

AUTHORIZING A TAX INCREMENT FINANCING GRANT IN THE AMOUNT OF \$12,200 TO THE HILLSIDE RESTAURANT, LOCATED AT 121 N. SECOND STREET, DEKALB ILLINOIS, FOR THE REPLACEMENT OF A BUILDING SEWER.

WHEREAS, the City of DeKalb is a home-rule municipality with the power and authority conferred thereupon by virtue of the Illinois Constitution and Illinois Municipal Code; and

WHEREAS, as a home rule unit of local government, the City may exercise any power and perform any function pertaining to its government except as limited by Article VII, Section 6; and

WHEREAS, the City maintains Tax Increment Financing District No. 1 ("TIF 1") pursuant to the Illinois Tax Increment Financing Allocation Act ("TIF Act"); and

WHEREAS, Gavin Wilson and Mary Wilson ("Owners") of the Hillside Restaurant ("Hillside") are the owners of certain property located within the confines of TIF 1 located at 121 N. 2nd Street ("the Property"), and propose to undertake a facility improvement in the form of a building sewer replacement at the Property ("the Project"), with total project cost not to exceed \$12,200; and

WHEREAS, the City has determined that the costs of the Project are eligible for reimbursement pursuant to the TIF Act;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

SECTION 1: The City of DeKalb hereby approves of a \$12,200 TIF Grant for Hillside, for use at the Property in payment of costs of the Project, subject to the following provisions:

1. Given the small scope of the requested grant, the City waives formal compliance with the requirements of the TIF incentive process except as outlined herein or as required by law. The City also waives requirement of a promissory note or mortgage to secure the TIF Grant.
2. Payment of the TIF Grant shall be as a reimbursement to the Owners, after the Owners provide proof of incurring costs of not more than \$12,200 on the Project at the Property. The TIF Grant shall be in the amount which is the lesser of a) \$12,200; or b) the actual cost of the Project; or c) the total of all expenses, which are eligible for payment under the TIF Act.
3. The Owners agree to provide documentation of the project and incurred costs, inclusive of full lien waivers, invoices, and adequate evidence of payment, all in form and content acceptable to the City Manager or designee, prior to payment of the reimbursement.
4. The Owners agree, as a condition of accepting the funds contemplated herein, to


maintain the improvements funded by this TIF Grant for a period of not less than five (5) years. The TIF Grant funds provided herein shall be considered partially forgiven by 20% (1/5) each year on the anniversary of their payment to Owners, until fully forgiven on the fifth anniversary of such payment. Should the Owners fail to maintain the improvements for the full five-year period, then Owners shall be responsible for reimbursing the City in an amount equivalent to the then-unforgiven portion of the TIF Grant (e.g. if the Owners fail to maintain the improvements in the 4th year, the Owners shall reimburse the City for forty percent (40%) of the TIF Grant amount.


5. The Owners agree to indemnify, defend and hold harmless the City from any claims or damages arising out of or relating to the TIF Grant or the work to be performed by Owners. The Owners shall provide the City with a certificate of insurance naming the City as additional primary insured with waiver of right of subrogation prior to commencement of work. The Owners agree and acknowledge that the funding contemplated herein is payable to the Owners only and may not be assigned or transferred to any other party. The City shall not make direct payments to any contractors or materialmen, and the City's obligation to provide funding shall not accrue until the Owners provide the City with evidence of lien waivers from all contractors and materialmen providing labor or materials for the project.
6. The Owners shall complete all related work in a good and workmanlike fashion, in accordance with all applicable codes and ordinances, and after having obtained all required permits. All work shall be subject to inspection and approval by the City, once completed.
7. All work shall be completed within one calendar year of the date of approval of this Resolution, or the funding approval contemplated herein shall terminate and this Resolution shall be of no further force or effect.
8. The Owners shall provide a letter to the City, acknowledging and agreeing to the terms and conditions of this Resolution and memorializing the documentation requirements applicable to the project, prior to the City's issuance of payment to the Owners.


SECTION 2: That the City Clerk of the City of DeKalb, Illinois be authorized and directed to attest the Mayor's Signature and shall be effective thereupon, following execution as outlined in the preceding section.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 26th day of August 2019 and approved by me as Mayor on the same day. Passed by an 8-0 roll call vote. Aye: Morris, Finucane, Smith, Fagan, McAdams, Verbic, Faivre, Mayor Smith. Nay: None.

ATTEST:


LYNN A. FAZEKAS, City Clerk


JERRY SMITH, Mayor



August 26, 2019

Bill Nicklas, City Manager
City of DeKalb
200 S. Fourth Street
DeKalb, Illinois 60115

Re: Letter of Agreement for a Tax Increment Financing Grant in the Amount of \$12,200 to the Hillside Restaurant, Located at 121 N. Second Street, DeKalb, Illinois, for the Replacement of a Building Sewer.

Gavin Wilson and Mary Wilson ("Owners") of the Hillside Restaurant ("Hillside") hereby acknowledge and agree to the terms of that certain Resolution 2019-130 ("the Resolution"), approving of a \$12,200 TIF Grant for the Owner's use at 121 N. 2nd Street, DeKalb, Illinois ("the Property"), subject to the following provisions:

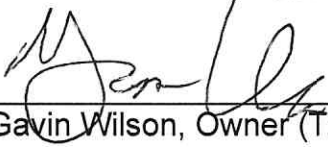
Payment of the TIF Grant shall be as a reimbursement to the Owners, after the Owners provide proof of incurring costs of not more than \$12,200 on the Project at the Property. The TIF Grant shall be in the amount which is the lesser of: a) \$12,200; or, b) the actual cost of the Project; or, c) the total of all expenses which are eligible for payment under the TIF Act.

1. The Owners agree to provide documentation of the project and incurred costs, inclusive of full lien waivers, invoices, and adequate evidence of payment, all in form and content acceptable to the City Manager or designee, prior to payment of the reimbursement. Reimbursement will be for TIF eligible expenses only.
2. The Owners agree, as a condition of accepting the funds contemplated herein, to maintain the improvements funded by this TIF Grant for a period of not less than five (5) years. The TIF Grant funds provided herein shall be considered partially forgiven by 20% (1/5) each year on the anniversary of their payment to the Owners, until fully forgiven on the fifth anniversary of such payment. Should the Owners fail to maintain the improvements for the full five-year period, then Owners shall be responsible for reimbursing the City in an amount equivalent to the then-unforgiven portion of the TIF Grant (e.g. if the Owner fails to maintain the improvements in the 4th year, the Owners shall reimburse the City for forty percent (40%) of the TIF Grant amount.
3. The Owners agree to indemnify, defend and hold harmless the City from any claims or damages arising out of or relating to the TIF Grant or the work to be performed by Owner. The Owners shall provide the City with a certificate of insurance naming the City as additional primary insured with waiver of right of subrogation prior to commencement of work. The Owners agree and acknowledge that the funding contemplated herein is payable to the Owners only and may not be assigned or transferred to any other party. The City shall not make direct payments to any contractors or materialmen, and the City's obligation to provide funding shall not accrue until the Owners provide the City with evidence of lien waivers from all


contractors and materialmen providing labor or materials for the project.

4. The Owners shall complete all related work in a good and workmanlike fashion, in accordance with all applicable codes and ordinances, and after having obtained all required permits. All work shall be subject to inspection and approval by the City, once completed.
5. All work shall be completed by August 26, 2020 or the funding approval from the City shall terminate and this Resolution shall be of no further force or effect.

Agreed to as of the 30th day of August 2019.



Gavin Wilson, Owner (The Hillside Restaurant)



Mary Wilson, Owner (The Hillside Restaurant)