor units of 212 South Bridge Street.

B. The Developer covenants and agrees to redevelop the Subject Property as a restaurant and bar (the "Business") in conformance with all applicable federal, state and City laws, regulations, ordinances, zoning and building codes, life safety codes, property maintenance codes and all other applicable ordinances of the City (collectively hereinafter referred to as the "Legal Requirements") and complete the Project on or before December 31, 2013.

- C. The Developer has submitted an estimated budget for the Project which budget is attached hereto as *Exhibit A*. The Developer hereby represents and agrees that it shall invest no less than \$1,700,000 to complete the Project including the cost of acquisition of 210 South Bridge Street.
- D. The Developer hereby represents and warrants that financing has been obtained in an amount sufficient to complete the Project.

#### Section 3. Construction of Developer Improvements; Developer Payments.

- (a) In consideration for the development of the Project by the Developer, so long as no event described in Section 17 of this Agreement shall have occurred and be continuing, the City shall reimburse the Developer for the Redevelopment Project Costs in respect to the Project as set forth on *Exhibit A*, in accordance with the provisions of Section 4 hereof and subject to the limitations of the TIF Act, from a portion of the Incremental Taxes, as defined below, derived from the Subject Property in an amount not to exceed \$173,000 until the "Termination Date" as defined in Section 5 hereof. For purposes of this Agreement, "Redevelopment Project Costs" shall mean and include all costs defined as "redevelopment project costs" in Section 11-74.4-3(q) of the TIF Act which are eligible for reimbursement under the TIF Act.
- (b) In connection with the establishment and ongoing administration of the Redevelopment Project Area, the City has established a special tax allocation fund pursuant to the requirements of the TIF Act (the "Special Tax Allocation Fund" or the "STAF"), into which the City shall deposit all Incremental Taxes generated by the Yorkville Downtown Redevelopment Project Area. The City shall further establish, upon execution of this Agreement, a segregated special sub-account of the STAF designated the "Rowdys Sub-

Account." The City shall reimburse the Developer for Redevelopment Project Costs, pursuant to this Agreement, only from Incremental Taxes on deposit from time to time in the Rowdys Sub-Account, as described below, until the Termination Date as follows:

- (i) on October 1 of each year during the term of this Agreement (or, if later, the date which is ten (10) days following the date upon which the City receives Incremental Taxes from the final installment from Kendall County (the "STAF Allocation Date")), seventy-five percent (75%) of all Incremental Taxes credited to the STAF in respect of the Subject Property during the period from the immediately preceding STAF Allocation Date to, but not including, the current STAF Allocation Date shall be transferred and deposited by the City into the Rowdys Sub-Account and shall be used solely to reimburse the Developer for Redevelopment Project Costs, in accordance with Section 4 of this Agreement.
- (ii) after the Developer has submitted any Requests for Reimbursement pursuant to Sections 4(b) and 4(c), any amount remaining in the Rowdys Sub-Account, in excess of the amount required to reimburse the Developer for Redevelopment Project Costs shall be transferred by the City to the STAF.

THE CITY'S OBLIGATIONS TO REIMBURSE THE DEVELOPER UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE ROWDYS SUB-ACCOUNT FROM TIME TO TIME AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE CITY. As used in this Agreement, "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the Yorkville Downtown Redevelopment Project

Area and all improvements, which is attributable to the increase in the equalized assessed value of the Yorkville Downtown Redevelopment Project Area and all improvements over the initial equalized assessed value of the Yorkville Downtown Redevelopment Project Area.

#### Section 4. Procedures for and Application of Reimbursement to the Developer.

- (a) The Developer shall advance all funds and all costs necessary to undertake the Project and all costs eligible for reimbursement pursuant to this Agreement in connection therewith.
- To establish a right of reimbursement for specific Redevelopment Project Costs (b) under this Agreement, the Developer shall annually submit to the City Administrator a written statement in the form attached to this Agreement as Exhibit B (a "Request for Reimbursement") setting forth the amount of reimbursement requested and the specific Redevelopment Project Each Request for Reimbursement shall be Costs for which reimbursement is sought. accompanied by such bills, contracts, invoices, lien waivers, or other evidence as the City Administrator shall reasonably require to evidence the right of the Developer to reimbursement under this Agreement. The City Administrator shall have twenty (20) days after receipt of any Request for Reimbursement from the Developer to approve or disapprove such Request and, if disapproved, to provide the Developer in writing and in detail with an explanation as to why it is not prepared to recommend such reimbursement. The only reasons for disapproval of any expenditure for which reimbursement is sought shall be that such expenditure is not an eligible Redevelopment Project Cost, that it is not contained on Exhibit A (provided that the Developer shall have the right to reallocate such costs as listed), or that it was not incurred and completed by the Developer in accordance with the Legal Requirements and the provisions of this

Agreement, including, without limitation, all plans and specifications submitted to and preapproved by the City. The parties acknowledge that the determination of Redevelopment Project
Costs and qualification for reimbursement under this Agreement are subject to the TIF Act, all
amendments to the TIF Act both before and after the date of this Agreement, and administrative
rules and judicial interpretations rendered during the term of this Agreement. The City has no
obligation to the Developer to attempt to modify said rules or decisions but will cooperate with
the Developer in obtaining approval of Redevelopment Project Costs.

each STAF Allocation Date (or, if later, the date which is ten (10) days following approval by the City of payment of such Redevelopment Project Costs); provided that reimbursement of Redevelopment Project Costs shall only be made to the extent money is available therefor in the Rowdys Sub-Account. To the extent money in the Rowdys Sub-Account is insufficient to reimburse the Developer for Redevelopment Project Costs for that year, the City shall reimburse the Developer once funds are deposited into the Rowdys Sub-Account in subsequent years.

Notwithstanding the foregoing, if money is not available in the Rowdys Sub-Account to reimburse the Developer for Redevelopment Project Costs and the reason for the lack of funds is that the Developer or its successors in interest have not paid real estate taxes for the Subject Property when due and owing, the City shall not be required to make payment until taxes are paid.

#### Section 5. Term.

Unless earlier terminated pursuant to Section 17, the term of this Agreement shall commence on the date of execution and end on the earlier of: (i) reimbursement to the Developer of \$173,000; or, (ii) December 31, 2029 (the "Termination Date").

#### Section 6. Verification of Tax Increment.

The Developer shall use its best efforts to cooperate with the City in obtaining certified copies of all real estate tax bills for the Subject Property during the term of this Agreement.

#### Section 7. No Liability of City to Others for Developer's Expenses.

The City shall have no obligations to pay costs of the Project or to make any payments to any person other than the Developer, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the development of the Project.

#### Section 8. Time; Force Majeure.

Time is of the essence of this Agreement; <u>provided</u>, however, a party shall not be deemed in material breach of this Agreement with respect to any of such party's obligations to be performed under this Agreement, if such party 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, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, war, fuel shortages, accidents casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or similar causes beyond the reasonable control of such party ("Force

Majeure"). If one of the foregoing events occurs or either party claims that such an event occurred, the party to whom such claim is made shall investigate and consult with the party making such claim, and the party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

#### Section 9. Assignment.

This Agreement may not be assigned by the Developer without the prior written consent of the City, which consent shall not be unreasonably withheld.

#### Section 10. Developer Indemnification.

The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs, and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from the failure of the Developer, or any contractor, subcontractor, agent, or employee thereof (so long as such contractor, subcontractor, agent, or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer, or materialman; from any default or breach of the terms of this Agreement by the Developer; or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor, agent, or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer). The Developer shall, at its own cost and expense, appear, defend, and pay all charges of attorneys, costs, and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers,

officials, or employees in any such action, the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees, or contractors.

#### Section 11. 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 or remedy does so in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

#### Section 12. 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.

#### Section 13. 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 the Developer:

TCB123, LLC

c/o Donald Thatcher 210 South Bridge Street Yorkville, Illinois 60560

To the City:

United City of Yorkville

800 Game Farm Road

Yorkville, Illinois 60560

With a copy to:

Kathleen Field Orr

Kathleen Field Orr & Associates

53 West Jackson Blvd., Suite 935 Chicago, Illinois 60604

Section 14. Successors in Interest.

This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

Section 15. 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.

Section 16. No Discrimination - Construction.

The Developer, or its successors or assigns, agrees that with respect to the development of the Project and the operation of the Business it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Developer shall take affirmative action to require that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading,

11

demotion or transfer; recruitment or recruitment advertising and solicitations or advertisements for employees; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the City, setting forth the provisions of this nondiscrimination clause.

#### Section 17. Remedies - Liability.

- (a) If, in the City's judgment, the Developer is in material default of this Agreement, the City shall provide the Developer with a written statement indicating any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.
- (b) If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and any cure periods described in paragraph (a) above have expired, the City may elect to terminate this Agreement or exercise any right or remedy it may

have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading under any section of any bankruptcy or insolvency act shall be filed by or against the Developer; or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts; or the Developer makes an assignment for the benefit of its creditors; or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property; the City may elect, but is not required to, terminate this Agreement with or without notice, to the extent permitted by law and enforceable under applicable federal bankruptcy laws. In order to terminate this Agreement, the City's sole obligation shall be to record a Certificate of Default with the Kendall Recorder's Office, executed by the Mayor, stating that this Agreement is terminated pursuant to the provisions of this Section 17(b), in which event this Agreement shall *ipso facto* automatically become null and void and of no further force and effect.

(c) If, in the Developer's judgment, the City is in material default of this Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any failure on the City's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any of its rights or remedies as to any default or any alleged

default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

- (d) In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct, or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to, the equitable remedy of an action for specific performance; provided, however, no recourse for any claim under or upon any obligation contained in this Agreement shall be had against the City, its officers, agents, attorneys, representatives, or employees, in any amount or in excess of any specific sum agreed to be paid by the City pursuant to this Agreement; and no liability, right, or claim at law or in equity shall be attached to or incurred by the City, its officers, agents, attorneys, representatives, or employees in any amount in excess of any specific sums agreed by the City to be paid hereunder, and any such claim is hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the City.
- (e) The rights and remedies of the parties are cumulative and the exercise by a party of one or more such rights or remedies shall not preclude the exercise, at the same time or different times, of any other rights or remedies for the same default or for any other default by the other party.

#### Section 18. Amendment.

This Agreement, and any exhibits attached to this Agreement, may be amended only in writing signed by all parties with the adoption of any ordinance or resolution of the City approving the amendment, as provided by law, and by execution of the amendment by the parties

or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations, and discussions relative to the Project.

#### Section 19. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at United City of Yorkville, Kendall County, Illinois.

City of United City of Yorkville, Kendall County, an Illinois municipal corporation

By:

Mayor '

Attest:

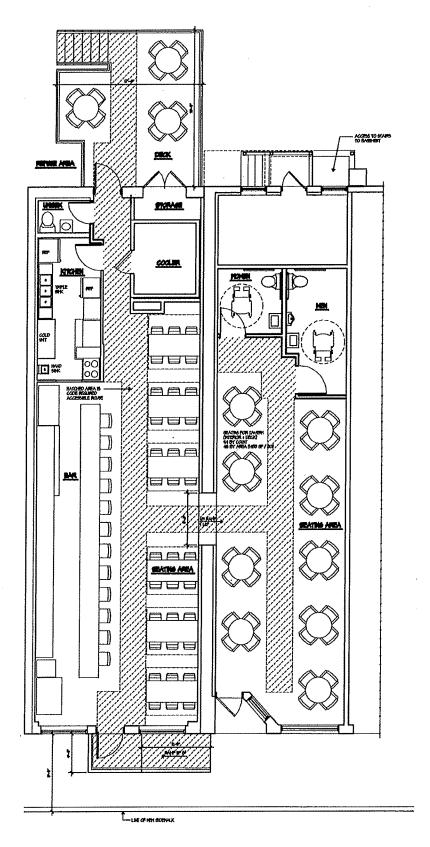
TCB123, LLC, an Illinois limited liability corporation

Dv

#### Exhibit A

#### Redevelopment Project Costs

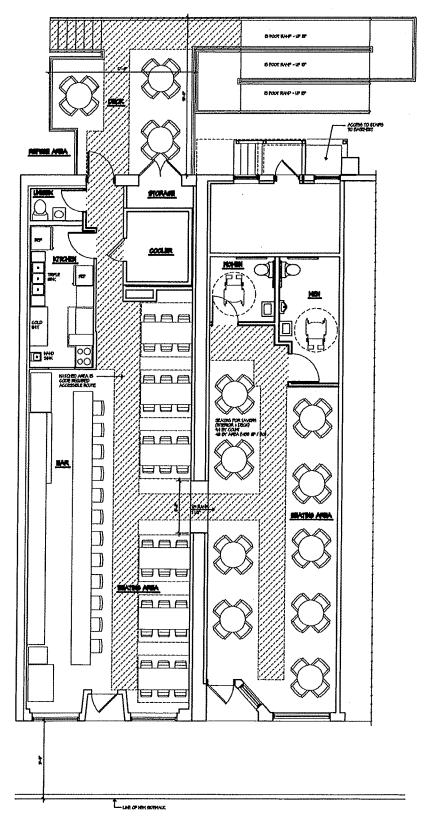
Mason Building Expansion	\$44,000
Construction of new bathrooms and expansion of the kitchen	\$22,000
Construction of a multi-tiered deck at the back of the building, eliminating both storage closets and first entry in the back of the building	\$16,000
Construction of an additional story to the deck for visuals of the river	\$15,000
Installation of concrete or wood floors. Resupport or replace floor joists	\$33,000
Eliminate all outdated wall paneling and paint mason blocks on south wall with a cultured stone base	\$18,000
Place a new sign, improve the front entry, new cultured stone, brick lob siding over current cedar.	\$25,000



ROWDIES TAVERN - YORKVILLE, IL

#### PLOOR PLAN - SCHEME | SCALE, I/4" = I'-0"

Gregory A. Norrie, Architect (a) 2013, Ali Righte Reserved Botavia, IL 650-856-4568 6AN 2013-01 01/25/13



ROYDIES TAVERN - YORKVILLE, IL

#### FLOOR FLAN - SCHEME 2

SCALE: 1/4" = 1'-0"

Gregory A. Norris, Architect (6) 2013, All Rights Reserved Botavia, il. 650-336-4368 6AN 2013-07 01/25/15

#### Exhibit B

#### REQUEST FOR REIMBURSEMENT

City of Yorkville
800 Game Farm Road
Yorkville, Illinois 61490-9999

800 Game Farm Yorkville, Illinoi	
Re:	Redevelopment Agreement dated, by and between the United City of Yorkville, an Illinois municipal corporation, and TCB123, LLC, an Illinois limited liability company
Dear Sir:	
	re requested to approve the disbursement of funds from the Rowdys Sub-Account Special Tax
	I pursuant to Section 4(b) of the Redevelopment Agreement described above in the amount(s), to the
	or the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for shall have the meanings given to those terms in the Redevelopment Agreement.
1.	Request for Reimbursement No.:
2.	Payment Due to:
3.	Amount to be Disbursed:
4.	The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to
	pay Redevelopment Project Costs as defined in the Agreement and as listed on the Schedule to
<i>*</i>	this Request for Reimbursement.
5.	The undersigned certifies that:
	(i) the amounts included in 3 above were made or incurred or financed and were necessary for the project and were made or incurred in accordance with the construction contracts,
	plans and specifications heretofore in effect;
	(ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represents
	a part of the funds due and payable for Redevelopment Project Costs;
	(iii) the expenditures for which amounts are requisitioned represent proper Redevelopment
	Project Costs identified in the Agreement, have not been included in any previous
	Request for Reimbursement, have been properly recorded on the Developer's books and
	are set forth on the attached Schedule, with paid invoices attached for all sums for which
	reimbursement is requested;
	(iv) the moneys requisitioned are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for his funds actually advanced for
	Redevelopment Project Costs;
	(v) the amount of Redevelopment Project Costs to be reimbursed in accordance with this
	Request for Reimbursement, together with all amounts reimbursed to the Developer
	pursuant to the Agreement, is not in excess of \$173,000;
	(vi) the Developer is not in default under the Agreement and nothing has occurred to the
	knowledge of the Developer that would prevent the performance of its obligations under
	the Agreement.
6.	Attached to this Request for Reimbursement are copies of invoices or bills of sale and Mechanic's
	Lien Waivers covering all items for which reimbursement is being requested.  TCB123, LLC, an Illinois limited liability
	company
Date:	· vompunj
	Ву:

APPROVED:

City of Yorkville, an Illinois municipal corporation

#### UNITED CITY OF YORKVILLE KENDALL COUNTY, ILLINOIS

#### ORDINANCE NO. 2013-19

AN ORDINANCE APPROVING A SECOND AMENDMENT TO THE REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA (Imperial Investments, LLC)

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois This 9<sup>th</sup> day of April, 2013

Published in pamphlet form by the authority of the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois on June 18, 2013.

## Ordinance No. 2013-19

# AN ORDINANCE APPROVING A SECOND AMENDMENT TO THE REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA

(Imperial Investments, LLC)

WHEREAS, by Ordinance No. 2006-46 adopted by the Mayor and City Council of the United City of Yorkville (the "Corporate Authorities") on June 13, 2006, the Downtown Yorkville Tax Increment Financing Redevelopment Project and Plan (hereinafter the "Redevelopment Plan") was approved, which project and plan covered some of the oldest properties of the City which constitute a significant portion of the City's historic Downtown; and,

WHEREAS, by Ordinance No. 2006-47 and No. 2006-48 adopted by the Corporate Authorities on June 13, 2006, the City designated approximately 200 acres containing 114 buildings as a "redevelopment project area" ("Yorkville Downtown Redevelopment Project Area") and adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (hereinafter referred to as the "Act"); and,

WHEREAS, pursuant to the TIF Act, on April 23, 2012, Ordinance No. 2012-06, the Corporate Authorities entered into a Redevelopment Agreement for the Downtown Yorkville Project Area (the "Original Agreement") with Imperial Investments, LLC (the "Developer"), in order to induce the development and redevelopment of certain properties within the Yorkville Downtown Redevelopment Project Area; and,

WHEREAS, pursuant to the Original Agreement, the City agreed to reimburse the Developer for Redevelopment Project Costs for certain projects as identified therein; and,

WHEREAS, the Developer thereafter submitted proposals to the City to acquire additional properties within the Yorkville Downtown Redevelopment Project Area for the

purpose of redevelopment, rehabilitation and renovation, all such projects being in furtherance of the Redevelopment Plan (the "Additional Projects") and requested financial assistance in order to proceed; and,

WHEREAS, in order to assist with the Additional Projects, the Corporate Authorities by Ordinance No. 2013-01 designated a portion of the commercial area of the Yorkville Downtown Redevelopment Project Area as a "Business District" in accordance with the Business District Development and Redevelopment Law (65 ILCS 5/11-74.3 et seq.) (the "Business District Act") and imposed a one percent (1%) retailers' occupation tax and a service occupation tax as permitted by the Business District Act (the "BD Taxes") in order to pay redevelopment project costs; and,

WHEREAS, the Developer has now submitted a proposal to the City to acquire additional properties commonly known as 102 E. Van Emmon Street, formerly used as a bank facility (the "Bank Property") and a parking lot located at the northeast corner of West Van Emmon Street and the west alley (the "Parking Lot") located within the Yorkville Downtown Redevelopment Project Area for the purpose of redevelopment, rehabilitation and renovation, all such projects being in furtherance of the Redevelopment Plan; and,

WHEREAS, the City desires the Developer to proceed with the acquisition and rehabilitation of the Bank Property and the Parking Lot and is, therefore, willing to commit additional incentives available pursuant to the Act and the Business District Act in order to induce the Developer to undertake these new projects, all as set forth in the Second Amendment to the Redevelopment Agreement for the Downtown Yorkville Redevelopment Project Area attached hereto and made a part hereof.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois, as follows:

Section 1. The Second Amendment to the Redevelopment Agreement for the Downtown Yorkville Redevelopment Project Area (Imperial Investments, LLC) is hereby approved and the Mayor and City Clerk are hereby authorized to execute said Agreement.

Section 2. The City Administrator is hereby authorized to undertake any and all action as may be required to implement the terms thereof.

Section 3. This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois, this day of April , A.D. 2013.

	$\lambda /$		. /
CARLO COLOSIMO		KEN KOCH	
JACKIE MILSCHEWSKI		LARRY KOT	
MARTY MUNNS		CHRIS FUNKHOUSER	4
ROSE ANN SPEARS		DIANE TEELING	

APPROVED by me, as Mayor of the United City of Yorkville, Kendall County, Illinois, this \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_, A.D. 2013.

Attest:

City Clerk

## SECOND AMENDMENT TO THE REDEVELOPMENT AGREEMENT FOR THE DOWNTOWN YORKVILLE REDEVELOPMENT PROJECT AREA

(Imperial Investments, LLC)

"Amendment") dated April 23, 2012, as amended January 8, 2013, by and between the United City of Yorkville, Kendall County, Illinois, a municipal corporation (hereafter the "City") and Imperial Investments, LLC; an Illinois limited liability company corporation (hereafter the "Developer") is dated as of April 11, 2013.

### WITNESSETH:

WHEREAS, by Ordinance No. 2006-46 adopted by the Mayor and City Council of the City (the "Corporate Authorities") on June 13, 2006, the Downtown Yorkville Tax Increment Financing Redevelopment Project and Plan (hereinafter the "Redevelopment Plan") was approved, which project and plan covered some of the oldest properties of the City which constitute a significant portion of the City's historic Downtown; and,

WHEREAS, by Ordinance No. 2006-47 and No. 2006-48 adopted by the Corporate Authorities on June 13, 2006, the City designated approximately 200 acres containing 114 buildings as a "redevelopment project area" ("Yorkville Downtown Redevelopment Project Area") and adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (hereinafter referred to as the "Act"); and,

WHEREAS, pursuant to the TIF Act, on April 23, 2012, pursuant to Ordinance No. 2012-06, the Corporate Authorities entered into a Redevelopment Agreement for the Downtown Yorkville Project Area (the "Original Agreement") with the Developer in order to induce the

development and redevelopment of certain properties within the Yorkville Downtown Redevelopment Project Area; and,

WHEREAS, pursuant to the Original Agreement, the City agreed to reimburse the Developer for Redevelopment Project Costs as specifically identified therein for the following four (4) Projects:

- 1. Cobblestone Bakery Project No. 1;
- 2. Follies Theater Project No. 2;
- 3. Follies Box Office Project No. 3; and,
- 4. Van Emmon Apartments Project No. 4; and,

WHEREAS, on January 8, 2013, the Original Agreement was amended to add additional redevelopment projects (the "Additional Projects") to include the acquisition and rehabilitation of:

- 1. 209 South Bridge Street;
- 2. The parking lot immediately to the north of 209 Bridge Street;
- 3. 213 South Bridge Street; and,
- 4. An expansion of the Cobblestone Bakery Project No. 1; and,

WHEREAS, the Developer also advised the City that in order to proceed with the Additional Projects, additional financial assistance shall be needed and, therefore, in addition to the designation of the Yorkville Downtown Redevelopment Project Area and the adoption of the TIF Act, by Ordinance No. 2013-01, the City designated a portion of the commercial area of the Yorkville Downtown Redevelopment Project Area as a "Business District" in accordance with

the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3 et seq.) the "Business District Act") on January 8, 2013; and,

WHEREAS, pursuant to the Business District Act, once a business district is designated, the Corporate Authorities may impose a retailers' occupation tax, service occupation tax, and a hotel operators' occupation tax in an amount not to exceed one percent (1%) to pay costs to be incurred in connection with the planning, execution and implementation of the goals and objectives as set forth in the business district plan, and the Corporate Authorities have, in fact, imposed a retailers' occupation tax and a service occupation tax of one percent (1%) in the business district; and,

WHEREAS, the Developer has now submitted a proposal to the City to acquire additional properties commonly known as 102 E. Van Emmon Street and formerly a bank facility (the "Bank Property") and a parking lot located at the northeast corner of West Van Emmon Street and the west alley (the "Parking Lot") located within the Yorkville Downtown Redevelopment Project Area for the purpose of redevelopment, rehabilitation and renovation, all such projects being in furtherance of the Redevelopment Plan; and,

WHEREAS, the City desires the Developer to proceed with the acquisition and rehabilitation of the Bank Property and the Parking Lot and is, therefore, willing to commit additional incentives available pursuant to the Act and the Business District Act in order to induce the Developer to undertake this project, all as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set forth, the parties agree as follows:

Section 1. Incorporation. The representations and recitations set forth in the preambles hereto are material to this Amendment and are hereby incorporated into and made a part of this Amendment as though fully set forth in this Section I and said representations and recitations constitute the understandings of the City and the Developer.

## Section 2. The Imperial Investment Additional Projects.

A. The Developer represents and warrants that it has acquired the Bank Property commonly known as the 102 E. Van Emmon and identified as Parcel No. 02-33-157-001; 02-33-157-004; 02-33-301-001 and 02-33-157-006 and the Parking Lot identified as Parcel No. 02-32-283-009 located within the Downtown Yorkville Redevelopment Project Area and the Downtown Business District.

B. The Developer covenants and agrees to develop the Bank Property in conformance with all applicable federal, state and City laws, regulations, ordinances, zoning and building codes, life safety codes, property maintenance codes and all other applicable ordinances of the City (collectively hereinafter referred to as the "Legal Requirements").

C. On or before April 30, 2013, the Developer shall have submitted plans for the redevelopment of the Bank Property, which plans shall be in conformance with the Legal Requirements and shall have also submitted an estimated itemized budget for this redevelopment project.

## Section 3. Developer's Obligations as a Condition Precedent to the City's Commitment.

A. On or before December 31, 2013, the Developer shall have completed all of the rehabilitation on the Bank Property in a good and workmanlike manner and in accordance with

the Legal Requirements and have taken possession of the Parking Lot and assumed the sole responsibility for the maintenance thereof.

B. On or before December 31, 2013, the Developer shall have commenced operation of an athletic/workout facility d/b/a Boombah Performance at the Bank Property.

## Section 4. Obligations and Commitments of the City.

A. So long as no notice pursuant to Section 20 of the Original Agreement has been issued and remains uncured, the City shall reimburse the Developer for "Redevelopment Project Costs" as hereinafter defined and itemized on Exhibit B attached hereto to pay any cost included in the estimated budget for the improvements to the Bank Property and to the Parking Lot which are eligible as Redevelopment Project Costs in an amount not to exceed twenty-five percent (25%) of all costs incurred by the Developer in connection with the improvements to the Bank Property and the Parking Lots plus costs of financing, marketing and professional fees paid by the Developer.

- B. All reimbursements to the Developer shall be in conformance with the requirements and procedures set forth in the Original Agreement.
- C. In connection with the establishment and ongoing administration of the Downtown Yorkville Redevelopment Project Area and the Downtown Business District, the City established a special fund pursuant to the Act known as the "Downtown Yorkville Redevelopment Project Area Special Tax Allocation Fund (the "STAF") and pursuant to the Original Agreement established the Imperial Investment Sub-Account of the STAF. In addition, as required by the Business District Act, a special fund known as the Downtown Yorkville Business District Tax Allocation Fund ("BD Fund") was also established. The City shall deposit all sales tax revenues

imposed at a rate of one percent (1%) generated by businesses operating in the Downtown Yorkville BD ("BD Taxes") into the BD Fund and thereafter shall transfer all BD Taxes in the BD Fund as follows:

- (i) On March 1 of each year during the term of this Agreement, the City shall deposit all BD Taxes deposited into the BD Fund into the Imperial Investment Sub-Account of the Special Tax Allocation Fund as established in the Original Agreement.
- (ii) Notwithstanding the foregoing obligation on the part of the City to reimburse the Redevelopment Project Costs from the Imperial Investment Sub-Account including the BD Taxes deposited therein, such obligation is contingent upon written authorization from the Developer to the Illinois Department of Revenue to release any and all information regarding the payment of sales taxes and service taxes collected by the businesses operating within the Business District. Failure on the part of any business to provide such written authorization shall result in a cancellation and waiver of the City's obligation to reimburse the Developer from BD Taxes attributable to such business.

THE CITY'S OBLIGATIONS TO REIMBURSE THE DEVELOPER UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES AND BD TAXES DEPOSITED IN THE IMPERIAL INVESTMENT SUBACCOUNT OF THE STAF FROM TIME TO TIME AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE CITY. As used in this Agreement, "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of

the Redevelopment Project Area and its improvements which is attributable to the increase in the equalized assessed value of all the Imperial Investment Projects and all projects of the Developer which are approved by the City and their improvements over the initial equalized assessed value of all approved Imperial Investment Project.

- D. Redevelopment Project Costs, in addition to the meaning set forth in Section 4B of the Original Agreement, shall also mean Business District Project Costs as defined in the Business District Act.
- E. Reimbursement of Redevelopment Project Costs shall be made annually on each STAF Allocation Date (or, if later, the date which is ten (10) days following approval by the City of payment of such Redevelopment Project Costs), as provided in the Original Agreement; provided, that reimbursement of Redevelopment Project Costs shall only be made to the extent money is available therefore in the Imperial Investment Sub-Account of the from deposits of BD Taxes and Incremental Taxes. To the extent money in the Imperial Investment Subaccount is insufficient to reimburse the Developer for Redevelopment Project Costs, such Request for Reimbursement shall be held for payment on the following STAF Allocation Date.

## Section 5. Undertakings on the Part of Developer.

- A. The Developer covenants and agrees that these new projects shall result in a total investment of no less than \$900,000 by the Developer in the Yorkville Downtown Redevelopment Project Area.
- B. The Developer hereby covenants and agrees to promptly pay, as the same become due, any and all taxes and governmental charges of any kind that may at any time be assessed

with regard to its operation including all real estate taxes assessed against the Imperial Investment Projects or any other location in the City owned or controlled by the Developer.

Section 6. Term. Section 7 of the Original Agreement is amended to state that unless earlier terminated pursuant to Section 20 of the Original Agreement, the term of this Redevelopment Agreement shall commence on the date of execution and end December 31, 2029, regarding the City's obligation to deposit Incremental Taxes into the Imperial Sub-Account and December 31, 2036, with regard to the City's obligation to deposit BD Taxes, into the Imperial Investment Sub-Account.

Section 7. All other provisions of the Original Agreement and the Second Amendment thereto are hereby affirmed as in full force and effect.

Section 8. Counterparts. This Amendment Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to the Redevelopment Agreement to be executed by their duly authorized officers on the above date at Yorkville, Illinois.

United City of Yorkville, an Illinois municipal corporation

By:

the Wanen

Mayor

Attest:

Attest:

City Clerk

IMPERIAL INVESTMENTS, LLC, an Illinois

liability company

By:

President

#### Exhibit B

#### COSTS AND EXPENSES BASED ON IMPERIAL INVESTMENTS YORKVILLE PROPERTIES

Property Name:	Boombah Performance
Address or PIN #	02-33-157-014
Acquisition Cost:	\$ 714,000.00
General renovation costs:	\$ 200,000.00
All engineering, architectural design costs:	\$ 9,000.00
Any legal fees incurred by developer:	\$ 500.00
Signage costs:	\$ 4,000.00
Outdoor lighting costs:	\$ 1,000.00
Landscaping costs:	\$ 3,000.00
Any interest costs on borrowing:	TBD
Comment:	Former Old Second Bank (Van Emmon and S
	Bridge Street)

Property Name:	Lot 6 Parking Lot
Address or PIN #	02-32-283-009
Acquisition Cost:	\$ 13,500.00
General renovation costs:	\$ 20,000.00
All engineering, architectural design costs:	\$ 5,000.00
Any legal fees incurred by developer:	\$ 500.00
Signage costs:	\$
Outdoor lighting costs:	\$ 2,000.00
Landscaping costs:	na
Any interest costs on borrowing:	TBD
Comments	Located to the west side of Cobblestone Bakery
	and Bistro and just East of the West Alley

### Fiscal Year 2012 Joint Review Board Tuesday, November 27, 2011 3:00 p.m.

Yorkville City Hall Conference Room 800 Game Farm Road, Yorkville, IL 60560

### **Committee Members in Attendance:**

Jacqui Parisi, Business Manager – Yorkville CUSD 115 John Sterrett – Kendall County Associate Planner, Building and Zoning Dept. Tom Lindblom, Deputy Fire Chief – Bristol Kendall Fire Department

### **City Officials in Attendance:**

Rob Fredrickson, Finance Director - United City of Yorkville Kathleen Field Orr, City Attorney – Kathleen Field Orr & Associates

### **Elect Public Member**

There was no public member present so City Attorney Orr stated they would forego it.

#### **Elect Chair Person**

Rob Fredrickson, Finance Director - United City of Yorkville – Mr. Lindblom made a motion to appoint Mr. Fredrickson and Mr. Sterrett seconded and Mr. Fredrickson was unanimously elected.

Mr. Fredrickson opened the annual meeting by asking for approval of the minutes from the last meeting (October 26, 2011). The minutes were approved unanimously "as is."

### **Annual Report for Fox Industrial TIF:**

City Attorney Orr addressed the group stating that the Fox Industrial Park TIF was liquidated at the end of calendar year 2011. Ms. Orr had advised the school district that the City would receive one more year of incremental taxes from the TIF district (i.e. 2011 levy) in calendar year 2012. Once the City received these proceeds from the County, the City would return the proceeds for re-distribution amongst the various taxing districts. However, these events never took place, because the County never extended the 2011 levy for the Fox Industrial TIF. When Mr. Fredrickson called the County, he was informed by the County Clerk's office that the TIF was permanently closed at the end of 2011 and that there would be no final distribution of incremental property taxes in 2012. Mr. Fredrickson then informed Ms. Orr of the situation and Ms. Orr wrote a letter addressed to the County to find out what was going on. To date, there has been no response from the County. Mr. Fredrickson asked Ms. Orr if she wanted to write more letters or pursue it further. In response, Ms. Orr stated that she did not want the City to incur unnecessary legal fees by writing more letters, because the damage had already been done. The County cannot go back to those who received money and get it back to be re-distributed. In the meantime, Ms. Parisi stated that she is calling the County because she's trying to figure out if the EAV from the TIF would be available for the 2012 levy. The County Clerk's office told Mr. Fredrickson that it was. Ms. Parisi asked for an explanation – was it closed a year

early? Ms. Orr said, effectively, the County closed it in 2010. Ms. Orr elaborated, stating that the City cannot sue for damages because the City was going to turn around and give the proceeds back anyway. It only affects the other taxing bodies because it would have been additional money for the 2011 levy. Ms. Parisi asked when they got the money and Ms. Orr said it was part of the initial levy for 2011. Whatever was levied by the taxing districts, the County included the TIF increment in that amount. What Ms. Orr had asked for in her letter to the County was an accounting of how the process took place. Mr. Fredrickson noticed on the City's EAV sheet there was a disconnected EAV (which was the TIF). He assumed it was rolled into the total taxable EAV, but he doesn't know for sure. That's why he and Ms. Orr have asked the County for an explanation.

Mr. Lindblom asked if that EAV amount should be applied to the levy that will be submitted this December and both Ms. Parisi and Ms. Orr agreed. The school district, B.K.F.P.D. and the City did not receive the money that was due them. Mr. Lindblom suggested they go to the assessor's office and ask if they have included that in each entities EAV. Ms. Orr said the answer should be, "Yes."

Ms. Parisi asked the group how they knew what they were levying. Mr. Lindblom said their Chief talks to County Assessor to find out what their EAV is to figure out the levy – sort of working backward. He thought the Chief was waiting right now for a final number so they could include it in their December Board meeting.

Ms. Orr explained when you do a TIF as a community, all you are saying is you're going to capture that increase in the EAV, and, by law, you can only use that money to reinvest in that area. The current problem appears to be the assessor is not increasing the assessed value of the area even though there have been major improvements.

Ms. Orr pointed out that, more importantly, when a neighbor's property falls into disarray; your property value also goes down. Once you improve your property, the other properties surrounding it also go back up in value. The issue is the entire TIF district should go up because of the improvements.

Ms. Parisi asked why it is being treated as new property this year. Ms. Orr said she would have to ask the County Clerk or Assessor.

Annual Report for the Countryside TIF: Ms. Orr began by stating that when this TIF was initially created in 2005, the idea was that a large department store was going to be developed in the Countryside area. So, the City formed a TIF district and issued debt to facilitate the development. Approximately \$500,000 of the bond proceeds were used to have the old Countryside mall demolished. However, before the development could proceed any further, the developer went bankrupt without ever doing anything. Mr. Fredrickson stated that according to the current TIF report, \$4,000 in incremental property tax was received in FY 2012. That increment, along with the remaining bond proceeds, was used to pay the current year's debt service. Mr. Fredrickson went on to say that there is now \$1,877,872 of bond money remaining (i.e. fund balance) as of April 30, 2012. Ms. Orr mentioned that the City is currently negotiating with a new developer who's interested in building a 10-screen Cineplex within the TIF district.

Ms. Orr thinks that the incremental property taxes from this development it will ultimately be able to satisfy the annual debt service payments.

Annual Report for the Downtown TIF: Mr. Fredrickson stated that total fund balance for the TIF district was \$257,953 at fiscal year end 2012. There are many projects in the Downtown TIF relating to streets, curbs, gutters, flooding, storm drainage, etc. There is now a developer redeveloping it and the City has entered into a redevelopment agreement with them. The City created the Downtown TIF in 2006; there is another 17 years of increment that will probably be kept in play. The City will be reporting how these funds are being used every year and plans on using all of the funds.

There were no further questions and Mr. Fredrickson asked for a motion to adjourn; it was seconded; and the meeting adjourned at 3:50 p.m.

Minutes respectfully submitted by: Bonnie Olsem

### UNITED CITY OF YORKVILLE, ILLINOIS

## COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

### FINANCIAL AND COMPLIANCE REPORT

FISCAL YEAR ENDED APRIL 30, 2013

# UNITED CITY OF YORKVILLE, ILLINOIS COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

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### INDEPENDENT AUDITORS' REPORT

CERTIFIED PUBLIC ACCOUNTANTS

PHONE 630.393.1483 • FAX 630.393.2516 www.lauterbachamen.com

### **INDEPENDENT AUDITORS' REPORT**

August 23, 2013

The Honorable City Mayor Members of the City Council United City of Yorkville, Illinois

We have audited the accompanying basic financial statements of the governmental activities of the Countryside and Downtown Tax Incremental Financing Districts of the United City of Yorkville, Illinois as of and for the year ended April 30, 2013, which collectively comprise the Countryside and Downtown Tax Incremental Financing Districts as listed in the table of contents. The basic financial statements are the responsibility of the United City of Yorkville, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the basic financial statements present only the Countryside and Downtown Tax Incremental Financing Districts of the United City of Yorkville, Illinois, and are not intended to present fairly the financial position or results of operations of the United City of Yorkville, Illinois, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Countryside and Downtown Tax Incremental Financing Districts of the United City of Yorkville, Illinois as of April 30, 2013, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated August 23, 2013 on our consideration of the Countryside and Downtown Tax Incremental Financing Districts' compliance with laws, regulations, contracts and grants.

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LAUTERBACH & AMEN, LLP



### UNITED CITY OF YORKVILLE, ILLINOIS COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

**Balance Sheet** April 30, 2013

	Countryside TIF	Downtown TIF
ASSETS		
Cash and Investments	\$ 1,572,335	245,669
Prepaids		1,667
Total Assets	1,572,335	247,336
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable		30,399
Fund Balances		
Nonspendable	*	1,667
Restricted	1,572,335	215,270
Total Fund Balances	1,572,335	216,937
Total Liabilities and Fund Balances	1,572,335	247,336

### UNITED CITY OF YORKVILLE, ILLINOIS COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

### Statement of Revenues, Expenditures and Changes in Fund Balance Year Ended April 30, 2013

	CountrysideTIF	Downtown TIF
Revenues		
Property Taxes	\$ -	39,981
Interest	2,132	428
Total Revenues	2,132	40,409
Expenditures		
General Government		
Administration Fees	2,627	18,391
Capital Outlay	•	68,034
Debt Service		
Principal Retirement	180,000	-
Interest and Fiscal Charges	125,042	
Total Expenditures	307,669	86,425
Excess (Defienciency) of Revenues		
Over (Under) Expenditures	(305,537)	(46,016)
Other Financing Sources		
Disposal of Capital Assets		5,000
Net Change in Fund Balances	(305,537)	(41,016)
Fund Balances - Beginning	1,877,872	257,953
Fund Balances - Ending	1,572,335	216,937

### UNITED CITY OF YORKVILLE, ILLINOIS COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

Notes to the Financial Statements April 30, 2013

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The operations of Countryside and Downtown Tax Incremental Financing Districts are accounted for through special revenue funds of the United City of Yorkville, Illinois. It applies the following policies:

### **Basis of Accounting**

The financial statements are prepared on the modified accrual basis of accounting under which revenue is recognized when it becomes both measurable and available, and expenditures generally are recognized when the liability is incurred.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

August 23, 2013

The Honorable City Mayor Members of the City Council United City of Yorkville, Illinois

We have audited the accompanying basic financial statements of the governmental activities of the Countryside and Downtown Tax Incremental Financing Districts of the United City of Yorkville, Illinois, as of and for the year ended April 30, 2013, and have issued our report thereon dated August 23, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing Districts are the responsibility of the United City of Yorkville's management. As part of obtaining reasonable assurance about whether basic financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the City's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

This report is intended for the information of the members of the City Council and management, and is not intended to be used and should not be used by anyone other then these specified parties.

LAUTERBACH & AMEN, LLP

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