



Rockford, IL

Planning and Development Committee

Meeting Agenda

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

Monday, January 5, 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 Proposed City Service and Licensing Agreement between City Wise Software LLC and the City of Rockford to create an affordable rental housing platform hosted on a city domain. There is no cost to the City. **25-00165**
2. 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 the Redevelopment Fund. **25-00166**
3. 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**
4. Approval of the Proposed Development Agreement between the City of Rockford and LT Construction for the 2026 Construction Workforce Development Initiative in the not-to-exceed amount of \$700,000. The funding source is ARPA funds designated for Youth Violence Prevention. **25-00168**
5. 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**

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| 6. | Approval of the Proposed Development Agreement with Urban Equity Properties (UEP Tower Lofts, LLC) for the rehabilitation of 99 East State Street as News Tower Lofts (former Rockford Register Star) for mixed use residential / commercial development. The funding source is Redevelopment Funds and TIF Funds. | 25-00170 |
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| 7. | Approval of proposed amendment to the Development Agreement with Oliver Emerson Development (Oliver Emerson Development, LLC) for the rehabilitation and adaptive reuse of 325 South Madison Street (The Watch Factory) as residential. The funding source is Redevelopment Funds and TIF Funds. | 25-00171 |
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| 8. | Approval of 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 |

III. RESOLUTIONS

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| 1. | Approval of the 2026 REGROW Grant Program. | 25-00173 |
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V. 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.



Memorandum

To: Planning & Development Committee
Alderman Janessa Wilkins, Chairman

From: Sarah Leys, Director
Community & Economic Development

A handwritten signature in blue ink, appearing to read "Sarah Leys".

Re: Proposed City Service and Licensing Agreement with City Wise Software LLC

Date: January 5, 2026

Staff requests the Planning and Development Committee review and recommend approval by the City Council of the attached City Service and Licensing Agreement with City Wise Software LLC. The agreement proposes partnering with the City of Rockford to create an affordable rental housing platform hosted on a city domain. The platform would help residents easily find market-rate, affordable, and income-restricted rental units, understand availability, and determine program eligibility through clear, centralized information.

Funding Model

- The platform is free for the city.
- It is funded by market-rate housing providers:
 - Properties with under 20 units participate for free.
 - Properties with over 20 units pay a small fee, significantly lower than major listing sites.
- This approach keeps listing affordability prioritized while covering operational costs.

Key Benefits for Rockford

- Broader housing visibility: Showcases a wider range of reasonably priced market-rate rentals, particularly benefiting middle-income workers like teachers, nurses, and city staff who often fall between luxury and subsidized housing options.
- Improved access to affordable housing: Centralizes income-restricted and subsidized listings that are typically scattered across multiple sources.

- Real-time accuracy through integrations: Uses API connections with major property management systems (Entrata, AppFolio, Yardi, RealPage) to keep listings and availability up to date.
- Rental market insights: Provides anonymized data on renter search behavior (e.g., prices, neighborhoods, unit sizes) to inform housing policy and development incentives.
- Minimal city workload: The platform team manages onboarding and ongoing maintenance of listings, allowing the city to choose its level of involvement with no added administrative burden.

Proven Model

- The platform is already live in 16 cities, including Cincinnati (OH), Milwaukee County (WI), Kenosha (WI), Green Bay (WI), and Muskegon (MI), demonstrating scalability and real-world use.

City staff introduced this product at several sessions with property owners, including representatives from the Northern Illinois Apartment Association and the Rockford Real Estate Investors group. All involved felt there is an audience that could benefit from this service being available in Rockford.

Please let me know if you have any questions - 779-348-7442.

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 City Service and Licensing Agreement between City Wise Software LLC and the City of Rockford to create an affordable rental housing platform hosted on a city domain, 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 5, 2026

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

CITY WISE SOFTWARE LLC CITY SERVICE & LICENSING AGREEMENT

This Agreement, effective as of the date of execution, is entered into between City Wise Software LLC ("City Wise"), a limited liability company located at 541 East Erie Street, Unit 305, Milwaukee WI 53202, and the City of Rockford, an Illinois municipal corporation, with their Municipal Building at 425 E State St, Rockford, IL 61104 (the "City") (each individually as a "Party" and collectively as the "Parties").

WHEREAS, City Wise has innovated a proprietary technology solution. This comprehensive solution consists of a series of pages culminating in a dynamic, searchable database of properties (henceforth known as the "Technology");

WHEREAS, the City's intention is to secure a license for the Technology from City Wise for the specified duration;

WHEREAS, City Wise is inclined to grant the City a nonexclusive license for the use of the Technology;

NOW, in consideration of the mutual agreements herein contained, the Parties hereby agree as follows:

A. Services:

1. City Wise warrants and covenants to delivering the services outlined in Schedule 1 to the City.
2. City Wise warrants and covenants that it will not have features of the Technology that permit anyone other than City Wise, City, or persons or entities that list properties, from being able to publicly post anything on an internet domain or subdomain containing, in whole or part, the phrase "rockfordil.gov".
3. City Wise warrants and covenants that no third-party advertisements will be used on any internet domain or subdomain provided to it pursuant to this Agreement containing, in whole or part, the phrase "rockfordil.gov".
4. City Wise represents and warrants that it owns all intellectual property rights necessary to provide the Technology to City.
5. City Wise warrants and covenants that it will not use anything protected by intellectual property law, in relation to this Agreement, without first acquiring the legal right to do so. City grants City Wise a restricted, nonexclusive, non-sublicensable, and nontransferable license to use City's logo on the property listing website City Wise will set up on a subdomain of the City's website.

B. Compensation for Services & Fee Distribution:

City Wise will handle the installation and customization of the Technology without charge to the

City. The fees, as detailed below, will be collected by City Wise through credit card processing within the Technology or directly by check.

1. Listing Fees: City Wise is authorized to collect payments from property listers for posting available properties for lease or sublet (referred to as "Listing Fees").
2. Other Fees: City Wise has exclusive rights to collect and retain any additional fees associated with the general use of the Technology from third-parties. City Wise is solely responsible for all Payment Card Industry (PCI) compliance matters related to credit card processing through the use of the Technology.

C. Taxes:

The charges and the distribution of fees outlined in this Agreement do not encompass or consider taxation. In the event that City Wise Software LLC is obligated to cover taxes such as sales, use, personal property, value-added, or any other taxes linked to the licenses or services specified in this Agreement, or related to the City's utilization of services, City will not be invoiced for, or responsible for paying or settling such taxes.

D. Expenses:

Unless explicitly addressed, City Wise assumes responsibility for all expenses related to this agreement. In the event that City requests on-site services beyond those specified in Schedule 1, City agrees to reimburse City Wise for travel and out-of-pocket expenses in adherence to the City's Travel Reimbursement Policy.

E. Conduct:

City agrees to obligate its employees, while working in their official capacities, not to engage in the following activities:

1. Uploading, posting, storing, emailing, or transmitting any information, to or from the Technology.
2. Providing misleading information, creating false identities, or manipulating identifiers to mislead or disguise the origin of information stored or transmitted in or through the Technology.
3. Using City Wise, Technology's name, the Technology, or any portion thereof to promote any business, product, or service through unsolicited emails, spamming, harassing others, or any similar activities.
4. Attempting unauthorized access to data on the Technology, other entities' account information, or other computer systems, servers, or networks connected to the Technology.

F. Duration and Termination:

This Agreement is executed and effective upon mutual signature and will endure for an initial period of three (3) years (referred to as the "Initial Term"). Subsequently, the Agreement can be

renewed for one (1) year term for three (3) successive three years unless written notice to the contrary is given by one party to the other not later than the first business day (Monday through Friday) of the calendar month in which the current agreement period expires.

City Wise reserves the right, at its sole discretion, to reject any renewal of this Agreement by providing notice to the City thirty (30) days prior to renewal. After the initial three (3) year term, either Party may terminate this Agreement at any time, for any reason or no reason, by providing at least ninety (90) days' written notice to the other Party.

If termination was initiated by notice, City Wise must remove all content from the City's website, including any subdomains, by the date of termination.

Should any court determine that the City must allow any natural person or entity of any kind, other than City Wise, to take up space or otherwise place content of any kind on the City's website (including, but not limited to, any subdomain of the City's website) for any reason related to the City permitting City Wise access to the City's website or any other reason related to this Agreement, this Agreement will automatically terminate without notice or action by either Party. Termination will not be delayed due to anyone's intention to appeal, the pendency of an actual appeal, or the lack of a final order in the case. Upon such termination, City Wise must remove all content from the City's website as soon as reasonably possible, but in no case longer than the shorter of fourteen (14) days after termination or by the time given by the court. If the aforementioned court determination concludes that the City's website has become a public forum, the City's intention is to close the forum. Upon being served with a summons in a lawsuit seeking to expand access to the City's website, as described above, City will send City Wise notice of the suit.

The City does not intend to create a public forum on its website, or on a subdomain thereof. The City does not intend to set open, or aside space on, its website for the public, or a portion thereof, to use for First Amendment activity.

G. Post-Termination Entitlements and Acquisition Choice:

Upon termination of this Agreement, both Parties remain obligated to fulfill any accrued payment obligations (e.g., fee-sharing or expense reimbursement). Unless otherwise specified in writing, the termination of this Agreement results in the termination of all licenses granted by either Party.

Certain provisions will survive the termination: Sections H.3, K, M, N, O.4, R, X, Y, Z, and AA.2.

H. Licensing of Intellectual Property:

1. **Limited Usage Rights:** City Wise extends to the City a restricted, nonexclusive, non-sublicensable, and nontransferable license to electronically access and use the Technology. This authorization is exclusively granted under the terms specified in this Agreement and is applicable solely in conjunction with the Technology offered to the City. The scope of this license encompasses software usage, access to a single knowledge base, and utilization of user documentation, all of which are proprietary to City Wise and are included within the meaning of the "Technology."

2. **Usage Restrictions:** The City is prohibited from sublicensing or outsourcing the Technology to third-parties. Additionally, the City may not employ the Technology for any competitive purposes related to the Technology. City will not modify, translate, reverse engineer, disassemble, or decompile the Technology. Any attempt to discern the source code for the operation of the Technology is also prohibited, except when necessary for interoperability with other independently created software or as mandated by law.

The City is not allowed to generate derivative works derived from the Technology, any component thereof or the Proprietary Information.

In the context of this Agreement, "reverse engineering" refers to the scrutiny or analysis of the Technology aimed at uncovering its source code, sequence, structure, organization, internal design, algorithms, or encryption devices.

The term "Proprietary Information" encompasses all data, materials, text, photographs, music, video, software, sound, graphics, or any other information or materials, or portions thereof.

3. **Ownership:** City Wise maintains all rights, including title, copyright, and other proprietary rights in the Technology, irrespective of any modifications or updates. The City does not gain any rights, whether express or implied, in the Technology beyond those explicitly outlined in this Agreement.

I. Database and Data Precision:

City Wise will establish a searchable database (referred to as the "Database") of properties, as detailed in Schedule 1.

J. Integration with City's Website:

City commits to appointing a member of its existing technology team to collaborate with City Wise in integrating the listing website into a subdomain of City's existing website using DNS-masking technology. This appointment extends only through initial integration, but in no case longer than forth-five (45) days post-execution.

K. Data Ownership and Storage:

All data entered into the Database ("Data"), irrespective of the contributor's identity and whether or not it appears on the housing website, is the sole property of City Wise. City Wise maintains all title, copyright, and other proprietary rights in the Data. City maintains ownership of its website, including any subdomain thereof.

L. Advertising:

City Wise warrants and covenants that it will not state, in any advertising or otherwise, that City endorses, owns, or otherwise supports City Wise or its offerings, such as the Technology.

Notwithstanding the foregoing, City Wise may state that it offers property listings on the City's website.

M. Non-disclosure:

Under this Agreement, the Parties may access information deemed confidential to each other ("Confidential Information"). Confidential Information is specifically confined to the Technology source code, the terms and pricing outlined in this Agreement, and any information explicitly identified in writing as confidential.

Confidential information excludes information that:

1. Becomes part of the public domain without any action or omission by the other Party.
2. Was lawfully in the other Party's possession before the disclosure and were not obtained directly or indirectly from the disclosing Party.
3. Is legally disclosed to the other party by a third-party without restrictions on disclosure.
4. Is independently developed by the other Party.
5. Is submitted to the housing website by City's residents or area property listers.
6. Is required by law to be disclosed.

Qualify as "public record(s)" as defined in Section 2(c) of the Illinois Freedom of Information Act (5 ILCS 140/2(c)) and that are subject to disclosure under the Illinois Freedom of Information Act (5 ILCS 140/).

Throughout the Agreement's duration and for a period of two (2) years thereafter, the Parties commit to maintaining each other's Confidential Information in confidence. Unless mandated by law, the Parties agree not to disclose each other's Confidential Information to any third-party (excluding their agents or independent contractors) for purposes other than the Agreement's implementation.

Each Party undertakes reasonable measures to prevent the unauthorized disclosure or distribution of Confidential Information by its employees, agents, or independent contractors, violating the terms of this Agreement. Both Parties acknowledge that unauthorized disclosure or use of Confidential Information could result in irreparable harm and significant injury to the disclosing Party, the extent of which may be challenging to determine. Therefore, each Party consents to the right of the non-disclosing Party to promptly seek an injunction to prevent any breach of this Section. Additionally, the non-disclosing Party retains the right to pursue all available legal or equitable rights and remedies in the event of such a breach.

N. Limitation of Liability:

1. *Definitions:* In this Section N, the following terms have the following definitions:

- a. “Theory of Liability” means any theory of liability of any nature, including, but not limited to: tort; warranty; strict liability; state and federal statutes, constitutions, and common law, regardless of their nature; enforcement actions initiated by any government, agency, or public official; mandamus; declaratory relief; intellectual property (including, but not limited to, patent, copyright, trademark, and unfair competition); unfair trade practice; injunctive relief; the Illinois Human Rights Act’s housing provisions (775 ILCS 5/Art. 3) (Illinois Fair Housing Law); and the Illinois Freedom of Information Act (5 ILCS 140/).
- b. “City” includes, but is not limited to: the entity of the City, as well as any officer, official, employee, or agent thereof. The term also includes all of the City’s insurers. As juxtaposed against the use of the term “City” as it is generally used in this Agreement, the City’s insurers are added to its meaning in Section N.
- c. “Expense(s)” has its general definition. It includes, but is not limited to, actual attorneys’ fees and actual expenses of litigation.

2. *Construction*: The *ejusdem generis* canon does not apply to this Section N.

3. *Indemnify, Defend, and Hold Harmless*: City Wise must indemnify, defend, and hold harmless City against any liability, damage, loss, Expense, demand, or judgment under any Theory of Liability resulting from, arising out of, or related to the Technology, or otherwise resulting from, arising out of, or related to this Agreement.

4. *Applicability*: Section N applies regardless of whether the liability, damage, loss, Expense, demand, or judgment actually exists or is merely alleged to exist by a third-party. Section N applies regardless of whether the Theory of Liability is meritorious or is merely alleged to be so by a third-party. Section N applies regardless of whether the matter results from, arises out of, or relates to the Technology or Agreement, or is merely alleged to do so.

5. *Procedure*: Pursuant to this Section N, upon City learning of a third-party claim, suit, action, demand, or judgment against City, City will tender the matter to City Wise as a notice, and City Wise will immediately take up its obligations under this Agreement. City Wise must provide City notice of any third-party claim, suit, action, or demand against City within three (3) days of discovering it, if such discovery was not due to City informing City Wise of it, and will immediately take up its obligations hereunder. City has the right to be continually informed of the status of the defense and to meaningfully participate in the defense. City Wise has the right to select any legal counsel it chooses when defending City. City Wise must not settle any third-party claim, suit, action, or demand that causes City to pay any money or be held liable, in whole or part, without the approval of the City Council for the City of Rockford.

6. *Enforcement Fees*: If City commences a lawsuit to enforce its rights under this Section N and prevails in securing such rights, it is entitled to recover the Expenses of litigation relating to said securing.

7. *Superiority*: This Section N applies, notwithstanding anything in this Agreement to the

contrary.

O. Public Records:

1. *Definitions:* In this Section O, the following terms have the following definitions:

- a. “Record(s)” **has the meaning set forth in** Section 2(c) of the Illinois Freedom of Information Act (5 ILCS 140/2(c)), which defines “public records” to include “all records, reports, forms, writings, letters, memoranda, books, papers, maps, photographs, microfilms, cards, tapes, recordings, electronic data processing records, recorded information, and all other documentary materials pertaining to the transaction of public business, regardless of physical form or characteristics, having been prepared by or for, or having been or being used by, received by, in the possession of, or under the control of any public body.”
 - b. “Open Government Laws” **means the** Illinois Freedom of Information Act (5 ILCS 140/), together with any other applicable state or local laws governing public access to records and meetings.
2. The City is a municipal entity legally bound to comply with the Open Government Laws and acknowledges that, unless otherwise exempted by law, documents and data in the City’s possession may be subject to public disclosure. The Parties warrant and covenant that neither will take any action to obstruct the operation of the Open Government Laws and that the City shall have sole and final authority to determine how to comply with those laws. To assist the City in compliance, City Wise warrants and covenants that it will provide the City, upon request, with copies of all Records related to this Agreement in their original format and within a reasonable time.
3. City Wise warrants and covenants that it will immediately provide the City, as a notice, any public record request received by City Wise that in any way relates to this Agreement.
4. City Wise warrants and covenants that it will maintain all Records subject to any of the Open Government Laws for the length of time prescribed by law. City Wise covenants that upon the termination of this Agreement, regardless of cause, it will provide all Records subject to the Open Government Laws to the City, the City must receive such records no later than thirty (30) days after termination.
5. This Section O applies, notwithstanding anything in this Agreement to the contrary, except if there is a conflict with Section N.

P. Insurance:

1. City Wise must procure and maintain, at its own cost, insurance policies as hereinafter specified to insure against all risk and loss during the term of this Agreement (including any renewal terms). The policies must be issued by an insurance company or companies authorized to do business in the State of Illinois and licensed by the State of Illinois. All such policies must name the City of Rockford as an “additional insured” party. City Wise

must furnish, as a notice, a Certificate of Insurance, and proof of payment of any required insurance premiums, to the City of Rockford to indicate compliance with each of the insurance obligations in this Agreement within thirty (30) days of the Agreement's effective date. The insurance policies must contain a clause that in the event any policy issued is canceled for any reason, or any material changes are made therein, the City of Rockford will be notified, in writing, by the insurer at least thirty (30) days before any cancellation or change takes effect. A material change includes, but is not limited to, a change in policy amount, coverage, or status of the insurer. If the aforementioned cancellation or change would lead to City Wise falling below the required coverages, and this is not remedied prior to fifteen (15) days before cancellation or change takes effect, the City may purchase an amount of insurance necessary to meet the minimum required coverages as specified herein, and send an invoice, as a notice, to City Wise for the actual costs thereof; City Wise must pay such invoice within thirty (30) days of the date it was sent.

2. City Wise must procure and maintain insurance with coverages and limits at least as broad as the following:

a. Commercial General Liability Insurance:

- i. \$2,000,000 per occurrence; \$2,000,000 aggregate
- ii. Coverage must match the scope of duty to indemnify, hold harmless, and defend in Section N.

b. Umbrella Policy:

- i. \$2,000,000
- ii. Coverage must match the scope of duty to indemnify, hold harmless, and defend in Section N.

c. Cyber Liability Insurance:

- i. \$1,000,000 per occurrence; \$2,000,000 aggregate
- ii. Covers: invasion and breach of privacy; invasion and breach of security; unauthorized release, access, destruction, corruption, alteration, and theft of electronic information; computer virus, malware, and ransomware; denial of service or other attack

Q. Industry Standards:

City Wise warrants and covenants that all services conducted under this Agreement will adhere to generally prevailing professional or industry standards.

R. Assignment:

The Parties shall not transfer or assign this Agreement, in whole or part, or any license hereunder, without obtaining prior written consent from the other Party.

S. General Marketing:

City acknowledges and agrees that City Wise may make reference to City as a customer in various marketing materials, including but not limited to marketing presentations, press releases, product brochures, and financial or governmental reports.

T. Sole Agreement:

This document constitutes the entire understanding and Agreement between City Wise and City. It is specifically agreed that this Agreement supersedes and cancels all prior negotiations, arrangements, discussions, correspondence (whether or not responded to), representations, agreements, contracts, or understandings; any of the foregoing may have taken place or been in existence at any time between the parties, and may have been either written or oral.

U. Modifications:

Changes to this Agreement require mutual agreement, must be documented in writing, signed by both City Wise and City, and incorporated into this Agreement. Changes need no further consideration to be effective, though this Agreement does not prohibit further consideration from being employed.

V. Waiver:

The waiver of any default or breach by either Party will not be considered a waiver of any other default or breach.

W. Severability:

If any part of this Agreement—other than Sections N, O, or P—is deemed unenforceable by a court of competent jurisdiction, the remainder of the Agreement will remain in full force and effect.

X. Notices:

All notices and communications related to this Agreement must be in writing. Parties may change their address by notifying the other Party in accordance with this paragraph. Notice is considered given as follows:

1. Personally delivered to the recipient's address in the introductory paragraph (if to City, separate copies must be addressed to the City Attorney's Office and the City Administrator).
2. Three (3) days after deposit in the United States mail, postage prepaid, to the recipient's address in the introductory paragraph (if to City, separate copies must be addressed to the City Attorney's Office and the City Administrator). Such mailing must be by First Class Mail or Certified Mail.

Y. Governing Law/Jurisdiction:

This Agreement and all matters arising from it are governed by the laws of the State of Illinois. Any legal action or proceeding initiated by either Party against the other that relates to this Agreement shall be brought exclusively in the state courts located in Winnebago County, Illinois, or the United States District Court for the Northern District of Illinois, Western Division. Both City Wise and the City consent to the jurisdiction of such courts and agree that venue is proper in any such legal action or proceeding. For the avoidance of doubt, this paragraph does not waive or forfeit any other objections to the initiation of such legal action, such as the proper service of process.

Z. Construction:

1. This Agreement is the result of an arm's length negotiation, and in resolving any ambiguity in this Agreement, none of the Parties hereto will be deemed to be the draftsman hereof.
2. For the avoidance of doubt, the words "represent", "warrant", and "covenant", including any grammatical tense or form of the words, are intentionally chosen to invoke the obligations and remedies associated with them under the law.
3. Nothing contained in this Agreement is intended to constitute a waiver or estoppel by the City (including, but not limited to, the City itself and any of its officers, officials, employees, agents, or insurers) to rely upon the limitations, defenses, and immunities afforded to it under Illinois law, including, but not limited to, those contained in the Illinois Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 et seq.), and any other applicable state or local law. To the extent that indemnification is available and enforceable by City Wise against the City, the City shall not be liable in indemnity or contribution beyond, or in any manner inconsistent with, the limitations, defenses, immunities, or restrictions on liability established by Illinois law, including those set forth in the Tort Immunity Act.

AA. Authority to Act:

1. Each of the undersigned hereby represents and warrants that: (a) they have all requisite power and authority to execute this Agreement; (b) the execution and delivery of this Agreement by the undersigned, and the performance of its terms thereby have been duly and validly authorized and approved by all requisite action required by law; and (c) this Agreement constitutes the valid and binding agreement of the Parties, enforceable against each of them in accordance with the terms of the Agreement.
2. The City Council for the City of Rockford, by approving this Agreement, vests the Mayor, including any of the Mayor's designees, with the authority to act for the City during any terms of this Agreement. For the avoidance of doubt and by way of example only, such authority includes the decisions of whether to terminate this Agreement, approve assignments, initiate and prosecute any legal action or proceeding related to this Agreement, and otherwise carry out this Agreement.

BB. Relationship of Parties:

There is no employment or agency relationship between the Parties; City Wise is an independent contractor of the City.

CC. User Agreements:

1. *Intent:* City Wise intends to enter into separate user agreements (also called listing agreements) with third-parties to govern said third-parties' ability to list properties on a subdomain on the City's website. This Section CC is intended to govern the content of such user agreements and inform the scope of City Wise's authority to allow third-parties access to the City's website.
2. *Definitions:* As used in this Section CC, "City" has the meaning of Section N.1.b.
3. City Wise may enter into user agreements with third-parties that allows the third-party to list properties on a subdomain of the City's website (rockfordil.gov), except as that right is limited in this Section CC.
4. City Wise warrants and covenants not to enter into any user agreement with any third-party that allows the third-party to list properties on a subdomain of the City's website (rockfordil.gov) unless said user agreement contains substantially the same provisions as Sections N, P, Y, and Z.3 in this Agreement, a statement such provisions are expressly made in favor of the City, and that the City is a third-party beneficiary of the user agreement. While the user agreement's versions of this Agreement's Sections N, P, Y, and Z.3 may be substantially the same, rather than identical, they must not afford the City less rights or protections than Sections N, P, Y, and Z.3 establish in this Agreement.
 - a. Without limiting the requirement that user agreements be substantially similar to the whole of Section N of this Agreement (for the avoidance of doubt and by way of example only, this includes the definitions contained therein), a provision of a user agreement is substantially similar to N.3 of this Agreement if it reads as follows: "[Third-party entering into user agreement] must indemnify, defend, and hold harmless the City against any liability, damage, loss, expense, demand, or judgment under any theory of liability resulting from, arising out of, or related to [third-party entering into user agreement's] use of the Technology, or otherwise resulting from, arising out of, or related to this [user agreement]."
5. The City may request, as a notice, access to any user agreement authorized herein, and will receive such from City Wise within fourteen (14) days of the notice.

DD. Third-Party Beneficiaries:

The Parties do not intend to create any third-party beneficiaries to this Agreement, and this Agreement creates none.

IN TESTIMONY OF THIS AGREEMENT, the undersigned parties have signed and executed

this document as of the date first mentioned above.

CITY OF ROCKFORD, ILLINOIS:

By: _____

Name: _____

Title: _____

CITY WISE SOFTWARE LLC:

By:_____

Name: _____

Title: _____

SCHEDULE 1

Services to Be Performed

City Wise commits to:

- **Hosting Housing Website:**
 - Host a housing website for City, on a subdomain of the City's main website, rockfordil.gov, including associated data, tables, and login pages as part of the proprietary licensed software owned.
- **Technology Integration:**
 - Collaborate with the City to embed the Technology in a subdomain of City's existing website, maintaining the City website's "look and feel" during user transitions to the Technology.
- **Searchable Database Development:**
 - Construct a searchable database within the application for listing properties available to the public. Customize search fields to align with City's neighborhoods and terminology.
- **Marketing of Housing Website:**
 - Promote the housing website to prospective property listers through targeted advertising, including local advertising, direct mail, phone calls, and face-to-face sales visits.
- **Listing Fees Collection:**
 - Collect Listing Fees, subject to City's approval (withholding approval not unreasonably).
- **User Agreement Development:**
 - Only using user agreements approved by the City, and to collaborate with City to develop such user agreement including, but not limited to:
 - a. Disclaiming City's responsibility for and highlighting the absence of any recommendation or guarantee regarding property listings or physical properties.
 - b. Requiring user compliance with all applicable laws, rules, and regulations.
- **Quarterly Reports:**
 - Prepare and deliver quarterly reports on site statistics to City, including, at a minimum, the number of subscribers and property listings.
- **Product Support:**
 - Provide product support to City and users through a customer service email account.
- **Customized Site Inclusions:**
 - Include in the customized site:
 - Property listing fields allowing up to three (3) photos or graphic images of listed properties, linked to maps, and property manager emails.
- **Technology Upgrades:**
 - Regularly install Technology upgrades to the Technology, notifying City of relevant upgrades via email.
- **Data Backups:**
 - Perform regular monthly backups of site data.



*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 5, 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

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

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.

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

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.

**KEEP NORTHERN ILLINOIS BEAUTIFUL AGREEMENT FOR THE DISBURSEMENT
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	\$28,840
	\$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 America Beautiful. They collect the required Litter Index from all 700 affiliates across the US to determine areas with the most litter. Keep America Beautiful has a movement called Greatest American Clean-up. They used all the data and did a survey to determined 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.

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

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

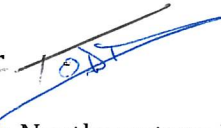
Administration	\$35,000
Advertising & Printing	\$ <u>2,500</u>
	\$37,500



Thomas P. McNamara, Mayor

MEMORANDUM

TO: City Council
Planning and Development Committee

FROM: Todd Cagnoni, City Administrator 

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 5, 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 (\$100,00) 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.
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 construed 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 terms 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: _____
Thomas P. McNamara, Mayor Date

ATTEST: _____
Angela Hammer, Legal Director Date

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.



DATE: January 5, 2026

TO: Alderwoman Janessa Wilkins, Chairman, Planning and Development Committee
Members of City Council

FROM: Ken Mattson, CIP Operations Manager

RE: **Workforce Development Agreement between the City of Rockford and LT Construction utilizing Revenue Replacement American Rescue Plan Funds**

Staff is proposing a Workforce Development Agreement between the City of Rockford and LT Construction, a local minority-owned concrete construction contractor. The initiative will focus around job skill development related to city-wide concrete and sidewalk improvements. Through the program, LT Construction will provide mentorship, experience, and workforce development skills to young adults that represent at-risk and underserved populations of our community through a summer internship.

The 2026 program builds off the success of the three previous year's efforts in which more than 28,000 lineal feet of sidewalk was improved; closing critical gaps near schools, parks, and other high pedestrian-generating areas. Most importantly, nineteen (19) program mentees were hired by local Union contractors over the past four years and are currently working in their respective trades.

Per the agreement, LT Construction will provide an estimated total of 4,300 hours of workforce development skills and on the job experience to six (6) city-hired summer interns through coordinating the improvement of approximately 50,000 square feet of sidewalk. The total cost of the agreement with LT Construction is for the not-to-exceed amount of \$700,000 and shall cover all the materials, equipment, supplies, and incidentals incurred as part of this initiative. The City will incur the cost of the summer interns as City temporary employees. The funding source is ARPA funds designated for Youth Violence Prevention.

Please contact Ken Mattson, CIP Operations Manager with any questions or concerns.

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 between the City of Rockford and LT Construction for the 2026 Construction Workforce Development Initiative in the not-to-exceed amount of \$700,000, 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 5, 2026

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

WORKFORCE DEVELOPMENT INITIATIVE AGREEMENT

THIS AGREEMENT (“AGREEMENT”), entered into this ____ day of _____, 2026, by and between the City of Rockford, an Illinois municipal corporation ("CITY"), and LT Construction, Inc., an Illinois corporation ("LT Construction"), and with such entities collectively referred to in this Agreement as the "Parties”.

RECITALS

WHEREAS, increased unemployment and a skilled labor shortage create a unique and challenging labor market; and

WHEREAS, the City has the need to develop workforce skills for employees for City wide sidewalk improvements; and

WHEREAS, LT Construction has the requisite workforce experience, credentials, and job skill knowledge to provide training to City employees; and

WHEREAS, LT Construction has proposed to provide mentorship, experience, and workforce development skills to City employees for City wide sidewalk improvement through a Workforce Development Initiative; and

WHEREAS, the City shall make a funding commitment of up to \$700,000 for the Workforce Development Initiative.

WHEREAS, LT Construction shall coordinate the improvement of sidewalk under the Workforce Development Initiative.

NOW, THEREFORE, BE IT RESOLVED, the following duties and functions with regard to the *Workforce Development Initiative*:

I. LT CONSTRUCTION DUTIES & OBLIGATIONS

- A. **Scope of Services:** In coordination with the City, LT Construction shall supervise and provide workforce education and skill development to City employees in order for employees to perform City-Wide sidewalk improvements (“Workforce Development Initiative”) in various locations throughout the City of Rockford. Training shall include, but not be limited to, the following:

1. Project coordination
2. Use of hand tools
3. Work Zone/Construction safety
4. Construction standards
5. Construction layout
6. General labor
7. Concrete finishing

- 8. Material QA/QC
- 9. Site restoration

- B. **Materials and Permitting:** LT Construction shall provide all materials, traffic control, site restoration, insurance, licensing, equipment, incidentals and shall be responsible for all required permitting necessary for this program.
- C. **Qualifications:** All individuals conducting supervision, workforce education and skill development on behalf of LT Construction for the Workforce Development Initiative must have the requisite training experience, credentials, and job skill knowledge.
- D. **Documentation:** LT Construction shall maintain documentation as required in the City Standard Specifications for all work. LT Construction shall maintain a workforce development roster including name of participant and work hours completed. LT Construction shall produce said documentation upon request from the City.
- E. **Safety:** LT Construction shall be responsible for ensuring, at all times, that the activities of the Workforce Development Initiative comply with all applicable federal, state, and municipal laws, codes, and regulations aimed to protect the safety and health of City employees participating in the program.

II. CITY DUTIES & OBLIGATIONS

- A. The City shall work in partnership with LT Construction to carry out the implementation of the Workforce Development Initiative.
- B. City employees shall remain, except as otherwise set forth within this agreement, under the direction and control of the City's Public Works Department.
- C. The City shall pay LT Construction up to \$700,000 for the workforce development and skill development provided under the Workforce Development Initiative in the form of bi-monthly progress payments.
- D. The City shall waive all local permitting fees associated with the project.

III. JOINT CITY-LT CONSTRUCTION RESPONSIBILITIES

- A. A report may be delivered upon completion of training to City Council outlining the performance of the Workforce Development Initiative and what has been accomplished together with this program.
- B. Both the City and LT Construction 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. USE OF FUNDS & PAYMENT

A. With cooperation from the City, LT Construction will use funding to implement the Workforce Development Initiative as follows:

1. Provide workforce education and skill development, as outlined in the Scope of Services in Section I of this Agreement, for up to six (6) City employees from April 2026 – August 2026 for City-Wide sidewalk improvements.

B. **Payment.** The City shall provide LT Construction bi-monthly progress payments for the work performed under this agreement. The frequency of payment periods may change based upon mutual agreement of both parties. The payments shall be based on final quantities measured in the field and accepted by the City per the specifications outlined in **Exhibit A** attached hereto. For each progress payment, the City shall prepare a written pay estimate to be reviewed and agreed upon by both parties. The City shall make the final payment for all work within 60 days of final quantity acceptance.

V. INDEMNIFICATION AND INSURANCE

A. **Mutual Release and Indemnification:** The City and the LT Construction, 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.

B. **Insurance:** LT Construction shall obtain and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance, comprehensive coverage insurance and other insurance coverage as may be required by the City. All insurance policies shall name the City as an additional insured or certificate holder. All insurance required hereunder shall be with a company or companies licensed to conduct business in the State of Illinois.

VI. DEFAULT AND REMEDIES

A. **Default by LT Construction:** Should review by the City of LT Construction's performance show material nonconformity with any terms or conditions herein, LT Construction 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 LT Construction 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, the LT Construction shall have sixty (60) days to cure said non-performance. City and LT Construction shall agree, in writing, that terms and conditions of Agreement have been rectified and any payments withheld shall be executed within ten (10) days of 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 LT Construction 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 LT Construction from subsequently terminating this Agreement as described herein.

Upon receiving written notice from LT Construction 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 LT Construction shall agree, in writing, that terms and conditions of Agreement have been rectified and any services withheld shall be performed within ten (10) days of rectified agreement.

VII. TERM AND TERMINATION

- A. **Term:** The term of this Agreement shall take effect when this Agreement is duly executed and shall terminate on October 31, 2026.
- B. **Events Causing Termination:** This Agreement shall terminate upon any of the following events:
1. Voluntary or involuntary dissolution of LT Construction.
 2. By either party 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 LT Construction for performance under this Agreement. The City may withhold any payments to LT Construction for the purpose of set off until such time as the exact amount of damages due the City from LT Construction 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, LT Construction 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:** LT Construction 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 LT Construction 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 Workforce Development Initiative assisted under this Agreement.

XI. ADMINISTRATION

The Director of Public Works, or his 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:

Ken Mattson, CIP Operations Manager
City of Rockford
425 E. State Street
Rockford, Illinois 61104
Email: Ken.Mattson@rockfordil.gov

AS TO LT CONSTRUCTION:

Tank Weathers
LT Construction, Inc.
1288 Anee Drive
Rockford, Illinois 61108

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 the LT Construction 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 LT Construction, which are mutually agreed upon by and between the City and LT Construction, 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. NO EMPLOYMENT RELATIONSHIP

The LT Construction shall act as an independent contractor, and not as an employee of the City, in completing the aforementioned Workforce Development Initiative. This Agreement is not intended to and shall not be construed to create an employment relationship between the City or any department thereof and LT Construction or its members, employees or contractors. No member, employee or contractor shall perform any function or make any decision reserved by law or policy to the City.

XVI. 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.

XVII. COUNTERPARTS

This MOU 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.

XVIII. ASSIGNMENT

This Agreement may not be transferred or assigned.

XIX. ENTIRE AGREEMENT

The Parties acknowledge and agree that this Agreement represents the entire agreement between the Parties.

XX. THIRD PARTY BENEFICIARY

Nothing contained in this Agreement or any act of the City or LT Construction 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.

XXI. AUTHORITY

A. **Actions:** The City covenants to LT Construction 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 LT Construction 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. LT Construction 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 LT Construction, enforceable in accordance with its terms and provisions.

The City and LT Construction 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

LT CONSTRUCTION, INC.,
An Illinois Corporation

BY:  _____
Tank Weathers, Owner


 _____
Date

Exhibit A

SECTION 1 – GENERAL PROVISIONS

1.1 DESCRIPTION OF WORK.

The City of Rockford requests bids from qualified companies to provide all labor, materials, equipment, and supplies necessary for **Workforce Development Program 2026** as described in these specifications. The work consists of various sidewalk repairs throughout the City. Repairs may include but are not limited to, curb repairs, sidewalk, ADA ramps, structure adjustments, and apron repairs.

A general quantity breakdown and description of each proposed project location has been included for reference; however project locations and scope are subject to change by project ownership. Reasonable effort has been made to ensure that the bid quantity breakdown sheets are accurate however, quantities in the breakdown sheets are provided only as a courtesy for bidding and are subject to change by the owner.

1.2 CONSTRUCTION LAYOUT STAKES.

The Contractor shall be responsible for setting and staking all grades as needed at no additional cost to the Owner. Any deviation from the final grading described in these specifications without written authorization from the Owner will not be accepted for payment until the Contractor has corrected the construction to the satisfaction of ownership. Project shall be constructed as “grade to drain” and must convey all storm water to approved inlets and structures.

1.3 CONTRACT SUBLETTING-COOPERATION AMONG SUBCONTRACTORS.

The following is in addition to Section 108.01 of the IDOT Standard Specifications and shall read as follows:

"Total contract costs" shall equal the sum of the pay items listed in the contract. Prior to the approval of any subcontracts by the Owner, the Contractor shall designate those Pay Items that are to be subcontracted. Subcontracted pay items shall include all labor, materials and equipment to complete the pay item, as required by the contract, including purchase and delivery of materials to the job site. The determination of Contractor's own organization work shall be those pay items that are constructed at the job site with the Contractor's labor and equipment. Labor shall include all personnel working for the Contractor. The cost of that portion of "total contract cost" which is subcontracted shall be determined by multiplying the unit cost as designated in the Pay Item, times the actual units provided, as physically constructed at the job site, and finally verified by the Owner. No division of individual Pay Items between the Contractor and Subcontractor(s) shall be permitted. Any violation of this paragraph may result in disqualification of the Contractor from future bids.

It shall be the responsibility of the Contractor to ensure full cooperation among the Subcontractors doing work on the project.

All Subcontractors to be utilized by the Contractor shall provide Ownership with a Project Specific Certificate of Insurance naming City of Rockford as additional insured prior to commencement of work by said Subcontractor.

1.4 CONTROL OF WORK.

No work shall be done by the Contractor until a pre-construction meeting has been held and until a 48 hour notice has been provided to the City's Project Manager.

The Contractor and/or their sub-Contractor shall contact any resident prior to a temporary loss of access to their house a minimum of 48 hours but not more than 72 hours, prior to the commencement of these activities. The morning of the work, the Contractor will again be required to notify the residents door to door. The Contractor should provide information regarding the anticipated time that full access will be restored. Coordination between activities should allow for work to be done in a timely manner to permit access to the roadway.

1.5 CONSTRUCTION INSPECTION.

Any work performed without the presence of an Owner's designated representative to inspect said construction shall not be accepted for payment as directed by the Owner. Contractor shall notify Ownership a minimum of 24 hours in advance of the start of construction or the continuation of construction following a pause in work.

City representatives shall only be available between 7:30 am and 3:30 pm on weekdays. Inspectors will not be available on Saturdays, Sundays and official City of Rockford holidays. Except for work required to maintain warning lights, barricades and other safety/health-related systems, no work shall be performed on Saturdays, Sundays, legal holidays, or between 3:30 p.m. and 7:30 a.m. on other days without specific permission of the Owner. Additionally, no work will be allowed in certain areas of the project on days as specified by the City of Rockford.

Owner will provide services as needed for construction observation/inspection between the hours of 7:30 a.m. and 3:30 p.m., Monday through Friday, except for official City of Rockford holidays. Should the Contractor work outside these hours whether by his choice or in response to an emergency situation, Contractor shall pay for excess observation time at a rate of \$70.00 per hour per inspector for the number of construction observation/inspection hours expended by the Owner's designated representatives. The applicability of this excess engineering cost shall be determined on the basis of the representative's work hours expended **in each individual day** and shall not be predicated upon Contractor's work hours on preceding days or the Contractor's proposed schedule for completing the Project. Moneys due the Owner for excess engineering shall be deducted from the project's final application for payment.

1.6 EXISTING UTILITIES AND DRAINAGE STRUCTURES LOCATIONS.

Ownership does not guarantee the completeness or accuracy of the information shown on any plans regarding gas and water mains, sewers, inlets, buffalo boxes and power lines, poles or any

other existing utilities or drainage structures. The Contractor shall make their own investigation to verify or determine the existence, nature and location of all utilities on the site that may interfere with construction before commencing work. The Contractor shall report to the Owner any omissions or differences in location from that shown on any project plans. Care should be taken while working near these utilities to prevent their damage.

1.7 REQUIREMENTS FOR WATER MAIN VALVE SHUT OFF.

- a) Contractor shall obtain the permission of the Water Superintendent, or his designee, prior to any water main valve shut off.
- b) Contractor shall notify all water customers affected by the water main valve shut off at least 24 hours in advance, using forms supplied by the Water Division.
- c) Contractor shall notify the Water Division Operations Center Operator (779-348-5712) prior to any water main valve shut off and provide the following information (pursuant to Illinois Municipal Code 65 ILCS 5/11-20-10.5):
 - Streets and boundaries of shut down
 - Time of shut down
 - Approximate duration of shut down
 - Number of customers affected
 - If non-residential customers (hospitals, nursing homes, restaurants, etc.) are affected, a count of how many individuals affected will be provided.
- d) Contractor shall notify Water Division Operations Center Operator upon completion of repairs and restoration of water service.
- e) Contractor shall demonstrate, to the satisfaction of the Owner, that water service at each residence or business affected by the shutdown has been restored once the water service line has been reconnected.
- f) Contractor shall meet with Water Division personnel at least two (2) days prior to start of construction to coordinate exercising valves and determining valve shut off patterns during construction. The shutdown shall be allowed to proceed only after the Water Division representative has determined that the required valves are functioning. The Contractor shall be responsible for turning valves on and off during construction and accepts the responsibility for any and all damage to City property during construction.
- g) All costs of work associated with scheduled water main valve shut off shall be included in the individual bid items and no additional compensation shall be allowed.

1.8 REQUIREMENTS FOR UNSCHEDULED (EMERGENCY) WATER MAIN VALVE SHUT OFF:

- a) In the event the Contractor must perform an unscheduled water main valve shut off; the Contractor shall notify the Water Division Operations Center Operator (779-348-5712) as soon as possible.
- b) The Contractor shall notify all water customers affected by the water main valve shut off and the need to boil water as soon as possible, using forms supplied by the Water Division.
- c) The Contractor shall provide the following information (pursuant to Illinois Municipal Code 65 ILCS 5/11-20-10.5):
 - Streets and boundaries of shut down
 - Time of shut down
 - Approximate duration of shut down
 - Number of customers affected
 - If non-residential customers (hospitals, nursing homes, restaurants, etc.) are affected, a count of how many individuals affected will be provided.
- d) If the Contractor is involved in repairs, the Contractor shall notify Water Division Operations Center Operator upon completion of repairs when water service has been restored.

1.9 FAILURE TO COMPLETE WORK ON TIME.

The Schedule of Deductions for Each Day of Overrun in Contract Time shall be according to Section 108.09 of the IDOT Standard Specifications.

1.10 MAINTENANCE OF DRIVEWAYS.

Contractor shall provide vehicular access to residential or commercial/industrial driveways that shall be maintained to the property line except when necessary construction precludes such access for reasonable periods of time. If backfill has been completed to the extent that safe access may be provided, and the street is open to local traffic, the Contractor shall immediately clear the street and driveways and provide and maintain access. Any aggregate used to maintain access to driveways shall be considered incidental to the various bid items.

1.11 EROSION CONTROL AND NPDES COMPLIANCE.

The Contractor shall provide all materials, labor, equipment and all other incidentals to provide proper erosion control as indicated in this General Provision to this Contract.

This work shall conform to the applicable portions of section 280 of the Standard Specifications and the attached details and all requirements set forth in the General NPDES Permit No. ILR10. The management practices, controls and other provisions contained in the erosion and sediment

control plan must be at least as protective as the requirements contained in the Illinois Urban Manual.

Any deviation of installation practices from the standard details shall be submitted to the Engineer for approval prior to placement.

The Contractor shall name a person at the preconstruction meeting who shall be on the jobsite during construction and who shall be responsible for ensuring the erosion control work is completed in a timely manner.

Any disturbed areas shall be kept to a practical minimum and shall be temporarily seeded, mulched, sodded or paved within 7 calendar days; except where Construction activity will resume on a portion of the site within 14 days from when activities ceased, (e.g. the total time period that construction activity is temporarily ceased is less than 14 days) then stabilization measures do not have to be initiated on that portion of the site by the 14th day after construction activity temporarily ceased. Best management practices will be in place downslope of the disturbed areas until final stabilization has occurred.

Any excess construction materials on site must be properly disposed of. All excess concrete material must be disposed of in an approved concrete washout container. NO CONCRETE IS TO BE WASHED INTO THE PARKWAY. The type, size, location and design of the concrete washout structures may vary but each must be approved prior to use. Concrete washout structures used on this project are considered incidental to the contract and will not be considered for additional payment.

When excess topsoil and excavated material is removed from the site, the Contractor shall take special precautions to avoid tracking or spilling dirt onto the adjacent roadways. If excavated material is spilled outside of the job site, the Contractor shall remove the debris and clean the pavements to the satisfaction of the Engineer, and properly dispose of the material.

1.12 SCHEDULING OF WORK.

Contractor shall abide by the City of Rockford Construction Noise Ordinance (Sec. 17-6) for all work with the following exception. In certain areas (some commercial and/or industrial areas), the Contractor may be required to work outside of these hours. Ownership may waive specific requirements of the City of Rockford Construction Noise Ordinance on an individual case basis.

Contractor acknowledges that alterations to the construction sequencing and schedule may be required for coordination with any third-party utilities. Contractor shall be responsible for any necessary coordination with utility companies. Any delay to the contract caused directly or indirectly by third party utilities shall not be cause for adjustment to the contract sum.

Contractor shall be responsible for providing updated project schedules in the provided format to be submitted each Tuesday by the end of business hours. Schedules shall be completed electronically using the format provided. Schedules shall be completed to the quality and satisfaction of project ownership.

1.13 REMOVAL OF OLD CASTINGS.

Any manhole, handhole and inlet castings to be replaced shall be removed from the jobsite the same day that the new casting is installed. Used castings shall be disposed of at a designated location at the City Yards for recycling. The address of the City Yards is 523 S. Central Avenue, Rockford, IL 61102.

1.14 DISPOSAL OF CLEAN CONSTRUCTION AND DEMOLITION DEBRIS (CCDD).

Per guidelines set by the Illinois Environmental Protection Agency (IEPA) (Public Act 96-1416, effective July 30, 2010) construction and disposal practices at jobsites and at CCDD sites have been changed as of July 30, 2010.

As stated by the IEPA: "Clean Construction and Demolition Debris (CCDD) is uncontaminated broken concrete without protruding metal bars, bricks, rock, stone, or reclaimed asphalt pavement generated from construction or demolition activities. When uncontaminated soil is mixed with any of these materials, the uncontaminated soil is also considered CCDD. Uncontaminated soil that is not mixed with other CCDD materials is not CCDD."

Under this contract, material to be removed from the jobsite shall be disposed of at the Contractor's expense following all applicable local, state and federal requirements as well as any requirements set forth by the Illinois Environmental Protection Agency and the Illinois State Pollution Control Board. These legal requirements specifically include but are not limited to the Illinois Environmental Protection Act (415 ILCS 5), IEPA CCDD Guidelines (Public Act 96-1416), and Title 35 of the Illinois Administrative Code.

It shall be the Contractor's responsibility to properly dispose of all material to be removed from the project limits including both CCDD and non CCDD material. Any additional costs incurred to the Contractor for the disposal of material shall be considered incidental to various excavation and removal pay items and will not be considered for additional payment of any kind. Such additional incidental costs may specifically include but are not limited to trucking and hauling, off-site material handling, over-weight permits, tipping fees, regulatory fees and surcharges, any applicable taxes, and any disposal costs including those for hazardous and non-hazardous special waste. No special pay item for Non-Special Waste Removal, Special Waste Removal, or Hazardous Waste Removal has been included in this contract, but the requirements for removal of such materials must still be in accordance with Articles 202 and 669 of the Standard Specifications for Road and Bridge Construction.

Contractor shall make every effort to re-use all excavated material on site for trench backfill, parkway restoration, or any other uses within the scope of the contract plans and specifications. Re-use of material for any reason shall be approved by the owner prior to placement of material at the jobsite.

All excavation and removal operations shall conform to Section 202 – Earth and Rock Excavation from the Standard Specifications for Road and Bridge Construction Adopted April 1, 2016.

The City of Rockford has determined that some project locations may be within a residentially zoned area and upon request will provide the Contractor with a signed copy of IEPA Form LPC-662 certifying the project site as never having been used for commercial or industrial purposes. This form may be used at the Contractor's discretion to indicate to a certified CCDD fill site, soil fill operation licensed landfill, recycling center, or other disposal site operator that the material removed from the project site was never used for commercial or industrial purposes.

Some project locations may not be covered under IEPA Form LPC-662 and in such a case, the Contractor shall still be fully responsible for proper disposal of any excavated material.

It should be noted that even with the completion of IEPA Form LPC-662, The City of Rockford does not provide any representation or guarantee as to the chemical composition of any material to be removed from the project site and additional testing may or may not be required prior to acceptance at a fill site. Any costs incurred by the Contractor for chemical testing of removed material shall be considered incidental to the various excavation and removal pay items and will not be considered for additional payment. Furthermore, the operator of any private fill site retains the right to reject any material at their discretion based on their own determination of the suitability of the material for their site. It is recommended that the Contractor take care not to stockpile or mix together material from different sites before taking that material for disposal.

1.15 EXAMINATION OF THE PROJECT SITE.

Bidders should carefully examine the project site(s), to eliminate misconceptions, verify dimensions, elevations, working conditions, transportation and storage facilities. Bidders should give due consideration to same in preparing their proposals as no exceptions will be considered after awarding the contract; nor will the Contractor be entitled to any extra compensation for their failure to verify conditions at the site.

1.16 PROTECTION OF PERSONS AND PROPERTY.

The Contractor shall assume and bear all risk of damage to the work, and all risk of any accident(s), from whatsoever cause arising, until the work herein provided for shall be fully completed and accepted by the City.

Any damage to property outside of what has been asked in these specifications shall be restored to its original state or as directed by the Engineer, at the Contractor's expense.

1.17 WORK IN RIGHT OF WAY.

All work in the public right of way shall be done in accordance with Chapter 26 of the City of Rockford Code of Ordinances.

1.18 PERMITS AND NOTICES.

The City of Rockford will issue permits for work on City property. When applicable, the Contractor is responsible for procuring permits from the Illinois Department of Transportation when working within the State Right of Way. City of Rockford permitting fees are waived for City projects.

1.19 PROPER BACKFILLING.

All trenches shall be backfilled, from the bottom of the trench to the centerline of the pipe, with granular backfill or approved native material. The backfill material shall be deposited in the trench for its full width on each side of the pipe simultaneously, distributed evenly by hand, carefully packing the backfill material under the haunches of the pipe and compacted by tamping.

All trenches shall be backfilled, from the centerline of the pipe to a depth of one (1) foot above the top of the pipe, with granular backfill or approved native material compacted by tamping. The contractor shall use special care in placing this portion of the backfill so as to avoid injuring or moving the pipes. Ag Lime materials will not be allowed for backfill material.

When the type of backfill is not indicated in the plans, or elsewhere specified, the trench shall be backfilled, from one (1) foot above the pipe to the finished grade, with native material, or other materials approved by the Engineer, in twelve (12) inch layers compacted by tamping.

Granular backfill material is required under pavements, curbs, driveways, or sidewalks planned to be constructed within one (1) year after backfill. The area requiring such granular backfill shall be indicated in the plans. Where the excavation is made through or within two (2) feet of permanent pavements, curbs, driveways, or sidewalks, or where such structures are undercut by the excavation, or where such structures may reasonably be expected to be constructed over or within two (2) feet of the excavation within one (1) year after backfilling, the entire backfill to the subgrade of the structures shall be made with granular backfill material, as approved by the Engineer, placed in six (6) inch layers, loose measurement, and compacted to not less than ninety-five (95) percent of standard laboratory density in accordance with the requirements of ASTM Standard D-698.

1.20 MOBILIZATION.

Refer to Article 671.02 of the Standard Specifications and delete this paragraph in its entirety.

Contractor acknowledges that the nature of this project requires varying scopes of work at many locations throughout a large area. As such, no additional payment will be made for mobilization for any location additions or deletions or changes in scope of work at any particular location.

There shall be no mobilization payments made on this Project.

1.21 **SAWCUTTING.**

Work shall consist of sawing existing pavements to such a depth that when the pavement is removed, a clean neat edge will result with no spalling of the remaining pavement. Saw cutting shall be performed at all locations where pavement is removed and will be replaced. This work item shall be considered incidental to construction and no further compensation will be allowed.

SECTION 2 – SPECIAL PROVISIONS

2.1 **PARKWAY RESTORATION.**

Description. This work shall conform to Section 250 of the Standard Specifications and consist of repairing disturbed areas.

Construction. Disturbed areas to be provided with 4" of topsoil and seeding. Seeding material shall be indigenous to Winnebago County, meet with the requirements of Article 1081.04. Topsoil material shall be indigenous to Winnebago County, meet with the requirements of Article 1081.05 of the Standard Specifications, and have no more than 55 percent sand content as determined in accordance with AASHTO T88. Seeding method shall consist of applying seed, fertilizer and wood mulch hydraulically on prepared seedbed in accordance with IDOT Section 250 and 251 in so far as said sections apply. Erosion control blankets must be installed at all disturbed areas and meet with the requirements of Article 1081.10 of the standard Specifications.

Any water service boxes in parkway areas to be restored must be adjusted to the proper height prior to seeding. Contractor must contact the owner prior to parkway restoration if a valve box is not adjustable or is broken. If replacement parts are required, contractor shall contact owner for supply of new parts.

Guarantee. All seeded areas shall be maintained for at least 30 days after application. Seeding that is required by the Owner after October 10 must meet the following guarantee the following spring. Scattered bare spots no larger than 0.25 square feet (6" X 6") will be allowed up to a maximum of 5% of any seeded area including 30 day maintenance and mowing.

Method of Measurement. This work will be measured for payment as one single Lump Sum.

Contractor acknowledges that the nature of this project requires varying scopes of work at many locations throughout a large area. As such, no additional payment will be made on this lump sum item for any location additions or deletions or changes in scope of work at any particular location.

Basis of Payment. This work will be paid for at the contract unit price per lump sum for **PARKWAY RESTORATION.**

2.2 **P.C.C. APPROACH PAVEMENT, 6"**

Description. This work shall consist of construction portland cement concrete driveway pavement on a prepared subgrade in accordance with Section 423 of the Standard Specifications and the details in the plans.

Construction. Aggregate base course material Type B shall be placed and compacted under the new approach pavement. Minimum thickness for this aggregate base course material shall be four (4") inches at no additional cost to the Owner.

A welded wire fabric reinforcing steel equal to or better than 6"x6" D8.0/D8.0 in all alley approaches shall be provided at no additional cost to the Owner.

Any parkway restoration required by the installation of approaches shall be considered incidental to this contract and will not be considered for additional payment.

Any water service boxes in approach areas to be replaced must be adjusted to the proper height prior to concrete placement. Contractor must contact the owner prior concrete placement if a valve box is not adjustable or is broken. If replacement parts are required, contractor shall contact owner for supply of new parts. Valve boxes to be set in concrete must have protective cone installed.

Method of Measurement. Measurement for this work will be on a per square yard basis.

Basis of Payment. This work will be paid for at the contract unit price per square yard for P.C.C. APPROACH PAVEMENT, 6" and P.C.C. APPROACH PAVEMENT, 8".

2.3 **PORTLAND CEMENT CONCRETE SIDEWALK, 4-INCH.**

Description. This work shall consist of construction portland cement concrete sidewalk and sidewalk accessibility ramps on a prepared subgrade in accordance with Section 424 of the Standard Specifications and the details in the plans.

Subgrade Preparation: Add the following to Article 424.04 of the Standard Specifications: concrete shall not be placed on soft, muddy, frozen or non-compacted subgrade or subbase.

Finishing: The surface shall be scored according to the plan details, or if not otherwise specified, in five (5) foot squares with a directional broom finish. Tooled joints, which are at right angles to the edge of walk should be placed according to the scoring pattern as indicated on the plans, or if not otherwise specified, at five (5) foot intervals. These joints shall be at least 1 ½ inches deep and not less than 1/8 inches wide, but no more than ¼ inches wide.

Expansion Joints: Add the following to Article 424.07 of the Standard Specifications: Expansion and contraction joints shall be placed in prolongation with adjacent pavements. They shall also be placed between the new sidewalks and the existing pavements, new sidewalks and existing buildings, and at intervals at 50 feet. Asphalt joints or fiber joints with rubber joint sealer may be used.

Curing and Protection: Curing and protection shall be in accordance with Article 1020.13 of the Standard Specifications.

Cold weather protection shall be considered incidental to the contract.

Curb Ramps: Add the following to Article 424.08 of the Standard Specifications: Sidewalks at curb ramps shall be thickened to 8" and include welded wire fabric. The additional thickness for curb ramps and reinforcement shall be included in the cost and shall include all labor and materials to install the walk as shown herein and as directed by the Engineer.

Any curb and gutter needed to be modified due to ADA curb ramps shall be saw cut to depressed curb using a curb cut machine and shall be incidental to this item.

All sidewalks to be installed shall conform to all applicable laws and regulations including, but not limited to, newly revised PROWAG requirements. In cases where legal requirements may conflict, the Owner shall choose the governing regulation to follow. The Contractor must be knowledgeable of PROWAG and ADA regulations and shall provide assistance to the Owner in the design of all sidewalk installations at no additional cost to the Owner. Assistance may include but is not limited to field assistance in measuring sidewalk grades, staking and layout of curb ramps, verification of PROWAG compliance and final grade checks of formwork prior to the placement of concrete material.

Alley and Driveway Approaches: Sidewalk will be thickened to 8" and base course thickened to 4" through alley approaches and shall be reinforced with welded wire fabric reinforcing steel equal to or better than 6"x 6" D8.0/D8.0. The additional material and welded wire fabric reinforcing steel will be incidental to this item.

Utility Adjustments: Any water service boxes, valves, manholes, handholes or other utility device in sidewalk areas must be adjusted to the proper height prior to the sidewalk placement. Contractor must contact the Owner prior to concrete placement if a valve box or other utility device is not adjustable or is broken. If replacement parts are required, the Contractor shall contact the Owner for supply of new parts. Valve boxes to be set in concrete must have a protective cone installed.

Parkway Restoration: Any parkway restoration required by the installation of sidewalk shall be considered incidental to this contract and will not be considered for additional payment.

Method of Measurement. This work will be measured for payment in place and the area computed in square feet. Curb ramps will be measured for payment as sidewalk.

Basis of Payment. This work will be paid for at the contract unit price per square foot for PORTLAND CEMENT CONCRETE SIDEWALK, of the thickness specified, which price shall include subgrade preparation and Aggregate Base Course Type B.

2.4 DETECTABLE WARNINGS

Description. This work shall consist of providing all labor, materials, tools, and equipment necessary to construct the ADA detectable warnings as indicated on the Drawings and shall conform to the applicable portions of Section 424 of the Standard Specifications.

Detectable warnings shall consist of a surface of truncated domes aligned in a square pattern (parallel alignment) or triangular pattern. Dome spacing, dome size and detectable warning location are shown in Highway Standard 424001 "Curb Ramps for Sidewalks". Detectable warning surfaces shall contrast visually with the adjacent walking surfaces by having light on dark or dark on light; and shall extend 24 inches in the direction of travel and the full width of the curb ramp, landing or sidewalk. The required texturing shall be truncated dome construction and shall consist of Federal Standard color 30166 to meet the contrast requirement.

Detectable warnings shall be manufactured products set in the poured sidewalk. Provide removable detectable warnings made of glass and carbon reinforced composite, as manufactured by ADA Solutions, Inc of N. Billerica, MA or approved equal. Box outs with poured colored concrete will not be allowed. Physical characteristics: Compressive Strength 28,900 psi (ASTM D695), Flexural Strength 29,300 psi (ASTM D790), Slip Resistance 1.18 dry/1.05 Wet (ASTM C1028).

Product samples shall be submitted to ownership for approval prior to construction.

Method of Measurement. This work will be measured for payment in place and the area computed in square feet.

Portland cement concrete sidewalk, to which is it applied, will be paid for separately.

Basis of Payment. This work will be paid for at the contract unit price per square foot for DETECTABLE WARNINGS.

2.5 COMBINATION CURB AND GUTTER REMOVAL

Description. This work shall conform to the applicable portions of Section 440 of the Standard Specifications.

This work shall include the careful removal of the concrete curb and gutter designated on the plans to be removed. The cost of sawcutting, where the removal is not to an existing joint, shall be included in the cost of the curb and gutter removal. The Contractor shall take care that a clean, neat edge is left without damaging the adjacent areas. Care must be taken such that concrete joint faces remain vertical and are protected from spalling. The area of curb and gutter removal shall be deep enough to accommodate both the new base stone and the new curb and gutter.

If the existing curb and gutter is wider than shown on the plans no addition payment will be made for removal. Contractor shall be responsible for the removal and disposal of all waste materials.

Contractor shall take special care to the parkway during removals. Any damage done to sprinkler systems or invisible fencing shall be to responsibility of the contractor and no additional payment will be made.

Method of Measurement. This work will be measured for payment in feet. The measurement will be made along the face of the curb.

Basis of Payment. This work will be paid for at the contract unit price per foot for COMBINATION CURB AND GUTTER REMOVAL.

2.6 SIDEWALK REMOVAL

Description. This work shall conform to the applicable portions of Section 440 of the Standard Specifications.

The area of sidewalk removal shall be deep enough to accommodate both the new base stone and the new sidewalk. Regrading of parkways, yards and other areas to accommodate revised sidewalk grades shall be incidental to this item and will not be considered for additional payment unless the elevation of the new sidewalk differs from the elevation of the old sidewalk by an elevation of more than 12" measured vertically. Areas near and adjacent to newly installed sidewalk shall be regarded to the satisfaction of the owner including any regarding of parkways.

In areas where the new sidewalk elevation differs from the old sidewalk elevation by more than 12", excavation of the parkways, sidewalk and any other required excavation work shall be paid for on a force account basis. IDOT force account requirements shall apply.

Care must be taken such that concrete joint faces remain vertical and are protected from spalling. In cases where drop-offs exceed 2 inches, measures such as temporary wedges may be required and the cost will be incidental to the final contract.

Contractor shall be responsible for the removal and disposal of all waste materials.

Contractor shall take special care to the parkway during removals. Any damage done to sprinkler systems or invisible fencing shall be to responsibility of the contractor and no additional payment will be made.

Method of Measurement. This work will be measured for payment in place and the area computed in square feet.

Basis of Payment. This work will be paid for at the contract unit price per square foot for SIDEWALK REMOVAL.

2.7 APPROACH PAVEMENT REMOVAL

Description. This work shall conform to the applicable portions of Section 440 of the Standard Specifications.

The area of pavement removal shall be according to the typical section that is referenced in the contract. This will include concrete surface edge milling, concrete surface butt joints and concrete surface full-width mill. Care must be taken such that concrete joint faces remain vertical and are

protected from spalling. In cases where drop-offs exceed 2 inches, measures such as temporary wedges may be required and the cost will be incidental to the final contract.

Contractor shall be responsible for the removal and disposal of all waste materials.

Contractor shall take special care to the parkway during removals. Any damage done to sprinkler systems or invisible fencing shall be to responsibility of the contractor and no additional payment will be made.

Method of Measurement. This work will be measured for payment in place and the area computed in square feet.

Basis of Payment. This work will be paid for at the contract unit price per square foot for APPROACH PAVEMENT REMOVAL.

2.8 **COMBINATION CONCRETE CURB AND GUTTER, TYPE M-6.18 (MODIFIED)**

Description. This work shall conform to the applicable portions of Section 606 of the Standard Specifications.

One inch (1") Ceramer expansion joint material or an Engineer approved equal, shall be installed at 100 foot intervals, at all radii and 5 feet either side of inlets when not at radii. Each expansion joint shall be finished with an Engineer approved caulking material that fills the void between the Ceramer expansion joint material and the face of the curb. Aggregate required under the curb shall be the thickness shown on the plans and shall be included in the unit cost per foot of concrete curb and gutter.

Pavement removal and replacement for combination concrete curb and gutter construction shall be included in the cost for the combination concrete curb and gutter. If sawcut is less than 4' wide from pavement edge, pavement section must be filled with concrete base course to 2" below surface and finished with a layer of hot-mix asphalt pavement. Otherwise- pavement section may match existing pavement section.

Expansion joints, aggregate under the curb & gutter (4" minimum depth), curb and gutter removal, necessary pavement removal, and pavement replacement (to an elevation two inches below the new curb and gutter flag) shall be required and shall be incidental to this item.

Replacement of curb and gutter must be completed and cured before milling operations on the adjacent bituminous pavement.

Method of Measurement. This work will be measured for payment in feet in accordance with Article 606.14(b).

Basis of Payment. This work will be paid for at the contract unit price per foot for COMBINATION CONCRETE CURB AND GUTTER, TYPE M-6.18 (MODIFIED).

2.9 TRAFFIC CONTROL AND PROTECTION, SPECIAL

Description. This work shall consist of furnishing, installing, maintaining, relocating, and removing work zone traffic control and protection in accordance with Section 701 of the Standard Specifications and the standard details shown in the plans.

Equipment. This includes all signs, signals, temporary pavement markings, other required traffic control markings, barricades, warning lights, and other devices which are to be used to regulate, warn or guide traffic during construction of this improvement in addition to Article 701.03 of the Standard Specifications.

General. All work shall be in conformance with the current edition of the Illinois Department of Transportation's Manual on Uniform Traffic Control Devices for Street and Highways.

Add the following to Section 701:

The Contractor will be required to furnish all traffic control devices necessary for the convenience and protection of vehicular and pedestrian traffic. Whenever the operation of the Contractor endangers or interferes with vehicular traffic or pedestrians, as determined by the Engineer, the Contractor shall furnish any additional traffic control devices necessary to direct and protect his workmen at no extra cost to satisfy the requirements of the Engineer. The Contractor will be required to furnish the necessary flaggers as specified in the Plans or required by the Engineer on a continuous basis whenever construction operations are in progress.

Traffic control devices may not be delivered to the site more than 5 days prior to installation of the devices, and must be removed from the site within 5 days after the required installation is complete.

The Contractor will be responsible for the proper location, installation and arrangement of all traffic control devices furnished by him. Whenever operations indicate that relocation of a proposed or existing traffic control device is advisable, as determined by the Engineer, the Contractor shall remove, relocate and reinstall the device in question.

All advance warning signs for lane closure, intermediate information signs and standard signs shall be installed in accordance with Illinois Highway Standard 702001-02. Cones will not be allowed as a traffic control device.

The "WORKERS" (W21-1a(0)-48) signs shall be replaced with symbol "Right or Left Lane Closed Ahead" (W4-2R or L (0)- 48) signs.

Daily or periodic lane closures shall be erected no earlier than 9:00 AM and shall be removed no later than 3:30 PM regardless of the day of the week. In the event that a lane closure will remain for more than one calendar day, the Contractor shall notify the Engineer at least 6 hours in advance. Emergency lane closures shall be erected and removed at the explicit direction of the Engineer.

All advance warning signs and traffic control devices shall be removed or covered by the Contractor when such signs and devices are not in effect or at the direction of the Engineer.

The basic layout for traffic control devices will be in accordance with the Traffic Control Plans and Details as indicated in the Plans and Specifications

The Contractor will be responsible for the maintenance of all traffic control devices installed by him as designated in the Plans and Specifications or as required by the Engineer. The Contractor will provide surveillance of all barricades, barrels, warning signs and lights which he has installed on a 24-hour a day basis for each day of this contract. In the event of severe weather conditions, the Contractor shall be required to furnish any additional personnel required to maintain all traffic control devices as required by the Engineer. Surveillance shall mean checking control devices periodically, but not less than once every 12 hours.

The Contractor shall provide the City of Rockford with the name, address and telephone number of two (2) persons who will be responsible for maintaining the traffic control devices and who will be available to the City on an immediate basis 24 hours a day. If, for any reason, one or both of the persons become unavailable, the Contractor shall furnish the same information for other individuals who will be available.

The Contractor will be required to remove all traffic control devices which were furnished, installed or maintained by him under this contract and such devices shall remain the property of the Contractor upon said removal. All traffic control devices shall remain in place until specific authorization for removal is received from the Engineer.

During any construction, a minimum of one twelve (12) foot traffic lane in each direction shall be maintained. Any deviation from this requirement shall be approved by the Engineer, with detour signing provided by the Contractor at the request of the Engineer. No extra compensation will be allowed for detour signing.

Contractor acknowledges that the nature of this project requires varying scopes of work at many locations throughout a large area. As such, no additional payment will be made on this lump sum item for any location additions or deletions or changes in scope of work at any particular location.

Method of Measurement. This work will be measured for payment on a lump sum basis.

Basis of Payment. This work will be paid for at the contract lump sum price for TRAFFIC CONTROL AND PROTECTION.

2.10 SELECTIVE TREE ROOT PRUNING AND REMOVAL >3 "

Description. This work shall include the careful pruning, removal and disposal of selective designated tree roots greater than (3) inch diameter on the plans to be removed. Selective root pruning is the removal of specific offending roots greater than three (3) inches in diameter which are directly interfering with a work area. When pruning out selective roots great care shall be given to retain as much root surface as possible.

General. Sidewalk removal shall occur prior to root pruning. Sidewalk removal shall be performed in a manner which prevents damage to tree branches, trunks and roots and / or prevents soil compaction. After sidewalk removal, the City's Forestry Department must be notified of the

locations where root pruning is required and be allowed to inspect the roots prior to any pruning occurring. Roots are to be pruned not deeper than nine (9) inches below finished grade of new sidewalk, and not more than five (5) inches out from the edge of the new sidewalk.

Method of Measurement. Measurement for this work will be per inch diameter.

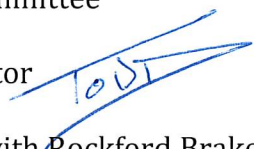
Basis of Payment. This work will be paid for at the contract unit price per inch diameter for SELECTIVE ROOT PRUNING AND REMOVAL



Thomas P. McNamara, Mayor

MEMORANDUM

TO: City Council
Planning and Development Committee

FROM: Todd Cagnoni, City Administrator 

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 Gunitite 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 Gunitite 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 Gunitite 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 5, 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 Gunitite Drums; and

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



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,

A handwritten signature in black ink, appearing to read "P. Wright", with a long, sweeping horizontal line extending to the right.

Paul Wright
CEO

Rockford Brake Manufacturing
302 Peoples Avenue
Rockford, IL, 61104

(855) DRUM-RBM
www.RockfordBrake.com

Memorandum

To: Planning & Development Committee
Alderman Janessa Wilkens, Chairman
Alderman Timothy Durkee, Vice-Chairman
Alderman Jaimie Salgado
Alderman Karen Hoffman
Alderman Gina Meeks

From: Todd Cagnoni, City Administrator

Re: Request for proposed Development Agreement with Urban Equity Properties (News Tower LLC) for the redevelopment of 99 East State Street as News Tower Lofts (former Rockford Register Star) into market rate mixed uses historic adaptive reuse development with approximately 80 residential units, restaurant, and 12 commercial spaces.

Date: December 22, 2025



UEP has requested assistance from the City of Rockford (**City**) through the use of Redevelopment Funds, Tax Increment Financing (**TIF**) from the new TIF District (**DISTRICT**) recently created, and River Edge Redevelopment Zone Benefits (**RERZ**) to further the rehabilitation and establishment of an attractive mixed use residential and commercial (**Project**) located at 99 East State, the former Rockford Resister Star building. The City has approved a redevelopment plan that calls for the long-term redevelopment into residential, commercial, and mixed-use land uses, determining that these land uses are the highest and best land uses for the area and in the best interests of the City of Rockford.

Originally constructed in 1929-1932 in phases and designed by Jesse Barloga representing the Art Deco style in which time frame the building was constructed. It is said to be one of Jesse Barloga's greatest work and at one time housed his architectural offices in the News Tower per historical records. The property consists of a nine-story townhouse and two-story building with printing press addition added in more recent history. The property is in a National Historic District (East Rockford Historic District) and the Developer will utilize historic tax credits to assist in the redevelopment of the property.

The redevelopment will feature eighty (80) new residential apartments, restaurant and retail spaces. The retail spaces will be proposed to fill a need between a typical brick and mortar space tenant and small businesses growing within the community typically found at market / special event locations. Parking will be on site with available municipal lots for tenants and customers in close proximity. Developer intends to start on the project in 2027 and have the building ready for the first residents in 2029.

Redevelopment costs are reported at \$45.6 million which includes deferred Developer Fee State and Federal Historic Tax Credit Contribution, City Forgivable, TIF Advance and Construction loan.

Successful rehabilitation and occupancy of the Project will create new jobs and new full-time equivalent permanent jobs. In addition, the Developer's investment in the Project will generate increased property tax revenues post TIF, retail sales tax revenues and greatly add to the amenities of the area preserving one of the most significant buildings downtown.

The City and the Developer have negotiated a Development Agreement that defines the requirements and obligations of each party for the redevelopment of the Project and Property. The major requirements and obligations of each party are as follows:

CITY OF ROCKFORD:

A. **Public Financial Assistance.** The City agrees to provide public financial assistance to the Project as follows:

1. **Redevelopment Fund.** The City shall distribute to the Developer a Forgivable Loan in an amount not to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000) for eligible Redevelopment Project Costs for the acquisition of the building at time of purchase. The City will hold a first mortgage and guarantee in the amount of One Million Three Hundred Thousand (\$1,300,000). The City will distribute additional funding in the amount of One Million Four Hundred Thousand (\$1,400,000) at the time the developer secures the full capital stack and through construction. One Million dollars (\$1,000,000) will be a TIF advance recaptured at \$50,000 over the life of the project and the remaining Four Hundred Thousand as (\$400,000) as an additional Forgivable Loan. Forgiveness of the loans shall be conditioned upon 75% residential occupancy and occupancy of the restaurant in the Property in the prior year, except for the first year.

2. **Tax Increment Financing (TIF).** The City agrees to provide to 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 proposed Madison and Oak TIF District, excluding the annual \$50,000 TIF Advance, through the life of the TIF for eligible Redevelopment Project Costs.

The Developer shall submit to the City documentation of all TIF eligible costs incurred and property taxes paid for verification by the City. Upon verification of the TIF eligible costs and property taxes paid, the City will reimburse to the Developer the annual TIF increment generated by the Project.

3. **River Edge Redevelopment Zone (RERZ).** The City will make available action to assist Developer in establishing eligibility for financial incentives for the Project through the River Edge Redevelopment Program administered by the State of Illinois. This would primarily be historic tax credits.

B. **Issuance of Permits and Fees.** The City shall promptly issue building permits for all construction related to the Project, provided such application shall be complete and in accordance with all applicable City codes and ordinances. All applicable building permit fees shall be paid.

Developer:

A. **Purchase of Property.** The Developer purchase 99 East State Street from the current owner in accordance with the development agreement.

- B. Development of the Project.** Consistent with the City's goals and objectives of the District, the Developer proposes to develop the Project into an attractive mixed-use development as described above at the sole cost and expense of the Developer.
- C. Permits.** Prior to commencing construction, the Developer shall apply to the City for all necessary building and construction permits for the improvements to be made by submitting all plans and specifications required pursuant to the City Code of Ordinances. The Developer shall be responsible for all building and construction permits.
- D. Construction of Project.** The Developer shall be substantially completed on or before twenty-four (24) months following the closing of the capital stack, subject to reasonable Force Majeure delays.
- E. Reporting and Justification of Expenditures.** As a condition of public financial assistance for the Project, all loan documentation, financing records, agreements and expenses demonstrating the financial viability of the Project shall be fully disclosed to the City, including an Annual Report on the first anniversary of the effective date of the Development Agreement and a Final Report upon completion of the Project.
- F. Restriction on Property Tax Protestation.** In recognition of the contribution of Tax Increment to the Project, the Developer shall accept the property tax assessment for the Subject Property without protest for any year in which reimbursement is due and paid and during the life of the Tax Increment Financing District until the Final Levy Date thereof.
- G. Inspection for Compliance.** The Developer agrees to allow inspections of the Property and agrees to have available, upon request, all documentation concerning this Agreement for inspection, audit and copying during normal business hours.
- H. 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.

Staff requests the Planning and Development Committee review and recommend approval by the City Council of the attached Development Agreement with Urban Equity Properties (UEP Tower Lofts, LLC) for the rehabilitation of 99 East State Street for mixed use residential / commercial development.



TIF GUIDELINE POLICY STATEMENT

Review for 99 East State - News Tower

The project and development agreement has been reviewed in accordance with the TIF Policy Statement and found to be consistent with the Policy. The project meets many of the identified “Primary Project Priorities” by renovating an existing commercial building in disrepair (dangerous and unsafe) while offering commercial opportunities in established commercial district. The project preserves an existing building within a federal historic district satisfying “Secondary Project Priorities” of preserving a building in Downtown.

Staff has applied the “But For” test against the project and found that but for public assistance the project is not likely to advance forward. The project has demonstrated that there is the need for City financial assistance and that the priorities of the Policy are being satisfied.

Funding is being provided on a “pay as you go” basis and Redevelopment Fund. Although, the project is being provided funds beyond generated by TIF increment, no bonds are offered to support the project and the development agreement prohibits the protest of property taxes during the term of the agreement.

The relative sections of the TIF Point System are highlighted below:

TIF GUIDELINE POINT SYSTEM

TOTAL POINTS UNDER SCORING SYSTEM = 335

- a. Type of project
 - i. Industrial/Manufacturing—100 Points
 - 1. New
 - 2. Existing
 - ii. Commercial—75 Points
 - 1. New commercial
 - 2. Renovation/improvement of existing commercial
 - 3. Demolition of abandoned structures

- iii. Professional/Office—75 Points
- iv. Residential—50 Points
 - 1. Address concentration of low-income residential
 - 2. Dangerous and abandoned buildings
- v. Advanced education and training—30 Points
- vi. Arts—20 Points
- vii. Public Improvements—10 Points
 - 1. Note that this means the use of TIF funds for a public improvement standing alone, not that some part of the funding for a project in a different category would include a public improvement. For example, a new manufacturing plant might require an upgraded sewer line. That is a manufacturing project even though it includes a public improvement. The line between “stand alone” public improvements and those linked to a specific project is not an easy one to draw.
 - 2. For “stand alone” public improvements, it is hard to see how the “but for” test is met since the funding of the improvement will often be a question of the allocation of tax revenues. It is also a practice that uses the taxing authority of another jurisdiction to pay for something that the City is unable or unwilling to fund out of its own possible revenue sources.
- viii. Tourism—10 Points
 - 1. Tourism is one of the few areas that has its own dedicated revenue source.
- ix. Historic Preservation—10 Points
 - 1. I admit to a strong bias against the concept that historic preservation is entitled to special significance. It is not considered in context—in terms of alternative development and in terms of the “opportunity cost”—the impact that abandoned structures which sit for decades have on the surrounding neighborhood.
- x. Other
- b. Location of the project—note that these areas all presumably will have to qualify as “blighted”
 - i. High Priority areas—100 Points
 - 1. Central City (broadly defined)
 - a. The Central City would encompass most of the areas that were developed by the 1950s
 - 2. Census tracts with high unemployment
 - 3. Census tracts with low median income
 - 4. Riverfront
 - ii. Mid-Priority areas—50 Points
 - 1. I’ll know them when I see them
 - 2. For example, the abandoned grocery store at the Charles/Alpine 5 Points area.
 - iii. Low Priority areas—10 Points

1. Typically “greenfield” locations which require the extension of public services
- c. Employment Factor—number and wage rate—50 Points each
 - i. High/High—100
 - ii. Low/High—50
 - iii. High/Low—50
 - iv. Low/Low--0
 - d. Others—up to 100 points (**assigned 100**)
 - i. Indirect employment
 - ii. MBE/WBE/Veterans
 - iii. Targeted employment

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 Urban Equity Properties (UEP Tower Lofts, LLC) for the rehabilitation of 99 East State Street as News Tower Lofts (former Rockford Register Star) for mixed use residential / commercial development, 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 5, 2026

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

DEVELOPMENT AGREEMENT FOR 99 EAST STATE STREET

THIS AGREEMENT (this “Agreement”) is made and entered into this ____ day of _____, 2026, by and between the CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation (the “City”), and Rockford News Tower LLC, an Illinois limited liability company, and/or its assigns (the “Developer”) for the redevelopment of 99 East State Street.

PREAMBLES

WHEREAS, Developer has a contract to purchase the property located at 99 East State Street, including PIN 11-23-358-002, 11-23-378-003, and 11-23-378-004, legally described in **Exhibit A** attached hereto (the “**Land**”).

WHEREAS, Developer is proposing to renovate the existing 8-story, 277,000 square foot blighted building located on the property to convert it into 80 luxury loft style apartments, including gourmet restaurant with riverfront patio and other commercial spaces (the “**Redevelopment Project**”) as more fully described on **Exhibit B**. The approximate cost of the Redevelopment Project is at least \$45,600,000. The Land and improvements constructed thereon from time to time are collectively referred to as the “**Property**”.

WHEREAS, the City has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety, and welfare of the City and its inhabitants, to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to increase employment, and to enter into contractual agreements with third parties for the purpose of achieving these purposes.

WHEREAS, the City has the authority under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the “**Act**”), to finance redevelopment in accordance with the conditions and requirements set forth in the Act.

WHEREAS, in accordance with the requirements of the TIF Act, on **April 7, 2025**, the Corporate Authorities adopted Ordinance No. **2025-047-O**, which approved a redevelopment plan and project, entitled the Madison and Oak Tax Increment Financing Redevelopment Plan and Program (the “**Redevelopment Plan**”), for the Madison and Oak Project Area (the “**Redevelopment Area**”); and

WHEREAS, also in accordance with the requirements of the TIF Act, on **April 7, 2025**, the Corporate Authorities adopted Ordinances No. **2025-048-O** and No. **2025-049-O** which designated the Redevelopment 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 Area (Ordinance No. **2025-047-O**, Ordinance No. **2025-048-O** and No. **2025-049-O** collectively referred to as the “**TIF Ordinances**”); and

WHEREAS, the Developer proposes to finance certain Redevelopment Project Costs related to the Redevelopment Project (as hereinafter defined), as such costs are defined in the Act at 65 ILCS 5/11/74.4-3(q) *et seq.*, including but not limited to renovate the existing 8-story, 277,000 square foot

blighted building located on the property located at 99 East State Street to convert it into an 80 unit, market rate apartment, including gourmet restaurant and commercial spaces, which will serve a public purpose and which are necessary to foster development within the Property, by utilizing tax increment financing in accordance with the Act; and

WHEREAS, it is not economically feasible for Developer to undertake the proposed Redevelopment Project without a commitment by the City to make available to Developer certain tax increment financing assistance to reimburse certain Redevelopment Project Costs related to TIF-Eligible Improvements (as hereinafter defined), which the City has agreed to provide upon Developer's satisfaction of certain terms and conditions contained herein; and

WHEREAS, the City desires to have the Property developed for the uses described in this Agreement to eliminate the blight factors and characteristics found in the Property, to serve the needs of the City, to promote and achieve the goals of the Redevelopment Plan, and to produce increased tax revenues for the various taxing districts authorized to levy taxes on the Property; and the City, to stimulate and induce the development of the Property, has agreed to finance certain Redevelopment Project Costs from Incremental Taxes (as hereinafter defined).

NOW, THEREFORE, for and in consideration of the premises and the mutual promises, covenants and agreements set forth herein, the sufficiency of which are hereby acknowledged, the Parties hereby 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) The Developer has an opportunity to revitalize the area by renovating and repurposing an 8-story, 277,000 square foot blighted building. The redevelopment will convert the building to include 80 luxury loft style apartments, plus a gourmet restaurant with riverfront patio and other commercial spaces. The interior/exterior rehabilitation and renovation of the existing building to complete the Project shall represent an estimated Developer investment of \$45,600,000.

(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 use and in compliance with the City zoning ordinance. Developer shall follow standard land use regulations process for the Project. 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) Except for the TIF funds and Forgivable Loan described herein, the 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. Subject to the terms and conditions of this Agreement, the City shall provide the Developer the principal sum of Four Million Dollars (\$4,000,000) (“Forgivable Loan”), with no interest accruing thereon, from the City of Rockford Redevelopment Fund and through a TIF Advance.

(e) Project Completion. The Project shall be substantially completed on or before twenty-four (24) months following the closing of the capital stack of the Project, subject to reasonable Force Majeure delays. Such Project Completion date shall be subject to an automatic extension of up to nine months upon request to the City from Developer;

(f) In recognition of the contribution of Tax Increment to the Project, the Developer shall accept the property tax assessment for the Subject Property without protest for any year in which reimbursement is due and paid and during the life of the Madison and Oak Tax Increment Financing District until the Final Levy Date thereof.

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

- (i) Adult uses, including but not limited to an adult type bookstore or other establishment selling, renting, displaying or exhibiting pornographic or obscene materials (including without limitation: magazines, books, movies, videos, photographs or so called “sexual toys”) or providing adult type entertainment or activities (including, without limitation, any displays of a variety involving, exhibiting or depicting sexual themes, nudity or lewd acts;
- (ii) Tattoo shops;
- (iii) A massage parlor or any establishment purveying similar services;
- (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.

(h) It is expressly understood between the City and the Developer that the Developer may utilize federal or state historic tax credits to finance the Project. The City will have no liability with respect to the Developer’s use or compliance with the aforementioned programs, or funding gaps associated with not securing said funds, and sole risk belongs to the Developer.

(i) 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.

(j) 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.

(k) Conditions Subsequent: Notwithstanding anything herein to the contrary, Developer's obligations hereunder to undertake and complete the Project are subject to the following conditions subsequent:

(i) Developer assembling and closing the capital stack necessary to complete the Project within twelve (12) months of execution of this agreement;

(ii) Developer's acquisition of the 99 East State street property;

Section 3. Forgivable Loan Details

(a) Subject to all terms and conditions of this Agreement, the City agrees to disburse the Forgivable Loan to Developer for Redevelopment Project Costs in three (3) disbursements as set forth in **Exhibit C** (the "Eligible Redevelopment Project Cost Schedule) which are approved by the City pursuant to Section 3(b). The aggregate Forgivable Loan funds pursuant to this Section 3 shall in no event exceed Four Million Dollars (\$4,000,000), which amount shall be paid subject to the terms as set forth in Section 3(b).

(b) The City shall distribute to Developer Forgivable Loan funds in an amount not to exceed Four Million Dollars (\$4,000,000) for eligible Redevelopment Project Costs identified in **Exhibit C** and in accordance with the following terms:

1. City and Developer agree that Two Million Six Hundred Thousand Dollars (\$2,600,000) Forgivable Loan funds shall be disbursed to Developer at the closing and purchase of the Property. Disbursement shall be conditioned upon satisfaction of all pre-closing obligations of Developer and the fulfillment of all customary closing conditions, including but not limited to delivery of a clean, marketable, and insurable title to the Property. The Developer shall be eligible for an additional Forgivable Loan funds and a TIF advance in the amount of Seven Hundred Thousand Dollars (\$700,000) upon closing of the Project's capital stack and documentation establishing Full Financing to complete the Project, which are acceptable to the City in the City's commercially reasonable judgment. "Full Financing" shall mean binding, commercially reasonable commitments sufficient to fund 100% of all hard and soft costs necessary to complete the Project, as reasonably determined by the City. The Developer shall be eligible for final Forgivable Loan funds in the amount of Seven Hundred Thousand Dollars (\$700,000) (for a total Forgivable

Loan amount of \$4,000,000, \$1,000,000 of which is a TIF Advance) upon substantial completion of the Project, which shall be no later than twenty-four (24) months after the closing of the capital stack for the Project or such later date as extended per provision earlier herein. The City shall disburse the funds to the Developer within thirty (30) days of each milestone approved by the City, except that the first payment shall be disbursed at closing of the Property.

2. Developer's Capital Stack. Developer shall provide City documentation establishing full financing to complete the Project, which are acceptable to the City in the City's commercially reasonable judgment, within twelve (12) months of execution of this Agreement. Failure of Developer to provide such documentation within twelve (12) months shall constitute default under Section 17 of this Agreement.
3. The City shall forgive up to Three Million Dollars (\$3,000,000) of the Forgivable Loan in accordance with the Promissory Note ("the Note"). The City shall forgive the Forgivable Loan in ten (10) equal annual installments (i.e. \$300,000 each, if the full Forgivable Loan was disbursed) with the first installment to be forgiven on the one (1) year anniversary of the disbursement of the final portion of the Forgivable Loan for the Project, and each subsequent installment to occur on the yearly anniversary of such date ("Forgiveness Period"). Forgiveness shall be conditioned upon 75% residential occupancy of the Subject Property in the prior year and operation of a full service restaurant, except for the first year. Upon documentation from Developer demonstrating at least 75% residential occupancy and operation of a full service restaurant of Subject Property for the prior year (except for the first year) the City shall forgive the Forgivable Loan at the rate outlined above.

Annual loan forgiveness shall also be conditioned on all property taxes being current on the Subject Property. Developer shall submit evidence acceptable to the City that property taxes for the Subject Property are not delinquent and that there are no amounts due and owing to be eligible for annual loan forgiveness.

4. Security. The Forgivable Loan shall be secured by the Note and Mortgage in the form attached hereto as **Exhibit D and E** to this Agreement. The Note provides for the terms of payment of the Forgivable Loan.
5. Priority of Interests

Notwithstanding anything to the contrary contained in this Agreement, the City shall not subordinate, and shall have no obligation to subordinate any right, interest, lien, security interest, deed of trust, mortgage, covenant, or other encumbrance granted to or held by the City in connection with the Project to any lender, investor, or other third party for the first disbursement of the forgivable loan in the amount of \$2,600,000 until such time that full financing is secured for the project. As part of the closing of the capital stack for full financing for the Project, City shall subordinate the City's

Mortgage, rights, liens, and security interests to the primary Redevelopment Project lender(s) interest(s) using a commercially reasonable form. Unless permitted by written agreement of the City and Developer, Developer shall not allow or cause the Property to be encumbered by any lien, mortgage, or other encumbrance until such time that the capital stack is closed.

6. City's obligations herein are subject to Developer's satisfaction of all conditions precedent set forth in Section 5.

Section 4. City's TIF Reimbursement Payments to Developer.

(a) As long as no event described in Section 17 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**, which are approved by the City pursuant to Section 4(c). The City agrees to provide the Developer with one hundred percent (100%), of the Increment generated by only the Project, except for City's recapture of \$1,000,000, as allowed under Section 4 (c), which will commence annually on the year after completion of the Project and for the remaining term of the Madison and Oak TIF, ending on Dec. 31, 2049, or until such earlier time as \$1,000,000 has been repaid.

(b) Subject to the terms and conditions of this Agreement, the TIF funding provided by the City, as described herein, shall be disbursed by City to Developer upon Developer's satisfaction of all conditions precedent in Section 5, including but not limited to submittal of proof of Redevelopment Project Costs under the TIF Act. These Redevelopment Project Costs shall include those expenses described on **Exhibit C** 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) Developer acknowledges and agrees that City shall be entitled to recoup a portion of the tax increment generated by the Project. Beginning in the first full tax year following Project completion, and continuing annually thereafter, City shall withhold and retain the first Fifty Thousand Dollars (\$50,000) per year from the tax increment attributable to the Project, not to exceed One Million Dollars (\$1,000,000). In no event shall City be entitled to withhold more than One Million Dollars (\$1,000,000) in aggregate.

(d) In connection with the payments set forth in Section 4(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. Developer shall further submit a release of claims and waiver from the service providers.

(e) 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.

(f) Notwithstanding anything to the contrary contained herein, Developer shall have the right to designate a different entity to whom payments hereunder shall be made, in whole or part. Developer's initial designated entity is Rockford News Tower LLC.

(g) **THE CITY'S OBLIGATION TO PAY THE DEVELOPER THE INCREMENT 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 THE RECITALS ABOVE, (THE "STAF") AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY.** As used in this Agreement, "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the project in the Redevelopment Project Area and improvements therein which is attributable to the increase in the equalized assessed value of the Redevelopment Project Area from the Project and its improvements over the initial equalized assessed value of the Project in the Redevelopment Project Area, as calculated in accordance with the TIF Act.

Section 5. Conditions Precedent to City's Obligations. The City's obligations to disburse any funds under this Agreement (including loan funds and reimbursement for Redevelopment Project Costs) are contingent upon Developer's satisfaction of each of the conditions precedent set forth below. City's waiver of any condition precedent prior to any disbursement shall not constitute waiver of any condition precedent required for subsequent disbursements.

- (a) Execution of the Mortgage and Promissory Note in form and content satisfactory to the City, including a guaranty from Justin Fern sufficient to cover One Million Three Hundred Thousand Dollars (\$1,300,000) ("Guaranty");
 - a. Failure of Developer to obtain Full Financing within 12 months of execution shall constitute an event of Default under this Agreement and under the Guaranty, without the necessity of notice or cure, unless expressly extended in writing by the City.
 - b. Upon occurrence of an event of Default under this subsection, City may declare the Guaranty immediately due and payable, foreclose upon the Mortgage and any other collateral securing the Promissory Note, and recover all amounts secured by the Mortgage, Promissory Note, and Guaranty, including costs, damages, and administrative expenses incurred by the City.

- (b) Articles of Organization and Operating Agreement;
- (c) Illinois Secretary of State Certificate of Good Standing or current printout from Secretary of State database reflecting that Developer is in good standing;
- (d) Resolution by members of Developer duly authorizing the Developer to enter into and execute this Agreement;
- (e) An opinion of Developer's counsel, in the form and substance satisfactory to the City and its counsel, affirming that (a) Developer is duly organized and validly existing under the laws of the State of Illinois with the power and authority to own, develop and lease the Property, as applicable, (b) the execution, delivery and performance of this Agreement and the other Loan Documents constitute a valid and binding obligation of Developer, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium or similar laws affecting creditors' rights and to equitable principles, (c) to the best of counsel's knowledge, which may be based solely on a certificate of Developer and such counsel's actual knowledge, the execution, delivery and performance of the Developer agreements do not breach or result in a default under any judgment, order or agreement applicable to Developer, and (d) to the best of counsel's actual knowledge, there is no litigation or proceeding pending or threatened against Developer;
- (f) [Intentionally omitted];
- (g) An opinion letter from Justin Fern's counsel in the form and substance satisfactory to the City and its counsel, affirming that (a) to the best of counsel's knowledge, which may be based solely on a certificate of Justin Fern and such counsel's actual knowledge, the execution, delivery and performance of this Agreement does not breach or result in a default under any judgment, order or agreement applicable to Justin Fern and (b) to the best of counsel's actual knowledge there is no litigation or proceeding pending or threatened against Justin Fern except as disclosed to the City via such opinion letter;
- (h) Execution and delivery by Developer and other parties, as applicable, of, and full compliance with, all of the Loan Documents, and any other documents referred to herein, in form and content satisfactory to the City;
- (i) The absence of any legal proceedings (including foreclosure or bankruptcy proceedings) regarding the Subject Property;
- (j) Evidence satisfactory to the City that all insurance coverages are provided in accordance with the provisions of this Agreement;
- (k) Evidence that all representations and warranties of Developer are true and correct in all respects as of the date of the making of the disbursement and that no default or event of default shall be in existence on the date of making the disbursement;

- (l) Evidence that there shall have been no material adverse change in the financial or business condition or operations of Developer from the date of this Agreement;
- (m) Full performance of all of Developer's obligations under this Agreement and the Loan Documents due on or before the date of disbursement;
- (n) [Intentionally omitted];
- (o) Presentation of evidence of payment satisfaction, release, and release from all contractors or service providers that performed work for which Developer is requesting reimbursement in a form satisfactory to the City;
- (p) Developer providing the City with reasonable evidence of sufficient financing for the Project.
- (q) Such other documents as reasonably required by the City to evidence the transactions provided for herein.
- (r) Property taxes are paid in full.

Section 6. Insurance.

Developer directly or through its affiliated entity(ies) shall obtain and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance, comprehensive property coverage insurance and other insurance coverage as may be required by the City. All insurance policies shall name the City as an additional insured or certificate holder. All insurance required hereunder shall be with a company or companies licensed to conduct business in the State of Illinois.

From and after the date of closing of the Property to Developer and continuing through the closing of the Developer's full financing for the Project, Developer, directly or through its affiliated entity(ies), shall, at its sole cost and expense, maintain property insurance coverage with limits of not less than Two Million Six Hundred Thousand Dollars (\$2,600,000) per occurrence and in the aggregate, and commercial general liability insurance covering bodily injury, personal injury and property damage with limits of not less than One Million Dollars (\$1,000,000) per occurrence and in the aggregate.

Section 7. Term.

Unless earlier terminated pursuant to Section 19 hereof, the term of this Agreement shall commence on the date of execution and end upon the satisfaction of the parties' obligations under this Agreement. The parties agree that the covenant prohibiting the protest of assessed valuation of the property set forth in Section 2(f) above, shall survive the agreement and shall bind the Developer's heirs, successors, assigns and legatees.

Section 8. 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 9. 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 10. 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 other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party under this Agreement.

Section 11. Assignment.

This Agreement may not be transferred or assigned by the Developer without the prior written consent of the City. Any such consideration or consent to a transfer or assignment shall be at the sole discretion 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 12. 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 13. 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 fifth (5th) 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:

Justin Fern
c/o Rockford News Tower LLC
134 N. 1st Street
Rockford, IL 61107

To the City:

City of Rockford
Attention: Community and Economic
Development Director
425 E. State Street
Rockford, IL 61104

With a copy to:

ATTN: Jeff Orduno
PO Box 4744
Rockford, IL 61110

With a copy to:

City of Rockford
Legal Director
425 E. State Street
Rockford, IL 61104

Section 14. 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 15. 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 16. Memorandum.

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

Section 17. Default. The occurrence of any of the following acts, events, or conditions shall constitute a default under this Agreement, and following the notice and right to cure as expressly

provided in this Agreement, shall, if uncured as provided below, constitute an event of default ("Event of Default") hereunder and under the other Loan Documents:

- (a) failure to achieve substantial completion of the Project within 24 months of closing of the Project's capital stack or such later date provided for by extension as set forth earlier herein;
- (b) failure to secure full financing for the Project and complete the financial closing for the Project within 12 months from the execution of the agreement;
- (c) any breach of or failure to comply with any term or condition of this Agreement or the Loan Documents;
- (d) any transfer or assignment in violation of Section 11 hereof;
- (e) any filing by Developer, or on behalf of Developer, of a petition in bankruptcy or for an arrangement, reorganization, or any other form of debtor relief, or the filing of such petition against Developer;
- (f) the entry of a decree or order for the appointment of a trustee, receiver or liquidator for Developer, or Developer's property which is not discharged within thirty (30) days;
- (g) Developer commencing any proceeding for dissolution or liquidation, or, if not discharged within thirty (30) days, the commencement of such proceeding against Developer;
- (h) Developer making an assignment of all, or substantially all, of its assets for the benefit of its creditors, or admitting in writing its inability to pay its debts generally as they become due;
- (i) Developer failing to satisfy and pay any final judgment, order or decree for the payment of money rendered against it, or the filing against Developer of an attachment, execution or other judicial seizure of any portion of Developer's assets; or
- (j) Developer making any written representation to the City which is materially false or misleading when made.
- (k) failure to pay property tax in full.

Developer agrees to give the City prompt written notice of any Event of Default.

The City's declaration of an Event of Default hereunder shall be made by notice to Developer pursuant to Section 13 of this Agreement and shall be effective as provided therein.

Section 18. Notice and Cure. The City shall give Developer written notice of any alleged default, in accordance with the provisions of this Agreement, and Developer shall have the following periods to cure such default:

(a) as to any default under Section 17(b), or any default which materially, adversely and exigently affects or impairs any of the City's rights under the Loan Documents, there shall be no cure period;

(b) as to any act or occurrence constituting a default under Sections 17(d), 17(e), or 17(f), except as provided in Section 18(a) above, the cure period shall be ten (10) days; provided, however, that if such cure cannot be completed within such ten (10) day period through the exercise of diligence, Developer shall commence the required cure within such ten (10) day period and thereafter continue the cure with diligence and complete the cure within sixty (60) days following Developer's receipt of the notice; and

(c) as to any act or occurrence constituting a default under other paragraphs of Section 17 where no specific cure period is set forth, and except as provided in Section 18(a) or (b) above, the cure period shall be thirty (30) days; provided, however, that if such cure cannot be completed within such thirty (30) day period through the exercise of diligence, Developer shall commence the required cure within such thirty (30) day period and thereafter continue the cure with diligence and complete the cure within sixty (60) days following Developer's receipt of the notice.

Section 19. Rights Upon Default.

(a) If any Event of Default shall occur, the City may declare all amounts owed under the Loan Documents immediately due and payable, including all disbursed Forgivable Loan funds, without further demand or notice, and/or exercise its rights and remedies under the Loan Documents and applicable law.

(b) The City's failure to enforce any default shall not constitute a waiver of the default or any subsequent default.

(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. In the event the Developer shall institute legal action against the City because of a default of this Agreement, the Developer shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

Section 20. Books and Records. The City, or its authorized representative, shall have reasonable access upon ten (10) business days' prior written notice, to the books and records of Developer related to the Project, to conduct a confirmatory examination of such books and records. Said examination shall be at the City's expense unless Developer's statements are found to contain significant errors, in which case the confirmatory examination will be at Developer's expense.

Section 21. 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 22. 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 23. 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 24. 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, lockout, 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 25. 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 26. 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 27. 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.

[SIGNATURE PAGE FOLLOWS]

Rockford News Tower LLC

By: _____
Justin J. Fern, Its Manager

CITY OF ROCKFORD, ILLINOIS
A Municipal Corporation

By: _____
Mayor

ATTEST:

City Legal Director

DRAFT

EXHIBIT A

Project Narrative

Developer's project will redevelop the property to include 80 luxury loft apartments - (62) 1-Bedroom, (7) 2-Bedroom, and (11) Studio. The 2005 press-room addition will become The State Street Retail Emporium with 12 storefronts. The project will also include an upscale restaurant with a riverfront patio, plus tenant amenities such as Jack's Gym and Nibs Lounge.

Developer proposes specific costs of approximately \$45.6 million as provided.

DRAFT

EXHIBIT B

Legal Description of Property

DRAFT

EXHIBIT C

Redevelopment Project Cost Schedule

DRAFT

The Land is described as follows:

PARCEL 1:

LOTS 1, 2, 3, 4, 5, 6 AND 7, TOGETHER WITH THE VACATED ALLEY ABUTTING SAID LOTS AS DESIGNATED UPON THE PLAT OF FIFIELD'S SUBDIVISION OF LOT 1 IN BLOCK "D" IN EAST ROCKFORD AND OF THE TRACT BETWEEN SAID LOT AND STATE STREET, THE PLAT OF WHICH SUBDIVISION IS RECORDED IN BOOK 51 OF DEEDS ON PAGE 134 IN THE RECORDER'S OFFICE OF WINNEBAGO COUNTY, ILLINOIS.

ALSO: LOTS 2, 3, 4 AND 5 IN BLOCK "D" AS DESIGNATED UPON THE MAP OF THE PLAT OF THE TOWN (NOW CITY) OF ROCKFORD, ON THE EAST SIDE OF ROCK RIVER, THE PLAT OF WHICH IS RECORDED IN BOOK "D" OF DEEDS ON PAGES 340 AND 341 IN THE RECORDER'S OFFICE OF WINNEBAGO COUNTY, ILLINOIS, AND THAT PART OF VACATED WALNUT STREET DESCRIBED AS FOLLOWS: PART OF THE TRACT OF LAND BETWEEN BLOCKS "D" AND "E" AS SHOWN UPON THE MAP OF THAT PART OF THE TOWN (NOW CITY) OF ROCKFORD ON THE EAST SIDE OF ROCK RIVER, AS AFORESAID, BOUNDED AS FOLLOWS, TO--WIT: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF WALNUT STREET WITH THE WESTERLY LINE OF SOUTH WATER STREET AS SHOWN UPON SAID PLAT; THENCE NORTHWESTERLY, ALONG THE SOUTHERLY LINE OF LOT 5 IN SAID BLOCK "D", 155 FEET, MORE OR LESS, TO ROCK RIVER; THENCE SOUTHERLY, ALONG SAID RIVER, 66.5 FEET, MORE OR LESS, TO A POINT 66 FEET DISTANT FROM SAID SOUTHERLY LINE OF SAID LOT 5, AS MEASURED AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY, PARALLEL WITH THE FIRST DESCRIBED COURSE, 25 FEET, MORE OR LESS, TO A POINT ON THE SOUTHERLY LINE OF WALNUT STREET AS SHOWN ON SAID PLAT; THENCE EAST, 163 DEGREES AND 41.5 MINUTES WITH THE PRECEDING COURSE, 142.51 FEET A POINT ON THE WESTERLY LINE OF WATER STREET AS SHOWN UPON SAID PLAT PROJECTED SOUTHERLY; THENCE NORTHERLY, ALONG SAID LAST MENTIONED LINE, 25 FEET TO THE PLACE OF BEGINNING: ALL SITUATED IN THE CITY OF ROCKFORD, COUNTY OF WINNEBAGO AND STATE OF ILLINOIS.

PARCEL 2:

PART OF LOT 10 IN BLOCK 8 AS DESIGNATED UPON THE MAP OF THE PART OF THE TOWN (NOW CITY) OF ROCKFORD, ON THE EAST SIDE OF ROCK RIVER, THE PLAT OF WHICH IS RECORDED IN BOOK "D" OF DEEDS ON PAGES 340 AND 341 IN THE RECORDER'S OFFICE OF WINNEBAGO COUNTY, ILLINOIS, AND A PART OF STATE STREET AS SHOWN UPON SAID PLAT, ALL BOUNDED AS FOLLOWS, TO-WIT: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 10; THENCE NORTHERLY, ALONG THE WESTERLY LINE OF SAID LOT AND SAID LINE PRODUCED, 103 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF STATE STREET AS NOW LAID OUT; THENCE EASTERLY, ALONG THE SOUTHERLY LINE OF STATE STREET AS NOW LAID OUT, 92.53 FEET, MORE OR LESS, TO THE NORTHWEST CORNER OF PREMISES CONVEYED BY E.L. HERRICK AND WIFE TO THE CHICAGO & NORTHWESTERN RAIL WAY COMPANY BY DEED RECORDED IN BOOK 68 OF DEEDS, PAGE 200 IN SAID RECORDER'S OFFICE; THENCE SOUTHERLY, ALONG THE WESTERLY LINE OF SAID PREMISES SO CONVEYED TO SAID RAILWAY COMPANY, 91 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF SAID LOT 10; THENCE WESTERLY, ALONG SAID SOUTHERLY LINE, TO THE PLACE OF BEGINNING; SITUATED IN THE CITY OF ROCKFORD, COUNTY OF WINNEBAGO AND STATE OF ILLINOIS.

PARCEL 3:

LOTS 6, 7, 8 AND 9 IN BLOCK 8 AS DESIGNATED UPON THE MAP OF THE PLAT OF THE TOWN (NOW CITY) OF ROCKFORD, ON THE EAST SIDE OF ROCK RIVER, THE PLAT OF WHICH IS RECORDED IN BOOK "D" OF DEEDS ON PAGES 340 AND 341 IN THE RECORDER'S OFFICE OF WINNEBAGO COUNTY, ILLINOIS. EXCEPTING THE EAST 20 FEET OF SAID LOTS; SITUATED IN THE CITY OF ROCKFORD, COUNTY OF WINNEBAGO COUNTY AND STATE OF ILLINOIS.

AND ALSO AS TO PARCELS 1,2 & 3:

THAT PART OF WATER STREET AS DESIGNATED UPON THE MAP OF THAT PART OF THE TOWN (NOW CITY) OF ROCKFORD, ON THE EAST SIDE OF THE ROCK RIVER, THE PLAT OF WHICH IS RECORDED IN BOOK "D" OF

DEEDS ON PAGES 340 AND 341 IN THE RECORDERS OFFICE OF WINNEBAGO COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT 1 AS DESIGNATED UPON THE PLAT OF FIFIELDS SUBDIVISION, AFORESAID RECORDED IN BOOK 51 OF DEEDS ON PAGE 134 IN SAID RECORDERS OFFICE, SAID POINT ALSO BEING IN THE SOUTHERLY LINE OF EAST STATE STREET (AS LAID OUT); THENCE SOUTH 47 DEGREES 52 MINUTES 30 SECONDS EAST, ON THE SOUTHERLY LINE OF SAID EAST STATE STREET (AS LAID OUT), A DISTANCE OF 66.50 FEET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF BLOCK 8 AS DESIGNATED UPON SAID MAP OF THAT PART OF THE TOWN (NOW CITY) OF ROCKFORD, ON THE EAST SIDE OF THE ROCK RIVER; THENCE SOUTH 35 DEGREES 06 MINUTES 48 SECONDS WEST, ON THE NORTHERLY EXTENSION OF THE WEST LINE AND THE WEST LINE OF SAID BLOCK 8, A DISTANCE OF 370.25 FEET TO THE SOUTHWEST CORNER OF SAID BLOCK 8, SAID POINT ALSO BEING IN THE NORTHERLY LINE OF WALNUT STREET; THENCE NORTH 76 DEGREES, 29 MINUTES, 24 SECONDS WEST, ON THE NORTHERLY LINE OF SAID WALNUT STREET, A DISTANCE OF 70.99 FEET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF SAID BLOCK "D"; THENCE NORTH 35 DEGREES 06 MINUTES 48 SECONDS EAST, ON THE SOUTHERLY EXTENSION OF THE EAST LINE AND THE EAST LINE OF SAID BLOCK "D", A DISTANCE OF 404.50 FEET TO THE POINT OF BEGINNING, AS DESCRIBED BY ROADWAY AND EASEMENT DEDICATION RECORDED AS DOCUMENT NO. 0614958 IN SAID RECORDER'S OFFICE; SITUATED IN THE CITY OF ROCKFORD, COUNTY OF WINNEBAGO AND STATE OF ILLINOIS.

FOR INFORMATION ONLY:

CKA: 99 E. STATE ST., ROCKFORD, IL 61104
PINS: 11-23-358-002, 11-23-378-003 AND 11-23-378-004

EXHIBIT C
Eligible Redevelopment Project Cost Schedule

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, including:

- **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.**
- **Legal fees**

Memorandum

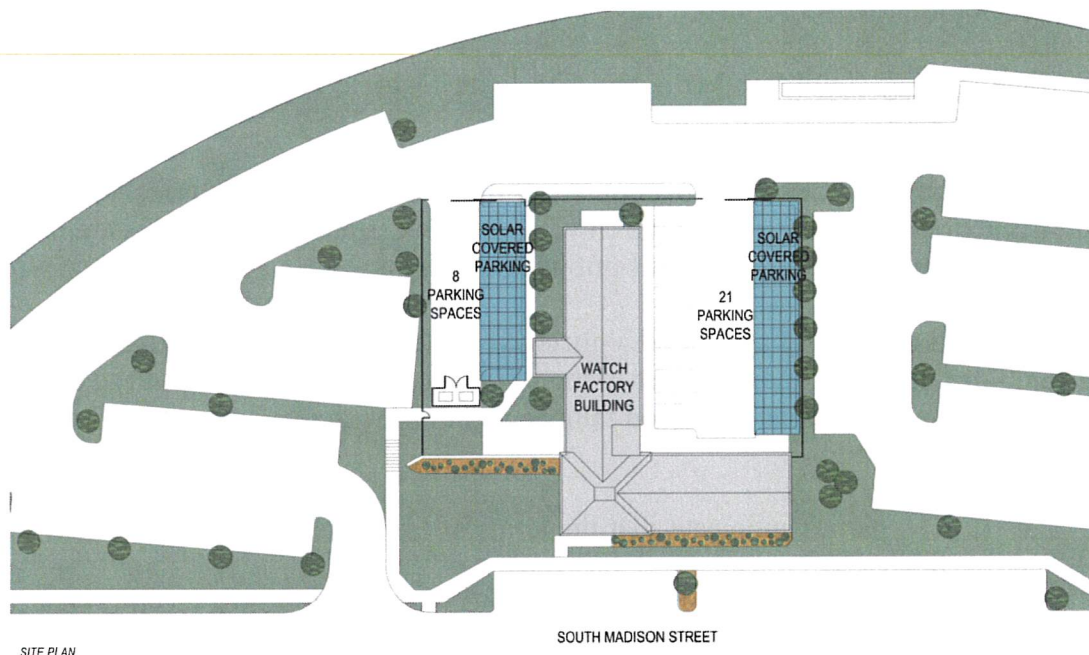
To: Planning & Development Committee
Alderman Janessa Wilkens, Chairman
Alderman Timothy Durkee, Vice-Chairman
Alderman Gina Meeks
Alderman Karen Hoffman
Alderman Jaimie Salgado

From: Todd Cagnoni, City Administrator



Re: Proposed Amendment to Development Agreement with Oliver Emerson Development (Oliver Emerson Development, LLC) for the rehabilitation and adaptive reuse of 325 S. Madison Street as residential.

Date: December 19, 2025



OLIVER EMERSON DEVELOPMENT

Oliver Emerson Development, LLC (**Developer**) has requested assistance from the City of Rockford (**City**) through the use of Redevelopment Funds and Tax Increment

Financing (**TIF**) from the creation of a new TIF District (**DISTRICT**), and River Edge Redevelopment Zone Benefits (**RERZ**) to further the rehabilitation and establishment of an adaptive reuse of an existing building (**Project**) located at 325 S. Madison Street. The City previously approved a purchase agreement and subsequent development agreement in June 2024 with Oliver Emerson Development. Since that time Oliver Emerson Development has been securing the capital stack and confirming the construction cost. They have seen increase cost in the completion of the project and are seeking additional funding to move the project forward. Staff believes it is in the best interest of the City to advance the project forward and the City previously established a new TIF District to support the Project.

The City has owned the Watch Factory for more than 10 years after acquiring the property as part of the Sports Factory redevelopment project. The structure as it currently exists is part of a National Historic District and has been consistently promoted to represent an era of manufacturing in Rockford that represents its formative years in industry. While the facility has undergone many uses and transformations, the plan to celebrate the original history of the Watch Factory has been pursued as the most comprehensive in achieving our goals for the redevelopment. The Watch Factory was designed by the renowned architect firm Burnham and Root. The project as proposed is consistent with Illinois Historic Preservation Memo of Agreement approved by City council in April of 2014 when the Sports Factory project was advancing. The Project is an adaptive reuse of the existing 27,064 square foot, 3 story structure with a basement consisting of 24 residential units.

Redevelopment costs reported have increased from \$7.2M to \$11.5M, which include construction cost, soft costs and developer Fee. Developer has proposed a capital stack including conditional construction loan, historic tax credit funding, and City forgivable loan.

Successful rehabilitation and occupancy of the Project will create new housing and construction jobs. In addition, the Developer's investment in the Project will remove blight adjacent significant public investment.

City Council previously approved a purchase and sale agreement in the amount of \$55,000 to the Developer. As part of the purchase and sale agreement the City and Developer agreed to enter into good faith negotiations with respect to a development agreement including:

1. The parties anticipate that the terms of the development will include, but not limited to:
 - i. 100% pay as you go Tax Increment Financing from a recently created Tax Increment Financing District
 - ii. \$1,200,000 in additional up-front gap financing.
 - iii. Seller will be responsible for any costs associated with the property being included in a new or amended redevelopment plan and project area in accordance with the Tax Increment Allocation Redevelopment Act of the

State of Illinois, 65 ILCS 5/11-74.4-1, et seq.

2. Seller's obligation is contingent upon Buyer demonstrating ability to obtain funding for the property.
3. Such new or amended redevelopment plan and project area or development agreement shall be subject to approval of the Seller (the "Corporate Authorities").
4. Said approval shall be at the sole discretion of the Corporate Authorities who are under no obligation to establish a new or amended redevelopment plan area or development agreement pursuant to this Agreement.
5. Re-plat of property will take place during the development agreement process.

The City and the Developer negotiated a Development Agreement in 2024 that defined the requirements and obligations of each party for the redevelopment of the Project and Property. The major requirements and obligations of each party at that time were as follows:

The development agreement approved in 2024 provided a Forgivable Loan in an amount not to exceed Six Hundred Twenty Thousand Dollars (\$620,000) and a TIF Advance Loan in the amount of One Million Three Hundred Ninety-Six Thousand Five Hundred Five Dollars (\$1,396,505) to be provided at the time of closing and full financing of the project to be recovered off increment created back to the City from the project.

THE AMENDED TERMS PROPOSED ARE AS FOLLOWS:

CITY OF ROCKFORD:

- A. **Public Financial Assistance.** The City agrees to provide public financial assistance to the Project as follows:

Redevelopment Fund. The City shall distribute to the Developer a Forgivable Loan in an amount not to exceed Two Million Seven Hundred Thousand Dollars (\$2,700,000) for eligible Redevelopment Project Costs. Loan Funds will be allocated to Developer as follows; 1/3 after financial closing, 1/3 upon approval of a rough inspection by the City Building Code Official and 1/3 upon substantial completion of the Project. The City shall forgive the Forgivable Loan in ten (10) equal annual installments (i.e. \$270,000 each, if the full Forgivable Loan was disbursed) with the first installment to be forgiven on the one (1) year anniversary of the issuance of the final Certificate of Occupancy for the Project. Forgiveness shall be conditioned upon 75% residential occupancy of the Subject Property in the prior year, except for the first year.

Tax Increment Financing (TIF). The City agrees to provide to 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 existing Oak and Madison TIF District through the life of the TIF for eligible Redevelopment Project Costs.

The Developer shall submit to the City documentation of all TIF eligible costs incurred and property taxes paid for verification by the City. Upon verification of the TIF eligible costs and property taxes paid, the City will reimburse to the Developer the annual TIF increment generated by the Project.

River Edge Redevelopment Zone (RERZ). The City will make available action to assist Developer in establishing eligibility for financial incentives for the Project through the River Edge Redevelopment Program administered by the State of Illinois. This would primarily be historic tax credits.

- B. **Subdivision.** The City will subdivide the property creating a separate out lot and transfer the property "Watch Factory Lot" to the Developer at the time of financial closing.
- C. **Issuance of Permits and Fees.** The City shall promptly issue building permits for all construction related to the Project, provided such application shall be complete and in accordance with all applicable City codes and ordinances. All applicable building permit fees shall be paid.

Developer:

- A. **Purchase the Property.** The Developer with purchase the property in the amount of Fifty-Five Thousand Dollars, (\$55,000) at the time of closing.
- B. **Development of the Project.** Consistent with the City's goals and objectives of the City, the Developer proposes to develop the Project into an attractive mixed-use development as described above at the sole cost and expense of the Developer except as identified per the terms above.
- C. **Permits.** Prior to commencing construction, the Developer shall apply to the City for all necessary building and construction permits for the improvements to be made by submitting all plans and specifications required pursuant to the City Code of Ordinances. The Developer shall be responsible for all building and construction permits.
- D. **Construction of Project.** The Project shall start no later than July 1, 2026 and be substantially completed on or before twenty-four (24) months following the closing of the capital stack of the Project, subject to reasonable Force Majeure delays. Such Project Completion date shall be subject to an automatic extension of up to nine months upon request to the City from Developer.
- E. **Reporting and Justification of Expenditures.** As a condition of public financial assistance for the Project, all loan documentation, financing records, agreements and expenses demonstrating the financial viability of the Project shall be fully disclosed to the City, including an Annual Report on the first anniversary of the

effective date of the Development Agreement and a Final Report upon completion of the Project.

F. **Restriction on Property Tax Protestation.** In recognition of the contribution of Tax Increment to the Project, the Developer shall accept the property tax assessment for the Subject Property without protest during the life of the Tax Increment Financing District until the Final Levy Date thereof.

G. **Inspection for Compliance.** The Developer agrees to allow inspections of the Property and agrees to have available, upon request, all documentation concerning this Agreement for inspection, audit and copying during normal business hours.

H. **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

Staff requests the Planning and Development Committee review and recommend approval by the City Council of the attached Amended Development Agreement with Oliver Emerson Development (Oliver Emerson Development, LLC) for the rehabilitation and adaptive reuse of 325 S. Madison Street as residential.



TIF GUIDELINE POLICY STATEMENT

Review for 325 S Main – Watch Factory

The project and development agreement has been reviewed in accordance with the TIF Policy Statement and found to be consistent with the Policy. The project meets many of the identified “Primary Project Priorities” by renovating an existing commercial building in disrepair (dangerous and unsafe) while offering commercial and residential opportunities in established commercial district. The project preserves an existing building within a federal historic district satisfying “Secondary Project Priorities” of preserving a building in Downtown.

Staff has applied the “But For” test against the project and found that but for public assistance the project is not likely to advance forward. The project has demonstrated that there is the need for City financial assistance and that the priorities of the Policy are being satisfied.

Funding is being provided via a TIF Loan (TIF Advance) and Redevelopment Fund dollars. Although, the project is being provided funds in advance and not on a “pay as you go” basis, no bonds are offered to support the project and the development agreement prohibits the protest of property taxes during the term of the agreement.

The relative portions of the scoring system are highlighted below.

TIF GUIDELINE POINT SYSTEM

TOTAL POINTS UNDER SCORING SYSTEM = 235

- a. Type of project
 - i. Industrial/Manufacturing—100 Points
 - 1. New
 - 2. Existing
 - ii. Commercial—75 Points
 - 1. New commercial
 - 2. Renovation/improvement of existing commercial
 - 3. Demolition of abandoned structures
 - iii. Professional/Office—75 Points
 - iv. Residential—50 Points

1. Address concentration of low-income residential

2. Dangerous and abandoned buildings

- v. Advanced education and training—30 Points
- vi. Arts—20 Points
- vii. Public Improvements—10 Points
 - 1. Note that this means the use of TIF funds for a public improvement standing alone, not that some part of the funding for a project in a different category would include a public improvement. For example, a new manufacturing plant might require an upgraded sewer line. That is a manufacturing project even though it includes a public improvement. The line between “stand alone” public improvements and those linked to a specific project is not an easy one to draw.
 - 2. For “stand alone” public improvements, it is hard to see how the “but for” test is met since the funding of the improvement will often be a question of the allocation of tax revenues. It is also a practice that uses the taxing authority of another jurisdiction to pay for something that the City is unable or unwilling to fund out of its own possible revenue sources.
- viii. Tourism—10 Points
 - 1. Tourism is one of the few areas that has its own dedicated revenue source.
- ix. Historic Preservation—**10 Points**
 - 1. I admit to a strong bias against the concept that historic preservation is entitled to special significance. It is not considered in context—in terms of alternative development and in terms of the “opportunity cost”—the impact that abandoned structures which sit for decades have on the surrounding neighborhood.
- x. Other
- b. Location of the project—note that these areas all presumably will have to qualify as “blighted”
 - i. High Priority areas—**100 Points**
 - 1. Central City (broadly defined)
 - a. The Central City would encompass most of the areas that were developed by the 1950s
 - 2. Census tracts with high unemployment
 - 3. Census tracts with low median income
 - 4. Riverfront
 - ii. Mid-Priority areas—50 Points
 - 1. I’ll know them when I see them
 - 2. For example, the abandoned grocery store at the Charles/Alpine 5 Points area.
 - iii. Low Priority areas—10 Points
 - 1. Typically “greenfield” locations which require the extension of public services

- c. Employment Factor—number and wage rate—50 Points each
 - i. High/High—100
 - ii. Low/High—50
 - iii. High/Low—50
 - iv. Low/Low--0
- d. Others—up to 100 points (assigned 75)
 - i. Indirect employment
 - ii. MBE/WBE/Veterans
 - iii. Targeted employment

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 Oliver Emerson Development (Oliver Emerson Development, LLC) for the rehabilitation and adaptive reuse of 325 South Madison Street (The Watch Factory) as residential, 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 5, 2026

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

**AMENDED AND RESTATED DEVELOPMENT AGREEMENT
FOR 325 S. MADISON STREET**

THIS AGREEMENT (this “Agreement”) is made and entered into this ____ day of _____, 2025, by and between the CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation (the “City”), and Oliver Emerson Development LLC, an Illinois limited liability company, and/or its assigns (the “Developer”) for the redevelopment of 325 S. Madison Street.

PREAMBLES

WHEREAS, the City and Developer (the “Parties”) entered into a certain Development Agreement dated and signed _____, 2024 (Ordinance _____); and

WHEREAS, by agreement of the Parties, that Development Agreement is hereby null and void this Agreement shall supersede and replace all prior agreements and understandings; and

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

WHEREAS, the City has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety, and welfare of the City and its inhabitants, to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to increase employment, and to enter into contractual agreements with third parties for the purpose of achieving these purposes.

WHEREAS, the City has the authority under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the “Act”), to finance redevelopment in accordance with the conditions and requirements set forth in the Act.

WHEREAS, in accordance with the requirements of the TIF Act, on **April 7, 2025**, the Corporate Authorities adopted Ordinance No. **2025-047-O**, which approved a redevelopment plan and project, entitled the Madison and Oak Tax Increment Financing Redevelopment Plan and Program (the “**Redevelopment Plan**”), for the Madison and Oak Project Area (the “**Redevelopment Area**”); and

WHEREAS, also in accordance with the requirements of the TIF Act, on **April 7, 2025**, the Corporate Authorities adopted Ordinances No. **2025-048-O** and No. **2025-049-O** which designated the Redevelopment 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 Area (Ordinance No. **2025-047-O**, Ordinance No. **2025-048-O** and No. **2025-049-O** collectively referred to as the “**TIF Ordinances**”); and

WHEREAS, the Developer is under contract with the City to purchase the property for Fifty Five Thousand Dollars (\$55,000), which said real estate is located within the intended Redevelopment Project Area, and Developer proposes to redevelop the property, renovating the existing building located on the property and converting the property to market-rate apartments (the “Project”), all as more fully described on **Exhibit A** attached hereto and incorporated herein. Said real estate is located

at 325 S. Madison Street (PIN: 11-23-361-004) and 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 \$ 11,554,985; 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 undertake 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 approved 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) The Developer has an opportunity to revitalize the area by renovating and repurposing a 150-year-old building that has remained vacant for many years. The redevelopment of the building will bring much needed residential space to the downtown Rockford area. The interior/exterior rehabilitation and renovation of the existing building to complete the Project shall represent an estimated Developer investment of \$ 11,554,985.

(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, . Developer shall follow the standard application process for such special use permit. 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) Except Forgivable Loan described herein, the 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. Subject to the terms and conditions of this Agreement, the City shall provide the Developer the principal sum of Two Million Seven Hundred Thousand Dollars (\$2,700,000) (“Forgivable Loan”), with no interest accruing thereon, from the City of Rockford Redevelopment Fund.

(e) Project Completion. The Project shall start no later than July 1, 2026 and be substantially completed on or before twenty-four (24) months following the closing of the capital stack of the Project, subject to reasonable Force Majeure delays. Such Project Completion date shall be subject to an automatic extension of up to nine months upon request to the City from Developer;

(f) In recognition of the contribution of Tax Increment to the Project, the Developer shall accept the property tax assessment for the Subject Property without protest for any year in which reimbursement is due and paid and during the life of the Madison and Oak Tax Increment Financing District until the Final Levy Date thereof.

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

- (i) Adult uses, including but not limited to an adult type bookstore or other establishment selling, renting, displaying or exhibiting pornographic or obscene materials (including without limitation: magazines, books, movies, videos, photographs or so called “sexual toys”) or providing adult type entertainment or activities (including, without limitation, any displays of a variety involving, exhibiting or depicting sexual themes, nudity or lewd acts;
- (ii) Tattoo shops;
- (iii) A massage parlor or any establishment purveying similar services;
- (iv) Gaming machine establishments, including any bar or restaurant seeking video gaming terminals ancillary to its liquor license;
- (v) Tobacco stores;
- (vi) Second Hand store, excluding national or regional brands (such as ReTool, Play It Again Sports, Plato’s Closet, Gamestop, etc.);
- (vii) Cash for Gold store;

- (viii) Payday Loan store; and
- (ix) Title Loan store.

(h) It is expressly understood between the City and the Developer that the Developer may utilize federal or state historic tax credits to finance the Project. The City will have no liability with respect to the Developer's use or compliance with the aforementioned programs, or funding gaps associated with not securing said funds, and sole risk belongs to the Developer.

(i) 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.

(j) 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.

(k) Conditions Subsequent: Notwithstanding anything herein to the contrary, Developer's obligations hereunder to undertake and complete the Project are subject to the following conditions subsequent:

- (i) Developer assembling and closing the capital stack necessary to complete the Project;
- (ii) Developer's acquisition of the 325 S. Madison Street property from the City;

Section 3. Forgivable Loan Details

(a) Subject to all terms and conditions of this Agreement, the City agrees to disburse the Forgivable Loan to Developer for Redevelopment Project Costs in three (3) equal disbursements as set forth in **Exhibit C** (the "Eligible Redevelopment Project Cost Schedule") which are approved by the City pursuant to Section 3(b). The aggregate Forgivable Loan funds pursuant to this Section 3 shall in no event exceed Two Million Seven Hundred Thousand Dollars (\$2,700,000), which amount shall be paid subject to the terms as set forth in Section 3(b).

(b) The City shall distribute to Developer Forgivable Loan funds in an amount not to exceed Two Million Seven Hundred Thousand Dollars (\$2,700,000) for eligible Redevelopment Project Costs identified in **Exhibit C** and in accordance with the following terms:

1. Upon closing of the Project's capital stack, Developer shall tender to the City

documents to establish full financing for the Project, receipts to date, a draft settlement statement, purchase agreements or executed proposals, or other reasonable proof of eligible Project Costs for acquisition and pre-construction costs related to the Project. Such eligible Project Costs may include, without limitation, the purchase price and related closing costs for the Property, architectural fees and costs, and other up-front soft-costs. Within thirty (30) days of receipt of the proof of eligible Project Costs and documentation establishing full financing to complete the Project, which are acceptable to the City in the City's commercially reasonable judgment, , City shall disburse to Developer from the Forgivable Loan funds an amount of such costs up to the maximum amount of one-third (1/3) of the Forgivable Loan amount (i.e., \$900,000). The Developer will be eligible for one-third (1/3) of the remaining portion of the Forgivable Loan funds (i.e., \$900,000) upon approval of a rough inspection by the City Building Code Official. The Developer will be eligible for the remaining one third (1/3) of the Forgivable Loan funds (i.e., \$900,000) (for a total Forgivable Loan amount of \$2,700,000) upon substantial completion of the Project, which shall be no later than twenty-four (24) months after the closing of the capital stack for the Project or such later date as extended per provision earlier herein. The City shall disburse the funds to the Developer within thirty (30) days of each milestone approved by the City.

2. The City shall forgive all amounts due on the Forgivable Loan in accordance with the Promissory Note ("the Note"). The City shall forgive the Forgivable Loan in ten (10) equal annual installments (i.e. \$270,000 each, if the full Forgivable Loan was disbursed) with the first installment to be forgiven on the one (1) year anniversary of the disbursement of the final one-third (1/3) Forgivable Loan for the Project, and each subsequent installment to occur on the yearly anniversary of such date ("Forgiveness Period"). Forgiveness shall be conditioned upon 75% residential occupancy of the Subject Property in the prior year, except for the first year. Upon documentation from Developer demonstrating at least 75% residential occupancy of Subject Property for the prior year (except for the first year) the City shall forgive the Forgivable Loan at the rate outlined above.

Annual loan forgiveness shall also be conditioned on all property taxes being current on the Subject Property. Developer shall submit evidence acceptable to the City that property taxes for the Subject Property are not delinquent and that there are no amounts due and owing to be eligible for annual loan forgiveness.

3. Security. The Forgivable Loan shall be secured by the Note and Mortgage in the form attached hereto as **Exhibit D and E** to this Agreement. The Note provides for the terms of payment of the Forgivable Loan.

4. City's obligations herein are subject to Developer's satisfaction of all conditions precedent set forth in Section 6.

Section 4. City's TIF Reimbursement Payments to Developer.

(a) As long as no event described in Section 20 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**, which are approved by the City pursuant to Section 4(c). The City agrees to provide the Developer with one hundred percent (100%) of the Increment generated by only the Project, which will commence annually on the year after closing on the Subject Property and for the remaining term of the Madison and Oak TIF, ending on 2048.

(b) Subject to the terms and conditions of this Agreement, the TIF funding provided by the City, as described herein, shall be disbursed to Developer upon Developer's satisfaction of all conditions precedent in Section 6, including but not limited to submittal of proof of Redevelopment Project Costs under the TIF Act. These Redevelopment Project Costs shall include those expenses described on **Exhibit C** 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 4(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. Developer shall further submit a release of claims and waiver from the service providers.

(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, in whole or part. Developer's initial designated entity is Oliver Emerson Development LLC.

(f) **THE CITY'S OBLIGATION TO PAY THE DEVELOPER THE INCREMENT 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 THE RECITALS ABOVE, (THE "STAF") AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY.** As used in this Agreement, "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the project in the Redevelopment Project Area and improvements therein which is attributable to the increase in the equalized assessed value of the

Redevelopment Project Area from the Project and its improvements over the initial equalized assessed value of the Project in the Redevelopment Project Area, as calculated in accordance with the TIF Act.

Section 5. **Parking.** Developer shall have exclusive access of the parking lot, which is more fully described in the attached **Exhibit F**. The Developer shall provide a detailed landscaping and parking lot plan subject to City review and approval. Developer shall bear all costs associated with the routine maintenance of the parking lot including, but not limited to, snow removal, lighting and landscaping including irrigation, seal coating, resurfacing and repainting.

Section 6. **Conditions Precedent to City's Obligations.** The City's obligations to disburse any funds under this Agreement (including loan funds and reimbursement for Redevelopment Project Costs) are contingent upon Developer's satisfaction of each of the conditions precedent set forth below. City's waiver of any condition precedent prior to any disbursement shall not constitute waiver of any condition precedent required for subsequent disbursements.

- (a) Execution of the Mortgage and Promissory Note in form and content satisfactory to the City, including a guaranty from Oliver Emerson Development, LLC;
- (b) Articles of Organization and Operating Agreement;
- (c) Illinois Secretary of State Certificate of Good Standing or current printout from Secretary of State database reflecting that Developer is in good standing;
- (d) Resolution by members of Developer duly authorizing the Developer to enter into and execute this Agreement;
- (e) An opinion of Developer's counsel, in the form and substance satisfactory to the City and its counsel, affirming that (a) Developer is duly organized and validly existing under the laws of the State of Illinois with the power and authority to own, develop and lease the Property, as applicable, (b) the execution, delivery and performance of this Agreement and the other Loan Documents constitute a valid and binding obligation of Developer, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium or similar laws affecting creditors' rights and to equitable principles, (c) to the best of counsel's knowledge, which may be based solely on a certificate of Developer and such counsel's actual knowledge, the execution, delivery and performance of the Developer agreements do not breach or result in a default under any judgment, order or agreement applicable to Developer, and (d) to the best of counsel's actual knowledge, there is no litigation or proceeding pending or threatened against Developer;
- (f) [Intentionally omitted];
- (g) An opinion of Oliver Emerson's counsel in the form and substance satisfactory to the City and its counsel, affirming that (a) to the best of counsel's knowledge, which may be based solely on a certificate of Oliver Emerson and such counsel's actual knowledge, the execution, delivery and performance of this Agreement does not breach or result in a default under any judgment, order or agreement applicable to Oliver Emerson and (b)

to the best of counsel's actual knowledge there is no litigation or proceeding pending or threatened against Oliver Emerson;

- (h) Execution and delivery by Developer and other parties, as applicable, of, and full compliance with, all of the Loan Documents, and any other documents referred to herein, in form and content satisfactory to the City;
- (i) The absence of any legal proceedings (including foreclosure or bankruptcy proceedings) regarding the Subject Property;
- (j) Evidence satisfactory to the City that all insurance coverages are provided in accordance with the provisions of this Agreement;
- (k) Evidence that all representations and warranties of Developer are true and correct in all respects as of the date of the making of the disbursement and that no default or event of default shall be in existence on the date of making the disbursement;
- (l) Evidence that there shall have been no material adverse change in the financial or business condition or operations of Developer from the date of this Agreement;
- (m) Full performance of all of Developer's obligations under this Agreement and the Loan Documents due on or before the date of disbursement;
- (n) [Intentionally omitted];
- (o) Presentation of evidence of payment satisfaction, release, and release from all contractors or service providers that performed work for which Developer is requesting reimbursement in a form satisfactory to the City;
- (p) Developer providing the City with reasonable evidence of sufficient financing for the Project.
- (q) Such other documents as reasonably required by the City to evidence the transactions provided for herein.
- (r) Property taxes are paid in full.

Section 7. Insurance.

Developer shall obtain and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance, comprehensive coverage insurance and other insurance coverage as may be required by the City. All insurance policies shall name the City as an additional insured or certificate holder. All insurance required hereunder shall be with a company or companies licensed to conduct business in the State of Illinois.

Section 8. Term.

Unless earlier terminated pursuant to Section 20 hereof, the term of this Agreement shall commence on the date of execution and end upon the satisfaction of the parties' obligations under this Agreement. The parties agree that the covenant prohibiting the protest of assessed valuation of the property set forth in Section 2(f) above, shall survive the agreement and shall bind the Developer's heirs, successors, assigns and legatees.

Section 9. 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 10. 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 11. 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 other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party under this Agreement.

Section 12. Assignment.

This Agreement may not be transferred or assigned by the Developer without the prior written consent of the City. Any such consideration or consent to a transfer or assignment shall be at the sole discretion 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 13. 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 14. 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 fifth (5th) 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:

Oliver Emerson Sr
Oliver Emerson Development LLC
2205 S. Perryville Road
Rockford, IL 61108

To the City:

City of Rockford
Attention: Community and Economic
Development Director
425 E. State Street
Rockford, IL 61104

With a copy to:

Oliver Emerson Jr
2205 S. Perryville Road
Rockford, IL 61108

With a copy to:

City of Rockford
Legal Director
425 E. State Street
Rockford, IL 61104

Section 15. 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 16. 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 17. Memorandum.

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

Section 18. Default. The occurrence of any of the following acts, events, or conditions shall constitute a default under this Agreement, and following the notice and right to cure as expressly provided in this Agreement, shall, if uncured as provided below, constitute an event of default ("Event of Default") hereunder and under the other Loan Documents:

- (a) failure to obtain a final Certificate of Occupancy within 24 months of closing of the Project's capital stack or such later date provided for by extension as set forth earlier herein;
- (b) failure to secure full financing for the Project and complete the financial closing for the Project within 12 months from the execution of the agreement;
- (b) any breach of or failure to comply with any term or condition of this Agreement or the Loan Documents;
- (c) any transfer or assignment in violation of Section 12 hereof;
- (d) any filing by Developer, or on behalf of Developer, of a petition in bankruptcy or for an arrangement, reorganization, or any other form of debtor relief, or the filing of such petition against Developer;
- (e) the entry of a decree or order for the appointment of a trustee, receiver or liquidator for Developer, or Developer's property which is not discharged within thirty (30) days;
- (f) Developer commencing any proceeding for dissolution or liquidation, or, if not discharged within thirty (30) days, the commencement of such proceeding against Developer;
- (g) Developer making an assignment of all, or substantially all, of its assets for the benefit of its creditors, or admitting in writing its inability to pay its debts generally as they become due;
- (h) Developer failing to satisfy and pay any final judgment, order or decree for the payment of money rendered against it, or the filing against Developer of an attachment, execution or other judicial seizure of any portion of Developer's assets; or
- (i) Developer making any written representation to the City which is materially false or misleading when made.

Developer agrees to give the City prompt written notice of any Event of Default.

The City's declaration of an Event of Default hereunder shall be made by notice to Developer pursuant to Section 14 of this Agreement and shall be effective as provided therein.

Section 19. Notice and Cure. The City shall give Developer written notice of any alleged default, in accordance with the provisions of this Agreement, and Developer shall have the following periods to cure such default:

(a) as to any default which materially, adversely and exigently affects or impairs any of the City's rights under the Loan Documents, there shall be no cure period;

(b) as to any act or occurrence constituting a default under Sections 18(c), 18(d), or 18(i), except as provided in Section 19(a) above, the cure period shall be ten (10) days; provided, however, that if such cure cannot be completed within such ten (10) day period through the exercise of diligence, Developer shall commence the required cure within such ten (10) day period and thereafter continue the cure with diligence and complete the cure within sixty (60) days following Developer's receipt of the notice; and

(c) as to any act or occurrence constituting a default under other paragraphs of Section 18 where no specific cure period is set forth, and except as provided in Section 19(a) or (b) above, the cure period shall be thirty (30) days; provided, however, that if such cure cannot be completed within such thirty (30) day period through the exercise of diligence, Developer shall commence the required cure within such thirty (30) day period and thereafter continue the cure with diligence and complete the cure within sixty (60) days following Developer's receipt of the notice.

Section 20. Rights Upon Default.

(a) If any Event of Default shall occur, the City may declare all amounts owed under the Loan Documents immediately due and payable, including all disbursed Forgivable Loan funds, without further demand or notice, and/or exercise its rights and remedies under the Loan Documents and applicable law.

(b) The City's failure to enforce any default shall not constitute a waiver of the default or any subsequent default.

(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. In the event the Developer shall institute legal action against the City because of a default of this Agreement, the Developer shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

Section 21. Books and Records. The City, or its authorized representative, shall have reasonable access upon ten (10) business days' prior written notice, to the books and records of Developer related to the Project, to conduct a confirmatory examination of such books and records. Said examination shall be at the City's expense unless Developer's statements are found to contain significant errors, in which case the confirmatory examination will be at Developer's expense.

Section 22. 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 23. 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 24. 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 25. 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, lockout, 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 26. 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 27. 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 28. 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.

[SIGNATURE PAGE FOLLOWS]

Oliver Emerson Development, LLC

By: _____
Oliver Emerson Jr, Member

CITY OF ROCKFORD, ILLINOIS
A Municipal Corporation

By: _____
Mayor

ATTEST:

City Legal Director

DRAFT

EXHIBIT A

The structure as it currently exists is part of a National Historic District and has been consistently promoted to represent an era of manufacturing in Rockford that represents its formative years in industry. While the facility has undergone many uses and transformations, the plan to celebrate the original history of the Watch Factory has been pursued as the most comprehensive in achieving our goals for the redevelopment. The Watch Factory was designed by the renowned architect firm Burnham and Root. The project as proposed is consistent with Illinois Historic Preservation Memo of Agreement approved by City council in April of 2014 when the Sports Factory project was advancing. The Project is an adaptive reuse of the existing 27,064 square foot, 3 story structure with a basement consisting of 24 residential units.

DRAFT

EXHIBIT B

Legal Description of Property

DRAFT

EXHIBIT C

Redevelopment Project Cost Schedule

DRAFT

**DEVELOPMENT AGREEMENT
FOR 325 S. MADISON STREET**

THIS AGREEMENT (this "Agreement") is made and entered into this 12 day of June, 2024, by and between the CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation (the "City"), and Oliver Emerson Development LLC, an Illinois limited liability company, and/or its assigns (the "Developer") for the redevelopment of 325 S Madison Street

PREAMBLES

WHEREAS, in the Redevelopment Project Area (as defined below), the City has identified a need for the location and redevelopment of residential 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, pursuant to the Act, the Corporate Authorities, in accordance with the requirements of the Act, intend to adopt an Ordinance to approve a proposed redevelopment plan and project, entitled the [" Tax Increment Financing Redevelopment Plan and Program"] (the "Redevelopment Plan"), for the Redevelopment Area; and

WHEREAS, also in accordance with the requirements of the Act, the Corporate Authorities intend to adopt an Ordinance to designate the Redevelopment Area as a "redevelopment project area," as that term is defined under the Act, and approve tax increment financing for the purpose of implementing the Redevelopment Plan for the Redevelopment Area; and

WHEREAS, the Corporate Authorities intend to determine 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 4(d) of this Agreement, which necessarily must be incurred to implement the aforesaid program of redevelopment; and

WHEREAS, the Developer is under contract with the City to purchase the property for Fifty Five Thousand Dollars (\$55,000), which said real estate is located within the intended Redevelopment Project Area, and Developer proposes to redevelop the property, renovating the existing building located on the property and converting the property to market-rate apartments (the "Project"), all as more fully described on Exhibit A attached hereto and incorporated herein. Said real estate is located at 325 S. Madison Street (PIN: 11-23-361-004) and 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 \$5,300,000; and

WHEREAS, the Project is consistent with the intended Redevelopment Plan and is located within the intended 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 undertake 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 approved 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) The Developer has an opportunity to revitalize the area by renovating and repurposing a 150-year-old building that has remained vacant for many years. The redevelopment of the building will bring much needed residential space to the downtown Rockford area. The interior/exterior rehabilitation and renovation of the existing building to complete the Project shall represent an estimated Developer investment of \$5,300,000.

(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) Except for the TIF Advance and Forgivable Loan described herein, the 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. Subject to the terms and conditions of this Agreement, the City shall provide the Developer the principal sum of Six Hundred Twenty Thousand Dollars (\$620,000) ("Forgivable Loan"), with no interest accruing thereon, at the time of closing of the Subject Property. The City shall also provide Developer the principal sum of One Million Three Hundred Ninety Six Thousand Five Hundred Five and 00/100 Dollars (\$1,396,505) (the "TIF Advance"), disbursed upon closing of the Project financing, for the _____, as required under section 2(b) herein, and proof of the Developer's financial commitment(s) are provided to the City and found to be satisfactory to the City. The TIF Advance shall be repaid in twenty three (23) equal annual installments of Sixty Thousand Seven Hundred Seventeen and 61/100 Dollars (\$60,717.60) beginning on _____. The annual TIF Advance payment shall first be repaid from the increment generated from the project on an annual basis. In the event that the increment is insufficient to pay the entire annual payment, the Developer shall be responsible for paying the deficiency after subtracting the increment from the balance owed. Said payment shall be made within thirty (30) days of notice of the deficiency from the City.

(e) Project Completion. The Project shall be substantially completed on or before twenty four (24) months following the financial closing of the project and disbursement of TIF Advanced execution of this Agreement, subject to reasonable Force Majeure delays.

(f) In recognition of the contribution of Tax Increment to the Project, the Developer shall accept the property tax assessment for the Subject Property without protest for any year in which reimbursement is due and paid and during the life of the _____ Redevelopment Tax Increment Financing District until the Final Levy Date thereof.

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

- (i) Adult uses, including but not limited to an adult type bookstore or other establishment selling, renting, displaying or exhibiting pornographic or obscene materials (including without limitation: magazines, books, movies, videos, photographs or so called "sexual toys") or providing adult type entertainment or activities (including, without limitation, any displays of a

- variety involving, exhibiting or depicting sexual themes, nudity or lewd acts;
- (ii) Tattoo shops;
- (iii) A massage parlor or any establishment purveying similar services;
- (iv) Gaming machine establishments, including any bar or restaurant seeking video gaming terminals ancillary to its liquor license;
- (v) Tobacco stores;
- (vi) Second Hand store, excluding national or regional brands (such as ReTool, Play It Again Sports, Plato's Closet, Gamestop, etc.);
- (vii) Cash for Gold store;
- (viii) Payday Loan store; and
- (ix) Title Loan store.

(h) It is expressly understood between the City and the Developer that the Developer may utilize federal or state historic tax credits to finance the Project. The City will have no liability with respect to the Developer's use or compliance with the aforementioned programs, or funding gaps associated with not securing said funds, and sole risk belongs to the Developer.

(i) 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.

(j) 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 to monitor for compliance with the Act in a manner and on forms provided by the City.

Section 3. Forgivable Loan Details

(a) Subject to all terms and conditions of this Agreement, the City agrees to disburse the Forgivable Loan to Developer for Redevelopment Project Costs upon the closing on the Subject Property, and all other Conditions Precedent as described in Section 6. The aggregate Forgivable Loan funds pursuant to this Section 3 shall in no event exceed Six Hundred Twenty Thousand Dollars (\$620,000), which amount shall be paid subject to the terms as set forth in Section 3(b).

(b) The City shall distribute to Developer Forgivable Loan funds in an amount not to exceed Six Hundred Twenty Thousand Dollars (\$620,000) for eligible Redevelopment Project Costs identified in **Exhibit C** and in accordance with the following terms:

1. The City shall forgive all amounts due on the Forgivable Loan in accordance with the Promissory Note ("the Note"). The City shall forgive the Forgivable Loan in ten (10) equal annual installments (i.e. \$62,000 each, if the full Forgivable Loan was disbursed) with the first installment to be forgiven on the one (1) year anniversary of

the disbursement of the Forgivable Loan for the Project, and each subsequent installment to occur on the yearly anniversary of such date ("Forgiveness Period"). Forgiveness shall be conditioned upon 50% occupancy of the Subject Property in the prior year. Upon documentation from Developer demonstrating at least 50% occupancy of Subject Property for the prior year, the City shall forgive the Forgivable Loan at the rate outlined above.

2. Security. The Forgivable Loan shall be secured by the Note and Mortgage in the form attached hereto as **Exhibit D and E** to this Agreement. The Note provides for the terms of payment of the Forgivable Loan.

3. City's obligations herein are subject to Developer's satisfaction of all conditions precedent set forth in Section 6.

Section 4. Developer Payments of TIF Advance.

(a) As long as no event described in Section 20 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**, which are approved by the City pursuant to **Section 4(c)**. The City agrees to provide the Developer with one hundred percent (100%) of the Increment generated by only the Project, which will commence annually on the year after closing on the Subject Property and for the remaining term of the _____ TIF, ending on _____. This provision shall be subject to the repayment of the TIF Advance, on an annual basis in the amount of \$60,717.60 Any year in which the increment generated by the Project is not sufficient to repay the TIF Advance, Developer shall cover the shortfall.

(b) Subject to the terms and conditions of this Agreement, the TIF funding provided by the City, as described herein, shall be disbursed to Developer upon Developer's satisfaction of all conditions precedent in Section 6, including but not limited to submittal of proof of Redevelopment Project Costs under the TIF Act. These Redevelopment Project Costs shall include those expenses described on **Exhibit C** 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 4(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. Developer shall further submit a release of claims and waiver from the service providers.

(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, in whole or part. Developer's initial designated entity is Oliver Emerson Development, LLC.

(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 THE RECITALS ABOVE, (THE "STAF") AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY.** As used in this Agreement, "Incremental Taxes" shall mean the amount in the STAF equal to the amount of ad valorem taxes, if any, paid in respect of the project in the Redevelopment Project Area and improvements therein which is attributable to the increase in the equalized assessed value of the Redevelopment Project Area from the Project and its improvements over the initial equalized assessed value of the Project in the Redevelopment Project Area, as calculated in accordance with the TIF Act.

Section 5. Parking. Developer shall have exclusive access of the parking lot which is more fully described in the attached **Exhibit E**. The Developer shall provide a detailed landscaping and parking lot plan subject to City review and approval. Developer shall bear all costs associated with the routine maintenance of the parking lot including, but not limited to, snow removal, lighting and landscaping including irrigation, seal coating, resurfacing and repainting.

Section 6. Conditions Precedent to City's Obligations. The City's obligations to disburse any funds under this Agreement (including loan funds and reimbursement for Redevelopment Project Costs) are contingent upon Developer's satisfaction of each of the conditions precedent set forth below. City's waiver of any condition precedent prior to any disbursement shall not constitute waiver of any condition precedent required for subsequent disbursements.

- (a) Execution of the Promissory Note in form and content satisfactory to the City;
- (b) Articles of Organization and Operating Agreement;
- (c) Illinois Secretary of State Certificate of Good Standing or current printout from Secretary of State database reflecting that Developer is in good standing;

- (d) Resolution by members of Developer duly authorizing the Developer to enter into and execute this Agreement;
- (e) An opinion of Developer's counsel, in the form and substance satisfactory to the City and its counsel, affirming that (a) Developer is duly organized and validly existing under the laws of the State of Illinois with the power and authority to own, develop and lease the Property, as applicable, (b) the execution, delivery and performance of this Agreement and the other Loan Documents constitute a valid and binding obligation of Developer, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium or similar laws affecting creditors' rights and to equitable principles, (c) to the best of counsel's knowledge, which may be based solely on a certificate of Developer and such counsel's actual knowledge, the execution, delivery and performance of the Developer agreements do not breach or result in a default under any judgment, order or agreement applicable to Developer, and (d) to the best of counsel's actual knowledge, there is no litigation or proceeding pending or threatened against Developer;
- (f) [Intentionally omitted];
- (g) An opinion of Oliver Emerson's counsel in the form and substance satisfactory to the City and its counsel, affirming that (a) to the best of counsel's knowledge, which may be based solely on a certificate of Oliver Emerson and such counsel's actual knowledge, the execution, delivery and performance of this Agreement does not breach or result in a default under any judgment, order or agreement applicable to Oliver Emerson and (b) to the best of counsel's actual knowledge there is no litigation or proceeding pending or threatened against Oliver Emerson;
- (h) Execution and delivery by Developer and other parties, as applicable, of, and full compliance with, all of the Loan Documents, and any other documents referred to herein, in form and content satisfactory to the City;
- (i) The absence of any legal proceedings (including foreclosure or bankruptcy proceedings) regarding the Subject Property;
- (j) Evidence satisfactory to the City that all insurance coverages are provided in accordance with the provisions of this Agreement;
- (k) Evidence that all representations and warranties of Developer are true and correct in all respects as of the date of the making of the disbursement and that no default or event of default shall be in existence on the date of making the disbursement;
- (l) Evidence that there shall have been no material adverse change in the financial or business condition or operations of Developer from the date of this Agreement;
- (m) Full performance of all of Developer's obligations under this Agreement and the Loan Documents due on or before the date of disbursement;

- (n) [Intentionally omitted];
- (o) Presentation of evidence of payment satisfaction, release, and release from all contractors or service providers that performed work for which Developer is requesting reimbursement in a form satisfactory to the City;
- (p) Developer providing the City with reasonable evidence of sufficient financing for the Project.
- (q) Such other documents as reasonably required by the City to evidence the transactions provided for herein.

Section 7. Insurance.

Developer shall obtain and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance, comprehensive coverage insurance and other insurance coverage as may be required by the City. All insurance policies shall name the City as an additional insured or certificate holder. All insurance required hereunder shall be with a company or companies licensed to conduct business in the State of Illinois.

Section 8. Term.

Unless earlier terminated pursuant to Section 20 hereof, the term of this Agreement shall commence on the date of execution and end upon the satisfaction of the parties' obligations under this Agreement. The parties agree that the covenant prohibiting the protest of assessed valuation of the property set forth in Section 2(f) above, shall survive the agreement and shall bind the Developer's heirs, successors, assigns and legatees.

Section 9. 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 10. 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 11. 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 12. Assignment.

This Agreement may not be transferred or assigned by the Developer without the prior written consent of the City. Any such consideration or consent to a transfer or assignment shall be at the sole discretion 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 13. 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 14. 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 fifth (5th) 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:

Oliver Emerson Sr
Oliver Emerson Development LLC
2205 S. Perryville Road
Rockford, IL 61108

With a copy to:

Oliver Emerson Jr

To the City:

City of Rockford
Attention: Community and Economic
Development Director
425 E. State Street
Rockford, IL 61104

With a copy to:

City of Rockford

2205 S. Perryville Road
Rockford, IL 61108

Legal Director
425 E. State Street
Rockford, IL 61104

Section 15. 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 16. 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 17. Memorandum.

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

Section 18. Default. The occurrence of any of the following acts, events, or conditions shall constitute a default under this Agreement, and following the notice and right to cure as expressly provided in this Agreement, shall, if uncured as provided below, constitute an event of default ("Event of Default") hereunder and under the other Loan Documents:

- (a) failure to obtain a final Certificate of Occupancy within 24 months from financial closing of execution of this Agreement;
- (b) Failure to secure full financing for the Project and complete the financial closing for the Project within 12 months from the execution of the agreement.
- (b) any breach of or failure to comply with any term or condition of this Agreement or the Loan Documents;
- (c) any transfer or assignment in violation of Section 12 hereof;
- (d) any filing by Developer, or on behalf of Developer, of a petition in bankruptcy or for an arrangement, reorganization, or any other form of debtor relief, or the filing of such petition against Developer;

(e) the entry of a decree or order for the appointment of a trustee, receiver or liquidator for Developer, or Developer's property which is not discharged within thirty (30) days;

(f) Developer commencing any proceeding for dissolution or liquidation, or, if not discharged within thirty (30) days, the commencement of such proceeding against Developer;

(g) Developer making an assignment of all, or substantially all, of its assets for the benefit of its creditors, or admitting in writing its inability to pay its debts generally as they become due;

(h) Developer failing to satisfy and pay any final judgment, order or decree for the payment of money rendered against it, or the filing against Developer of an attachment, execution or other judicial seizure of any portion of Developer's assets; or

(i) Developer making any written representation to the City which is materially false or misleading when made.

Developer agrees to give the City prompt written notice of any Event of Default.

The City's declaration of an Event of Default hereunder shall be made by notice to Developer pursuant to Section 14 of this Agreement and shall be effective as provided therein.

Section 19. Notice and Cure. The City shall give Developer written notice of any alleged default, in accordance with the provisions of this Agreement, and Developer shall have the following periods to cure such default:

(a) as to any default which materially, adversely affects or impairs any of the City's rights under the Loan Documents, there shall be no cure period;

(b) as to any act or occurrence constituting a default under Sections 18(c), 18(d), or 18(i), except as provided in Section 19(a) above, the cure period shall be ten (10) days; provided, however, that if such cure cannot be completed within such ten (10) day period through the exercise of diligence, Developer shall commence the required cure within such ten (10) day period and thereafter continue the cure with diligence and complete the cure within sixty (60) days following Developer's receipt of the notice; and

(c) as to any act or occurrence constituting a default under other paragraphs of Section 18 where no specific cure period is set forth, and except as provided in Section 19(a) or (b) above, the cure period shall be thirty (30) days; provided, however, that if such cure cannot be completed within such thirty (30) day period through the exercise of diligence, Developer shall commence the required cure within such thirty (30) day period and thereafter continue the cure with diligence and complete the cure within sixty (60) days following Developer's receipt of the notice.

Section 20. Rights Upon Default.

(a) If any Event of Default shall occur, the City may declare all amounts owed under the Loan Documents immediately due and payable, including all disbursed Forgivable Loan funds,

without further demand or notice, and/or exercise its rights and remedies under the Loan Documents and applicable law.

(b) The City's failure to enforce any default shall not constitute a waiver of the default or any subsequent default.

(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. In the event the Developer shall institute legal action against the City because of a default of this Agreement, the Developer shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

Section 21. Books and Records. The City, or its authorized representative, shall have reasonable access upon two (2) business days' prior written notice, to the books and records of Developer, to conduct a confirmatory examination of Developer books and records. Said examination shall be at the City's expense unless Developer's statements are found to contain significant errors, in which case the confirmatory examination will be at Developer's expense.

Section 22. 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 23. 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 24. 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 25. 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, lockout, 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 26. 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 27. Cooperation and Further Assurances.

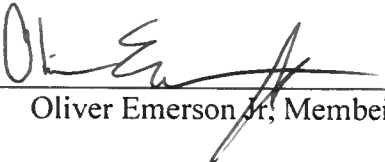
The parties covenant and agree that each will do, execute, acknowledge and deliver or cause to be done, executed and delivered, such agreements, instruments and documents supplemental hereto and such further acts as may be reasonably required to carry out the terms, provisions and the intent of this 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 28. Repealer.

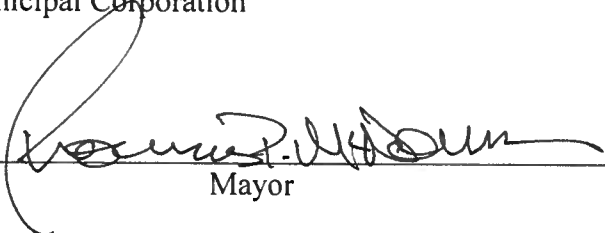
To the extent that any ordinance, resolution, rule, order or provision of the Code, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

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.

Oliver Emerson Development, LLC

By: , Member
Oliver Emerson Jr, Member

CITY OF ROCKFORD, ILLINOIS
A Municipal Corporation

By: 
Mayor

ATTEST:

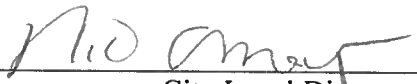

City Legal Director

EXHIBIT A

Project Narrative

EXHIBIT A

The Project is a residential rehab consisting of 23 market-rate apartments and residential amenities including fitness center.

EXHIBIT B

Legal Description of Property

EXHIBIT C

Redevelopment Project Cost Categories

EXHIBIT C

Redevelopment Project Cost Categories

For purposes of this Agreement, the “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, including:

- 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.
- Legal fees.

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 4th day of October 2023 there was published in pamphlet form, by authority of the City Council, a true, correct and complete copy of Ordinance No. **2023-197-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 4th day of October 2023.




LEGAL DIRECTOR AND *EX OFFICIO*
KEEPER OF THE RECORDS AND SEAL

ORDINANCE NO. 2023-197 - O

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

By passage and approval of this Ordinance, the Mayor and Legal Director are hereby authorized to approve and execute the attached Purchase Agreement between City of Rockford and Oliver Emerson Development, LLC for the purchase of the building at 215 South Madison (Watch Factory) for \$55,000, the appraised value of the property.

On September 7 2021, the City Council of Rockford passed Resolution 2021-201-R declaring the city-owned parcel at 215 South Madison as surplus and authorized it to be placed up for sale by city staff pursuant to 65 ILCS 5/11-76-4.1. City staff placed the parcel for sale in accordance with the procedures set forth in Sec. 76-4.1 and Resolution 2021-201-9. The property was published for sale in the local newspaper and an MAI appraisal was completed. The appraised value of the property is \$55,000. The MAI appraisal is available for inspection in the Department of Law.

The sale of the property is necessary to provide site control that will allow the private developer to invest in completed market studies, engineering, and architectural services of a comprehensive master redevelopment of the property.

The corporate authorities of the City of Rockford have determined that it is in the best interest of the municipality to accept and enter into the Purchase Agreement.

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.

AYES: DURKEE, FROST, TORINA, PRUNTY, WILKINS, HOFFMAN, ROSE, BEACH, BARRIOS,
MEEKS, BAILEY, BONNE

NAYS: _____

ABSENT: LOGEMANN, TUNEBOERG

ABSTAIN: _____

APPROVED: October 4, 2023.


MAYOR

ATTESTED:

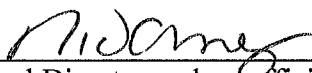

LEGAL DIRECTOR

PASSED: 10/2/23

APPROVED: 10/4/23

PUBLISHED: 10/4/23

ATTESTED and FILED in my office this 4th day of October, 2023, and published in pamphlet form this 4th day of October, 2023 by order of the City Council of the City of Rockford, Illinois.


Legal Director and ex officio
Keeper of the Records and Seal



RECOMMENDED AND
APPROVED BY:


NICHOLAS O. MEYER, Legal Director

PURCHASE AND SALE AGREEMENT

This PURCHASE AGREEMENT (the "Agreement") is made as of November __, 2023 (the "Effective Date") by and between the City of Rockford, as seller (the "Seller") and Oliver Emerson Development, LLC, an Illinois limited liability company, and/or its assigns, as buyer (the "Buyer").

In consideration of this Agreement, Seller and Buyer agree as follows:

- I. Purchase and Sale of Property. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, all of Seller's right, title, and interest in and to the following property (collectively, the "Property"):
 - A. Real Property. The real property commonly known as the "Rockford Watch Factory," located in the City of Rockford, Illinois, further described on the attached Exhibit A and commonly known as 215 S. Madison St. PIN 11-23-361-004 (the "Land") together with (1) all buildings and improvements constructed or located on the Land (the "Buildings") and (2) all easements and rights benefiting or appurtenant to the Land (collectively the "Real Property");
 - B. Personal Property. All personal property owned by Seller and affixed to or used for the operation of and located on the Real Property (the "Personal Property");
 - C. Intangible Property. All intangible property owned by Seller and used in connection with the Real Property (collectively, the "Intangible Property"), including, but not limited to, warranties and guarantees benefiting Seller or the Real Property and related to the operation and maintenance of the Real Property (the "Warranties"), licenses, permits, and governmental approvals, and any contracts which Buyer elects to assume at Closing;
 - D. Plans. All originals and copies of the as-built blueprints, plans and specifications regarding the Real Property, if any (the "Plans").
 - E. Leases. All leases or rental agreements with respect to the Real Property which Buyer elects to assume at Closing (the "Leases").
- II. Purchase Price and Manner of Payment. The purchase price (the "Purchase Price") for the Property shall be Fifty-Five Thousand and 00/100 Dollars (\$55,000.00). Within five (5) business days of acceptance of this Agreement as evidenced by execution and delivery of this Agreement by Seller to Buyer, Buyer will make a deposit with Title Underwriters Agency (the "Title Company") in the amount of Five Thousand five hundred and 00/100 Dollars (\$5,500.00) (the "Deposit"). Except as otherwise provided in this Agreement, the Title Company shall hold the Deposit for the benefit of Buyer and Buyer shall be entitled

to all interest earned on such amounts from the date of the deposit until the Closing (defined herein). At Closing, Buyer shall receive a credit applicable to the Purchase Price in the amount of the Deposit. The Purchase Price, less the Deposit, shall be payable in cash or by wire transfer of U.S. Federal Funds on the Closing Date.

- III. Due Diligence Period. Buyer shall have until 5:00 p.m. Central Time on the date which is three hundred and sixty-five (365) days following the Effective Date, (the "Due Diligence Period"), to determine, in Buyer's sole and absolute discretion, whether it is feasible to acquire the Property. Buyer may terminate this Agreement for any or no reason prior to expiration of the Due Diligence Period and obtain a refund of the Deposit. The Buyer may, at its option, request to extend the Due Diligence Period by ninety days (90). Buyer's option to extend the Due Diligence Period must be made in writing no later than thirty (30) days prior to the expiration of the Due Diligence Period and must be approved by the City.
- A. Inspections. During the Due Diligence Period, Buyer, its employees and agents (collectively, the "Buyer's Representatives") shall have the right to enter upon the Property, at reasonable times during ordinary business hours upon prior notice to Seller, to make such inspections, surveys and tests as may be necessary in Buyer's discretion, including, without limitation, soils tests, environmental studies, toxic waste analysis, geological studies, engineering studies, archeological studies and land use or related studies. Buyer and Buyer's Representatives shall use reasonable care and consideration in connection with any of its inspections or tests, and Seller shall have the right to be present during any inspection of the Property by Buyer or Buyer's Representatives. Buyer shall restore the Property to its original condition after any and all tests or inspections. Buyer shall have the right, with Seller's prior approval, which such approval shall not be unreasonably withheld, conditioned, or delayed, to perform invasive testing of the Property or any portion thereof, including, without limitation, any boring of the Property in connection with an environmental audit or otherwise. Buyer shall indemnify, protect, defend (with counsel chosen by Buyer) and hold Seller free and harmless from and against any and all costs, losses, liabilities, damages, lawsuits, judgments, actions, proceedings, penalties, demands, attorneys' fees, liens (including, without limitation, mechanic's liens), or expenses of any kind or nature whatsoever (collectively, the "Claims"), arising out of or resulting from any entry or activities upon the Property by Buyer or Buyer's Representatives.
- B. Documents and Materials. On or before ten (10) days from the Effective Date, Seller shall deliver or make available to Buyer for Buyer's review and approval during the Due Diligence Period copies of the following: (i) the Warranties and plans and specifications regarding the Real Property, if any, (ii) all environmental, engineering and soil, and zoning reports, (iii) title reports and policies, surveys, maps, tax bills and statements, and (iv) other instruments and documents relating to the Property, in each case which are in its possession and control, and all other documents and materials related to the operation or ownership of the Property which Buyer may reasonably request in writing (collectively, the "Documents and Materials").

- C. Approvals. During the Due Diligence Period, Buyer or Buyer's Representatives may prepare development plans and may enter into discussions with respect to development agreements, approvals and entitlements, grants or tax credits (collectively, the "Approvals") with governmental entities and agencies, quasi-governmental entities, and appropriate private entities having jurisdiction or control over the Property and potential development of the Property, all for Buyer's contemplated use of the Property. Seller shall cooperate, at no cost to Seller, with Buyer in the application and negotiation of any and all documents required for Buyer's Approvals. Notwithstanding the foregoing, during the Due Diligence Period, Buyer shall not be entitled to formally apply for any Approvals or otherwise enter into any non-terminable or binding agreement with respect to the Approvals without the prior written consent of Seller, which may not be unreasonably withheld, conditioned, or delayed.
- D. Development Agreement. The parties agree to enter into good faith negotiations with respect to a development agreement.
1. The parties anticipate that the terms of the development will include, but not limited to:
 - i. 100% pay as you go Tax Increment Financing from a new Tax Increment Financing District
 - ii. \$1,200,000 in additional up-front gap financing.
 - iii. Seller will be responsible for any costs associated with the property being included in a new or amended redevelopment plan and project area in accordance with the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, et seq.
 2. Seller's obligation is contingent upon Buyer demonstrating ability to obtain funding for the property.
 3. Such new or amended redevelopment plan and project area or development agreement shall be subject to approval of the Seller (the "Corporate Authorities").
 4. Said approval shall be at the sole discretion of the Corporate Authorities who are under no obligation to establish a new or amended redevelopment plan area or development agreement pursuant to this Agreement.
 5. Re-plat of property will take place during the development agreement process.
- E. Financing. During the Due Diligence Period, Buyer may elect to secure financing for the purchase of the Property on terms and conditions satisfactory to Buyer in its sole discretion. Buyer's approval and acceptance of such financing shall include all approvals and commitments by the lender of Buyer's choice to finance the Property upon terms and conditions satisfactory to Buyer, an appraisal satisfactory to the lender of Buyer's choice for the Property, and negotiation of all loan documents necessary or required by Buyer's lender in order to allow such funds to be available to Buyer at Closing.

- F. Notice to Seller. Prior to the expiration of the Due Diligence Period, Buyer may deliver to Seller either (1) a notice confirming that it is satisfied with the Property, with such conditions as Buyer may need for acceptance of its due diligence of the Property, (an "Acceptance Notice"), or (2) a notice terminating this Agreement if Buyer determines that it is dissatisfied with any aspects of the Property or the feasibility of its ownership of the Property or with any of the Documents and Materials or for any or no reason (a "Termination Notice"). If Buyer fails to deliver either the Acceptance Notice or Termination Notice on or before the expiration of the Due Diligence Period, then this Agreement shall automatically terminate, the Parties shall have no further liabilities or obligations to each other except under those provisions which expressly survive termination of this Agreement and Title Company shall return the Deposit (with all interest earned thereon) to Buyer.
- G. Buyer's Remedies. If Seller shall fail to comply with its obligations under this Section 3, Buyer's sole remedy shall be to give notice to Seller setting forth the alleged failure to comply, and unless Seller shall cure such failure within ten (10) days after such notice, Buyer shall have the right to terminate this Agreement and receive immediate return of the Deposit and the parties shall have no further rights or obligations with respect to this Agreement.

IV. Title and Survey. Within ten (10) days of the Effective Date, Buyer shall order from Title Company a current title insurance commitment (the "Commitment") for an ALTA Owner's Form Policy of Title Insurance ("Title Policy") together with copies of all underlying documents relating to the Schedule B exceptions (the "Underlying Documents"; collectively, with the Commitment, the "Title Commitment").

- A. Buyer may, at Buyer's cost and expense, order a new survey of the Property (the "Survey") prepared by a registered land surveyor and complying with "Minimum Standard Detail Requirements" for ALTA/ASCM Land Title Surveys (2016) and including such Table A items as Borrower requests and containing such other matters as Buyer or Buyer's lender may reasonably request.
- B. Buyer shall have ten (10) days following the date of receipt of both the Title Commitment and the Survey, whichever is later (the "Title Review Period") to give Seller and Title Company written notice ("Buyer's Title Notice") of Buyer's disapproval or conditional approval of any matters shown in the Title Commitment, the Underlying Documents or the Survey (collectively, the "Title Documents") except for the following "Standard Objections" which Buyer shall not be required to object to, and it shall be presumed that Seller shall cause to be satisfied or release at or before Closing: (a) standard exceptions which can be removed by Seller's title affidavit, (b) mortgages, other secured liens, and mechanic's or materialmen's liens, and (c) real property taxes and special assessments to be prorated to Seller or paid by Seller at Closing in accordance with this Agreement. Seller shall respond to Buyer's Title Notice within ten (10) business days of Seller's receipt thereof indicating whether Seller elects to cure to Buyer's satisfaction the disapproved or conditionally approved title matters identified in Buyer's Title Notice ("Seller's Title Notice"). If Seller does not elect to

cure any disapproved or conditionally approved title matters, or if Buyer disapproves Seller's Title Notice, or if Seller fails to timely deliver Seller's Title Notice, then Buyer shall have the right, upon delivery to Seller and Title Company of a written notice, to either (1) waive its prior disapproval, in which event said disapproved matters shall be deemed approved, or (2) terminate this Agreement, in which event the Deposit shall be returned to Buyer and the parties shall have no further rights or obligations with respect to this Agreement except for those which expressly survive termination. If Buyer fails to give Buyer's Title Notice on or before the end of the Title Review Period, then Buyer shall be deemed to have approved the condition of title except for the Standard Objections, which Seller shall satisfy or release at or before Closing. Any title matters approved or deemed approved shall be referred to herein as "Permitted Encumbrances." If prior to Closing, a new matter affecting title is disclosed to Buyer, it shall have the same rights thereafter as set forth in this paragraph.

- V. Closing. The closing of the purchase and sale contemplated by this Agreement (the "Closing") shall occur on the earlier of (i) the date mutually selected by the parties; and (ii) thirty (30) days following the satisfaction of all of Buyer's contingencies set forth herein (the "Closing Date"). The Closing shall take place at the office of the Title Company in Rockford, Illinois (whether in person, by mail/email/overnight delivery).
- A. Seller's Closing Documents. On the Closing Date, Seller shall execute and/or deliver the following (collectively, the "Seller's Closing Documents"), all in form and content reasonably satisfactory to Buyer:
- B. Deed. A Warranty Deed conveying the Real Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances.
- C. Bill of Sale. A bill of sale with respect to the Personal Property.
- D. Assignment and Assumption of Leases. An assignment and assumption of leases conveying all right, title and interest in and to the Leases to the Buyer.
- E. Assignment of Contracts and Intangible Property. An Assignment of Contracts and Intangible Property conveying to Buyer all Seller's interest in the Intangible Property, together with the consent of all parties having a right to consent to such Assignment.
- F. Seller's Affidavit and Gap Indemnity. A Title Company's standard gap indemnity and ALTA affidavit, in favor of the Title Company, in a form sufficient to cause the Title Company to remove the standard exceptions set forth in the Title Policy, including exceptions taken for mechanic's liens and rights of parties in possession.
- G. Records, Files and Keys. To the extent not already delivered to Buyer, those records, files and original documents in Seller's possession relating to operations and maintenance (including, without limitation, any Warranties and any Certificate of Occupancy) and all keys, access codes and such other passwords in Seller's possession

related to access to the Property, provided that the parties agree to cooperate to deliver such items outside of escrow. Original copies of the Warranties and the Plans, if any.

- H. FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by Internal Revenue Code Section 1445(b)(2) and its regulations.
- I. Illinois Documents. A Water Certification, evidence of bulk sales tax clearances from the State of Illinois, Winnebago County, and the City of Rockford, each if applicable.
- J. IRS Form. A Designation Agreement designating the "reporting person" for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594.
- K. Transfer Tax Declarations. Information needed to allow Title to complete and file all necessary transfer tax documents on behalf of Seller and Buyer.
- L. Other Documents. All other documents reasonably determined by Buyer to be necessary to transfer the Property to Buyer free and clear of all encumbrances.

VI. Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver the following (collectively, "Buyer's Closing Documents"):

- A. Purchase Price. The Purchase Price, less the amount of the Deposit, by wire transfer of U.S. Federal Funds.
- B. Title Policy. The Title Policy, or a suitably marked up Commitment for Title Insurance initialed by Title, in the form required by this Agreement.
- C. Title Documents. Such affidavits of Buyer or other documents as may be reasonably required by Title in order to record the Seller's Closing Documents and issue the Title Insurance Policy.
- D. Transfer Tax Declarations. Information needed to allow Title to complete and file all necessary transfer tax documents on behalf of Seller and Buyer.

VII. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

- A. Title Insurance and Closing Fee. Seller will pay all costs of the Title Policy with extended coverage and a Gap Endorsement, and Survey. Seller will pay the fees charged by the Title Company for any escrow required regarding Buyer's Objections. Buyer will pay all additional premiums required for the issuance of any mortgagee's Title Policy required by Buyer. Seller and Buyer will each pay one-half of any reasonable and customary closing fee or charge imposed by any closing agent designated by the Title Company.

B. Real Estate Taxes and Special Assessments. General real estate taxes and installments of special assessments ("Taxes") assessed for all calendar years prior to the calendar year in which the Closing occurs shall be paid by Seller. Taxes payable in the calendar year of Closing shall be prorated and paid by Seller and Buyer as of the Closing Date based upon a calendar year. If the final bill for Taxes assessed for the year in which the Closing occurs or any prior year has not been issued as of the date of the Closing, Taxes for each such year shall be prorated at Closing on the basis of 110% of the last full-year real estate tax bill.

C. Transfer Taxes. Seller shall pay the amount of the transfer tax imposed by the State and County. Buyer shall pay the amount of transfer tax imposed by the City of Rockford, if any. At Closing, each party shall sign and deliver all required transfer tax declarations.

D. Recording Costs. Buyer will pay the cost of recording the Deed, and Seller shall pay the costs of all other documents necessary to place record title in the condition warranted and requested by Seller in this Agreement.

E. Attorneys' Fees. Each of the parties will pay its own attorneys' fees.

VIII. Operation Prior to Closing. During the period from the date of Seller's acceptance of this Agreement to the Closing Date (the "Executory Period"), Seller shall operate and maintain the Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance and insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief. However, Seller shall execute no contracts, leases or other agreements regarding the Property during the Executory Period that are not terminable on or before the Closing Date, without the written consent of Buyer, which consent may be withheld by Buyer at its sole discretion.

IX. Representations and Warranties by Seller. Seller represents and warrants to Buyer the following are true now and will be true at the Closing Date:

A. Title to Real Property. Seller owns the Real Property, free and clear of all encumbrances except, as shown on the Title Commitment.

B. Leases. There are no leases or possessory rights of others regarding the Real Property.

C. Contracts. Any contracts in effect regarding the Property are terminable on or before the Closing Date.

D. Assessments. Seller has received no notice of actual or threatened special assessments or reassessments of the Real Property.

- E. Environmental Laws. To Seller's best knowledge, Seller has disclosed all known toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, and any hazardous substance as defined in any state, local or federal law, regulation, rule, policy or order relating to the protection of the environment) (collectively, "Hazardous Substance") that have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the Property, and any previous activities that have been undertaken on the Property that would cause or contribute to the Property becoming a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, any state, local or federal law, regulation, rule, policy or order relating to the protection of the environment. To Seller's best knowledge, Seller has disclosed all known discharges, releases or threatened releases of Hazardous Substances from the Property. To Seller's best knowledge, there are no Hazardous Substances or conditions in or on the Property at concentrations that may support a claim or cause of action under any state, local or federal law, regulation, rule, policy or order relating to the protection of the environment. The Property is not now, and to the best knowledge of Seller never has been, listed on any list of sites contaminated with Hazardous Substances, nor used as landfill, dump, disposal or storage site for Hazardous Substances. Seller hereby represents to Buyer the Property has not been tested for radon or radon progeny.
- F. Rights of Others to Purchase Property. Seller has not entered into any other contracts for the sale of the Real Property, nor are there any rights of first refusal or options to purchase the Real Property or any other rights of others that might prevent the consummation of this Agreement.
- G. Seller's Defaults. Seller is not in default concerning any of its obligations or liabilities regarding the Real Property.
- H. FIRPTA. Seller is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.
- I. Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or threatened against Seller or any portion of the Real Property.
- J. Agents and Employees. No management agents or other personnel employed in connection with the operation of the Real Property have the right to continue such employment after the Closing Date. There are no claims for brokerage commission or other payments with respect to the existing Real Property, including leases which will survive and remain unpaid after the Closing Date.

- K. Condition. Seller shall have an opportunity to conduct a final inspection at Closing and pending Buyer's satisfaction with the status of such inspection.
- L. Storage Tanks. To the best knowledge of Seller after due inquiry, no above ground or underground tanks are located in or about the Property, or have been located under, in or about the Property and have subsequently been removed or filled. To the extent storage tanks exist on or under the Property such storage tanks have been duly registered with all appropriate regulatory and governmental bodies and otherwise are in compliance with applicable Federal, state and local statutes, regulations, ordinances and other regulatory requirements.
- M. Reports. Seller has delivered all of the Documents and Materials in Seller's possession, and to Seller's knowledge, the Documents and Materials delivered to Buyer are accurate, true, and complete.
- X. Survival of Seller's Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement is made on the Effective Date; and (ii) shall be deemed remade by Seller, and shall be true in all material respects, as of the Closing Date. The representations and warranties of Seller contained in this Agreement shall survive the Closing for a period of two (2) years from and after the Closing Date (the "Survival Period"); provided, however, that Buyer must give Seller written notice of any claim Buyer may have against Seller for breach of any such representations and warranties, of which Buyer did not have knowledge prior to the Closing, prior to the expiration of the Survival Period. Any such claim which Buyer (i) had knowledge of at or prior to Closing, or (ii) may have which is not so asserted prior to the expiration of the Survival Period shall not be valid or effective, and Seller shall have no liability with respect thereto.
- XI. Damage. If all or any part of the Property is substantially damaged by fire casualty, the elements or any other cause, Seller shall immediately give notice to Buyer of such fact and at Buyer's or Seller's option (to be exercised within thirty (30) days after Seller's notice), and Buyer or Seller may elect to terminate this Agreement, in which event neither party will have any further obligations under this Agreement, and the Deposit shall be refunded to Buyer. If Buyer or Seller fails to elect to terminate despite such damage, or if the Property is damaged but not substantially, Seller shall promptly commence to repair such damage or destruction and return the property to its condition prior to such damage. If such damage shall be completely repaired prior to the Closing Date as determined by Buyer in its reasonable discretion then there shall be no reduction in the Purchase Price and Seller shall retain the proceeds of all insurance related to such damage. If such damage shall not be completely repaired prior to the Closing Date but Seller is diligently proceeding to repair, then Seller shall complete the repair after the Closing Date and shall be entitled to receive the proceeds of all insurance related to such damage after repair is completed; provided, however, Buyer shall have the right to delay the Closing Date until

repair is completed. If Seller shall fail to diligently proceed to repair such damage then Buyer shall have the right to require a closing to occur and the Purchase Price (and specifically the cash portion payable at the Closing Date) shall be reduced by the cost of such repair, or at Buyer's option, the Seller shall assign to Buyer all right to receive the proceeds of all insurance related to such damage and the Purchase Price shall remain the same. For purposes of this Section, the words "substantially damaged" mean damage that would cost \$50,000.00 or more to repair.

- XII. Condemnation. If eminent domain proceedings are commenced against all or any part of the Property, Seller shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within thirty days after Seller's notice), and Buyer may elect to terminate this Agreement, in which event neither party will have further obligations under this Agreement, and the Deposit shall be refunded to Buyer. If Buyer shall fail to give such notice then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing Date all of Seller's right, title and interest in and to any award made or to be made in the condemnation proceedings. Prior to the Closing Date, Seller shall not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Buyer's prior written consent.
- XIII. Broker's Commission. Seller and Buyer represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this transaction, and agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.
- XIV. Mutual Indemnification. Seller and Buyer agree to indemnify each other against, and hold each other harmless from, all liabilities (including reasonable attorneys' fees in defending against claims) arising out of the ownership, operation or maintenance of the Property for their respective periods of ownership, subject to Section 8 of this Agreement. Such rights to indemnification will not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys' fees) or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If and to the extent that the indemnified party has insurance coverage, or the right to make claim against any third party for any amount to be indemnified against as set forth above, the indemnified party will, upon full performance by the indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such rights are not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payment made by such party.

- XV. Assignment. Buyer may assign its rights and obligations under this Agreement at any time to an entity that is related to, and/or controlled by, Buyer. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns.
- XVI. Survival. Except as otherwise expressly provided in this Agreement or in Seller's Closing Documents and Buyer's Closing Documents, any and all rights of action of either party for any breach by the other party or any representation, warranty, covenant or other obligation of such party contained in this Agreement shall merge with the Deed and other instruments executed at Closing and shall not survive Closing.
- XVII. Notices. Any notice required or permitted hereunder shall be given (a) by personal delivery upon an authorized representative of a party hereto; (b) if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid; or (c) if deposited cost paid with a nationally recognized, reputable overnight courier; or (d) if sent via e-mail transmission, and deemed delivered on the date sent if sent before 5:00 p.m. Chicago time on a business day (provided that for an e-mail transmission to constitute a formal notice under this Agreement, the e-mail transmission must explicitly state that it is intended as a notice under this Agreement), in each case properly addressed as follows:
- If to Seller: City of Rockford
 Community & Economic Development Director
 425 E. State St.
 Rockford, IL 61104
- Copy to: City of Rockford
 Department of Law
 425 E. State St.
 Rockford, IL 61104
- If to Buyer: Oliver Emerson Development
 2205 S. Perryville Rd. PMB 726
 Rockford, IL 61108
- XVIII. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.
- XIX. Entire Agreement; Modification. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change

this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

- XX. Confidentiality. Seller and Buyer agree that each will not disclose the contents of this Agreement or any agreement contemplated hereby to any third parties without the consent of the other party, except as may be required to ensure compliance with any applicable laws, rules or regulations of any governmental authority having jurisdiction over such party. Nothing contained herein shall be construed as prohibiting either party from disclosing the contents of this Agreement on a confidential basis to its officers, directors, employees, affiliates, principals, shareholders, partners, members, lenders, investors, counsel, accountants, consultants and other agents.
- XXI. Exclusive Dealing. Seller agrees that so long as this Agreement is in effect, Seller will not solicit or accept any offer or enter into any agreement for the Property, or any portion thereof, or any transaction regarding the Seller which would result in any sale, disposition or transfer of any portion of the Property.
- XXII. Acceptance; Effective Date. This Agreement shall only become binding if Buyer and Seller shall deliver this Agreement fully executed to the other, otherwise this Agreement shall be void and of no force and effect. This Agreement shall be binding and of full force and effect as of the date of full execution hereof, and the "Effective Date" of this Agreement for time periods stated herein shall be the date written on the first line of this Agreement. Time is of the essence as to the provisions of this Agreement.
- XXIII. Calculation of Dates. Whenever any time limit or date provided herein falls on a Saturday, Sunday, or legal holiday under the laws of the State of Illinois, then that date is extended to the next day that is not a Saturday, Sunday, or legal holiday. The term "business day" as used in this Contract means any day that is not a Saturday, Sunday, or legal holiday under the laws of the State of Illinois.
- XXIV. Cooperation. Seller and Buyer agree to cooperate in the prosecution of applications made by either party for any governmental certificates or approvals appropriate or necessary for the consummation of the transactions contemplated by this Agreement or Buyer's contemplated use and occupancy of the Property. Seller and Buyer each agree at any time or from time to time at the written request of the other to sign and deliver such other documents as may be reasonably requested or as may be reasonably necessary or appropriate to give full effect to the terms and conditions of this Agreement.
- XXV. Binding Effect. This Agreement binds and benefits the parties and their successors and assigns.
- XXVI. Controlling Law. This Agreement has been made under the laws of the State of Illinois, and such laws will control its interpretation.

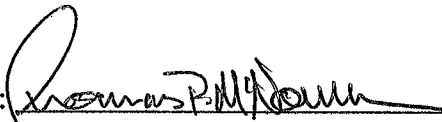
XXVII. Default and Remedies. If Buyer defaults under this Agreement, Seller shall give written notice of such default to Buyer. If Buyer fails to cure such default within fifteen (15) days of the date of such notice, this Agreement will terminate, and upon such termination, Seller will retain the Deposit as liquidated damages, time being of the essence of this Agreement. The termination of this Agreement and retention of the Deposit will be the sole remedy available to Seller for such default by Buyer, and Buyer will not be liable for damages or specific performance. If Seller defaults, the purchase agreement and sale is terminated.

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Seller and Buyer have executed this Agreement as of the date first written above.

SELLER:

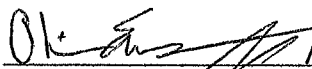
[City of Rockford]

By: 
Name: Thomas P. McNamara
Title: Mayor

[Signatures continue next page.]

BUYER:

Oliver Emerson Development, LLC,
an Illinois limited liability company

By:  Member 11/29/23

Name: Oliver Emerson Jr

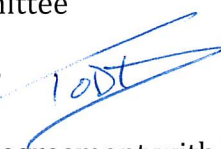
Title: Member



Thomas P. McNamara, Mayor

MEMORANDUM

TO: Planning and Development Committee

FROM: Todd Cagnoni, City Administrator 

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 5, 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

CITY OF ROCKFORD, an Illinois
Municipal Corporation

BY: _____
General Partner

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.



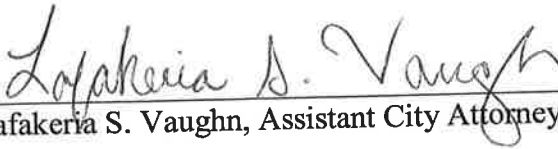
Interim Legal Director and ex officio
Keeper of the Records and Seal

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

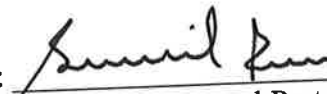
supplemental hereto and such further acts as may be reasonably required to carry out the terms, provisions and the intent of this Agreement. The City agrees to cooperate with the Developer in the Developer's attempts to obtain all necessary governmental approvals for the Project. The City shall further 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.

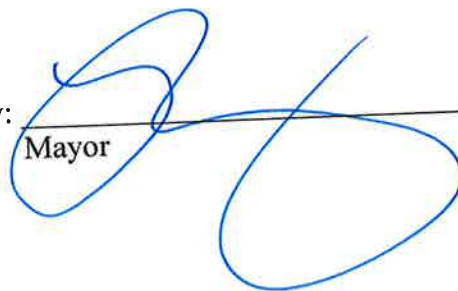
To the extent that any ordinance, resolution, rule, order or provision of the Code, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

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 along the West line of said Springfield Avenue, 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: Planning & Development Committee
Alderman Janessa Wilkins, Chairman

From: Sarah Leys, Director
Community & Economic Development

A handwritten signature in blue ink, appearing to read "Sarah Leys".

Re: Proposed 2026 Rockford REGROW Grant Program funded by the Cannabis Fund.

Date: January 5, 2026

In alignment with the City of Rockford Resolution 2021-7-R, the Rockford 2026 REGROW Grant Program shall be used for:

- programs for economic and business development; education; youth programming; job training; housing; health; or other financial assistance to individuals, businesses, and communities that have been disproportionately impacted by cannabis-related laws,
- programs to substantially reduce both the total amount of gun violence and concentrated poverty in the City of Rockford
- programs to protect communities from gun violence through targeted investments and intervention programs, including economic growth and improving family violence prevention, community trauma treatment rates, gun injury victim services, and public health prevention activities,
- programs to promote employment infrastructure and capacity building related to the social determinants of health in the eligible community areas,
- programs to address economic development, violence prevention services, zero entry and re-entry services, and youth development.

Staff is proposing that the 2026 funding cycle allocate \$500,000 for Rockford REGROW Grant Program through the following funding opportunities:

- TWO (2) two-year grant at \$100,000 total per grant
- FOUR (4) one-year grants at \$50,000 total per grant
- TEN (10) quick deployment grants at \$10,000 per grant to support smaller, shorter-term projects

Upon consideration and approval by City Council, Community and Economic Development Department will finalize a schedule and facilitate the grant process to be completed through winter 2026. Grant applications will be reviewed and recommended by the Community Relations Committee of the City, with final allocation of grants subject to Council approval.

The last REGROW Grant process had a number of great outcomes that may be reviewed in the attached 2024/2025 REGROW Status Report.

The Rockford Regrow Grant Program aims to aid, strengthen, and foster community reinvestment and wealth creation in disproportionately impacted communities, individuals, and families suffering long-lasting negative impacts caused by over 80 years of cannabis prohibition laws. Cannabis policies and disparate cannabis-related arrests, convictions, and sentencing have had life-altering and inter-generational consequences for these specific communities. The grant program is one small step for the City in acknowledging and addressing the decades of harm caused to vulnerable communities by cannabis criminalization and stigmatization

Staff requests the Planning and Development Committee review and recommend approval by the City Council of the attached 2026 Rockford REGROW Grant Program funded by the Cannabis Fund. An equity-driving and community reinvestment grant program funded by the City of Rockford's 3% local tax on adult-use recreational cannabis retail sales.

Please let me know if you have any questions - 779-348-7442.

RECOMMENDATION FOR RESOLUTION

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Planning and Development having received a request hereby begs leave to report recommending **approval** of the 2026 REGROW Grant Program. The Legal Director shall prepare the appropriate resolution.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Karen Hoffman

Jaime Salgado

Gina Meeks

Committee Action Taken: January 5, 2026

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

FUNDING OPPORTUNITY ANNOUNCEMENT

for

2026 Rockford REGROW Grants funded by the City of Rockford Cannabis Fund

Summary:

The City of Rockford invites you to apply for the 2026 Rockford REGROW Grant Program funded by the Cannabis Fund. This is an equity-driving, restorative justice and community reinvestment grant program funded by the City of Rockford's 3% local tax on adult-use cannabis retail sales. The decades long "war on drugs" and related policies led to disparate cannabis-related arrests, convictions, and sentencing which have had long lasting legal, social, economic, and inter-generational consequences on certain disproportionately impacted communities, individuals, and their families, especially communities of color. This program aims to rectify some of these past harms and to reinvest in these disproportionately impacted communities, individuals, and their families directly.

In alignment with the City of Rockford Resolution 2021-7-R, the Rockford REGROW Grant Program shall be used for:

- programs for economic and business development; education; youth programming; job training; housing; health; or other financial assistance to individuals, businesses, and communities that have been disproportionately impacted by cannabis-related laws,
- programs to substantially reduce both the total amount of gun violence and concentrated poverty in the City of Rockford
- programs to protect communities from gun violence through targeted investments and intervention programs, including economic growth and improving family violence prevention, community trauma treatment rates, gun injury victim services, and public health prevention activities,
- programs to promote employment infrastructure and capacity building related to the social determinants of health in the eligible community areas,
- programs to address economic development, violence prevention services, zero entry and re-entry services, and youth development.

For the 2026 funding cycle, \$500,000 is available for Rockford REGROW Grant Program through the following funding opportunities:

- Tier 1
 - TEN (10) quick deployment grants at \$10,000 per grant to support smaller, shorter-term projects.
- Tier 2
 - FOUR (4) one-year grants at \$50,000 total per grant
 - TWO (2) two-year grant at \$100,000 total per grant

The Rockford REGROW Program seeks applications from non-profit and for-profit entities, of any size. Please note, newly formed groups or initiatives with fiscal sponsorship from a nonprofit entity are also eligible to apply. Multi-entity collaborations, coalitions and/or consortium efforts are also encouraged to apply. A letter of support must be submitted by all collaborating entities, or partners, identifying the nature of the program collaboration.

SECTION A - GENERAL GRANT INFORMATION

1. About Rockford REGROW Grant Cannabis Program

The decades long "war on drugs" and related policies led to disparate cannabis-related arrests, convictions, and sentencing which have had long lasting legal, social, economic, and inter-generational consequences on certain disproportionately impacted communities, individuals, and their families, especially communities of color. In 2020, an ongoing portion of the local cannabis tax revenue was allocated by the Rockford City Council to rectify some of these past harms and to reinvest in these communities directly.

The 2026 Rockford REGROW Grant Program, will have \$500,000 available in grants.

2. Rockford REGROW Grant Purpose

The Rockford Regrow Grant Program aims to aid, strengthen, and foster community reinvestment and wealth creation in disproportionately impacted communities, individuals, and families suffering long-lasting negative impacts caused by over 80 years of cannabis prohibition laws. Cannabis policies and disparate cannabis-related arrests, convictions, and sentencing have had life-altering and inter-generational consequences for these specific communities. The grant program is one small step for the City in acknowledging and addressing the decades of harm caused to vulnerable communities by cannabis criminalization and stigmatization.

Moreover, intergenerational marginalization and community disinvestment are further continued by policies denying U.S. residency, child custody, voting rights, employment, business loans, business licensing, student financial aid, public housing and other public assistance to people with criminal convictions.

The Rockford REGROW Grant Program will distribute funding across a range of projects, programs and services within and serving the designated disproportionately impacted communities and individuals in accordance with the stated intent of Resolution 2021-7-R.

Projects, programs and services that demonstrate institutional policies and practices in equity, community partnerships, and economic development in communities most negatively impacted by cannabis prohibition will be prioritized. Projects proposed by applicants, and primarily serving, those directly impacted by the enforcement of cannabis laws, will receive highest priority.

3. Definitions & Eligibility

"Disproportionately Impacted Community": A census tract within the City of Rockford corporate limits determined by the Illinois Department of Commerce and Economic Opportunity to be eligible for the State of Illinois Cannabis Equity Program. A map of Disproportionately Impacted Communities can be viewed [here](#).

"Disproportionately impacted individual": An individual who, prior January 13, 2021, was arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the Illinois Cannabis Regulation and Tax Act.

"Member of disproportionately impacted family": An individual who has a parent, legal guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to January 13, 2021, was arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the Illinois Cannabis Regulation and Tax Act.

Program Eligibility:

The Rockford REGROW Grant Program seeks applications from non-profit and for-profit entities, of any size, within Rockford city limits. This includes community-based organizations, individuals, firms, teams, or consultants. Please note, newly formed groups or initiatives with fiscal sponsorship from a non-profit entity are also eligible to apply.

Multi-entity collaborations, coalitions and/or consortium efforts are also encouraged to apply. Applicants are encouraged to be innovative with existing services, explore new initiatives, or expand partnerships and clients served.

(see Allowable and Unallowable Costs below.)

4. Grant Funding

For the 2026 funding cycle, \$500,000 is available for the Rockford REGROW Grant Fund. The City of Rockford will return cannabis funds to the community through the following grants:

- Tier 1
 - TEN (10) quick deployment grants at \$10,000 per grant to support smaller, shorter-term projects.
- Tier 2
 - FOUR (4) one-year grants at \$50,000 total per grant
 - TWO (2) two-year grant at \$100,000 total per grant

For 2026 Rockford REGROW Grant recipients, work is expected to start by May 1, 2026. Quick deployments grant projects must begin in the Spring 2026.

Distribution of grant funds will be determined on a program by program basis and defined in the specific grant agreement.

5. Timeline for Grant Process

Key dates for this grant opportunity are as follows:

MILESTONE	TIMELINE
TIER 1 APPLICATIONS AVAILABLE AT 8 AM CST	January 16, 2026
Informational Session	TBD
TIER 1 APPLICATIONS DUE BY 5 PM CST	February 10, 2026
Presentation and Review at Community Relations Commission	March 12, 2026
Recommendation to P&D Committee for 2026 Tier 1 Grantees	March 23, 2026

Recommendation to City Council	April 6, 2026
Public Announcement of 2026 Recipients	April 7, 2026

MILESTONE	TIMELINE
TIER 2 APPLICATIONS AVAILABLE AT 8 AM CST	February 13, 2026
Informational Session	TBD
TIER 2 APPLICATIONS DUE BY 5 PM CST	March 13, 2026
Presentation and Review at Community Relations Commission	April 9, 2026
Recommendation to P&D Committee for 2026 Tier 1 Grantees	April 13, 2026
Recommendation to City Council	April 20, 2026
Public Announcement of 2026 Recipients	April 21, 2026

SECTION B - WORK REQUIREMENTS

Deliverables and Schedule

Deliverables are work products and information that grantees must provide to the City such as reports, draft documents, data, interim findings, trainings, meeting presentations, etc. Rockford REGROW Grant recipients are encouraged to provide deliverables via email, as appropriate.

Rockford REGROW Grantee Deliverables shall include (but not limited to):

- Monthly mini-progress reports aligned with pre-scheduled individualized check-in meetings
- Narrative: One major progress report at the halfway point (50% completion) to account for the delivery of services, output measures, and any programmatic observations or highlights.
- An itemized account of expenditures submitted with each invoice for reimbursement.
- A final report to account for the delivery of services and output measures including:
 - Total number of participants and information about participants referred per project/program activity.
 - Aggregate data and analysis of confidential and voluntarily-contributed demographic information of service participants (demographics form will be provided).
 - Other metrics defined by the Applicant(s) in their application.
 - All deliverables and resulting work products from this grant agreement will become the property of the City of Rockford.

Place of Activity

The project/program work must benefit the City of Rockford community members and primarily be delivered within Rockford city limits.

Period of Activity

The expected project/program start date for the quick deployment grants is May 1, 2026.

The expected project/program start date for the one-time cycle is May 1, 2026 for a period of 12 months until April 30, 2027.

The expected project/program start date for the two-year cycle is May 1, 2026 for a period of 24 months until April 30, 2028.

Allowable and Unallowable Costs for Rockford REGROW Grants

Activities, efforts, and materials needed for the performance of the grant program/project are generally eligible expenses for reimbursement. Costs accrued solely to promote or advance the awardee business or organization may not be eligible for reimbursement. Eligible expenses must be included in a program budget with the application. Any modifications to the budget must be approved by the City of Rockford prior to incurring expenses.

Unallowable costs include (but are not limited to): some political activities (for example, activities to promote a specific candidate); purchase of cannabis inventory; purchase of alcoholic beverages; purchase of real estate.