

**CITY OF MENDOTA,
LA SALLE COUNTY, ILLINOIS**

ORDINANCE NO. 11-21-22C

**MENDOTA 2022 TIF DISTRICT
AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT**

BY AND BETWEEN

THE CITY OF MENDOTA

&

MENDOTA TOWNSHIP HIGH SCHOOL DISTRICT NO. 280

**ADOPTED BY THE MAYOR AND THE CITY COUNCIL
OF THE CITY OF MENDOTA, LA SALLE COUNTY, ILLINOIS,
ON THE 21st DAY OF NOVEMBER, 2022.**

CITY OF MENDOTA, ILLINOIS: ORDINANCE NO. 11-21-22C

**CITY OF MENDOTA 2022 TIF DISTRICT
AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT
BY AND BETWEEN: THE CITY OF MENDOTA &
MENDOTA TOWNSHIP HIGH SCHOOL DISTRICT NO. 280**

BE IT ORDAINED BY THE CITY OF MENDOTA THAT:

SECTION ONE: The Intergovernmental Agreement with Mendota Township High School District No. 280 (*Exhibit A* attached) is hereby approved.

SECTION TWO: The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Intergovernmental Agreement and the City Clerk of the City of Mendota is hereby authorized and directed to attest such execution.

SECTION THREE: The Intergovernmental Agreement shall be effective the date of its approval by the City.

SECTION FOUR: This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

(Remainder Intentionally Left Blank)

PASSED, APPROVED AND ADOPTED by the Mayor and the City Council of the City of Mendota, Illinois, on the 21st day of November, A.D., 2022, and deposited and filed in the Office of the City Clerk of said City on that date.

ALDERMEN & MAYOR	AYE VOTE	NAY VOTE	ABSTAIN / ABSENT
John Hessenberger			
Jim Fitzpatrick			
John Holland			
Jay Miller			
Kyle Kim			
Mark Peasley			
Vicki Johnson			
Leo Hochstatter			
David Boelk, Mayor			
TOTAL VOTES:			

APPROVED:  , Date: 11 / 21 / 2022
Mayor, City of Mendota

ATTEST:  , Date: 11 / 21 / 2022
City Clerk, City of Mendota

EXHIBIT A

**INTERGOVERNMENTAL AGREEMENT
BY AND BETWEEN
THE CITY OF MENDOTA
AND
MENDOTA TOWNSHIP HIGH SCHOOL DISTRICT NO. 280

MENDOTA 2022 TIF DISTRICT**

MENDOTA 2022 TIF DISTRICT

INTERGOVERNMENTAL AGREEMENT
by and between

THE CITY OF MENDOTA, ILLINOIS
and

MENDOTA TOWNSHIP HIGH SCHOOL DISTRICT NO. 280

This Intergovernmental Agreement is entered into by and between the City of Mendota, an Illinois Municipal Corporation, and Mendota Township High School District No. 280, an Illinois School District, pursuant to the 1970 Illinois Constitution and Illinois Revised Statutes.

In consideration of their mutual promises, the Parties hereto agree as follows:

1. The City of Mendota ("City") is an Illinois Municipal Corporation organized under the Constitution and Statutes of the State of Illinois.
2. The Mendota Township High School District No. 280 ("School District") is an Illinois School District organized under the Statutes of the State of Illinois.
3. The 1970 Illinois Constitution, Article VII, Section 10, and the Illinois Compiled Statutes 1992, Ch. 5 Section 220/1 *et seq.* provided legal authority for intergovernmental privileges and authority to be enjoyed jointly by school districts and municipalities as well as other public bodies politic.
4. Pursuant to Section 65 ILCS 5/8-1-2.5 of the Illinois Municipal Code, the Corporate Authorities of the City may appropriate and expend funds for economic development purposes, including, without limitation, the making of grants to any other governmental entity or commercial enterprise that are deemed necessary or desirable for the promotion of economic development within the municipality.
5. The Tax Increment Allocation Redevelopment Act ("TIF Act"), Illinois Compiled Statutes, as amended, Ch. 65 Section 5/11-74.4-1 *et seq.* authorizes a municipality to enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan and project.
6. The City has adopted a Redevelopment Plan and Projects and designated a Redevelopment Project Area pursuant to the TIF Act known as the **Mendota 2022 Tax Increment Financing District** (the "TIF District") which is an area located within the School District and which may impact the growth of the School District's taxing base.
7. The City has determined that it wishes to reduce the potential negative impact on the real estate tax base of the School District caused by the creation of the TIF District.
8. Any payments provided for hereunder are not payments in lieu of taxes as defined by the TIF Act.

9. The City agrees to exercise its authority under Section 5/11-74.4-3(q)(7) of the TIF Act to reduce the negative impact on the real estate base of the School District from the establishment of the TIF District by reimbursing certain capital costs incurred in furtherance of the objectives of the TIF District Redevelopment Plan and Projects as described below.
10. In addition, pursuant to current Section 4-3(q) of the Illinois TIF Act a municipality may make payments to affected taxing districts for capital costs and for other purposes. 65 ILCS 5/11-74.4-3(q).
11. The School District shall use any payments received pursuant to Section 5/11-74.4-3(q)(7) of the TIF Act for reimbursement of capital and equipment expenditures as allowed by law.
12. The Parties declare that this Agreement is adopted pursuant to the 1970 Illinois Constitution, Article VII, Section 10, and the Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-4(b) of the TIF Act.

NOW, THEREFORE, the parties agree to implement these statements, findings, and policies as follows:

I. REIMBURSEMENT

A. TAX INCREMENT

The parties agree that the LaSalle County Clerk will provide to the Parties the actual annual gross real estate tax increment generated within the TIF District and within the boundaries of the School District and report such increment to the Parties.

B. PERCENTAGE CALCULATION

Each year during the terms of this Agreement, the City agrees to reimburse the School District a sum equal to **14.0%** of the annual gross real estate tax increment created by any development and/or increase in equalized assessed valuation within the TIF District, for expenditures of capital costs and job training, advanced vocational education and other career education purposes, as set forth in the TIF ACT.

C. ANNUAL TIF SURPLUS FUNDS DECLARATION

The Parties acknowledge that the City shall annually declare a portion of the real estate tax increment generated within the TIF District as "TIF Surplus Funds" in the manner set forth below:

1. The School District will receive its proportionate share of any surplus funds annually declared by the City in accordance with the City's TIF Redevelopment Plan and pursuant to Section 5/11-74.4-7 of the TIF Act.

2. The City will identify within the proposed TIF District Redevelopment Project Area, those properties which, at the time of the establishment of the TIF District, are currently classified by LaSalle County as *Improved Residential*” parcels (hereinafter referred to as the “Pre-existing Residential Properties”) and on which there already exists a single-family residential house. Such list will be provided to the School District. The City hereby agrees to declare as TIF Surplus Funds **one hundred percent (100%)** of the gross real estate tax increment generated annually from the “natural growth” of the Pre-existing Residential Properties during the life of the TIF District. Such TIF Surplus Funds shall be distributed annually from the City’s Special Tax Allocation Fund to the taxing bodies no later than 180 days after the close of the City’s fiscal year as provided in Section 65 ILCS 5/11-74.4-7 of the Act and subject to the receipt of the real estate tax increment for that year from LaSalle County.
3. “Natural growth” is hereby defined as that portion of the annual real estate tax increment, if any, of real estate taxes which are attributable to the increase in the current equalized assessed valuation of each taxable lot, block or tract or parcel of real property within the list of the Pre-existing Residential Properties over and above the initial equalized assessed value of each property (per Section 74.4-8) other than exempt properties and properties subject to Private Redevelopment Agreements.
4. In the event any of the Pre-existing Residential Properties is included in a Private Redevelopment Agreement at any time during the life of the TIF District, such property shall also become exempt from this TIF Surplus Funds provision during the life of the private redevelopment agreement.
5. In the event LaSalle County changes the classification of any of the Pre-existing Residential Properties to something other than single family residential, then any such properties shall be permanently exempt from the calculation of TIF Surplus Funds under this provision.
6. The City shall have the right to unilaterally declare this TIF Surplus Funds provision null and void and no declaration of such TIF Surplus Funds shall be made by the City in any year during the life of the TIF District in which the establishment or annual administration of the TIF District is, in any manner, being challenged in a court of law.
7. If a refund or reimbursement of tax increment is potentially due from the City’s Special Tax Allocation Fund for any reason, including but not limited to any tax objection, assessment challenge or formal appeal to the Illinois Property Tax Appeal Board (PTAB), issuance of a certificate of error or other such action, including any appeals therefrom for any property located within the TIF District, the City may at its sole discretion withhold a proportional amount of the TIF Surplus Funds in question that are due the School District hereunder until the time such action is resolved.

D. ACCOUNTING AND PAYMENTS

The City will pay the sum above described in Section B to the School District from the Special Tax Allocation Fund to be used for capital costs and other purposes pursuant to current Section 4-3(q) of the TIF Act.

The payment made under this paragraph may also be used for the following purposes:

1. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements, and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project to existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment, pursuant to current Section 4-3(1)(3) and (10) of the TIF Act.
2. Costs of construction of public works or improvements, pursuant to current Section 4-3(q)(4) of the TIF Act.
3. Costs of job training, advanced vocational education and other career education purposes pursuant to current Section 4-3(q)(7) and (10) of the TIF Act.
4. Any other lawful purpose authorized by any amendment to 65 ILCS 5/11-74.4-1 effective on or after the date of this Agreement.

For purposes of this Agreement, the term "capital costs" shall mean expenditures for the purchase, rental, or use of "capital assets" or "non-capitalized equipment" as those terms are defined in the current Illinois State Board of Education Regulations. Examples of "capital costs" may include:

- a. Acquisition of land to serve the immediate or future needs of children from the development;
 - b. Improvement to any existing school site which already serves such needs;
 - c. Development of classrooms, parking lots, sidewalks, traffic signals, internal roadways, connections with water, sewer and electrical lines; playgrounds; recreation grounds and athletic fields;
 - d. Remodeling or renovation of school facilities;
 - e. Purchase and prefabrication of classroom units;
 - f. Material, goods or equipment;
 - g. Buses, maintenance equipment, office equipment, district vehicles, or playground equipment;
 - h. Any other capital equipment deemed necessary by the School District; and
 - i. Any expenditures associated with advanced vocational education programs such as Vocational Building Trades.
5. After the TIF District is established the School District will annually, upon request, provide to the City an accounting of its capital expenditures in advance of its request for the funds to be provided hereunder. The accounting shall be submitted by the School

District to the City on or before June 1st of the year in which a real estate increment (from which payments are to be made) is deposited into the Special Tax Allocation Fund.

In the event that the capital expenditures of the School District, in any year, exceed the amount available for distribution hereunder as calculated hereinabove, any such unreimbursed sums shall be carried over to a subsequent year or years and be reimbursed by the City as amounts necessary for such reimbursement become available from the share of increment created hereunder for School District.

6. The City shall pay the sum determined above to the School District within sixty (60) days of the City's receipt of the real estate tax increment generated as a preference and in the same proportions as actually received by the City. For example, the City may receive an estimated one-third of the amount computed above to the School District within sixty (60) days of the date received in August.
7. If a refund or reimbursement of real estate tax increment (including any statutory interest thereon) is potentially due from the City's Special Tax Allocation Fund for any reason including, but not limited to any tax objection, assessment challenge or formal appeal to the Illinois Property Tax Appeal Board (PTAB), issuance of a certificate of error or any other similar action, including any appeals therefrom for any property located within the TIF District, the City may at its sole discretion withhold the School District's share of any such refund or reimbursement from payments due the School District under this Agreement until the time such action is resolved.

Any funds withheld by the City under this section shall be deposited by it into a separate interest bearing bank account. Upon final determination of the assessed value of the parcel or parcels, the City shall pay to the School District the principal amount due, if any, under this Agreement as recalculated. The City shall be entitled to retain any interest earned on the account as partial payment for the administration of the account due to the delay of the determination of the final evaluation and recalculation of the benefits due to the School District under this Agreement.

If it appears to the City that it will be unable to recover the School District's share of any such refund from remaining future reimbursements due the School District under this Agreement, then the School District shall reimburse the City for its remaining unpaid share of such refund (including any accrued statutory interest thereon) within thirty (30) days upon receiving writing demand of the same from the City.

Notwithstanding anything in this Agreement to the contrary, the obligations contained in this Subsection C shall remain in effect for the life of the TIF District. Furthermore, the obligations set forth in this Subsection shall survive the expiration of the TIF District if a tax objection or other such action taken by a property owner is pending prior to the expiration of the TIF District and shall continue until final disposition of such action.

II. GENERAL

- A. **Enlargement of the TIF District:** The City agrees that it will notify the School District of any proposed enlargement of this TIF District at least sixty (60) days prior to the adoption of the ordinances changing the District boundaries.
- B. **Multi-Family Residential Development:** If the City enters into any Redevelopment Agreement or otherwise provides TIF funds to a private developer for multi-family residential development within the TIF District, as such is defined herein, then the City shall increase the reimbursement provided for in Section I.B. to the School District to a sum that is equal to the School District's then operating tax rate for those multi-family development parcels receiving such TIF assistance. For purposes of this provision, a multi-family residential development is one consisting of over 4-Units that is not age restricted and is comprised of solely residential uses. For example, a mixed use development of commercial structures on the ground floor with residential living space above would not be considered a multi-family residential development under this provision.
- C. **Reference to this Agreement:** Any Redevelopment Agreement entered into by the City shall either contain reference to this and any other Intergovernmental Agreements or shall, by formula(s) set forth within such Redevelopment Agreements, account for this Intergovernmental Agreement. The City shall furnish the School District with an executed copy of any Redevelopment Agreement.
- D. **Binding Effect:** This Agreement shall be binding on the parties and their respective successors—including successors in office. Should the School District merge, this Agreement shall apply to the successor School District.
- E. **Governing Law:** This Agreement is governed by and shall be construed in accordance with the laws of the State of Illinois.
- F. **Terms:** This Agreement shall become effective upon the adoption by the City of an Ordinance approving it and after the establishment of the TIF District and shall remain in effect until either the City adopts an Ordinance dissolving the TIF District or until the termination of the TIF District as adopted in the Redevelopment Plan, whichever is earlier. Whether the TIF District exists for the entire 23 years called for under the Plan or terminates earlier, the City will pay in the following year thereafter, the sums due the School District for the prior year or years which remains unpaid. The City shall terminate the TIF District on completion of payment of costs paid for any bond debt service, private redevelopment agreement obligations, and any public redevelopment or other eligible project costs.
- G. **Amendments, Waiver, Modifications:** No amendment, waiver or modification of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and adopted by each of the parties as required by law.
- H. **Waiver of Right to Contest TIF District/Objection to Reimbursements:** The School District by its execution and approval of this Agreement hereby waives forever any and all right to directly or indirectly set aside, modify or contest in any manner the establishment or

administration of the TIF District as currently proposed and including the Redevelopment Plan, Projects and Area as now constituted. Attached as *Exhibit A* is the area of the present proposed TIF District. Nothing contained herein is to be construed to give the School District any right to participate in the administration of the TIF District or Plan or Project.

The School District agrees that any objection to any reimbursement received under this Agreement must be provided by written notice to the City not more than one-hundred twenty (120) days after the date of the payment, whether by check or electronic transfer, and if not, such objection is forever waived and barred.

- I. **Real Estate Increment Information:** The Administrators of this TIF District Redevelopment Plan and the City agree to provide the School District with information developed to establish the initial equalized assessed valuation of the TIF District and the calculations for successive years' computation of the real estate increment for the TIF District as a whole. The Administrators further agree to provide the School District with a copy of the TIF Annual Report when it is presented to the City Council and such other documents or information required by law to be provided to the taxing bodies.
- J. **Complete Agreement:** This Agreement expresses the complete and final understanding of the parties with respect to the subject matter as of the date of its execution. Each party acknowledges that no representations have been made which have not been set forth herein.
- K. **Partial Invalidity:** In the event that any provisions of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- L. **Notices:** All notices or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

TO CITY:

City of Mendota
C/o City Clerk
1901-4th Street
Peru, IL 61348
Telephone: 815-223-0061

TO SCHOOL DISTRICT:

Mendota Township High School District No. 124
Attn: Superintendent
2300 W. Main Street
Mendota, IL 61342
Telephone: 815-539-7446

With Copy to:

Jacob & Klein, Ltd
The Economic Development Group, Ltd.
1701 Clearwater Ave.
Bloomington, IL 61704
Telephone: 309-664-7777

M. Authority to Execute: The undersigned represent that they have the authority of their respective governing authorities to execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on _____ day of _____, 2022.

MENDOTA TOWNSHIP HIGHSCHOOL DISTRICT NO. 280, an Illinois School District

CITY OF MENDOTA, an Illinois Municipal Corporation

By: _____
President, Board of Education

By: 
Mayor

Attest: _____
Secretary

Attest: 
City Clerk

M. Authority to Execute: The undersigned represent that they have the authority of their respective governing authorities to execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on 21st day of November, 2022.

**MENDOTA TOWNSHIP HIGHSCHOOL
DISTRICT NO. 280**, an Illinois
School District

By: Jim Lauer
President, Board of Education

Attest: Jim Sundberg
Secretary

CITY OF MENDOTA, an Illinois Municipal
Corporation

By: David W. Bush
Mayor

Attest: [Signature]
City Clerk