



Planning and Development Committee

Meeting Agenda

City Hall, Second Floor
425 E. State Street
Rockford, IL 61104
www.rockfordil.gov

Monday, January 12, 2026
5:30 PM

The following represents, in general, the chronological order of proceedings at the City Council/Committee Meetings: Call to Order, Invocation, Pledge of Allegiance, Public Speaking and City Council/Committee Agendas.

Meeting will be live streamed on Channel 17 and via this link:
<https://rockfordil.legistar.com/Calendar.aspx>.

I. CALL TO ORDER

II. COMMITTEE REPORTS

1. Approval of the 2026 - 2028 Funding Agreement between the City of Rockford and Keep Northern Illinois Beautiful (KNIB) in the amount of \$60,000 annually. The funding source is Garbage User Fees. [25-00166](#)
2. Approval of the Proposed Development Agreement with Rockford Brake Manufacturing at 302 Peoples Avenue in the amount of \$250,000. The funding source is 2025 and 2026 Casino Economic Development Funds. [25-00169](#)
3. Proposed amendment to the Development Agreement with First Midwest Group (Machesney Investment LLC) and McDonald's for the establishment of a McDonald's at 4103 West State Street in the amount of \$200,000. The funding source is 2025 Casino Plan Funds / Economic Development High Risk Area. [25-00172](#)
4. Approval of the Proposed Supplemental Marketing Services Agreement between the Rockford Area Convention and Visitors Bureau (GoRockford) and City of Rockford for \$100,000 annually for two years (2026 and 2027). The funding source is 2026 and 2027 Casino Foundation Funds. [25-00174](#)
5. Approval of the Proposed Funding Agreement with Northwestern Illinois Area Agency on Aging, an Illinois not-for-profit corporation (NIAAA) for the establishment of a Senior Center at 5505 East State Street. The funding source is a reallocation of unspent ARPA Plan/ Major Corridor Signage Funds not to exceed \$300,000. [25-00167](#)
(Motion to reconsider three week layover to January 26, 2026 requested.)

III. ADJOURNMENT

THE CITY OF ROCKFORD INTENDS TO COMPLY WITH THE INTENT AND SPIRIT OF THE AMERICANS WITH DISABILITIES ACT. IF A SIGN LANGUAGE INTERPRETER, PERSONAL P.A. SYSTEM, OR OTHER SPECIAL ACCOMMODATIONS ARE NEEDED, PLEASE CALL THE LEGAL DEPARTMENT AT (779) 348-7391 AT LEAST 48 HOURS IN ADVANCE, SO WE CAN BE PREPARED TO ASSIST YOU.



Sarah Leyes
Director
Community and Economic
Development Department

Memorandum

To: Alderman Janessa Wilkins, Committee Chairman - Planning & Development Committee

From: Robert Wilhelmi, Site Readiness Coordinator 779.348.7425 | robert.wilhelmi@rockfordil.gov

Re: 2026 through 2028 Funding Request – Keep Northern Illinois Beautiful

Date: January 5, 2026

Keep Northern Illinois Beautiful (KNIB) has submitted a request to the City of Rockford for \$60,000 annually to support its 2026 through 2028 programming. The City has previously made funding allocations to KNIB, most recently in 2023 in the amount of \$50,000 per year for 2023 through 2025. KNIB is a 501(c)(3) non-profit public education organization whose mission is to improve our environment through education, public awareness and community involvement. KNIB continues to operate community Recycling Centers in Rockford, Machesney Park, and South Beloit, which provides convenient biweekly, volunteer-assisted, drop-off service for a variety of recyclables and electronics. The facilities make it possible for City residents to recycle who do not have City garbage and recycling service, such as residents living in condominiums and multi-family apartments. KNIB tracks facility usage by zip code. The most recent car count data shows approximately 66% of KNIB's users at the Rockford Recycling Center reside in a Rockford zip code and 51% among all 3 recycling centers.

KNIB's electronics recycling program has significantly reduced the City's annual expenditure on electronics recycling and disposal. In 2016, the City spent \$165,000 on a public e-waste recycling program and was on course to spend approximately \$180,000 in 2018 before KNIB allowed the program to transition from two Kelley-Williamson Mobil stations to their Rockford facility. In 2019, KNIB established itself as the only Illinois Consumer Electronics Recycling Act (CERA) authorized collection facility in Winnebago County. By becoming a State-authorized drop-off site, it eliminates the City of Rockford's need to cover the cost of residential e-waste collection and disposal.

In addition to electronics collection, KNIB provides pharmaceutical collection events, environmental education to schools and organizations, and provides neighborhood cleanups under the Great American Cleanup initiative. Due to frequent poor weather and reduced volunteer counts, KNIB transitioned from a single day event in the spring to a pick-a-day structure throughout the year where groups can sign up through KNIB and be provided the equipment and resources needed to have a successful cleanup. This move not only increased overall volunteer counts, but also litter volume. As part of this structure, KNIB has committed to support Alderman and neighborhood association requested events throughout the year where supplies can be delivered to a site of their choosing. Please find attached KNIB's 2026 – 2028 Grant Agreement and 2025 Summary of Services. Staff is recommending approval of KNIB's 2026 through 2028 funding request. The funding source is Garbage User Fees.

COMMITTEE REPORT

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Planning and Development, to whom was referred the matter of the approval of the 2026 - 2028 Funding Agreement between the City of Rockford and Keep Northern Illinois Beautiful (KNIB) in the amount of \$60,000 annually, hereby begs leave to report **recommending approval** of the request as recommended.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Karen Hoffman

Jaime Salgado

Gina Meeks

Committee Action Taken: January 12, 2026

Wilkins: Ayes:____ Nays:____ Absent:____

Durkee: Ayes:____ Nays:____ Absent:____

Hoffman: Ayes:____ Nays:____ Absent:____

Salgado: Ayes:____ Nays:____ Absent:____

Meeks: Ayes:____ Nays:____ Absent:____

KEEP NORTHERN ILLINOIS BEAUTIFUL AGREEMENT FOR THE DISBURSEMENT OF GENERAL FUNDS

This Agreement, entered into this ____ day of _____, 2026, between the City of Rockford Department of Community Development, on behalf of the City of Rockford, a municipal corporation (hereinafter referred to as the "City"), and Keep Northern Illinois Beautiful and affiliate of Keep America Beautiful (hereinafter referred to as "KNIB"), sets forth the terms and conditions under which General Funds (hereinafter referred to as "General Funds") will be disbursed by the City to KNIB.

WHEREAS the City allocates and may grant funds under the General Fund; and

WHEREAS the purpose of this cooperative program includes the development, marketing, coordination and implementation of environmental improvements through education, public awareness and community involvement; and

WHEREAS another purpose of this cooperative program is to promote partnerships among the City and non-profit organizations in order to more effectively implement such programs and projects; and

WHEREAS legislation allows for a unit of local government to grant General Funds for programs and the implementation of improvements to the environment; and

WHEREAS KNIB is willing to undertake such activities; and

WHEREAS the City and KNIB have a relationship for the granting of General Funds on a fee for service basis; and

WHEREAS the City Council, through Ordinance has agreed to fund the application of KNIB through General Funds; and

NOW THEREFORE, the City and KNIB do hereby agree to the following terms and conditions with respect to the granting of funds from the General Fund.

I. TERMS AND CONDITIONS

- 1.1 This Agreement shall commence on January 1, 2026 or upon City Council approval, and shall expire December 31, 2028 subject to the conditions contained herein.
- 1.2 The City and KNIB agree that they have developed a "Services" during the term of this Agreement. The Services for 2026 - 2028 has been developed, and a copy of the subject Services is attached hereto and incorporated herein as Exhibit "A."

II. AMOUNT OF FUNDING

- 2.1 The amount of fee for service funds available to KNIB under this Agreement shall be a maximum of \$60,000.00 per calendar year. Payment for 2026 will be made in a lump sum at the beginning of the year or upon City Council approval. Payment for 2027 and 2028 will be made in a lump sum upon receipt of satisfactory annual report.
- 2.2 Said funding shall be contingent upon the satisfactory performance as determined by the City and as agreed to by the parties pursuant to the annual "Service Review" described in Article I above.
- 2.3 Any funds not expended by KNIB during the term of this Agreement shall be deobligated and returned to the City.

KEEP NORTHERN ILLINOIS BEAUTIFUL AGREEMENT FOR THE DISBURSEMENT OF GENERAL FUNDS

2.4 No funds provided under this Agreement shall be used for the acquisition, maintenance, development and/or demolition of real estate including but not limited to the payment of acquisition costs, professional fees and/or commissions, closing costs, holding costs, maintenance costs, utility costs, and/or real estate taxes.

III. PERFORMANCE MEASUREMENTS

Under this Agreement, KNIB will complete the activities as outlined in the Service Review. Substantial completion of all of the Service Activities as outlined in the Service Review will be required and used as the measure of the KNIB's performance.

IV. INCORPORATION OF OTHER DOCUMENTS

It is understood that the parties to this Agreement shall comply with the State of Illinois law and any related rules, as may be amended from time to time, and that the terms and conditions of such rules are expressly incorporated by, and made a part of, this Agreement.

V. INDEMNIFICATION AND INSURANCE

KNIB, its subcontractors and agent(s), hereby release and convey and agree to indemnify and save harmless the City of Rockford, its representatives, officers, agents and employees from any and all claims, causes of action, demands for damages, suits, either in law or in equity, or expenses or liabilities of any kind, arising out of or by virtue of the execution and performance of this Agreement or any other Agreement entered into pursuant to this Agreement. In the event that any action or proceeding is brought against the City, its representatives, officers, agents and/or its employees by reason of any such claim or demand, the KNIB will, at its sole cost and expense, resist or defend such action or proceeding.

VI. CONFLICT OF INTEREST

The City and KNIB hereby covenant and agree:

6.1 No person described below who exercises or has exercised any functions or responsibilities with respect to activities assisted with General Funds or are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from the General Fund assisted project, or have an interest in a contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. This conflict of interest provision applies to any person who is an employer, agent, consultant, officer, elected official, or appointed official of the City.

6.2 These provisions shall also apply to employees of KNIB.

6.3 These provisions shall also apply to the unpaid members of the board of directors, insofar as they are consistent with KNIB Bylaws.

VII. LIAISON

The Director of the Department of Community and Economic Development shall designate one member of City staff to serve as liaison with KNIB.

VIII. PROGRESS REPORTS

KNIB shall submit an annual progress report to the City which address how the goals of the service review

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have been achieved. If they have not been achieved, an explanation needs to be provided. Said Progress reports shall be submitted no later than February 1 following the program year.

IX.

TERMINATION

- 9.1 **Events Causing Termination.** This Agreement shall terminate upon any of the following events:
 - a. Voluntary or involuntary dissolution of KNIB.
 - b. Termination for convenience by a written request from KNIB granted by the City, to terminate its duties under this Agreement. The City may terminate this Agreement with the consent of KNIB. The parties shall agree upon the conditions for termination.
 - c. Expiration of the term of this Agreement as set forth in Article I above.
 - d. Termination by the City for cause pursuant to Section 9.2 below.
- 9.2 **Termination for Cause.** If, through any cause, KNIB shall fail to fulfill in a timely and proper manner its obligations under this Agreement, specifically, but not limited to the successful completion of activities as outline in section III, the City shall thereupon have the right to terminate this Agreement by giving written notice to KNIB of such termination and specifying the effective date of such termination, at least sixty (60) days before the effective date of such termination. This provision may be waived at the discretion of the City. In the event that KNIB corrects or cures said default to the satisfaction of the City prior to said date, this Agreement shall not be terminated for cause by the City.
- 9.3 **Liabilities upon Termination.** In event of termination, all finished or unfinished documents, data, studies and reports prepared by KNIB under this Agreement shall, at the option of the City, be turned over to the City and become its property, and KNIB shall be entitled to receive just and equitable compensation for any satisfactory work or services rendered prior to termination. Additionally, if termination is for other than expiration of term, all unexpended grant funds held by KNIB shall be returned to the City. Notwithstanding the above, KNIB shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold any payments to KNIB for the purpose of setoff until such time as the exact amount of damages due the City from KNIB is determined.
- 9.4 **Remedies Other Than Termination.** Should review of KNIB Town's performance show nonconformity with any terms or conditions herein, KNIB shall be in breach of this Agreement, and the City may take appropriate action as it deems necessary, including but not limited to temporary withholding or reduction of payment, or suspension of General Funds program operations. The selection of a remedy, other than termination, shall not prevent the City from subsequently terminating this Agreement as described herein.
- 9.5 **Reversion of KNIB Property Upon Termination.** Upon termination of this Agreement, for any reason whatsoever, all records with regard to the use of General operating funds shall become property of the City.

X.

ADMINISTRATION

The terms and provisions of this Agreement shall be administered on behalf of the City by its Director of Community and Economic Development or an assigned person. Unless law otherwise requires, all necessary notices, submissions and approvals shall be given to or by the Director.

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XI. NOTICES

All notices, approvals, demands, requests or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this program, shall be deemed properly given if for the day-to-day operation of this program, shall be deemed properly given if hand delivered or sent by United States mail, postage prepaid, to the following addresses:

AS TO THE CITY

Director, Community & Economic Development
City of Rockford
425 East State Street
Rockford, Illinois 61104

AS TO Keep Northern Illinois Beautiful

Ms. Pamela Osborne, Executive Director
Keep Northern Illinois Beautiful
4665 Hydraulic Avenue
Rockford, Illinois 61109

XII. AMENDMENTS

This Agreement may be amended by written instrument executed by the parties hereto, acting therein by their duly authorized representatives. The City or KNIB may request changes. Such changes, including any increase or decrease in the amount of compensation for KNIB which are mutually agreed upon by and between the City and KNIB shall be incorporated in written amendments to this Agreement, subject to City Council approval.

XIII. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof shall be deemed valid and be enforced to the fullest extent permitted by law.

XIV. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and the Ordinances of the City of Rockford.

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OF GENERAL FUNDS**

KEEP NORTHERN ILLINOIS BEAUTIFUL

By: _____
Pamela Osborne, Executive Director

CITY OF ROCKFORD

By: _____
Thomas P. McNamara, Mayor

ATTEST:

By: _____
Angela L. Hammer, Legal Director

**KEEP NORTHERN ILLINOIS BEAUTIFUL AGREEMENT FOR THE DISBURSEMENT
OF GENERAL FUNDS**

EXHIBIT A

Keep Northern Illinois Beautiful is a 501(c)(3) non-profit public education organization. Our mission is to improve our environment through education, public awareness and community involvement. We are committed to involving individuals in actions that enhance civic vitality: becoming informed; preventing and cleaning up litter; safely disposing of household waste, including toxic substances that can contaminate groundwater and drinking water; and recycling to reduce the community's solid waste footprint. These focus areas make neighborhoods safer, commercial corridors more vibrant and public spaces more beautiful. They contribute to the health and well-being of residents, while keeping our local environment clean, green and healthy. Keep Northern Illinois Beautiful is North Central Illinois' only affiliate of Keep America Beautiful, the nation's largest volunteer-based community action and education organization and has been operating continuously in the Rockford area since 1988.

Funding Request \$60,000

Total Operating Budget \$475,336

Organizational Projects funding requests

The Rockford Recycle Center provides convenient biweekly, volunteer-assisted, drop-off service at 4665 Hydraulic Road. We make it possible for city residents who do not have curbside bins to recycle, (such as residents living in condos and multi-family apartments); and those residents who do have curbside service but have big items, large quantities, or items that are not accepted at curbside pickup. The items not accepted for curbside pickup are primarily Electronics. Even though we charge for TV's & Monitors, we lost the revenue from electronics plus we had to hire a warehouse assistant to help get the TV's and electronics wrapped and packaged correctly to go to the recycler per the program's specifications. There is a lot more work involved being in this program.

The Rockford Recycle Center collects the standard recyclables as well as metal, small and large appliances, (including appliances with Freon in them), clothing and textiles.

Budget

Administration	\$70,000
Building Cost	\$16,488
Supplies, Utilities & Maint	<u>\$28,840</u>
	\$115,328

Great American Cleanup and Litter index is focused on removing the winter's accumulation of litter on over 310 miles of Rockford area streets and highways. The Litter index determines where the most accumulation of litter may be. We use this when volunteers ask where to clean. This is also used by Keep American Beautiful. They collect the required Litter Index from all 700 affiliates across the US to determine areas with the most litter. Keep American Beautiful has a movement called Greatest American Clean-up. They used all the data and did a survey to determine there are 50 billion pieces of trash to clean up. The affiliates and KAB is making it a goal to pick up at least 25 billion of that by July 2026, which is the 250th anniversary of American. Counties, Cities, Wards, Businesses, Associations or individual people can go to KAB.org and pledge to help clean up.

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Each year over 55,000 lbs of trash are picked up. The presence of litter reduces property values and contributes to blight and crime. The Great American Clean-up, by removing debris, contributed to both economic and neighborhood vitality. Even though volunteers sign up year around, we are still dedicated to the Ward and Association clean ups. Since the weather did not always cooperate on the last Saturday in April, our Alderman and neighborhood associations can still plan that day or a different day that may work for them. For the Alderman, associations and large groups call KNIB about a clean-up day you would like, We will help you plan, deliver supplies to a site you choose and register this on our calendar's. KNIB will also do a presentation about the clean up and leave brochures and posters to pass out to your residence if requested. We have digital versions available also.

Budget

Administration	\$10,800
Advertising & Printing	<u>\$ 1,200</u>
	\$12,000

Unused/Expired Medication Collection provides a completely safe and cost-free avenue for City of Rockford residents to dispose of unused/unwanted/expired medications, protecting the city's drinking and ground water. The collection is accomplished in partnership with Mercyhealth System, SwedishAmerican, a Division of UW Health, OSF St. Anthony Medical Center, University of Illinois College of Pharmacy at Rockford, the Rock River Water Reclamation District, as well as major pharmacies, law enforcement and other collaborators.

Budget

Administration	\$12,200
Advertising & Printing	<u>\$ 1,500</u>
	\$12,700

Environmental Education provides an avenue for City of Rockford residents to educate the public about recycling and how and what to put in the recycle bins. We do this by giving classes, going into schools, putting up tables and creating videos on our website. We answer hundreds of phone calls every week about what we take, and what the Hazardous Waste site takes. We have resources to help Rockford residents recycle their items.

Budget

Administration	\$35,000
Advertising & Printing	<u>\$ 2,500</u>
	\$37,500



Thomas P. McNamara, Mayor

MEMORANDUM

TO: City Council
Planning and Development Committee

FROM: Todd Cagnoni, City Administrator *Todd*

RE: Proposed funding agreement with Rockford Brake Manufacturing to support ongoing operation located at 302 Peoples Avenue.

DATE: December 19, 2025

For your consideration, is the proposed funding agreement with Rockford Brake Manufacturing to support ongoing operations located at 302 Peoples Avenue in the amount of \$250,000 utilizing Casino Economic Development funds.

Rockford Brake announced their operations on October 27, 2025, and re-introduce Gunite brake drums. They are quickly establishing their market share and ramping up operations hiring over 100 employees, approximately 85% of which were previous employees at the site.

Rockford Brake Manufacturing is the exclusive producer of Gunite brake drums for the heavy-duty trucking industry. The company operates one of the most vertically integrated foundries in the Midwest, managing all phases of production – from raw material processing to finished machining – all under one roof. The company's 619,000-square-foot facility sits on 41 acres and includes a grey iron foundry and machine shop. The Gunite brand is recognized across the commercial vehicle industry for consistent quality and performance. The company maintains more than 80 individual drum patterns, producing brake drums using the same proven processes and tooling that have defined its legacy.

Up to this point they have shipped approximately \$600,000 of product to 14 different states, with over \$250K of booked sales prior to yearend with blanket orders for \$1M on their highest running product, supporting an anticipated \$1M per month being shipped in first quarter 2026.

Cash flow for startup businesses is always of high importance for continued success. The City's grant funding would be leveraged with multiple sources, including securing \$500,000 from Rockford Community Bank at the end of 2025 as they continue to build a sustaining capital through the first half of 2026.

Staff recommends approval of the proposed funding agreement as the request is consistent with City's efforts for community investment. Please let me know should you have any questions.

COMMITTEE REPORT

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Planning and Development, to whom was referred the matter of the approval of the Proposed Development Agreement with Rockford Brake Manufacturing at 302 Peoples Avenue in the amount of \$250,000, hereby begs leave to report **recommending approval** of the request as recommended.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Karen Hoffman

Jaime Salgado

Gina Meeks

Committee Action Taken: January 12, 2026

Wilkins: Ayes:____ Nays:____ Absent:____

Durkee: Ayes:____ Nays:____ Absent:____

Hoffman: Ayes:____ Nays:____ Absent:____

Salgado: Ayes:____ Nays:____ Absent:____

Meeks: Ayes:____ Nays:____ Absent:____

FUNDING AGREEMENT

THIS AGREEMENT ("AGREEMENT"), entered into this _____ day of _____, 2026, by and between the City of Rockford, an Illinois municipal corporation ("City"), and Rockford Brake Manufacturing, Inc., an Illinois corporation ("Rockford Brake") at 302 Peoples Avenue, Rockford, Illinois, and with such entities collectively referred to in this Agreement as the "Parties".

RECITALS

WHEREAS, the City has available funds as a result of Casino Economic Development Funding Plan to the benefit of the community and is allocating \$250,000 to assist Rockford Brake in manufacturing Gunite Drums; and

WHEREAS, Rockford Brake manufactures Gunite Drums at 302 Peoples Avenue employing hundreds of people; the City recognizes the need for assistance and the importance of the facility to the to the City of Rockford; and

WHEREAS, Rockford Brake is a start-up company and needs financial assistance while they are building up revenues and balancing cash flow and long-term stability of Rockford Brake; and

WHEREAS, Rockford Brake is dedicated to meeting the needs of the business community and their employees; and

WHEREAS, the City shall make a funding commitment to Rockford Brake in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) to support the establishment of Rockford Brake and the manufacturing of Gunite Drums at 302 Peoples Avenue;

NOW, THEREFORE, BE IT RESOLVED, the City and Rockford Brake mutually agree as follows:

1. RECITALS. The above recitals are incorporated in this Agreement by this reference and made a part of this Agreement.
2. CITY RESPONSIBILITIES.
 - A. The City shall provide funding to Rockford Brake in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for operational costs related to the manufacturing of Gunite Drums at 302 Peoples Avenue.
3. TERM. The term of this Agreement shall be for one (1) year from date of execution of this Agreement.
4. PAYMENTS. The City shall provide funds to Rockford Brake in one installment of Two

Hundred Fifty Thousand Dollars (\$250,000) within 60 days of approval and execution of this agreement.

5. FUNDING AND USE OF FUNDS.

- A. Rockford Brake shall remain open and manufacturing Gunite Drums for no less than 12 months from execution of the agreement.
- B. Rockford Brake shall use funds solely for operation costs, including salary and benefits of employees and materials in the manufacturing of Gunite Drums.
- C. All funds will be held, managed and expended by Rockford Brake and dedicated solely to this effort.
- D. Rockford Brake shall provide appropriate documentation of eligible costs acceptable to the City, as requested by the City.
- E. Any funds not utilized per the terms of this development agreement prior to the termination or expiration of this agreement shall be returned to the City.

6. DOCUMENTATION. Rockford Brake shall maintain documentation for all expenditures to verify payment of eligible costs. Rockford Brake shall provide documentation upon request from the City.

7. PERMITTING AND CODES. Rockford Brake comply with this Agreement and all applicable federal, state, county, municipal or administrative laws, ordinances, rules, regulations, codes and orders relating in any way to renovations including any historic preservation requirements.

8. INDEPENDENT CONTRACTOR. Rockford Brake shall perform as an independent contractor with sole control of the manner and means of performing the establishment of this Agreement. Rockford Brake shall complete this Agreement according to Rockford Brake's own means and methods of work, which shall be in the exclusive charge and control of Rockford Brake and which shall not be subject to control or supervision by the City except as to the result of the work. Rockford Brake is, for all purposes arising out of this Agreement, an independent contractor, and neither Rockford Brake employees shall be deemed an employee of the City, by reason of this Agreement.

9. INDEMNIFICATION AND INSURANCE. Rockford Brake, its subcontractors and agent(s), hereby release and convey and agree to indemnify and save harmless the City of Rockford, its representatives, officers, agents and employees from any and all claims, causes of action, demands for damages, suits, either in law or in equity, or expenses or liabilities of any kind, arising out of or by virtue of the execution and performance of this Agreement or any other Agreement entered into pursuant to this Agreement. In the event that any action or proceeding is brought against the City, its representatives, officers, agents and/or its employees by reason of any such claim or

demand, Rockford Brake will at its sole cost and expense, resist or defend such action or proceeding.

All insurance policies shall provide that they may not be cancelled or modified, except for increase in coverage, without thirty (30) days, prior-written notice to the City. All insurance required hereunder shall be by a company or companies licensed to conduct business in the State of Illinois.

10. NON-ASSIGNABILITY. This Agreement and the funding provided hereunder shall not be assignable, without the approval of the City, either by action of Rockford Brake or by operation and execution of this Agreement.

11. LEGAL COMPLIANCE. In all matters pertaining to this Agreement, Rockford Brake and the City shall conform strictly to all federal, state and municipal laws, applicable rules and regulations, and any and all amendments thereto, and to the methods and procedures of all governmental boards, bureaus, offices, commissions and other agencies.

12. NON-DISCRIMINATION. Rockford Brake agrees to comply and assure that no unlawful discrimination against any person or group of persons on account of race, sex, creed, color, age, handicap, or national origin shall be made in the provision of services, or in any other manner in performance of this Agreement.

13. CONFLICT OF INTEREST. The City and Rockford Brake hereby covenant and agree:

- A. No member of the City Council, nor any other public official who exercises any functions or responsibilities with respect to this program during the individual's term or for one year thereafter, shall have any personal or financial interest, direct or indirect, other than the employee's salary, in any matter to be performed in connection with the assistance under this Agreement.
- B. The provisions of subparagraph A shall also apply to employees of the Rockford Brake.

14. TERMINATION.

A. **Events Causing Termination.** This Agreement shall terminate upon any of the following events:

- i. Voluntary or involuntary dissolution of Rockford Brake, or a request from the Rockford Brake, granted by the City, to terminate its duties under this Agreement.
- ii. Termination by the City for cause pursuant to subparagraph (B) of this paragraph.

B. **Termination for Cause.** If, through any cause, Rockford Brake shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if Rockford Brake shall violate any of the covenants, agreements or stipulations of this contract,

the City shall give written notice to Rockford Brake of such violation. In the event that Rockford Brake neglects or refuses to correct or cure said violation to the satisfaction of the City within sixty (60) days of its receipt of notice, then to the extent that a material or substantive breach of this Agreement still exists as of said date, this Agreement shall be void and the parties shall be subject to the liabilities set forth below.

- C. **Liabilities Upon Termination.** In the event of termination, Rockford Brake shall be entitled to receive just and equitable compensation for any expenses properly incurred under this Agreement, prior to notice of termination. Notwithstanding the above Rockford Brake shall not be relieved of liability to the City damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold any payments to Rockford Brake for the purpose of set off until such time as the exact amount of damages due the City from Rockford Brake is determined.
- D. **Remedies Other Than Termination.** Should review of Rockford Brake performance show nonconformance to any terms or conditions herein, Rockford Brake shall be in breach of this Agreement, and the City may take appropriate actions as it deems necessary, including but not limited to temporary withholding or reduction of payment. The selection of a remedy other than termination shall not prevent the City from subsequently terminating this Agreement as described herein.

15. **WAIVER.** Either party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that such waiver shall be in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party under this Agreement.

16. **ADMINISTRATION.** The terms and provision of this Agreement shall be administered on behalf of the City by its Director of Community Development. Unless law otherwise requires, all necessary notices, submissions, and approvals shall be given to or by the Director.

17. **NOTICES.** All notices, approvals, demands, requests, or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this program, shall be deemed properly given if hand delivered or sent by United States registered mail, postage prepaid, at the following addresses:

AS TO THE CITY:

Director,
Community & Economic Development Department
City of Rockford
425 E. State Street
Rockford, Illinois 61104

With copies to:

Legal Director
City of Rockford
425 E State Street
Rockford, Illinois 61104

AS TO THE
Rockford Brake:
Paul Wright
CEO
302 Peoples Avenue
Rockford, IL. 61107

18. AMENDMENTS. This Agreement may be amended by written instrument executed by the parties hereto, acting therein by their duly authorized representatives.

Any amendment(s) hereto must be approved by the City Council of the City of Rockford by resolution.

The City or Rockford Brake may request changes in the terms hereunder. Such changes, including any increase or decrease in the amount of compensation for Rockford Brake, which are mutually agreed upon by and between the City and Rockford Brake shall be incorporated in written amendments to this Agreement.

19. SEVERABILITY. If any term or provision of this Agreement or the application thereof to any person or circumstances, shall to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be effected thereby, and each remaining term and provision hereof shall be deemed valid and be enforced to the fullest extent permitted by law.

20. GOVERNING LAW. This Agreement shall be governed by and construe in accordance with the laws of the State of Illinois and the Ordinances of the City of Rockford.

21. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. ENTIRE AGREEMENT. The parties acknowledge and agree that this Agreement represents the entire agreement between the parties.

23. THIRD PARTY BENEFICIARY. Nothing contained in this Agreement or any act of the City or Rockford Brake shall be deemed or construed by any of the parties hereto, or third persons to create any relationship of third party beneficiary, principal, or agent limited or general partnership, joint venture or any association or relationship involving the City.

24. FORCE MAJEURE. Neither party shall be liable or responsible to the other party, or be deemed to have defaulted under or breached this agreement, for any failure or delay to fulfill its obligations under this Agreement when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's reasonable control, including, but not limited to, the following force majeure events: acts of God, acts of the public enemy, wars, invasions, hostilities, state or federal governmental action, laws, orders, or rules, acts of terrorism, fires, floods, earthquakes, epidemics, pandemics, quarantine restrictions, national or regional emergencies, labor difficulties, freight embargoes, and transportation shortages. The party claiming excuse from performance ("Claiming Party") must take reasonable efforts to remove the cause of its inability to perform or its delay in performance. The Claiming Party must give prompt written notice to the other party of the Force Majeure Event, specifying its nature and anticipated duration, and provide an estimate of when performance may continue.

25. AUTHORITY.

- A. Actions.** The City covenants to Rockford Brake and agrees that the City will take such actions as may be required and necessary to enable the City to execute this Agreement and to carry out fully and perform the terms, covenants, agreements, duties, and obligations on its part to be kept and performed as provided by the teams and provisions hereof.
- B. Powers.** The City hereby represents and warrants to Rockford Brake that the City has full constitutional and lawful right, power, and authority under currently applicable law to execute, deliver, and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by any necessary City proceedings, findings, and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions, and does not require the consent of any other governmental authority. Rockford Brake hereby represents and warrants that it is a duly organized, validly existing Illinois corporation and that it has the right, power, and authority to execute, deliver, and perform the terms and obligations of this Agreement. This Agreement constitutes the legal, valid, and binding obligation of Rockford Brake, enforceable in accordance with its terms and provisions.

IN WITNESS WHEREOF, the City and Rockford Brake have executed this Agreement on the date above first written.

CITY OF ROCKFORD
A Municipal Corporation

BY: _____
Thomas P. McNamara, Mayor

_____ Date

ATTEST: _____
Angela L. Hammer, Legal Director

Date

Rockford Brake Manufacturing Inc.

BY: _____

Date

DRAFT



12/16/2025

Hi Todd,

I wanted to provide you a brief update on the business at Rockford Brake Manufacturing as we continue to work through our start-up

After our announcement on October 27th it's been a great effort by everyone on the team to establish Rockford Brake in the market, and re-introduce Gunite brake drums. Our team has quickly grown to over 100 members, approximately 85% of those up to this point had previously been employees at the site.

We had heard from many sources who had reviewed purchasing the business that it could never be restarted, or that it would take 6 months and \$30M to do so. The Rockford Brake team executed our start up on time and on budget, less than 6 weeks and \$3M later we started into production, successfully producing approximately 10,000 brake drums in a little over a week. Our start-up model involves the same team members moving from one side of the facility to the other, where they finish machine the products we produce in the foundry. We were able to successfully start the CNC assets and machine and package the drums, the majority of which have already been shipped to customers.

It was critical that we were able to finish two campaigns to fully cure the melting cupola and furnace before the weather turned to consistently below zero, we restarted the foundry in early December, producing approximately 20,000 castings prior to completing our run on December 19th. This second run doubled our output entirely through productivity, and included shifts of over 2,500 pieces moving closer to the historical rates of production of the business that are needed for the business to hit it's profitability goals.

Up to this point we have shipped approximately \$600,000 of product to 14 different states, with over \$250K of booked sales prior to year end. We have also received blanket orders for \$1M on our highest running product, and have submitted our production samples to our OEM truck

Rockford Brake Manufacturing
302 Peoples Avenue
Rockford, IL, 61104

(855) DRUM-RBM
www.RockfordBrake.com



GUNITE DRUMS BY ROCKFORD BRAKE



customer, that will provide ongoing revenue of approximately \$1M per month that we expect to begin shipping in 1Q26.

As we expected in our plan our cash consumption is higher than our revenue until the middle of next year and we continue to work with multiple sources on investment in the business, in conversations with Rockford community bank we have been able to secure \$0.5M in financing prior to year end, with the expectation that our small business loan funds become available in early 1Q25, that should provide the bridge allowing us to leverage our assets to fully collateralize the assets we continue to build in working capital. We're thankful for the continued support of the community of the community as we continue to move forwards.

I'd invite you and all your colleagues at the City of Rockford to follow The Rockford Brake Manufacturing LinkedIn page <https://www.linkedin.com/company/rockford-brake> which is now up to almost 700 followers to continue to stay updated with our story. America loves a comeback story, we're giving them one

Sincerely,

Paul Wright
CEO

Rockford Brake Manufacturing
302 Peoples Avenue
Rockford, IL, 61104

(855) DRUM-RBM
www.RockfordBrake.com



Thomas P. McNamara, Mayor

MEMORANDUM

TO: Planning and Development Committee

FROM: Todd Cagnoni, City Administrator *Todd*

RE: Proposed amended development agreement with First Midwest Group (Machesney Investment LLC) and McDonalds for the establishment of a McDonalds at 4103 West State Street.

DATE: December 19, 2025

For your consideration, is proposed amended development agreement with First Midwest Group (Machesney Investment LLC) and McDonalds for the establishment of a McDonalds at 4103 West State Street for an additional amount of \$200,000. Funding Source is 2025 Casino Plan Funds / Economic Development High Risk Area in the amount of \$200,000. The funding is requested to fill the gap on the developers expected return from the development.

First Midwest Group currently owns the property under an LLC and has for the last eight years. The property is subject to a development agreement executed in 2017 that allowed the establishment of DaVita as the first phase of development. The terms of the existing development agreement provide the Developer reimbursement of 100% of the annual incremental taxes generated by the improvement to the Property, on a pay-as-you-go bases from the Springfield Corners TIF District.

The developer has provided a detailed gap analysis / narrative for the McDonalds and development which is included as part of the packet. The summary includes significant detail related to the financial gap and summary of benefits to the City, including return on investment to the City.

Staff recognizes the benefits in the establishment of the additional development on the west side, but questions why tax payers have to provide financial incentive to the benefit of McDonalds. City Council recently approved a Policy on Food Insecurity that recognizes the harm a high number of fast-food restaurants in concentrated area can have, (Food Swamp). Staff does not suggest the project should be prohibited and supported the zoning approval, but feels the utilization Economic Development funds for High Risk areas could be better invested to serve west side residents.

Funding provided outside of TIF funds will require State of Illinois prevailing wage requirements to be satisfied.

Staff recommends denial of proposed amendment to the development agreement. Should you have any questions, please let me know.

COMMITTEE REPORT

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Planning and Development, to whom was referred the matter of the approval of the proposed amendment to the Development Agreement with First Midwest Group (Machesney Investment LLC) and McDonald's for the establishment of a McDonald's at 4103 West State Street in the amount of \$200,000, hereby begs leave to report **recommending approval** of the request as recommended.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Karen Hoffman

Jaime Salgado

Gina Meeks

Committee Action Taken: January 12, 2026

Wilkins: Ayes:____ Nays:____ Absent:____

Durkee: Ayes:____ Nays:____ Absent:____

Hoffman: Ayes:____ Nays:____ Absent:____

Salgado: Ayes:____ Nays:____ Absent:____

Meeks: Ayes:____ Nays:____ Absent:____

COMMITTEE REPORT

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Planning and Development, to whom was referred the matter of the approval of the proposed amendment to the Development Agreement with First Midwest Group (Machesney Investment LLC) and McDonald's for the establishment of a McDonald's at 4103 West State Street in the amount of \$200,000, hereby begs leave to report **recommending denial** of the request as recommended.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Karen Hoffman

Jaime Salgado

Gina Meeks

Committee Action Taken: January 12, 2026

Wilkins: Ayes:____ Nays:____ Absent:____

Durkee: Ayes:____ Nays:____ Absent:____

Hoffman: Ayes:____ Nays:____ Absent:____

Salgado: Ayes:____ Nays:____ Absent:____

Meeks: Ayes:____ Nays:____ Absent:____

**AMENDMENT TO THE DEVELOPMENT AGREEMENT
BETWEEN CITY OF ROCKFORD AND MACHESNEY INVESTMENTS**

This AMENDMENT TO THE DEVELOPMENT AGREEMENT (“Amendment”) is made and entered into as of the _____ day of _____, 2025, by and between the CITY OF ROCKFORD, an Illinois municipal corporation (“the City”) and MACHESNEY INVESTMENTS L.L.C (“Developer”). The foregoing participants to this Agreement shall be collectively referred to as the “Parties.”

WHEREAS, on February 8, 2017, the City and Developer entered into a development agreement (“Agreement”) for financial assistance through the Springfield Corners Tax Increment Financing District (“Midtown TIF”) for the rehabilitation of 4103 W. State Street, Rockford (“Property”); and

WHEREAS, the project included redeveloping the property by constructing up to three commercial buildings, associated parking lots and related amenities; and

WHEREAS, pursuant to the Agreement, the City will provide reimbursement for Redevelopment Project Costs as defined in the TIF Act at the rate of 100% of the incremental increase in property taxes generated by the initial development of the Project on a pay-as-you-go basis from the Springfield Corners TIF through December 31, 2025; and

WHEREAS, the Developer has constructed a DaVita dialysis clinic on the property;

WHEREAS, the Developer is now seeking to construct a new McDonald’s restaurant on the property, but the existing Agreement does not cover additional requested gap in financing to advance the project; and

WHEREAS The project is value-creating phase of a long-term development project initiated approximately eight years ago to develop an underutilized parcel at the intersection of West State Street and Springfield Avenue as a strategic location with significant redevelopment potential.

WHEREAS, the Parties desire to amend the Agreement to include additional funding in the amount of Two Hundred Thousand Dollars (\$200,000).

NOW, THEREFORE, the City and Developer agree as follows:

1. The Recitals set forth above are an integral part of this Amendment and by this reference are incorporated in this Section 1.
2. Section 2 of the Agreement shall be amended to include subsection (g) as follows:

Prevailing Wage: The Agreement calls for the construction of a “public work,” within the meaning of the Illinois Prevailing Wage Act, 820 ILCS 130/.01 *et seq.* (“the Act”). Pursuant to the Act, contractors and subcontractors shall pay laborers, workers, and mechanics performing services on public works projects no less than the “prevailing rate of wages”

(hourly cash wages plus fringe benefits) in the county where the work is performed.

3. Section 2 of the Agreement shall be amended to include subsection (h) as follows:

Certified Payroll: Pursuant to the Act, any contractor and any subcontractor who participates in the public works shall file with the State of Illinois certified payroll for those calendar months during which work on the public works project occurs. Certified payrolls shall be made available to the City upon reasonable request to monitor for compliance with the Act.

4. Section 3 of the Agreement shall be amended to insert a new subsection (a) as follows:

City shall disburse Casino Economic High-Risk Neighborhood grant funds to Developer in the amount of Two Hundred Thousand Dollars (\$200,000) upon completion of the Project and issuance of a final Certificate of Occupancy.

5. All remaining subsections in Section 3 are renumbered accordingly.

6. Subsection 3(f) shall be amended as follows:

WITH EXCEPTION OF THE \$200,000 GRANT FUNDING, THE CITY'S OBLIGATION TO PAY THE DEVELOPER UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE SPECIAL TAX ALLOCATION FUND OF THE CITY CREATED WITH RESPECT TO THE PROJECT AS DEFINED IN PARAGRAPH 2. (a) ABOVE, (THE "STAF") AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY.

7. Other than the section amended herein, all remaining provisions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Development Agreement on the date first above written.

Machesney Investments L.L.C.,
Developer

BY: _____
General Partner

CITY OF ROCKFORD, an Illinois
Municipal Corporation

BY: _____
Thomas P. McNamara
Mayor

ATTESTED: _____
Angela L. Hammer
Legal Director

STATE OF ILLINOIS)
) SS
COUNTY OF WINNEBAGO)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting Legal Director and ex officio Keeper of the Records and Seal of the City of Rockford, Winnebago and Ogle Counties, Illinois (the "City"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the City and of the City Council (the "City Council") thereof.

I do further certify that on the 8th day of February, 2017, there was published in pamphlet form, by authority of the City Council, a true, correct and complete copy of Ordinance No. **2017-18-O** and said resolution was so published on said date readily available for public inspection and distribution, in sufficient number, at my office as Legal Director and ex officio Keeper of the Records and Seal located in the City.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of
the City, this 8th day of February, 2017.

[SEAL]

LEGAL DIRECTOR AND EX OFFICIO
KEEPER OF THE RECORDS AND SEAL

LSV/nd

Committee report passed: 2/6/17

ORDINANCE NO. 2017-18-0

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKFORD,
WINNEBAGO COUNTY AND OGLE COUNTY, ILLINOIS, THAT:

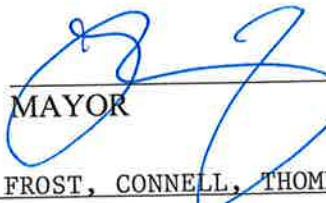
The attached Development Agreement between the City of Rockford and First Midwest Group (Machesney Investments, LLC) for the construction of a commercial /retail node including Davita dialysis medical services center at the northwest corner of West State Street and North Springfield Avenue be approved and the Mayor and Interim Legal Director be authorized to execute the same.

The provisions and sections of this Ordinance shall be deemed severable, and the invalidity of any portion of this Ordinance shall not affect the validity of the remainder.

All orders, resolutions, or ordinances in conflict herewith are hereby repealed insofar as such conflict exists, and this Ordinance shall take effect immediately upon its passage, approval, and publication, as required by law.

A full, true and complete copy of this Ordinance shall be published within ten (10) days after passage in pamphlet form by and under authority of the Corporate Authorities.

APPROVED:



MAYOR

AYES: DURKEE, GETCHIUS, McNAMARA, FROST, CONNELL, THOMPSON-KELLY,
ODDO, NEWBURG, BEACH, ELYEA, MCNEELY, CHIARELLI

NAYS: _____

ABSENT: HERVEY, BECK

ABSTAIN: _____

ATTESTED:



INTERIM LEGAL DIRECTOR

PASSED: 2/6/17 APPROVED: 2/6/17 PUBLISHED: 2/6/17
FILED in my office this 8th day of February, 2017, and published in
pamphlet form this 8th day of February, 2017 by order of the City Council
of the City of Rockford, Illinois.



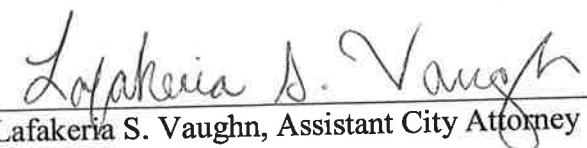
Interim Legal Director and ex officio
Keeper of the Records and Seal

APPROVED BY:



Kerry F. Partridge, Interim Legal Director

RECOMMENDED BY:



Lafakeria S. Vaughn, Assistant City Attorney

[SEAL]

DEVELOPMENT AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into this 8th day of February, 2017, by and between the CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation (the "City"), and MACHESNEY INVESTMENTS, L.L.C. (the "Developer").

PREAMBLES

WHEREAS, in the Redevelopment Project Area (as defined below), the City has identified a need for the location and redevelopment of commercial property in the City; and

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, et seq., as from time to time amended (the "TIF Act"), the Mayor and Aldermen of the City (collectively, the "Corporate Authorities") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "conservation area," as such term is defined in the TIF Act; and

WHEREAS, in accordance with the requirements of the TIF Act, on October 15, 2002, the Corporate Authorities adopted Ordinance No. 2002-266-0 which approved a redevelopment plan and project, entitled the Springfield Corners Tax Increment Financing Redevelopment Plan and Program (the "Redevelopment Plan"), for the Springfield Corners Area (the "Redevelopment Project Area"); and

WHEREAS, also in accordance with the requirements of the TIF Act, on October 15, 2002 the Corporate Authorities adopted Ordinances No. 2002-265-0 and No 2002-264-0, which designated the Redevelopment Project Area as a "redevelopment project area," as that term is defined under the TIF Act, and approved tax increment financing for the purpose of implementing the Redevelopment Plan for the Redevelopment Project Area; and

WHEREAS, the Corporate Authorities have determined that the blighting factors described in the Redevelopment Plan are detrimental to the public and impair development and growth in the Redevelopment Project Area, with the result that it is necessary to incur extraordinary costs in order to develop the Redevelopment Project Area; and

WHEREAS, the blighting factors in the Redevelopment Project Area will continue to impair growth and development but for the use of tax increment allocation financing to pay Redevelopment Project Costs, as that term is defined in Section 3(d) of this Agreement, which necessarily must be incurred to implement the aforesaid program of redevelopment; and

WHEREAS, the Developer is the fee simple title holder to real estate, which said real estate is located within the Redevelopment Project Area, and Developer proposes to redevelop the property, constructing up to three commercial buildings, associated parking lots and related amenities (the "Project"), all as more fully described on Exhibit A attached hereto and incorporated herein. Said real estate is legally described on Exhibit B, attached hereto and incorporated herein (the "Subject Property"); and

WHEREAS, the proposal of the Developer is to do the following in connection with the Project: (i) undertake and pay for the costs of all plans and specifications, professional fees and apply for and receive all required plan review approvals and permits; and (ii) undertake and complete the Project in compliance with the approved plans and permits and city codes; and

WHEREAS, upon substantial completion, the Project will represent an investment on the part of the Developer of approximately \$1,730,000; and

WHEREAS, the Project is consistent with the Redevelopment Plan and is located within the Redevelopment Project Area; and

WHEREAS, the City is authorized under the TIF Act to enter into redevelopment agreements and to reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement and which are further designated by law as eligible costs as defined by the TIF Act; and

WHEREAS, in order to induce the Developer to complete the Project, the Corporate Authorities have determined that it is in the best interests of the City and the health, safety, morals and welfare of the residents of the City, on the terms and subject to the conditions set forth in this Agreement, to reimburse the Developer for eligible Redevelopment Project Costs in an amount not to exceed the TIF eligible expenses incurred by the developer; and

WHEREAS, the Corporate Authorities have determined that the obligations of the City for the benefit of the Developer described in the immediately preceding recital and the completion of the Project by the Developer pursuant to this Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents and taxpayers and will be in furtherance of the Redevelopment Plan, thereby providing for economic development, enhancing the tax base of the City and other taxing districts and adding to the welfare and prosperity of the City and its inhabitants.

NOW, THEREFORE, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Section 1. Incorporation of Recitals.

The recitals contained in the Preambles to this Agreement are true and correct and are hereby incorporated into this Agreement as though they were fully set forth in this Section 1.

Section 2. Development of the Project.

(a) Developer has an opportunity to immediately construct a Davita dialysis clinic and subsequently construct two additional commercial buildings on the Subject Property. The parties acknowledge that the development of the Project will take place in phases over multiple years. The minimum investment by the Developer for the Davita dialysis clinic shall be \$1,730,000.

(b) Prior to commencing construction, the Developer shall apply to the City for all necessary building permits for the improvements to be made by the Developer by submitting all plans and specifications required pursuant to the City Code of Ordinances ("City Code"). The Developer

shall be responsible for all building permit fees. The City shall review the building permit application as provided in the City Code. The plans and specifications and all other required submissions shall also comply with all applicable federal, state, county, municipal or administrative laws, ordinances, rules, regulations, codes and orders relating in any way to the development of the Project (collectively, the "Legal Requirements").

(c) The proposed Project is currently permitted and in compliance with the City zoning ordinance and its land use regulations. In the event such regulations are amended in the future wherein the current use, setbacks and other features of the Project are no longer permitted, such features shall be considered "lawful non-conforming" and allowed to continue as provided for by the City Zoning Ordinance.

(d) Development of the Subject Property shall be completed at the sole cost and expense of the Developer and shall, unless otherwise agreed in advance by the parties in writing, conform to the approved plans and specifications. The project will not require sidewalk along Lydia or curb and gutter West of the furthest entrance of Lydia.

(e) In recognition of the contribution of Tax Increment to the Project the assessed value of the property or the project during the initial term of the Springfield Crossings Tax Increment Financing District (final Levy Date of 12/31/2025) shall not be protested without the consent of the City.

(f) In recognition of the contribution of Tax Increment to the Project, Developer agrees that the property shall not be used for:

- (i) Adult uses;
- (ii) Tattoo shops;
- (iii) Gaming machine establishments, but not prohibiting a legitimate restaurant/bar that has gaming machines as an ancillary component of its operations;
- (iv) Tobacco stores;
- (v) Second Hand store, excluding national or regional brands (such as ReTool, Play It Again Sports, Plato's Closet, Gamestop, etc.);
- (vi) Cash for Gold store;
- (vii) Payday Loan store; and
- (viii) Title Loan store.
- (ix) Pawn Shop

Section 3. Developer Payments.

(a) As long as no event described in Section 14 of this Agreement shall have occurred and be continuing, the City shall reimburse the Developer for the Redevelopment Project Costs incurred by the Developer set forth in Exhibit C (the "Eligible Redevelopment Project Cost Schedule") which are approved by the City pursuant to Section 3(c). The City agrees to provide the Developer 100% of the Increment generated by the Project commencing annually on the year after the Certificate of Occupancy is issued for the remaining term of the initial Springfield Crossings Tax Increment Financing District ending on 12/31/2025.

(b) The TIF funding provided by the City, as described herein, shall be disbursed to Developer by October 31st each year following the receipt of property taxes from the County, but

shall be subject to Developer's proof of such Redevelopment Project Costs under the TIF Act. The Developer shall provide proof of the Redevelopment Project Costs only once upon completion of the Project. These Redevelopment Project Costs shall include those expenses described on Exhibit L and shall include, but not be limited to, land acquisition, demolition, site preparation, rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, landscaping, parking lot construction, utility relocation, architectural and engineering costs, thirty percent (30%) of the interest, based on a commercially reasonable amortization schedule, on a loan secured to pay for the construction of the Project and legal fees. Developer shall provide documentation that the property taxes for the Project have been paid in full and are current. Developer shall submit to the City a written request for reimbursement of the TIF increment along with the documentation of the property tax payment by October 1st of each year.

(c) In connection with the payments set forth in Section 3(b), the Developer shall provide such evidence as the City shall reasonably request to establish that the Developer has incurred the costs for the work identified in Exhibit C. Such evidence shall include but not be limited to bills, paid receipts, contracts, invoices, lien waivers or other similar evidence. All bills and receipts shall contain the date of service, type of service, location of service, amount paid, name/address/telephone number of the service provider and other information as necessary to establish the identity of the provider, type of service and amount invoiced / paid.

(d) For purposes of this Agreement, "Redevelopment Project Costs" shall mean and include all costs defined as "redevelopment project costs" in Section 11-74.4-3(q) of the TIF Act which are eligible for reimbursement under the TIF Act and this Agreement.

(e) Notwithstanding anything to the contrary contained herein, Developer shall have the right to designate a different entity to whom payments hereunder shall be made. Developer's initial designated entity is First Mulford Retail, Inc.

(f) THE CITY'S OBLIGATION TO PAY THE DEVELOPER UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE SPECIAL TAX ALLOCATION FUND OF THE CITY CREATED WITH RESPECT TO THE PROJECT AS DEFINED IN PARAGRAPH 2.(a) ABOVE, (THE "STAF") AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY.

Section 4. Term.

Unless earlier terminated pursuant to Section 14 hereof, the term of this Agreement shall commence on the date of execution and end upon the first to occur of (i) the date the aggregate payments to the Developer pursuant to Section 3 hereof equal the total Redevelopment Project Costs expended or (ii) the termination of the Redevelopment Project Area as required by law. The parties agree that the covenant prohibiting the protest of assessed valuation of the property set forth in Section 2 (e) and Section 2(f) above, shall survive the agreement and shall bind the Developer's heirs, successors, assigns and legatees.

Section 5. No Liability of City to Others for Developer's Expenses.

The City shall have no obligations to pay costs of the Project or to make any payments to any person other than the Developer, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the development of the Project.

Section 6. No Discrimination.

The Developer for itself and its successors and assigns agrees that, in the development of the Project, the Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Developer shall take affirmative action to require that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising and solicitations or advertisements for employees; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the City, setting forth the provisions of this nondiscrimination clause. Notwithstanding the foregoing, the Developer shall be entitled to employ union labor hereunder pursuant to the rules, regulations and practices of applicable unions.

Section 7. Waiver.

Either party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that such waiver shall be in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party under this Agreement.

Section 8. Assignment.

This Agreement may not be assigned by the Developer without the prior written consent of the City. No such assignment shall be deemed to release the Developer of its obligation to the City unless the City specifically consents to such release, which it is under no obligation to do.

Section 9. 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.

Section 10. 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 the Developer:

Machesney Investments, L.L.C.
c/o First Midwest Group
6801 Spring Creek Rd.
Rockford, IL 61114

To the City:

City of Rockford
Attention: City Administrator
425 East State Street
Rockford, Illinois 61104

With a copy to:

ATTN: General Counsel
First Midwest Group
6801 Spring Creek Rd.
Rockford, IL 61114

Section 11. Successors and Assigns.

The terms, conditions and covenants set forth in this Agreement shall extend to, be binding upon, and inure to the benefit of the respective successors and permitted assigns of the City and the Developer and shall run with the land. Any person or entity now or hereafter owning legal title to all or any portion of the Subject Property, including the Developer, shall be bound to this Agreement only during the period such person or entity is the legal titleholder of the Subject Property or a portion thereof, however, that all such legal title holders shall remain liable after their ownership interest in the Subject Property ceases as to those liabilities and obligations which accrued during their period of ownership but remain unsatisfied or unperformed.

Section 12. 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.

Section 13. Memorandum.

Either party, at its sole expense, may record this Agreement in the Office of the Recorder of Deeds, Winnebago County, Illinois.

Section 14. Remedies – Liability.

(a) If the Developer is in default of this Agreement, the City shall provide the Developer with a written statement setting forth the default of the Developer. Default is defined as Developer's lack of fulfillment of any obligation under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such default until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, said thirty (30) day period shall be extended for such

time as is reasonably necessary for the curing of the same, as long as the Developer is diligently proceeding to cure such default. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(b) If the Developer shall fail to cure any default after the expiration of the cure period described in subparagraph (a), the City may elect to terminate this Agreement or exercise any other right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy or insolvency act shall be filed by or against the Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the debts of the Developer, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law, but is not required, with or without notice of such election and with or without entry or other action by the City, to terminate this Agreement. To effect the termination of this Agreement under this Section 14(b), the sole obligation of the City shall be to record, in the Office of the Winnebago County Recorder, a Certificate of Default, executed by the Mayor of the City or such other person as shall be designated by the Corporate Authorities, stating that this Agreement is terminated pursuant to the provisions of this Section 14(b), in which event this Agreement, by virtue of the recording of such certificate, shall automatically become null and void and of no further force and effect.

(c) In addition to any other rights or remedies, the City may institute legal action to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance. In the event the City shall institute legal action against the Developer because of a default of this Agreement, the City shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

(d) The rights and remedies of the City are cumulative and the exercise by the City of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the Developer.

(e) If the City is in default of this Agreement, the Developer shall provide the City with a written statement setting forth the default. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, as long as the City is diligently proceeding to cure such default. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting its rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach. In addition to any other rights or remedies, the Developer may institute legal action to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law

or in equity, including, but not limited to the equitable remedy of an action for specific performance.

Section 15. Amendment.

This Agreement, and any exhibits attached to this Agreement, may be amended only in a writing signed by all the parties or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof.

Section 16. Signs.

The City may erect a sign of reasonable size and style in a conspicuous location on the Subject Property during the development of the Project indicating that the City provided tax increment financing to assist the Project.

Section 17. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 18. Time is of the Essence.

Time is of the essence of this Agreement; provided, however, a party shall not be deemed in material breach of this Agreement with respect to any obligations of this Agreement on such party's part to be performed if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, war, fuel shortages, accidents, casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or similar causes beyond the reasonable control of such party ("Force Majeure"). If one of the foregoing events shall occur or either party shall claim that such an event shall have occurred, the party to whom such claim is made shall investigate the same and consult with the party making such claim regarding the same and the party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

Section 19. Choice of Law/Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court for Winnebago County, Illinois.

Section 20. Cooperation and Further Assurances.

The parties covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents

supplemental hereto and such further acts as may be reasonably required to carry out the terms, provisions and the intent of this Agreement. The City agrees to cooperate with the Developer in the Developer's attempts to obtain all necessary governmental approvals for the Project. The City shall further promptly process and consider reasonable requests of the Developer for relief or variances from any City ordinances, applicable building permits, or other permits necessary for the construction of the Project.

Section 21. Repealer.

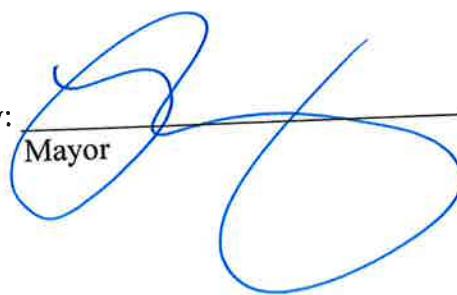
To the extent that any ordinance, resolution, rule, order or provision of the Code, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

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

Machesney Investments, L.L.C.
By: Sunil Millennium Capital II, L.P.

By: 
Sunil Puri, General Partner

CITY OF ROCKFORD, ILLINOIS
A Municipal Corporation

By: 
Mayor

ATTEST:


Interim City Legal Director

EXHIBIT A

The Project consists of the redevelopment of the lot commonly referred to as 4103 W. State St., Rockford, IL, PIN: 11-20-131-012. The full scope of the redevelopment project involves the following activities, some of which have occurred prior to the date hereof:

1. Acquisition of the Subject Property
2. Removal of the remnants of the previously demolished building that was located on the Subject Property.
3. Site grading and preparation for redevelopment.
4. Installation of sewer/water lines.
5. Installation of new electrical services
6. Construction of new ~6,700 square foot building on northernmost lot of the Subject Property
7. Construction of up to two new buildings on the southernmost two lots
8. Construction of new parking lots and associated landscaping on the Subject Property.
9. Construction of pylon signage for buildings.
10. Building out interior spaces for tenants.

Exhibit B

Lots Ninety-five (95), Ninety-six (96), Ninety-seven (97), Ninety-eight (98), One Hundred Two (102) and One Hundred Three (103) as designated upon the Plat of Second Lincoln Park Subdivision, a Subdivision of part of the Northwest Quarter (1/4) of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, the Plat of which Subdivision is recorded in Book 13 of Plats on page 51 in the Recorder's Office of Winnebago County, Illinois, together with the now vacated alley lying between Lots Ninety-seven (97), Ninety-eight (98), One Hundred Two (102) and One Hundred Three (103) and the South Half (1/2) of said alley lying North of Lots Ninety-five (95) and Ninety-six (96); ALSO, a tract of land lying in the Northwest Quarter (1/4) of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows, to-wit: Beginning at a point of intersection of the center line of West State Street and the East line of the Northwest Quarter (1/4) of said Section, said point being 1,110.78 feet South of the Northeast corner of the said Northwest Quarter (1/4); thence Westerly along the center of West State Street, 242.0 feet to a point; thence North on a line parallel with the East line of the Northwest Quarter (1/4) of said Section, 361.08 feet to a point; thence Easterly, parallel with West State Street, 242.0 feet to a point on the said East line of said Northwest Quarter (1/4) of said Section; thence South, along said Quarter (1/4) Section line 361.08 feet to the place of beginning; EXCEPTING THEREFROM that part to the State of Illinois recorded June 15, 1961 in Book 1268 on page 531, described as follows: Part of the Northwest Quarter of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, described as follows: Beginning on the Northerly line of the right-of-way for State Highway State Bond Issue Route 5 at a point 33 feet perpendicularly distant Westerly from the East line of said Northwest Quarter; thence Northerly 109.8 feet, parallel with the East line of said Northwest Quarter; thence Southwesterly on a straight line, 71.02 feet to a point 45 feet perpendicularly distant Westerly from the East line of said Northwest Quarter; thence Southwesterly on a straight line to a point on the Northerly line of the right-of-way for State Highway Bond Issue Route 5 which is 85 feet perpendicularly distant Westerly from the East line of said Northwest Quarter; thence Easterly on said right-of-way line to the point of beginning; FURTHER EXCEPTING THEREFROM part of the Northwest Quarter (1/4) of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, Winnebago County, Illinois, described as follows: Beginning at the Southeast corner of Lot One Hundred Thirty-one (131) as designated upon the Plat of Second Lincoln Park Subdivision, being a Subdivision of part of the Northwest Quarter (1/4) of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, the Plat of which Subdivision is recorded in Book 13 of Plats on Page 51 in the Recorder's Office of Winnebago County, Illinois; thence North 84 degrees 52' 05" West along the South line of said Lot One Hundred Thirty-one (131), a distance of 10.86 feet; thence South 21 degrees 04' 03" East, a distance of 15.53 feet; thence South 0 degrees 42' 56" West, a distance of 89.93 feet; thence South 4 degrees 58' 43" East, a distance of 52.18 feet to a point on the West line of Springfield Avenue; thence North 0 degrees 40' 33" East, a distance of 155.44 feet to the point of beginning; situated in the County of Winnebago and State of Illinois.

EXHIBIT C
Eligible Redevelopment Project Cost Schedule Estimates

PROPERTY ACQUISITION	\$300,000.00
ARCH/ENG/PERMIT/LEGAL FEES/COSTS	\$29,500.00
STUDIES/SURVEYS/PLANS	\$15,500.00
DEMOLITION AND SITE PREPARATION	\$650,000.00
COMMISSIONS	\$70,000.00
OVERHEAD/SUPERVISION (10% OF CONSTRUCTION COST)	\$34,000.00
DEVELOPER FEE (10%)	\$34,000.00
INTEREST EXPENSES (30% OF INTEREST INCURRED)	\$300,000.00
 TOTAL COST	 \$1,433,000.00

As you are aware, we have been in discussions with the City Administration for many months regarding the potential for additional development at the West State and Springfield property we began development on almost a decade ago. Sunil and the Mayor have discussed the need for a \$200,000 incentive related to the additional development at this intersection. The following narrative will serve as the Gap Analysis in furtherance of this request.

The Investment Gap

This proposal is not for a new, speculative venture but represents the final, value-creating phase of a long-term development project initiated approximately eight years ago. We identified the underutilized parcel at the intersection of West State Street and Springfield Avenue as a strategic location with significant redevelopment potential. This intersection serves as a critical western gateway to the City of Rockford, and its revitalization aligns directly with the City's long-standing vision to create an attractive and inviting corridor for residents, businesses, and visitors.

Recognizing this potential, we undertook the considerable risk and upfront capital investment to acquire and prepare the site for modern commercial use. The initial phase of this commitment culminated in the successful development and construction of a new facility for DaVita Dialysis, a leading national provider of essential healthcare services. This initial project brought a high-quality medical tenant, stable employment, and critical health infrastructure to the community, demonstrating a tangible commitment to enhancing the neighborhood's economic and social fabric.

This eight-year history of ownership and value creation counters any narrative of short-term speculation. We have patiently managed the asset, borne the market risk, and successfully delivered a community-serving project. The current proposal to facilitate the sale of the remaining pad-ready site to McDonald's is the logical conclusion of this multi-year strategy. The request for a public partnership at this final stage is based on a clear financial need to make the final disposition of this long-held asset economically viable in the current market.

Initial Capital Investment

The successful delivery of the DaVita Dialysis clinic and the creation of a pad-ready site for future development required a significant and comprehensive capital investment. Our total project costs, incurred at the outset of the investment period, amount to **~\$2,366,300**. This figure represents substantial and long term "skin in the game" and provides the foundational cost basis for the subsequent financial analysis. This substantial upfront investment underscores our role in transforming a passive parcel into a productive commercial site, thereby creating the opportunity that is now before the City.

Baseline Transaction Analysis

The financial viability of any project hinges on the total return generated over its entire lifecycle. To determine this, an unlevered pro-forma cash flow analysis was conducted, incorporating all historical costs and revenues, and culminating in the proposed sale of the remaining parcel to

McDonald's this year for a price of \$450,000. This scenario represents the baseline financial reality of the transaction.

The attached GAP analysis, which was originally prepared for the Davita TIF agreement and has been updated with our actual figures since the development, calculates the Internal Rate of Return (IRR), a standard industry metric that measures the total annualized return of an investment by accounting for the timing and magnitude of all cash flows. The result of this baseline analysis reveals an unlevered IRR of **5.96%**. This figure represents the developer's total return on a complex, multi-year development project that involved significant upfront risk and capital.

Benchmarking the Required Rate of Return

When the original TIF agreement was signed in connection with the Davita development we initially targeted a minimum IRR of 11%, a prudent analysis must be grounded in current market realities. The commercial real estate landscape has shifted significantly, characterized by a "higher for longer" interest rate environment and a "flight to quality" among investors. Capital is now more selective, and underwriting is driven by long-term stability and tenant durability rather than speculative growth. Therefore, for the purpose of this analysis, a conservative benchmark IRR of 8.0% is established as the "Required Market Return." The project's baseline IRR of 5.96% still falls significantly short of this defensible, market-based threshold, clearly demonstrating that the project, without public partnership, delivers a substandard return.

Quantifying the Financial Gap

The disparity between the project's baseline performance and the required market return constitutes a quantifiable financial gap. This gap is the central justification for the requested incentive. The attached table illustrates that the rebate functions as a capital infusion at the point of sale, directly improving the project's final cash flow. This enhancement is precisely what is needed to elevate the project's IRR from a substandard 5.96% to a level that approaches the market-justified benchmark. This "but-for" analysis proves that the City's participation is the critical factor that makes the transaction financially feasible, thereby enabling the developer to proceed with the sale and unlock the corresponding public benefits.

Summary of Public Benefits (The City's ROI)

The City's investment yields an immediate, substantial, and durable return. The proposed development will act as a powerful economic engine, generating significant fiscal and economic benefits that far exceed the pay as you go incentive. Key projections include:

- **Significant New Revenue Streams:**
 - Sales Tax: Based on national performance data, a mature, McDonald's restaurant generates average sales of ~\$4,000,000. Based on this, the project will generate an estimated **\$40,000** in total annual sales tax revenue.

- Property Tax: Existing McDonald's located in Rockford range from \$25,000 - \$55,000 per year in property tax depending on location and age. We are assuming a brand new facility will come in towards the higher end of the middle of that range and so we anticipate **\$40,000** in new annual property tax revenue, of which **\$8,000** will flow to the City each year.

This creates a durable and growing income stream that directly supports the City. This permanent expansion of the tax base ensures that the benefits of the City's investment are broadly shared and contribute to the long-term fiscal health and stability of the entire community.

- **Job Creation & Economic Stimulus:** A typical McDonald's will create **50-60 permanent jobs**, providing vital entry-level and management opportunities for Rockford residents in an area of the city that has a significant need. Furthermore, based on an estimated \$2,000,000 construction cost and conservative industry multipliers that project appx. 6.3 jobs per million in commercial construction spending, the project will support approximately **12 temporary construction jobs** during the build out phase, injecting immediate stimulus into the local economy.
- **Catalytic Impact:** The development of a new McDonald's at this location is not an isolated event but a direct and powerful fulfillment of the City of Rockford's long-standing strategic objectives. The project aligns perfectly with the vision and goals articulated in the City's foundational planning documents, including the 2040 Comprehensive Plan and the Economic Development Strategy. Specifically, this project achieves the following stated municipal goals:
 - **Expands the Tax Base:** The project directly addresses the City's core objective to "ensure that its tax base will continue to grow" by transforming an underperforming parcel into a significant generator of both sales and property tax revenue.
 - **Revitalizes a Key Gateway:** West State Street is officially recognized as a vital "gateway" into downtown Rockford. This development enhances this critical entry point, replacing underutilization with a vibrant, modern commercial use that encourages further redevelopment on the city's west side, a key goal of recent public investments.
 - **Attracts Major National Retailers:** The City's economic strategy explicitly calls for efforts to "secure the 'second store' or the next store for major retailers" within city limits. Securing a global leader like McDonald's is an achievement in this regard.
 - **Capitalizes on Public Investment:** The City of Rockford and the Illinois Department of Transportation have invested millions of dollars to reconstruct and enhance the West State Street corridor, including widening the road, adding landscaped medians, and improving pedestrian infrastructure. This development is one of, if not the only major private-sector projects to directly leverage and capitalize on that significant public investment, ensuring it generates a tangible economic return.

The Power of Catalytic Development

Beyond its direct impacts, this project is poised to serve as a powerful catalyst for broader economic revitalization in the surrounding area. The concept of "catalytic development," as defined by research from the Brookings Institution, describes how a single, high-quality project, often anchored by a credible and well-known entity, can create a "virtuous cycle" of investment. Such a project changes market perceptions, builds momentum, and stimulates follow on development by signaling the viability of a recovering area.

McDonald's is a quintessential catalytic anchor. The corporation's site selection process is famously rigorous and data driven. A decision by McDonald's to invest in a location is a powerful, nationally recognized signal to the rest of the market that the area possesses strong commercial fundamentals. This commitment effectively de-risks the corridor for other national, regional, and local businesses...including other retailers, restaurants, and service providers who are likely to follow their lead.

This project represents the crucial bridge between public investment and private sector confidence. The City has already made the strategic decision to invest in the "hardware" of the West State Street corridor the roads, sewers, and streetscapes. This development, enabled by a modest and performance-based incentive, provides the "software" a blue-chip commercial anchor that validates the City's investment and ensures it generates a lasting economic return. It is a critical domino that can trigger a wave of positive redevelopment, helping the City fully realize its vision for West State Street.



Memorandum

To: Alderman Janessa Wilkins, Chairman, Planning & Development Committee
Alderman Tim Durkee, Vice-Chairman, Planning and Development Committee
Alderman Gabrielle Torina
Alderman Karen Hoffman
Alderman Jaimie Salgado

Cc: Mayor Thomas P. McNamara
City Council

From: Todd Cagnoni, City Administrator

Todd Cagnoni

RE: Supplemental Marketing Services Agreement between the Rockford Area and Convention Visitors Bureau (GoRockford) and City of Rockford for \$100,000 annually for two years (2026 & 2027).

Date: January 7, 2025

Please find the proposed Supplemental Marketing Services Agreement between the Rockford Area and Convention Visitors Bureau (GoRockford) and City of Rockford for \$100,000 annually for two years (2026 & 2027).

The proposal is a public-private partnership led by GoRockford that markets Rockford as a desirable place for visitors, workers, families - to live, visit and relocate. Through this effort, the City's investment has been leveraged and made for Rockford has secured \$1.4 million in multi-year support, including:

Woodward Charitable Trust \$150,000 annually 2024, 2025, and 2026
UW Health \$50,000 annually 2025 and 2026
Mercyhealth \$50,000 annually 2025 and 2026
OSF Saint Anthony \$125,000 total 2025–2027
State of Illinois \$500,000 grant 2024–2026
Greater Rockford Chamber of Commerce \$60,000 annually 2025 and 2026

Attached is detailed summary of the campaign with identified strategies and outcomes.

Staff recommends approval of the Agreement between the Rockford Area and Convention Visitors Bureau (GoRockford) and City of Rockford for \$100,000 annually for two years (2026 & 2027).

COMMITTEE REPORT

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Planning and Development, to whom was referred the matter of the approval of the Proposed Supplemental Marketing Services Agreement between the Rockford Area Convention and Visitors Bureau (GoRockford) and City of Rockford for \$100,000 annually for two years (2026 and 2027), hereby begs leave to report **recommending approval** of the request as recommended.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Karen Hoffman

Jaime Salgado

Gina Meeks

Committee Action Taken: January 12, 2026

Wilkins: Ayes:____ Nays:____ Absent:____

Durkee: Ayes:____ Nays:____ Absent:____

Hoffman: Ayes:____ Nays:____ Absent:____

Salgado: Ayes:____ Nays:____ Absent:____

Meeks: Ayes:____ Nays:____ Absent:____

AGREEMENT

THIS AGREEMENT ("AGREEMENT"), entered into this ____ day of _____, 2026, by and between the City of Rockford, an Illinois municipal corporation ("CITY"), and Rockford Area Convention & Visitors Bureau, an Illinois not-for-profit corporation ("GoRockford"), and with such entities collectively referred to in this Agreement as the "Parties".

RECITALS

WHEREAS, the City of Rockford seeks to strengthen its local economy by supporting efforts that lead to increases in resident population, business attraction, and community branding efforts that generate economic activity and employment; and

WHEREAS, GoRockford serves as the official destination marketing and tourism organization for the Rockford region, with experience in promoting the City as a place to live, work, visit, and invest; and

WHEREAS, coordinated marketing and promotional efforts are essential to attracting talent, supporting local businesses, and enhancing the City's regional and national profile; and

WHEREAS, GoRockford has demonstrated the capacity to plan, implement, and measure marketing initiatives that align with the City's economic development and attraction objectives; and

WHEREAS, the City Council finds that investing in targeted marketing activities through a partnership with GoRockford and private sector partners represents a cost-effective strategy to leverage regional expertise and existing promotional infrastructure; and

WHEREAS, such marketing efforts support broader City goals including community revitalization, cultural and recreational promotion, workforce attraction, and increased utilization of local amenities and events; and

WHEREAS, funds for this agreement have been identified within the City's approved Casino funding plan and may be used for marketing and promotional services consistent with municipal purposes; and

NOW, THEREFORE, BE IT RESOLVED, the following duties and functions with regard to the *Made for Rockford Marketing Program*:

I. GoRockford DUTIES & OBLIGATIONS

- A. **Scope of Services:** In coordination with the City, GoRockford shall perform the marketing services outlined in the GoRockford Contracted Supplemental Marketing Services Proposal attached hereto as **Exhibit A**.

B. **Documentation:** GoRockford shall maintain documentation (i.e., receipts) for all expenditures to verify payment of eligible costs. GoRockford shall produce said documentation upon request from the City.

II. CITY DUTIES & OBLIGATIONS

- A. The City shall work in partnership with GoRockford to carry out the implementation of the Made for Rockford Marketing Program.
- B. The City shall pay GoRockford 50% of the contracted service cost for supplemental marketing outlined in **Exhibit A**, of \$100,000, on or within 30 days of January 1, 2026 and City Council approval and the remaining 50% of \$100,000, on or within 30 days of January 1, 2027.

III. JOINT CITY-GoRockford RESPONSIBILITIES

- A. The City and GoRockford will work together to raise a matching amount of \$200,000 to be applied towards additional advertising and promotional expenses, and other related marketing costs outside of management in accordance with **Exhibit A**.
- B. A report will be delivered no less than annually during the term of this Agreement to the Planning and Development Committee outlining the performance of the *Made for Rockford Marketing Program* and what has been accomplished together with this program.
- C. Both the City and GoRockford will identify a key contact person. The key contacts will maintain frequent communication to facilitate cooperation under this Agreement and to work together to determine appropriate timelines for projects, updates and status reports. Key contacts will keep a copy of all documents on file as it pertains to this Agreement.

IV. FUNDING & USE OF FUNDS

- A. With cooperation from the City, GoRockford will use funding to implement the Proposed Components in **Exhibit A**, including, but not limited to:
 1. **Development of a “live/work/play here” website/portal for the city**
 2. **Media Outreach/Focused PR**
 3. **External and Online Advertising**
- B. All funds will be held, managed and expended by GoRockford and dedicated solely to this effort.
- C. The funds utilized by the City shall be appropriated from the casino tax revenue plan. Nothing in this Agreement shall constitute or create an obligation of the City's general fund.

V. INDEMNIFICATION AND INSURANCE

A. **Mutual Release and Indemnification:** The City and GoRockford, their contractors, subcontractors, employees and agent(s) hereby release and covenant and agree to indemnify and hold harmless one another from any and all claims, causes of action, demands for damages, suits, either in law or in equity, or expenses or liabilities of any kind, arising out of or virtue of the execution and performance of this Agreement.

VI. DEFAULT AND REMEDIES

A. **Default by GoRockford:** Should review by the City of GoRockford's performance show material nonconformity with any terms or conditions herein, GoRockford shall be in breach of this Agreement, and the City may take appropriate actions as it deems necessary, including but not limited to temporary withholding or reduction of payments or seeking reimbursement of any and all funds paid by the City to GoRockford under this Agreement. The selection of a remedy other than termination shall not prevent the City from subsequently terminating this Agreement as described herein.

Upon receiving written notice from the City of any failure to perform and execute the terms and conditions of the Agreement, GoRockford shall have sixty (60) days to cure said non-performance. City and GoRockford shall agree, in writing, that the terms and conditions of the Agreement have been rectified and any payments withheld shall be executed within ten (10) days of the rectified agreement.

B. **Default by City:** Should there be material nonconformity with any terms or conditions herein by the City, the City shall be in breach of this Agreement, and GoRockford may take appropriate actions as it deems necessary, including but not limited to temporary withholding of any services contemplated by the Agreement. The selection of a remedy other than termination shall not prevent GoRockford from subsequently terminating this Agreement as described herein.

Upon receiving written notice from GoRockford of any failure to perform and execute the terms and conditions of the Agreement, the City shall have sixty (60) days to cure said non-performance. City and GoRockford shall agree, in writing, that the terms and conditions of the Agreement have been rectified and any services withheld shall be performed within ten (10) days of the rectified agreement.

VII. TERM AND TERMINATION

A. **Term:** The term of this Agreement shall take effect January 1, 2026 shall terminate on December 31, 2027.

B. Events Causing Termination: This Agreement shall terminate upon any of the following events:

1. Voluntary or involuntary dissolution of GoRockford.
2. By mutual agreement of both parties for convenience by sending written notice sixty (60) days prior to termination.
3. Termination for cause pursuant to Section VII.C below.
4. Expiration of the term of this Agreement as set forth above.

C. Termination for Cause: This Agreement may be terminated upon sixty (60) days prior written notice to the other party in the event of a material breach by such other party. The written notice shall specify the grounds for such termination and the effective date of such termination, which shall be no less than sixty (60) days after the date of the notice of termination. In the event that said default is cured by the breaching party to the satisfaction of the other party prior to said date, this Agreement shall not be terminated for cause. In the event such default cannot be cured within such cure period but the parties enter into an agreement for cure of the default and the breaching party diligently proceeds to cure the same, the cure period shall be extended beyond its original length for such additional period as agreed upon by the parties. A default not cured as provided herein shall constitute a breach of this Agreement.

D. Liabilities Upon Termination: Upon termination of this Agreement, the City shall be obligated to pay all amounts due and owing to GoRockford for performance under this Agreement. The City may withhold any payments to GoRockford for the purpose of set off until such time as the exact amount of damages due the City from GoRockford is determined.

VIII. WAIVER

Either party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that such waiver shall be in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party under this Agreement.

IX. NON-ASSIGNMENT

It is hereby understood that the benefits and public financial assistance as described herein are not assignable or transferable unless expressly approved by the Rockford City Council.

X. COMPLIANCE WITH LAW

A. Legal Compliance: In all matters pertaining to this Agreement, GoRockford and the

City shall conform strictly to all federal, state and municipal laws, applicable rules and regulations, and any and all amendments thereto, and to the methods and procedures of all governmental boards, bureaus, offices, commissions and other agencies.

- B. **Non-Discrimination:** GoRockford agrees to comply and assure that no discrimination against any person or group of persons on account of race, sex, creed, color, age, handicap, or national origin shall be made in the provision of services, or in any other manner in performance of this Agreement.
- C. **Conflict of Interest:** The City and GoRockford hereby covenant and agree that during the term that no member of the City Council or any other public official, who exercises any functions or responsibilities with respect to this program, shall have any personal or financial interest, direct or indirect, other than the employee's salary, in any matter to be performed in connection with the Made for Rockford Marketing Program assisted under this Agreement.

XI. ADMINISTRATION

The Director of Community and Economic Development, or their designee, on behalf of the City, shall administer the terms and provisions of this Agreement. Unless law otherwise requires, all necessary notices, submissions and approvals shall be given to or by the Director.

XII. NOTICES

All notices, approvals, demands, requests or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this program, shall be deemed properly given if hand delivered or sent by either United States mail, postage prepaid, or nationally recognized overnight courier service (e.g., UPS or FedEx) to the following addresses:

AS TO THE CITY:

Sarah Leys, Director of Community and Economic Development
City of Rockford
425 E. State Street
Rockford, Illinois 61104
Email: Sarah.leys@rockfordil.gov

AS TO GoRockford:

John Groh, President/CEO
GoRockford
102 N. Main Street
Rockford, Illinois 61101
Email: jgroh@gorockford.com

Electronic mail or facsimile may also be used as a method of delivery, but only if accompanied by concurrent Notice given by one of the other designated methods of delivery set forth above.

XIII. AMENDMENTS

This Agreement may be amended by written instrument executed by the parties hereto, acting therein by their duly authorized representatives. The City or GoRockford may request changes in the scope of services to be performed hereunder. Such changes, including any increase or decrease in the amount of compensation for GoRockford, which are mutually agreed upon by and between the City and GoRockford, shall be incorporated in written amendments to this Agreement.

XIV. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof shall be deemed valid and be enforced to the fullest extent permitted by law.

XV. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and the Ordinances of the City of Rockford.

XVI. AUTHORITY

A. **Actions:** The City covenants to GoRockford and agrees that the City will take such actions as may be required and necessary to enable the City to execute this Agreement and to carry out fully and perform the terms, covenants, agreements, duties, and obligations on its part to be kept and performed as provided by the teams and provisions hereof.

B. **Powers:** The City hereby represents and warrants to GoRockford that the City has full constitutional and lawful right, power, and authority under currently applicable law to execute, deliver, and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by any necessary City proceedings, findings, and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions, and does not require the consent of any other governmental authority. GoRockford hereby represents and warrants that it is a duly organized, validly existing Illinois corporation and that it has the right, power, and authority to execute, deliver, and perform the terms and obligations of this Agreement. This Agreement constitutes the legal, valid, and binding obligation of GoRockford, enforceable in accordance with its terms and provisions.

The City and GoRockford have executed this Agreement on the date above first written.

CITY OF ROCKFORD,
An Illinois Municipal Corporation

BY: _____
Thomas P. McNamara, Mayor

Date

ATTEST:

BY: _____
Angela L. Hammer, Legal Director

Date

ROCKFORD AREA CONVENTION & VISITORS BUREAU,
An Illinois not-for-profit Corporation

BY: _____
John Groh, President/CEO

Date

Made for Rockford: Talent Attraction Campaign Strategy

December 19, 2025

Introduction: From Vision to Impact

The **Made for Rockford** initiative was born from a shared recognition that to strengthen the Rockford region's future, we must not only attract visitors but also retain and welcome new residents.

From the very beginning, the **City of Rockford** has played a pivotal role in transforming that vision into reality. Your investment has provided both financial fuel and public confidence, enabling **GoRockford** to launch a bold, coordinated strategy to reshape how Rockford is perceived and experienced.

That investment is paying off. The story of Rockford is shifting from decline and doubt to optimism and action. Together, we are not simply telling Rockford's story; we are rewriting it.

Momentum

Over the past year, clear indicators show that Rockford has entered a period of measurable growth and revitalization both in numbers and in narrative.

Population Growth

For the first time in more than 16 years, Rockford's population is increasing. According to U.S. Census estimates from May 2025, the city gained **687 residents between 2023 and 2024**, signaling renewed confidence and sustained interest in the region's livability, affordability, and opportunities.

A Red-Hot Housing Market

In January 2025, **Realtor.com** and **The Wall Street Journal** named Rockford the hottest housing market in the country, citing its blend of affordability, amenities, and community appeal. In December 2025, **Zillow** announced Rockford was the #1 most popular market in the country among Zillow real estate shoppers.

This recognition didn't happen by accident. The visibility generated by the Made for Rockford campaign drove unprecedented traffic and engagement to Rockford real estate listings on Realtor.com. Our targeted marketing not only told the story of Rockford's value and livability but also guided prospective residents directly to explore homes and neighborhoods online.

As a result, interest translated into action. The marketing campaign's reach inspired first-time buyers, former residents returning home, and new residents seeking the quality of life that defines Rockford today.

National Recognition: "An Improbable Turnaround"

A feature from *Enterprise Community Partners* titled "*An Improbable Turnaround*" captured what Rockford community members already feel: Rockford is redefining itself. Once known for high vacancy and economic distress, the city now boasts rising property values, renewed downtown vitality, and growing civic pride. These outcomes affirm that *Made for Rockford* is not speculative marketing; it's the storytelling engine of a real transformation.

The Strategic Imperative: Talent, Tourism, and Transformation

GoRockford's mission has long been twofold: to attract visitors and to strengthen the region's reputation as a great place to live. In 2024 alone, tourism contributed **\$523.4 million in visitor spending**, supported **4,687 jobs**, and generated **\$14.7 million in local tax revenue**. While tourism fuels economic activity, it cannot reverse population decline. Between 2010 and 2022, Winnebago County's population decreased from 295,000 to 280,000, while residents aged 65 and older increased from 13.9% to 18.8%. Without action,

workforce sustainability and community vibrancy were at risk. *Made for Rockford* directly addresses that challenge, uniting employers, civic partners, and residents around one shared message: Rockford is a place to belong.

Program Outcomes: Results That Matter

The grant from the Woodward Charitable Trust has made possible tangible, high-impact outcomes across recruitment, community engagement, and perception change.

1. High-Impact Marketing Campaigns

“Welcome Home” Campaign

Launched during the 2024 holiday season, the “Welcome Home” campaign invited former residents and holiday visitors to rediscover Rockford, not just as a place of memories, but as a place to build their future.

This multimedia effort, made possible through Woodward Charitable Trust funding, combined digital ads, social media, and eye-catching billboards strategically placed across high-traffic corridors in Winnebago County. Between December 2024 and January 2025, the ads were seen more than **two million times**.

The messaging, **“Come home for the holidays. Move home for the grandparents.”** leaned into nostalgia, emotion, and belonging. It struck a chord with those who already knew and loved Rockford, turning sentimental visits into serious considerations about returning for good.

“Make It Make Sense” Campaign

Building on the success of the “Welcome Home” effort, *Made for Rockford* launched the **“Make It Make Sense”** campaign, a bold, data-driven initiative that met potential residents where they were.

Using **geo-targeting technology**, the campaign digitally followed holiday visitors after they left Rockford, serving them customized follow-up messaging that highlighted why staying or coming back *just makes sense*. Across **digital, radio, and out-of-home platforms** in major Midwest metros, Rockford’s message reached audiences in **Chicago, Milwaukee, and Madison**, positioning the community as the smart, affordable alternative to larger markets.

Results

Over six months, this campaign achieved nearly **nine million total impressions**, delivering a consistent and persuasive narrative of **affordability, accessibility, and quality of life**.

The results were extraordinary. Combined with the “Welcome Home” campaign, *Made for Rockford* drove **over 132,000 visits to MadeforRockford.com**, a stunning increase from fewer than 100 just six months earlier. These numbers demonstrate far more than simple awareness; they show **curiosity transforming into engagement**, and engagement evolving into genuine interest in relocation.

2. Personalized Recruitment Tours

More than 80 customized community tours have been designed and hosted for job candidates and their families, showcasing Rockford’s neighborhoods, schools, parks, and amenities in a way no brochure or website can. These tailored experiences, developed in partnership with major employers such as Woodward and our health systems, help candidates see not just a job, but a life in Rockford. Each tour is personalized to the individual’s interests and family needs, creating authentic connections that make relocation feel natural and exciting. Employers consistently cite these tours as one of the most persuasive recruitment tools available.

3. Welcoming New Residents / Retention

To strengthen retention and connection, *Made for Rockford* has hosted three New Resident Mixers since late 2024, welcoming nearly **200 newcomers**. Each event at Lucha Cantina, Embassy Suites, and Anderson Japanese Gardens has grown in enthusiasm, reflecting the community's increasing momentum and the growing number of people choosing to call Rockford home.

These gatherings help newcomers build friendships, explore local venues, and connect with community ambassadors, giving them both a sense of belonging and a deeper appreciation for the area, key factors in helping new residents put down roots and stay.

4. Employer Support Tools

The Woodward grant helped develop vital tools that now empower employers and recruiters:

- An online **Recruiter Portal** making high-quality videos, photos, and one-sheets showcasing Rockford's assets available to download and share with candidates
- A **Cost-of-Living Calculator** illustrating how Rockford compares to peer cities
- A **New Resident welcome guide** to help HR professionals support new employees

5. National and Regional Storytelling

Favorable media coverage has continued to expand Rockford's reputation across national outlets such as **Forbes, Business Insider, Viator, and Group Tour Magazine**.

To build on this success, *Made for Rockford* hired a professional Public Relations firm on behalf of the community to strategically position Rockford's story on a national level. This partnership has generated press coverage, influencer visits, and journalist features that have reached millions of potential residents and investors.

Well-known influencers and travel writers with hundreds of thousands of followers have visited Rockford, documenting its **renewed vibrancy and community pride** on digital platforms.

In addition, *Made for Rockford* is partnering with **"Our City, Our Story"**, a local documentary-style video series that spotlights the city's unique people and inspiring comeback stories. One recent episode even prompted a former resident to move back, proof that authentic storytelling can directly drive relocation and re-engagement with the community.

Community Partnerships

At the heart of *Made for Rockford* is collaboration. Our success depends on a network of partners who share our belief that welcoming and retaining people takes a community-wide effort.

The **Made for Rockford 'Go Team**, a group of more than **40 passionate local ambassadors**, serves as the "first friend" for those moving to Rockford. These volunteers lead neighborhood tours, attend mixers, and help new residents navigate everything from finding local coffee shops to discovering community events..

Through our partnership with **Rockford Promise**, we connect with local students pursuing higher education away from home, reminding them that opportunity awaits right here. Personalized postcards and social media outreach let them know their hometown is cheering for them and that Rockford is ready to welcome them back when they launch their careers.

We also work closely with the **Greater Rockford Chamber of Commerce** in multiple ways, including connecting new business owners and their families to the community, helping them establish roots beyond the workplace. The chamber also partners with us in supporting national earned media efforts led by our public relations agency, Development Councilors International.

Partnerships and Leveraged Support

Your investment helped establish credibility that continues to attract additional partners and funders. *Made for Rockford* has now secured **nearly \$1.4 million in multi-year support**, including:

Partner	Commitment	Timeline
Wooward Charitable Trust	\$150,000 annually	2024, 2025, and 2026
UW Health	\$50,000 annually	2025 and 2026
Mercyhealth	\$50,000 annually	2025 and 2026
OSF Saint Anthony	\$125,000 total	2025–2027
State of Illinois	\$500,000 grant	2024–2026
Greater Rockford Chamber of Commerce	\$60,000 annually	2025 and 2026

This broad coalition underscores the belief shared by employers, government, and civic leaders alike: *Made for Rockford* is essential to solving the region's talent and perception challenges.

Conclusion: A Story of Return and Renewal

Rockford's story is evolving from resilience to renaissance. What was once seen as an industrial past is now celebrated as an affordable, creative, and community-driven place to build a future.

Made for Rockford has become the voice of that transformation, and the Woodward Charitable Trust helped make it possible. Your partnership has not just supported a campaign; it has fueled a movement that is attracting families, strengthening businesses, and reigniting pride in our region.

With your continued support, we can ensure that this moment of momentum proves for thousands more to come, that they, too, are *Made for Rockford*.

Sincerely,



John Groh
President/CEO



Thomas P. McNamara, Mayor

MEMORANDUM

TO: City Council
Planning and Development Committee

FROM: Todd Cagnoni, City Administrator

RE: Proposed funding agreement with Northwestern Illinois Area Agency on Aging, an Illinois not-for-profit corporation ("NIAAA") for the establishment of a Senior Center at 5505 East State Street.

DATE: December 19, 2025

For your consideration, is the proposed funding agreement with Northwestern Illinois Area Agency on Aging, an Illinois not-for-profit corporation ("NIAAA") for the establishment of a Senior Center at 5505 East State Street. Funding Source a reallocation of unspent ARPA Plan /Major Corridor Signage funds not to exceed \$300,000

NIAAA will lease a portion of 5505 East State Street for NIAAA office and the establishment of a Senior Center. NIAAA will assist in financially supporting the establishment and operations of a Senior Center at 5505 East State Street while also creating a separate not-for-profit for long term stability of the Senior Center. NIAAA is dedicated to meeting the needs of older adults, individuals with disabilities aged 18 to 59 years, and their families by ensuring access to comprehensive services that promote healthy aging, independence, and well-being.

Attached to this memo as Exhibit A is a detailed explanation of the services that will be provided at the Senior Center.

The City shall provide funds to NIAAA on an annual basis in three equal installments of One Hundred Thousand Dollars (\$100,000) with the first payment of One Hundred Thousand Dollars (\$100,00) provided upon establishment and opening of the Senior Center with the second and third payment of One Hundred Thousand Dollars (\$100,000) each consecutive year made at the anniversary date of the first payment. Funding from the City of Rockford may include expenditures for facility rent and CAM, Utilities, Director Salary, Phone and Internet, IT Support, Office Supplies, Marketing, Postage fees, Copier Service, Cleaning expenses, etc.

Staff recommends approval of the proposed funding agreement as the request is consistent with City's efforts for community investment. Please let me know should you have any questions.

COMMITTEE REPORT

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Planning and Development, to whom was referred the matter of the approval of the Proposed Funding Agreement with Northwestern Illinois Area Agency on Aging, an Illinois not-for-profit corporation (NIAAA) for the establishment of a Senior Center at 5505 East State Street. The funding source is a reallocation of unspent ARPA Plan / Major Corridor Signage Funds not to exceed \$300,000, hereby begs leave to report **recommending approval** of the request as recommended.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Karen Hoffman

Jaime Salgado

Gina Meeks

Committee Action Taken: January 12, 2026

Wilkins: Ayes:____ Nays:____ Absent:____
Durkee: Ayes:____ Nays:____ Absent:____
Hoffman: Ayes:____ Nays:____ Absent:____
Salgado: Ayes:____ Nays:____ Absent:____
Meeks: Ayes:____ Nays:____ Absent:____

FUNDING AGREEMENT

THIS AGREEMENT ("AGREEMENT"), entered into this _____ day of _____, 2025, by and between the City of Rockford, an Illinois municipal corporation ("City"), and Northwestern Illinois Area Agency on Aging, an Illinois not-for-profit corporation ("NIAAA") 1111 South Alpine Road, Suite 600, Rockford, Illinois, and with such entities collectively referred to in this Agreement as the "Parties".

RECITALS

WHEREAS, the City has available funds as a result of ARPA funding to the benefit of the community and is allocating \$300,000 to assist NIAAA in the establishment of a Senior Center; and

WHEREAS, NIAAA will lease a portion of 5505 East State Street for NIAAA office and the establishment of a Senior Center; the City recognizes the need for the establishment of a Senior Center in the City of Rockford; and

WHEREAS, NIAAA will assist in financially supporting the establishment and operations of a Senior Center at 5505 East State Street while also creating a separate not-for-profit for long term stability of the Senior Center; and

WHEREAS, NIAAA is dedicated to meeting the needs of older adults, individuals with disabilities aged 18 to 59 years, and their families by ensuring access to comprehensive services that promote healthy aging, independence, and well-being; and

WHEREAS, the City shall make a funding commitment to NIAAA in the amount of One Hundred Thousand (\$100,000) annually over the next three years to support the establishment of the Senior Center at 5505 East State Street;

NOW, THEREFORE, BE IT RESOLVED, the City and NIAAA mutually agree as follows:

1. **RECITALS.** The above recitals are incorporated in this Agreement by this reference and made a part of this Agreement.
2. **CITY RESPONSIBILITIES.**
 - A. The City shall provide funding to NIAAA in the amount of One Hundred Thousand Dollars (\$100,000) annually for a period of three years totaling not to exceed amount of Three Hundred Thousand Dollars (\$300,000) for operational costs related to establishment of a Senior Center at 5505 East State Street, Rockford, Illinois identified in Project Plan which is attached hereto and incorporated herein as Exhibit "A."

3. TERM. The term of this Agreement shall be for four (4) year from date of execution of this Agreement.
4. PAYMENTS. The City shall provide funds to NIAAA on an annual basis in three equal installments of One Hundred Thousand Dollars (\$100,000) with the first payment of One Hundred Thousand Dollars (\$100,000) provided upon establishment and opening of the Senior Center with the second and third payment of One Hundred Thousand Dollars (\$100,000) each consecutive year made at the anniversary date of the first payment.
5. FUNDING AND USE OF FUNDS.
 - A. NIAAA shall establish the Senior Center within 12 months of execution of the agreement.
 - B. NIAAA shall use funds solely for operation costs in the operation of the Senior Center as described in this Agreement.
 - C. All funds will be held, managed and expended by NIAAA and dedicated solely to this effort.
 - D. NIAAA shall provide appropriate documentation of eligible costs acceptable to the City, as the Senior Center is established and operating no less than on an annual basis and as requested by the City.
 - E. Any funds not utilized per the terms of this development agreement prior to the termination or expiration of this agreement shall be returned to the City.
6. DOCUMENTATION. NIAAA shall maintain documentation for all expenditures to verify payment of eligible costs. NIAAA shall provide documentation annually and upon request from the City.
 - A. Funding from the City of Rockford may include expenditures for facility rent and CAM, Utilities, Director Salary, Phone and Internet, IT Support, Office Supplies, Marketing, Postage fees, Copier Service, Cleaning expenses, etc.
 - B. Expense reports and evidence of expenditures will be made available to the City or Rockford on an annual basis or when requested with 10 working days of request.
7. PERMITTING AND CODES. NIAAA shall apply to the City for any necessary building permits for the renovations to be made by the NIAAA by submitting all plans and specifications required pursuant to the City Code. NIAAA shall be responsible for all building permit fees. The City shall review any building permit application as provided in the City Code. Any plans and specifications and all other required submissions shall also comply with this Agreement and all applicable federal, state, county, municipal or administrative laws, ordinances, rules, regulations, codes and orders relating in any way to renovations including any historic preservation requirements.

8. INDEPENDENT CONTRACTOR. NIAAA shall perform as an independent contractor with sole control of the manner and means of performing the establishment of the Senior Center this Agreement. NIAAA shall complete this Agreement according to NIAAA's own means and methods of work, which shall be in the exclusive charge and control of NIAAA and which shall not be subject to control or supervision by the City except as to the result of the work. NIAAA is, for all purposes arising out of this Agreement, an independent contractor, and neither NIAAA employees shall be deemed an employee of the City, by reason of this Agreement.
9. INDEMNIFICATION AND INSURANCE. NIAAA, its subcontractors and agent(s), hereby release and convey and agree to indemnify and save harmless the City of Rockford, its representatives, officers, agents and employees from any and all claims, causes of action, demands for damages, suits, either in law or in equity, or expenses or liabilities of any kind, arising out of or by virtue of the execution and performance of this Agreement or any other Agreement entered into pursuant to this Agreement. In the event that any action or proceeding is brought against the City, its representatives, officers, agents and/or its employees by reason of any such claim or demand, NIAAA will at its sole cost and expense, resist or defend such action or proceeding.

All insurance policies shall provide that they may not be cancelled or modified, except for increase in coverage, without thirty (30) days, prior-written notice to the City. All insurance required hereunder shall be by a company or companies licensed to conduct business in the State of Illinois.

10. NON-ASSIGNABILITY. This Agreement and the funding provided hereunder shall not be assignable, without the approval of the City, either by action of NIAAA or by operation and execution of this Agreement.
11. LEGAL COMPLIANCE. In all matters pertaining to this Agreement, NIAAA and the City shall conform strictly to all federal, state and municipal laws, applicable rules and regulations, and any and all amendments thereto, and to the methods and procedures of all governmental boards, bureaus, offices, commissions and other agencies.
12. NON-DISCRIMINATION. NIAAA agrees to comply and assure that no unlawful discrimination against any person or group of persons on account of race, sex, creed, color, age, handicap, or national origin shall be made in the provision of services, or in any other manner in performance of this Agreement.
13. CONFLICT OF INTEREST. The City and NIAAA hereby covenant and agree:
 - A. No member of the City Council, nor any other public official who exercises any functions or responsibilities with respect to this program during the individual's term or for one year thereafter, shall have any personal or financial interest, direct or indirect, other than the employee's salary, in any matter to be performed in connection with the assistance under this Agreement.

B. The provisions of subparagraph A shall also apply to employees of the NIAAA.

14. TERMINATION.

A. **Events Causing Termination.** This Agreement shall terminate upon any of the following events:

- i. Voluntary or involuntary dissolution of NIAAA, or a request from the NIAAA, granted by the City, to terminate its duties under this Agreement.
- ii. Termination by the City for cause pursuant to subparagraph (b) of this paragraph.

B. **Termination for Cause.** If, through any cause, NIAAA shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if NIAAA shall violate any of the covenants, agreements or stipulations of this contract, the City shall give written notice to NIAAA of such violation. In the event that NIAAA neglects or refuses to correct or cure said violation to the satisfaction of the City within sixty (60) days of its receipt of notice, then to the extent that a material or substantive breach of this Agreement still exists as of said date, this Agreement shall be void and the parties shall be subject to the liabilities set forth below.

C. **Liabilities Upon Termination.** In the event of termination, NIAAA shall be entitled to receive just and equitable compensation for any expenses properly incurred under this Agreement, prior to notice of termination. Notwithstanding the above NIAAA shall not be relieved of liability to the City damages sustained by the City by virtue of any breach of this Agreement, and the City may withhold any payments to NIAAA for the purpose of set off until such time as the exact amount of damages due the City from NIAAA is determined.

D. **Remedies Other Than Termination.** Should review of NIAAA performance show nonconformance to any terms or conditions herein, NIAAA shall be in breach of this Agreement, and the City may take appropriate actions as it deems necessary, including but not limited to temporary withholding or reduction of payment. The selection of a remedy other than termination shall not prevent the City from subsequently terminating this Agreement as described herein.

15. WAIVER. Either party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that such waiver shall be in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party under this Agreement.

16. ADMINISTRATION. The terms and provision of this Agreement shall be administered on behalf of the City by its Director of Community Development. Unless law otherwise requires, all necessary notices, submissions, and approvals shall be given to or by the Director.

17. NOTICES. All notices, approvals, demands, requests, or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this program, shall be deemed properly given if hand delivered or sent by United States registered mail, postage prepaid, at the following addresses:

AS TO THE CITY:

Director,
Community & Economic Development Department
City of Rockford
425 E. State Street
Rockford, Illinois 61104

With copies to:
Legal Director
City of Rockford
425 E State Street
Rockford, Illinois 61104

AS TO THE
NIAAA:

Jeffrey Barnes
Executive Director
1111 S. Alpine Rd, suite 600
Rockford, IL. 61108

18. AMENDMENTS. This Agreement may be amended by written instrument executed by the parties hereto, acting therein by their duly authorized representatives.

Any amendment(s) hereto must be approved by the City Council of the City of Rockford by resolution.

The City or NIAAA may request changes in the terms hereunder. Such changes, including any increase or decrease in the amount of compensation for NIAAA, which are mutually agreed upon by and between the City and NIAAA shall be incorporated in written amendments to this Agreement.

19. SEVERABILITY. If any term or provision of this Agreement or the application thereof to any person or circumstances, shall to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be effected thereby, and each remaining term and provision hereof shall be deemed valid and be enforced to the fullest extent permitted by law.

20. GOVERNING LAW. This Agreement shall be governed by and construe in accordance with the laws of the State of Illinois and the Ordinances of the City of Rockford.

21. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. ENTIRE AGREEMENT. The parties acknowledge and agree that this Agreement represents the entire agreement between the parties.

23. THIRD PARTY BENEFICIARY. Nothing contained in this Agreement or any act of the City or NIAAA shall be deemed or construed by any of the parties hereto, or third persons to create any relationship of third party beneficiary, principal, or agent limited or general partnership, joint venture or any association or relationship involving the City.

24. FORCE MAJEURE. Neither party shall be liable or responsible to the other party, or be deemed to have defaulted under or breached this agreement, for any failure or delay to fulfill its obligations under this Agreement when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's reasonable control, including, but not limited to, the following force majeure events: acts of God, acts of the public enemy, wars, invasions, hostilities, state or federal governmental action, laws, orders, or rules, acts of terrorism, fires, floods, earthquakes, epidemics, pandemics, quarantine restrictions, national or regional emergencies, labor difficulties, freight embargoes, and transportation shortages. The party claiming excuse from performance ("Claiming Party") must take reasonable efforts to remove the cause of its inability to perform or its delay in performance. The Claiming Party must give prompt written notice to the other party of the Force Majeure Event, specifying its nature and anticipated duration, and provide an estimate of when performance may continue.

25. AUTHORITY.

- A. Actions. The City covenants to NIAAA and agrees that the City will take such actions as may be required and necessary to enable the City to execute this Agreement and to carry out fully and perform the terms, covenants, agreements, duties, and obligations on its part to be kept and performed as provided by the teams and provisions hereof.
- B. Powers. The City hereby represents and warrants to NIAAA that the City has full constitutional and lawful right, power, and authority under currently applicable law to execute, deliver, and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by any necessary City proceedings, findings, and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions, and does not require the consent of any other governmental authority. NIAAA hereby represents and warrants that it is a duly organized, validly existing Illinois corporation and that it

has the right, power, and authority to execute, deliver, and perform the terms and obligations of this Agreement. This Agreement constitutes the legal, valid, and binding obligation of NIAAA, enforceable in accordance with its terms and provisions.

IN WITNESS WHEREOF, the City and NIAAA have executed this Agreement on the date above first written.

CITY OF ROCKFORD
A Municipal Corporation

BY: _____ Date
Thomas P. McNamara, Mayor

ATTEST: _____ Date
Angela Hammer, Legal Director

NIAAA

BY: _____ Date

Senior Center – Exhibit A

Senior Center Overview

The Senior Center will be located at 5509 East State Street, Rockford, IL 61108, and will occupy approximately 20,000 square feet. The Northwestern Illinois Area Agency on Aging (NIAAA) will utilize approximately 40% of this space for its future offices.

The facility will create a welcoming environment for adults aged 55 and older to connect, move, and thrive. It will offer opportunities for:

Socialization and Engagement

- Interaction with peers to reduce social isolation and loneliness, including:
 - Large group games such as bingo, Wheel of Fortune, and trivia nights
 - A coffee shop offering beverages and light snacks

Continued Learning & Informational Sessions

Educational presentations led by NIAAA staff, provider agencies, and community partners, including:

- Social service programs and supports available to older adults, such as:
 - Benefit Access Program (BAA)
 - Seniors Ride Free Transit Benefit
 - Persons with Disabilities Ride Free Transit Benefit
 - Secretary of State License Plate Discount
 - Low Income Home Energy Assistance Program (LIHEAP)
- “New to Medicare” informational sessions, including:
 - Medicare Savings Program (MSP) applications (QMB, SLIB) – assistance with Part B premiums
 - Extra Help / Low-Income Subsidy (LIS) for prescription assistance
- Senior Medicare Patrol (SMP) – education on preventing, detecting, and reporting Medicare fraud
- Elder Abuse identification and reporting, presented by Mercyhealth at Home’s Adult Protective Services (APS) program

Senior Center – Exhibit A

Health & Wellness Activities

- Physical activities led by trained professionals to improve balance, mobility, and overall wellbeing, such as:
 - Walking groups
 - Chair yoga
 - Yang-sang
 - Tai chi

Community-Based Programming

- Community events including:
 - Senior health fairs
 - Flu shot clinics
 - Blood pressure checks (facilitated by Rockford University nursing students)
- Technology tutoring and computer classes (transitioning existing collaborative programming with Rockford Public Library to the Senior Center)
- Peer-led activities such as book clubs, poetry readings, and music groups
- Support groups sponsored by NIAAA and partners, including:
 - Caregiver Support Group
 - Satori Pathway Early-Stage Memory Loss Support Group
- Nutrition education focused on healthy meal preparation and informed dietary choices

Collaboration with Rockford University

NIAAA has been in contact with Rockford University to develop intergenerational programming, including:

- Advancing lifelong learning through accessible, liberal arts-based educational opportunities for seniors
- Encouraging intergenerational dialogue between students and older adults
- Enhancing student learning through community service and experiential opportunities

Senior Center – Exhibit A

- Strengthening community connections and reinforcing Rockford University's role as a regional partner

Staffing & Operations

The Senior Center will employ one paid staff member, the Director, who will oversee daily operations with support from volunteers, including participants in the Retired Senior Volunteer Program (RSVP). NIAAA administration and staff will provide additional support as availability allows. Initially, a receptionist position will be provided by NIAAA at no cost to the Senior Center.

Added Value of On-Site NIAAA Offices

Housing NIAAA offices within the Senior Center will provide direct access to essential services and resources for participants. Individuals attending programs and events will be able to schedule appointments with NIAAA for follow-up services. Similarly, NIAAA clients will be exposed to Senior Center programming and may choose to participate in future activities, further strengthening community engagement and service integration.