

R-17-2013

**A RESOLUTION APPROVING AN INTERGOVERNMENTAL
AGREEMENT BY AND BETWEEN SCHOOL DISTRICT NO. 205 AND
THE CITY OF ELMHURST, DUPAGE AND COOK COUNTIES, ILLINOIS
(NORTH YORK REDEVELOPMENT PROJECT AREA)**

WHEREAS, the City of Elmhurst ("Elmhurst") and School District No. 205 ("SD205") are units of local government within the meaning of the Illinois Intergovernmental Cooperation Act, as specified in 5 ILCS 220/1 *et seq.*, and Elmhurst and SD205 are authorized by Article VII, Section 10 of the 1970 Constitution of the State of Illinois to enter into intergovernmental agreements; and

WHEREAS, it is in the best interests of Elmhurst and SD205 to enter into an intergovernmental agreement concerning the reimbursement by Elmhurst of capital improvement costs incurred by SD205 within the North York Redevelopment Project Area and other matters concerning said redevelopment project area (the "Intergovernmental Agreement").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elmhurst, DuPage and Cook Counties, Illinois, as follows:

Section 1. That the Intergovernmental Agreement by and between Elmhurst and SD205, a copy of which is attached hereto as Exhibit "A", is hereby approved.

Section 2. That the Mayor is hereby authorized to execute, and the City Clerk is authorized to attest, the Intergovernmental Agreement, in substantially the form attached

hereto with such changes therein as may be approved by the officials executing the same, their execution thereof to constitute conclusive evidence of the approval of such changes.

Section 3. That the officials, officers, employees and agents of Elmhurst are authorized to take such actions and/or execute such documents as are necessary to carry out the purpose and intent of the Intergovernmental Agreement and this Resolution.

Section 4. This Resolution shall be in full force and effect from and after its passage and approval as required by law.

ADOPTED this 1st day of April, 2013.

AYES: 12

NAYS: 0

ABSENT: 2

ABSTENTION: _____

APPROVED by me this 1st day of April, 2013.



Scott M. Levin, Acting Mayor of the City of
Elmhurst, DuPage and Cook Counties, Illinois

ATTESTED and filed in my office,
this 1st day of April, 2013.

Patty Spencer

Patty Spencer, Clerk of the City of Elmhurst,
DuPage and Cook Counties, Illinois

EXHIBIT "A"

**INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN SCHOOL DISTRICT NO. 205
AND THE CITY OF ELMHURST REGARDING THE NORTH YORK REDEVELOPMENT PROJECT AREA**

**INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN
THE CITY OF ELMHURST AND ELMHURST UNIT SCHOOL
DISTRICT NO. 205 REGARDING THE NORTH YORK STREET
TAX INCREMENT FINANCING DISTRICT**

This Intergovernmental Agreement ("Intergovernmental Agreement") is hereby made and entered into as of the 2ND day of APRIL, 2013, by and between the **CITY OF ELMHURST**, an Illinois municipal home rule corporation ("City") and **ELMHURST COMMUNITY UNIT SCHOOL DISTRICT NUMBER 205**, a school district and body politic and corporate of the State of Illinois ("School District").

WITNESSETH

WHEREAS, the City has proposed the establishment of the North York Street Tax Increment Financing District ("North York TIF District") over the area generally bounded by the parcels of property on the east and west sides of York Street from the alley south of Hahn Street on the south to Grand Avenue on the north ("Redevelopment Project Area" or "RPA");

WHEREAS, the City recognizes the financial effects that tax increment-financing districts can have on overlapping taxing districts located within a tax increment-financing district;

WHEREAS, the School District recognizes the important role that tax increment financing districts play in the redevelopment of underdeveloped areas within the City;

WHEREAS, the School District and the City deem it important to cooperate with one another in the establishment of the North York TIF District;

WHEREAS, in accordance with the provisions of the Illinois Tax Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*, as amended) ("Act") provides that the City may enter into agreements with overlapping taxing bodies which are necessary or incidental to the implementation to and in furtherance of the goals of the North York TIF District;

WHEREAS, on March 15, 2004, the City and the School District entered into an agreement entitled "Intergovernmental Agreement By and Between the City of Elmhurst and Elmhurst Community Unit School District No. 205" in regard to the Downtown Tax Increment District ("Downtown TIF Agreement") providing the School District's consent for the extension of the Downtown Tax Increment Financing District ("Downtown TIF District") and the release by the City of certain properties from the Downtown TIF District, the payment of surplus increment from the Downtown TIF District to the School District, and other consideration;

WHEREAS in accordance with the Act, the City adopted the required ordinances establishing the North York TIF District ("Ordinances") on the 4th day of September, 2012;

WHEREAS, the School District is an affected taxing district and overlapping taxing body with respect to the North York TIF District;

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the School District do hereby agree as follows:

1. **DECLARATION OF SURPLUS**: Effective in the eleventh (11th) year after the establishment of the North York TIF District, and for every year thereafter for which tax increment will be collected, the City shall cause its budget and pledges for the tax increment to be generated within the North York TIF District ("Tax Increment") to be a maximum of ninety percent (90%) of the Tax Increment collected for that year. The remaining ten percent (10%) of the Tax Increment shall be declared surplus tax increment ("Surplus Tax Increment") by the City and distributed on a yearly basis to each overlapping taxing district in accordance with the Act and each district's tax levy as reported to Cook County and DuPage County. The Surplus Tax Increment is in addition to and not included in the funds set forth in Paragraph 2, below.

2. **TIF ELIGIBLE CAPITAL IMPROVEMENT EXPENSES**: The City has included Churchville Middle School ("Churchville") and Conrad Fischer Elementary School ("Fischer") within the North York TIF District. The School District has provided the City with a Capital Development Budget ("Capital Expenses") for improvements to Churchville and Fischer Schools.

- a. The maximum amount of Capital Expenses for which the City will reimburse the School District for is Six Million and 00/100 Dollars (\$6,000,000.00) over the term of the North York TIF District. The School District has submitted to the City a budget representing the Capital Expenses it intends to undertake, which is attached hereto as **Exhibit "A"**.
- b. When the School District undertakes capital improvements to Churchville or Fischer, the School District shall provide the City with a record of the Capital Expenses spent by the School District, in such form as is reasonably acceptable to the City. The City shall reimburse the School District for the Capital Expenses subject to:
 - i. Verification by the City that the Capital Expenses are eligible redevelopment project costs pursuant the Act.
 - ii. As to Unencumbered Funds only, that the City determines Unencumbered Funds are available in the North York Street TIF District special tax allocation fund to reimburse the School District for all or a portion of the Capital Expenses at the time the School District submits a request for reimbursement of Capital Expenses.

- c. The Capital Expenses shall be paid from Unencumbered Funds and Pledged Funds, as set forth below in this Section 2.c.
 - i. Unencumbered funds are those funds which are not required by the City to pay for current or future TIF eligible expenses and/or commitments.
 - ii. Pledged funds are 35% of the increment generated from the Hahn Properties after payment by the City (to the City or to a developer of the Hahn Properties) of all costs and expenses associated with the acquisition and development of the Hahn Street properties shown and as legally described in **Exhibit "B"** after the Hahn Properties inclusion within the North York TIF District
 - iii. If unencumbered funds or pledged funds are not available at the time the School District submits a request for reimbursement for any or all of the Capital Expenses, the Capital Expenses will be paid to the extent unencumbered funds or pledged funds become available in the North York Street TIF District special tax allocation fund.
- d. The City will convene a joint meeting of the District and the City, at regular intervals of no longer that every five years for the purpose of determining what projects the City is committing TIF Increment to, so as to allow for the District to both plan for Capital Expenditures and to determine when the Capital Funds will be available.

3. **TRANSFER OF SOUTHERN PROPERTIES FROM DOWNTOWN TIF:** The City found it necessary to transfer the certain properties from the Downtown TIF District to the North York TIF District, said properties set forth in **Exhibit "C"**, hereafter known as the Southern Properties ("Southern Properties"). The School District and the City had previously entered into the Downtown TIF Agreement for the Downtown TIF District which included the Southern Properties. The School District acknowledges that the Downtown TIF Agreement does not prohibit the City from releasing the Southern Properties from the Downtown TIF District and including them within the North York TIF District. The Downtown TIF Agreement remains in full force and effect.

4. **INITIAL PAYMENT:** Not less than sixty (60) days nor more than one hundred twenty (120) days after the execution of this Agreement, the City shall declare a surplus of real estate tax increment in the Lake Street TIF District in an amount of One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00), which in accordance with the Act shall be remitted to DuPage County for distribution to the various taxing districts having taxing authority within the Lake Street TIF District, including the School District.

5. **PROHIBITION OF PORTING TAX INCREMENT FUNDS FROM THE DOWNTOWN:**

The City agrees that during the remainder of the term of the Downtown TIF District the City will not transfer or "port" any tax increment funds from the Downtown TIF District to any other tax increment district already established in the City or to any future tax increment districts which may be established by the City in the future without the consent of the School District.

6. **COVENANT NOT TO SUE:** The School District in entering into this Agreement agrees and covenants not to bring any action or participate in any action which will be or may be brought to challenge the formation of the North York TIF District.

This covenant does not prohibit the School District from bringing an action in law or equity that it deems necessary in order to address any defaults by the City of the terms of this Agreement.

7. **TERM:** The term of this Agreement shall extend for the life of the North York TIF District, plus one year.

8. **APPROVAL AND EXECUTION OF THE AGREEMENT:** Each party warrants to the other that it is authorized to execute, deliver and perform the terms of this Agreement. Each party warrants to the other that execution, delivery and performance of the Agreement does not constitute a breach or violation of any agreement, undertaking, law or ordinance by which that party is bound. Each party has undertaken such actions as are required in order to approve and execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their officials duly authorized and their official seals to be hereto affixed all as of the date first above written.

CITY OF ELMHURST, an Illinois municipal
home rule corporation

**ELMHURST COMMUNITY UNIT SCHOOL
DISTRICT NO. 205**, a school district and
body politic and corporate of the State
of Illinois

By: 
Its: Acting Mayor


By: 
Its: President

ATTEST: 
City Clerk

EXHIBIT "A"

CAPITAL BUDGET OF SCHOOL DISTRICT

Exhibit "A"

			
CHURCHVILLE 10 YEAR CAPITAL NEEDS			
November 20, 2012			
	WORK CATEGORY / DISCIPLINE	BUDGET ESTIMATE	2013
1.	Churchville Tuckpointing.	370,000	
2.	Churchville - Replace roof on pod and old gym	340,000	
3.	Churchville - Remove canopy / replace parking lot/detention	1,500,000	
4.	Churchville Middle School - Renovate (3) pairs of boys' and girls' restrooms, replacing all fixtures.	550,000	
5.	Churchville - Provide indirect drainage and grease interceptor for kitchen triple basin sink.	5,000	
6.	Churchville - Provide piping and acid neutralization basin for all science areas.	17,000	
7.	Churchville Middle School - West first floor corridor exit doors at north and east first floor corridor, exit doors at south, replace (2) pairs aluminum doors and hardware. (3) pairs of interior vestibule doors at main entrance - replace aluminum doors and hardware.	20,000	
8.	Churchville Middle School - Replace classroom doors on first, second and third floors of 1970 building, (4) pairs of doors and hardware (22) single doors and hardware.	50,000	
9.	Churchville Middle School - Restrooms and Locker rooms in 1973 building - replace ceiling tile and grid.	13,000	
10.	Churchville Middle School - Classrooms and Corridors at first, second and third floors - replace ceiling and lighting fixtures.	336,000	
11.	Churchville Middle School - The domestic water piping in the 1970 and '73 bldg. Is galvanized and is leaking (many clamps).	250,000	
12.	Churchville MS - Replace 35 yr. Old boilers with new energy efficient boilers.	300,000	
13.	Churchville - Update BAS controls to district standards.	300,000	
14.	Churchville - Supply exhaust for science rooms 202,204,310	6,000	
15.	Churchville MS - Replace panel boards in 1970 and '73 bldg. And upgrade feeders.	150,000	
16.	Churchville MS - Add electrical panels for distribution.	50,000	
17.	Churchville - Replace fire shutter in-between kitchen and cafeteria.	12,000	
18.	Churchville - Replace Gym Lockers	70,000	70,000
19.	Churchville - Replace bleachers.	50,000	50,000
20.	Churchville - Replace hallway lockers.	180,000	
21.	Churchville - Replace dated interior finishes	580,000	
22.	Churchville - Remodel front office for secure entrance.	450,000	
23.	Churchville - Provide refrigerant monitoring system.	\$7,500	
24.	Churchville - Replace generator and reorganize power	100,000	
	TOTAL	5,706,500	120,000
ADDITIONS			
1.	Churchville - Build an auditorium.	2,500,000	



TEN-YEAR FACILITIES LIFE SAFETY/CAPITAL PROJECTS BUDGET STUDY

November 20, 2012

	WORK CATEGORY / DISCIPLINE	BUDGET ESTIMATE
1.	Tuckpointing	100,000
2.	Fischer - Replace entire door assembly at 9 locations.	17,000
3.	Conrad Fischer School - The domestic water piping in the 1957, '59 and '62 bldg. Is galvanized and beyond its expected life.	125,000
4.	room.	2,000
5.	Fischer School - Replace entire heating and ventilating system in the 1957,'59,and '62 bldg.	700,000
6.	Conrad Fisher - Provide back-up power	75,000
	TOTAL	1,019,000
ADDITIONS		
1.	Fischer - Add classrooms, additional area for lunch and a stage.	2,000,000

EXHIBIT "B"

HAHN STREET PROPERTIES



Hahn Street Properties

Total Area (including R.O.W.): 120,758 sq.ft. (2.77 acres)

Area of parcels: 93,129 sq.ft. (2.14 acres)

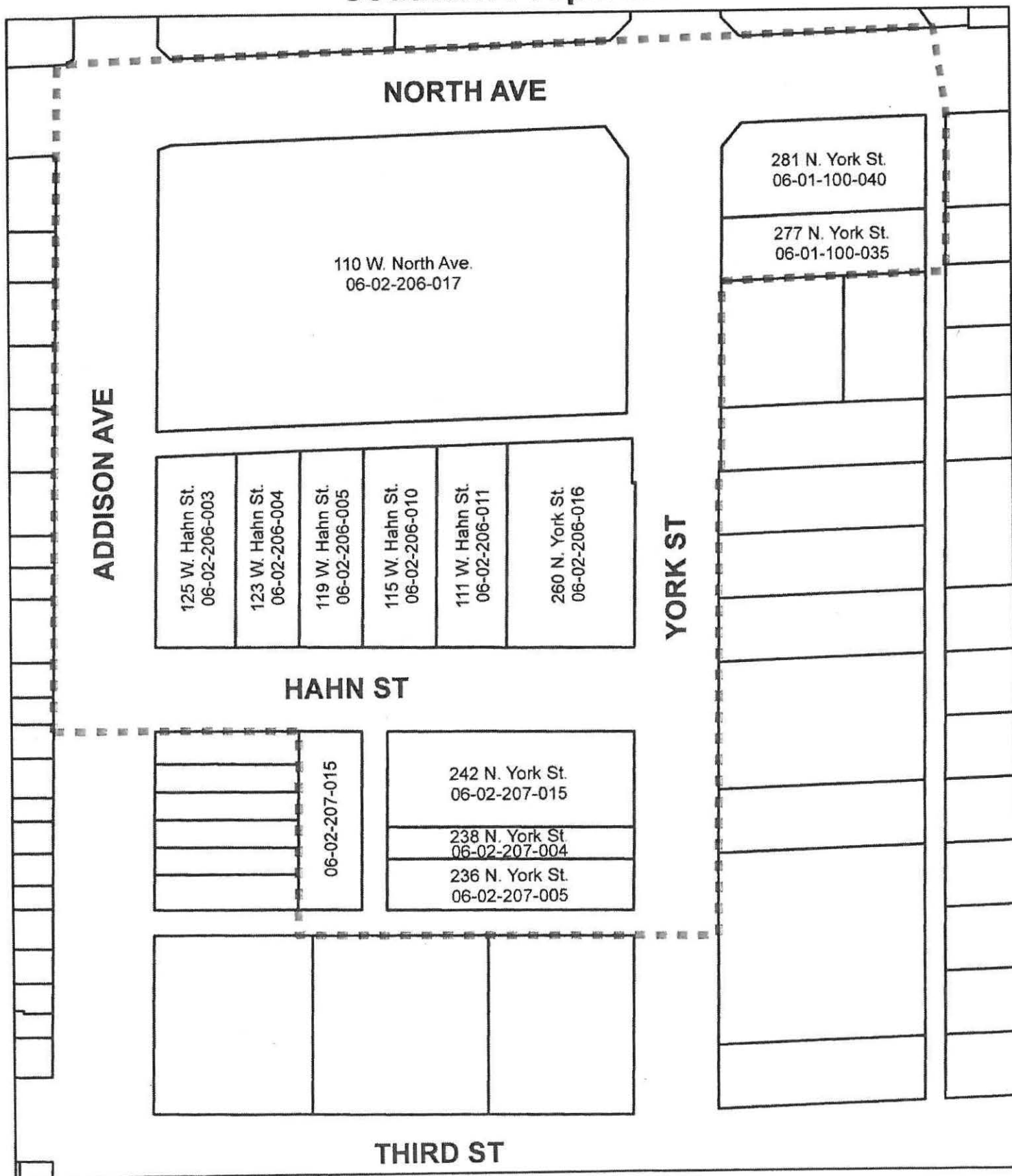
P.I.N.s 06-02-206-003, -004, -005, -010, -011, -016 and 06-02-207-004, -005, -015 (Commonly known as 111, 115, 119, 123 and 125 W. Hahn St. and 236, 238, 242, and 260 N. York St., Elmhurst, IL)

Lots 5, 6, 7, 8, 9, 10, 11, and 16 in "Hahn's Subdivision of Lots 2, 3, 4, 5 and 6 and the North ½ of Lots 7 and 8 in Block 1 in the Plat of Town of Cottage Hill", recorded December 8, 1891 as Document 47483 (except that part of said Lot 11 taken for highway as described in Document R96-124182); along with Lots 1 and 2 in the "Resubdivision of Lots 12, 13, 14 & 15 in Hahn's Subdivision", recorded June 21, 1940 as Document 412178; along with the alley lying West of, and abutting, said Lots 1 & 2; along with the Hahn Street Right-of-Way, lying between the West Right-of-Way line of York Street and the East Right-of-Way line of Addison Avenue, all in the East Half of the Northeast Quarter of Section 2, Township 39 North, Range 11, East of the Third Principal Meridian, in DuPage County, Illinois.

All parcel dimensions were obtained from the DuPage County Tax Plat Map and are for assessment purposes only. Accuracy is not guaranteed.

EXHIBIT "C"

SOUTHERN PROPERTIES

Southern Properties

Properties Released from Elmhurst TIF 1(2012)

That part of Sections 1 and 2, Township 39 North, Range 11, East of the Third Principal Meridian, described as follows:

Lots 1 through 11, inclusive, and Lot 16 (except the South 3 feet of said Lot 4, dedicated for alley) and (except that part taken or used for highway by the State of Illinois, Department of Transportation) in Hahn's Subdivision of Lots 2, 3, 4, 5 and 6 and the North ½ of Lots 7 and 8 in the Plat of the Town of Cottage Hill, according to the Plat thereof recorded as Document 47483 on December 8, 1891,

and Lots 1 through 4, inclusive, (except the South 3 feet of said Lot 4, dedicated for alley) and (except for a triangular piece located at the Northeast corner of said Lot 1, said triangle measuring 14.9 feet on the North by 23.8 feet on the East and 27.6 feet on the Southwest) and (except that part taken or used for highway by the State of Illinois, Department of Transportation) in North-York Addition to Elmhurst, according to the Plat thereof recorded as Document 321588 on January 20, 1932,

and vacated alley lying between Lots 1 through 4 in said Hahn's Subdivision and Lots 1 through 4 in said North-York Addition, according to the Plat thereof recorded as Document R62-22231 on July 9, 1962,

and Lots 1 and 2 in Resubdivision of Lots 12, 13, 14 and 15 in Hahn's Subdivision, according to the Plat thereof recorded as Document 412178 on June 21, 1940,

and Lots 1 and 2, (except a triangular piece located at the Northwest corner of said Lot 1 measuring 12 feet on the North and West sides, as described in Document R66-35347) and (except that part taken or used for highway by the State of Illinois, Department of Transportation) in Fairview Addition to Elmhurst, according to the Plat thereof recorded as Document 110851 on February 7, 1913,

and all adjacent and contiguous alleys and rights-of-way,

all in York Township, DuPage County, Illinois.

Addresses and PINs to be removed:

06-01-100-035	277 N. York Street	06-02-206-011	111 W. Hahn Street
06-01-100-040	281 N. York Street	06-02-206-016	260 N. York Street
		06-02-206-017	110 W. North Avenue
06-02-206-003	125 W. Hahn Street		
06-02-206-004	123 W. Hahn Street	06-02-207-004	238 N. York Street
06-02-206-005	119 W. Hahn Street	06-02-207-005	236 N. York Street
06-02-206-010	115 W. Hahn Street	06-02-207-015	242 N. York Street

COUNCIL ACTION SUMMARY

SUBJECT: Resolution approving an Intergovernmental Agreement by and between School District No. 205 and the City

ORIGINATOR: City Manager

DESCRIPTION OF SUBJECT MATTER:

Attached is a resolution approving an intergovernmental agreement with School District No. 205 concerning the reimbursement by the City of capital improvement costs incurred by School District No. 205 within the North York Redevelopment Project Area and other matters concerning said redevelopment project area.