

CITY OF OGLESBY, ILLINOIS

ORDINANCE NO. 1218-042023

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A REDEVELOPMENT AGREEMENT**

BETWEEN

THE CITY OF OGLESBY

AND

RITA ARTEAGA D.B.A. MR. SALSAS

OGLESBY TIF DISTRICT I

**ADOPTED BY THE MAYOR AND COMMISSIONERS
OF THE CITY OF OGLESBY, ILLINOIS,
ON THE 17TH DAY OF APRIL, 2023.**

**TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT AGREEMENT**

by and between .

CITY OF OGLESBY, LA SALLE COUNTY, ILLINOIS

and

RITA ARTEAGA D.B.A. MR. SALSAS

OGLESBY TAX INCREMENT FINANCING DISTRICT I

APRIL 17, 2023

REDEVELOPMENT AGREEMENT
by and between
CITY OF OGLESBY
and
RITA ARTEAGA D.B.A. MR. SALSAS

OGLESBY TIF DISTRICT I

THIS REDEVELOPMENT AGREEMENT (including Exhibits) is entered into this 17th day of April, 2023, by and between the City of Oglesby (the “City”), an Illinois Municipal Corporation, LaSalle County, Illinois, and Rita Arteaga d.b.a Mr. Salsas (the “Developer”).

PREAMBLE

WHEREAS, the City has the authority to promote the health, safety and welfare of the City and its citizens, and to prevent the spread of blight and deterioration and inadequate public facilities, including sanitary sewer, by promoting the development of private investment in the marketability of property thereby increasing the tax base of the City and providing employment for its citizens; and

WHEREAS, Pursuant to 65 ILCS 5/8-1-2.5, a municipality may appropriate and expend funds for economic development purposes, including without limitation for commercial enterprises that are deemed necessary or desirable for the promotion of economic development within the community; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 et seq., as amended (the “Act”), the City has the authority to provide incentives to owners or prospective owners of real property to redevelop, rehabilitate and/or upgrade such property by reimbursing the owner for certain costs from resulting increases in real estate tax revenues (“real estate tax increment”) or from other City revenues; and

WHEREAS, on December 31, 1986, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or obsolete or a combination thereof, the City approved a Tax Increment Financing Redevelopment Plan and Projects (the “Plan”), designated a Redevelopment Area and adopted Tax Increment Financing as provided under the Act for the Oglesby TIF District I (the “TIF District”); and

WHEREAS, the Oglesby TIF District I was legislatively extended for an additional twelve (12) years through tax year 2021 payable 2022; and

WHEREAS, on October 17, 2022, the City approved an Ordinance to amend the estimated date of completion of the TIF District I Redevelopment Project Area, Plan and Projects to December 31, 2022; and

WHEREAS, included in the Redevelopment Project Area is property owned by the Developer, located at 309 E Walnut Street, Oglesby, Illinois, real estate tax property identification number 18-36-201-008 (the “Property”); and

WHEREAS, the Developer has proceeded with plans to rehabilitate and renovate the existing commercial building on the Property for continued operation of the Mr. Salsas business (the “Project”),

and is doing so based on the availability of TIF incentives offered by the City; and

WHEREAS, it is the intent of the City to encourage economic development which will increase the real estate tax revenue of the City, which increased incremental taxes will be used, in part, to finance incentives to assist development within the Tax Increment Financing District; and

WHEREAS, the Project is consistent with the TIF District Redevelopment Plan and projects for the Redevelopment Project Area and further conforms to the land uses of the City as adopted; and

WHEREAS, pursuant to Section 5/11-74.4-4(b) of the Act, the City may make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of the Redevelopment Plan; and

WHEREAS, pursuant to Section 5/11-74.4-4(j) of the Act, the City may incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement and further defined in Section 5/11-74.4-3(q) of the Act, including those Estimated TIF Eligible Project Costs as herein listed in the attached *Exhibit "1"* of this Redevelopment Agreement; and

WHEREAS, the Developer requested that incentives for the development be provided by the City from incremental increases in real estate taxes of the City generated from the Project and the City agreed to such incentives; and

WHEREAS, the City has determined that the Project required the incentives requested as set forth herein and that the Project will, as a part of the Plan, promote the health, safety and welfare of the City and its citizens by attracting private investment to prevent blight and deterioration and to generally enhance the economy of the City; and

WHEREAS, the City has reviewed the conditions of the Property and has reason to believe that the costs of the necessary public and private improvements to be incurred by the Developer in furtherance of the Project are eligible project costs under the Act and are consistent with the Redevelopment Plan of the City; and

WHEREAS, the Parties have agreed that the City shall provide a grant to the Developer for reimbursement of the Developer's Estimated TIF Eligible Project Costs as set forth in *Exhibit "1"* attached hereto in a one-time lump-sum of **Two Thousand Eight Hundred Eighty-Seven Dollars and 50/100 Cents (\$2,887.50)** to be paid from the Oglesby TIF District I Special Tax Allocation Fund as specified below in *Section C*; and

WHEREAS, in consideration of the execution of this Agreement, the Developer has proceeded with the Project as set forth herein; and

WHEREAS, the City is entering into this Agreement having encouraged and induced the Developer to complete the Project located on said Property.

AGREEMENTS

NOW, THEREFORE, the Parties, for good and valuable consideration, the receipt of which is acknowledged, agree as follows:

A. PRELIMINARY STATEMENTS

1. The Parties agree that the matters set forth in the recitals above are true and correct and form a part of this Agreement.
2. Any terms which are not defined in this Agreement shall have the same meaning as they do in the Act, unless indicated to the contrary.
3. The Developer shall remain in compliance with all municipal ordinances relating to property development, property condition, zoning, subdivision and building codes until such time as the Project has been satisfactorily completed. Failure to cure the violation of any such ordinance within thirty (30) days upon being provided written notice of the same by the City shall be cause for the City to declare the Developer in Default and unilaterally terminate this Agreement, except where such failure is not reasonably susceptible to cure within such 30-day period, in which case the Developer shall have such additional time to cure as is reasonably necessary, provided that the Developer has commenced such cure within such 30-day period and continues to diligently prosecute the same to completion.
4. Each of the Parties represents that it has taken all actions necessary to authorize its representatives to execute this Agreement.

B. ADOPTION OF TAX INCREMENT FINANCING

The City has created a Tax Increment Financing District known as the "Oglesby TIF District I" which includes the Property. The City has approved certain Redevelopment Project Costs, including the types described in *Exhibit "1"* for the Developer's Project.

C. INCENTIVES

In consideration for the Developer substantially completing the Project as set forth herein, the City agrees to extend to the Developer the following incentives to assist the Project:

1. The City shall provide a one-time, lump-sum grant to the Developer for the reimbursement of the Developer's Eligible Project Costs set forth in *Exhibit "1"* in the amount of **Two Thousand Eight Hundred Eighty-Seven Dollars and 50/100 Cents (\$2,887.50)**, to be paid from the TIF District I Fund upon verification of the Developer's TIF eligible project costs.

D. LIMITATION OF INCENTIVES TO DEVELOPER

The Developer's reimbursement shall not exceed **\$2,887.50** and shall only be reimbursed for the Developer's TIF Eligible Project Costs incurred by the Developer for the Project as herein described in *Exhibit 1*.

E. DEFAULT; CURE; REMEDIES

In the event of a default under this Redevelopment Agreement by any party hereto (the "Defaulting Party"), which default is not cured within the cure period provided for below, then the other Party (the

“Non-defaulting Party”), may have an action for damages, or, in the event damages would not fairly compensate the Non-defaulting Parties for the Defaulting Party’s breach of this Redevelopment Agreement, the Non-defaulting Party shall have such other equity rights and remedies as are available to them at law or in equity. Any damages payable by the City hereunder shall be limited to the real estate tax increment payable to the Developer under the terms of this Agreement.

In the event a Defaulting Party shall fail to perform a monetary covenant which it is required to perform under this Redevelopment Agreement, it shall not be deemed to be in default under this Redevelopment Agreement unless it shall have failed to perform such monetary covenant within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying that it has failed to perform such monetary covenant. In the event a Defaulting Party fails to perform any nonmonetary covenant as and when it is required to under this Redevelopment Agreement, it shall not be deemed to be in default if it shall have cured such default within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying the nature of the default, provided, however, with respect to those nonmonetary defaults which are not capable of being cured within such thirty (30) day period, it shall not be deemed to be in default if it commences curing within such thirty (30) day period, and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

Except as otherwise provided herein, all remedies are cumulative and no delay or omission in the exercise of any right or remedy accruing to either party upon the breach by the other party shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter accruing. In the event of litigation between the parties concerning this Agreement, the prevailing party shall be entitled to recover expenses incurred, including reasonable attorney fees.

F. WAIVER

Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right of remedy does so in writing. No such waiver shall obligate such party to waive any right of remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

G. SEVERABILITY

If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

H. NOTICES

All notices, demands, requests, consents, approvals 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 Clerk, City of Oglesby
110 E. Walnut Street
Oglesby, IL 61348
Telephone: (815) 883-3389
Fax: (815) 883-9858

TO DEVELOPER:

Rita Arteaga
1706 Augustine Ave.
Mendota, IL 61342
Telephone: (815) 252-4126

With Copy to:

Jacob & Klein, Ltd.
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Telephone: (309) 664-7777
Fax: (309) 664-7878

I. NO JOINT VENTURE, AGENCY, OR PARTNERSHIP CREATED

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

J. INDEMNIFICATION OF THE CITY

It is the understanding of the Parties that the current position of the Illinois Department of Labor is that the Illinois Prevailing Wage Act does not apply to TIF Increment received by Private Developers as reimbursement for private TIF Eligible Project Costs. This position of the Department of Labor is stated as an answer to a FAQ on its website at: <https://labor.illinois.gov/faqs/prevailing-wage-faq.html>. Developer shall indemnify and hold harmless the City, and all City elected or appointed officials, officers, employees, agents, representative, engineers, consultants and attorneys (collectively the "Indemnified Parties"), from any and all claims that may be asserted against the Indemnified Parties or one or more of them, in connection with the Developer's failure to comply with any provision of the following laws, to the extent applicable to the Developer and to that extent only: the Illinois Prevailing Wage Act (820 ILCS 130/0.01 et. seq.), the Illinois Procurement Code, and/or any similar State or Federal law or regulation. The Developer agrees to indemnify and hold harmless the City for any claim asserted against the City arising from any wrongful acts or omissions on the part of the Developer related to the Project and/or this Agreement. This obligation to indemnify and hold harmless obligates the Developer to defend any such claim and/or action, pay any liabilities and/or penalties imposed arising out of such action, and pay all reasonable and actual defense costs of the City in such action.

K. AMENDMENTS TO THIS AGREEMENT

The Parties may amend this Agreement at any time by their mutual consent which Amendment must be in writing and executed by the Parties.

L. TERM OF THE AGREEMENT

Notwithstanding anything contained herein to the contrary, this Agreement shall expire upon the first to occur of the current expiration date of the Oglesby TIF District I (December 31, 2022), or upon the Developer receiving the maximum reimbursement permitted herein.

CITY OF OGLESBY, ILLINOIS: ORDINANCE NO. 1218-042023

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A
REDEVELOPMENT AGREEMENT BETWEEN:
THE CITY OF OGLESBY AND
RITA ARTEAGA D.B.A. MR. SALSAS
OGLESBY TIF DISTRICT I

BE IT ORDAINED BY THE CITY OF OGLESBY THAT:

SECTION ONE: The TIF Redevelopment Agreement with Rita Arteaga d.b.a. Mr. Salsas, (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 Redevelopment Agreement and the Clerk of the City of Oglesby is hereby authorized and directed to attest such execution.

SECTION THREE: The Redevelopment Agreement shall be effective the date of its approval.

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

PASSED, APPROVED AND ADOPTED by the Corporate Authorities of the City of Oglesby this 17th day of April, 2023.

MAYOR & COMMISSIONERS	AYE VOTE	NAY VOTE	ABSTAIN / ABSENT
Terry Eutis	✓		
Jason Curran	✓		
James Cullinan	✓		
Thomas Argubright	✓		
Dominic Rivara, Mayor	✓		
TOTAL VOTES:	5	0	0

APPROVED: Dominic Rivara, Date 4 / 21 / 2023
Mayor, City of Oglesby

ATTEST: R. Silerord, Date: 4 / 17 / 2023
City Clerk, City of Oglesby

EXHIBIT A: Redevelopment Agreement by and between the City of Oglesby and Rita Arteaga d.b.a. Mr. Salsas.

M. ASSIGNMENTS

The rights and obligations of the Developer under this Agreement shall not be assignable by the Developer.

N. WARRANTY OF SIGNATORIES

The signatories of Developer warrant full authority to both execute this Agreement and to bind the entity in which they are signing on behalf of. In addition, the City represents and warrants to the Developer that (i) the City has duly created the TIF District, adopted the Plan, and extended the term of the TIF District through and including December 31, 2022, in accordance with all applicable laws; (ii) the execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of the City; and (iii) the City has full power and authority to execute and deliver this Agreement and to perform all of its duties and obligations hereunder.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Oglesby, Illinois.

CITY
Oglesby , Illinois, a Municipal Corporation

DEVELOPER
Rita Arteaga d.b.a. Mr. Salsas

BY: 
Mayor, City of Oglesby


Rita Arteaga

ATTEST:



City Clerk, City of Oglesby

EXHIBIT 1

SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS

Rita Arteaga / Mr. Salsas Project
Oglesby TIF District I in the City of Oglesby, LaSalle County, Illinois

Project Description: The Developer has proceeded with plans to renovate and rehabilitate the existing commercial building on the Property for the continued operation of the Mr. Salsas business.

Street Location: 309 E. Walnut Street, Oglesby, Illinois

PIN: 18-36-201-008

Estimated TIF Eligible Project Costs:

Rehabilitation/Renovation Costs	<u>\$5,775.00</u>
Total Estimated TIF Eligible Project Costs*	\$5,775.00

*The City's reimbursement of Eligible Project Costs to the Developer shall not exceed \$2,887.50 as set forth in this Redevelopment Agreement.