

ORDINANCE NO. 3122

**AN ORDINANCE APPROVING AND AUTHORIZING THE
MAYOR OF THE CITY OF COLUMBIA, ILLINOIS TO
EXECUTE A DEVELOPMENT TAX REBATE AGREEMENT
WITH COLUMBIA LAND MANAGEMENT, LLC, AN ILLINOIS
LIMITED LIABILITY COMPANY**

**Adopted by the
City Council
of the
City of Columbia, Illinois
this 15th day of September, 2014**

**Published in pamphlet form by
authority of the City Council
of the City of Columbia,
Illinois, this 15th day of September, 2014**

ORDINANCE NO. 3122

STATE OF ILLINOIS
CITY OF COLUMBIA
FILED FOR RECORD

SEP 15 2014

AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR OF THE CITY OF COLUMBIA, ILLINOIS TO EXECUTE A DEVELOPMENT TAX REBATE AGREEMENT WITH COLUMBIA LAND MANAGEMENT, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY



City Clerk

WHEREAS, pursuant to 65 ILCS 5/8-1-2.5 (the "Act"), the City of Columbia (hereinafter the "City") may appropriate funds for economic development purposes to any commercial enterprise when such assistance is deemed necessary or desirable for a project within the municipality;

WHEREAS, in furtherance of the economic development of the City, Columbia Land Management, LLC, an Illinois limited liability company, (hereinafter called "the Developer") has presented to the City a proposal for the development (hereinafter the "Project") of property under contract by the Developer, being the parcels of land at 247 W. Sandbank Rd., Columbia, Illinois; and

WHEREAS, in its proposal to redevelop the Project, the Developer has proposed to build up to four (4) multi-story office buildings for medical and other professional uses, associated retail, and other commercial purposes; and

WHEREAS, the development of the Project will require the Developer to incur certain costs that will be eligible for reimbursement from funds derived from the Project increased Equalized Assessed Valuation (EAV); and

WHEREAS, the City intends to designate the Developer to implement the Project and agrees to reimburse the Developer, from funds derived from the Project's increased valuation, for certain costs incurred in implementing the Project; and

WHEREAS, the 2020 Master (Comprehensive) Plan for Columbia, adopted in 2005, envisions increased economic development that will provide additional jobs for Columbia's residents, expand commercial activity within the City and support a healthy local economy and stronger tax base; and

WHEREAS, the City has determined that the implementation of the Project is in the best interests of the City, and the health, safety, morals and welfare of its residents, and is in accord with the goals and objectives of the City's 2020 Master Plan.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Columbia, Illinois, as follows:

Section 1. The recitals contained above in the preamble of this Ordinance are hereby incorporated herein by reference, the same as if set forth in this Section of this Ordinance verbatim, as findings of the City Council of the City of Columbia, Illinois.

Section 2. That the attached " Development Tax Rebate Agreement " with Columbia Land Management, LLC is approved in the form attached hereto, and the Mayor is hereby authorized and directed to make and enter into said Agreement, in as many counterparts as are required, and the City Clerk is hereby authorized and directed to attest the same and affix thereto the corporate seal of the City.

Section 3. This Ordinance shall be in full force and effect from and after its passage, as provided by law.

Alderman Ebersohl moved the adoption of the above and foregoing Ordinance; the motion was seconded by Alderman Niemietz, and the roll call vote was as follows:

YEAS: Aldermen Ebersohl, Agne, Niemietz, Roessler, Mathews, Reis and Holtkamp.

NAYS: None.

ABSENT: Alderman Huch.

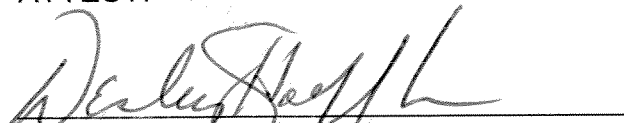
ABSTENTIONS: None.

PASSED by the City Council and APPROVED by the Mayor this 15th day of September, 2014.



KEVIN B. HUTCHINSON, Mayor

ATTEST:



WESLEY J. HOEFFKEN, City Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MONROE)

CERTIFICATE OF PUBLICATION

I, Wesley J. Hoeffken, certify that I am the duly appointed and acting City Clerk of the City of Columbia, Illinois.

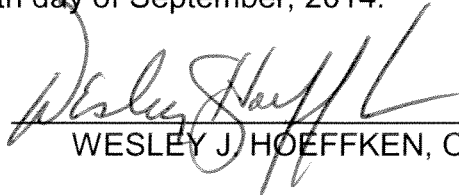
I further certify that on the 15th day of September, 2014 the Corporate Authorities of the City of Columbia, Illinois, passed and approved Ordinance No. 3122, entitled:

**“AN ORDINANCE APPROVING AND AUTHORIZING THE
MAYOR OF THE CITY OF COLUMBIA, ILLINOIS TO
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which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 3122, including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the Columbia City Hall, commencing on September 16, 2014 and continuing for at least ten (10) days thereafter. Copies of such Ordinance were also made available for public inspection upon request in the office of the City Clerk.

DATED at Columbia, Illinois this 15th day of September, 2014.



WESLEY J. HOEFFKEN, City Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MONROE)

CERTIFICATE OF TRUE COPY

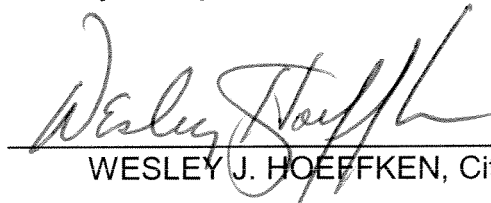
I, Wesley J. Hoeffken, hereby certify that I am the duly appointed and acting City Clerk of the City of Columbia, Illinois, and as such I am the keeper of the books, records, files and corporate seal of said City.

I do further certify that Ordinance No. 3122, entitled:

**“AN ORDINANCE APPROVING AND AUTHORIZING THE
MAYOR OF THE CITY OF COLUMBIA, ILLINOIS TO
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to which this certificate is attached, is a true, perfect, complete and correct copy of said Ordinance as adopted at a regular meeting of the Columbia, Illinois, City Council held on the 15th day of September, 2014.

IN WITNESS WHEREOF, I have made and delivered this certificate for the uses and purposes hereinabove set forth this 15th day of September, 2014.



WESLEY J. HOEFFKEN, City Clerk

(SEAL)

**DEVELOPMENT
TAX REBATE
AGREEMENT**

between

COLUMBIA LAND MANAGEMENT, LLC

and

CITY OF COLUMBIA, ILLINOIS

Pursuant to Ordinance 3122

An Economic Development Agreement

DEVELOPMENT TAX REBATE AGREEMENT

THIS DEVELOPMENT TAX REBATE AGREEMENT (the "Agreement"), is made and entered into this 15th day of September, 2014 by and between the City of Columbia, Illinois, a municipal corporation and body both corporate and politic created and existing under and by virtue of the laws of the State of Illinois with City Hall located at 208 S. Rapp Avenue, Columbia, Illinois 62236, ("the City"), the Party of the First Part, and Columbia Land Management, LLC, a limited liability company created under and pursuant to the laws of the State of Illinois, with its business office located at 420 Columbia Centre, Columbia, Illinois 62236, ("the Developer"), the Party of the Second Part, WITNESSETH:

WHEREAS, the Developer intends to construct up to four (4) buildings, the first building will be approximately 70,000 square feet, and additional buildings can be developed up to an additional 380,000 square feet, each to be located on Parcels 04-08-400-020-000 and 04-08-400-009-000 ("the Property"), which will be located within the corporate limits of the City;

WHEREAS, the Developer has provided and supplied all required information, including plans and estimates of the cost of the land and improvements to be made to the Property (the "Project") for a total cost of approximately Forty Million Dollars (\$40,000,000), which will provide to the City additional new property tax revenues of approximately One Hundred Twenty Thousand Dollars (\$120,000) or more annually;

WHEREAS, the Developer is unable and unwilling to undertake the development of the Property but for certain financial incentives to be provided by the City, specifically, to share a portion of real estate property taxes generated as a result of the completion of the Project by the Developer on the Property;

WHEREAS, as the 2020 Master (Comprehensive) Plan for Columbia, Illinois envisions increased economic development that will provide additional jobs for Columbia's residents, expand commercial activity within the City and support a healthy local economy and stronger tax base, the City and the Developer reasonably expect that completion of the Developer's Project will generate additional tax revenues and economic activity in furtherance of the goals of the aforementioned Comprehensive Plan;

WHEREAS, upon completion of the Project, the City will receive significant additional real estate property tax revenues generated by the Developer because the City has historically received 12-15% of the Property Taxes collected by Monroe County on property located within the City;

WHEREAS, the parties acknowledge and agree that but for the incentives to be provided by the City, the Developer cannot successfully and economically develop the Property in a manner satisfactory to the City, and the City has determined that it is desirable and in the City's best interests to assist the Developer in the manner set forth herein, and as this Agreement may be supplemented and amended;

WHEREAS, the Developer has demonstrated to the City's satisfaction that it has the experience and capacity to complete and operate the Project;

WHEREAS, the City has determined that the implementation of the Developer's Project is in the best interests of the City, and the health, safety, morals and welfare of its residents, and that said Project will further the public purposes defined in the City's 2020 Master Plan; and

WHEREAS, it is the intention of the City and the Developer that this Agreement shall set forth fully the rights and obligations of the parties with regard to property development tax rebates for the Developer.

NOW, THEREFORE, in consideration of the premises, including the mutual promises, covenants and agreements contained herein, the parties agree as follows:

Section 1. DEFINITIONS. For the purposes of this Agreement, the parties hereto agree to the following definitions:

- (1) "Development Tax Rebate" – economic development financing for a development project through reimbursement of a portion of Property Taxes levied due to the increased assessed valuation of property resulting from the project
- (2) "Property Tax" – that portion of local property taxes levied by the City and collected by Monroe County that will accrue to and will be received by the City as a result of the increased assessed valuation of the Property after completion of the Project.
- (3) "Qualified Project Costs" - documented expenses that may be incurred by the Developer pertaining to the completion of the Project under the following categories:
 - a. Professional service costs;
 - b. Property acquisition & assembly; and
 - c. Site preparation.

Section 2. DEVELOPER'S OBLIGATIONS. The Developer covenants, promises, and agrees to do and perform the following:

- (1) To construct one or more buildings on the Property, as well as any other improvements on the Property appertaining to and required for the operation and maintenance of the Property, as detailed in the Annexation Agreement adopted through Ordinance 3119 on September 2, 2014;
- (2) As construction is set to begin for each of the four anticipated buildings, the Developer shall advise the City, in writing, of its schedule for the commencement and completion of construction. As soon as practicable thereafter, the Developer shall get underway with the construction of the Project (which may be done in phases (i.e., not all at once)) concurrent with obtaining the building permit and any other licenses, certificates, or permits required for the construction of the Project from the City's Building Inspector or any other governmental authority from which such licenses, permits, or other authorization are required. As to any other governmental authority from which a permit, license, or other authorization is required the Developer shall provide copies of its plans or other documents required for obtaining the same and shall advise the City of the date of submission and approval. The City shall not unreasonably withhold approval of the Developer's building permit and shall issue a Certificate of Completion or Occupancy upon completion of construction of the Project in accordance with the City's Codes and Ordinances. Nothing contained in this Agreement shall be construed to eliminate the obligation of the Developer to comply with all applicable building codes, fire and safety codes, or other codes and ordinances of the City or to relieve the Developer from the obligation to obtain all permits necessary under the City's Codes and Ordinances;
- (3) In no way limiting the foregoing, the Developer shall also indemnify and hold harmless the City, its agents, officers, and employees against all damages, claims, suits, liabilities, judgments, fines, penalties, costs and expenses (including reasonable attorney's fees) which may arise directly or indirectly from any violation of the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 *et. seq.*, in connection with the Developer's completion of the Project.

Section 3. DEVELOPMENT TAX REBATE. As an inducement for the Developer to construct the building(s) and improvements planned by the Developer on the Property, the City agrees to reimburse the Developer using property tax revenues the City receives as a result of the increased valuation of the Property after completion of the Project, as follows:

(1) Approval of Development Tax Rebate. After the Project has been completed and Developer begins remitting Property Tax to Monroe County based upon the increased assessed valuation of the Property, the City shall begin reimbursing the Developer using a portion of the Property Tax revenues the City receives from Monroe County as a result of the Developer's Project on the Property after completion of the Project, as stipulated below (NOTE: the City will notify the Developer in writing of the beginning date of the reimbursement entitlement described herein).

(2) Amount of Reimbursement. Thereafter, for each fiscal year of the City until the termination of this Agreement, the Developer shall receive reimbursement of a portion of the Property Tax revenue the City receives from Monroe County as a result of the increased assessed valuation of the Property resulting from completion of the Project, in amounts as follows:

- a. On the first two buildings in the Project, the Developer shall receive three fourths (75%) for ten (10) years, beginning with the date of receipt of the first Property Tax bill for each building, during which time the City shall receive one fourth (25%) of Property Tax revenues; and
- b. On the second two buildings in the Project, the Developer shall receive four tenths (40%) for ten (10) years, beginning with the date of receipt of the first Property Tax bill for each building, during which time the City shall receive six tenths (60%) of Property Tax revenues.

(3) Term of Agreement. This Development Tax Rebate Agreement shall terminate, and the Developer's entitlement to receive said Tax Rebate from the City under this Agreement shall end, at such time as whichever of the following two (2) events shall first occur:

- a. The elapse of the term of twenty (20) years, commencing with adoption of the Annexation Agreement through Ordinance 3119 on September 2, 2014; or
- b. December 31, 2015 if the Developer has failed to begin construction of the Project by that date.

(4) Procedure for Reimbursement. Within thirty (30) days following completion of each building in the Project, the Developer shall provide to the City's Accounting Manager or his/her successor or designee, request for reimbursement under the provisions of this Agreement on such form as may be required by the City.

(5) Time of Payment. Each reimbursement payment due the Developer under this Agreement shall be remitted and paid to the Developer by the City within thirty (30) days of the City's receipt of Property Tax revenues from Monroe County received as a result of the increased property value due to the construction of the Project on the Property, provided the City has received, within that time, the necessary form(s) for the period payment required to be provided to the City by the Developer under this Agreement. The Developer shall have fifteen (15) days from receipt of each Tax Rebate reimbursement from the City to contest the amount due or the amount remitted shall be deemed to be the amount due.

(6) Limited Recourse Financing. Notwithstanding anything contained in this Agreement to the contrary, the City's obligation to make Development Tax Rebate reimbursements to the Developer under this Agreement shall be limited to payments from Property Tax Remittances the City receives from Monroe County as a result of the increased assessed valuation of the Property due to property improvements resulting from the construction of the Project on the Property after completion of the Project; no other source of City revenue may be used to make payments due under this Agreement.

Section 4. REASSIGNMENT OF AGREEMENT AND TAX BENEFITS. The parties may, by and only by, mutual agreement of the City Council and the Developer, reassign this Agreement and the outstanding benefits to be paid to the Developer to another separate but similar business that is approved by the City, and purchases the Property (on which the Project improvements occurred). Such reassignment releases the Developer from further obligations to the City under this Agreement.

Section 5. DEFAULT. Except as otherwise provided in this Agreement, in the event of any default in or breach of any term or condition in this Agreement by either party or any successor or assign, the defaulting or breaching party (or successor or assign) shall, upon written notice of the other party, proceed immediately to cure or remedy such default or breach as follows: (a) in the event of a nonmonetary default, within thirty (30) days after receipt of notice, commence to cure or remedy such default, and (b) in the event of a monetary default, within days (10) days after receipt of notice, commence to cure or remedy such default. In case such cure or remedy is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including without limitation proceedings to compel specific performance by the defaulting or breaching party. If either party shall prevail in any court proceeding to enforce any term, covenant or condition hereof, the non-prevailing party shall reimburse the prevailing party its costs and reasonable attorneys' fees on account of such proceeding.

Section 6. ENTIRE AGREEMENT. This Agreement represents the full and complete Agreement between the parties with respect to the matters addressed herein and therein and there are no oral agreements or understandings between the parties. The parties acknowledge and agree that this written Agreement contains all of the terms of their agreement and that any prior negotiations are incorporated in this Agreement and there are no terms, covenants, conditions, promises, or agreements between the parties that are not included in this Agreement.

Section 7. NOTICE. Notices required under this Agreement shall be in writing and shall be deemed to have been validly served, given, or delivered upon deposit in the United States mail by registered mail, return receipt requested, at the address set forth in the beginning paragraph of this Agreement or to such other address as either party shall specify in writing to the other party during the term of this Agreement.

Section 8. NON-WAIVER. No failure or delay by the City or the Developer in exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein provided for shall be cumulative and not exclusive of any other rights or remedies provided by law.

Section 9. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision shall be invalid under applicable law, such provisions shall be ineffective to the extent of such invalidity without invalidating the remaining provisions of this Agreement.

Section 10. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 11. AMENDMENTS. No modifications of or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the parties hereto, and is thereafter attached hereto and made part hereof.

Section 12. SITUS LAW. The parties acknowledge and agree that this Agreement was made and entered into in the State of Illinois and the law of Illinois will apply in interpreting and enforcing this Agreement.

Section 13. BINDING EFFECT. All of the terms, provisions, and conditions of this Agreement shall be binding upon and shall inure to the benefits of the parties hereto, their successors and assigns.

CITY OF COLUMBIA, ILLINOIS,
An Illinois Municipal Corporation,
The Party of the First Part

BY: _____
KEVIN B. HUTCHINSON, Mayor

ATTEST:

WESLEY J. HOEFFKEN, City Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MONROE)

The undersigned, a Notary Public in and for the County in the State aforesaid, does hereby certify that KEVIN B. HUTCHINSON and WESLEY J. HOEFFKEN, personally known to me and known to me to be the Mayor and City Clerk, respectively, of the City of Columbia, Illinois, a Municipal Corporation, appeared before me in person this date and acknowledged that they signed and delivered the above and foregoing document as their free and voluntary act and deed and as the free and voluntary act and deed of said City, pursuant to an enabling ordinance of said City duly enacted, for the uses and purposes hereinabove set forth.

Subscribed and sworn to before me, a Notary Public, this _____ day of _____, 2014.

Notary Public

COLUMBIA LAND MANAGEMENT, LLC
A Limited Liability Company in the State of Illinois,
The Party of the Second Part

BY: _____
JOSEPH G. KOPPEIS, Managing Member

STATE OF ILLINOIS)
) SS
COUNTY OF MONROE)

The undersigned, a Notary Public in and for the County in the State aforesaid, does hereby certify that JOSEPH G. KOPPEIS, personally known to me and known to me to be the Managing Member of Columbia Land Management, LLC., a limited liability company created under and pursuant to the laws of the State of Illinois, appeared before me in person this date and acknowledged that he signed and delivered the above and foregoing document as his free and voluntary act and deed and as the free and voluntary act and deed of Columbia Land Management, LLC for the uses and purposes hereinabove set forth.

Subscribed and sworn to before me, a Notary Public, this _____ day of _____, 2014.

Notary Public