

**AUTHORIZING AN ARCHITECTURAL IMPROVEMENT PROGRAM
ECONOMIC INCENTIVE GRANT IN THE AMOUNT OF \$15,000 FOR
CARLSON OAK, LLC, 118-126 OAK STREET, DEKALB, ILLINOIS.**

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 has previously created the Architectural Improvement Program (AIP) Grant process, and seeks to approve of an AIP Grant for the property at 118-126 Oak Street, DeKalb, IL, owned by Carlson Oak, LLC;

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

SECTION 1: The City of DeKalb hereby approves of a \$15,000 AIP Grant for Carlson Oak, LLC, ("Owner") for use at 118-126 Oak Street, DeKalb, Illinois ("the Property"), subject to the following provisions:

- 1) Given the small scope of the requested grant, the City waives formal compliance with the requirements of the AIP process except as outlined herein. The City also waives requirement of a promissory note or mortgage to secure the AIP Grant.
- 2) Payment of the AIP Grant shall be as a reimbursement to Owner, after Owner provides proof of incurring costs of not less than \$74,374 on window replacement at the Property. The AIP Grant shall be in the amount which is the lesser of: a) \$15,000; or, b) in the event Owner fails to incur costs of \$74,374 on window replacement at the Property, the amount which represents a pro-rata reduction of the \$15,000 approved AIP Grant (based on a pro-rata reduction in Owner's investment of \$74,374); c) the total of all expenses which are eligible for payment under the Tax Increment Financing Allocation Act; or, d) the amount which is not more than 25% of the total project costs for window replacement.
- 3) The Owner agrees 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 Owner agrees, as a condition of accepting the funds contemplated herein, to maintain the improvements funded by this AIP Grant for a period of not less than five (5) years. The AIP Grant funds provided herein shall be considered partially forgiven by 20% (1/5) each year on the anniversary of their payment to Owner, until fully forgiven on the fifth anniversary of such payment. Should Owner fail to maintain the improvements for the full five-year period, then Owner shall be responsible for reimbursing the City in an amount equivalent to

the then-unforgiven portion of the AIP Grant (e.g. if the Owner fails to maintain the improvements in the 4th year, the Owner shall reimburse the City for forty percent (40%) of the AIP Grant amount.

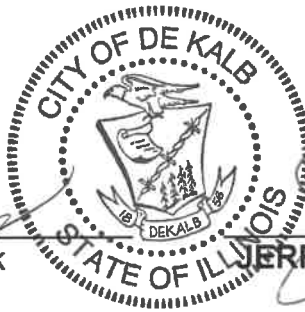
- 5) The Owner agrees to indemnify, defend and hold harmless the City from any claims or damages arising out of or relating to the AIP Grant or the work to be performed by Owner. The Owner shall provide the City with a certificate of insurance naming the City as additional primary insured with waiver of right of subrogation prior to commencement of work. The Owner agrees and acknowledges that the funding contemplated herein is payable to Owner 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 Owner provides the City with evidence of lien waivers from all contractors and materialmen providing labor or materials for the project.
- 6) The Owner 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) Owner shall provide a letter to the City, acknowledging and agreeing to the terms and conditions of this Resolution, prior to the City's issuance of payment to Owner.

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 25th day of February 2019 and approved by me as Mayor on the same day. Passed by a 6-0-2 roll call vote. Aye: Jacobson, Stuepegia, Fagan, Verbic, Faivre, Smith. Nay: None. Absent: Finucane, Noreiko.

ATTEST:


LYNN A. FAZEKAS, City Clerk




JERRY SMITH, Mayor

February 25, 2019

Re: City of DeKalb Architectural Improvement Program Grant / Letter Agreement

Carlson Oak, LLC, (“Owner”) hereby acknowledges and agrees to the terms of that certain Resolution 2019-046 (“the Resolution”), approving of an \$15,000 Architectural Improvement Program (AIP) Grant for Carlson Oak, LLC, (“Owner”) for use at 118-126 Oak Street, DeKalb, Illinois (“the Property”), subject to the following provisions:

- 1) Payment of the AIP Grant shall be as a reimbursement to Owner, after Owner provides proof of incurring costs of not less than \$74,374 on window replacement at the Property. The AIP Grant shall be in the amount which is the lesser of: a) \$15,000; or, b) in the event Owner fails to incur costs of \$74,374 on window replacement at the Property, the amount which represents a pro-rata reduction of the \$15,000 approved AIP Grant (based on a pro-rata reduction in Owner’s investment of \$74,374); c) the total of all expenses which are eligible for payment under the Tax Increment Financing Allocation Act; or, d) the amount which is not more than 25% of the total project costs for window replacement.
- 2) The Owner agrees 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.
- 3) The Owner agrees, as a condition of accepting the funds contemplated herein, to maintain the improvements funded by this AIP Grant for a period of not less than five (5) years. The AIP Grant funds provided herein shall be considered partially forgiven by 20% (1/5) each year on the anniversary of their payment to Owner, until fully forgiven on the fifth anniversary of such payment. Should Owner fail to maintain the improvements for the full five-year period, then Owner shall be responsible for reimbursing the City in an amount equivalent to the then-unforgiven portion of the AIP Grant (e.g. if the Owner fails to maintain the improvements in the fourth year, the Owner shall reimburse the City for forty percent (40%) of the AIP Grant amount.
- 4) The Owner agrees to indemnify, defend and hold harmless the City from any claims or damages arising out of or relating to the AIP Grant or the work to be performed by Owner. The Owner 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 Owner agrees and acknowledges that the funding contemplated herein is payable to Owner 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 Owner provides the City with evidence of lien waivers from all contractors and materialmen providing labor or materials for the project.

- 5) The Owner 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.
- 6) All work shall be completed by February 25, 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 27 day of February 2019.

Signature: Patricia Carlson
Carlson Oak, LLC

Print Name: Patricia Carlson

