RESOLUTION 2020-125  

PASSED: DECEMBER 14, 2020

AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT RELATING TO TAX INCREMENT FINANCING DISTRICTS BY AND BETWEEN THE CITY OF DEKALB, DEKALB COUNTY, DEKALB COMMUNITY UNIT SCHOOL DISTRICT NO. 428, DEKALB TOWNSHIP, DEKALB TOWNSHIP ROAD AND BRIDGE DISTRICT, DEKALB PARK DISTRICT, KISHWAUKEE COMMUNITY COLLEGE, DEKALB PUBLIC LIBRARY, DEKALB COUNTY FOREST PRESERVE DISTRICT, AND KISHWAUKEE WATER RECLAMATION DISTRICT.

WHEREAS, the City of DeKalb (the "City") is a home rule unit of local government which may exercise any power and perform any function pertaining to its government and affairs pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1, et seq., authorizes cooperative agreements between Illinois units of local government; and

WHEREAS, the Tax Increment Financing Act, 65 ILCS 5/11-74.4, et seq., authorize a municipality to make and enter into all contracts with overlapping taxing bodies to promote the redevelopment of blighted areas and restore and enhance the tax base of the taxing districts in said areas by encouraging private investment through the use of incremental tax revenues derived from the tax rates of the taxing districts for the payment of redevelopment project costs which would not derive the benefits of an increased assessment base without the benefits of tax increment financing; and

WHEREAS, a forensic assessment of the City's Tax Increment Financing ("TIF") districts during the time period from January 1, 2009 to December 31, 2018 identified disputed payments from the City's TIF funds including, but not limited to, annual transfers to the City's General Fund for administrative costs which may have been unrelated to the administration of the City's TIF Districts (the "disputed TIF payments"); and

WHEREAS, the Joint Review Board (the "JRB"), which is composed of the taxing districts within the City's TIF Districts and a public member, has recommended approval of an intergovernmental agreement between the taxing districts, in the same or substantially similar form as Exhibit A attached hereto and incorporated herein (the "IGA"), to amicably resolve the disputed TIF payments by releasing the City from liability relating to the disputed TIF payments in exchange for the early termination of the City's TIF 1 District, the declaration of annual surplus from the City's TIF 3 District, the City's distribution of its annual sales tax surplus distribution from TIF 1 to the taxing bodies in the same proportion as real property tax surplus distributions, the City's waiver of reimbursement for annual administrative costs related to the City's administration of the TIF Districts, and the institution of a transparency program for the administration of the City's TIF Districts; and

WHEREAS, the City's Corporate Authorities find that it is in the City's best interests of the City's welfare, public health, and safety to approve the IGA; and

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

SECTION 1: The recitals to this Resolution are true, material, adopted, and incorporated herein as Section 1 to this Resolution.
SECTION 2: The City’s Corporate Authorities authorize and approve the IGA in the same or substantially similar form as Exhibit A attached hereto and incorporated herein, and further direct the Mayor to execute the IGA, the Clerk or the Executive Assistant to attest the IGA, and the City Manager to take all acts necessary to effectuate the IGA.

SECTION 3: This Resolution and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such resolution should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the Corporate Authorities of the City of DeKalb that to the extent that the terms of this resolution should be inconsistent with any non-preemptive state law, that this resolution shall supersede state law in that regard within its jurisdiction.

SECTION 4: This Resolution shall be in full force and effect from and after its passage and approval as provided by law.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting thereof held on the 14th day of December 2020 and approved by me as Mayor on the same day. Passed by a 6-0-1-1 roll call vote. Aye: Morris, Finucane (Remote), Smith, Perkins, McAdams, Verbic. Nay: None. Absent: Faire. Recused: Mayor Smith.

ATTEST:

RUTH A. SCOTT, Executive Assistant

JERRY SMITH, Mayor
EXHIBIT A
(2020 Intergovernmental Agreement Relating to TIF Districts)
2020 Intergovernmental Agreement Relating to Tax Increment Financing Districts

This 2020 Intergovernmental Agreement Relating to Tax Increment Financing Districts (the "Agreement") is entered into as of the 15th day of November, 2020, (the "Effective Date"), by and between the City of DeKalb (the "City"), the County of DeKalb (the "County"), DeKalb Community Unit School District No. 428 (the "School District"), DeKalb Township (the "Township"), DeKalb Township Road and Bridge District (the "Road District"), DeKalb Park District (the "Park District") Kishwaukee Community College (the "College"), the DeKalb Public Library (the "Library"), the DeKalb County Forest Preserve District (the "Preserve") and the Kishwaukee Water Reclamation District (the "KWRD"), with the foregoing parties referred to collectively as "Parties" or individually as a "Party".

RECITALS

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1, et seq., authorizes cooperative agreements between Illinois units of local government; and

WHEREAS, the City presently operates two Tax Increment Financing Districts (the "TIF Districts") pursuant to the applicable provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., (the "TIF Act"); and

WHEREAS, the City maintains the Central Area TIF, also known as TIF District No. 1 ("TIF 1"), which by virtue of this Agreement, has an agreed termination date of December 31, 2020, with a final collection of increment in 2021; and

WHEREAS, pursuant to City ordinance #2019-068, the City terminated and closed the City of DeKalb Tax Increment Financing District #2, also known as TIF District No. 2 ("TIF 2"); and

WHEREAS, the City also maintains the Central Business District TIF, also known as TIF District No. 3 ("TIF 3"), which has a projected termination date of December 31, 2042, with a final collection of increment in 2043; and

WHEREAS, TIF 1 is presently subject to an intergovernmental agreement between the Parties, a copy of which is attached hereto and incorporated herein as Exhibit A (the "Existing IGA"); and

WHEREAS, under the Existing IGA, the City undertook an obligation that commencing in the City's Fiscal Year 2011, the City would declare and distribute an annual surplus in an amount equivalent to fifty percent (50%) of the annual property tax revenue increment generated by TIF 1 (the "TIF 1 Annual Surplus Payment"); and

WHEREAS, TIF 1, for a period of time, had a sales tax component in addition to the property tax component; and
WHEREAS, TIF 1 last received State Sales Tax Increment and Local Sales Tax Increment, as those terms are defined in the TIF Act, during the fiscal year ending June 30, 2013, and that component of the TIF terminated as of that date; and

WHEREAS, according to the City of DeKalb Annual Tax Increment Finance Report for the Fiscal Year end of June 30, 2013, the fund balance of TIF 1 was $3,349,486; and

WHEREAS, in evaluating the accrued obligations of TIF 1 as of June 30, 2013, such obligations exceeded the fund balance; and

WHEREAS, there is disagreement among the Parties as to whether the State of Illinois and City of DeKalb should continue to share in a portion of the annual surplus distribution from TIF 1 pertaining to the disputed sales tax increment after 2013; and

WHEREAS, as a result of this dispute, the City has determined that it will forgo taking any further distributions for its own account based upon the prior sales tax component of TIF 1, but plans to continue making payment to the Illinois Department of Revenue from a portion of the annual surplus distributions required by the Existing IGA; and

WHEREAS, the Parties stipulate and represent that, as of the Effective Date of this Agreement, they have no knowledge of any claims arising out of, or related to, the allegedly improper expenditures, distributions, payments, transfers, or uses of funds from TIF 1 and TIF 2, except for those claims which were identified by the Ernst & Young forensic assessment of the City's TIF Districts transmitted to the DeKalb County State's Attorney's Office in May of 2020 (the "E&Y Report") attached hereto and incorporated herein as Exhibit B (the "Claims");¹ and

WHEREAS, the Parties have reviewed the annual reports from the TIF Districts, considered the Existing IGA, evaluated the effect of the TIF Districts, and developed this Agreement to memorialize the terms of their consensus and agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals:** The Recitals set forth above are adopted and incorporated herein by reference as this Paragraph 1.

2. **Amendments to Existing Agreement:** To the extent that the Existing IGA is in conflict with the terms of this Agreement, this Agreement shall be binding, and its terms shall supersede those of the prior Agreement.

¹The "Claims" shall refer to any and all allegedly improper expenditures, distributions, payments, or uses of funds from TIF 1 and TIF 2 which were identified by the E&Y Report.
3. Sales Tax Surplus Distributions and Route of Payment: The Parties acknowledge that a dispute exists as to whether any portion of the surplus should be distributed to the State of Illinois or the City as reimbursements for accumulated sales tax increment paid into TIF 1. Acknowledging the disputed nature of this payment, the City shall distribute the municipal portion of the sales tax payment instead as surplus to the County Collector to be distributed to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area. Those taxing districts are hereinafter referred to the "Taxing Bodies" and all amounts due to the Taxing Bodies in this Agreement shall be paid in the same manner and proportion as the most recent distribution by the County Collector to the affected districts of real property taxes from real property in the redevelopment project area. The Parties agree not to make a claim against the State of Illinois relating to any sales tax surplus distributions made or to be made to the State of Illinois as part of the TIF 1 Annual Surplus Payment unless the State of Illinois takes legal action to pursue sales tax surplus distributions or, after the Effective Date of this Agreement, the City makes payment to the State of Illinois in excess of the TIF 1 Annual Surplus Payment. Notwithstanding anything to the contrary in this Agreement, the Release referenced in this Agreement shall not limit any Party's right to make a claim against the State of Illinois as allowed in this paragraph.

4. Payment of TIF 1 Surplus Payment: The City shall continue making the TIF 1 Annual Surplus Payment. The Parties recognize that the last TIF 1 Annual Surplus Payment will relate to tax increment pertaining to tax year 2020 which is paid by the City to the County Collector in 2021 to be distributed to the respective taxing districts prior to April 1, 2022, or at the time determined by the County Collector, in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area.

5. Disposition of TIF 1 Funds: It is stipulated and agreed that the City shall disburse the funds received into TIF 1 substantially in keeping with the chart of expenditures shown on Exhibit C attached hereto and incorporated herein by reference (the "Disposition of TIF 1 Funds Chart").

6. Administration of TIF 1 and TIF 3 through a Transparency Program: For the remaining term of TIF 1 and through the full term of TIF 3 including, each year until those TIFs are closed and all funds distributed, the Parties agree as follows:

   a. The City shall notice and convene a meeting of the joint review board members as specified by 65 ILCS 5/11-74.4-5(b) (the "JRB") for each TIF District not less than quarterly, during each year of the operation of the TIF Districts (and thereafter during the closure of the TIF Districts as may be required by law). Notwithstanding the foregoing, the JRB may elect to meet less frequently; provided, however, the JRB meets no less frequently than as may be required by the TIF Act.
b. For each JRB meeting, the City shall generate a report to the JRB regarding the use of funds from the TIF Districts and remaining commitments of uses for "Redevelopment Project Costs" as defined in the TIF Act in a form substantially similar to Exhibit D attached hereto and incorporated herein or as may otherwise agreed to by the JRB (the "Transparency Program Form" or the "Report").

c. The Report shall provide an explanation sufficient to inform the JRB of the following: (1) funds committed to be used from the TIF, identifying which commitments have been satisfied and which remain obligations of the TIF; (2) the project relating to each commitment; (3) to whom the committed funds were paid or are due to be paid; (4) the use for the committed funds; (5) the anticipated goal or return on investment for such commitment; (6) citation to the appropriate subsection under subsection 11-74.4-3(q) of the TIF Act (or any amendment thereto) which was relied upon for the commitment; and (7) a certification from City staff or the City Attorney that the committed funds which have been paid qualified for use as Redevelopment Project Costs. Furthermore, prospectively at each JRB meeting, the Report shall also include a list of proposed projects and a description of likely TIF Eligible Expenses associated with each project. The Report shall be made available in Excel format and be provided no less than fourteen (14) days prior to a JRB meeting and will include all commitments and expenditures which occurred more than sixty (60) days prior to the scheduled JRB meeting.

d. Annually, the City's Auditor will certify to the Taxing Bodies that it has reviewed the use of funds and that such uses comply with the terms of the TIF Act. Any JRB member shall have the ability to request and receive the underlying documentation for the reports which would not otherwise be exempt from public disclosure under 5 ILCS 140/7(1)(f) and 5 ILCS 140/7(1)(m).

e. The City shall not pay or reimburse itself any administrative costs as described in 11-74.4-3(q) (1.5) of the TIF Act during the remaining terms of the TIF Districts following the Effective Date of this Agreement.

f. Upon request to the JRB, the City shall produce any agreement or projections relating to TIF 1 or TIF 3 which are in existence and not otherwise exempt from public disclosure under 5 ILCS 140/7(1)(f) and 5 ILCS 140/7(1)(m).

g. Except for Architectural Improvement Program funds which do not exceed $25,000 per project, all projects to be placed before the City Council for vote on a final action shall be disclosed to the JRB members at least 14 calendar days prior to the City Council's final action on any such project, with the JRB being provided: (1) a copy of the proposed agreement(s) to be voted upon; (2) a summary of the project(s); (3) the cost(s) and incentive(s) associated therewith; and (4) the public benefit(s) anticipated to be gained. Any public infrastructure projects shall be approved in advance by a simple majority vote of the JRB. All
projects contained on Exhibit E attached hereto and incorporated herein are hereby approved by the JRB (the "TIF Projects").

h. To the extent permitted by law, any remaining funds within TIF 1 that are not otherwise obligated or paid out as surplus pursuant to the Existing IGA, as amended by this Agreement, shall be eligible for use by the City by transfer to TIF 3 for payment of eligible project costs of projects within TIF 3. The Parties stipulate and agree that: (1) the revenues shall be transferred pursuant to 65 ILCS 5/11-74.4-4(q) from TIF 1 to TIF 3 to be used for eligible costs as defined by the Act for those projects shown on Exhibit C; and (2) none of the revenues transferred from TIF 1 to TIF 3 as shown on Exhibit C consist of State sales tax increment revenues.

i. If a Party is a prevailing party in litigation against the City to enforce the foregoing transparency program or to otherwise account for funds that were allegedly used in violation of the provisions of the TIF Act after the Effective Date of this Agreement (the "New Claims"), the City shall, in addition to other remedies allowed by law, be required to: (1) refund the TIF District(s) special tax allocation fund from its General Fund any sums paid other than in accordance with the TIF Act and the terms of this Agreement in the amount(s) determined by the court, and if the funds have been committed, but not paid, the City shall make payments required by said commitment using its General Funds as opposed to TIF District(s) funds; (2) pay the prevailing Party's reasonable attorney's fees and court costs; and (3) end the TIF District(s) as soon as reasonably possible given the then existing obligations associated therewith. Notwithstanding anything foregoing to the contrary, the Parties shall: (1) upon discovering the New Claims, immediately inform the City of the New Claims in writing; (2) give the City at least 60 calendar days' notice, in writing, of the New Claims prior to filing a lawsuit related to, or arising out of, the New Claims; (3) allow the City a reasonable opportunity, which shall be of a duration of time not less than the aforementioned 60-day notice period unless otherwise agreed to in writing by the Parties, to cure, remedy, or resolve the New Claims; and (4) pay the City's reasonable attorney's fees and court costs if the City is the prevailing party in any litigation arising out of, or related to, the New Claims.

7. Declaration of TIF 3 Surplus:

a. In addition to any sums required to be declared as surplus under the terms of the TIF Act, commencing in year 2022, the City shall annually declare and pay during the same year a surplus from TIF 3 to the County Collector (the "TIF 3 Surplus"). The annual amount of the TIF 3 Surplus shall be equivalent to the sum of thirty percent (30%) of the annual total property tax increment received in TIF 3, with the first payment being made in the year of 2022 for increment received which relates to tax year 2021; however, commencing in the year 2026, for increment received which relates to tax year 2025, and annually thereafter until after the last tax increment is collected in year 2043, the annual amount of the TIF 3 Surplus shall be equivalent to the sum of fifty percent (50%) of the
annual total property tax increment received in TIF 3. The TIF 3 Surplus shall be paid annually by the City to the County Collector, and the County Collector shall thereafter make distribution to the respective taxing districts in the same manner and proportion as the most recent distribution by the County Collector to the affected districts of real property taxes from real property in the redevelopment project area, all in accordance with the TIF Act.

b. The Parties agree, however, that should the City have an opportunity to approve a TIF-eligible project or cost which would require increment and funding that is unavailable for such project by virtue of the payment of the TIF 3 Surplus obligation, the City may request each Party to forego certain TIF 3 Surplus payments. The Parties agree to present such request to their respective governing boards for consideration. To the extent approved by any Party's governing board, the City may withhold the portion of the TIF 3 Surplus which would have been due to such Party. The Parties acknowledge that no requirement of project pre-approval from the JRB shall be required, however, information on proposed projects shall be provided as set forth in Section 6 of this Agreement. In the event that fewer than all Taxing Bodies agree to a reduction in the TIF 3 Surplus for a specific project proposed by the City, the full TIF 3 Surplus shall be paid to the County Collector and the approving Taxing Bodies shall, to the extent allowed by law, refund the sum which each agreed to for the specific project to the City.

c. Except as otherwise provided by this Agreement, the payment of the TIF 3 Surplus amount described above shall not affect any other payment obligations that the City has to any of the Parties to this Agreement under the TIF Act or any other agreements or obligations between the City and any of the Parties.

8. **Annual External Review Costs:** Beginning for calendar year 2021, the Parties agree that the City shall pay from the TIF Districts an amount not to exceed Five Thousand Dollars ($5,000.00) each year, with said amount to increase by a compounded rate of two percent (2%) per year, to retain an attorney, who shall not be the City Attorney, and who shall be selected by a simple majority vote of the JRB to review the annual TIF reports as part of the transparency program and to make any such determinations required by Section 6 of this Agreement (the "Annual External Review Costs"). This annual external review is not intended to replace or relieve the City of its legal obligations relating to the reporting required by the Act.

9. **Payment of TIF-eligible Attorney's Fees:** The Parties stipulate and agree that the City shall pay the reasonable attorney's fees incurred in or incidental to this Agreement as TIF-eligible expenses pursuant to 65 ILCS 5/11-74.4-3(q)(1) from TIF 1 of $20,000 to the DeKalb School District #428.
10. **Release:** The Parties further agree that, but for the provisions of this Agreement, the City would not be under any obligation to declare the proposed TIF 3 Surplus and to make the other promises contained herein, but rather could utilize the funds represented thereby for payment of other TIF-eligible project costs as defined in the TIF Act. In consideration of and in exchange for the City's agreement to pay the TIF 3 Surplus and the other promises contained herein, and in considerations of the obligations of the City to perform the other terms stated herein, the Parties individually and collectively agree that they shall: (1) irrevocably and fully waive and release the City and the City's elected officials, officers, employees, and agents from any and all causes of action, claims, damages, liabilities, losses, fines, penalties, costs, and reasonable attorney's fees which they may otherwise have in any direct or derivative capacity with regard to, relating to, or arising out of any and all expenditures, distributions, transfers, payments, or uses of funds from TIF 1 or TIF 2 prior to the Effective Date of this Agreement; (2) refrain from seeking an accounting for use of funds from TIF 1 or TIF 2 prior to the Effective Date; and (3) refrain from initiating or participating, except as required by law, in any litigation with respect to the Claims. **Notwithstanding the foregoing, this waiver and release shall not apply to claims which arise after the Effective Date of this Agreement or to any claims which could not have been reasonably known due to fraud, deceit, wrongful concealment, or willful and wanton conduct. The Parties acknowledge that the State of Illinois and the DeKalb County State's Attorney's Office are not parties to this Agreement and not bound hereby.**

11. **General Provisions:**

a. This Agreement and the rights of the Parties hereunder may not be assigned without consent (except by operation of law), and the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the Parties and their respective successors and assignees, any rights, remedies, obligations or liabilities under or by reason of such agreements. There are no intended or implied third-party beneficiaries of this Agreement.

b. Nothing in this Agreement shall be intended, nor shall it be interpreted, to waive any or all statutory or common law privileges and/or immunities of the Parties. Nothing contained herein shall constitute or shall be construed as any admission of fault or wrongdoing or as any waiver of liability (civil or criminal), for any fault or wrongdoing.

c. Any notice required or permitted to be given pursuant to this Agreement shall be duly given if sent by certified mail or courier service and received. As such, all notices required or permitted hereunder shall be in writing and may be given by depositing the same in the United States mail, addressed to the Party to be notified, postage prepaid and certified with the return receipt requested.
d. This Agreement and its attachments represent the entire Agreement between
the Parties and there are no other promises or conditions in any other Agreement
whether oral or written. This Agreement may not be modified except in writing
acknowledged and agreed to by all Parties. The Exhibits to this Agreement are
as follows:

Exhibit A: Existing IGA
Exhibit B: E&Y Report
Exhibit C: Disposition of TIF 1 Funds Chart dated 11/15/2020
Exhibit D: Transparency Program Form
Exhibit E: TIF Projects

e. This Agreement shall be interpreted and enforced under the laws of the State of
Illinois. Any legal proceeding related to enforcement of this Agreement shall
be brought in the Circuit Court of DeKalb County, Illinois. If any provision of
this Agreement shall be declared or found invalid, illegal or unenforceable by a
court of competent jurisdiction, such provision shall, to the extent possible, be
modified by the court in such manner as to be valid, legal and enforceable so as
to most nearly retain the intent of the Parties and so as to not require the
repayment by any of the Taxing Bodies of funds issued them, and, if such
modification is not possible, such provision shall be severed from this
Agreement, and in either case the validity, legality, and enforceability of the
remaining provisions of the Agreement shall not in any way be affected thereby.

f. This Agreement shall inure to the benefit of, and be binding upon, the Parties
and their respective successors, grantees, lessees, and assigns.

g. This Agreement may be executed in counterparts (including electronic
signatures), each of which shall be deemed to be an original and both of which
shall constitute one and the same Agreement. The date this Agreement goes into
effect will be upon the last signature below. Each of the Parties hereby warrant
and represent that their respective signatures set forth below have been, and are
on the date of this Agreement, duly authorized by all necessary and appropriate
corporate and/or governmental action to execute this Agreement.
IN WITNESS WHEREOF, the Parties hereto have caused this Intergovernmental Agreement to be executed by their duly authorized officers on the last date listed below.

COUNTY OF DEKALB, ILLINOIS
By: ________________________________
    County Board Chairman

ATTEST:
By: ________________________________
    Clerk

Date: ________________________________

CITY OF DEKALB, ILLINOIS
An Illinois Municipal Corporation
By: ________________________________
    Mayor

ATTEST:
By: ________________________________
    Executive Assistant

Date: ________________________________

DEKALB PUBLIC LIBRARY
By: ________________________________
    President

ATTEST:
By: ________________________________
    Secretary

Date: ________________________________

DEKALB PARK DISTRICT
By: ________________________________
    President

ATTEST:
By: ________________________________
    Secretary

Date: ________________________________

DEKALB FOREST PRESERVE DISTRICT
By: ________________________________
    President

ATTEST:
By: ________________________________
    Clerk

Date: ________________________________

KISHWAUKEE COMMUNITY COLLEGE DISTRICT 523
By: ________________________________
    Chairman

ATTEST:
By: ________________________________
    Secretary

Date: ________________________________

11/15/2020
KISHWAUKEE WATER RECLAMATION DISTRICT
By: 
President

ATTEST:
By: Dawn Continen	
Clerk

Date:

DEKALB TOWNSHIP
By: 
Township Supervisor

ATTEST:
By: 
Clerk

Date:

DEKALB TOWNSHIP ROAD AND BRIDGE DISTRICT
By: 
Road Commissioner

ATTEST:
By: 
Clerk

Date:

DEKALB COMMUNITY UNIT SCHOOL DISTRICT 428
By: 
President

ATTEST:
By: 
Secretary

Date:
RESOLUTION 07-42

AUTHORIZING THE MAYOR OF THE CITY OF DEKALB, ILLINOIS, TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT WITH THE TAXING BODIES REGARDING EXTENSION OF THE CENTRAL AREA TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT.

WHEREAS, the City of DeKalb has determined that is in its best interests to extend the Central Area Tax Increment Redevelopment Plan for the Central Area Redevelopment Project Area; and,

WHEREAS, the extension of the Central Area Tax Increment Redevelopment Plan for the Central Area Redevelopment Project Area will require the approval of the affected taxing bodies, to wit: DeKalb Community Unit School District No. 428, the County of DeKalb, the DeKalb Sanitary District, the DeKalb Public Library District, the DeKalb County Forest Preserve, the DeKalb Park District, DeKalb Township, DeKalb Township Road and Bridge District, and Kishwaukee Community College District; and

WHEREAS, the City and the taxing bodies have mutually agreed that their respective interests are set forth in the proposed Intergovernmental Agreement; and

WHEREAS, the City and the taxing bodies are granted the right to enter into intergovernmental cooperation agreements pursuant to Article IV, Section 10 of the Illinois Constitution of 1976 and the Intergovernmental Cooperation Act (5 ILCS 220/1); and,

WHEREAS, the proposed Intergovernmental Agreement attached hereto between the City of DeKalb and DeKalb Community Unit School District No. 428, the County of DeKalb, the DeKalb Sanitary District, the DeKalb Public Library District, the DeKalb County Forest Preserve, the DeKalb Park District, DeKalb Township, DeKalb Township Road and Bridge District, and Kishwaukee Community College District; sets forth the duties, obligations and benefits of the respective parties thereto; now,

THEREFORE, 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 DeKalb Community Unit School District No. 428, the County of DeKalb, the DeKalb Sanitary District, the DeKalb Public Library District, the DeKalb County Forest Preserve, the DeKalb Park District, DeKalb Township, DeKalb Township Road and Bridge District, and Kishwaukee Community College District, a copy of which is attached hereto and made a part hereof as Exhibit “A”.

\[Signature\]
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 29th day of May, 2007, and approved by me as Mayor on the same day. Voice vote 6-0-1.

ATTEST:

[Signatures]
DONNA S. JOHNSON, City Clerk
FRANK VAN BUER, Mayor
INTERGOVERNMENTAL AGREEMENT ON THE EXTENSION OF THE CENTRAL AREA TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT

THIS AGREEMENT made and entered into this 29th day of May, 2007, by and between the City of DeKalb, DeKalb Community Unit School District No. 428, the County of DeKalb, the DeKalb Sanitary District, the DeKalb Public Library District, the DeKalb County Forest Preserve, the DeKalb Park District, DeKalb Township, DeKalb Township Road and Bridge District, and Kishwaukee Community College District, collectively referred to herein as "The Taxing Bodies."

WHEREAS, The Taxing Bodies may enter into intergovernmental cooperation agreements pursuant to Article IV, Section 10 of the Illinois Constitution of 1976 and the Intergovernmental Cooperation Act (5 ILCS 220/1); and,

WHEREAS, The Taxing Bodies desire to attract new and diverse business, commercial and residential enterprises within their boundaries in order to increase the equalized assessed valuation within the boundaries by encouraging private sector investment; and,

WHEREAS, The creation of well paying jobs, vital retail and commercial enterprises is essential to the economic and social wellbeing of the people of DeKalb and the surrounding area; and,

WHEREAS, the City Council of the City of DeKalb has previously adopted Ordinance No's.: 86-78, 86-79 and 86-80, on December 22, 1986, approving the Central Area Tax Increment Redevelopment Plan for the Central Area Redevelopment Project Area ("Central TIF District"), designated said District, and adopted tax increment financing for said District pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq, the "TIF Act"); and

WHEREAS, the date for retiring bonds or other obligations or payment of redevelopment project costs from property tax increment revenues within Central TIF District shall not extend beyond December 31, 2009; and

WHEREAS, The Taxing Bodies find that the extension of the term to pay for redevelopment project costs within the Central TIF District may be necessary to attract new and diverse retail, commercial and residential opportunities within said District; now,

THEREFORE IT IS AGREED by and between The Taxing Bodies as follows:

I. DEFINITIONS

"Central TIF District" as defined herein is the Central Area Tax Increment Financing Redevelopment Project Area, established pursuant to the Ordinance 86-79 and as amended from time to time.
“Extension” is the extension of the term of the Central TIF District for purposes of completing redevelopment projects and retirement of obligations incurred to finance redevelopment project costs, which shall not be later than December 31 of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the TIF Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year after the year in which Ordinance 86-79 establishing the Central TIF District was adopted.

“Obligations” mean bonds, loans, debentures, notes, special certificates or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations.

“Surplus” is that portion of the property tax revenue increment generated by the real property within the Central TIF District which is not required, pledged earmarked, or otherwise designated for payment and securing of the obligations and anticipated redevelopment project costs.

The “Taxing Bodies” are the following entities entering into this Intergovernmental Agreement: City of DeKalb, DeKalb Community Unit School District No. 428, the County of DeKalb, the DeKalb Sanitary District, the DeKalb Public Library District, the DeKalb County Forest Preserve, the DeKalb Park District, DeKalb Township, DeKalb Township Road and Bridge District, and Kishwaukee Community College District.

II. AGREEMENT TO SUPPORT EXTENSION OF THE TIF DISTRICT

The Taxing Bodies agree to provide a written Letter of Support, in a form acceptable to the City, which supports the extension of the Central TIF District. This Letter of Support shall be made a part of the City’s request to the Illinois General Assembly for amendment of the TIF Act permitting the extension of the Central TIF District. The Taxing Bodies further agree to support the City’s efforts to amend the Redevelopment Plan for the Central TIF District, as may be requested by the City.

III. AGREEMENT TO PROVIDE SURPLUS TO THE TAXING BODIES

In the event that its efforts to obtain legislative approval to extend the Central TIF District are successful, the City shall:

A. Commencing in the City’s Fiscal Year 2011, and each year thereafter during the pendency of the extension of the Central TIF District, declare a surplus of fifty per cent (50%) of the property tax revenue increment generated by the real property within the Central TIF District;

B. Distribute the surplus within 180 days after the close of the City's fiscal year by being paid by the City Treasurer to the County Collector, to the Illinois Department of Revenue and to the municipality in direct proportion to the tax incremental revenue received as a result of an increase in the equalized assessed value of property in the
redevelopment project area, tax incremental revenue received from the State and tax incremental revenue received from the City, but not to exceed as to each such source the total incremental revenue received from that source (see Exhibit A, attached hereto, for a hypothetical example of the surplus distribution). Pursuant to Section 11.74.4-7 of the TIF Act, the County Collector shall thereafter make distribution to the respective taxing districts in the same manner and proportion as the most recent distribution by the County Collector to the affected districts of real property taxes from real property in the redevelopment project area; and

C. On an annual basis, supply the Taxing Bodies with a report setting forth the property tax revenue increment generated by the real property within the Central TIF District, the surplus declared and the distribution of said funds pursuant to paragraph B above.

IV. OTHER PROVISIONS

This Intergovernmental Agreement shall in no way restrict the City's right to terminate the Central TIF District at any time or remove property from said District from time to time.

V. TERM

A. In the event that the City's efforts to obtain legislative approval to extend the Central TIF District are successful, this Intergovernmental Agreement shall remain in effect so long as the extension of the Central TIF District is in effect.

B. In the event that the City's efforts to obtain legislative approval to extend the Central TIF District are unsuccessful, this Intergovernmental Agreement shall be null and void.

VI. EXECUTION OF AGREEMENT

This Agreement shall be executed in the form of ten (10) duplicate originals by the Chief Executive Officer of each Taxing Body and shall be attested to by the respective Clerk or Secretary of each Taxing Body.

CITY OF DEKALB:

[Signature]

MAYOR

ATTORNEY:

[Signature]

CITY CLERK
COUNTY OF DEKALB:

ATTEST:
Sharon L. Holmes
COUNTY CLERK

DEKALB FOREST PRESERVE DISTRICT:

ATTEST:
Sharon L. Holmes
SECRETARY

DEKALB COMMUNITY UNIT SCHOOL DISTRICT NUMBER 428:

ATTEST:

SECRETARY

DEKALB SANITARY DISTRICT:

ATTEST:

SECRETARY
CITY OF DEKALB:

MAYOR

ATTEST:

CITY CLERK

COUNTY OF DEKALB:

CHAIRMAN

ATTEST:

COUNTY CLERK

DEKALB FOREST PRESERVE DISTRICT:

CHAIRMAN

ATTEST:

SECRETARY

DEKALB COMMUNITY UNIT SCHOOL DISTRICT NUMBER 428:

PRESIDENT

ATTY:

SECRETARY
COUNTY OF DEKALB:

ATTEST:

COUNTY CLERK

DEKALB FOREST PRESERVE DISTRICT:

ATTEST:

SECRETARY

DEKALB COMMUNITY UNIT SCHOOL DISTRICT NUMBER 428:

PRESIDENT

ATTEST:

SECRETARY

DEKALB SANITARY DISTRICT:

PRESIDENT

ATTEST:

CLERK
DEKALB PUBLIC LIBRARY DISTRICT:

ATTEST:

SECRETARY

DEKALB PARK DISTRICT:

ATTTEST:

SECRETARY

DEKALB TOWNSHIP:

ATTTEST:

TOWNSHIP CLERK

DEKALB TOWNSHIP ROAD AND BRIDGE DISTRICT:

ATTTEST:

CLERK
DEKALB PUBLIC LIBRARY DISTRICT:

ATTEST:

SECRETARY

DEKALB PARK DISTRICT:

ATTEST:

SECRETARY

DEKALB TOWNSHIP:

ATTEST:

TOWNSHIP CLERK

DEKALB TOWNSHIP ROAD AND BRIDGE DISTRICT:

ATTEST:

CLERK

Page 5 of 6
DEKALB PUBLIC LIBRARY DISTRICT:

PRESIDENT

ATTEST:

SECRETARY

DEKALB PARK DISTRICT:

PRESIDENT

ATTEST:

SECRETARY

DEKALB TOWNSHIP:

SUPERVISOR

ATTEST:

TOWNSHIP CLERK

DEKALB TOWNSHIP ROAD AND BRIDGE DISTRICT:

SUPERVISOR

ATTEST:

CLERK
KISHWAUKEE COMMUNITY COLLEGE:

THOMAS M. CHIOCE
PRESIDENT

ATTEST:

THOMAS M. ASHBY
SECRETARY

SUZANNE JENTOS
Chair
SURPLUS FUNDS DISTRIBUTION CALCULATION

FOR ANNUAL TIF SURPLUS FUNDS

Total State Sales Tax deposits over the life of the TIF. (Minus any previous State surplus declared.)

(1) $360,000.00

Total Municipal Sales Tax deposits over the life of the TIF. (Minus any previous Mun. surplus declared.)

(2) $180,000.00

Total Property Tax deposits over the life of the TIF. (Minus any previous Prop. Tax surplus declared.)

(3) $1,503,000.00

Total of any other local funds deposited over the life of the TIF

(4) $70,000.00

Total of all deposits:

(5) $2,130,000.00

Total of ONLY the State, the Municipal, and the Property Tax deposits over the life of the TIF. (Total the amounts from lines 1, 2, and 3.)

(6) $2,060,000.00

State deposits (from line 1) divided by the total of all deposits (line 5).

(7) 84466026%

Municipal deposits (from line 2) divided by the total of all deposits (line 5).

(8) 7.7378663%

Property Tax deposits (from line 3) divided by the total of all deposits (line 5).

(9) 72.815334%

TOTAL "ANNUAL" SURPLUS FUNDS REMAINING

(10) $190,000.00

Surplus amount (line 10) multiplied by the State percentage (from line 7).

(11) $15,446.60

Surplus amount (line 10) multiplied by the Municipal percentage (from line 8).

(12) $8,737.86

Surplus amount (line 10) multiplied by the Property Tax percentage (from line 9).

(13) $72,815.53

RETURN THE FOLLOWING AMOUNTS TO:

State of Illinois  Municipal Treasurer  County Collector

$15,446.60  $8,737.86  $72,815.53
## Fund 63 TIF Plan FY2008 - FY2020
### 12 Year Extension - All Revenues
Supply Declared FY2011

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3/18/2007

11/5/2020
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| Balance Beginning    | 2,647,322 | 2,323,267 | 1,462,085 | 1,599,707 | 1,737,232 | 2,330,170 | 2,515,470 | 657,978 | 270,111 | 40,350 | 37,601 | 211,215 | 91,010 |          |


IQA Exhibit A
RIDERS TO THE
INTERGOVERNMENTAL AGREEMENT ON THE EXTENSION OF THE CENTRAL
AREA TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT
WITH DEKALB COMMUNITY UNIT SCHOOL DISTRICT NO. 428

THIS AGREEMENT is a Rider to the Intergovernmental Agreement made and entered
into on the 29th day of May, 2007, by and between the City of DeKalb, DeKalb
Community Unit School District No. 428, the County of DeKalb, the DeKalb Sanitary District,
the DeKalb Public Library District, the DeKalb County Forest Preserve, the DeKalb Park
District, DeKalb Township, DeKalb Township Road and Bridge District, and Kishwaukee
Community College District, (hereinafter referred to as the “Agreement”) and is made solely
between the City of DeKalb (hereinafter referred to as the “City”) and DeKalb Community Unit
School District No. 428, (hereinafter referred to as the “District”).

1. The terms and conditions of the Agreement, of which this Rider is a part as to the
   District only, shall remain in full force and effect during the pendency of the Agreement and this
   Rider and Agreement shall apply only to the property tax portion of the Central Area Tax
   Increment Financing Redevelopment Plan and Project.

2. For any amendments other than the current extension of the TIF contemplated by
   the Agreement, the District shall evaluate its support of the City’s efforts to further amend the
   Redevelopment Plan for the Central Area Tax Increment Financing District, through the
   procedure of the joint review board, as provided for in the TIF Act (65 ILCS 11-74.4, et seq.).

3. Any additional payments that may be made under this Rider are subject to the
   City’s primary obligation to pay the reimbursement of or debt service upon any TIF assisted
   project and shall be made only as and if funds are available after such payments are made. To the
   extent permitted by State statute, it is agreed and acknowledged by and between the parties that
   any payments of surplus made under the underlying Agreement and/or this Rider shall be
   deemed to be unencumbered and may be utilized by the District in any fashion permitted by law.

4. At the request of the District and upon the provision of data showing that any TIF
   project, which receives direct financial assistance from the City’s Central Area Tax Increment
   Financing Allocation Fund leading to the construction of residential units, has generated
   additional school-age children residing therein, the City shall provide such additional assistance
   to the District as may be required by the provisions of 65 ILCS 5/11-74.4-3(q)(7.5), as may be
   amended from time to time, and a copy of which is attached hereto and made a part hereof as
   Exhibit “R-1”

5. In the event that the State’s aid formula, as provided for in 105 ILCS 5/1-1, et
   seq., changes and significantly, materially and appreciably alters the State funding provided to
   the District, the parties agree to reopen negotiations on this Rider and the underlying Agreement
   and shall use their best efforts to modify the same to insure that the District receives TIF funds in
   an amount equal to those TIF funds received in the budget year immediately prior to the one
   under consideration, considering all streams of funding then available to the District. The District
agrees to provide the City with copies of any and all records documenting the State aid and any other funding received by the District.

6. Except for those funds generated by an increase in the equalized assessed valuation of the property located with the TIF, in no instance shall any payments that may be made under the Agreement or this Rider result in the District receiving funds in an amount greater than those funds received in the budget year immediately prior to the one under consideration, considering all streams of funding available to the District, including but not limited to, any funds provided by the City. The District agrees to provide the City with copies of any and all records documenting the State aid and any other funding received by the District.

7. During the pendency of the underlying Agreement and/or this Rider, in the event that the City removes more than thirty per cent (30%) of the area of the real property currently located within the property tax portion of the Central Area Tax Increment Financing Redevelopment Plan and Project and places it into a new TIF District, the parties agree to reopen negotiations on this Rider and the underlying Agreement and shall use their best efforts to determine what other financial consideration may be extended to the District from proceeds that may be available after all other City obligations relating to the new TIF District have been met, including but not limited to, bonded indebtedness and the obligations to all other taxing districts.

IN WITNESS WHEREOF, we have set our hands and seals this 10th day of September, 2007.

CITY OF DEKALB:

[Signature]
MAYOR

ATTEST:

[Signature]
CITY CLERK

DEKALB COMMUNITY UNIT SCHOOL DISTRICT NUMBER 428:

[Signature]
PRESIDENT

ATTEST:

[Signature]
SECRETARY
or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 [65 ILCS 5/11-74.4-3] unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

(5) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

(6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(7) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.

(b) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

(A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code 105 ILCS 5/10-20.12a] less any increase in general State aid as defined in Section 18-8.05 of the School Code 105 ILCS 5/18-8.05] attributable to these added new students subject to the following annual limitations:

(i) for unit school districts with a district average 19 95-96 Per Capita Tuition Charge of less than $5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts with a district average 19 95-96 Per Capita Tuition Charge of less than $5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts with a district average 19 95-96 Per Capita Tuition Charge of less than $5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(B) For alternate method districts, flat grant districts, and foundation districts, with a district average...
19 95-96 Per Capita Tuition Charge equal to or more than $ 5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code [105 ILCS 5/10-20.12a] less any increase in general state aid as defined in Section 18-8.05 of the School Code [105 ILCS 5/18-8.05] attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5):

(i) no increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity;

(ii) the amount reimbursable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and

(iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds, notes, or other funding instruments, or the terms of any redevelopment agreement.

Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

(7.7) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005 (the effective date Public Act 93-961 [ P.A. 93-961]), a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph (7.7) applies only if (i) the library district is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law [35 ILCS 200/18-185 et seq.] but the district is prohibited by any other law from increasing its tax levy rate without a prior voter
Abbreviated
DeKalb County
Forensic assessment of the City of DeKalb’s Tax Increment Financing ("TIF") Districts

For the full audit report, please click on either link below

City of DeKalb Web Site:
https://www.cityofdekalb.com/988/TIF-Plans-Reports

DeKalb County State’s Attorney’s Web Site:

Issued May of 2020
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1. Transmittal letter

Mr. Rick Amato and Mr. David Berault,

Ernst & Young LLP ("EY") was engaged by the DeKalb County State's Attorney Office ("you") to provide advisory services in connection with a forensic assessment of the City of Dekalb's Tax Increment Financing ("TIF") districts ("the Assessment") As part of the engagement, we assessed information related to the TIF programs and conducted a risk-based analysis for the period January 1, 2009 and December 31, 2018 ("Scope Period"). In the following sections we summarize the background, procedures performed, our observations that we identified and deemed most relevant to the Assessment.

We performed the procedures pursuant to our Statement of Work dated May 7, 2019. Our work was limited in nature and scope to the procedures outlined in the SOW. Our engagement cannot be relied upon to discover all relevant documents and information, or provide all analyses, that may have importance to this matter. More detailed procedures may have revealed issues that have not been previously identified.

Unless otherwise noted, our findings in this work product are based on assertions made by individuals and/or contained in documents provided to EY; these documents and assertions have not been tested for veracity and accuracy.

Our procedures were performed under applicable professional standards established by the AICPA. The procedures that EY performed were advisory in nature and do not constitute an audit or other attest services as defined by the AICPA. Further, they do not constitute an audit of the City of DeKalb or its affiliates' historical financial statements in accordance with generally accepted auditing standards, nor do they constitute an examination of prospective financial statements or an examination or review of a compliance program in accordance with standards established by the AICPA.

This work product is intended solely for the information and use of the DeKalb County State's Attorney Office and is not intended to be, and should not be, used by other parties. The DeKalb County State's Attorney Office may only disclose this report or portion, abstract or summary, thereof, or make any reference to EY as provided for in our Statement of Work dated May 7, 2019.

We appreciate the cooperation and assistance provided during the course of our work. If you have any questions, please call Michael Stavridis at +1-312-879-2048.

Yours Sincerely,

Ernst & Young

[Signature]

Ernst & Young
2. Background information

2.1 Request for the assessment

During 2018, the DeKalb County State's Attorney Office became aware of certain concerns raised regarding the City of DeKalb's TIF funds, specifically the proposed disposition of a significant surplus in the TIF 2 account and the nature of certain 'General Fund' transfers over the life of TIF funds.

Discussion followed between various stakeholders culminating in a decision that a forensic assessment would be completed under the direction of the State's Attorney's Office but paid for by the DeKalb TIF #1 Funds.

We were engaged to perform a forensic assessment as set out in our Statement of Work dated May 7, 2019.

2.2 TIF districts

The City of DeKalb currently has two TIF districts in effect, specifically the Central Area TIF ("TIF 1") and TIF District 2 ("TIF 2"). TIF 1 was created in 1986 while TIF 2 was created in 1994. The stated objectives of both TIFs are to:

- Reduce or eliminate adverse conditions;
- Enhance the tax base and real estate;
- Prevent the reoccurrence of blighting conditions;
- Encourage and assist private investment;
- Provide commercial and other uses to serve the citizens;
- Improve traffic circulation;
- Improve land, utilities and community facilities; and
- Public improvements (streets, walkways, etc.)

TIF 1 was established to improve blighted conditions within designated areas of the City of DeKalb (the "City") that were subject to deterioration, dilapidation, abandonment, and structural incompetency due to age. The TIF 1 project area consists of 115 blocks across the City segregated into 3 sub-areas; Downtown, Eastside, and Northland. Within these sub-areas, there is a mix of commercial buildings and multiple family residential properties. The initial TIF 1 Plan established a project budget of $29.9 million, which was allocated to administrative costs, studies and surveys, public works projects, interest subsidies, land acquisition, financing costs, building rehabilitation, and improvements to the central business district. The budget was increased to $39.5 million in a 1995 Amendment. TIF 1 was set to end in 2009 but was extended for an additional twelve years.

TIF 2 was established to help fund economic development in an area of the City that was previously in a state of decline with deteriorating properties and a loss of commercial business. The redevelopment project area of TIF 2 includes 913 main buildings, both commercial and residential, and 865 lots (or "parcels") for which a study was completed to determine their eligibility as a conservation area in need of economic development. The TIF 2 plan established a project budget of $23.1 million which was allocated to administrative costs, studies and surveys, public works projects, interest subsidies, land acquisition, financing costs, and building rehabilitation programs. TIF 2 was in place for 24 years and was due to close on 31 December 2019.
Redevelopers or contractors typically enter into contracts known as redevelopment agreements ("RDAs") with the City. Under these agreements they undertake to improve property or land within the TIF districts and may receive a reimbursement for a proportion of certain TIF eligible costs.
3. Procedures performed

3.1 Information gathering

EY conducted initial fact-gathering interviews with the City to gain background information on the TIF program. Following the interviews, we requested and obtained relevant accounting documentation that included:

- Annual reports and budgets;
- TIF plans and amendments;
- TIF eligibility studies;
- Chart of accounts;
- Listing of accounts payable;
- Salary information;
- No conflict statements for City Council members and key staff;
- Purchasing manual;
- Samples of redevelopment agreements;
- Records relating to TIF fund income/tax increments; and
- Surplusing calculations and related supporting documentation

We also requested additional documentation on an ongoing basis as questions arose during the performance of the assessment.

3.2 Data analysis

We obtained and analyzed accounting information such as the annual reports and budgets in order to obtain a general understanding of the scope and nature of the activities of TIF 1 and TIF 2 during the scope period.

We performed analyses and reconciliations TIF fund income/tax increments on a test basis.

In preparation for our transaction sampling and testing procedures we analyzed accounting data such as accounts payable/spend data for the period January 2009 through December 2018.

We performed an analysis of the administrative costs, and related supporting data, that were relevant to the amounts transferred to the general fund for the period 2009 through 2018.

We also performed an analysis of certain amounts surplus by TIF 1 in terms of the Intergovernmental Agreement ("IGA") dated May 29, 2007.

3.3 Sample selection and transaction testing

We judgmentally selected 85 transactions focusing on larger amounts with a spread over a range of projects and over the scope period relating to both TIF 1 and TIF 2. We selected the transactions from accounts payable ("AP") data for the period January 2009 to December 2018.

Throughout the transaction review, we periodically requested additional documentation to address follow up questions or clarify the nature of the transactions.
4. Executive summary

Based on the detailed procedures we performed, as set out in the sections that follow, we make the following high-level observations:

- We analyzed the various TIF Annual Reports produced during the period under review as well as the supporting disclosures and analyses and we note that, in the main, the accounting, analysis disclosure, certifications and submission requirements set out in 65 ILCS 5 Illinois Municipal Code ("TIF Act") were met for the period under review.

- We recalculated the general fund transfers from 2009 to 2018 based on the methodology adopted in 2018 and, if we follow the 2018 methodology, the portion of administrative costs that could be attributed to salary over the period amounts to $1.4 million which is almost $6.5 million less than the $7.9 million that was actually transferred over the period.

- On May 29, 2007 the City entered into an Intergovernmental Agreement ("IGA") with various taxing districts extending the life of TIF 1 which was originally set to expire in 2009. The IGA provides that the City shall "commencing in the City's Fiscal Year 2011...declare a surplus of fifty percent (50%) of the property tax revenue increment generated by the real property within the Central TIF District". The City included sales tax incremental revenues in their calculation of the surplus resulting in surplus distributions exceeding 50% of the property tax increment by approximately $1.9 million during our scope period.

- We are aware of various discussions debating the correct treatment of surplus distributions after fiscal year 2013 when sales tax (State Retail Occupancy Tax ("SROT") and Municipal Retail Occupancy Tax ("MROT")) increments no longer formed part of the income of TIF 1. The key point of departure in the debate is whether the Illinois Department of Revenue ("IDOR") and the City continue to benefit from the surplus distributions after fiscal year 2013. The surplus distributions made by the City reflect the view that the IDOR and the City continue to benefit. If we assume that they had ceased to benefit after fiscal year 2013, then the DeKalb County Collector would have received an additional surplus distribution of $4.5 million; and IDOR and the City would have received $2.4 and $2.1 million less respectively.

- The question about whether the Illinois Department of Revenue and the City of DeKalb continue to benefit from the surplus distributions after fiscal year 2013 (when incremental SROT and MROT sales taxes are no longer collected) hinges on a legal interpretation of the provisions of the TIF Act which is beyond the scope of our assessment.

- The City did not have one single policy document or set of process documents that set out the processes and controls around approving payments and paying vendors or owners of redevelopments out of TIF funds; this meant there was no single clearly articulated standard specifying the types of documents required or the level of review required by the City before payments are made.

- We analyzed a sample of 85 payments made during the period under review and a number of supporting documents could not be provided, most significantly 16 invoices were missing and proof of performance for 71 transactions could not be provided.

- The absence of standardized processes and the resulting lack of documentation noted above meant there are few contemporaneous records documenting TIF eligibility for the programs and the expenses approved. Our analysis suggests that while the majority of the transactions were
TIF eligible, for 8 of the transactions, aggregating to $4 million, we were unable to assess TIF eligibility based on the documentation provided.

- The absence of standardized processes noted above meant there is little clear policy guidance on TIF reimbursements. Our analysis of the RDAs reflected that there was a wide range of considerations and a wide range of TIF reimbursement percentages (with some going beyond the guidelines discussed in other documents).

- Some of the larger awards were structured as forgivable loans to be amortized as incremental taxes are collected, however the loan periods extend beyond the expiration of the TIF funds and it is currently unclear how the taxing districts could enforce their rights under the loan after the TIF expires.

- Detailed recommendations and proposed process improvements are set out in Section 7 of this report.
5. Governance and accountability

The TIF funds were subject to various formal requirements as set out in the TIF Act. These include requirements regarding the financial reporting on TIF funds such as audit requirements, financial analysis, certifications and submissions. Some of major requirements are set out below.

Section 11-74.4-5 of the TIF Act requires:

"(2) Audited financial statements of the special tax allocation fund once a cumulative total of $100,000 has been deposited in the fund."

Section 11-74.4-5 of the TIF Act goes on to stipulate:

"(9) For special tax allocation funds that have experienced cumulative deposits of incremental tax revenues of $100,000 or more, a certified audit report reviewing compliance with this Act performed by an independent public accountant certified and licensed by the authority of the State of Illinois. The financial portion of the audit must be conducted in accordance with Standards for Audits of Governmental Organizations, Programs, Activities, and Functions adopted by the Comptroller General of the United States (1981), as amended, or the standards specified by Section 8-8-5 of the Illinois Municipal Auditing Law of the Illinois Municipal Code."

Section 11-74.4-5 of the TIF Act prescribes the following accounting requirements:

"(5) An analysis of the special tax allocation fund which sets forth:
(A) the balance in the special tax allocation fund at the beginning of the fiscal year;
(B) all amounts deposited in the special tax allocation fund by source;
(C) an itemized list of all expenditures from the special tax allocation fund by category of permissible redevelopment project cost; and
(D) the balance in the special tax allocation fund at the end of the fiscal year including a breakdown of that balance by source and a breakdown of that balance identifying any portion of the balance that is required, pledged, earmarked, or otherwise designated for payment of or securing of obligations and anticipated redevelopment project costs. Any portion of such ending balance that has not been identified or is not identified as being required, pledged, earmarked, or otherwise designated for payment of or securing of obligations or anticipated redevelopment projects costs shall be designated as surplus as set forth in Section 11-74.4-7 hereof."
Certifications and review obligations include:

"(2) Audited financial statements of the special tax allocation fund once a cumulative total of $100,000 has been deposited in the fund.

(3) Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of this Act during the preceding fiscal year.

(4) An opinion of legal counsel that the municipality is in compliance with this Act.

(e) The joint review board shall meet annually 180 days after the close of the municipal fiscal year or as soon as the redevelopment project audit for that fiscal year becomes available to review the effectiveness and status of the redevelopment project area up to that date."

Additionally, the following submissions are required:

"(d) After the effective date of this amending Act of the 91st General Assembly, a municipality shall submit in an electronic format the following information for each redevelopment project area (i) to the State Comptroller under Section 8-8-3.5 of the Illinois Municipal Code, subject to any extensions or exemptions provided at the Comptroller's discretion under that Section, and (ii) to all taxing districts overlapping the redevelopment project area no later than 180 days after the close of each municipal fiscal year or as soon thereafter as the audited financial statements become available and, in any case, shall be submitted before the annual meeting of the Joint Review Board to each of the taxing districts that overlap the redevelopment project area."

The TIF Act also requires:

"(i) No later than 10 years after the corporate authorities of a municipality adopt an ordinance to establish a redevelopment project area, the municipality must compile a status report concerning the redevelopment project area."

We analyzed the various TIF Annual Reports produced during the period under review as well as the supporting disclosures, analyses and certifications required. The results of our analysis are set out in summary form as Appendix A. The analysis suggests that, in the main, the formal requirements as set out in the TIF Act were met during the period under review.

We note the following exceptions:

The JRB meeting minutes and list of intergovernmental agreements are not attached to either the TIF 1 or the TIF 2 2018 annual reports.

We understand that to date a ten-year status report has not been prepared for TIF 1 or TIF 2.
7. Recommendations and proposed process improvements

Based on the detailed procedures we performed, as set out in the sections above, we make the following recommendations and proposed process improvements:

- The City should compile an accounting manual that documents the processes and controls for approving payments to vendors or owners of redevelopments out of TIF funds. It should set out the types of documents required, and the level of review required by the City before payments are made. This could include:
  - Minimum documentation standards for approving payments, for example invoice, proof of performance, and purchase orders (the basic accounting documentation allowing for a “three-way match”);
  - Copies of vendor contracts;
  - Documents evidencing analysis and verification of TIF eligibility; and
  - Procedures requiring basic background checks on vendors to confirm creditworthiness and identify risk areas such as pending litigation or adverse media coverage.

- The City should consider defining a framework for, and enacting a policy governing the use of development incentives, including TIF. Doing so will require collaboration among elected and appointed officials, business leaders, economic or community development staff and/or consultants, finance and other staff. This could include:
  - A policy document setting out broad guidelines to be followed when evaluating and making awards. This could include guidance around the relative size of awards in relation to overall costs (and whether overall costs considered could include historical costs unrelated to the renovation);
  - The nature of projects eligible for support and any limitations, for example support for individual businesses or support for residential property;
  - A formalized application process for developers, businesses, and/or property owners requesting TIF and other types of municipal economic assistance that includes the project description, budget, analysis of TIF eligible costs, and description of the project’s financial viability with and without assistance; and
  - The analysis and documentation required confirming TIF eligibility prior to any award being approved.
  - Promoting transparency throughout the incentives process, including publicizing incentive policies, sharing details of incentive agreements, and publicly evaluating the outcomes of developments supported by incentives.

- The City should compile a policy document setting out broad guidelines for record retention and organization.

- The City should consider obtaining advice confirming whether the current methodology adopted to calculate the 2018 general fund transfer for administrative costs satisfies the requirements of the TIF Act. Based on the advice, the City should formalize:
- the calculation methodology;
- any documentation requirements; and
- approval/sign off processes governing any future transfers.

## Fund 260-TIF #1 Fund (Central Area)
### Department 00-00-General

### Revenues

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<th>2020 Budget</th>
<th>12/31/2020</th>
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### Expenditures

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<td>$2,450,000</td>
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<td>Transfer to TIF Debt Serv Fund</td>
<td>$1,193,200</td>
<td>$1,192,400</td>
<td>$1,195,000</td>
<td>$1,195,000</td>
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<td><strong>Total Expenditures</strong></td>
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<td>$7,228,822</td>
<td>$8,178,640</td>
<td>$10,200,384</td>
<td>$9,509,132</td>
<td>$7,965,800</td>
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### Fund Balance Adjustments

- **Beginning Balance**: $1,229,458
- **Revenues**: $10,738,318
- **Expenditures**: $7,228,822
- **Fund Balance Adjustment**: -$365,640
- **Ending Balance**: $4,373,314

**Notes**:
- Fire Station #1: Plymovent, HVAC, Bathroom, Kitchen repairs: $200,000; Airport Flight Ctr: $100,000
- Airport: Repaving runways and taxiways as part of 2021 IDOT TIP
- Airport Flight Center: Replace windows, upgrade pilot service areas
# Income Statement

*Data is for Display Purposes Only
Actual Data Sheet Includes All Years of the TIF*

## TIF 3 - Central Business District TIF - Income Statement Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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<tbody>
<tr>
<td><strong>TIF 3 Created (2018)</strong></td>
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<tr>
<td><strong>Tax Year for Base EAV for TIF Increment</strong></td>
<td>2018</td>
<td></td>
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<td><strong>TIF Year</strong></td>
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<td><strong>Tax Year</strong></td>
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<td>2020</td>
<td>2021</td>
<td>2022</td>
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<td><strong>Year Tax Due</strong></td>
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<td>2022</td>
<td>2023</td>
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<td>2025</td>
<td>2026</td>
<td>2027</td>
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<tr>
<td><strong>Year Surplus Distributed (b/f 3/31)</strong></td>
<td>2021</td>
<td>2022</td>
<td>2023</td>
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<td>2025</td>
<td>2026</td>
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</table>

### Beginning Balance (Jan 1st)

<table>
<thead>
<tr>
<th>Description</th>
<th>Totals</th>
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<th>projected</th>
<th>projected</th>
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<tbody>
<tr>
<td>Revenue</td>
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<td>Revenue - Property Tax Increment</td>
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<td>Revenue - Transfer from Other TIFs</td>
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<td>Revenue - Bond Proceeds</td>
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<td>Revenue - Other</td>
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### Total Available (Rev. + Beg. Balance)

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<th>Totals</th>
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<td>Expenses - Non-Project (Admin)</td>
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<td>Expenses - Other</td>
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<td>Expenses - Surplus Other</td>
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<td><strong>Total Expenses (excl IGA Surplus Pmnt)</strong></td>
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### Expenses - Surplus IGA

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*DeKalb TIF Reporting*

*DRAFT Non-working version*
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<tr>
<th>Redevelopment Project</th>
<th>Applicable PINS</th>
<th>Party (Developer)</th>
<th>Income Statement Expense Category (pull down options)</th>
<th>Year of RDA</th>
<th>Total RDA/TIF Commitment</th>
<th>Approved Eligible</th>
<th>Paid to Date (By Calendar Year)</th>
<th>Remaining Obligation</th>
<th>Increment Created To-Date</th>
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Total Project Expenses: $0 $0 $0 $0 $0 $0

For new project insert row above "Total Project Expenses"
## TIF 3 - Central Business District Projects

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<th>Estimated Pay Out Schedule</th>
<th>Annual Project Expenses (Calendar Year)</th>
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<tr>
<td>Total Project Expenses</td>
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</table>

*For new project insert row above "Total Project Expenses"*
### TIF 3 - Central Business District Projects

**Estimated Pay Out Schedule**

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<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
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<tr>
<td>Total Project Expenses</td>
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*For new project insert row above "Total Project Expenses"*
Submission of Eligible Costs; Review of Eligibility

**Vendor Section**

***Sample Data to be Removed Before Use***

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<thead>
<tr>
<th>Vendor Name</th>
<th>Ck. Date</th>
<th>Check #</th>
<th>Amount</th>
<th>Description of Work</th>
<th>Invoice</th>
<th>Proof of Pmt.</th>
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For Each Choose:  
- Provided  
- Not-Provided
### City Expense Review Section

<table>
<thead>
<tr>
<th>ID#</th>
<th>TIF Eligible Category</th>
<th>TIF Act</th>
<th>Eligibility Decision</th>
<th>Notes</th>
<th>Approved</th>
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**Amount Submitted:** $0.00  
**TIF Eligible:** $0.00
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<tr>
<th>Revenues</th>
<th>2018 Actual</th>
<th>2019 Actual</th>
<th>2020 Budget</th>
<th>12/31/2020</th>
<th>2021 Budget</th>
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<td>262-00-00-30300 Property Tax-TIF</td>
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<td>262-00-00-38200 Refunds/Reimbursements</td>
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<td>262-00-00-39100 Transfer from General Fund</td>
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<tr>
<td><strong>Total Revenues</strong></td>
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<td>$4,821,726</td>
<td>$4,821,726</td>
<td>$2,900,250</td>
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<tr>
<th>Expenditures</th>
<th>2018 Actual</th>
<th>2019 Actual</th>
<th>2020 Budget</th>
<th>12/31/2020</th>
<th>2021 Budget</th>
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<td>262-00-00-63750 Demolition Services</td>
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<td>262-00-00-63800 Contracted Services</td>
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<td>262-00-00-65100 Freight &amp; Postage</td>
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<td>262-00-00-65200 Marketing, Ads, Public Info</td>
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<td>262-00-00-65300 Legal Expenses &amp; Notices</td>
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<td>262-00-00-68600 TIF Surplus Distribution</td>
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<td>262-00-00-69199 Priv Prop Rehab/Re develop</td>
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<td>262-00-00-83200 Storm Sewer Improvements</td>
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<td>262-00-00-91100 Transfer to General Fund</td>
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<td>262-00-00-91375 Transfer to TIF Debt Serv Fund</td>
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<td><strong>Total Expenditures</strong></td>
<td>$0</td>
<td>$0</td>
<td>$4,315,300</td>
<td>$4,155,000</td>
<td>$3,018,000</td>
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Beginning Balance | $0 | $0 | $0 | $0 | $666,726
Revenues | $0 | $0 | $4,821,726 | $4,821,726 | $2,900,250
Expenditures | $0 | $0 | $4,315,000 | $4,155,000 | $3,018,000
Fund Balance Adjustment | $0 | $0 | $0 | $0 | $0
Ending Balance | $0 | $0 | $506,726 | $666,726 | $548,976

See Attached Property Rehab List
Downtown IL Rt. 38 Reconfiguration (Reduction from 4-lane to 3-lane)
Downtown Electric Charger
### TIF #3 Private Property Rehabilitation

<table>
<thead>
<tr>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Starting Balance</strong></td>
<td>$0</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td><strong>Revenues</strong></td>
</tr>
<tr>
<td>Property Tax Increment</td>
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<tr>
<td>Investment Interest</td>
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<tr>
<td>Transfer from TIF #1</td>
<td>$4,275,000</td>
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<tr>
<td><strong>Total Resources</strong></td>
<td>$4,821,726</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td><strong>Expenditures</strong></td>
</tr>
<tr>
<td>Plaza DeKalb</td>
<td>$350,000</td>
</tr>
<tr>
<td>Egyptian</td>
<td>$500,000</td>
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<tr>
<td>Agora Tower</td>
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<tr>
<td>AIP Program</td>
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<tr>
<td>Lovell Tire</td>
<td>$142,091</td>
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<tr>
<td>Hometown Bar &amp; Grill</td>
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<tr>
<td>Balli</td>
<td>$216,800</td>
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<tr>
<td>260 E. Lincoln Hwy</td>
<td>$124,100</td>
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<tr>
<td>200 S. Fourth</td>
<td>$350,000</td>
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<tr>
<td>121 N. Second (Hillside)</td>
<td>$18,076</td>
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<tr>
<td>421 Grove</td>
<td>$159,920</td>
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<td>Other</td>
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<tr>
<td><strong>Total Project Budget</strong></td>
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#### Misc. Expenditures

<table>
<thead>
<tr>
<th>FY2020</th>
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<tbody>
<tr>
<td>Annual Audit</td>
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<tr>
<td>Arch/Eng Services</td>
<td>$10,000</td>
</tr>
<tr>
<td>Freight &amp; Postage/Legal Notices</td>
<td>$5,250</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>$5,000</td>
</tr>
<tr>
<td>Transfer to General Fund</td>
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<tr>
<td><strong>Subtotal</strong></td>
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### TIF #3 Public Infrastructure

<table>
<thead>
<tr>
<th>Public Infrastructure</th>
<th>Public Infrastructure</th>
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<tbody>
<tr>
<td>IL Rt. 38 Downtown</td>
<td>$350,000</td>
</tr>
<tr>
<td>Parking Lot Electric Charger</td>
<td>$15,000</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>$4,155,000</td>
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<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>$666,726</td>
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### TIF #1

<table>
<thead>
<tr>
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<tr>
<td><strong>Starting Balance</strong></td>
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<td>Property Tax Increment</td>
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<td>Private Prop. Rehab.</td>
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<td>50% Surplus</td>
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<td>Fire Station #1</td>
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<td>DeKalb Airport TIP (PAPI; Taxiways)</td>
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<td>DeKalb Airport Facilities</td>
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<td>Debt Service</td>
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<td>Other</td>
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<tr>
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<td><strong>Ending Balance</strong></td>
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