

**RESOLUTION 12-67**

**Passed: June 25, 2012**

**AUTHORIZING THE MAYOR OF THE CITY OF DEKALB, ILLINOIS, TO ENTER INTO AN AGREEMENT WITH ELLWOOD HOUSE ASSOCIATION USING TIF FUNDING FOR IMPROVEMENTS TO THE ELLWOOD-NEHRING HOUSE AND PROPERTY IN THE AMOUNT OF \$75,000.00 ANNUALLY FOR FISCAL YEARS FY 2013 THROUGH FY 2017.**

**BE IT RESOLVED BY THE CITY COUNCIL** of the City of DeKalb, Illinois, as follows:


**Section 1.** That the Mayor of the City of DeKalb be authorized and directed to execute an Agreement with the Ellwood House Association in the amount of Seventy Five Thousand Dollars and no/100 (\$75,000.00) annually for improvements to the Ellwood-Nehring house and property located at 417 North First Street, from July 1, 2012 through June 30, 2017, a copy of which is attached hereto and made a part hereof as Exhibit "A."

**Section 2.** That the City Clerk of the City of DeKalb be authorized and directed to attest the Mayor's signature.

**PASSED BY THE CITY COUNCIL** of the City of DeKalb, Illinois, at a regular meeting thereof held on the 25<sup>th</sup> day of June, 2012 and approved by me as Mayor on the same day. Roll call vote 5-2-1. Aye: Lash, Gallagher, Naylor, Baker, Povlsen. Nay: Jacobson, O'Leary. Absent: Teresinski.

**ATTEST:**

  
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**DIANE K. WRIGHT**, City Clerk

  
\_\_\_\_\_  
**KRIS POVLSSEN**, Mayor



**FY2013-FY2017  
ELLWOOD HOUSE ASSOCIATION  
TIF AGREEMENT**

AGREEMENT made this 25 day of June 2012, by and between the City of DeKalb, Illinois, an Illinois Municipal Corporation, (hereinafter referred to as "City") and the Ellwood House Association, Inc., an Illinois not-for-profit Corporation (hereinafter referred to as "EHA".)

**RECITALS**

WHEREAS, the City has determined that there is an on-going need to provide services to historically preserve its heritage and maintain venues for visitors and residents alike ; and,

WHEREAS, the City recognizes that EHA provide such services to the citizens and visitors to the City of DeKalb; and,

WHEREAS, EHA is capable of and desires to provide such services; and,

WHEREAS, the City has implemented a Tax Increment Redevelopment Plan (hereinafter referred to as the "Plan") pursuant to the Illinois Tax Increment Allocation Redevelopment Act (hereinafter referred to as the "Act"); and,

WHEREAS, the City wishes to assist other agencies with projects that will enhance the overall redevelopment of the project area and the community; and,

WHEREAS, EHA is a local not for profit agency and needs assistance with improvements at Ellwood House Campus (hereinafter referred to as "Premises"), 509 North First Street., which is located within the Redevelopment Project Area covered by the Plan; and,

WHEREAS, said building and property improvements are eligible redevelopment project costs under the Act; and,

WHEREAS, to assist EHA with these redevelopment projects thereby promoting the goals and objectives of the tax increment finance program of the City, the City desires to grant to the EHA funding in the amount of Seventy Five Thousand and No/100 Dollars (\$75,000) per year, annually for Fiscal Years 2013-2017 (a total of \$375,000.00) to pay for projects as they are identified herein.

NOW THEREFORE, the parties agree as follows:

1. **FUNDING:** Beginning in Fiscal Year 2013, the City shall grant to the EHA the amount of Seventy Five Thousand and No/100 Dollars (\$75,000) per year, annually for the term of this agreement.

EHA hereby certifies that no portion of the monies to be received from the City through this Agreement shall be used for payment of any debt owed by the EHA at the time of execution

of this document nor for any other purpose other than the purposes which are specifically provided for payment by the City as identified within this agreement, and purposes which are both permissible expenditures from a Tax Increment Financing District for items that are incurred and paid in accordance with applicable law.

2. ELIGIBLE USE OF FUNDS: All monies allocated by the City to EHA through its Tax Increment Finance program shall be used solely and exclusively for projects that are approved, in advance, by the City of DeKalb. For purposes of this section, EHA shall seek approval of a project *before incurring project expenses*, by submitting a description of the proposed project and anticipated cost to the Assistant City Manager, providing such information as he shall deem necessary. The Assistant City Manager is and shall be authorized to approve of any proposed expenditure. Notwithstanding any contrary provision of this Agreement, the potential liability of the City under the terms of this agreement shall not exceed the lesser of: 1) the \$75,000 per year allocated herein; 2) the amount of revenue available from City of DeKalb Central Area TIF which has not been pledged for any other purpose; or, 3) the maximum amount of a proposed project that is eligible for expenditure from the TIF District funding. The City and EHA agree and acknowledge that the obligations herein require future City action to levy taxes and to appropriate funds to satisfy the obligations of this Agreement. EHA acknowledges that, in the event the City for any reason fails or refuses to levy or appropriate funds in accordance with the requirements of this Agreement, any further or future funding obligation of the City shall terminate immediately. The City's obligation hereunder, at any time, shall be limited to the amount of funding that has been previously levied and appropriated for this purpose on an annual basis, which remains unspent as of the time of pre-approval by the City.

EHA hereby certifies it shall comply with all provisions for the public bidding of projects whose cost shall exceed twenty thousand dollars (\$20,000) and shall obtain a minimum of two (2) cost quotes for all projects under that amount, unless specifically permitted otherwise by the City of DeKalb. EHA certifies that all contractors employed to complete the improvements described herein shall pay their employees the appropriate prevailing wage rate then in effect, and shall otherwise comply with City of DeKalb purchasing and bidding policies and requirements, including the submittal of certified payroll records to the City of DeKalb prior to reimbursement.

EHA agrees that it will not allow any mechanics liens, or public fund/bond claims or liens to be recorded against Premises. If, because of any act or omission of EHA, any mechanic's lien or other lien or order for payment of money shall be filed against the Premises, or other improvements there or against City, EHA at EHA's sole expense, shall cause the same to be cancelled and discharged or bonded (to the City's satisfaction) within (60) days after the date of filing thereof. EHA shall indemnify and save harmless City against all costs, expenses, claims, losses, or damages resulting there from.

For any project that is approved by the Assistant City Manager, EHA shall thereafter incur the eligible expenses, and shall process all invoices and documentation relating to the expenses. Such documentation shall be submitted to the City, including final waivers of lien and certified payroll records of all contractors, along with a payment request. Once the payment request and documentation is in a form acceptable to the Assistant City Manager,

the City shall directly pay the EHA. In the event that the City determines to approve a payment prior to receiving final payment waivers, EHA shall provide such waivers after making final payment, within ten business days of the date on which the City provides funding. All proceeds forwarded by the City shall be exclusively used for the purposes approved by the City under this Agreement, and any proceeds unspent for such purposes shall be refunded to the City.

3. INSURANCE: EHA shall acquire and maintain in full force and effect during the term of this Agreement, policies of insurance in connection with at the Premises including, but not limited to public liability insurance, personal injury insurance, theft, building contents, and worker's compensation insurance. EHA will provide the City of DeKalb with Certificates of Insurance on each such policy and the City shall be additional primary insured under each such policy. Each policy must contain the provision that City shall receive written notice (30) days in advance of any action by the insurance company to non-renew or cancel such policy. Comprehensive general liability insurance policies shall have a minimum limit of two million dollars (\$2,000,000) per person/per occurrence.

4. INTENTIONALLY OMITTED.

5. SUBMISSION OF REQUIRED DOCUMENTATION: EHA shall submit Copies of any board meeting minutes of any meeting where the receipt or use of City funding is discussed or acted upon within thirty (30) days of the approval of such documents. Further, EHA shall submit the following list of information prior to any payment by the City to EHA or September 1, 2012, whichever occurs first, and shall thereafter provide updated copies of such documents on an annual basis (and shall provide copies of the certificates of insurance at least 30 days prior to the expiration of the then-previous certificate).

- A. A copy of EHA's approved annual budget
- B. A copy of EHA's Auditor's Report
- C. Certificates of Insurance on all insurance policies.

6. STATUS REPORT. EHA shall make an oral year-end status report to the City Council no later than the first City Council meeting in May of each year for the term of this agreement, which shall summarize all activities and rehabilitation projects undertaken by the organization during the term of the preceding fiscal year. EHA shall also provide such other and additional documentation as may be required by the City from time to time, to evidence the status of its operations, the condition of the premises at 509 North First Street, or EHA's compliance with this agreement or any other agreement between EHA and the City.

7. FAILURE TO PERFORM. This Agreement may be declared null and void by either EHA or the City should either party fail to meet any of the terms and conditions noted herein, within thirty (30) days of written notification of same by the other party, and during which time the other party has not complied with this Agreement's provisions and conditions.

8. EQUAL OPPORTUNITY. EHA shall not discriminate in its employment, operations, or business practices on the basis of race, creed, color, sex, military service status, age, national origin, matriculation, sexual orientation or disability.

9. DRUG FREE WORKPLACE. EHA shall operate under the terms and conditions of the City's adopted Drug Free Workplace policy during the term of this Agreement.

10. TERM OF AGREEMENT. This Agreement shall be in effect from July 1, 2013 to June 30, 2017.

11. TERMINATION. Either party may terminate this Agreement upon not less than thirty (30) days written notice to the other party. This Agreement shall automatically terminate in the event that the City fails or refuses to levy, receive or appropriate funds required hereunder. In the event of termination prior to June 30, 2017, EHA shall comply with all applicable requirements for any funds provided prior to the date of termination, including the maintenance of insurance coverage naming the City as additional primary insured, and including compliance with applicable bidding and prevailing wage requirements.

12. JURISDICTION AND VENUE. Any dispute arising out of or relating to this Agreement shall have its jurisdiction and venue exclusively fixed in the Circuit Court of DeKalb County, Illinois.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date so shown at the beginning.

CITY OF DEKALB

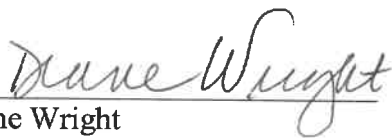
Ellwood House Association, Inc.



Kris Povlsen  
Mayor



Brian Reis  
Director



Diane Wright  
City Clerk

