NOTICE OF ANNUAL MEETING OF JOINT REVIEW BOARD

Kendall County 111 West Fox Street Yorkville, Illinois 60560

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

Waubonsee Junior College #516 Route 47 at Waubonsee Drive Sugar Grove, Illinois 60554 Bristol-Kendall Fire Protection District 103 East Beaver Street Yorkville, Illinois 60560

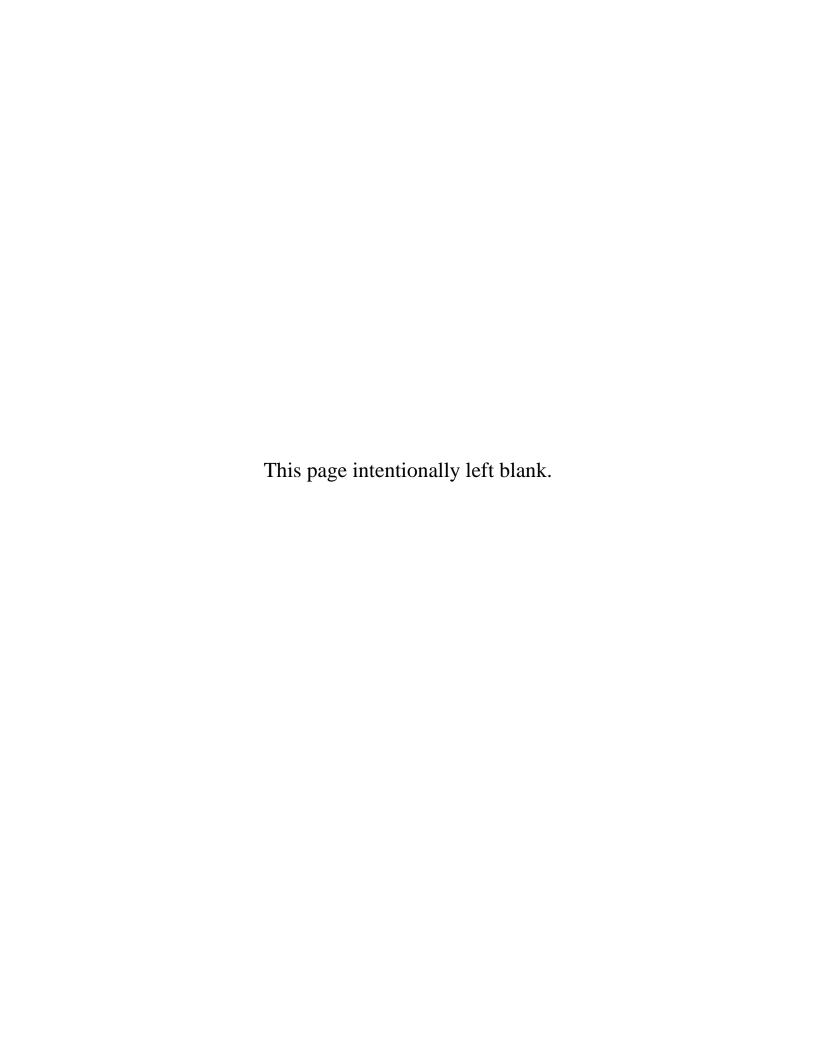
Kendall Township 9925 B State Route 47 Yorkville, Illinois 60560

Yorkville School Community Unit #115 602-A Center Parkway Yorkville, Illinois 60560

YOU ARE HEREBY NOTIFIED that a meeting of the annual Joint Review Board to review the annual report for the Downtown II Tax Increment Financing Redevelopment Project Area will be convened on November 24, 2020 at 3:10 p.m. at the United City of Yorkville City Hall, 800 Game Farm Road, Yorkville, Illinois 60560.

PLEASE BE ADVISED that the Joint Review Board shall elect or re-elect a public member as well as a chairperson. In accordance with the provisions of the Tax Increment Allocation Redevelopment Act (the "Act") (65 ILCS 5/11-74.1-1 et seq.), the Joint Review Board shall review the annual report for the Downtown Redevelopment Project Area.

/s/ Lisa Pickering, City Clerk



AGENDA

ANNUAL JOINT REVIEW BOARD UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS DOWNTOWN II REDEVELOPMENT PROJECT AREA

November 24, 2020

United City of Yorkville 800 Game Farm Road Yorkville, Illinois 60560 3:10 p.m.

- 1. Call the Meeting to Order
- 2. Roll Call: United City of Yorkville

Kendall County Kendall Township

Yorkville School District #115

Waubonsee Community College District #516

Bristol-Kendall Fire Protection District

- 3. Motion to elect or re-elect a Public Member
- 4. Motion to elect or re-elect a Chairperson
- 5. Minutes for Approval
- 6. Review of Annual Report for the Downtown II Redevelopment Project Area
- 7. Questions, Comments from the Board
- 8. Discussion, deliberation and recommendation
- 9. Public Comment
- 10. Adjournment

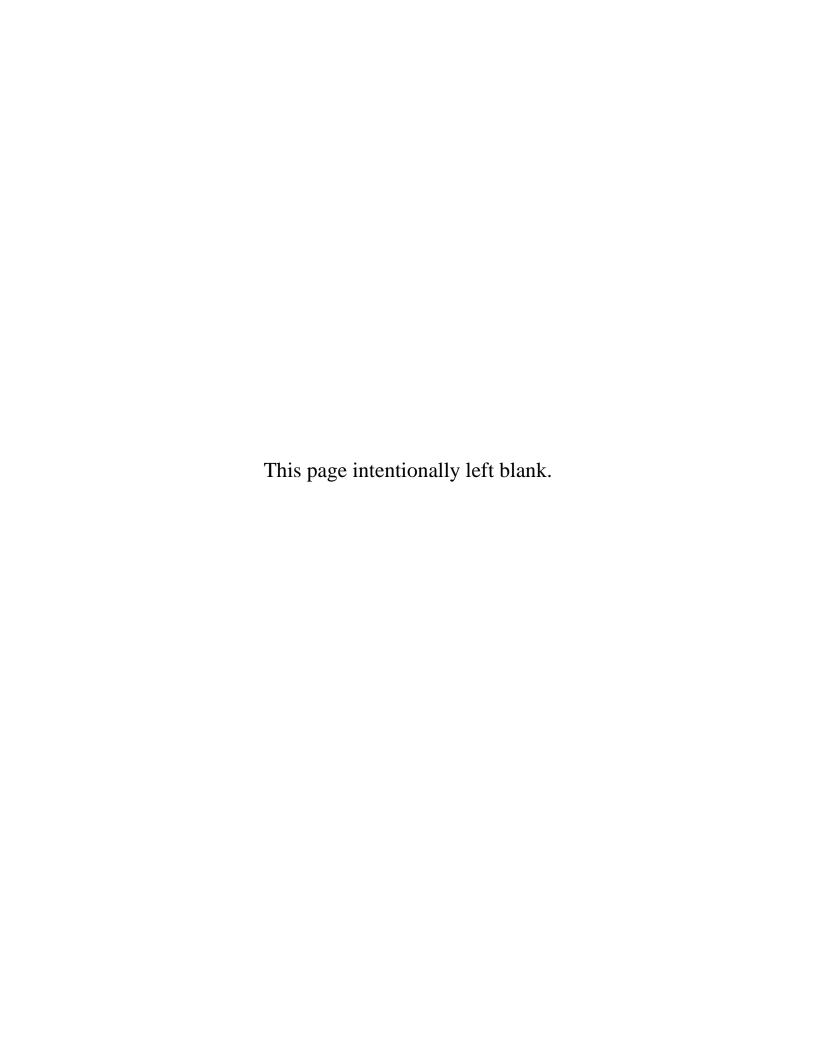
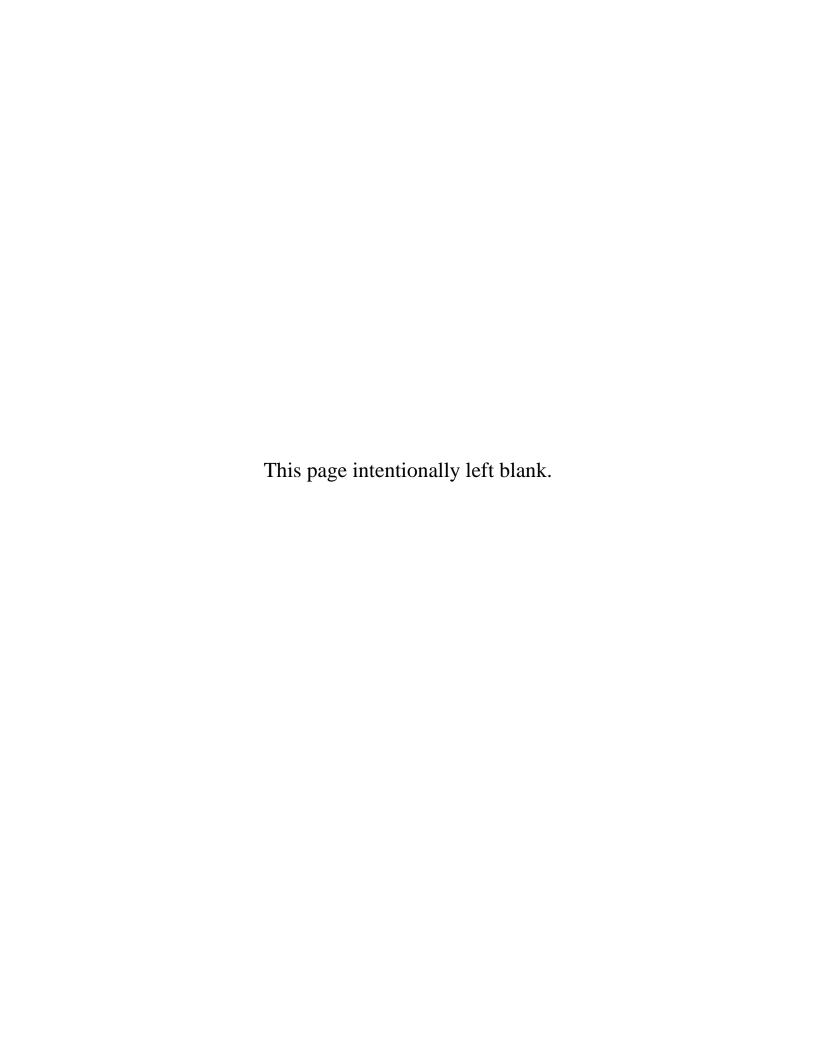


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ANNUAL JOINT REVIEW BOARD UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS DOWNTOWN II REDEVELOPMENT PROJECT AREA #2

Tuesday, November 12, 2019 3:10pm City Hall Conference Room 800 Game Farm Rd., Yorkville, IL

Call Meeting to Order

The meeting was called to order at 3:16pm by Chairman/City Administrator Bart Olson.

Roll Call

Mr. Olson called the roll and established a quorum as follows:

United City of Yorkville, Chairman/City Administrator Bart Olson-yes Kendall County, no representative Kendall Township, no representative Yorkville Community School Dist. #115, Lisa Banovetz-yes Waubonsee Junior College #516, Sara Orth-yes Bristol-Kendall Fire Protection District, James Bateman-yes

Others Present:

City Attorney Kathleen Orr City of Yorkville Assistant City Administrator Erin Willrett City of Yorkville Community Development Director Krysti Barksdale-Noble BKFD, Tom Lindblom

Motion to Elect or Re-Elect a Public Member

Tom Lindblom was elected Public Member in the previous meeting and will remain.

Motion to Elect or Re-Elect a Chairperson

Bart Olson was elected Chairperson in the previous meeting and will remain.

Minutes for Approval

Mr. Bateman questioned Ms. Burd being shown in the last meeting minutes as a Public Member who needed to live in the area of the TIF. Mr. Olson said the minutes were from the meeting prior to the ordinance creating the TIF district. Before the TIF is created, there must be someone on the Board who lives in the district. Ms. Orr added that since there were more than 75 units in the TIF, a housing report was needed, triggering the need for a resident of the district. It is the exception to the rule, she said. She said at the annual meeting, there are no votes, just reporting. Mr. Olson then entertained a motion to approve the February 13, 2018 minutes. So moved by Ms. Orth and seconded by Ms. Banovetz. Approved by unanimous voice vote.

Review of Annual Report for the Downtown II Redevelopment Project Area

Mr. Fredrickson reported the TIF was created in FY 2019 with a beginning Fund Balance of zero. He also reported the expenditures. Ms. Orr added that the old jail is located in TIF #2.

Questions, Comments from the Board

None

Discussion, Deliberation and Recommendation

Mr. Olson said the old jail has an incentive agreement and he gave some details of the project. There are a couple inducement resolutions in place as well and he noted Kendallwood Estates may be removed from the TIF. The proposed facade program is in both TIF's. This TIF is 23 years and ends in 2042. Ms. Banovetz asked if it could close early if profitable, to which Mr. Olson replied it is possible.

Public Comment

None

Adjournment

There was no further business and the meeting adjourned at 3:26pm on a motion by Ms. Banovetz and second by Mr. Bateman. Unanimous voice vote approval.

Respectfully transcribed by Marlys Young, Minute Taker

FY 2020 ANNUAL TAX INCREMENT FINANCE REPORT



| Name of Municipality: | United City of Yorkville | Reporting F | iscal Year: | | 2020 |
|---------------------------------|---|-------------------|----------------------|-------------------|--------------|
| County: | Kendall | Fiscal Year | End: | | 4/30/2020 |
| Unit Code: | 047/035/30 | | | | |
| | FY 2020 TIF Admi | inistrator Conta | ct Information | | |
| First Name: Rob | | Last Name: | Fredrickson | | |
| Address: 800 Game | Farm Road | Title: | Finance Director | | |
| Telephone: 630-553-8 | 534 | City: | Yorkville | Zip: | 60560 |
| E-mail- required rfredricksc | n@yorkville.il.us | | | | |
| I attest to the best of m | y knowledge, that this FY 2020 | report of the red | evelopment projec | t area(s) | |
| in the City/Village of: | | United C | ity of Yorkville, II | linois | |
| | te pursuant to Tax Increment A very Law [65 ILCS 5/11-74.6-1 | | lopment Act [65 IL | .CS 5/11-74.4-3 e | t. seq.] and |
| The | | <u> </u> | 11/12/20. | 20 | |
| Written signature of T | IF Administrator | | Date | | |
| Section 1 (65 ILCS 5/1 | 1-74.4-5 (d) (1.5) and 65 ILCS FILL OUT ON | 5/11-74.6-22 (d) | | | |

| FILL OUT ONE FO | OR EACH TIF DISTICT | |
|--------------------------------------|----------------------------|----------------------------|
| Name of Redevelopment Project Area | Date Designated MM/DD/YYYY | Date Terminated MM/DD/YYYY |
| Project Area - Downtown Yorkville II | 5/18/20 | 18 |
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^{*}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 2020

| Downtown Yorkville II | | | |
|---------------------------------|--|--|--|
| | Primary Use of Redevelopment Project Area*: Commercial | | |
| * Types include: Central Busine | ss District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed. | | |

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):

Tax Increment Allocation Redevelopment Act Industrial Jobs Recovery Law

If "Combination/Mixed" List Component Types: Residential

<u>x</u>

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). | | 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 |
| 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 (labled Attachment D). | | х |
| 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). | | 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 5/11-74.6-22 (d) (7) (D)] 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 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). | х | |
| Were there any reports <u>submitted to</u> the municipality <u>by</u> 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). | х | |
| 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). | х | |
| 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). | х | |
| 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). | х | |
| 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). | х | |

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 2020

Downtown Yorkville II

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (2,736)

| SOURCE of Revenue/Cash Receipts: | Re | venue/Cash eceipts for ent Reporting Year | R | Cumulative Totals of evenue/Cash eceipts for life of TIF | % of Total |
|---|----|--|----|--|------------|
| Property Tax Increment | \$ | 24,171 | \$ | 24,171 | 96% |
| State Sales Tax Increment | \$ | - | \$ | - | 0% |
| Local Sales Tax Increment | \$ | - | \$ | - | 0% |
| State Utility Tax Increment | \$ | - | \$ | - | 0% |
| Local Utility Tax Increment | \$ | - | \$ | - | 0% |
| Interest | \$ | - | \$ | - | 0% |
| Land/Building Sale Proceeds | \$ | 1,000 | \$ | 1,000 | 4% |
| Bond Proceeds | \$ | - | \$ | - | 0% |
| 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 | \$ 25,171 |
|--|----------------|
| Cumulative Total Revenues/Cash Receipts | \$ 25,171 100% |
| Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) | \$ 96,234 |
| Transfers to Municipal Sources Distribution of Surplus | \$ - |
| Total Expenditures/Disbursements | \$ 96,234 |
| Net/Income/Cash Receipts Over/(Under) Cash Disbursements | \$ (71,063) |
| Previous Year Adjustment (Explain Below) | \$ - |
| FUND BALANCE, END OF REPORTING PERIOD* | \$ (73,799) |
| * If there is a positive fund balance at the end of the reporting period, ye | |
| | · |
| Previous Year Explanation: | |
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FY 2020

TIF NAME:

Downtown Yorkville II

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment project costs)

PAGE 1

| Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)] | Amounts | Reporting Fiscal Year |
|--|---------|-----------------------|
| 1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost. | | |
| Legal Services | 13,481 | |
| Closing Costs - Old Jail | 2,753 | |
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| | | |
| | | |
| | | \$ 16,234 |
| 2. Annual administrative cost. | | |
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| | | |
| 3. Cost of marketing sites. | | \$ - |
| 2. Good of manouing globo. | | |
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| | | ¢. |
| 4. Dranarty accomply cost and site preparation costs | | \$ - |
| 4. Property assembly cost and site preparation costs. | | |
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| | | |
| | | ¢. |
| 5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area. | | - |
| Developer Incentive | 80,000 | |
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| | | Φ 00.000 |
| 6. Costs of the constructuion of public works or improvements. | | \$ 80,000 |
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| SECTION 3.2 A | |
|--|------|
| PAGE 2 | |
| 7. Costs of eliminating or removing contaminants and other impediments. | |
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| | \$ - |
| 8. Cost of job training and retraining projects. | |
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| O. Financia a costs | - |
| 9. Financing costs. | |
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| | - |
| 10. Capital costs. | |
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| | - |
| 11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects. | |
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| | _ |
| 40 Control minute make military districts for the interpretation of the TIT control in | - |
| 12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects. | |
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| | |
| | \$ - |

| SECTION 3.2 A PAGE 3 | | |
|--|---|-----------|
| | | |
| 13. Relocation costs. | | |
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| | | \$ - |
| 14. Payments in lieu of taxes. | | |
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| | | \$ - |
| 15. Costs of job training, retraining, advanced vocational or career education. | | |
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| | | |
| | | \$ - |
| 16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project. | | |
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| | | - |
| 17. Cost of day care services. | | |
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| | | |
| | | \$ - |
| 18. Other. | | Ψ - |
| TO. Gallot. | - | |
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| | | |
| | | \$ - |
| | | |
| TOTAL ITEMIZED EXPENDITURES | | \$ 96,234 |

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|----|----|----|---|
|----|----|----|---|

| TIF NAME: | Downtown Yorkville I |
|-----------|----------------------|
| | |

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.

| Name | Service | Amount |
|---------------------------------|---------------------|-----------------|
| KCJ Restoration | Developer Incentive | \$ 80,000.00 |
| Kathleen Field Orr & Associates | Legal Services | \$ 10,208.75 |
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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 2020 TIF NAME: | Downto | own Yorkville II |
|--|-----------------------------|-------------------|
| FUND BALANCE BY SOURCE | Downto | \$ (73,799) |
| | Amount of Original Issuance | Amount Designated |
| 1. Description of Debt Obligations | issuance | Amount Designated |
| | | |
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| | | <u>.l</u> |
| Total Amount Designated for Obligations | \$ - | \$ - |
| | | |
| | | |
| 2. Description of Project Costs to be Paid KCJ Restoration Redevelopment | | \$ 215,000 |
| NOS Restoration Redevelopment | | φ 215,000 |
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| | | |
| Total Amount Designated for Project Costs | | \$ 215,000 |
| | | |
| TOTAL AMOUNT DESIGNATED | | \$ 215,000 |
| SURPLUS/(DEFICIT) | | \$ (288,799) |

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

FY 2020

TIF NAME: Downtown Yorkville II

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

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: | |
| | 1 |
| Property (4): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |
| D (5) | |
| Property (5): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |
| Property (6): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |
| concr or property. | |
| Property (7): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |
| | 1 |
| Property (8): | |
| 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 2020

Ratio of Private/Public Investment

TIF Name: **Downtown Yorkville II** 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, Х complete 2a.) 2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment 1 plan: LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area: **Estimated Investment** for Subsequent Fiscal **Total Estimated to** TOTAL: 11/1/99 to Date Year **Complete Project** Private Investment Undertaken (See Instructions) 80.000 \$ 720.000 800.000 Public Investment Undertaken \$ 80,000 \$ 215,000 \$ 295,000 Ratio of Private/Public Investment 2 42/59 1 *PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER Project 1*: Old Jail Rehab Private Investment Undertaken (See Instructions) 80,000 \$ 720,000 \$ 000,008 \$ Public Investment Undertaken \$ 80,000 \$ 215,000 \$ 295,000 Ratio of Private/Public Investment 2 42/59 1 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

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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 2020

TIF NAME: Downtown Yorkville II

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 | | Re | porting Fiscal Year |
|------------------|-----------------|----|---------------------|
| designated | Base EAV | | EAV |
| 5/18/2018 | \$ 4,487,777 | \$ | 4,373,705 |

List all overlapping tax districts in the redevelopment project area.

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

x 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:

| 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

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, John Purcell, 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, 2020, in connection with the administration of the Downtown II Tax Increment Financing District.

John Purcell, Mayor

LAW OFFICE KATHLEEN FIELD ORR

2024 Hickory Road Suite 205 Homewood, Illinois 60430 312.382.2113

KATHLEEN FIELD ORR kfo@kfoassoc.com

November 1, 2020

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: Downtown Yorkville II Tax Increment Finance Redevelopment Project Area for the Fiscal Year Ending April 30, 2020

Dear State Comptroller:

I, Kathleen Field Orr, am the Tax Increment Financing attorney for the United City of Yorkville, Kendall County, Illinois, and have been such throughout the fiscal year covered by this Report.

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 and is based on all information available to me at the end of said fiscal year.

Very truly yours,

KATHLEEN FIELD ORR

KFO/kms

Activities StatementDowntown Yorkville II

The second TIF in the downtown area was created on May 18, 2018, for the purposes of enhancing the performance of the original downtown redevelopment area. The new Downtown TIF II is comprised of underperforming parcels from the original Downtown TIF, in addition to some new parcels, which expanded the overall size of the redevelopment area. By establishing a second TIF, these underperforming parcels now have a greater period of time to generate increment. Furthermore, TIF's that share a boundary may also distribute funds between them.

The second Downtown TIF generated incremental property taxes for the first time in the current fiscal year, in an amount just under \$25,000. In addition, the City sold the historic jail located on Madison Street within the TIF district and entered into an agreement with a developer to rehab the building for residential and commercial use.

UNITED CITY OF YORKVILLE KENDALL COUNTY, ILLINOIS

ORDINANCE NO. 2019-42

AN ORDINANCE OF THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS, APPROVING A REDEVELOPMENT AGREEMENT FOR THE OLD JAIL (111 W. Madison Street)

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois This 27th day of August, 2019

Published in pamphlet form by the authority of the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois on September 12, 2019.

Ordinance No. 2019-42

A ORDINANCE OF THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS APPROVING A REDVELOPMENT AGREEMENT FOR THE OLD JAIL

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 this State; and,

WHEREAS, the City is engaged in the revitalization of its downtown commercial district which includes the property owned by the City commonly known as 111 West Madison which property is improved with a two-story building constructed in 1892 and used as the County Jail and Sheriff's residence until 1992 (the "Old Jail") and now remains as an important historic landmark in the City; and,

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

WHEREAS, to stimulate and induce redevelopment pursuant to the TIF Act, the City, after giving all required notices, conducting a public hearing and making all findings required by law, on April 10, 2018, pursuant to Ordinance Nos. 2018-23, 2018-4 and 2018-25, approved a Redevelopment Plan (the "Redevelopment Plan") for an area designated as the Downtown Redevelopment Project Area #2 (the "Project Area"), which Project Area includes the Subject Property, and adopted tax increment financing for the payment and financing of "Redevelopment

Project Costs", as defined by the TIF Act, incurred within the Project Area as authorized by the TIF Act; and,

WHEREAS, on July 9, 2019, the City authorized the issuance of a Request for Proposal (the "*RFP*") from all parties interested in rehabilitating the Subject Property (with a preference for office or retail use and a secondary preference for multi-family residential use) in a manner respecting the historical significance of the Old Jail; and,

WHEREAS, in response to the RFP, the City received a proposal from the Developer to substantially renovate the Subject Property into five (5) residential units and 2,000 to 4,200 square feet of commercial/office retail space while preserving and retaining the historic elements of the Subject Property ("*Project*"); and,

WHEREAS, the Developer has advised the City that it is not economically feasible for the Developer to undertake the Project to improve the Subject Property due to the extraordinary costs required for its redevelopment without financial assistance because of the existence of asbestos and lead base paint and the deteriorating condition of the Old Jail; and,

WHEREAS, the City desires to have the Subject Property redeveloped in order to preserve its historic value to the City and to eliminate the blight factors found at the Subject Property while increasing the tax base of the City and affected taxing districts; providing job opportunities for its residents; and, improving the general welfare of the community; and, therefore, is prepared to convey the Subject Property to the Developer and to reimburse the Developer for certain costs associated with the Project, pursuant to a the terms of the Redevelopment Agreement attached hereto.

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

Section 1. All of the Preambles hereinabove set forth are incorporated herein as if restated.

Section 2. That the Redevelopment Agreement by and between the United City of Yorkville and KCJ Restoration, LLC and in the form attached hereto and presented to this meeting is hereby approved and the Mayor is hereby authorized to execute same.

Section 3. This Ordinance shall be in full force and effect upon its passage, approval, and publication as provided by law.

Passed by the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois this 27th day of August, 2019.

| KEN KOCH | <u>AYE</u> | DAN TRANSIER | <u>AYE</u> |
|--------------------|------------|-------------------|------------|
| JACKIE MILSCHEWSKI | <u>AYE</u> | ARDEN JOE PLOCHER | <u>AYE</u> |
| CHRIS FUNKHOUSER | AYE | JOEL FRIEDERS | <u>AYE</u> |
| SEAVER TARULIS | <u>AYE</u> | JASON PETERSON | <u>AYE</u> |

APPROVED:

Mayor

Attest:

Gica Pickerine

REDEVELOPMENT AGREEMENT BY AND BETWEEN THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS AND KCJ RESTORATION, LLC

THIS REDEVELOPMENT AGREEMENT ("Agreement") is entered into as of the day of SEPTEMBER, 2019 ("Effective Date") by and between the United City of Yorkville, Kendall County, Illinois, an Illinois municipal corporation ("City"), and KCJ RESTORATION, LLC, an Illinois limited liability company (the "Developer").

In consideration of the mutual covenants and agreements set forth in this Agreement, the City and Developer hereby agree as follows:

ARTICLE 1: RECITALS

- 1.1 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.
- 1.2 The City is engaged in the revitalization of its downtown commercial district which includes the property commonly known as 111 West Madison (exclusive of the adjacent parking lot), which property is identified by parcel index number 05-32-287-001 and legally described on *Exhibit A* (the "Subject Property").
- 1.3 The City has the authority pursuant to the laws of the State of Illinois, to promote the health, safety, and welfare of its inhabitants, to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to increase job opportunities, and to enter into contractual agreements with third parties for the purpose of achieving these purposes.
- 1.4 Pursuant to 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") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "blighted area" or a "conservation area" as such terms are defined in the TIF Act.
- 1.5 To stimulate and induce redevelopment pursuant to the TIF Act, the City, after giving all required notices, conducting a public hearing and making all findings required by law, on April 10, 2018, pursuant to Ordinance Nos. 2018-23, 2018-4 and 2018-25, approved a Redevelopment Plan (the "Redevelopment Plan") for an area designated as the Downtown Redevelopment Project Area #2 (the "Project Area"), which Project Area includes the Subject Property, and adopted tax increment financing for the payment and financing of "Redevelopment Project Costs", as defined by the TIF Act, incurred within the Project Area as authorized by the TIF Act.
- 1.6 The Subject Property is improved with a two-story building constructed in 1892 and used as the County Jail and Sheriff's residence until 1992 (the "Old Jail") and now remains as an important historic landmark in the City.

- 1.7 On July 9, 2019, the City authorized the issuance of a Request for Proposal (the "RFP") from all parties interested in rehabilitating the Subject Property (with a preference for office or retail use and a secondary preference for multi-family residential use) in a manner respecting the historical significance of the Old Jail.
- 1.8 In response to the RFP, the City received a proposal from the Developer to substantially renovate the Subject Property into five (5) residential units and 2,000 to 4,200 square feet of commercial/office retail space while preserving and retaining the historic elements of the Subject Property ("Project").
- 1.9 The Developer has advised the City that it is not economically feasible for the Developer to undertake the Project to improve the Subject Property due to the extraordinary costs required for its redevelopment without financial assistance due to the existence of asbestos and lead base paint and the deteriorating condition of the Old Jail.
- 1.10 The City desires to have the Subject Property redeveloped in order to preserve its historic value to the City and to eliminate the blight factors found within the Subject Property while also increasing the tax base for the City and taxing districts authorized to levy taxes upon the Subject Property; providing job opportunities for its residents; and, improving the general welfare of the community; and, therefore, is prepared to convey the Subject Property to the Developer and to reimburse the Developer for certain costs associated with the Project, subject to the terms of this Agreement, the TIF Act and all other applicable provisions of law.

ARTICLE 2: CONVEYANCE OF THE SUBJECT PROPERTY

- 2.1 The City and the Developer agree that upon approval of the proposed Downtown Overlay Zoning District, no rezoning shall be required for the Subject Property. In the event the Downtown Overlay Zoning District is not approved within six months from the Effective Date, the City agrees to complete the required process to approve a text amendment to the City's zoning code to provide for two (2) residential units on the first floor in a B-1 zoning district to be a Special Use; and, the Developer agrees to submit a petition to the City for a Special Use at the Subject Property. A list of permitted uses in a B-1 zoning district (as would pertain to the commercial portion of the Subject Property) are attached hereto as *Exhibit B*.
- 2.2 Within thirty (30) days of the Effective Date the City shall convey the Subject Property to the Developer for a purchase price of \$1,000.00 subject to the following conditions:
 - (a) The deed of conveyance shall provide that the City shall have a right of first refusal in the event of any conveyance, sale, transfer, gift or exchange of the Subject Property by the Developer as "grantee" until such time as the Project has been completed and certificates of occupancy have been issued by the City for both the residential and commercial units constructed within the Subject Property;
 - (b) The deed of conveyance shall provide that title to the Subject Property shall be subject to a covenant running with the land that the historic portion of the Old Jail (as depicted on Exhibit D attached hereto) may not be demolished without the written consent of the City Council;

- (c) The City shall have received and approved final plans for the development of the Subject Property which plans shall conform to the zoning as to be in effect; and,
- (d) The City has received and accepted an estimated budget for the Project demonstrating a total investment of no less than \$800,000 in the Project.
- 2.3 The City shall grant the Developer the Right of First Refusal in the event of the conveyance, sale, transfer, gift or exchange of Lots 3 and 4 of Block 28 (the parking lot) for a term of twenty (20) years.

ARTICLE 3: CITY OBLIGATIONS

- 3.1 The City shall grant the Developer a right of first refusal for a period of twenty (20) years from the Effective Date in the event of its conveyance, sale, transfer or exchange of Lots 3 and 4 of Block 28 currently used by the City as a public parking lot.
- 3.2 Upon satisfaction of the conditions set forth in Sections 2.2(c) and (d) above and the Developer has received any and all permits required to proceed with the Project, the City shall reimburse the Developer for "Redevelopment Project Costs" (as hereinafter defined) subject to the limitations of the TIF Act, Article 4 and 5 of this Agreement, the following amounts:
 - (a) Thirty thousand dollars (\$30,000) within thirty (30) days of completion of a new roof in accordance with all applicable code requirements (excluding downspouts and gutters if unavailable) on the condition that said completion of the roof occurs on or before December 1, 2019 or within ninety (90) days of the issuance of the required permit;
 - (b) Fifty thousand dollars (\$50,000) within 30 days of completion in accordance with all applicable codes for reimbursement of the cost of abatement of asbestos and remediation of lead-based paint upon completion in accordance with all applicable codes;
 - (c) Seventeen thousand five hundred dollars (\$17,500) upon completion of four residential units constructed in that portion of the Old Jail not within the historic part (see Exhibit D) to the extent the four units have met all of the building code requirements to receive a certificate of occupancy but for the final approval of the rezoning of the Subject Property as included in the Downtown Overlay Zoning District or approval of the text amendment to the B-1 Zoning District to permit more than 2 residential units to be constructed on the first floor as a Special Use for the Subject Property;
 - (d) Seventeen thousand five hundred dollars (\$17,500) after substantial completion of unleased tenant space for all commercial units, to be defined as roughed -in utilities and drywall (or other code approved wall surfaces) at the Subject Property;

- (e) As to the obligations of the City to pay the amounts due under paragraphs 3.2(a) thru 3.2(d) hereinabove, such obligation to pay is an absolute payment obligation of the City and is exclusive of the maximum incremental reimbursements from TIF Funds provided hereinafter in this Agreement.
- (f) One hundred percent (100%) of the "Incremental Taxes" (as hereinafter defined) generated by the Subject Property and distributed to the City in calendar years 2020, 2021, 2022, 2023, and 2024 so long as substantial completion of the Project has occurred on or before December 31, 2023 and no code violations are found at the Subject Property and no students enrolled in Yorkville school districts reside at the Subject Property.

In the event students attending Yorkville school districts reside at the property, the amount due to the school districts pursuant to the TIF Act shall be deducted from the amount of Incremental Taxes due to the Developer as stated in 3.3 below

- 3.3 So long as no notice of default has been issued and remains outstanding pursuant to Article 7 of this Agreement, following the payment of amounts due to the Developer pursuant to 3.2 above and subject to the procedures set forth in Article 5 hereof, the City shall reimburse the Developer for Redevelopment Project Costs a maximum of \$150,000 from Incremental Taxes generated from the Subject Property so long as no students attending Yorkville school districts reside at the Subject Property, payments to be made as follows:
 - (i) Ninety percent (90%) of the Incremental Taxes distributed to the City in calendar years 2025, 2026, 2027, and 2028;
 - (ii) Eighty-five percent (85%) of the Incremental Taxes distributed to the City in calendar years 2029, 2030, and 2031, if necessary; and,
 - (i) Eighty percent (80%) of the Incremental Taxes distributed to the City in calendar years 2032, 2033 and 2034; if necessary.

It is understood and agreed that the amounts hereinabove stated to be distributed to the Developer for reimbursement of Redevelopment Project Costs shall be reduced by the amounts due to the Yorkville school districts as required by the TIF Act in the event students attending Yorkville Schools residing at the Subject Property.

As used in this Agreement, "Incremental Taxes" shall mean the amount equal to the amount of ad valorem taxes, if any, paid in respect of the Subject Property and its improvements which is attributable to the increase in the equalized assessed value of all the parcels of property located therein over the initial equalized assessed value of said parcel. For purposes of this Agreement, Redevelopment Project Costs shall mean and include all costs and expenses as defined as "redevelopment project costs" in Section 11-74.4-3(q) of the TIF Act.

3.4 The City agrees to waive all rezoning costs, building permit fees (including plan review fees), water meter fees, water connection fees, and sewer connection fees for any component of the Project commenced within 5 years from the Effective Date, and for any

additional projects on the historic portion of the Old Jail commenced within 10 years from the Effective Date.

- 3.5 On or before March 1, 2020, the City shall determine (in its sole discretion) if it intends to construct the water and sewer service line extensions into the Old Jail with the construction of two 1" water service lines and a 6" sanitary service line; or, pay the Developer the sum of fifteen thousand dollars (\$15,000). In the event the City determines not to construct said water and sewer service line into the Old Jail, the Developer shall obtain no less than three (3) written quotes for such work and submit the quotes to the City. Within 21 days of review of such written quotes, the City shall pay the Developer the lesser of the lowest written quote or \$15,000.
- 3.6 On or before March 1, 2020, the City shall determine (in its sole discretion) if it intends to construct five residential electrical services into the Old Jail. In the event the City determines not to construct said electrical services into the Old Jail, the Developer shall obtain no less than three (3) written quotes for such work and submit the quotes to the City. Within 21 days of review of such written quotes the City shall pay the Developer the lesser of the lowest written quote or five thousand dollars (\$5,000).

ARTICLE 4. MUTUAL UNDERSTANDINGS REGARDING PARKING

- 4.1 The City and the Developer hereby agree to the following:
- (a) Based upon the mixed use proposal for the development of the Subject Property as the final approved Project, under the current zoning ordinance an estimated maximum twenty-three (23) parking spaces ten (10) stalls for residential and thirteen (13) for all non-residential uses would be required and are available at the site of the Subject Property.
- (b) Pursuant to the City's Zoning Ordinance, all required parking spaces are to be located within 1,000 feet of the use served, which are currently available unless the Subject property is used for residential or hotel use which should then be located within 300 feet.
- (c) The adjacent off-street parking lot to the north of the Old Jail can be utilized to fulfill the site's residential parking needs (ten (10) spaces). The non-residential parking needs may be fulfilled by other identified off-street and on-street parking spaces within 200 feet of the property.
- (d) City acknowledges that the above number of parking spaces set forth in paragraphs 4.2 and 4.3 above complies with all City ordinances and building codes and shall at all times be treated as in compliance with City ordinances and codes, so long as the Subject Property retains its current zoning.
- 4.2 Current available parking on the area of the Subject Property includes the following:

Seventeen (17) off-street public parking spaces are located north of the Old Jail, plus an additional (3) on-street public parking spaces to the south (Madison Street) are immediately available to the Subject Property. An additional seven (7) striped on-street public parking stalls northeast of the Subject Property on W. Van Emmon Street are available, as well as a County-owned off-street public parking lot east of the Subject Property on W. Madison Street holding approximately thirteen (13) stalls are available. Total available public parking stalls within 200 feet of the Subject Property are forty (40) stalls.

Minimum required parking spaces for the commercial and office uses is three (3) spaces per 1,000 of floor area; one (1) space per lodging unit for the hotel/hospitality use; and two (2) spaces per dwelling unit. Developer and City agree that the handicapped designated spaces shall be in the area for which new parking spaces are provided.

4.3 The City hereby agrees to use its best efforts to construct new parking spaces as depicted on *Exhibit C* attached hereto it being understood that the construction of such the additional parking spaces shall require cooperation from the Developer and Kendall County in order to proceed. In the event additional parking spaces are constructed, the Developer hereby

agrees that the reimbursement of \$150,000 to the Developer for Redevelopment Project Costs pursuant to Section 3.3 shall be reduced by two thousand dollars (\$2,000) up to a maximum of ten thousand dollars (\$10,000) for all parking spaces constructed by the City. The Developer shall have the right to lease the parking spaces, either in-place and those for which a deduction was made from the total reimbursement of \$150,000 portions of which are located within the lot line of the subject property, for the term of this Agreement but only upon approval of ¾ (6 members) of the City Council.

ARTICLE 5. PROCEDURES TO REIMBURSE THE DEVELOPER

- 5.1 The City has established a special tax allocation fund solely for the Project Area (the "STAF") into which the City shall deposit the Incremental Taxes generated from the Project Area. On December 1 of each year [or, if later, that date which is ten (10) days following the date upon which the City receives Incremental Taxes from the final installment of real estate taxes (the "STAF Allocation Date")], the portion of Incremental Taxes generated from the Subject Property hereof during the period from the immediately preceding STAF Allocation Date to but not including, the current STAF Allocation Date shall be transferred and deposited into the Old Jail Subaccount of the STAF (which Subaccount shall be automatically created by the ordinance approving this Agreement) and used to reimburse the Developer for Project Costs which qualify as Redevelopment Project Costs under the TIF Act pursuant to Sections 3.2 and 3.3, in an amount not to exceed \$150,000.
- 5.2 THE CITY'S OBLIGATION TO REIMBURSE THE DEVELOPER UNDER ARTICLE 3.3 OF THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE OLD JAIL SUBACCOUNT OF THE STAF FROM TIME TO TIME AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE CITY.
- To establish a right of reimbursement for Redevelopment Project Costs in the 5.3 amount and for the time periods set forth in Article 3.3, the Developer shall submit to the City a written statement in the form attached to this Agreement as Exhibit E (a "Request for Reimbursement") with such paid bills, paid invoices, lien waivers, or other evidence as the City shall reasonably require to evidence the right of the Developer to reimbursement under Article 3.2 and 3.3 of this Agreement an amount not to exceed \$150,000. The City shall have twenty (20) days after receipt of the Request for Reimbursement from the Developer to approve or disapprove the Request for Reimbursement 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 Costs" under the TIF Act or that it was not incurred and the construction was not completed by the Developer in accordance with all applicable City Code requirements and the provisions of this Agreement. 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, before and after the date of this Agreement, and judicial interpretations of the TIF Act rendered during the term of this Agreement. The City has no obligation to the Developer to attempt to modify such judicial interpretations but will cooperate with the Developer in obtaining approval of Redevelopment Project Costs.

ARTICLE 6. REPRESENTATIONS, WARRANTIES, AND COVENANTS

- 6.1 <u>Developer's Representations Warranties and Covenants</u>. To induce the City to enter into this Agreement, Developer represents, covenants, warrants, and agrees that:
 - (a) Recitals. All representations and understanding as set forth in Article 1 are true, complete, and accurate in all respects.
 - (b) Organization and Authorization. Developer is an Illinois limited liability company duly formed and existing under the laws of the State of Illinois authorized to do business in Illinois, and Developer has the power to enter into, and by proper action has been duly authorized to execute, deliver, and perform, this Agreement. Developer will do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence and standing as a limited liability company authorized to do business in the State of Illinois for so long as Developer is developing and constructing the Project.
 - Non-Conflict or Breach. The execution, delivery, and performance of this Agreement by Developer, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement shall not conflict with or result in a violation or breach of any of the terms, conditions, or provisions of any offering or disclosure statement made, or to be made, on behalf of Developer, or any restriction, organizational document, agreement, or instrument to which Developer, or any of its partners or venturers, is now a party or by which Developer, or any of its partners or venturers, is now a party or by which Developer, or any of its partners or venturers, is bound, or constitute a default under any of the foregoing. Any claim of Conflict or Breach made by either party in this Agreement shall be subject to all enforcement and cure provisions provided in Article 7 in this Agreement.
 - (d) <u>Pending Lawsuits</u>. There are no actions at law or similar proceedings either pending or, to the best of Developer's knowledge, threatened against Developer that would materially or adversely affect:
 - (i) The ability of Developer to proceed with the construction and development of the Subject Properties;
 - (ii) Developer's financial condition;
 - (iii) The level or condition of Developer's assets as of the date of this Agreement; or
 - (i) Developer's reputation
- 6.2 <u>City's Representations, Warranties and Covenants</u>. To induce Developer to enter into this Agreement and to undertake the performance of its obligations under this Agreement, the City represents, covenants, warrants and agrees as follows:

- (a) <u>Recitals</u>. All representations and agreements made by the City in Article 1 are true, complete, and accurate in all respects.
- (b) <u>Authorizations</u>. The City has the power to enter into and perform its obligations under this Agreement and by proper action has duly authorized the Mayor and City Clerk to execute and deliver this Agreement
- (c) Non-Conflict or Breach. The execution, delivery, and performance of this Agreement by the City, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Agreement shall not conflict with or result in a violation or breach of the terms of any order, agreement, or other instrument to which the City is a party or by which the City is now bound.
- (d) <u>Pending Lawsuits</u>. There are no actions at law or similar proceedings either pending or to the best of the City's knowledge being threatened against the City that would materially or adversely affect:
 - (i) The ability of Developer to proceed with the construction of the Development.
 - (ii) The ability of the City to perform its obligations under this Agreement.

ARTICLE 7: ENFORCEMENT AND REMEDIES

- 7.1 Enforcement: Remedies. The parties may enforce or compel the performance of this Agreement, in law or in equity, by suit, action, mandamus, or any other proceeding, including specific performance. Notwithstanding the foregoing, Developer agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the City or any elected or appointed officials, officers, employees, agents, representatives, engineers, consultants, or attorneys thereof, on account of the negotiation, execution, or breach of any of the terms and conditions of this Agreement. Subject to the cure provisions provided to each party in paragraph 7.2 hereof.
- Notice; Cure; Self-Help. In the event of a breach of this Agreement, the parties agree that the party alleged to be in breach shall have, unless specifically provided otherwise by any other provision of this Article 7, 30 days after notice of any breach delivered in accordance with Section 9.10 to correct the same prior to the non-breaching party's pursuit of any remedy provided for in Section 7.4 and 7.7; provided, however, that the 30-day period shall be extended, but only (i) if the alleged breach is not reasonably susceptible to being cured within the 30-day period, and (ii) if the defaulting party has promptly initiated the cure of the breach, and (iii) if the defaulting party diligently and continuously pursues the cure of the breach until its completion. If any party shall fail to perform any of its obligations under this Agreement, and if the party affected by the default shall have given written notice of the default to the defaulting party, and if the defaulting party shall have failed to cure the default as provided in this Section 7.2, then, except as specifically provided otherwise in the following sections of this Article 7 and in addition to any and all other remedies that may be available either in law or equity, the party affected by the default

shall have the right (but not the obligation) to take any action as in its discretion and judgment shall be necessary to cure the default. In any event, the defaulting party hereby agrees to pay and reimburse the party affected by the default for all costs and expenses reasonably incurred by it in connection with action taken to cure the default, including attorney's fees and court costs.

- 7.3 <u>Events of Default by Developer</u>. Any of the following events or circumstances shall be an event of default by Developer with respect to this Agreement:
 - (a) If any material representation made by Developer in this Agreement, or in any certificate; notice, demand to the City; or request made by the City in connection with any of documents, shall prove to be untrue or incorrect in any material respect as of the date made.
 - (b) Default by Developer in the performance or breach of any material covenant contained in this Agreement concerning the existence, structure, or financial condition of Developer.
 - (c) Developer's default in the performance or breach of any material covenant, warranty, or obligation contained in this Agreement.
 - (d) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal bankruptcy, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order un-stayed and in effect for a period of 60 consecutive days. There shall be no cure period for this event of default.
 - (e) The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal bankruptcy, insolvency, or the consent by Developer to the appointment of or taking possession, by a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official of Developer or of any substantial part of Developer's property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing. There shall be no cure period for this event of default.

7.4 Remedies for Default By Developer.

(a) Subject to the provisions of this Agreement, in the case of an event of default by Developer, the City, pursuant to Section 7.1, may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach, including proceedings to compel specific performance of Developer of its obligations under this

- Agreement. Subject to the cure provisions in paragraph 7.2 of this Agreement.
- (b) In case the City shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the City, then, and in every such case, Developer and the City shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of Developer and the City shall continue as though no such proceedings had been taken. Subject to the cure provisions in paragraph 7.2 of this Agreement.
- Indemnification by Developer: Agreement to Pay Attorneys' Fees and Expenses. 7.5 Developer agrees to indemnify the City, and all of its elected and appointed officials, officers, employees, agents, representatives, engineers, consultants, and attorneys, against any and all claims that may be asserted at any time against any of such parties in connection with or as a result of (i) Developer's development, construction, maintenance, or use of the Subject Properties; or (ii) Developer's default under the provisions of this Agreement. Such indemnification obligation, however, shall not extend to claims asserted against the City or any of the aforesaid parties in connection with or as a result of: (i) the performance of the City's representations, warranties and covenants under Article 6 of this Agreement; (ii) the City's default under the provisions of this Agreement; or (iii) the act, omission, negligence or misconduct of the City or any of the aforesaid parties. If Developer shall commit an event of default and the City should employ an attorney or attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of Developer herein contained, Developer, on the City's demand, shall pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City, in the event the City is determined to the be prevailing party.
- 7.6 Events of Default by City. Any of the following events or circumstances shall be an event of default by the City with respect to this Agreement:
 - (a) A default of any term, condition, or provision contained in any agreement or document relating to the Project (other than this Agreement), that would materially and adversely impair the ability of the City to perform its obligations under this Agreement, and the failure to cure such default within the earlier of 30 days after Developer's written notice of such default or in a time period reasonably required to cure such default or in accordance with the time period provided therein.
 - (b) Failure to comply with any material term, provision, or condition of this Agreement within the time herein specified and failing to cure such noncompliance within 30 days after written notice from Developer of each failure or in a time period reasonably required to cure such default.
 - (c) A representation or warranty of the City contained herein is not true and correct in any material respect for a period of 30 days after written notice to the City by Developer. If such default is incapable of being cured within 30 days, but the City begins reasonable efforts to cure within 30 days, then such default shall not be

considered an event of default hereunder for so long as the City continues to diligently pursue its cure.

Remedies for Default by City. Subject to the provisions of this Agreement, in the case of an event of default by the City, Developer, pursuant to Section 7.1, may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach, including proceedings to compel the City's specific performance of its obligations under this Agreement; provided, however, no recourse under any obligation contained herein or for any claim based thereon shall be had against the City, its officers, agents, attorneys, representatives in any amount in excess of the 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 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. In the event any action is maintained by the City against Developer, and the City is found to the non-prevailing party, the City shall reimburse Developer for any costs and reasonable Attorneys fees incurred in enforcing claim under this Agreement as the prevailing party.

ARTICLE 8: GENERAL PROVISIONS

- 8.1 Maintain Improvements in Good and Clean Condition: Developer shall maintain the Subject Property in reasonably good and clean condition at all times during the development by Developer of the Subject Property, which shall include promptly removing all mud, dirt, and debris that is deposited on any street, sidewalk, or other public property in or adjacent to the Subject Properties by Developer or any agent of or contractor hired by, or on behalf of Developer and repair any damage to any public property that may be caused by the activities of Developer or any agent of or contractor hired by, or on behalf of, Developer.
 - 8.2 <u>Liability and Indemnity of City.</u>
 - (a) No liability for City Review. Developer acknowledges and agrees that (i) the City is not, and shall not be, in any way liable for any damages or injuries that may be sustained as the result of the City's review and approval of any plans or improvements or as a result of the issuance of any approvals, permits, certificates, or acceptances for the development or use of any portion of the Subject Properties or the improvements and (ii) the City's review and approval of any plans and the issuance of any approvals, permits, certificates, or acceptances does not, and shall not, in any way be deemed to insure Developer, or any of its successors, assigns, tenants, or licensees, or any third party, against violations or damage or injury of any kind at any time.
 - (b) <u>Hold Harmless and Indemnification</u>. Developer shall hold harmless the City, and all of its elected and appointed officials, employees, agents, representatives, engineers, consultants, and attorneys from any and all claims that may asserted at any time against any of such parties in connection with (i) the City's review and approval of any plans or improvements or (ii) the City's issuance of any approval, permit or certificate. The foregoing provision, however, shall not apply to claims made against the City as a result of a City event of default under this Agreement,

claims that are made against the City that relate to one or more of the City's representations, warranties, or covenants under Article 5 and claims that the City, either pursuant to the terms of this Agreement or otherwise explicitly has agreed to assume.

(c) <u>Defense Expenses</u>. Developer shall pay all expenses, including legal fees and administrative expenses, incurred by the City in defending itself with regard to any and all of the claims identified in the first sentence of Subsection (b) above.

The City agrees that upon a successor becoming bound to the obligations created herein in the manner provided herein and providing the financial assurances required herein, the liability of Developer shall be released to the extent of the transferee's assumption of such liability.

- 8.6 No Implied Waiver of City Rights. The City shall be under no obligation to exercise rights granted to it in this Agreement except as it shall determine to be in its best interest from time to time. Except to the extent embodied in a duly authorized and written waiver of the City, no failure to exercise at any time any right granted herein to the City shall be construed as a waiver of that or any other right.
- Force Majeure. Time is of the essence of this Agreement, provided, however, a 8.7 party shall not be deemed in material breach of this Agreement with respect to any of its obligations under 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 Gods, 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.

ARTICLE 9. TERM

<u>Term</u>. This Agreement shall be in full force and effect upon its execution by the parties and terminate December 31, 2041.

ARTICLE 10. NOTICES

10.1 <u>Notices</u>. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed delivered to the addressee thereof (a) when delivered in person on a business day at the address set forth below, or (b) on the third business day after being deposited in any main or branch United States post office, for delivery by properly addressed, postage prepaid, certified or registered mail, return receipt requested, at the address set forth

below, or (c) by facsimile or email transmission, when transmitted to either the facsimile telephone number or email address set forth below, when actually received.

Notices and communications to Developer shall be addressed to, and delivered at, the following addresses:

With a copy to:

KCJ Restoration, LLC c/o 805 Milwaukee Ave, Suite 400 Chicago, IL 60642

Daniel Kramer 1107 South Bridge Street, Suite A Yorkville, Illinois 60560 Notices and communications to the City shall be addressed to and delivered at these addresses:

With a copy to:

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

Kathleen Field Orr Kathleen Field Orr & Associates 2024 Hickory Road, Suite 205 Homewood, Illinois 60430

By notice complying with the requirements of this Section, each party shall have the right to change the address or addressee, or both, for all future notices and communications to such party, but no notice of a change of address or addressee shall be effective until actually received.

ARTICLE 11. IN GENERAL

- 11.1 Amendments and Waiver. No modification, addition, deletion, revision, alteration, or other change to this Agreement shall be effective unless and until the change is reduced to writing and executed and delivered by the City and the Developer. No term or condition of this Agreement shall be deemed waived by any party unless the term or condition to be waived, the circumstances giving rise to the waiver and, where applicable, the conditions and limitations on the waiver are set forth specifically in a duly authorized and written waiver of such party. No waiver by any party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition of this Agreement, nor shall waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or different provisions of this Agreement.
- 11.2 <u>No Third Party Beneficiaries</u>. No claim as a third party beneficiary under this Agreement by any person, firm, or corporation shall be made, or be valid, against the City or Developer.
- 11.3 <u>Entire Agreement</u>. This Agreement shall constitute the entire agreement of the Parties; all prior agreements between the Parties, whether written or oral, are merged into this Agreement and shall be of no force and effect.
- 11.4 <u>Counterparts</u>. This Agreement is to be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below their respective signatures, to be effective as of the Effective Date.

| United City of Yorkville | | Attest: | |
|---------------------------------|--|-------------|---------|
| By: Mayor | | By: Ousa Po | ckering |
| Date: <u>SEPTEMBER I</u> | <u>O</u> , 2019 | | |
| KCJ Restoration, LLC | | | |
| By: E. J. | 200 | | |
| By:Manager | and the second s | | |

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below their respective signatures, to be effective as of the Effective Date.

| United City of Yorkville | Attest: |
|--------------------------|---------------|
| By: | By:City Clerk |
| Date:, 2019 | |
| KCJ Restoration, LLC | |
| By: | |
| By: Manager | |

Exhibit A Legal Description

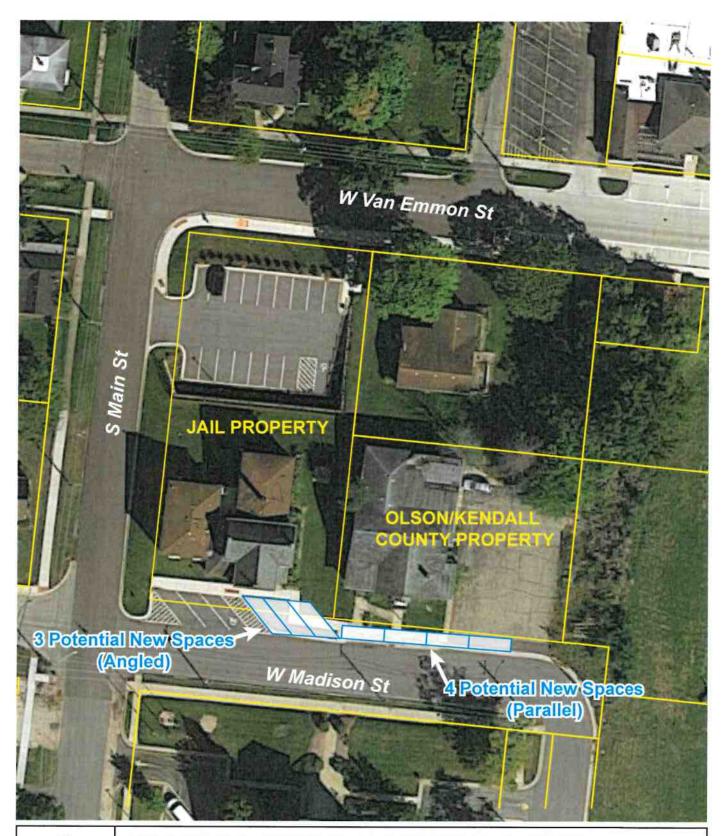
| | LEGAL DESCRIPTION |
|---|---|
| , | LOTS 1 AND 2 IN BLOCK 28, IN THE ORIGINAL VILLAGE OF YORKVILLE, KENDALL COUNTY, ILLINOIS. |
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| C | G:\Public\Yorkville\2019\YO1900-C City of Yorkville-General\111 W, Madison Street |
| | |
| | |

Exhibit B

List of permitted uses within the B-1 zoning district

- Multi-family dwelling above first for business or live work space with maximum of two apartments
- College, junior college
- Library
- Religious institution
- Advertising Agency
- Antique Sales
- Bakery
- Bank
- Beauty/Barber Shop
- Bookkeeping Services
- Boat Sales
- Bookstore
- Clothes-Pressing and Repair
- Private Club
- Coffee Shop
- Commercial Laboratory
- Trade school
- Detective Agency
- Dressmaker
- Dry Cleaning
- Employment Office
- Funeral Home
- Grocery Store
- Liquor Store
- Massage Establishment
- Medical Clinic
- Microbrewery
- Pawnbrokers
- Photography
- Post Office
- Professional Services
- Radio and Television Studio
- Recreation Center
- Resale Dealers
- Restaurant
- Retail Store
- Shoe Repair
- Tattoo Establishment
- Treatment Center

Exhibit C Potential new parking spaces





COUNTY JAIL ADDITIONAL POTENTIAL PARKING

UNITED CITY OF YORKVILLE, ILLINOIS

ADDRESS: 800 Game Farm Road, Yorkville Illinois

DATA: All permit data and geographic data are property of the United City of Yorkville

DATE: August 6, 2019

LOCATION: (I:)//Community Development/Jail Map.pdf

${\it Exhibit \, D}$ Boundaries of historic portion of building

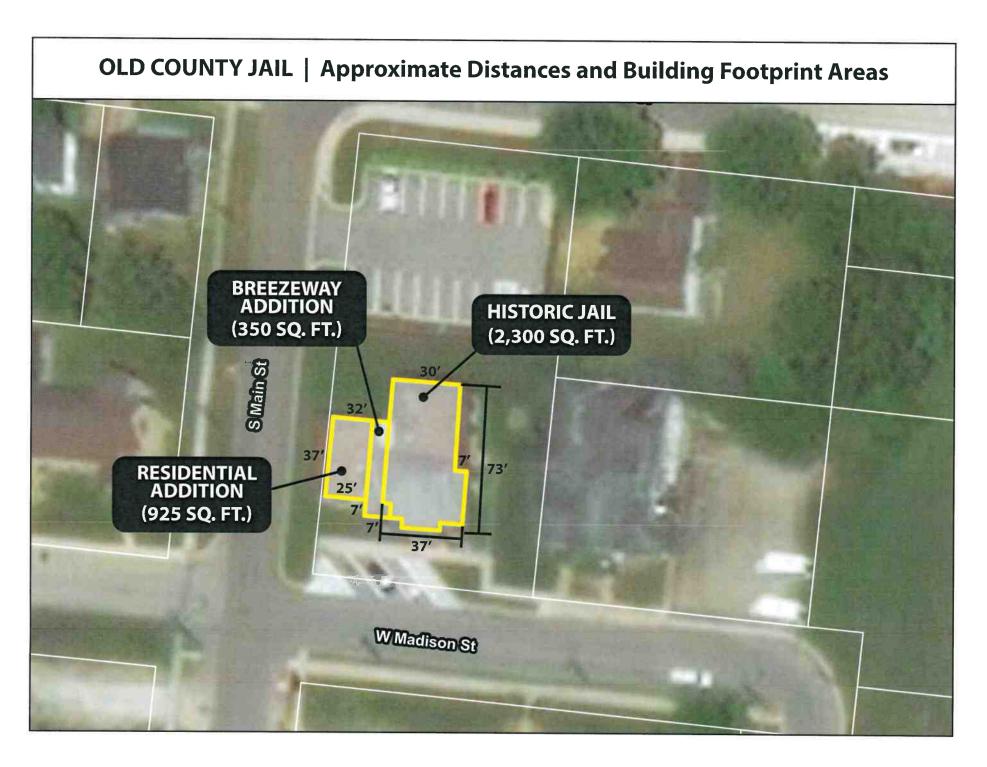


Exhibit E Request for Reimbursement

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

Date:_____

To: KCJ Restoration c/o 805 Milwaukee Ave, Suite 400 Chicago, IL 60642

| Yorkville, Illinois 60560 | | 00560 Chicago, 1L 60642 |
|---------------------------|-----------|--|
| Re: | betw | evelopment Agreement, dated, by and een the United City of Yorkville, Kendall County, Illinois, and KCJ oration, LLC ("Developer") |
| Dear Sir: | | <i>"</i> |
| | are req | uested to disburse funds from the Old Jail Sub-Account pursuant to the |
| this Request | t for Rei | eement described above in the amount(s), and for the purpose(s) set forth in imbursement. The terms used in this Request for Reimbursement shall have |
| _ | _ | to those terms in the Redevelopment Agreement. |
| 1. | | unt to be Disbursed: \$ |
| 2. | will ł | amount requested to be disbursed pursuant to this Request for Reimbursement be used to reimburse the Developer for eligible Redevelopment Project Costs. |
| 3. | | undersigned certifies that: |
| | (i) | the amounts included in 1 above 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, represent a part of the funds due and payable for Redevelopment Project Costs; |
| | (iii) | the moneys requisitioned are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for Redevelopment Project Costs; |
| | (iv) | 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 \$150,000.00. |
| | (v) | the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement. |
| 4. | | ched to this Request for Reimbursement are copies of invoices or bills of sale Mechanic's Lien Waivers for the Project. |
| Date: | yanz- | By: KCJ Restoration, LLC |
| | | Manager |
| APPROVED: | | United City of Yorkville, an Illinois municipal corporation |

UNITED CITY OF YORKVILLE, ILLINOIS

DOWNTOWN TAX INCREMENTAL FINANCING DISTRICT II

FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2020

INDEPENDENT AUDITORS' REPORT



PHONE 630.393.1483 • FAX 630.393.2516 www.lauterbachamen.com

INDEPENDENT AUDITORS' REPORT

October 8, 2020

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 Downtown Tax Incremental Financing District II of the United City of Yorkville, Illinois as of and for the year ended April 30, 2020, which collectively comprise the Downtown Tax Incremental Financing District II 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 Downtown Tax Incremental Financing District II 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 Downtown Incremental Financing District II of the United City of Yorkville, Illinois as of April 30, 2020, 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 8, 2020 on our consideration of the Downtown Tax Incremental Financing District II's compliance with laws, regulations, contracts and grants.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

UNITED CITY OF YORKVILLE, ILLINOIS DOWNTOWN TAX INCREMENTAL FINANCING DISTRICT II

Balance Sheet April 30, 2020

| | Downtown TIF II |
|------------------------------------|--------------------|
| ASSETS | |
| Cash and Investments | <u>\$</u> |
| LIABILITIES | |
| Liabilities Due to Other Funds | 73,799 |
| FUND BALANCE | |
| Unassigned | (73,799) |
| Total Liabilities and Fund Balance | |

UNITED CITY OF YORKVILLE, ILLINOIS DOWNTOWN TAX INCREMENTAL FINANCING DISTRICT II

Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended April 30, 2020

| | Downtown TIF II |
|---|-----------------|
| Revenues | |
| Taxes Property Taxes | \$ 24,171 |
| Expenditures General Government | |
| Legal Services | 13,462 |
| Professional Services | 2,772 |
| TIF Incentive Payout | 80,000 |
| Total Expenditures | 96,234 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (72,063) |
| Other Financing Sources Sale of Capital Assets | 1,000 |
| Net Change in Fund Balances | (71,063) |
| Fund Balances - Beginning | (2,736) |
| Fund Balances - Ending | (73,799) |

UNITED CITY OF YORKVILLE, ILLINOIS DOWNTOWN TAX INCREMENTAL FINANCING DISTRICT II

Notes to the Financial Statements April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The operations of Downtown Tax Incremental Financing District II is 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.





PHONE 630.393.1483 • FAX 630.393.2516 www.lauterbachamen.com

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

October 8, 2020

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 Downtown Tax Incremental Financing District II of the United City of Yorkville, Illinois, as of and for the year ended April 30, 2020, and have issued our report thereon dated October 8, 2020. 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 District IIs 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 II, 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
LAUTERBACH & AMEN, LLP