

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2018

Name of Redevelopment Project Area (below): <div style="text-align: center;">US Rte 34 & IL Rte 47 - Countryside</div>	
Primary Use of Redevelopment Project Area*: Commercial	

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

If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	<input checked="" type="checkbox"/>
Industrial Jobs Recovery Law	<input type="checkbox"/>

Please utilize the information below to properly label the Attachments.

	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)] If yes, please enclose the amendment (labeled Attachment A).	x	
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).		x
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).		x
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).		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? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).		x
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 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	x	
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 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	x	
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)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).		x
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	x	
An 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 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).	x	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		x
Cumulatively, have deposits of incremental taxes 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)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		x
A list of all intergovernmental agreements in effect 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 the list only, not actual agreements (labeled Attachment M).	x	

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))**Provide an analysis of the special tax allocation fund.****FY 2018****TIF NAME:****US Rte 34 & IL Rte 47 - Countryside**

Special Tax Allocation Fund Balance at Beginning of Reporting Period

\$ (495,754)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 198,294	\$ 599,952	13%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ -	\$ 378,778	8%
Land/Building Sale Proceeds			0%
Bond Proceeds	\$ -	\$ 3,506,099	78%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

All Amount Deposited in Special Tax Allocation Fund

\$ 198,294

Cumulative Total Revenues/Cash Receipts

\$ 4,484,829 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 162,360

Transfers to Municipal Sources**Distribution of Surplus****Total Expenditures/Disbursements**

\$ 162,360

Net/Income/Cash Receipts Over/(Under) Cash Disbursements

\$ 35,934

FUND BALANCE, END OF REPORTING PERIOD*

\$ (459,820)

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

FY 2018

TIF NAME:

US Rte 34 & IL Rte 47 - Countryside

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

PAGE 1

[illegible]

[illegible]

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 162,360

FY 2018

TIF NAME:

US Rte 34 & IL Rte 47 - Countryside

Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.

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

[illegible]

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

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

FY 2018

TIF NAME:

US Rte 34 & IL Rte 47 - Countryside

FUND BALANCE BY SOURCE

\$ (459,820)

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

General Obligation Bonds Series 2005	\$ 3,525,000	\$ -
General Obligation Bonds Series 2014	\$ 1,235,000	\$ 1,748,153
General Obligation Bonds Series 2015A	\$ 1,475,000	\$ 1,883,687

Total Amount Designated for Obligations

\$ 6,235,000	\$ 3,631,840
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2. Description of Project Costs to be Paid

Developer Incentive		\$ 700,000

Total Amount Designated for Project Costs

\$ 700,000

TOTAL AMOUNT DESIGNATED

\$ 4,331,840

SURPLUS/(DEFICIT)

\$ (4,791,660)

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

FY 2018

TIF NAME:

US Rte 34 & IL Rte 47 - Countryside

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

X

**Check here if 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:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2018

TIF Name:

US Rte 34 & IL Rte 47 - Countryside

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	1

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 6,296,978	\$ -	\$ 6,296,978
Public Investment Undertaken	\$ 1,800,000	\$ -	\$ 1,800,000
Ratio of Private/Public Investment	3 1/2		3 1/2

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Kendall Crossing

Private Investment Undertaken (See Instructions)	\$ 6,296,978	\$ -	\$ 6,296,978
Public Investment Undertaken	\$ 1,800,000	\$ -	\$ 1,800,000
Ratio of Private/Public Investment	3 1/2		3 1/2

Project 2*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		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

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 the complete TIF report**

SECTION 6
FY 2018

TIF NAME: US Rte 34 & IL Rte 47 - Countryside

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	Reporting Fiscal Year EAV
2/15/2005	\$ 1,528,166	\$ 2,497,309

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

☒ Check if 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:

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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
www.yorkville.il.us

Attachment B

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, 2018, in connection with the administration of the U.S. Route 34 and IL Route 47 (Countryside) Tax Increment Financing District.



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 17, 2018

Susana A. Mendoza, State Comptroller
Office of the State Comptroller
Local Government Division
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601-3252

***Re: U.S. Route 34 and Ill. Route 47 (Countryside Shopping Center) Tax Increment
Finance Redevelopment Project Area for the Fiscal Year Ending April 30, 2018***

Dear Sir:

I, Kathleen Field Orr, am the City Attorney of the United City of Yorkville, Kendall County, Illinois.

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

This opinion relates only to the time periods set forth above and is based on all information available to me during said fiscal year.

Very truly yours,

KATHLEEN FIELD ORR & ASSOCIATES



KATHLEEN FIELD ORR

KFO/kms

Activities Statement
US Rte 34 & IL Rte 47 Countryside

In November of 2013 a new 30,000 square foot multiplex movie theater, called NCG Cinemas, opened within the Countryside TIF district. Pursuant to the development agreement, the developer of the movie theater will receive TIF incentives totaling \$2 million. Of this amount, \$1.8 million was paid (from remaining 2005 bond proceeds) upon the opening of the new theater. The remaining \$200,000 will be paid from amusement tax receipts out of the City's General Fund, of which \$96,442 has been paid as of April 30, 2017. In addition, the developer will also receive a 50% rebate of amusement tax receipts for a period of ten years.

Fiscal year 2015 saw the opening of a new 10,450 square foot day care center, called Lighthouse Academy. In April of 2017 (Fiscal Year 2017) the City entered into an inducement resolution with Kendall Hospitality LLC, regarding a planned \$8.8 million hotel and convention center development to be located within the TIF district, as part of the Kendall Crossing Development. This new four-story Holiday Inn Express hotel is expected to open in the latter half of 2019, and will include over 90 rooms and a 12,000 square foot banquet facility.

In January of 2014 the City completed a partial refunding of the 2005 Countryside bonds, in order to mitigate the fund's negative equity position and ease cash flow constraints in subsequent fiscal years. In July of 2015 (Fiscal Year 2016) the City refunded the remaining principal on the 2005 Countryside Bonds, which should result in net present value interest savings of approximately \$135,000. As of April 30, 2018, outstanding principal for the 2014 and 2015A (refunded the 2005 bonds) bonds was \$1.235 million and \$1.408 million, respectively. During the current fiscal year the TIF district paid \$149,669 in principal and interest on the outstanding debt.

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

ORDINANCE NO. 2017-28

**AN ORDINANCE OF THE UNITED CITY OF YORKVILLE, KENDALL COUNTY,
ILLINOIS, APPROVING A DEVELOPMENT AGREEMENT FOR KENDALL
HOSPITALITY, LLC, YORKVILLE, ILLINOIS**

Passed by the City Council of the
United City of Yorkville, Kendall County, Illinois
This 9th day of May, 2017

Prepared by and Return to:

United City of Yorkville
800 Game Farm Road
Yorkville, IL 60560

Published in pamphlet form by the
authority of the Mayor and City Council
of the United City of Yorkville, Kendall
County, Illinois on September 28, 2017.

AN ORDINANCE OF THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS, APPROVING A DEVELOPMENT AGREEMENT FOR KENDALL HOSPITALITY, LLC, YORKVILLE, ILLINOIS

WHEREAS, the United City of Yorkville, Kendall County, Illinois (the “City”) is a duly organized and validly existing non home-rule municipality created in accordance with the Constitution of the State of Illinois of 1970 and the laws of the State; and,

WHEREAS, pursuant to its powers and in accordance with the requirements of the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as from time to time amended (the “TIF Act”), the Mayor and City Council of the City (collectively, the “Corporate Authorities”), pursuant to Ordinance No. 2005-10A, adopted on February 8, 2005, and Ordinance Nos. 2005-10B and 2005-10C, adopted on February 15, 2005, respectively, approved the Tax Increment Financing Redevelopment Project and Plan for the US Route 34 and Illinois Route 47 (Countryside Shopping Center) (the “Redevelopment Plan”) setting forth a plan for the development, redevelopment and revitalization of the redevelopment project area; designated a redevelopment project area consisting of approximately 19 acres generally located at Route 47 and Route 34 and commonly known as Countryside Shopping Center (the “Redevelopment Project Area” or “Subject Property”); and adopted tax increment allocation financing for the Redevelopment Project Area; and,

WHEREAS, pursuant to Ordinance No. 2008-101, adopted November 25, 2008, and amended by Ordinance Number 2009-15, adopted March 24, 2009, the Corporate Authorities designated the Subject Property 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 adopted a development or redevelopment plan and imposed a one percent (1%) business

district retailers' occupation tax and a one percent (1%) 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, the City shall hereafter amend Ordinance Number 2009-15 to impose a one percent (1%) hotel tax as authorized by the Business District Act; and,

WHEREAS, the existence of factors which caused the Subject Property to be designated a "redevelopment project area" under the TIF Act and a Business District under the Business District Act and the extraordinary costs necessary for redevelopment have prevented private developer from developing, redeveloping, and revitalizing the Subject Property, which has, in turn, prevented development and construction of commercial enterprises thereon; and,

WHEREAS, Kendall Hospitality, LLC, a Delaware limited liability company (the "*Developer*") has advised the City that it is prepared to acquire approximately 3.5 acres of the Subject Property (which acreage is currently vacant) for the purpose of constructing a four (4) story hotel with a minimum of eight (80) rooms and a 12,000 square foot banquet center (the "*Project*") on the condition that the City provides financial assistance in order to make the Project economically feasible; and,

WHEREAS, the Corporate Authorities have determined that in order to induce the Developer to undertake the Project, it is in the best interests of the City, and the health, safety, morals, and welfare of the residents of the City, for the City to reimburse the Developer for certain costs in accordance with the terms and conditions set forth in a development agreement.

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

Section 1. That the Development Agreement for Kendall Hospitality, LLC, Yorkville, Illinois by and between the United City of Yorkville, Kendall County, Illinois and Kendall Hospitality, LLC, attached hereto and made a part hereof, is hereby approved and the Mayor, City Clerk, and City Administrator are hereby authorized to execute and deliver said Agreement and undertake any and all actions as may be required to implement its terms on behalf of the City.

Section 2. 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 9 day of May, A.D. 2017.

Beth Warner
CITY CLERK

CARLO COLOSIMO Y
JACKIE MILSCHEWSKI Y
CHRIS FUNKHOUSER Y
SEAVER TARULIS Y

KEN KOCH Y
ARDEN JOE PLOCHER Y
JOEL FRIEDERS Y
ALEJANDRO HERNANDEZ Y

APPROVED by me, as Mayor of the United City of Yorkville, Kendall County, Illinois, this 25 day of SEPTEMBER, A.D. 2017.

Harry J. Vohlt
MAYOR

Attest:

Beth Warner
CITY CLERK

**DEVELOPMENT AGREEMENT FOR
KENDALL HOSPITALITY, LLC, YORKVILLE, ILLINOIS**

THIS AGREEMENT dated as of the 25 day of SEPTEMBER, 2017, by and between the United City of Yorkville, Kendall County, Illinois, a municipal corporation (hereafter the “*City*”) and Kendall Hospitality, LLC, a Delaware limited liability company (hereafter “*Developer*”).

WITNESSETH:

WHEREAS, by Ordinance No. 2005-10A, adopted by the Mayor and City Council of the City (the “*Corporate Authorities*”) on February 8, 2005, a Tax Increment Financing Redevelopment Project and Plan for the US Route 34 and Illinois Route 47 (Countryside Shopping Center) (hereinafter the “*Redevelopment Plan*”) was approved, which Redevelopment Plan covered an area of approximately 19 acres generally located at Route 47 and Route 34 and commonly known as Countryside Shopping Center (the “*Subject Property*”); and,

WHEREAS, by Ordinance No. 2005-10B and No. 2005-10C adopted by the Corporate Authorities on February 15, 2005, the City designated the Subject Property as a “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 Ordinance No. 2008-101, adopted November 25, 2008, and amended by Ordinance Number 2009-15, adopted March 24, 2009, the Corporate Authorities designated the Subject Property 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 adopted a development or redevelopment plan and imposed a one percent (1%) business district retailers’ occupation tax and a one percent (1%) 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, the City shall hereafter amend Ordinance Number 2009-15 to impose a one percent (1%) hotel tax as authorized by the Business District Act; and,

WHEREAS, the Developer has advised the City that it is prepared to acquire approximately 3.5 acres of the Subject Property (which acreage is currently vacant) for the purpose of constructing a four (4) story hotel with a minimum of eighty (80) rooms and a 12,000 square foot banquet center (the “*Project*”) on the condition that the City provides financial assistance in order to make the Project economically feasible; and,

WHEREAS, the City is prepared to assist the Developer but only in accordance with the terms and conditions hereinafter set forth and only after the City approves the development plan as the City recognizes that the Project at the Subject Property could add to the commercial services within the City and further the development of one of its primary commercial corridor.

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

Section 1. Preambles. The foregoing preambles are hereby incorporated into this Agreement as if fully restated in this Section 1.

Section 2. Developer’s Obligations.

A. The Developer covenants and agrees to deliver to the City for its approval of a plan for the construction of a four (4) story hotel with no less than eighty (80) rooms and a banquet center of approximately 12,000 square feet covering approximately three and one half (3 ½) acres of the Subject Property (the “*Hotel Complex Property*”).

B. On or before July 1, 2017, the Developer shall deliver to the City proof of the acquisition of the Hotel Complex Property and commence construction of the Project on or before December 31, 2017.

C. On or before December 31, 2019, the Developer shall have completed construction of the Project in accordance with all permits as issued in conjunction with the approved plan, all applicable City codes and the terms of this Agreement.

D. On or before December 31, 2019, the Developer shall have been issued a certificate of occupancy by the City for the hotel portion of the Project and commence operation thereof on or before March 1, 2020.

Section 3. Obligations on the part of the City.

A. Upon issuance of a certificate of occupancy for the Subject Property, the City agrees to reimburse the Developer \$700,000 for a portion of the cost of acquisition of the Hotel Complex Property.

Section 4. Undertakings on the Part of Developer.

A. 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 Subject Property or any other location in the City owned or controlled by the Developer.

B. 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 any third-party claims made against the City as

a result of the failure of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer or material men; 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 or 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, at its own expense, satisfy and discharge the same. The paragraph shall not apply, and 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.

C. Upon commencement of operation of the hotel, the Developer covenants and agrees to collect the one percent (1%) hotel tax as imposed by the City pursuant to the Business District Act and shall remit said hotel tax to the City on April 1, July 1, October 1 and December 1 each year of operation of the hotel at the Hotel Complex Property.

D. Upon commencement of operation of the banquet center, the Developer covenants and agrees to collect the retail sales tax and service occupation tax of one percent (1%) imposed by the City pursuant to the Business District Act and remit same to the Illinois Department of Revenue as required by said Business District Act.

E. The Developer covenants and agrees to continue to operate the eighty (80) room hotel and 12,000 (twelve thousand) square foot banquet center throughout the term of this Agreement.

Section 5. Term. Unless earlier terminated pursuant to Section 18, the term of this Agreement shall commence on the date of execution and end December 31, 2029 (the "*Termination Date*").

Section 6. Verification of Sales Taxes. The Developer shall deliver to the City copies of its reports to the Illinois Department of Revenue of all remittances of all sales and service taxes.

Section 7. No Liability of City for Others for Developer's Expenses. The City shall have no obligation 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 material man providing services or materials to the Developer for the development of the Project. The Developer agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 *et seq.*, as may be required.

Section 8. Time; Force Majeure. Time is of the essence of this Agreement, provided, however, a party shall not be deemed in material breach of this Agreement with respect to any obligations of this Agreement on such party's part to be performed 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, weather conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, acts of terrorism, 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 shall occur or either party shall claim that such an event shall have occurred, the party to whom such claim is made shall investigate same and consult with the party making such claim regarding the same 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. 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 11. 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 12. Notices. All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by

the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To the Developer: Sonny Shah
Kendall Hospitality, LLC
17 Tuscan Ct.
Oakbrook, IL 60523

With a copy to: Amin Law Offices Ltd.
1900 E. Golf Road, Suite 1120
Schaumburg, IL 60173

To the City: United City of Yorkville
800 Game Farm Road
Yorkville, Illinois 60560
Attention: City Administrator

With a copy to: Kathleen Field Orr
Kathleen Field Orr & Associates
53 West Jackson Blvd., Suite 964
Chicago, Illinois 60604

Section 13. 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 14. 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 15. General Warranties and Covenants of the Developer.

A. 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 lawfully assessed including all real estate taxes assessed against the Subject Property or any other location in the City owned or controlled by the Developer.

B. The Developer covenants and agrees that at all times it shall comply with all applicable zoning ordinances and regulations, building code, fire code and all other City ordinances, resolutions and regulations.

C. The Developer hereby covenants and agrees to comply with all applicable laws, rules and regulations of the State of Illinois, the United States and all agencies of each of them having jurisdiction over it.

Section 16. No Discrimination – Construction. The Developer for himself and his successors and assigns agrees that in the construction of the improvements at the Subject Property provided for in this Agreement the Developer 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, 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 in adequate detail 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 thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceed 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 his 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 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 either one of the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by the City, to forthwith terminate this Agreement.

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 by its nature such default cannot reasonably be cured within such thirty (30) day period, such thirty (30) day 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. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any of their 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 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 under or upon any obligation contained herein or for any claim based thereon 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 hereunder, 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. Notwithstanding the foregoing, in the event either party shall institute legal action against the other party because of a breach of any Agreement or obligation contained in this Agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

E. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, 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 a writing signed by all the parties with the adoption of any ordinance or resolution of the City approving said amendment, as provided by law, and by execution of said 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 subject matter hereof.

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 TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this 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

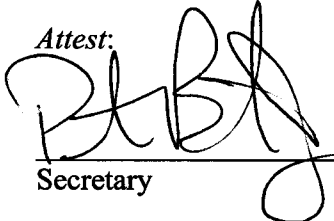
Attest:


City Clerk

Kendall Hospitality, LLC, a Delaware
limited liability company

By: 

Attest:


Secretary

**ANNUAL JOINT REVIEW BOARD
UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS
US RTE 34 & IL RTE 47 COUNTRYSIDE REDEVELOPMENT PROJECT
Tuesday, December 12, 2017 3:30pm
City Hall Conference Room
800 Game Farm Rd., Yorkville, IL**

Call Meeting to Order

The meeting was called to order at 3:30pm by City Attorney Kathleen Orr and she explained the order of the meeting.

Roll Call

Attorney Orr took roll call as follows:

Kendall County

Andres Beltran

United City of Yorkville

City Administrator Bart Olson

Waubonsee Community College

Darla Cardine

Sarah Orth

Bristol-Kendall Fire Protection District

Tom Lindblom

Bristol Township

no representative

Yorkville School Dist. #115

Dean Romano

Others Present:

City Attorney Kathleen Orr

City of Yorkville Finance Director Rob Fredrickson

City of Yorkville Assistant City Administrator Erin Willrett

City of Yorkville Community Development Director Krysti Barksdale-Noble

Kendall County Record Reporter Tony Scott

Motion to Elect or Re-elect Public Member

Ms. Orr called for a motion to elect a Public Member. So moved by Bart Olson and seconded by Dean Romano to elect Erin Willrett, Assistant City Administrator as Public Member. Unanimous voice vote approval.

Motion to Elect or Re-elect Chairperson

A motion was made by Mr. Beltran and seconded by Mr. Romano to re-elect Mr. Olson as Chairperson. Mr. Olson then assumed chairing the meeting.

Minutes for Approval

The minutes from last year's meeting on November 22, 2016 were approved on a unanimous voice vote following a motion by Ms. Cardine and second by Ms. Willrett. Unanimous voice vote approval.

Review of Annual Report for US Rt. 34 & Il Rt. 47 Countryside Redevelopment Project Area

Mr. Olson said an annual report must be filed with the State for this redevelopment project. He turned the floor over to Mr. Fredrickson who gave a brief overview of the report. Mr. Fredrickson presented the Fund Balances at the beginning and end of Fiscal Year 2017 as well as expenditures and revenues. The ending Fund Balance was (\$495,754). The report also contains a listing of the various TIF related projects.

Questions, Comments from the Board

Mr. Olson said there is a Holiday Inn Express/banquet hall project underway in the TIF District, to be opened in 2018, at which time a TIF incentive of \$600,000 will be given to the developer. It is anticipated to make that money back in 6-7 years and that the Fund Balance will be in the positive at that time. Until that time the TIF's negative equity position will be covered by the City's General Fund. There are still three lots undeveloped.

Discussion, Deliberation and Recommendation

Ms. Orr said there is no need under the law to accept the report, but any inquiries regarding the TIF could be discussed.

There was no further business and the meeting adjourned at 3:37pm on a motion by Mr. Romano and second by Mr. Beltran. Unanimous voice vote approval.

Respectfully transcribed by
Marlys Young, Minute Taker

UNITED CITY OF YORKVILLE, ILLINOIS

COUNTRYSIDE AND DOWNTOWN
TAX INCREMENTAL FINANCING DISTRICTS

FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

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

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

October 1, 2018

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, 2018, 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, 2018, 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 October 1, 2018 on our consideration of the Countryside and Downtown Tax Incremental Financing Districts' compliance with laws, regulations, contracts and grants.

Lauterbach & Amen LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

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

**Balance Sheet
April 30, 2018**

	Countryside TIF	Downtown TIF
ASSETS		
Cash and Investments	\$ -	-
Prepays	-	618
Total Assets	-	618
LIABILITIES		
Liabilities		
Accounts Payable	-	66,307
Due to Other Funds	459,820	615,616
Total Liabilities	459,820	681,923
FUND BALANCES		
Fund Balances		
Nonspendable	-	618
Unassigned	(459,820)	(681,923)
Total Fund Balances	(459,820)	(681,305)
Total Liabilities and Fund Balances	-	618

The notes to the financial statements are an integral part of this statement.

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

**Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended April 30, 2018**

	Countryside TIF	Downtown TIF
Revenues		
Taxes		
Property Taxes	\$ 198,294	76,186
Expenditures		
General Government		
Administration Fees	10,701	30,284
Professional Services	1,329	4,486
Legal Services	-	22,853
TIF Incentive Payout	-	22,727
Capital Outlay		
Project Costs	-	73,334
Property Acquisition	-	1,164,449
Riverfront Park	-	329,494
Route 47 Expansion	-	7,420
Debt Service		
Principle Retirement	41,009	-
Interest and Fiscal Charges	109,321	-
Total Expenditures	162,360	1,655,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,934	(1,578,861)
Other Financing Sources		
Debt Proceeds	-	800,000
Net Change in Fund Balances	35,934	(778,861)
Fund Balances - Beginning	(495,754)	97,556
Fund Balances - Ending	(459,820)	(681,305)

The notes to the financial statements are an integral part of this statement.

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

**Notes to the Financial Statements
April 30, 2018**

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.



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

October 1, 2018

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, 2018, and have issued our report thereon dated October 1, 2018. 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 than these specified parties.

LAUTERBACH & AMEN, LLP