



Planning & Development

~ Agenda ~

Special Meeting

City Hall, Second Floor
425 East State Street
Rockford, IL 61104

<http://www.rockfordil.gov/>

**Tuesday, June 20, 2023
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:
<http://rockfordcityil.iqm2.com/citizens/default.aspx>.

I. CALL TO ORDER

II. COMMITTEE REPORTS

1. Proposed Redevelopment Agreement with J. Jeffers & Company LLC for the Barber Colman Campus.
2. An ordinance terminating the South Main - Rock Street Redevelopment Plan and Project Area and the dissolution of the Special Tax Allocation Fund for the South Main - Rock Street Tax Increment Financing District.
3. An ordinance approving the Barber Colman Redevelopment Plan and Project Area.
4. An ordinance designating the Barber Colman Redevelopment Plan and Project Area.
5. An ordinance adopting the Tax Increment Allocation Financing for the Barber Colman Redevelopment Plan and Project Area.

III. ADJOURNMENT

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





**A catalytic, multi-phase,
master planned Live Work
Play community, creating
new accessible housing,
new jobs, new vibrancy in
downtown Rockford, IL.**



WELCOME TO COLMAN YARDS. From historic factory lofts, to new town homes, apartments & flats, residential living will offer a range of distinct choices. Commerce and creativity return, honoring Howard Colman's legacy of invention through maker spaces, small commercial businesses, and retail storefronts. Riverfront access, green spaces, and common areas surrounded by hospitality, anchored by a public central yard and grass amphitheater to truly **LIVE. WORK. PLAY.**



Master Plan

Rock Landing **K**

New Construction / Residential

Knots Mill **L**

New Construction
Residential w/ Retail

Tie House **M**

New Construction
Residential w/ Retail

Patent Hall **N**

New Construction
Residential w/ Retail

Parking Deck **P1**

New Construction w/ Retail

The Market **PM**

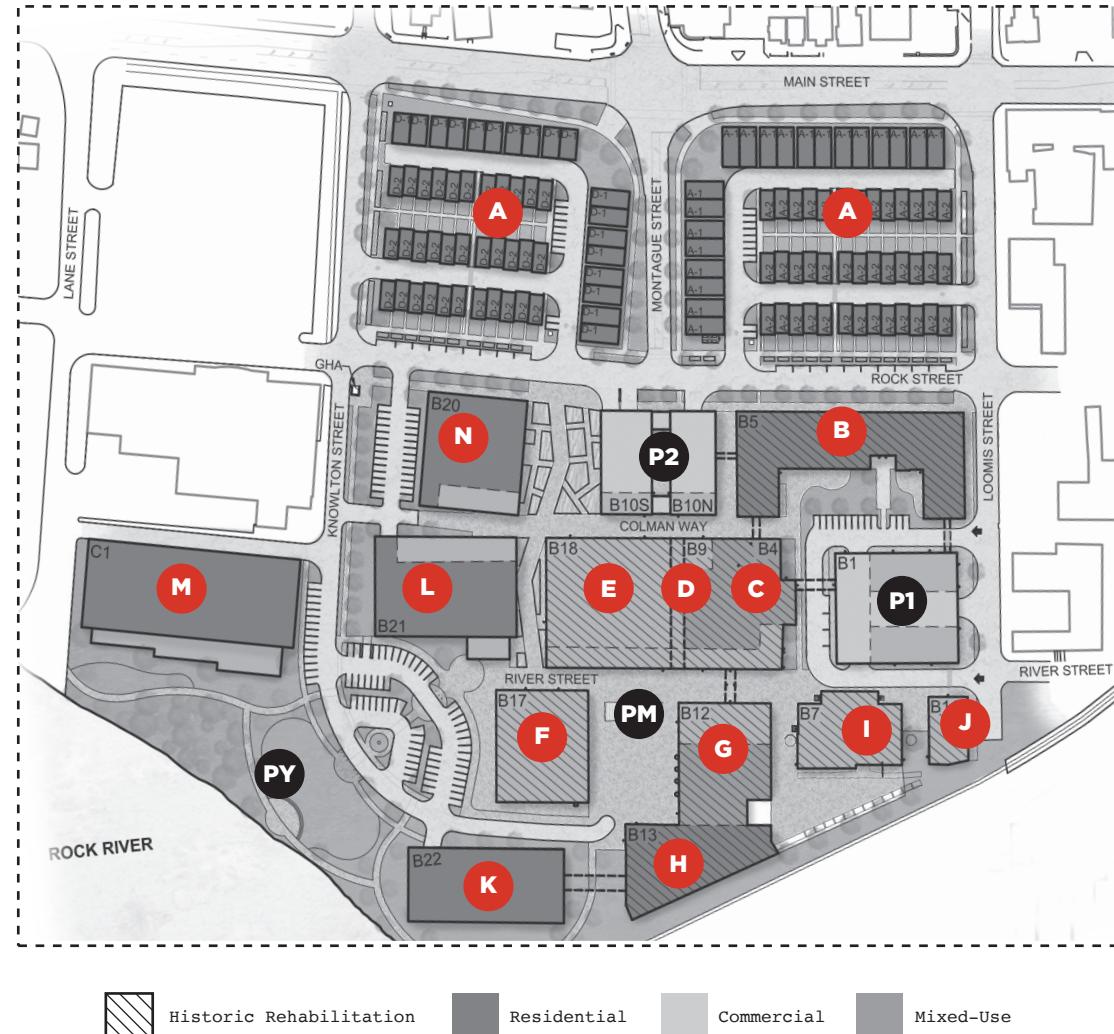
Retail / Commercial Trade area
Inside The Yards

Parking Lot **P2**

New Surface Lots

Public Yard **PY**

Event / Green Space



A Company Row

New Townhomes, Row Houses, & Flats

B Founders Bldg.

Bldg 5 / Main Iconic / Residential

C Central Commons

D Bldg. 4, 9 18
E Residential / Commercial / Retail
Hub for all things at the Yards

F Co-Op

Bldg. 17
TBD Commercial / Retail

G The Quarters

Bldg. 12 / Residential /
TBD Commercial / Retail

H Station House

Bldg. 13 / Residential

I Power House

Bldg. 7 / TBD Commercial / Retail

J Armory

Bldg. 11 / Commercial



Master Plan / Overview

- Multi-Phase / Mixed-Use
- Downtown Rockford, IL
- 26 Acres / River Access
- **500K SF Historic Rehabilitation**
- **1.5M SF New Construction**
- **900+ Multifamily Units**
- **130K+ SF Commercial Space**
- Public Green Space / Activated Riverfront
- New Trade District



Site's Current Condition







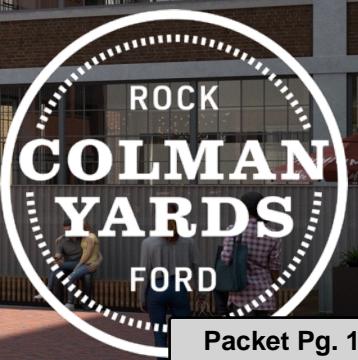
Historic District

First Phases of Development



Attachment: Colman Yards City Presentation P&D 6.15.23 (14373 : Redevelopment





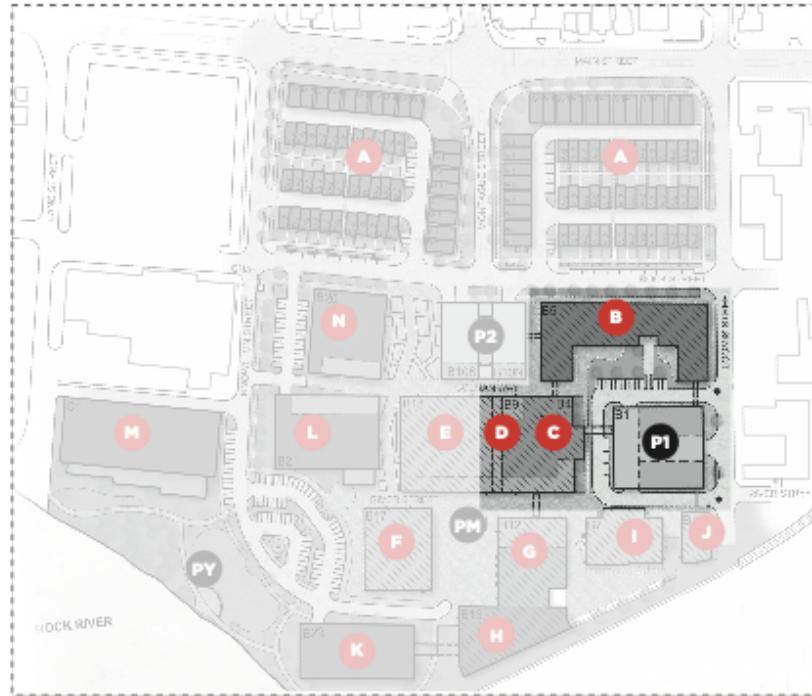




Historic District / Summary

- **Phase 1A & 1B - Two Stages of Construction**
- Historic Rehabilitation / Adaptive Reuse / 580,000 SF
- Nine Historic Buildings / 334 Apartments / 105,000 SF Commercial Space
- New Parking Structure with Commercial Space / 336 Spaces
- Permits Pending
- State and Federal Historic Tax Credit Approvals (Parts 1 & 2) by National Park Service

Phase 1A

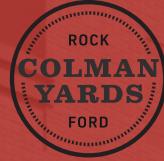


Phase 1B



- **Three Buildings / One Parking Garage**
- Start date: July/August 2023
- Anticipated Completion: March 2025

- **Six Buildings / Commons Area**
- Anticipated Start date: July/August 2024
- Anticipated Completion: January 2026



2.1.a

Phase 1A

Historic District / Start Date: July 2023

Attachment: Colman Yards City Presentation P&D 6.15.23 (14373 : Redevelopment



Phase 1A

Rock Landing 
New Construction / Residential

Knots Mill 
New Construction
Residential w/ Retail

Tie House 
New Construction
Residential w/ Retail

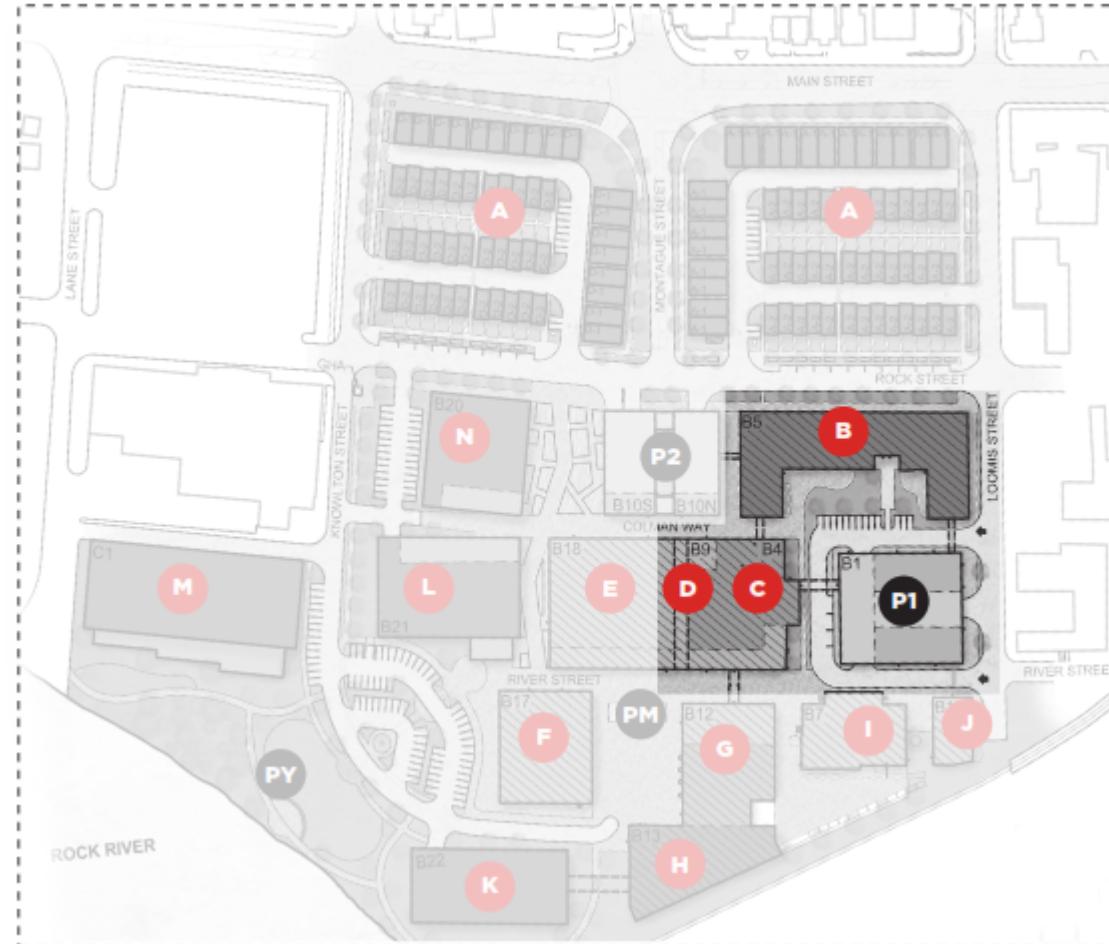
Patent Hall 
New Construction
Residential w/ Retail

Parking Deck 
New Construction w/ Retail

The Market 
Retail /Commercial Trade area
Inside The Yards

Parking Lot 
New Surface Lots

Public Yard 
Event / Green Space



Start date: July 2023 / Anticipated Completion: March 2025

- A Company Row**
New Townhomes, Row Houses, & Flats
- B Founders Bldg.**
Bldg 5 / Main Iconic / Residential
- C Central Commons**
D Bldg. 4, 9 18
- E** Residential / Commercial / Retail
Hub for all things at the Yards
- F Co-Op**
Bldg. 17
TBD Commercial / Retail
- G The Quarters**
Bldg. 12 / Residential /
TBD Commercial / Retail
- H Station House**
Bldg. 13 / Residential
- I Power House**
Bldg. 7 / TBD Commercial / Retail
- J Armory**
Bldg. 11 / Commercial

Phase 1A / Summary

Founders Building / Apartments

- 181 Apartments / 2,700 SF Club Room
- 2,000 SF Roof Deck / 1,500 SF Coworking Space
- 160,000 SF total

Building 1 / Parking Garage & Retail

- 336 Parking Spaces / 15,000 SF Retail
- 144,000 Total SF / New Construction

Central Commons / Apartments & Retail

- 34 apartments / 15,900 SF Retail
- 56,000 Total SF

Images are architectural renderings for conceptual purposes only.



Site Conditions



Central Commons / Current Condition



Central Commons / Rehabilitation Rendering

Central Commons / Sample Unit

- 34 Units
- 7,000 SF Amenity Space
- 6x Studio, 20x 1-bed, 5x 2-bed, 3x 3-bed
- In-Unit Washer/Dryer
- 12-13' floor to ceiling height (varies by floor)

Unit configurations vary per floor and location.



TYP. 1 BED UNIT
610 SF

Site Conditions



Founders Building / Current Condition



Founders Building / Rehabilitation Rendering

Founders Building / Sample Units

- 181 Units
- 67x Studio, 98x 1-Bed, 11x 2-Bed, 5x 3-Bed
- 2,000 SF Rooftop deck; 2,700 SF Amenity Space; 1,500 SF Coworking Space
- In-Unit Washer/Dryer
- 10-16' floor to ceiling height (varies by floor)

Unit configurations vary per floor and location.



ENLARGED 1 BED PLAN



ENLARGED 2 BED PLAN



Phase 1B

Historic District / Start Date: July 2024



Phase 1B

Rock Landing K

New Construction / Residential

Knots Mill L

New Construction
Residential w/ Retail

Tie House M

New Construction
Residential w/ Retail

Patent Hall N

New Construction
Residential w/ Retail

Parking Deck P1

New Construction w/ Retail

The Market PM

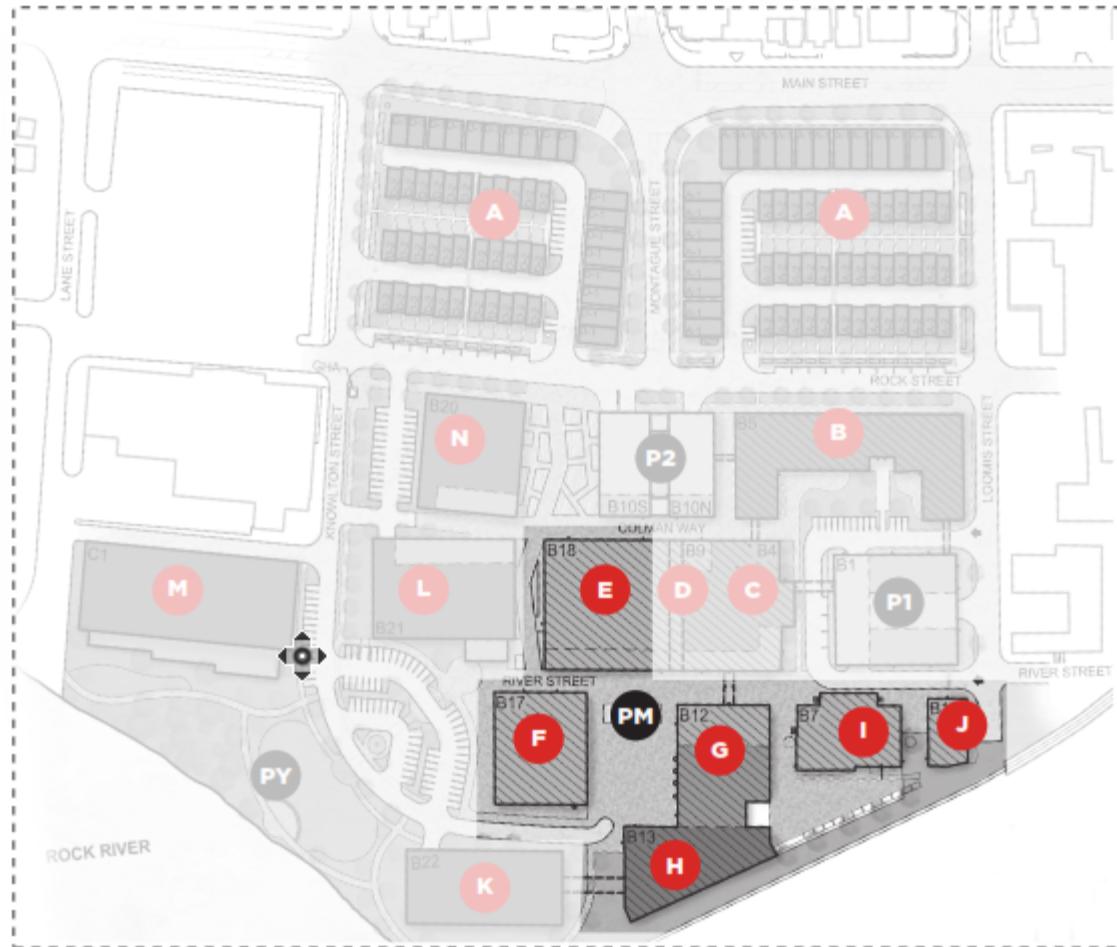
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Bldg. 7 / TBD Commercial / Retail

J Armory

Bldg. 11 / Commercial

Anticipated Start date: July 2024 / Anticipated Completion: January 2026





Phase 1B/ Summary

The Quarters & Station House / Mixed-use

- 119 apartments / 11,000 SF Commercial Space
- 156,000 SF total

Power House / Armory / Central Commons Market / Co-Op / Commercial

- Restaurant / Event space / Grocer / Retail / Flex
- 73,000 SF total

Images are architectural renderings for conceptual purposes only.



Site Conditions



Historic Campus / Current Condition



Historic Campus / Rehabilitation Rendering





Thank You!

A blurred background image of a modern urban plaza. The buildings are made of brick with large, multi-paned windows. In the foreground, several people are walking or sitting at outdoor tables with white umbrellas, suggesting a cafe or market area. The overall atmosphere is a mix of industrial and modern urban design.



Transformational Redevelopment of Barber Colman Campus – Colman Yards

Priorities

- 01** Remove visual blight from corridor in a cost effective manner from SW Rockford and S. Main St. - a primary entrance to Rockford and central City.
- 02** Support neighborhood through increased economic wealth through job creation and investment.
- 03** Engage minority workforce through construction and permanent jobs.
- 04** Increase market rate housing units in the City and West Rockford to meet demand.



Current State

Unacceptable 22 Years Vacant!



Cost Demo & Clean

NO REDEVELOPMENT

Demolition and environmental cleanup of site:

| LOW | HIGH | RANGE |
|---------------------|---------------------|--|
| \$1,150,000 | \$1,400,000 | Asbestos Removal |
| \$6,500,000 | \$7,500,000 | Demolition |
| \$5,400,000 | \$6,500,000 | Environmental Cap meeting SRP requirements |
| \$850,000 | \$1,000,000 | Groundwater Remediation |
| \$2,085,000 | \$2,460,000 | 15% Contingency |
| \$15,985,000 | \$18,860,000 | TOTAL ESTIMATE |



Options For Site

Demo and Remediation

\$15,985,000 - \$18,860,000

VS.

Proposed Redevelopment

\$0 - \$6.5 M



Comparison Findings

Hilton Embassy Suites

\$68,940,000 Developer
\$32,700,000 City Participation
51% ROI
2.1 Time City Investment

VS.

Barber Colman Redevelopment

\$170,000,000 Developer (1A & 1B only)
\$0-\$6,500,000 City Participation
2,415% ROI
25 Times City Participation



Future State

Redevelopment @ Community Standard



IMPROVE HEALTH AND WELL-BEING



Procurement of low emitting materials to promote healthy indoor environments.



On-going Indoor Air Quality monitoring to ensure health and wellness of occupants.



Provide fresh air to all occupiable spaces and exhaust all harmful indoor pollutants to maintain desirable indoor air quality levels.



Potable water focused on direct human consumption with no PVC or lead.

City Obligations

Tax Increment Financing District. The City agrees to create a **new TIF District**, tentatively called “Barber Colman TIF District”. The TIF District will replace the existing “S. Main – Rock Street TIF District” and the boundaries will be the same. The Barber Colman TIF District is expected to expire in 2046.

Phase IA Tax Increment Financing Reimbursement. The City agrees to **reimburse 100% of the incremental taxes** generated by the project for Phase IA.

Tax Increment Financing Advance. The City agrees to advance **\$6 million at the closing of Phase IA**. The City will utilize a portion of increment of Phase II not dedicated as reimbursement to the developer to repay the Advance. This will be funded from TIF and recognized as a debt to the TIF for repayment from future phases.

Phase IA Loan. The City agrees to **provide \$7.25 million loan at the closing of Phase IA** as a guaranteed loan at 0% interest to Developer. Developer shall begin repayment on February 1, 2030 with final payment due on February 1, 2047. Annual payments shall be amortized over 30 years, resulting in a final balloon payment in 2047. The funding source is ARPA funds.

Phase IA Infrastructure Reimbursement. The City agrees to **reimburse \$3.5 million in public infrastructure costs**. The funding sources are the Water Fund in the amount of \$1.5 M and \$2 M from ARPA.

US EPA Revolving Loan Fund. The City agrees to provide **\$6.5 million of US EPA Revolving loan funds** upon closing of Phase IA as a loan for approved environmental remediation expenses. The 0% loan will be due in full 15 years after closing. The funding source is the City's US EPA Revolving Loan Fund.

Environmental Settlement Funds. The City agrees to **provide \$2 million grant from environmental settlement** obligated to clean up to the site for additional environmental remediation costs. The funding source is through the settlement.



City Obligations

State DECO Fund. The City has secured a **\$4 million State of Illinois grant** through Representative Maurice West from Illinois Department of Commerce & Economic Opportunity. The City agrees to facilitate the application, acceptance, and reporting of the grant. The Developer shall comply with all rules and regulations of the State grant. The City agrees to advance \$4 million upon the closing of Phase IA.

Permit Credit. The City agrees to provide a **\$500,000 credit toward Phase IA building permits**. The City estimates building permit fees for Phase IA and IB at approximately \$1.5 million with a net result of collecting \$1 M.

Phase IA Parking Deck. The City agrees to a joint ownership with Developer of the Phase IA Parking Deck, in which the City would own 99%. The City may execute a “put” and require the Developer to purchase the parking deck after 7 years for \$1.5 million.

Phase IB Tax Increment Financing Reimbursement. The City agrees to reimburse **100% of the incremental taxes generated by the project for Phase IB.**

Phase IB Loan. The City agrees to **provide \$3 million loan at the closing of Phase IB** as a guaranteed loan at 0% interest to Developer. Developer shall begin repayment on February 1, 2030 with final payment due on February 1, 2047. Annual payments shall be amortized over 30 years, resulting in a final balloon payment in 2047. The funding source is ARPA.

Phase II Tax Increment Financing Reimbursement. The City agrees to **reimburse 90% of incremental taxes generated** by the project for Phase II. The remaining 10% of increment will go to pay back the TIF advance and any other eligible expenses.

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.



Developer Obligations

Purchase. The Developer shall **purchase the property for \$500,000.**

Development of the Project. The Developer is **required to construct the Project on the Property** in accordance with the plans and specifications approved by the City and the conditions and requirements outlined herein.

EPA “No Further Remediation”. Developer will complete the site remediation plan in conjunction with the Illinois Environmental Protection Agency and **secure a “No Further Remediation” Letter consistent** with residential use.

Funding Source Compliance. The Developer agrees to comply with the requirements of the various funding sources.

Phase 1A Parking Deck. Should the City execute the “put” option, the **Developer shall purchase the parking deck for \$1.5 million after year 7.** Alternatively, the Developer shall pay fair market value of the City’s ownership upon sale.

Corporate Guarantee of Phase IA and IB City Loans. Developer will provide **guarantee for Phase IA and IB City loans totaling \$10.25 million.**



Developer Obligations

Use of Property. The Developer agrees that the property shall not be used for:

- (i) Adult uses;
- (ii) Massage parlor;
- (ii) Tattoo shops;
- (iii) Gaming machine establishments, but not prohibiting a legitimate restaurant/bar to apply for appropriate liquor license that allows 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.

No Assessment Protest. The Developer agrees that the assessed value of the property shall not be protested during the term of the agreement unless assessed value exceeds 120% of the estimates. The agreement contains estimates for assessed value of Phase IA and I and requires that estimates for assessed value of Phase II is completed prior to commencement of Phase II.



Impact Analysis

The City has engaged R1 Regional Planning Council to complete the economic and social impact of the proposed project utilizing REMI modeling including, employment, population and industry output. The project as proposed is estimated to be \$420.35 million upon full buildout. Based on R1's analysis, the project will result in an accrued population increase of 2,710 people, and an accrued **employment increase of 2,784 jobs through 2030**. Countywide accrued industry **output will amount to \$370 million** during this 8 year period. These results are likely to occur in proximity to Colman Yards, (southwest Rockford) where the investments will take place and where there is significant need. Population, employment and industry output increases will peak in 2024 and will continue growth thereafter. **Employment job growth for Hispanic, White Non-Hispanic and Black-Non-Hispanic** will all see employment growth. The full R1 analysis is included in the Council packet.



COLLABORATIVE PLANNING FOR NORTHERN ILLINOIS



Comparison Findings

The Hilton Embassy Suites and Conference Center is regarded as a highly impactful redevelopment in downtown Rockford fully utilizing the City's cost reduction tools. At the time of the development agreement, total cost for the redevelopment of the hotel was approximately \$68,940,000 and the estimated total cost for the Rockford Conference Center was approximately \$13,100,000. The direct cost to the City included the cost of the conference center, rebate of hotel / motel tax for 32 years, waiving of permit fees and public infrastructure commitments. **Not including pay as you go TIF Increment the City's participation for Hilton Embassy Suites was/is approximately \$32.7 million.** As part of the development review, Hunden Strategic Partners prepared a Local Fiscal Impact Analysis for the project in 2014 when the original development agreement was approved by City Council. The analysis identified a number of direct benefits to the City and that net new spending for the project was estimated at \$168 million over a 10 year period and 281 new full time equivalent jobs.



Comparison Findings

| Barber Colman Redevelopment – Adaptive reuse | Amerock Building Redevelopment - Hilton Embassy Suites |
|---|---|
| <ul style="list-style-type: none"> City TIF Support includes 100% full rebate of Phase 1A and 1B and 90% of other phases of property taxes through de-TIF re-TIF commitment to 2046 (23 years) Developer owns all property and existing buildings being redeveloped. Developer (1%) and City (99%) co-own parking deck and lease to Developer. Developer pays \$15 million for parking deck construction project. | <ul style="list-style-type: none"> City TIF Support includes 100% full rebate of Hotel portion of property taxes through de-TIF re-TIF commitment to 2040 (23 years) Gorman owns hotel City/RLDC own conf. center City pays for construction of conf. center at fixed cost of \$13.1 Million |
| <ul style="list-style-type: none"> No rebate to Developer of Hotel Motel Tax, Sales Tax or Metro Tax from project. City bears no direct upside or downside of parking deck. | <ul style="list-style-type: none"> Developer receives City Hotel Motel Tax (5%) Committed to Conf. Center Operations to 2040, estimated at \$9.5 M at time of development agreement. No rebate of Sales Tax or Metro Tax. City bears no direct upside or downside of conference Center operations |
| <ul style="list-style-type: none"> City has Put Option on parking deck after 7 years selling City interest to developer for \$1.5 million. Or City may not exercise Put Option maintain investment and receive appraised value at future sale of deck. Developer leases deck for a nominal rate. | <ul style="list-style-type: none"> Developer may lease the conference center for \$1 year for 32 years. Developer shall have the option to purchase Conference Center for appraised value. |
| <ul style="list-style-type: none"> No naming right revenue. | <ul style="list-style-type: none"> City was to receive 50% of revenue from naming of conference center but no revenue has been reported. |
| <ul style="list-style-type: none"> No obligation to construct additional parking lots by City. | <ul style="list-style-type: none"> City required to build surface parking at former Tapco building site lot south of Hilton and lease to developer for 25 years for \$1. City retains right for future development per agreeable plan with Gorman, City & RLDC City retains no parking revenues from lot. |
| <ul style="list-style-type: none"> No obligation to construct additional parking lots by City. | <ul style="list-style-type: none"> City acquires, demolishes and constructs parking lots on the north and south side of Cedar Street. (Warshawsky Lots) (State of IL lot north of Amerock). City owns, maintains and retains revenues for parking. Total costs for surface lots was \$1.8 M. |

Bolded numbers represent City funded

Comparison Findings

| Barber Colman Redevelopment – Adaptive reuse | Amerock Building Redevelopment - Hilton Embassy Suites |
|---|--|
| <ul style="list-style-type: none"> Developer purchases Barber Colman for \$500,000. Developer is responsible for public improvements serving the site. City provide \$3.5 M public infrastructure grant. No additional obligation to complete pedestrian improvements or additional streets by City. | <ul style="list-style-type: none"> Developer purchases Amerock Building for \$250,000. City construct and complete Main St. 2 -way conversion from Cedar Street and State Street. This resulted in direct cost of \$4.8 M. City provide old Wyman Street to Developer. City completes Chestnut St Bridge Improvement as funds are available – this is being completed via BUILD grant with local match. This cost is estimated at \$1 M. |
| <ul style="list-style-type: none"> No City obligation for amenities such as the proposed park area, pedestrian mall, market area or outdoor entertainment area. | <ul style="list-style-type: none"> City pursue Davis Park improvements as funds become available. The City has committed \$1.4 M for Davis Park improvements, not including DCEO dollars. Developer has reasonable access to Davis Park for outdoor events such as weddings and banquets. Gorman has right to demolish Lorden Building if Davis Park plan does not proceed – This option was not exercised and City demolished at City cost of \$1.1 M. |
| <ul style="list-style-type: none"> Developer pays permit fees estimated in excess of \$1.5 after a \$500,000 fee credit and has agree to local sourcing efforts. | <ul style="list-style-type: none"> Permit fees waived in exchange for local sourcing commitment. |
| <ul style="list-style-type: none"> City facilitates \$6.5 M U.S. EPA environmental clean-up loan. Federal funds. | <ul style="list-style-type: none"> No US EPA loan. |
| <ul style="list-style-type: none"> City facilities \$4 M DCEO grant provided by Representative West. State funds. | <ul style="list-style-type: none"> No DCEO grant. |
| <ul style="list-style-type: none"> City facilities \$2M environmental clean-up grant from Schneider Electric settlement. | <ul style="list-style-type: none"> No settlement grant. |
| <ul style="list-style-type: none"> City provides TIF advance in amount of \$6 M. Projected to be repaid back by future increment from phases after 1A and 1B. | <ul style="list-style-type: none"> No TIF advance. |
| <ul style="list-style-type: none"> City provides \$7.2 M guaranteed loan for Phase 1A and \$3 M guaranteed loan for Phase 1B. | <ul style="list-style-type: none"> No loans provided. City of Rockford direct spending and hotel tax dollars per above. |
| <ul style="list-style-type: none"> Federal & State Historic Tax Credits Provide Project Equity Reducing Debt | <ul style="list-style-type: none"> Federal & State Historic Tax Credits Provide Project Equity Reducing Debt |

Bolded numbers represent City funded

Comparison Findings

Both projects require significant investment through private and public capital to advance, however, in the Barber Colman redevelopment we shifted the approach from direct spending and user tax rebates to guaranteed loans, TIF advance repaid from future phases of the development and grants from non-city sources. **The project as modeled, which includes full buildout, repayment of all loans and the City receiving 10% of increment on future phases beyond 1A and 1B results in \$0 City participation, not including pay as you go TIF increment.** However, should the project not proceed beyond Phase 1A & 1B, which is the minimum requirement of the development agreement, the project represents an investment of \$170M with a total participation of \$6.5 M after deducting permit fees, exercising put option and not including pay as you go TIF increment.

Based on the commitments of both agreements and return on investment, the proposed Barber Colman development agreement with J Jeffers has the potential to provide a significant return on investment with less direct and indirect investment than the transformational and impactful Hilton Embassy Suites redevelopment.



Comparison Findings

Barber Colman Redevelopment

\$170,000,000 Developer (1A & 1B only)

\$0-\$6,500,000 City Participation

2,415% ROI

25 Times City Participation

VS.

Hilton Embassy Suites

\$68,940,000 Developer

\$32,700,000 City Participation

51% ROI

2.1 Time City Investment

Proposed Redevelopment

VS.

\$0 - \$6.5 M

Demo and Remediation

\$15,985,000 - \$18,860,000



City Funds Summary

Sources / Available for Redevelopment

\$12 M - ARPA Programmed
\$500K – Property Purchase
\$1.0 M – Building Permit Fee
\$1.5 M – Put Option
\$15.0 M TOTAL

Uses / Obligations

\$1.5 M - Water Fund
\$2.0 M – Infrastructure from ARPA
\$6.0 M – TIF Advance *
\$9.5 M – TOTAL Repaid by TIF Increment

\$7.25 M – Loan #1 J Jeffers Guarantee
\$3.0 M - Loan #2 J Jeffers Guarantee
\$10.250 TOTAL LOANS - ARPA

* Repaid by permit fees, property sale(s) and phase 2 increment.



Non City Funds Summary

Non City Funding Sources

\$6.5 M – US EPA RLF

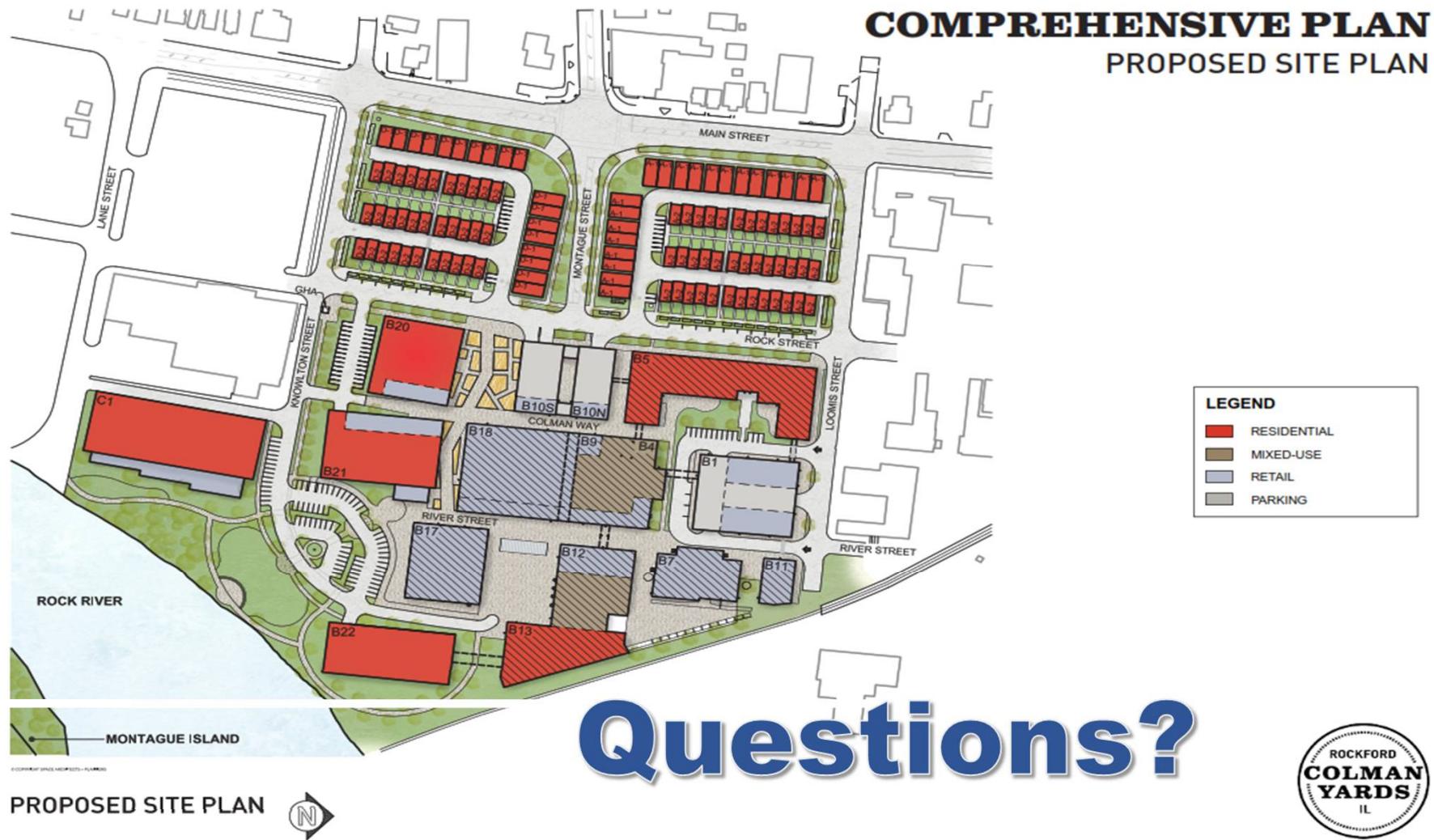
\$2 M – Environmental Remediation Settlement

\$4 M – DCEO – Representative West

\$12.5 M TOTAL*

* City manages grant and program requirements







June 15, 2023

Mayor Thomas P. McNamara
 Rockford City Council
 425 East State Street
 Rockford, IL 61104

Re: Letter of Support
 J Jeffers redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and esteemed members of the City Council,

I am writing to express my wholehearted support for the redevelopment of the former Barber Colman Campus, led by J Jeffers & Co., which is currently under consideration by the City Council. This project holds immense significance as it not only revitalizes a historic manufacturing facility, but also addresses the imperative need for equity in our community.

The redevelopment initiative proposed by J Jeffers & Co. serves as a crucial reinvestment strategy, effectively eliminating blight through the adaptive reuse of this iconic campus. By attracting millions of dollars in private investment to the southwest Rockford area, this project will significantly contribute to the economic growth and prosperity of our city.

I commend J Jeffers & Co. for their unwavering commitment to engaging with the community and incorporating the perspectives and requirements of the local neighborhood in this transformative undertaking. Their commendable efforts to involve minority-owned and women-owned businesses as key participants in the project exemplify a leading example of promoting diversity and inclusivity within the workforce. Furthermore, the infusion of funding from non-city sources provides invaluable assistance in bridging financial gaps, relieving the burden on the City of Rockford and propelling the progress of this vital initiative.

I firmly endorse the "Colman Yards" project as an essential stride towards the evolution of the Rockford South Main Street corridor and a catalyst for achieving equitable recovery within our city. The persisting blight that plagues the heart of Rockford is untenable for the neighboring communities, and it is imperative that we take decisive action. This proposed project will build upon previous infrastructure investments, fostering a sense of community, elevating property values, and bolstering crucial services that are indispensable for our collective well-being.

I sincerely appreciate your thoughtful consideration of this exceptional opportunity. By supporting the redevelopment of the former Barber Colman Campus, we can forge a path towards a more equitable and



815-315-3766



info@ignitechangesolutions.com



www.ignitechange

Packet Pg. 50



prosperous future for all residents of Rockford. Thank you for your unwavering dedication to the betterment of our community.

Gratefully,

Rebecca Francis



815-315-3766



info@ignitechangesolutions.com



www.ignitechangesolutions.com

Packet Pg. 51

200 S. WYMAN, SUITE 301
ROCKFORD, IL 61101
PHONE: 815-987-7557
FAX: 815-987-7529



121B STATE CAPITOL
SPRINGFIELD, IL 62706
PHONE: 217-782-8022
WEBSITE: www.SenatorStadelman.com

ILLINOIS STATE SENATE
STEVE STADELMAN
STATE SENATOR • 34TH DISTRICT

June 14, 2023

Mayor Thomas P. McNamara and Rockford City Council
425 East State Street
Rockford, IL 61104

Dear Mayor McNamara and City Council members:

Please accept this letter as an expression of my support for the redevelopment of the former Barber Colman Campus by J Jeffers & Co., something that promises to be a pivotal reclaiming of a blighted and abandoned manufacturing site.

The scale of this project will bring millions of dollars in private investment to Rockford and help move the 20-year wave of downtown revitalization into the southwest side. When I sponsored legislation to expand the Illinois Historic Preservation Tax Credit Program, it was with the type of adaptive reuse in mind. The nearby Embassy Suites provides an obvious example of the success of the IL-HTC incentive.

Colman Yards also would capitalize on tens of millions of dollars in recent and pending state investment in the South Main Street corridor – from the BMO Center and Davis Park to Chicago-Rockford International Airport to the reconstruction of South Main / IL Route 2. The anticipated return of passenger rail from Chicago to Rockford as soon as 2026 would only enhance the appeal of living at Colman Yards.

The people of southwest Rockford, who I've been privileged to represent in the Illinois Senate for 10 years, deserve this proposed investment and deserve the transformation of an enormous eyesore and painful reminder of what used to be into a vibrant beacon for what can be.

Sincerely,

A handwritten signature in black ink that reads "Steve Stadelman".

Steve Stadelman
State Senator, 34 th District

SOYBEAN INKS

-FOZ-

June 14, 2023

Mayor Thomas P. McNamara
Rockford City Council
425 East State Street
Rockford, IL 61104

Re: Letter of Support
J Jeffers Redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and City Council members,

Yes, we strongly support the J Jeffers proposed redevelopment project known as Colman Yards. Imagine what it would be like to have all those historic buildings in the former Barber Colman lot restored and converted to residential and retail spaces with newly constructed multi-level parking included.

As we understand it the plan involves:

- The cost to demo and remediate the site is estimated to be over \$18 million. The city's investment in Phase 1 of the project is one-third of that.
- Based on the J Jeffers track record, they are qualified, reliable and experienced at projects of this size and scope. We see this as a "high reward" project with the City out-of-pocket cost lower than the Embassy Suites.
- Further, the plan anticipates 2700+ jobs, a return on investment that is many times even more positive and impressive than Embassy Suites ... and more.

Members of our organization plan to attend relevant committee and council meetings as a visible embodiment of our support.

Sincerely,

Don E Bissell
FOZ Organizer



June 14, 2023

Mayor Thomas P. McNamara
 Rockford City Council
 425 East State Street
 Rockford, IL 61104

RE: Letter of Support
 J.Jeffers Plan for Redevelopment of the Barber Coleman Buildings (Colman Yards)

Dear Mayor McNamara and City Council Members,

I am writing in support of the redevelopment of the Barber Coleman Campus by J Jeffers and Company under consideration by the City Council. This project is important because of the opportunities it will bring to this part of our city. These opportunities will include critical reinvestment and allow the saving of a historical manufacturing property. The adaptive reuse of the facility will also support millions of dollars in private investment in southwest Rockford.

I commend J Jeffers for working so closely with the community and incorporating concepts and the needs of the neighborhood in this project. Their efforts to engage minority and women businesses as part of the project is also admirable and sets a leading example to diversify the workforce utilized in this project. The proposed investment from non-city funding sources will provide necessary gap assistance and lessen the burden on the City of Rockford to move forward on this very important project. These are all strong indicators of the tremendous effort and planning that has been already invested by the J Jeffers Company.

I strongly support the redevelopment plan of the “Coleman Yards” as a necessary step in the evolution of the Rockford South Main corridor. This continued blight in the core part of Rockford should be unacceptable to all of Rockford but especially to the people living in the adjacent neighborhoods. This project will go along way to build on other infrastructure investments to build up this part of the community by raising property values and supporting essential services to this area.

Thank you for your consideration of this opportunity for this part of Rockford.

Sincerely,

Kathi Kresol
 Montague Branch Library Manager
 Rockford Public Library



June 13, 2023

Mayor Thomas P. McNamara
 Rockford City Council
 425 East State Street
 Rockford, IL 61104

Re: Letter of Support for J Jeffers redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and City Council members,

Please accept this Letter of Support for the proposed redevelopment of the former Barber Colman industrial campus by J Jeffers & Co. under consideration by City Council. This project provides critical reinvestment, removal of blight, and adaptive reuse of a historic manufacturing facility that will support millions of dollars in private investment in southwest Rockford.

J Jeffers has worked diligently to deliver a transformational redevelopment plan that incorporates input from residents and businesses in the surrounding neighborhood. The company's engagement of minority and women-owned businesses reflects a purposeful commitment to diversify the local workforce. Finally, the proposed investment from non-city funding sources provides necessary gap assistance and lessens the burden of the City of Rockford to advance this important project.

The J Jeffers "Colman Yards" project will catalyze redevelopment of Rockford's South Main Street corridor and lay the foundation for an equitable economic recovery for the entire City of Rockford. The blighted condition of these former industrial buildings is unacceptable to those who live, work and visit southwest Rockford. The proposal before the City Council would build upon previous infrastructure investments in downtown and southwest Rockford to improve property values, essential services and quality of life for all.

Thank you for your consideration of this critical redevelopment opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Dunn'.

Michael Dunn
 Executive Director

ILLINOIS HOUSE OF REPRESENTATIVES

DISTRICT OFFICE:
 EJ "ZEKE" GIORGI CENTER
 200 S. WYMAN STREET
 ROCKFORD, IL 61101
 (815) 987-7433



SPRINGFIELD OFFICE:
 277-S STRATTON BUILDING
 SPRINGFIELD, IL 62706
 (217) 782-3167

MAURICE A. WEST II
 STATE REPRESENTATIVE | 67TH DISTRICT

January 24, 2023

Mayor Thomas P. McNamara
 Rockford City Council
 425 East State Street
 Rockford, IL 61104

Re: Letter of Commitment and Support
 Barber Colman Campus Redevelopment (Colman Yards) 1200 Rock St., Rockford, IL

Dear Mayor McNamara and City Council members,

I am writing as a committed partner in support of the redevelopment of the former Barber Colman Campus by J Jeffers & Co. under consideration by City Council. This project provides critical reinvestment and the adaptive reuse of a historic manufacturing facility that will support millions of dollars in private investment in southwest Rockford.

As Representative of the 67th District, I am making a financial commitment of \$4 million dollars to assist in this historic adaptive reuse project. The State incentive, with final approval through Department of Commerce and Economic Opportunity (DCEO) will provide necessary gap assistance and lessen the burden of the City of Rockford to advance this project.

I strongly believe that the "Colman Yards" project is a necessary step in the evolution of the Rockford South Main Street corridor and an equitable recovery in the City of Rockford. Thank you for your full and fair consideration of this opportunity.

With kind regards to all of you and the constituents we serve, I remain,

Yours sincerely,

A blue ink signature of Maurice A. West II, which is a stylized, flowing script. Below the signature, the name "Maurice A. West II" is printed in a bold, black, sans-serif font. Underneath that, it says "State Representative | 67th District".



St. Paul Church of God in Christ

1001 Bishop Washington Avenue

Rockford, IL 61102

Phone (815) 965-2987- Email stpaulsecretary@comcast.net

**Pastor
Superintendent E.J. Parham**

**Administrative Assistant
Elder Stanley E. Penix**

June 13, 2023

Mayor Thomas P. McNamara
Rockford City Council
425 East State Street
Rockford, IL 61104

**Re: Letter of Support
J Jeffers redevelopment of Barber Colman (Colman Yards)**

Dear Mayor McNamara and City Council members,

I am writing in support of the redevelopment of the former Barber Colman Campus by J Jeffers & Co. under consideration by City Council. This project provides critical reinvestment, removal of blight as an adaptive reuse of a historic manufacturing facility that will support millions of dollars in private investment in southwest Rockford.

I applaud J Jeffers for working diligently with the community and incorporating the concepts and needs of the neighborhood in this transformational project. Their efforts to engage minority and women businesses as part of the project are greatly appreciated and a leading example to diversify the workforce. The proposed investment from non-city funding sources provides necessary gap assistance and lessens the burden of the City of Rockford to advance this important project.

I strongly support "Colman Yards" project as a necessary step in the evolution of the Rockford South Main Street corridor and an equitable recovery in the City of Rockford. This continued blight in the core of Rockford is unacceptable to the adjacent neighborhoods. The proposed project would build on other infrastructure investments to build community, raise property values, and support essential services.

Thank you for your consideration of this opportunity.

Sincerely,


Superintendent E.J. Parham, Pastor



June 13, 2023

Mayor Thomas P. McNamara
Rockford City Council
425 East State Street
Rockford, IL 61104

Re: Letter of Support
J Jeffers redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and City Council members,

I am writing in support of the redevelopment of the former Barber Colman Campus by J Jeffers & Co. under consideration by City Council. This project provides critical reinvestment into our often-overlooked southwest Rockford community. This project's removal of blight and adaptive reuse of a historic manufacturing facility will support millions of dollars in private investment in southwest Rockford and will revitalize our community.

I applaud J Jeffers for working diligently with the community and incorporating the concepts and needs of the neighborhood in this transformational project. Their efforts to engage minority and women businesses as part of the project are greatly appreciated and a leading example to diversify the workforce. The proposed investment from non-city funding sources provides necessary gap assistance and lessens the burden of the City of Rockford and its taxpayers to advance this important project.

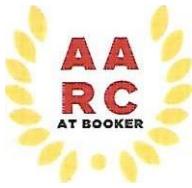
I strongly support the "Colman Yards" project as a necessary step in the evolution of the Rockford South Main Street corridor and an equitable recovery in the City of Rockford. This continued blight in the core of Rockford is unacceptable to the adjacent neighborhoods. The proposed project would build on other infrastructure investments to build community, raise property values, and support essential services.

Thank you for your consideration of this opportunity.

Sincerely,

Samantha Hochmann
Executive Director

"Tinker Swiss Cottage Museum and Gardens protects, preserves and interprets Rockford's authentic history, heritage and culture to promote economic and community vitality."



AFRICAN-AMERICAN RESOURCE CENTER AT BOOKER
 1005 S. Court Street, Rockford, IL 61102 | 815.962.9117
www.aarcbooker.com / afamrcb@gmail.com

June 15, 2023

Mayor Thomas P. McNamara
 Rockford City Council
 425 East State Street
 Rockford, IL 61104

Re: J Jeffers Redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and City Council members:

The African-American Resource Center at Booker is in support of the redevelopment of the former Barber Colman property by J Jeffers & Company under consideration by the Rockford City Council.

We understand that this project provides needed reinvestment in a blighted area that has historical reference to manufacturing that provided many jobs within the city of Rockford and the residents of the southwest quadrant.

We hope that J Jeffers & Company will work with the surrounding community neighbors as they develop their project and engage minorities in the building and execution process. We hope that they keep in mind the low income, middle income and Senior citizens who also need housing and jobs in today's stressful economic environment.

We applaud the proposed private investment in the city of Rockford and especially along the South Main Street corridor which for years has been difficult to secure.

The African-American Resource Center at Booker Board of Directors thank you for all the work you do for Rockford and your consideration of this opportunity.

Sincerely,
Karen Waller
 Karen Waller, Operations Manager AARCB



NAACP

ROCKFORD BRANCH #3428

P.O. Box 121 Rockford, IL 61105 (815) 966-6033

NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

6/13/2023

Mayor Thomas P. McNamara
 Rockford City Council
 425 East State Street
 Rockford, IL 61104

Re: Letter of Support for J Jeffers redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and City Council members,

The purpose of this letter is to express full support for the redevelopment of the former Barber Colman Campus by J Jeffers & Co. under consideration by City Council. This project provides critical reinvestment, removal of blight as an adaptive reuse of a historic manufacturing facility that will support millions of dollars in private investment in southwest Rockford. The City Council have been good stewards of taxpayer monies and this project is another initiative to improve our city through sound economic development.

The developer, J Jeffers, has worked diligently with the community and incorporating the concepts and needs of the neighborhood in this transformational project. Their efforts to engage minority and women businesses as part of the project are greatly appreciated and a leading example to diversify the workforce. The proposed investment from non-city funding sources provides necessary gap assistance and lessens the burden of the City of Rockford to advance this important project.

We strongly support "Colman Yards" project as a necessary step in the evolution of the Rockford South Main Street corridor and an equitable recovery in the City of Rockford. This continued blight in the core of Rockford is unacceptable to the adjacent neighborhoods. The proposed project would build on other infrastructure investments to build community, raise property values, and support essential services.

Thank you for your consideration of this opportunity.

Sincerely,

A handwritten signature in black ink that reads "George H. Scott Jr.".

George H. Scott Jr.
 NAACP Rockford Branch President

Subject: Barber Colman Support Letter

A Ministry Of Restoration Church
 3015 S.4th Street
 Rockford, IL. 61109

June 19, 2023

Mayor Thomas P. McNamara
 Rockford City Council
 425 East State Street
 Rockford, IL. 61104

Re: Letter of Support
 J Jeffers redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and City Council members,

I apologize for responding so late.

I am writing in support of the Redevelopment of the former Barber Coleman Campus by J Jeffers & Co. Under consideration by City Council. I understand that this project provides critical reinvestment, removing of blight as an adaptive reuse of historic manufacturing facility that will support millions of dollars in private investment in Southwest Rockford.

I am acknowledging J Jeffers for working diligently with the community and incorporating the concepts and the neighbors in this vast transformational project.

This is truly an transformation on the Southside of Rockford. We are very grateful for the door of opportunity has been open wide, for minority and women and businesses, as part of the project as they will be leading by example to diversify the workforce.

We understand that this proposed investment from non-city funding sources provides necessary gap assistance will lessen the burden of the City of Rockford to advance in this most important project.

We strongly support "Colman Yards" project as a most necessary step in the evolution of the Rockford South Main Street corridor and an equitable recovery in this City of Rockford. We agree about this continue blight in the core Rockford, is unacceptable to the New business and adjacent neighborhoods.

This proposed new project would be an infrastructure for other investors to build and invest in other community, to raise our property values, also support essential services.

Thank you for your consideration,

Kind regards,

Pastor Ruby Martin
 A Ministry of Restoration Church

Pastor Ruby Martin



City of Rockford
425 E. State Street
City Council Chambers, 2nd Floor
Rockford, IL 61104

June 16, 2023

RE: Colman Yards Redevelopment Project

Honorable members of the Rockford City Council,

As a community bank we seek to help families and small-medium size business achieve their goals by providing financial services, education and inclusive programs designed to meet a variety of needs, including the needs of low-to-moderate income families and underserved communities. We are proud of our community development efforts in the Rockford area and greatly appreciate the support and thoughtful guidance we have received from the Mayor's Office and from many other political and community leaders in the area. In our view, redevelopment projects like the master plan development being proposed by J. Jeffers & Co. for the Barber-Colman site are important an important part of any urban area's redevelopment efforts because of the widespread and diverse benefits typically generated for the community. Additionally, in our experience projects such as this can lead to a 'snowball effect' that leads to further development and economic and quality of life improvements for the community.

Based on our review of the project we believe the project has great potential to help accomplish the important goals for the area that the Council hopes to foster and do so in a market-driven manner that will help assure its success. In addition to providing significant residential density together with much-needed commercial amenities, the project should also help stabilize and facilitate further economic development of the South Main Corridor, and in an environmentally friendly manner.

We understand that Federal approvals and private financing are now in place. We hope the Council will continue to give serious consideration, followed by prompt approval, to the proposal. Given the rapidly changing economic landscape, including with respect to interest rates, we hope the Council will take advantage of the window it currently has to help drive this project forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Opperman", followed by a solid horizontal line.

Robert Opperman
Market President

City of Rockford
 425 E. State Street
 City Council Chambers, 2nd Floor
 Rockford, IL 61104

June 20, 2023

RE: Colman Yards Redevelopment Project

Honorable members of the Rockford City Council,

Thank you for your careful consideration of J. Jeffers & Co.'s redevelopment proposal for the historic Barber-Colman site. All parties are to be commended for their commitment to presenting a market-driven and meaningful redevelopment scenario for this 26-acre landmark campus.

The mixed-use revitalization plan being presented will not only provide significant residential density alongside new and much-needed commercial amenities, it will help to anchor the priority South Main Corridor and fuel local growth strategies involving improved connection between the Downtown District, Airport, and other key points of interest, visitor destinations and neighborhood centers throughout the City of Rockford. Federal approvals and private financing are now in place to undertake a best-in-class historic rehabilitation and adaptive reuse that honors the Barber-Colman site's industrial legacy while providing responsible environmental stewardship through energy efficiencies, carbon mitigations and ecological sensitivity.

Centered in transformative placemaking principles, the Colman Yards project will complement the thoughtful infill development occurring along the South Main Corridor and contribute significantly to the City's efforts to achieve environmental justice through brownfield redevelopment. Anticipated social, environmental and financial project impacts include:

- **Accrued employment increase of 2,784 jobs** through 2030 | Regional Economic Models Inc. (REMI) analysis
- **400 FTE construction jobs** | JJ&CO. estimate
- **\$108M in residential spending impact per year upon project completion (900 units).** \$26M in residential spending impact per year by 2025, when the first 215 units are scheduled to be delivered. | Based on regional apartment residents' average spending contribution to the local economy each year of \$67,500 per person. Source: National Multifamily Housing Council and National Apartment Association
- **Nearly 30% reduction in total carbon emissions** in delivering new residential and commercial space by responsibly rehabilitating 500,000 SF of existing Barber-Colman building stock v. delivering the same space by building new from the ground up. | Source: Carbon Avoided Retrofit Estimator (CARE) Tool

J. Jeffers & Co has done an outstanding job thus far in including the Community Foundation of Northern Illinois in its efforts to ensure that the community's voice is heard in the project. They continue to reach out and look for ways to partner with the non-profit community as the project moves forward, and I anticipate that this relationship will continue in the future. I believe that this project will be transformational to both the neighborhood and the city at large.

The City of Rockford is making unprecedented strides in promoting and realizing inclusive growth. We appreciate the Council's keen attention to the Colman Yards project, which has significant potential to amplify our community's collective progress, and urge full public participation in the Barber-Colman site's J. Jeffers & Co.-led master plan redevelopment.

Sincerely,



Daniel Ross

President – The Community Foundation of Northern Illinois
drross@cfnil.org, 779-210-8201



COMMUNITY FOUNDATION
 OF NORTHERN ILLINOIS

946 N. SECOND STREET · ROCKFORD, IL 61107 · 815-962-2110 · www.cfnil.org



June 14th, 2023

Board of Directors

Executive Committee

Jocelyn McLaughlin
Lynell Cannell
Joanne Baylis
Angi King

Gallery Directors

David Ruffin
Monica Terronez
Pat Casazza
Carol Fiorenza Folkerts
Sandra Colbert
Margaret Borowski

Graham-Ginestra House

Patricia Jepsen

Community Directors

Paulette Gilbert
Samantha Hochmann
John Jepsen
Deni Upshaw
Vic Rivera

Mayor Thomas P McNamara
Rockford City Council
425 East State Street
Rockford, IL 61104

Re: Letter of Support
J Jeffers redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and City Council members

On behalf of the Board of Directors of the Heritage Museum Park, I am writing in support of the redevelopment of the former Barber Colman Campus by J Jeffers & Co. under consideration by City Council. This project provides critical reinvestment, removal of blight as an adaptive reuse of a historic manufacturing facility that will support millions of dollars in private investment in southwest Rockford.

From our front door, we can see the vacancy and blight left behind from the decaying remains of Barber-Colman. An area that was once an integral part of town, has been left to erode. There have been promising projects that have failed to come through, leaving its residents and businesses to wonder what will become of this beautiful and historic part of Rockford.

At the museum, we have hosted a community meeting, and I applaud J Jeffers for working diligently with the community and incorporating the concepts and needs of the neighborhood in this transformational project. Their efforts to engage minority and women businesses as part of the project are greatly appreciated and a leading example to diversify the workforce. The proposed investment from non-city funding sources provides necessary gap assistance and lessens the burden of the City of Rockford to advance this important project.

I strongly support “Colman Yards” project as a necessary step in the evolution of the Rockford South Main Street corridor and an equitable recovery in the City of Rockford. This continued blight in the core of Rockford is unacceptable to our community. The proposed project would build on other infrastructure investments to build community, raise property values, and support essential services. We cannot allow this opportunity to pass. Rockford must be open for business.

Respectfully submitted by,

Jocelyn Hare McLaughlin
President; Heritage Museum Park

June 16, 2023

Mayor Thomas P. McNamara
Rockford City Council
425 East State Street
Rockford, IL 61104

Re: Letter of Support
J Jeffers redevelopment of Barber Colman (Colman Yards)

Dear Mayor McNamara and City Council members,

I am writing in support of the redevelopment of the former Barber Colman Campus by J Jeffers & Co. under consideration by City Council. This project provides critical reinvestment, removal of blight as an adaptive reuse of a historic manufacturing facility that will support millions of dollars in private investment in southwest Rockford. It also makes financial sense. My understanding of this project is that it would cost more to turn this property into green lots that would not have a long term economic impact on the community than it would to redevelop this property.

I applaud J Jeffers for working diligently with the community and incorporating the concepts and needs of the neighborhood in this transformational project. Their efforts to engage minority and women businesses as part of the project are greatly appreciated and a leading example to diversify the workforce. The proposed investment from non-city funding sources provides necessary gap assistance and lessens the burden of the City of Rockford to advance this important project.

I strongly support "Colman Yards" project as a necessary step in the evolution of the Rockford South Main Street corridor and an equitable recovery in the City of Rockford. This continued blight in the core of Rockford is unacceptable to the adjacent neighborhoods. The proposed project would build on other infrastructure investments to build community, raise property values, and support essential services.

Thank you for your consideration of this opportunity.

Sincerely,



William Chatman,

Executive Director/CEO

Comprehensive Community Solutions, Inc.



June 14, 2023

Mayor Thomas P. McNamara
 Rockford City Council
 425 East State Street
 Rockford, IL 61104

Re: Letter of Support for Redevelopment of Barber Colman

Dear Mayor McNamara and City Council members,

On behalf of the SWIFTT organization, I am writing to support the redevelopment of the former Barber Colman Campus by J Jeffers. SWIFTT enthusiastically supports this initiative because the project provides critical reinvestment, removal of blight as an adaptive reuse of a historic manufacturing facility that will support millions of dollars in private investment in southwest Rockford.

Since 2002, there have been many studies related to the redevelopment of Barber Colman compound. Some of the many initiatives for improving the infrastructure ranged from a medical center, a multi-use complex, and most recently an education center. A great deal of taxpayer funds has been spent on these studies only to come up short to the disappointment of the community.

I applaud J Jeffers for working diligently with the community and incorporating the concepts and needs of the neighborhood in this transformational project. Their efforts to engage minority and women businesses as part of the project are greatly appreciated and a leading example to diversify the workforce. The proposed investment from non-city funding sources provides necessary gap assistance and lessens the burden of the City of Rockford to advance this important project.

The SWIFTT board strongly support the “Colman Yards” project as a necessary step in the evolution of the Rockford’s South Main Street corridor. This continued blight in the core of Rockford is unacceptable to the adjacent neighborhoods. The proposed project would build on other infrastructure investments to build community, raise property values, and support essential services.

SWIFTT is a membership based, 501(c)(3) economic and community development organization working to attract and retain businesses and services to improve the quality of life for people who live, work, and play in southwest Rockford. We are proud to support the redevelopment of the former Barber Colman Campus by J Jeffers.

Thank you for your consideration of this much needed initiative.

Sincerely,

Rudy Valdez, DM
 SWIFTT Board President
 (815) 520-6022

Proud Partners In Southwest Rockford

1005 S. Main Street • Rockford, IL 61102 • PO Box 966 • Rockford, IL 61105 • ph 815.965.3606 •
www.swiftt.org

Packet Pg. 67

City of Rockford
 425 E. State Street
 City Council Chambers, 2nd Floor
 Rockford, IL 61104

DATE: 06/19/2023

RE: Colman Yards Redevelopment Project

Honorable members of the Rockford City Council,

Thank you for your careful consideration of J. Jeffers & Co.'s redevelopment proposal for the historic Barber-Colman site. All parties are to be commended for their commitment to presenting a market-driven and meaningful redevelopment scenario for this 26-acre landmark campus.

The mixed-use revitalization plan being presented will not only provide significant residential density alongside new and much-needed commercial amenities, it will help to anchor the priority South Main Corridor and fuel local growth strategies involving improved connection between the Downtown District, Airport, and other key points of interest, visitor destinations and neighborhood centers throughout the City of Rockford. Federal approvals and private financing are now in place to undertake a best-in-class historic rehabilitation and adaptive reuse that honors the Barber-Colman site's industrial legacy while providing responsible environmental stewardship through energy efficiencies, carbon mitigations and ecological sensitivity.

Centered in transformative placemaking principles, the Colman Yards project will complement the thoughtful infill development occurring along the South Main Corridor and contribute significantly to the City's efforts to achieve environmental justice through brownfield redevelopment. Anticipated social, environmental and financial project impacts include:

- **Accrued employment increase of 2,784 jobs** through 2030 | Regional Economic Models Inc. (REMI) analysis
- **400 FTE construction jobs** | JJ&CO. estimate
- **\$108M in residential spending impact per year upon project completion (900 units).** \$26M in residential spending impact per year by 2025, when the first 215 units are scheduled to be delivered. | Based on regional apartment residents' average spending contribution to the local economy each year of \$67,500 per person. Source: National Multifamily Housing Council and National Apartment Association
- **Nearly 30% reduction in total carbon emissions** in delivering new residential and commercial space by responsibly rehabilitating 500,000 SF of existing Barber-Colman building stock v. delivering the same space by building new from the ground up. | Source: Carbon Avoided Retrofit Estimator (CARE) Tool

As a tenant prospect, I am excited about the opportunity to support and contribute to the success of the project. With my experience, dedication, and commitment to excellence, I am confident that I can actively participate in fostering a thriving community and adding value to the overall project objectives.

The City of Rockford is making unprecedented strides in promoting and realizing inclusive growth. We appreciate the Council's keen attention to the Colman Yards project, which has significant potential to amplify our community's collective progress, and urge full public participation in the Barber-Colman site's J. Jeffers & Co.-led master plan redevelopment.

Sincerely,

Oliver Emerson Jr.
 Co-Founder/VP of Operations
 Oliver Emerson Development LLC.
 404.453.9500 | Info@OEDevelops.com



City of Rockford
425 E. State Street
City Council Chambers, 2nd Floor
Rockford, IL 61104

June 16, 2023

RE: Colman Yards Redevelopment Project

Honorable members of the Rockford City Council,

Thank you for your careful consideration of J. Jeffers & Co.'s redevelopment proposal for the historic Barber-Colman site. All parties are to be commended for their commitment to presenting a market-driven and meaningful redevelopment scenario for this 26-acre landmark campus.

The mixed-use revitalization plan being presented will not only provide significant residential density alongside new and much-needed commercial amenities, it will help to anchor the priority South Main Corridor and fuel local growth strategies involving improved connection between the Downtown District, Airport, and other key points of interest, visitor destinations and neighborhood centers throughout the City of Rockford. Federal approvals and private financing are now in place to undertake a best-in-class historic rehabilitation and adaptive reuse that honors the Barber-Colman site's industrial legacy while providing responsible environmental stewardship through energy efficiencies, carbon mitigations and ecological sensitivity.

Centered in transformative placemaking principles, the Colman Yards project will complement the thoughtful infill development occurring along the South Main Corridor and contribute significantly to the City's efforts to achieve environmental justice through brownfield redevelopment. Anticipated social, environmental and financial project impacts include:

- **Accrued employment increase of 2,784 jobs** through 2030 | Regional Economic Models Inc. (REMI) analysis
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- **Nearly 30% reduction in total carbon emissions** in delivering new residential and commercial space by responsibly rehabilitating 500,000 SF of existing Barber-Colman building stock v. delivering the same space by building new from the ground up. | Source: Carbon Avoided Retrofit Estimator (CARE) Tool

The Rockford Area Economic Development Council (RAEDC) works to attract and retain primary employers in the Rockford region. The tax base generated by these employers fuels the city's budget. Housing availability and affordability consistently ranks as the most important factors in retaining and attracting employees, a critical issue for all employers. A development of this magnitude tells current





companies and prospective companies that the Rockford region is a vibrant, growing community that will support the workforce needed for sustained growth. RAEDC fully supports this project.

The City of Rockford is making unprecedented strides in promoting and realizing inclusive growth. We appreciate the Council's keen attention to the Colman Yards project, which has significant potential to amplify our community's collective progress, and urge full public participation in the Barber-Colman site's J. Jeffers & Co.-led master plan redevelopment.

Sincerely,

Therese Thill

Therese Thill
President
Rockford Area Economic Development Council

Attachment: RAEDC letter of support Coleman Yards (14373 : Redevelopment Agreement with J. Jeffers & Co LLC)





Date: June 12, 2023

To: Todd Cagnoni, City Administrator, City of Rockford

From: Rashaad Pierre, R1 Data Analyst

Subject: Analysis of Colman Yard

Summary of Findings

According to a REMI analysis conducted by Region 1 Planning Council (R1) the City of Rockford and Winnebago County will experience growth in employment, population and industry output during the next eight years as a result of the proposed investment in Colman Yards. The REMI model projects direct and indirect demographic and economic impacts of the proposed investment.

The project will result in an accrued population increase of 2,710 people, and an accrued employment increase of 2,784 jobs through 2030. Males and the Hispanic demographic have the biggest increase in employment compared to other demographics. Countywide, accrued industry output will increase to \$370 million during this eight-year period. These results are likely to occur in proximity to Colman Yards, where the investments will take place. Population, employment and industry output increases will peak in 2024 and will continue growth thereafter.

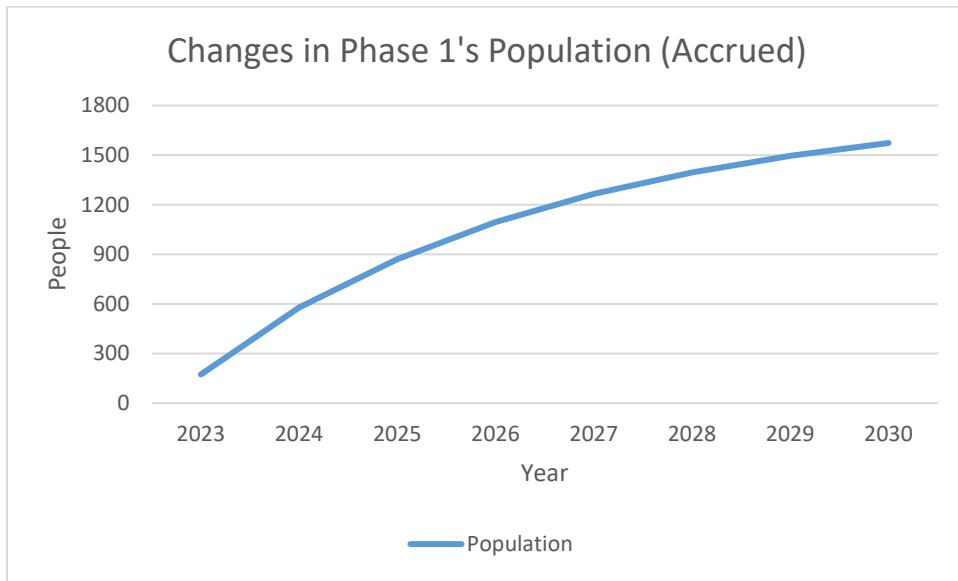
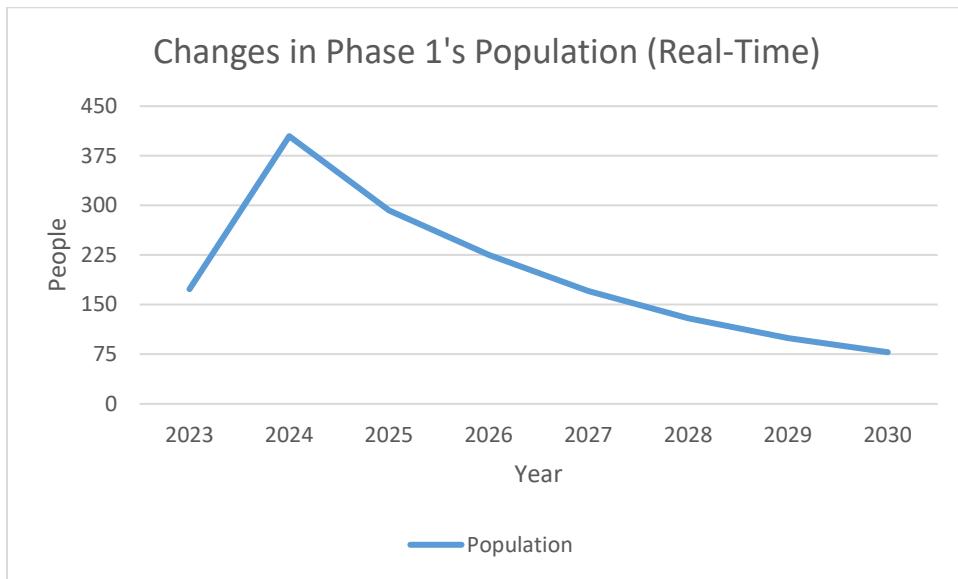
Exclusively taking Phase 1 into account, only population will experience consistent growth.

Methodology

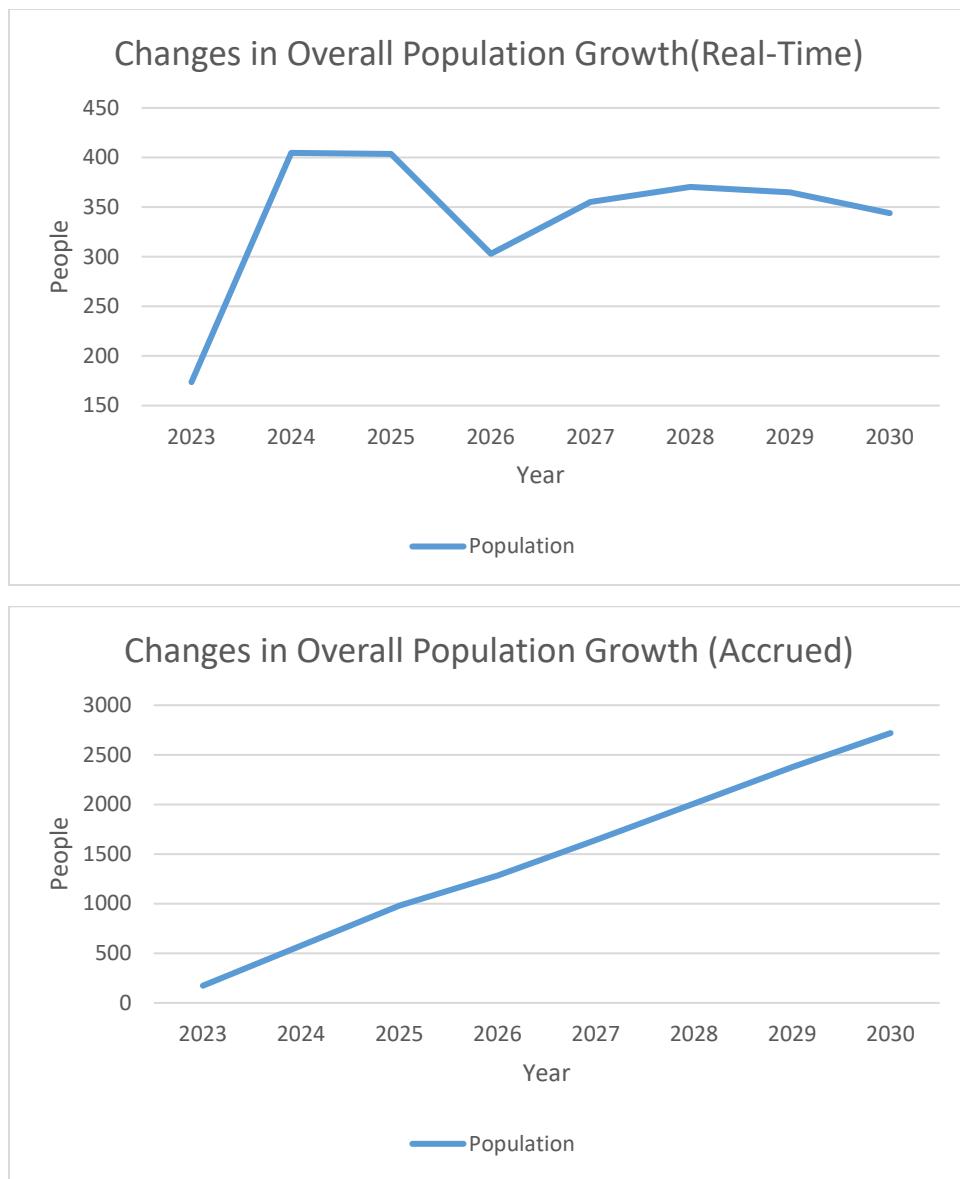
REMI via Transight economic modeling was used for this analysis, using the following input variables used: Investment Spending and Detailed Industry Sales (exogenous production). Investment Spending included the category: Residential. Detailed Industry Sales includes the following categories: Offices and Commercial Structures; and Transportation structures, highways and streets. The outputs compiled for this analysis were Population, Employment, Employment by Demographics, Employment by Education, Compensation by Industry Quintile, and Industry Output.

The analysis assumes a \$420.35 million investment will be made in the area, according to data provided by J. Jeffers & Co. Phase 1 improvements will occur during 2023 and 2024, and will mainly focus on construction. Phase 2 improvements include commercial construction investments in 2024 and 2025 and residential investments between 2027 and 2030. A more detailed explanation of the population, employment and industry output modeling follows.

Population analysis

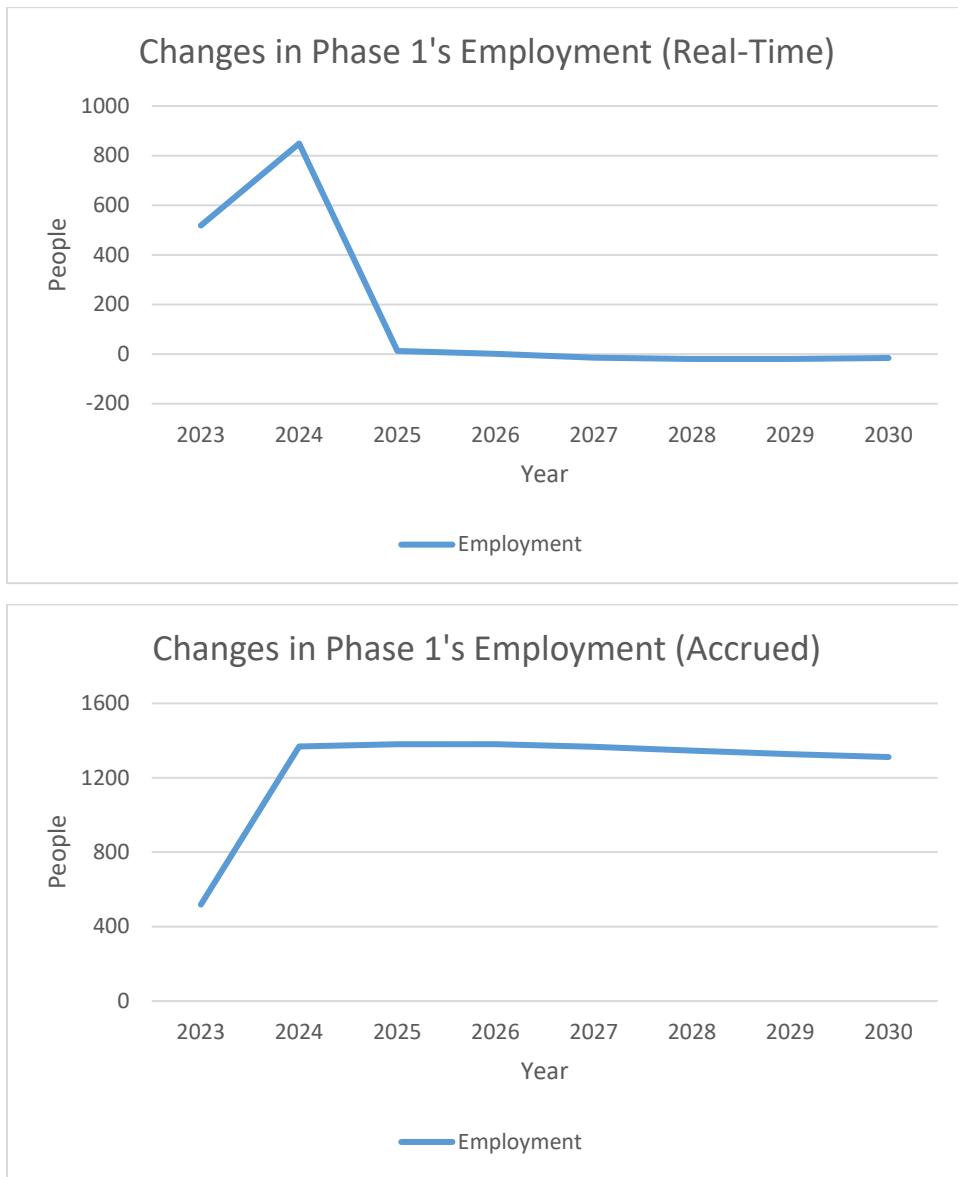


The charts above illustrate projected population change in Winnebago County between 2023 and 2030 as a result of the phase 1 proposed investment. Population is measured in REMI via Transight as total population by single year age cohort. Real-time population annually increases during this period to 174 new people in 2023, peaking at 405 new people in 2024, and slowing growth to 78 new people in 2030. Accrued, population is projected to increase by 1,573 new people by 2030.



The charts above illustrate projected population change in Winnebago County between 2023 and 2030 as a result of the overall proposed investment. Change in population growth (real-time), fluctuates during this period Increasing to 174 people in 2023, peaking at 405 new people in 2024, and leveling out at 344 new people in 2030. Accrued, Total population is projected to increase by 2,719 people.

Employment Analysis



The charts above illustrate projected change in employment in Winnebago County between 2023 and 2030 as a result of the phase 1 investment. Employment defined by REMI via Transight includes estimates of the number of jobs, full-time plus part-time, by place of work for all industries. Full-time and part-time jobs are counted at equal weight. Employees, sole proprietors, and active partners are included, but unpaid family workers and volunteers are not included.

During this period, employment increases annually, at the beginning of the projection and decreases near the end. Employment increases to 518 jobs in 2023, peaks at 848 new jobs in 2024, and declines to a loss of 15 jobs in 2030. Accrued, total employment is projected to be 1,311 new jobs which are jobs expected to be created and maintained from the phase 1 investment. The industry that benefitted the most from the investment is construction, followed by state and local government, and retail trade.

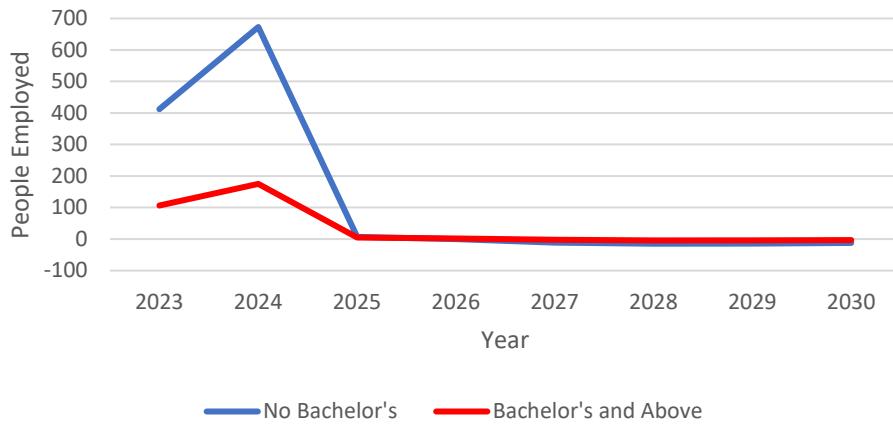
| Changes in Phase 1's Employment By Gender (Real-Time) | | | | | | | | |
|---|-------|-------|-------|-------|--------|--------|--------|--------|
| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Total | 0.32% | 0.53% | 0.01% | 0.00% | -0.01% | -0.01% | -0.01% | -0.01% |
| Male | 0.44% | 0.74% | 0.01% | 0.00% | -0.01% | -0.02% | -0.02% | -0.01% |
| Female | 0.19% | 0.31% | 0.00% | 0.00% | -0.01% | -0.01% | -0.01% | -0.01% |

The table above illustrates the change in employment by gender between 2023 and 2030 as a result of the phase 1 investment. During this period, the employment demographic for males is projected to be higher than females with a 0.25% difference in 2023 with no difference in 2030.

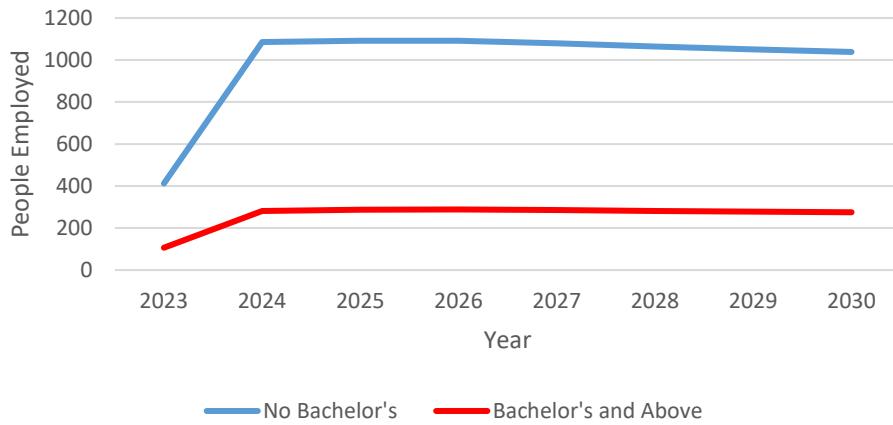
| Changes in Phase 1's Employment by Race (Real-Time) | | | | | | | | |
|---|-------|-------|--------|--------|--------|--------|--------|--------|
| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| White Non-Hispanic | 0.33% | 0.55% | 0.02% | 0.01% | 0.00% | -0.01% | -0.01% | 0.00% |
| Black Non-Hispanic | 0.21% | 0.34% | -0.01% | -0.01% | -0.01% | -0.01% | -0.01% | -0.01% |
| Other Non-Hispanic | 0.21% | 0.35% | -0.02% | -0.02% | -0.02% | -0.02% | -0.02% | -0.02% |
| Hispanic | 0.41% | 0.67% | -0.01% | -0.01% | -0.03% | -0.03% | -0.03% | -0.03% |

The table above illustrates changes in employment by race between 2023 and 2030 as a result of the phase 1 investment. During this time span, the employment demographic for Hispanic was the highest with a 0.41% increase in 2023 peaking with a 0.67% increase in 2024 and ending with a 0.03% decrease in 2030. Other Non-Hispanic and Black Non-Hispanic employment increases ranged from a 0.21% increase in 2023 to a 0.01% decrease in 2030.

Changes in Phase 1's Employment by Education (Real-Time)

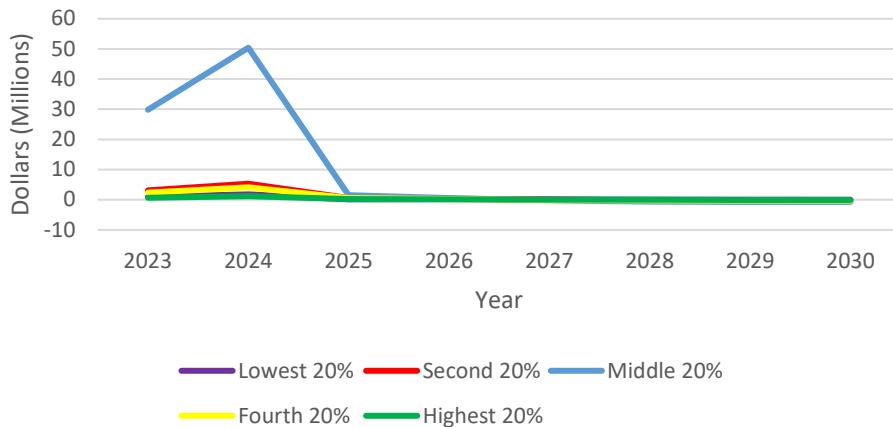


Changes in Phase 1's Employment by Education (Accrued)

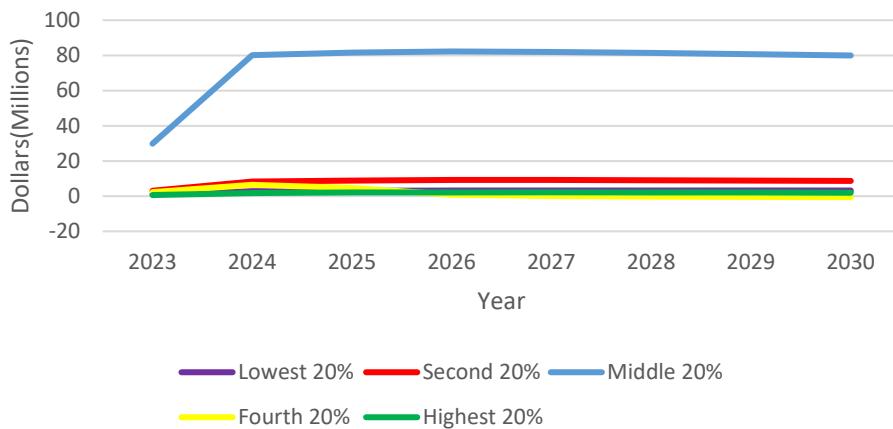


The charts above illustrate change in employment by education between 2023 and 2030 as a result of the phase 1 investment. During this period, for both groups, employment increases annually, at the beginning of the projection and decreases near the end. For individuals without Bachelor's degrees, Employment increases to 411 new jobs in 2023 and declines to a loss of 11 jobs by 2030. For individuals with a bachelor's and higher, employment increases to 106 new jobs in 2023 and declines to a loss of 3 jobs by 2030. Accrued, the total employment for no bachelor's is expected to be 1,038 new jobs created by the phase 1 investment. Accrued, the total employment for bachelor's and above is expected to be 274 new jobs created by the phase 1 investment. The industry that would benefit the most for people with no bachelor's degree was construction. The industry that would benefit the most for people with bachelor's degrees and above was business operation specialists.

Changes in Compensation by industry Quintile in Phase 1 (Real-Time)

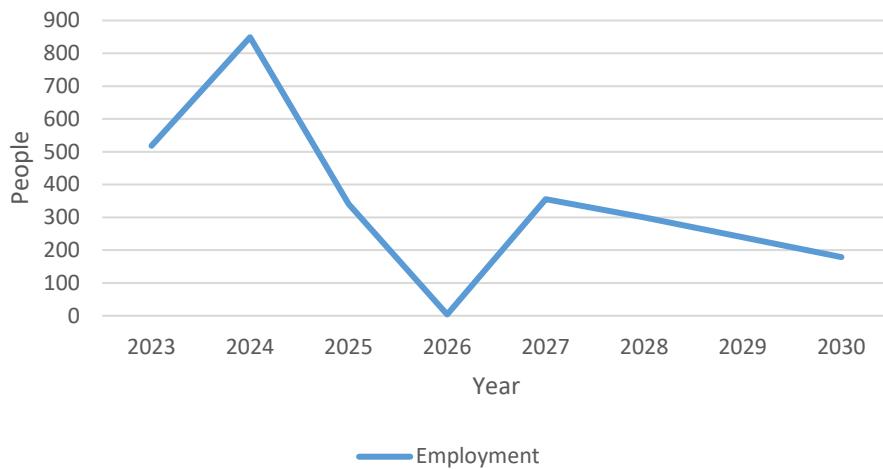


Changes in Compensation by Industry Quintile in Phase 1 (Accrued)

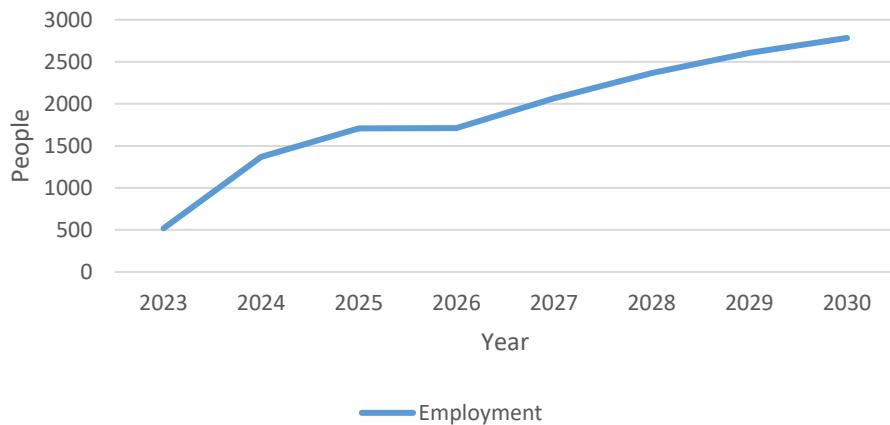


The charts above illustrate the change in compensation by industry quintile between 2023 and 2030 as a result of the phase 1 investment. During this time span, the middle 20% quintile had the highest increase in compensation with \$29.8 million in 2023 to a loss of \$731 thousand in 2030. The highest 20% Quintile had received the smallest increase with \$643 thousand in 2023 to a loss of \$83 thousand in 2030. Accrued, the middle 20% quintile had a total of \$79 million in compensation and the highest 20% quintile had a total of \$2 million in compensation.

Changes in Overall Employment Growth (Real-Time)



Changes in Overall Employment Growth (Accrued)



The charts above illustrate projected change in employment in Winnebago County between 2023 and 2030 as a result of the overall investment. Change in employment growth (real-time), a measure of employed people increasing on an annual basis, fluctuates during this period. It initially jumps to 519 new jobs in 2023, peaking at 849 new jobs in 2024, and slowing growth to 178 new jobs in 2030. Total employment growth, accrued over the entire period of the investment, is projected to be 2,784 new jobs. The industries that benefit most from the proposed improvements are construction, followed by state and local government, and retail trade.

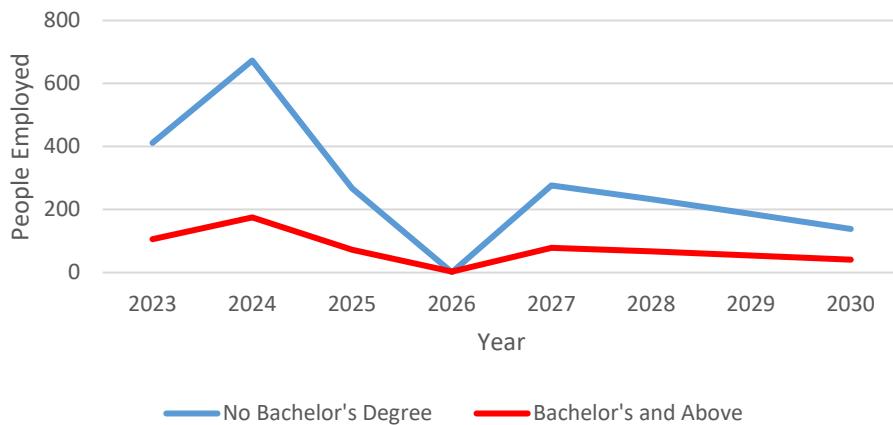
| Changes in Overall Employment By Gender (Real-Time) | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Total | 0.32% | 0.53% | 0.21% | 0.00% | 0.22% | 0.19% | 0.15% | 0.11% |
| Male | 0.44% | 0.74% | 0.30% | 0.00% | 0.30% | 0.26% | 0.20% | 0.15% |
| Female | 0.19% | 0.31% | 0.12% | 0.00% | 0.14% | 0.12% | 0.09% | 0.07% |

The table above illustrates change in employment by gender between 2023 and 2030 as a result of the overall investment. In this period, the employment demographic for males is projected to be higher than females with a 0.25% difference in 2023 with an 0.08% difference in 2030.

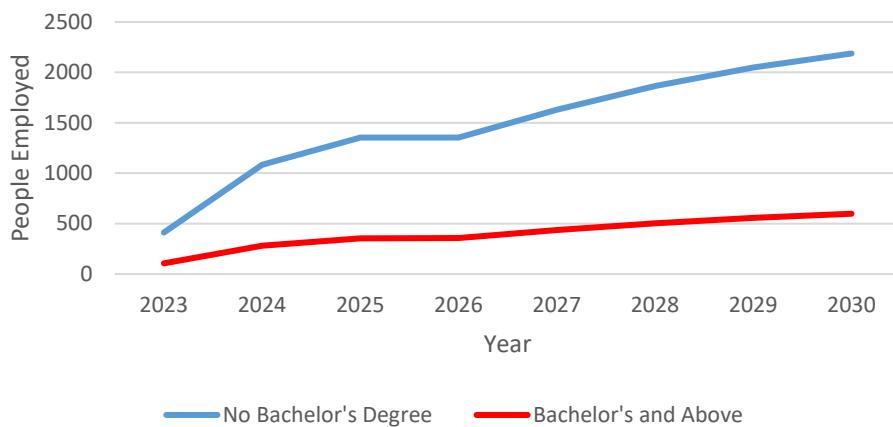
| Changes in Overall Employment By Race (Real-Time) | | | | | | | | |
|---|-------|-------|-------|--------|-------|-------|-------|-------|
| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| White Non-Hispanic | 0.33% | 0.55% | 0.23% | 0.01% | 0.24% | 0.20% | 0.17% | 0.13% |
| Black Non-Hispanic | 0.21% | 0.34% | 0.13% | -0.01% | 0.15% | 0.12% | 0.09% | 0.07% |
| Other Non-Hispanic | 0.21% | 0.35% | 0.12% | -0.02% | 0.14% | 0.11% | 0.08% | 0.05% |
| Hispanic | 0.41% | 0.67% | 0.26% | -0.02% | 0.26% | 0.21% | 0.16% | 0.11% |

The table above illustrates change in employment by race between 2023 and 2030 as a result of the overall investment. In this time span, the employment demographic for Hispanic was the highest with a 0.41% increase in 2023 peaking with a 0.67% increase in 2024 and ending with an increase of 11% in 2030. The employment demographic for Other Non-Hispanic and Black Non-Hispanic employment increases ranged from 0.21% in 2023 to 0.05% increases in 2030.

Changes in Overall Employment by Education (Real-Time)

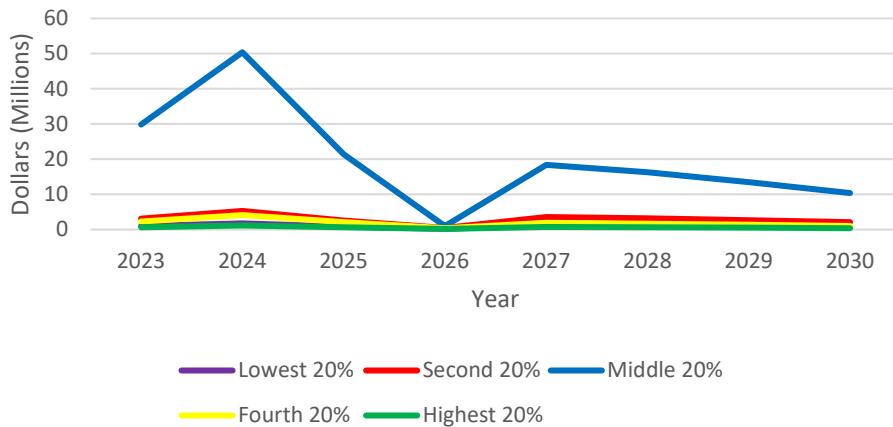


Changes in Overall Employment by Education (Accrued)

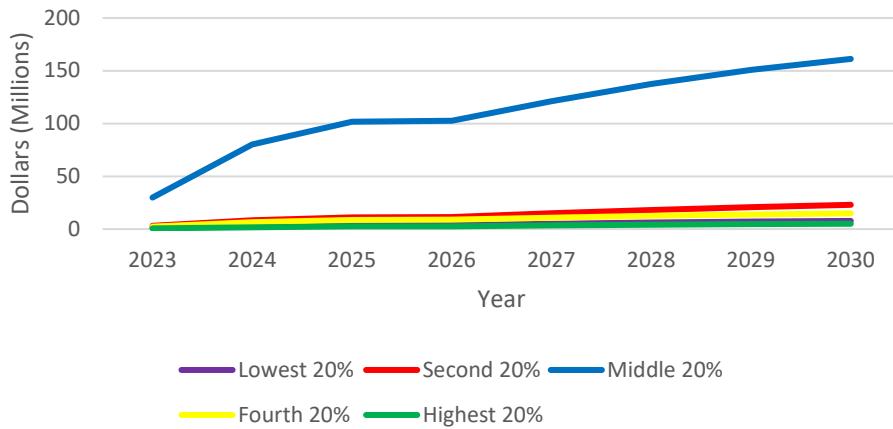


The charts above illustrate change in Employment by Education between 2023 and 2030 as a result of the overall investment. During this time period, employment for individuals with no bachelor's degree increases to 411 new jobs created in 2023 and increases to 138 new jobs created in 2030. For individuals who have a bachelors and above have an increase of 106 new jobs created in 106 and increasing to 40 new jobs created in 2030. The total employment for no bachelor's, accrued, is expected to be 2,187 new jobs created by the overall investment. The total employment for bachelor's and above, accrued, is expected to be 598 new jobs created by the overall investment. The industry that would benefit the most for people with no bachelor's degree was construction. The industry that would benefit the most for people with bachelor's degrees and above was business operation specialists.

Changes in Overall Compensation by industry Quintile (Real-Time)

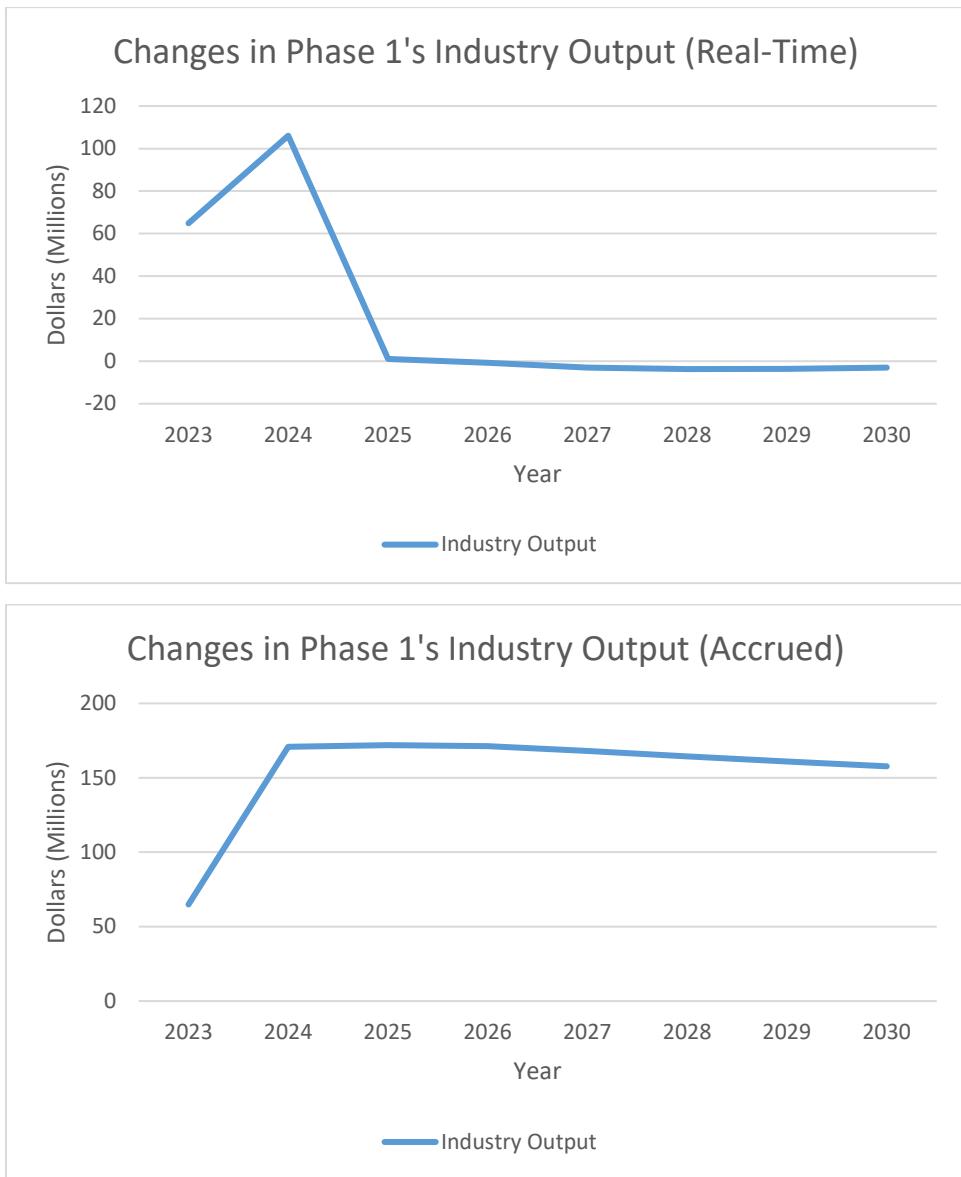


Changes in Overall Compensation by Industry Quintile (Accrued)



The charts above illustrate change in compensation by industry quintile between 2023 and 2030 as a result of the overall investment. During this period, the middle 20% quintile had the highest increase in compensation with \$29.8 million in 2023 to an increase of \$10.4 million in 2030. The Highest 20% Quintile had received the smallest increase with \$643 thousand in 2023 to an increase of \$428 thousand in 2030. Accrued, the middle 20% quintile had a total of \$161 million in compensation and the highest 20% quintile had a total of \$5 million in compensation.

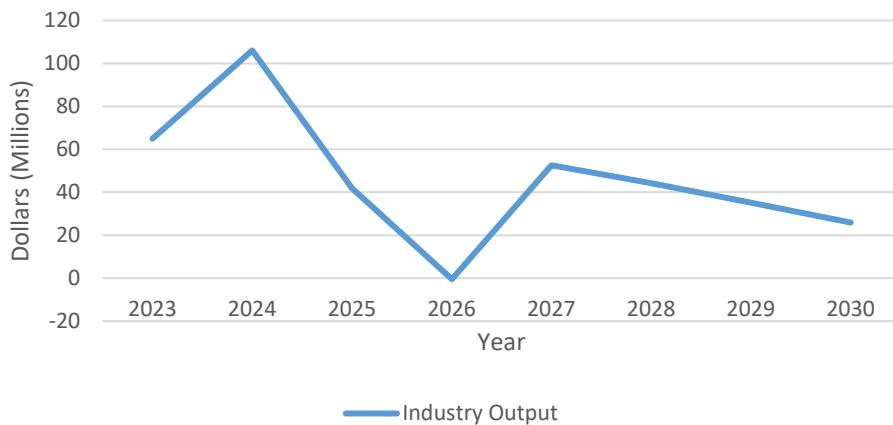
Industry Output Analysis



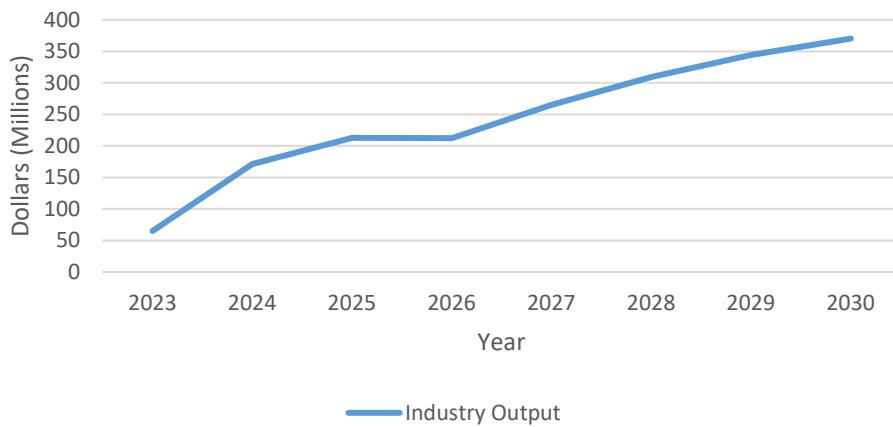
The charts above illustrate the projected change in industry output in Winnebago County between 2023 and 2030 as a result of the proposed phase 1 investment. Industry output is defined by REMI via Transight as the amount of production, including all intermediate goods purchased as well as value added.

During this period, industry output increases annually at the beginning of the projection and decreases near the end. Industry output increases to \$64 million in 2023, peaking at \$106 million in 2024, and decreasing to a loss of \$3 million in 2030. Accrued, Total Industry output will be \$158 million by 2030. The industries that benefit the most from the investments are construction followed by real estate.

Changes in Overall Industry Output Growth (Real-Time)



Changes in Overall Industry Output Growth (Accrued)



The charts above illustrate the projected change in industry output in Winnebago County between 2023 and 2030 as a result of the proposed overall investment. Change in Industry Output growth (real-time), a measure of output increasing on an annual basis, fluctuates during this period. Industry output increases to \$65 million in the first year of investment (2023), peaking at \$106 million the following year (2024) and slowing to \$65 million in the final year of investment (2030). Accrued industry output is projected to increase by a total of \$370 million through the entire period of investment. The industries that benefit the most due to the proposed improvements are construction, followed by real estate and state and local government.



Memo

To: City Council
Planning & Development Committee

From: Todd Cagnoni, City Administrator

(TODC)

Re: Barber Colman Demo and Environmental Remediation Estimate

Date: June 14, 2023

Staff has worked with our environmental remediation consultant, licensed demo contractor and internal team to estimate the cost of demolition and environmental remediation of the Barber Colman campus should a development not take place. The estimate below includes a range based on price fluctuation that may take place at the time of bidding. Additionally, the solution identified and estimated for environmental remediation will require the approval of the United States Environmental Protection Agency (US EPA) and/or the Illinois Environmental Protection Agency (IEPA) which may have an impact on costs.

Demolition and environmental cleanup of site:

| LOW | HIGH | RANGE |
|---------------------|---------------------|--|
| \$1,150,000 | \$1,400,000 | Asbestos Removal |
| \$6,500,000 | \$7,500,000 | Demolition |
| \$5,400,000 | \$6,500,000 | Environmental Cap meeting SRP requirements |
| \$850,000 | \$1,000,000 | Groundwater Remediation |
| \$2,085,000 | \$2,460,000 | 15% Contingency |
| \$15,985,000 | \$18,860,000 | TOTAL ESTIMATE |

It should be noted, that should the asbestos removal not be feasible because of further collapse of or unsafe conditions within the buildings, the cost for demolition would increase by \$10,000,000 and the cost for asbestos removal would not be applicable. This is unlikely for all the buildings, but possible on certain structures that have already had roof collapse and floor failure.



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

Cc: Mayor Thomas McNamara
City Council

From: Karl F. Franzen, Community & Economic Development
Director

Karl F. Franzen

RE: Redevelopment Agreement with J. Jeffers & Co., LLC for Colman Yards redevelopment a \$430 million investment that would result in 964 residential units, over 130,000 square feet of commercial, newly constructed parking decks, and common space amenities.

Date: June 15, 2023

Staff is presenting a proposed agreement with J. Jeffers & Co., LLC for the redevelopment of the former Barber Colman campus. City Council approved a purchase contract with J. Jeffers & Co., LLC in October 2021 for the purchase of the City-owned property. In February 2023, J. Jeffers notified the City that it was exercising its option to purchase the property contingent on City Council approval of a comprehensive redevelopment agreement. J. Jeffers has a significant investment in their due diligence, including environmental review, engineering, and design. The City has already reviewed building plans for Phase IA, described below, and is prepared to issue building permits upon property conveyance.

The project consists of multi-phases of mixed-use development that include the redevelopment of nine (9) existing historic structures as well as new mixed use construction within the footprint of the Historic District and new residential construction on two parcels located outside of the Historic District. In total and upon completion, the proposed project represents an approximately \$430 million investment that would result in 964 residential units, over 130,000 square feet of commercial, newly constructed parking decks, and common space amenities. The project is more fully described in the Colman Yards Powerpoint Presentation and Redevelopment Agreement.

PHASE IA

Phase IA is scheduled to commence this year, shortly after approval of the agreement and perfection of property conveyance. This phase includes redevelopment of Buildings 5 (the largest and most prominent building on the site), 4, and 9 as well as the construction of a 334-stall Parking Deck with commercial retail spaces. In total, Phase IA consists of 215 residential units and 30,121 square feet of commercial space. Construction of Phase IA is anticipated to be completed in late 2024/early 2025.

PHASE IB

Phase IB is anticipated to commence prior to January 1, 2025 and will include the remainder of the existing buildings located within the Historic District: Buildings 7, 11, 12, 13, 17, and 18. In total, Phase IB consists of 119 units and 84,080 square feet of commercial space.

PHASE II

Phase II consists of new construction on the remainder of the property. The timing of Phase II is dependent on market factors. Within the footprint of the Historic District, it will include new construction Buildings 20, 21, 22, 1, and a second Parking Deck with 144 stalls. The parcels outside of the Historic District will include 43 “Three-flats” and 74 Townhomes.

CITY OF ROCKFORD OBLIGATIONS:

- A. **Tax Increment Financing District.** The City agrees to create a new TIF District, tentatively called “Barber Colman TIF District”. The TIF District will replace the existing “S. Main – Rock Street TIF District” and the boundaries will be the same. The Barber Colman TIF District is expected to expire December 31, 2046.
- B. **Phase IA Tax Increment Financing Reimbursement.** The City agrees to reimburse 100% of the incremental taxes generated by the project for Phase IA.
- C. **Tax Increment Financing Advance.** The City agrees to advance \$6 million at the closing of Phase IA. The City will utilize a portion of increment of Phase II not dedicated as reimbursement to the developer to repay the Advance. The Advance will be funded from the new Barber Colman TIF and recognized as a debt to the TIF for repayment from future phases.
- D. **Phase IA Loan.** The City agrees to provide \$7.25 million at the closing of Phase IA as a corporate-guaranteed loan at 0% interest to Developer. Developer shall begin repayment on February 1, 2030 with final payment due on February 1, 2047. Annual payments shall be amortized over 30 years, resulting in a final balloon payment in 2047. The funding source is ARPA funds.
- E. **Phase IA Infrastructure Reimbursement.** The City agrees to reimburse \$3.5 million in public infrastructure costs. The funding sources are the Water Fund in the amount of \$1.5 M and \$2 M from ARPA.
- F. **US EPA Revolving Loan Fund.** The City agrees to provide \$6.5 million of US EPA Revolving loan funds upon closing of Phase IA as a loan for approved environmental remediation expenses. The 0% loan will be due in full 15 years after closing. The funding source is the City’s US EPA Revolving Loan Fund.
- G. **Environmental Settlement Funds.** The City agrees to provide \$2 million grant from environmental settlement obligated to clean up to the site for additional environmental remediation costs. The funding source is environmental settlement.

- H. **State DECO Fund.** The City has a commitment through Representative Maurice West for a \$4 million State of Illinois grant through the Illinois Department of Commerce & Economic Opportunity. The City agrees to facilitate the application, acceptance, and reporting of the grant. The City has applied in May and is awaiting further direction from DCEO. The Developer shall comply with all rules and regulations of the State grant. The City agrees to advance \$4 million upon the closing of Phase IA.
- I. **Permit Credit.** The City agrees to provide a \$500,000 credit toward Phase IA building permits. The City estimates building permit fees for Phase IA and IB at approximately \$1.5 million with a net result of collecting \$1.0M.
- J. **Phase IA Parking Deck.** The City agrees to a joint ownership with Developer of the Phase IA Parking Deck, in which the City would own 99%. The City may execute a "put" and require the Developer to purchase the parking deck after 7 years for \$1.5 million.
- K. **Phase IB Tax Increment Financing Reimbursement.** The City agrees to reimburse 100% of the incremental taxes generated by the project for Phase IB.
- L. **Phase IB Loan.** The City agrees to provide \$3 million at the closing of Phase IB as a guaranteed loan at 0% interest to Developer. Developer shall begin repayment on February 1, 2030 with final payment due on February 1, 2047. Annual payments shall be amortized over 30 years, resulting in a final balloon payment in 2047. The funding source is ARPA.
- M. **Phase II Tax Increment Financing Reimbursement.** The City agrees to reimburse 90% of incremental taxes generated by the project for Phase II. The remaining 10% of increment will go to the City to pay back the TIF Advance and any other eligible expenses.
- N. **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 Developer shall purchase the property for \$500,000.
- B. **Development of the Project.** The Developer is required to construct the Project on the Property in accordance with the plans and specifications approved by the City and the conditions and requirements outlined herein.
- C. **EPA "No Further Remediation".** Developer will complete the site remediation plan in conjunction with the Illinois Environmental Protection Agency and secure a "No Further Remediation" Letter consistent with residential use.

D. **Funding Source Compliance.** The Developer agrees to comply with the requirements of the various funding sources.

E. **Phase 1A Parking Deck.** Should the City execute the “put” option, the Developer shall purchase the parking deck for \$1.5 million after year 7. Alternatively, the Developer shall pay fair market value of the City’s ownership upon sale.

F. **Corporate Guarantee of Phase IA and IB City Loans.** Developer will provide a corporate guarantee for Phase IA and IB City loans totaling \$10.25 million and make payments in accordance to the repayment schedule.

G. **Use of Property.** The Developer agrees that the property shall not be used for:

- (i) Adult uses;
- (ii) Massage parlor;
- (ii) Tattoo shops;
- (iii) Gaming machine establishments, but not prohibiting a legitimate restaurant/bar to apply for appropriate liquor license that allows 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.

H. **No Assessment Protest.** The Developer agrees that the assessed value of the property shall not be protested during the term of the agreement unless assessed value exceeds 120% of the estimates. The agreement contains estimates for assessed value of Phase IA and IB and requires that estimates for assessed value of Phase II is completed prior to commencement of Phase II.

TIF GUIDELINE POLICY STATEMENT

The project and development agreement has been reviewed in accordance with the TIF Policy Statement and found to be consistent with multiple “Primary Project Priorities” and scored

The following primary TIF priorities that have been satisfied are as follows:

- Create jobs in underserved areas and high unemployment zones
- Provide incentives for mixed-use development
- Promote targeted infill development
- Direct development along corridors to create stronger districts
- Systematically plan for the redevelopment of Rockford’s older commercial areas

- Enhance the unique appearance of existing structures through the preservation of architecture
- Reduce financial roadblocks to rehabilitation
- Located in a High Priority Area, including Central City, Census Tract with high unemployment, Census Tract with low median income, and area defined a CDBG-eligible.

TIF POLICY SCORING

| | |
|----------------------------|--------------|
| Mixed Use Redevelopment | 100pts |
| High Priority Area | 100pts |
| Employment | 50pts |
| Indirect Employment | 75pts |
| MBE/WBE/VBE | 25pts |
| Historic Preservation | 10pts |
| <u>Public Improvements</u> | <u>10pts</u> |

TOTAL = 370 Points (High Priority)

High Priority: 225+ points

Mid Priority: 125 - 224 points

Low Priority: < 125 points





Memo

To: City Council
Planning & Development Committee

From: Todd Cagnoni, City Administrator

TOPT

Re: Barber Colman Redevelopment Comparison Versus redevelopment of the Amerock (Ziock) Building Hilton Embassy Suites and Conference Center.

Date: June 14, 2023

Staff has been asked to provide a comparison of the development agreement terms for the Hilton Embassy Suites and Conference Center versus the proposed Barber Colman Redevelopment. Transformational projects are often viewed with resistance upon first review, but have proven to be successful in the overall redevelopment of Rockford.

The Hilton Embassy Suites and Conference Center is regarded as a highly impactful redevelopment in downtown Rockford fully utilizing the City's cost reduction tools. At the time of the development agreement, total cost for the redevelopment of the hotel was approximately \$68,940,000 and the estimated total cost for the Rockford Conference Center was approximately \$13,100,000. The direct cost to the City included the cost of the conference center, rebate of hotel / motel tax for 32 years, waiving of permit fees and public infrastructure commitments. Not including pay as you go TIF Increment the City's participation was/is approximately \$32.7 million. As part of the development review, Hunden Strategic Partners prepared a Local Fiscal Impact Analysis for the project in 2014 when the original development agreement was approved by City Council. The analysis identified a number of direct benefits to the City and that net new spending for the project was estimated at \$168 million over a 10 year period and 281 new full time equivalent jobs.

The Barber Colman redevelopment (Colman Yards) has the opportunity to be just as, if not more impactful project to the City based on both an economic and social impact analysis. The City has engaged R1 Regional Planning Council to complete the economic and social impact of the proposed project utilizing REMI modeling including, employment, population and industry output. The project as proposed is estimated to be \$420.35 million upon full buildout. Based on R1's analysis, the project will result in an accrued population increase of 2,710 people, and an accrued employment increase of 2,784 jobs through 2030. Countywide accrued industry output will amount to \$370 million during this 8 year period. These results are likely to occur in proximity to Colman Yards, (southwest Rockford) where the investments will take place and where there is significant need. Population, employment and industry output increases will peak in 2024 and will continue growth thereafter. Employment job growth for Hispanic, White Non-Hispanic and Black-Non-Hispanic will all see employment growth. The full R1 analysis is included in the Council packet.

A breakdown comparison of the two projects is outlined as follows:

| Barber Colman Redevelopment – Adaptive reuse | Amerock Building Redevelopment - Hilton Embassy Suites |
|--|---|
| <ul style="list-style-type: none"> City TIF Support includes 100% full rebate of Phase 1A and 1B and 90% of other phases of property taxes through de-TIF re-TIF commitment to 2046 (23 years) | <ul style="list-style-type: none"> City TIF Support includes 100% full rebate of Hotel portion of property taxes through de-TIF re-TIF commitment to 2040 (23 years) |
| <ul style="list-style-type: none"> Developer owns all property and existing buildings being redeveloped. Developer (1%) and City (99%) co-own parking deck and lease to Developer. Developer pays \$15 million for parking deck construction project. | <ul style="list-style-type: none"> Gorman owns hotel City/RLDC own conf. center City pays for construction of conf. center at fixed cost of \$13.1 Million |
| <ul style="list-style-type: none"> No rebate to Developer of Hotel Motel Tax, Sales Tax or Metro Tax from project. City bears no direct upside or downside of parking deck. | <ul style="list-style-type: none"> Developer receives City Hotel Motel Tax (5%) Committed to Conf. Center Operations to 2040, estimated at \$9.5 M at time of development agreement. No rebate of Sales Tax or Metro Tax. City bears no direct upside or downside of conference Center operations |
| <ul style="list-style-type: none"> City has Put Option on parking deck after 7 years selling City interest to developer for \$1.5 million. Or City may not exercise Put Option maintain investment and receive appraised value at future sale of deck. Developer leases deck for a nominal rate. | <ul style="list-style-type: none"> Developer may lease the conference center for \$1 year for 32 years. Developer shall have the option to purchase Conference Center for appraised value. |
| <ul style="list-style-type: none"> No naming right revenue. | <ul style="list-style-type: none"> City was to receive 50% of revenue from naming of conference center but no revenue has been reported. |
| <ul style="list-style-type: none"> No obligation to construct additional parking lots by City. | <ul style="list-style-type: none"> City required to build surface parking at former Tapco building site lot south of Hilton and lease to developer for 25 years for \$1. City retains right for future development per agreeable plan with Gorman, City & RLDC City retains no parking revenues from lot. |
| <ul style="list-style-type: none"> No obligation to construct additional parking lots by City. | <ul style="list-style-type: none"> City acquires, demolishes and constructs parking lots on the north and south side of Cedar Street. (Warshawsky Lots) (State of IL lot north of Amerock). City owns, maintains and retains revenues for parking. Total costs for surface lots was \$1.8 M. |
| Bolded numbers represent City funded | |

| Barber Colman Redevelopment – Adaptive reuse | Amerock Building Redevelopment - Hilton Embassy Suites |
|---|--|
| <ul style="list-style-type: none"> Developer purchases Barber Colman for \$500,000. | <ul style="list-style-type: none"> Developer purchases Amerock Building for \$250,000. |
| <ul style="list-style-type: none"> Developer is responsible for public improvements serving the site. City provide \$3.5 M public infrastructure grant. No additional obligation to complete pedestrian improvements or additional streets by City. | <ul style="list-style-type: none"> City construct and complete Main St. 2-way conversion from Cedar Street and State Street. This resulted in direct cost of \$4.8 M. City provide old Wyman Street to Developer. City completes Chestnut St Bridge Improvement as funds are available – this is being completed via BUILD grant with local match. This cost is estimated at \$1 M. |
| <ul style="list-style-type: none"> No City obligation for amenities such as the proposed park area, pedestrian mall, market area or outdoor entertainment area. | <ul style="list-style-type: none"> City pursue Davis Park improvements as funds become available. The City has committed \$1.4 M for Davis Park improvements, not including DCEO dollars. Developer has reasonable access to Davis Park for outdoor events such as weddings and banquets. Gorman has right to demolish Lorden Building if Davis Park plan does not proceed – This option was not exercised and City demolished at City cost of \$1.1 M. |
| <ul style="list-style-type: none"> Developer pays permit fees estimated in excess of \$1 M after a \$500,000 fee credit and local sourcing. | <ul style="list-style-type: none"> Permit fees waived in exchange for local sourcing commitment. |
| <ul style="list-style-type: none"> City facilitates \$6.5 M U.S. EPA environmental clean-up loan. Federal funds. | <ul style="list-style-type: none"> No US EPA loan. |
| <ul style="list-style-type: none"> City facilities \$4 M DCEO grant provided by Representative West. State funds. | <ul style="list-style-type: none"> No DCEO grant. |
| <ul style="list-style-type: none"> City facilities \$2M environmental clean-up grant settlement. | <ul style="list-style-type: none"> No settlement grant. |
| <ul style="list-style-type: none"> City provides TIF advance in amount of \$6 M. Projected to be repaid back by future increment from phases after 1A and 1B. | <ul style="list-style-type: none"> No TIF advance. |
| <ul style="list-style-type: none"> City provides \$7.2 M guaranteed loan for Phase 1A and \$3 M guaranteed loan for Phase 1B. | <ul style="list-style-type: none"> No loans provided. City of Rockford direct spending and hotel tax dollars per above. |
| <ul style="list-style-type: none"> Federal & State Historic Tax Credits Provide Project Equity Reducing Debt | <ul style="list-style-type: none"> Federal & State Historic Tax Credits Provide Project Equity Reducing Debt |
| <p>Bolded numbers represent City funded</p> | |

Both projects require significant investment through private and public capital to advance, however, in the Barber Colman redevelopment we shifted the approach from direct spending and user tax rebates to guaranteed loans, TIF advance repaid from future phases of the development and grants from non-city sources. The project as modeled, which includes full buildout, repayment of all loans and the City receiving 10% of increment on future phases beyond 1A and 1B results in \$0 City participation, not including pay as you go TIF increment. However, should the project not proceed beyond Phase 1A & 1B, which is the minimum requirement of the development agreement, the project represents an investment of \$170M with a total participation of \$6.5 M after deducting permit fees, exercising put option and not including pay as you go TIF increment.

Based on the commitments of both agreements and return on investment, the proposed Barber Colman development agreement with J Jeffers has the potential to provide a significant return on investment with less direct and indirect investment than the transformational and impactful Hilton Embassy Suites redevelopment.

Draft Dated 6/15/23

REDEVELOPMENT AGREEMENT

BY AND BETWEEN

**THE CITY OF ROCKFORD,
AN ILLINOIS MUNICIPAL CORPORATION, and**

**J. JEFFERS & CO,
A WISCONSIN CORPORATION**

Dated as of _____, 2023

REDEVELOPMENT AGREEMENT

This Redevelopment Agreement ("Agreement") is entered into this _____ day of _____, 2023 ("Effective Date"), between J. Jeffers & Company (the "Developer"), a Wisconsin limited liability company, and the CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation (the "City") (the Developer and the City are collectively referred to as the "Parties").

RECITALS:

A. 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 presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the City, to foster increased economic activity within the City, to increase employment opportunities within the City, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and to otherwise further the best interests of the City; and

B. WHEREAS, the City has undertaken a program for the redevelopment of certain property within the City, pursuant to the "Tax Increment Allocation Redevelopment Act," 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "Act"); and

C. WHEREAS, in accordance with the requirements of the 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.

D. WHEREAS, on _____, the Corporate Authorities adopted Ordinance No. _____, which approved a redevelopment plan and project, entitled the _____ Tax Increment Financing Redevelopment Plan and Program (the "Initial Redevelopment Plan"), for the _____ (the "Redevelopment Area"); and

E. WHEREAS, also in accordance with the requirements of the TIF Act, on _____, the Corporate Authorities adopted Ordinances No. _____ and No. _____ 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 Initial Redevelopment Area (Ordinance No. _____, Ordinance No. _____ and No. _____ collectively referred to as the “**TIF Ordinances**”); and

F. WHEREAS, pursuant to the Act, the Corporate Authorities in accordance with the requirements of the Act, the Corporate Authorities intend to adopt an Ordinance to approve a proposed redevelopment plan and project, entitled the [“Colman Yards Redevelopment Tax Increment Financing Redevelopment Plan and Program”] (the “**Redevelopment Plan**”), for the Redevelopment Area;

G. 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

H. 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 Area; and

I. 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 2 of this Agreement, which necessarily must be incurred to implement the aforesaid program of redevelopment; and

J. WHEREAS, the Developer is under contract with the City to purchase approximately 22 acres of property known as the Barber Colman Campus which includes ten (10) historic commercial/industrial buildings bordered by Loomis Street on the north, Lane and Knowlton Streets on the south, Main Street on the west and the Rock River on the east and legally described in Exhibit A and depicted in Exhibit A-1, attached hereto (the “**Redevelopment Property**”); and

K. WHEREAS, the parties acknowledge that various environmental investigations conducted at the Redevelopment Property discovered the presence of metals (including arsenic, barium, beryllium, cadmium, chromium, copper, iron, lead, manganese, mercury, nickel,

selenium, and vanadium), carbon disulfide, trichlorofluoromethane, acetone, 2-butanone, methylcyclohexane, several polynuclear aromatic hydrocarbons (“PAHs”), cyanide, chlorinated solvents as well as chlorinated volatile organic compounds (“VOCs”) including 1,1-dichloroethane (“DCA”), 1,1-dichloroethene (“DCE”), cis 1,2-DCE, tetrachloroethene (“PERC”), 1,1,1-TCA, and trichloroethene (“TCE”) and other contamination (together with any other hazardous substances released or discovered at the Redevelopment Property referred to as the **“Contamination”**).

L. WHEREAS, the Redevelopment Property is located within the City and within the Redevelopment Area; and

M. WHEREAS, the Redevelopment Property shall be redeveloped with a mixed-use development, as further described in this Agreement; and

N. WHEREAS, the Developer desires to cause the phased redevelopment of the Redevelopment Property which includes the remediation of the Contamination, the renovating of the existing buildings and the construction of additional new buildings to create a transit-oriented, pedestrian friendly, mixed-use development with up to 130,210 square feet of neighborhood retail uses, approximately 964 dwelling units made up of historic apartments and new townhomes and flats, four new mixed-use buildings and two enclosed parking garages, 150,000 square feet of open space which will include extensive public spaces, a public central yard and grass amphitheater, and other public and private improvements to the adjacent streets, alleys, and streetscape, all as further provided for in this Agreement (collectively, the **“Project”**); and

O. WHEREAS, in connection with the Project, Developer has submitted to the City a zoning application and supporting documentation seeking approval of a Planned Unit Development and Plat of Subdivision to allow the proposed redevelopment of the Barber Colman Campus, which was approved by City Council on November 9, 2022 (the **“Planned Unit Development”**); and

P. 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; (ii) undertake and complete the remediation of the Contamination in accordance with State and Federal laws, rules and guidelines; and (iii) undertake and complete the Project in compliance with the approved plans

and permits and city codes, and in accordance with the terms and conditions of this Agreement; and

Q. WHEREAS, the Developer has represented and warranted to the City that the Developer is skilled in the business of development and redevelopment and is able to provide the City skill, knowledge and expertise, as well as input from other experts and consultants in similar mixed-use downtown redevelopment projects; and

R. WHEREAS, the Developer represents and warrants that if Developer elects to proceed with the Project, then the Redevelopment Property will be redeveloped consistent with the terms of this agreement.; and

S. WHEREAS, the City has agreed, in reliance on the Developer's expertise and foregoing commitment to construct the Project in accordance with the terms and conditions of this Agreement to provide certain financial assistance as specifically set forth in this Agreement; and

T. WHEREAS, the City is authorized under the provisions of the Act to pay for and reimburse the Developer for a portion of the costs for the Project which are eligible redevelopment project costs pursuant to the Act, up to the limit hereafter set forth; and

U. WHEREAS, the City will make available to Developer certain Brownfields incentives including US EPA Revolving Loan Funds for eligible activities in an amount not to exceed \$6,502,438.38, and an additional environmental grant in an amount not to exceed \$2,000,000; and

V. WHEREAS, in addition to and apart from the tax increment financing, Brownfields Revolving Loan Funds and the environmental grant for the Project, the City is providing additional support for the Project as further set forth herein, subject to approval by the Corporate Authorities of the proposed Redevelopment Plan and Redevelopment Project Area, to the Developer to cover a portion of the estimated project costs; and

W. WHEREAS, it is necessary for the successful completion of the Project that the City enter into this Agreement with the Developer to contemplate the development of the Redevelopment Property and construction of the Project, thereby implementing and bringing to completion a portion of the Redevelopment Plan; and

X. WHEREAS, the Developer has been and continues to be unable and unwilling to undertake the redevelopment of the Redevelopment Property but for certain incentives, including, but not limit to, tax increment financing ("TIF") incentives that may be provided by the City in

accordance with the Act, to the extent applicable, which the City is willing to provide under the terms and conditions contained herein. The Parties acknowledge and agree that but for the economic development incentives to be provided in accordance with this Agreement, the Developer cannot successfully and economically develop the Redevelopment Property and construct the Project in accordance with Developer's requirements to meet requisite financial returns. The City has determined that it is desirable and in the City's best interests to assist the Developer in the manner set forth herein and as this Agreement may be supplemented and amended; and

Y. WHEREAS, this Agreement has been submitted to the Corporate Authorities for consideration and review, the corporate authorities of the City have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the City according to the terms hereof, and any and all actions of the corporate authorities of the City precedent to the execution of this Agreement have been undertaken and performed in the manner required by law; and

Z. WHEREAS, this Agreement has been submitted to the Developer for consideration and review, and the Developer has taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the Developer according to the terms hereof, and any and all actions precedent to the execution of this Agreement by the Developer have been undertaken and performed in the manner required by law; and

AA. WHEREAS, the Project is estimated to result in a \$400,000,000 investment into the City's southwest side.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Parties agree as follows:

SECTION I **INCORPORATION OF RECITAL & EXHIBITS; DEFINITIONS**

A. INCORPORATION OF RECITALS AND EXHIBITS. The statements, representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are incorporated into and made a part of this Agreement as though they were fully set forth in this Section I. The exhibits referred to in this Agreement which are

attached to or incorporated into it by textual reference are incorporated by reference into and made a part of this Agreement. The Parties acknowledge the accuracy and validity of those exhibits.

B. DEFINITIONS. For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, including above in the recitals hereto and as follows:

1. **"Change in Law"** means the occurrence, after the Effective Date, of an event described below, provided (i) such event materially changes the costs or ability of the Party relying thereon to carry out its obligations under this Agreement or otherwise necessitates changes to the Project and (ii) such event is not caused by the Party relying thereon:

Change in Law means any of the following: (i) the enactment, adoption, promulgation or modification of any federal, state, county or local law, ordinance, code, rule or regulation; (ii) the order or judgment of any federal or state court, administrative agency or other governmental body; (iii) the adoption, promulgation, modification or interpretation in writing of a written guideline or policy statement by a governmental agency; (iv) the institution or issuance by any applicable governmental authority having jurisdiction of notice of any pending or proposed moratorium with respect to the Redevelopment Property or any portion thereof; and (v) the issuance by any applicable governmental authority having jurisdiction of any notice of any violation of law, or institution of any litigation, suit or proceeding against the Redevelopment Property or any portion thereof. Change in Law, for purposes of this Agreement, shall also include the imposition of any conditions on, or delays in, the issuance or renewal of any governmental license, approval or permit (or the suspension, termination, interruption, revocation, modification, denial or failure of issuance or renewal thereof) necessary for the undertaking of the Project under this Agreement.

2. **"Closing Date"** shall mean the date of execution and delivery of this Agreement by all parties hereto, and any required documents for the commencement of each subsequent Phase of the Project as set forth herein. Each Phase of the Project shall have an appropriate "Closing Date."

3. "**City Code**" means the Rockford City Code, as amended from time to time, and all other ordinances, rules and regulations of the City.
4. "**Completion of Construction**" or "**Complete Construction**" with respect to Phase IA, Phase IA Parking Deck, Phase IB, Phase II, or the Infrastructure Improvements means the date on which the final certificates of occupancy have been issued by City for any such portion of Phase IA, Phase IA Parking Deck, Phase IB, or Phase II, respectively, and means the date on which the a letter of acceptance has been issued by City for all or any portion of the Infrastructure Improvements.
5. "**Escrow Agent**" shall mean Title Underwriters Agency located at 126 N. Water Street, Rockford, IL 61107.
6. "**Final Plans**" has the meaning described in Subsection IIIB.
7. "**Force Majeure**" shall mean events or causes beyond a party's reasonable control, including, but not restricted to, acts of God; acts of public enemy; litigation concerning the validity and enforceability of this Agreement or relating to transactions contemplated hereby (including the effect of petitions for initiative or referendum); fires, floods, restrictions, strikes, embargoes, material shortages, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes; act of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism); nuclear radiation; epidemic, pandemic, quarantine, or other governmental restrictions or prohibitions; declaration of national emergency or national alert; blockade, insurrection, riot, labor strike or interruption; extortion, sabotage, or similar occurrence; or any exercise of the power of eminent domain, condemnation, or other taking by the action of any governmental body on behalf of any public, quasi-public, or private entity; declaration of moratorium or similar hiatus directly affecting the Redevelopment Property (whether permanent or temporary) by any public, quasi-public or private entity; or delays in issuance of governmental licenses, permits, and approvals.
8. "**Incremental Taxes**" shall mean such ad valorem taxes generated by the Redevelopment Property which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City

for deposit by said Treasurer into the Project Area TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

9. **“Infrastructure Improvements”** means the infrastructure improvements for the Project to be constructed in certain public rights of way in and adjacent to the Phase I of Project depicted in Exhibit A-1 and does not include any improvements made pursuant to Phase II of the Project.
10. **“Parking Deck Owner”** means the entity formed to own the Phase IA Parking Deck pursuant to Section XIV.B.(a) of this Agreement.
11. **“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof, or any agency or entity created or existing under the compact clause of the United States Constitution.
12. **“Phase”** shall mean any one of the phases of the Project described herein as Phase IA, Phase IB, and Phase II.
13. **“Phase I”** shall mean collectively Phase IA and Phase IB.
14. **“Phase IA”** shall mean the initial phase of redevelopment of existing historic buildings, consisting of Building 1 (new construction parking deck; the **“Phase IA Parking Deck”**), Building 4, Building 5, and Building 9, as shown in Exhibit B.
15. **“Phase IB”** shall mean the second phase of redevelopment of existing buildings, consisting of Building 7, Building 11, Building 12, Building 13, Building 17, Building 18, as shown in Exhibit B.
16. **“Phase II”** shall mean the phase of development consisting of new construction buildings, consisting of Building 10 (new construction parking deck), Building 20, Building 21, Building 22, and Building C1, as well as approximately 43 3-Flats and 73 Townhomes as shown in Exhibit B.
17. **“Project Area TIF Fund”** shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.
18. **“Purchase Agreement”** means that certain Purchase Agreement dated October 7, 2021, as amended from time to time, by and between City, seller and Developer, as buyer for the purchase and sale of the Redevelopment Property.

19. "Redevelopment Area" shall have the meaning set forth in Recital E.

20. "Redevelopment Project Costs" means those qualified redevelopment project costs as defined in Section 5/11-74.3-3(q) authorized by the Act and this Agreement and which good faith estimates of such are set forth in Exhibit C.

21. "State" means the State of Illinois.

22. "TIF Ordinances" means all ordinances adopted by the City relating to the establishment or amendment of the Redevelopment Project Area including, but not limited to, those delineated in the Recitals to this Agreement.

23. "TIF-Eligible Improvements" shall mean those undertakings and improvements of the Project the costs of which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan, and (iii) the City has agreed to reimburse Developer for under the terms of this Agreement.

24. "Uncontrollable Circumstance" means any event which:

- (a) is beyond the reasonable control of and without the fault of the Party relying thereon; and
- (b) is one or more of the following events:
 - (i) a Change in Law;
 - (ii) insurrection, riot, civil disturbance, sabotage, act of the public enemy, explosion, fire, nuclear incident, war (declared or undeclared) or other armed conflict or naval blockade;
 - (iii) plague, epidemic, quarantine, accident, hurricane, tornado, landslide, tsunami, earthquake, drought, lightning, flood, fire, explosion, catastrophe, windstorm, other extraordinary or ordinary weather conditions (in intensity or duration) or other similar acts of God;
 - (iv) third party litigation challenging the authority of the TIF Ordinances or the effectiveness of this Agreement;
 - (v) governmental condemnation or taking or unreasonable delay in reviewing and issuing applicable permits;
 - (vi) strikes, lock-outs, boycotts or labor disputes, or work stoppages not initiated by the Developer;

- (vii) embargoes or shortage or unavailability of essential materials, energy, fuel, labor or other required products or items, which materially change the ability of the Party relying thereon to carry out its obligations under this Agreement;
- (viii) major environmental disturbances, subsurface or latent physical conditions differing materially from those anticipated by Developer, or previously unknown physical conditions of an unusual nature or differing materially from those ordinarily encountered and generally recognized as inherent in the Project;
- (ix) unusual delays in transportation;
- (x) vandalism; or
- (xi) terrorist acts.

(c) Uncontrollable Circumstance shall not include economic hardship or a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor).

(d) For each day that the City or the Developer is delayed by an Uncontrollable Circumstance, the dates set forth in this Agreement shall be extended by one (1) day for each day of the resulting delay.

25. “Zoning Ordinance” means the City of Rockford Zoning Ordinance, as amended from time to time.

SECTION II APPLICABLE LAW; CONSTRUCTION; TERM

A. APPLICABLE LAW. This Agreement is made pursuant to and in accordance with the provisions of 65 ILCS 5/11-74.4 et seq. and other applicable provisions of the Illinois Compiled Statutes and Constitution and the ordinances of the City.

B. TERM OF THE AGREEMENT. The Term of this Agreement is the period of time commencing on the date of execution of this Agreement and ending on the date of expiration of the initial term of the Colman Yards Redevelopment Area (through December 31, 2046) unless earlier terminated. Extension of the termination date for the TIF shall not extend the Term of the Agreement without express approval of the City Council of the City.

C. CONSTRUCTION. This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

1. Definitions include both singular and plural.
2. Pronouns include both singular and plural and cover all genders.
3. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."
4. Headings of Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
5. All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement.
6. Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.
7. The Mayor, or the Mayor's designee, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the City and with the effect of binding the City as limited by and provided for in this Agreement. The Developer and the City are entitled to rely on the full power and authority of the Persons executing this Agreement on behalf of the Developer and the City as having been properly and legally given by the Developer or the City, as the case may be. The City and the Developer will act in good faith and in a reasonable and cooperative manner with respect to consents, approvals and other matters contemplated by this Agreement, including, without limitation, approving or disapproving any request, including any request for reduction of any security or approval of plans. No consent or approval shall be unreasonably withheld, conditioned or delayed.

SECTION III

DEVELOPMENT OF THE REDEVELOPMENT PROPERTY

A. PROJECT SCHEDULE. The City and the Developer agree that the Developer's development and construction of the Project with respect to Phase I is anticipated to be undertaken generally in accordance with the milestone dates described in the Project Schedule attached hereto as Exhibit B and made a part hereof ("**Project Schedule**"), subject to revisions thereto made by Developer, and approved by the City, which such approval shall not be unreasonably withheld, conditioned, or delayed, as necessary to accurately reflect anticipated milestones, Force Majeure, and changes in market conditions. The Parties acknowledge that the Project Schedule is based on the Parties' best understanding of the Project and related milestones as of the Effective Date. The Developer may amend the Project Schedule as necessary to ensure that it accurately reflects the key milestones in the development and construction of the Project, subject to approval by the City, which such approval shall not be unreasonably withheld, conditioned, or delayed. The Parties specifically agree that the milestone dates may be extended by the Developer, subject to approval by the City, which such approval shall not be unreasonably withheld, conditioned, or delayed.

B. APPROVAL PROCESS. The City shall designate a City staff member as the single point of contact for the facilitation of all development approvals requested in connection with the development of the Project. The City agrees to promptly process the submittal, review and approval of (i) the one or more plans prepared by the Developer (individually or collectively the "**Final Plans**") substantially in accordance with the Planned Unit Development, and (ii) the Project's design elements, including without limitation building materials, colors, architectural plans, landscaping, enhanced paving plans, irrigation, lighting, pedestrian linkages, signage and the architectural and thematic character of the Project, at City's standard plan review fees. The City will grant to Developer (i) outdoor dining and patio encroachment permits if such encroachments are consistent with and in compliance with City's outdoor dining policy in effect as of the Effective Date, and (ii) encroachment permits and public easements for improvements, overhangs and balconies, as reasonably requested by Developer. The Parties will cooperate reasonably in processing the plans for the approval or issuance of any permits, specifications, temporary certificates

of occupancy, final certificates of occupancy, plats, site plans, or other development approvals requested by Developer in connection with development of the Project.

C. APPROVED PLANS. The Project to be constructed by the Developer on the Redevelopment Property shall be in substantial conformity with the Final Plans and Planned Use Development. It is understood that the Project shall also be constructed substantially in accordance with the applicable provisions of the City Code, provided, however, the applicable provisions of the 2015 International Building Codes as adopted and amended by the City shall govern the construction of the Project, and the ordinance granting all approvals as required by the City Code and other ordinances of the City in effect as of the filing of the application for the issuance of the building permit for the Project. In the event of a conflict between this Agreement, including any of the exhibits to this Agreement, and the Final Plans, the requirements of the Final Plans shall control. Developer and City will work together using commercially reasonable efforts throughout the pre-development and development stages to resolve any conflicts between City and Developer regarding implementation of the Final Plans.

D. VESTED RIGHTS. City and Developer hereby acknowledge and agree that upon the execution of this Agreement and in consideration of the obligations undertaken by Developer under this Agreement, the Zoning approval, and other entitlements to develop the Project with the land uses, densities, and intensities of use as set forth in this Agreement, including without limitation, the Planned Use Development, are hereby vested as a protectable contractual property interest for all purposes. Consequently, for the duration of this Agreement the City shall not change, restrict, or limit the rights of Developer or its successors and assigns to develop the Project as provided in this Agreement, and the Planned Unit Development, without the consent of Developer.

E. PHASE II. City acknowledges that Developer has designed the Project to allow for the future development of additional building(s) and improvements in a separate phase or phases (hereinafter respectively and collectively referred to as "**Phase II**"), as generally shown on Exhibit A-1 (hereinafter respectively referred to as "**Phase II Development**"). Developer acknowledges that City's approval of the Planned Unit Development was predicated upon the potential for a future Phase II Development, and Developer agrees to

monitor market conditions to determine the feasibility of any potential Phase II Development. At such time as market conditions warrant, as determined in Developer's sole discretion, and if Developer elects to proceed with the design and construction of the Phase II Development, Developer will submit plans to the City for Developer's proposed Phase II Development, pay all applicable fees, and seek approval in accordance with the requirements in this Agreement. City acknowledges that (i) Developer is not guaranteeing construction of the Phase II Development, (ii) the determination to proceed forward with design and construction plans for the Phase II Development will be made by Developer in its sole discretion. Developer's election not to proceed with the Phase II Development will not be a default under this Agreement and will not affect in any way the other rights and obligations of Developer and City under this Agreement, and (iii), any requirement of the Planned Unit Development to the contrary, the development of Phase II shall not be deemed a condition of the Special Use Permit issued pursuant to the City's approval of the Planned Unit Development.

SECTION IV (TIF FUNDS; PHASE I)

- A. TIF Funds.** On each year for the Term of the Agreement, the City hereby agrees to pay to JD Finance, LLC, a Wisconsin LLC (the "**Developer TIF Entity**"), an affiliate of Developer formed for the purposes of securing construction and development financing from one or more lenders (each, a "**TIF Lender**") for the Project related to the TIF incentives, all (100%) Incremental Taxes collected on the Redevelopment Property attributable to increment generated by Phase IA and Phase IB of the Project during the prior year in order to pay for, or reimburse Developer, through payment to the Developer TIF Entity, for a portion of the costs of TIF-Eligible Improvements that constitute Redevelopment Project Costs for Phase IA and Phase IB in accordance with the Act, contingent upon receipt by the City of reasonably satisfactory documentation evidencing such costs (including but not limited to closing statements, broker lien waivers, contractor lien waivers, cancelled checks, paid invoices or evidence of wires) and their eligibility as Redevelopment Project Costs.

- B. Redevelopment Project Costs.** In order to further the redevelopment of the

Redevelopment Property, the City hereby authorizes Developer to incur, or cause to be incurred, those Redevelopment Project Costs for Phase IA and Phase IB which reimbursement is permitted under the terms of the Act, 65 ILCS 5/11-74.4-3, including, but not limited to, those Redevelopment Project Costs set forth on **Exhibit C**. City acknowledges that Redevelopment Project Costs described at Exhibit C are good faith estimates of such costs and are subject to change due to changes in market conditions, changes in development plans, and force majeure. Developer may reallocate dollars between and among line items on **Exhibit C** as may be desirable or necessary to complete the Project, provided appropriate supporting documentation is supplied to the City.

C. TIF Fund. The Project Area TIF Fund shall be or has been established by the City in connection with the Redevelopment Area pursuant to the Act to receive deposits of Incremental Taxes generated from the Redevelopment Property. Said funds may be utilized to make payments on the notes referenced in this Agreement.

D. Limitations on Redevelopment Project Costs Reimbursement: The City's reimbursement obligations under this Section IV are limited as follows:

- 1) Redevelopment Project Costs shall be limited to such costs that Developer incurs in connection with or as a result of the redevelopment of the Redevelopment Property for Project IA and Phase IB and as set forth under the Act; and
- 2) the reimbursement of such Redevelopment Project Costs shall be subject to and limited by the provisions of the Act and other operations of law and this Agreement.

E. Reimbursement Payment to the Developer TIF Entity: Developer, or the Developer TIF Entity, as applicable, shall advance (or in certain cases, may have already advanced) all funds and all costs necessary: (i) to redevelop the Redevelopment Property with the Project; and (ii) to undertake other matters and costs eligible as TIF-Eligible Improvements for reimbursement as Redevelopment Project Costs pursuant hereto in connection with Developer's use and occupancy of the Redevelopment Property. To establish its right of reimbursement for Redevelopment Project Costs, Developer shall submit to a person or department within the City (as the same is designated by the City) once each year, no later than October 1st, such documentation as may be reasonably requested by the City verifying: (a) the costs Developer has incurred in connection with its redevelopment of the

Redevelopment Property, including construction of the Project improvements so as to permit the Parties to establish the total Redevelopment Project Costs related to the Project; and (b) the Redevelopment Project Costs that Developer, or the Developer TIF Entity, as the case may be, has incurred for which Developer is requesting reimbursement, for approval by the City. The appropriate City employee or department shall have fifteen (15) business days after receipt of such information from Developer to recommend approval or disapproval of such request for reimbursement to the corporate authorities of the City and, if a request is disapproved, to provide Developer in writing and in detail with an explanation as to why such City employee or department will not or cannot recommend such reimbursement.

F. THE CITY'S OBLIGATION TO PAY THE DEVELOPER THROUGH THE DEVELOPER TIF ENTITY UNDER THIS SECTION IV OF THE AGREEMENT IS A LIMITED OBLIGATION PAYABLE 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 PAYABLE FROM ALL PAYEMENTS IN LIEU RECEIVED BY THE CITY PURSUANT TO SUBSECTION IV(H) BELOW, AND SHALL NOT BE A GENERAL OBLIGATION OF THE CITY OR SECURED BY THE FULL FAITH AND CREDIT OF THE CITY.

G. PHASE I ADVANCE. The City shall provide \$6,000,000.00 as an advance on the Phase I Redevelopment Costs incurred in Phase I of the Project (the "Phase I Advance"), it being understood that the Phase I Advance shall not be deemed a loan but rather a prepayment to Parking Deck Owner of eligible Redevelopment Project Costs incurred with respect to the redevelopment of Phase I of the Redevelopment Property. The Phase I Advance shall be disbursed at the time of Closing on Phase IA of the Project.

H. Guaranteed Minimum; Payment in Lieu. Notwithstanding anything to the contrary herein, in the event that the Incremental Taxes payable to the Developer TIF Entity from the STAF in any given tax year shall fall below \$_____ in 2025 and \$_____ for the tax year paid in 2026 (the "Guaranteed Minimum") during the statutory life of the Redevelopment Plan (the "PILOT Term"), then the Developer or any successor owner of

the Project shall make (or cause to be made) during the PILOT Term annual payments in lieu of taxes in an amount sufficient to meet the Guaranteed Minimum (as determined by the assessor) (the “**Payment in Lieu**”). The Guaranteed Minimum and/or Payment in Lieu shall be paid to the City and then paid to the Developer TIF Entity for Redevelopment Project Costs for TIF Eligible Improvements qualified for reimbursement pursuant to the terms and conditions of Subsection IV(E) above. Such Payment in Lieu shall be due and payable at the same time and in the same manner as the ad valorem taxes are due and payable for such year. If the Developer or any successor owner fails to make the Payment in Lieu when due, the City may, in addition to all other remedies available to it, levy a special assessment against the Project in the amount of the difference between the actual Tax Increment available for reimbursement to the Developer TIF Entity and the Guaranteed Minimum. Any and all notice and hearing requirements which may be required under the law for such special assessment are hereby waived by Developer and the Developer TIF Entity. Notwithstanding the levying of such special assessment, the payment obligation under this Section shall be the personal obligation of the person or entity that is the owner of the Project at the time that the Tax Increment falls below the Guaranteed Minimum. The covenants contained in this Subsection IV(H) shall be deemed to be covenants running with the land and shall be binding upon all owners of any portion of the Project for the duration of the PILOT Term. The City is hereby expressly declared to be a beneficiary of such covenants and is entitled to enforce the same against all successor owners of the Project.

- I. 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 through the Developer TIF Entity, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer or the Developer TIF Entity for the development of the Project.

SECTION V (US EPA REVOLVING LOAN FUNDING)

- A.** The City shall provide Developer \$6,502,438.38 in US EPA Revolving Loan Funds (“**RLF**”) for Phase I of the Project with disbursement to Developer to be made in

accordance with the EPA Loan Agreement, and US EPA rules. A loan agreement between the City and Developer, on mutually agreeable terms, detailing repayment terms shall be executed at the time of closing. Terms shall include 0% interest and no payment on outstanding principal and interest until fifteen (15) years after execution of the EPA Loan Agreement, at which time all outstanding principal and interest shall be payable in full (the “**Base Terms**”). Other than the terms of the loan described herein, all other terms of the EPA Loan Agreement shall be reasonably acceptable to the City. Any future supplemental RLF awarded to the City and provided to the Redevelopment Property shall be subject to an amended loan agreement, in a form reasonably acceptable to Developer which shall include the Base Terms.

- B.** Developer shall cooperate and execute any and all documentation reasonably required by any government agency to perfect the loan described in the Loan Agreement, and shall comply with all applicable US EPA program requirements; provided, however, Developer shall not be required to execute any documentation that conflicts with or materially alters the terms of the Loan Agreement. All eligible cleanup activities performed with the use of RLF monies will be executed in accordance with applicable State and Federal cleanup standards and the City’s executed Cooperative Agreements with US EPA.
- C.** The Mayor or his designee are authorized to execute any loan documents necessary to perfect the loan consistent with the terms stated in this Section V.

SECTION VI (INFRASTRUCTURE IMPROVEMENTS GRANT)

- A.** The City shall provide (a) \$1,500,000.00 from City water funds to Developer, and (b) \$2,000,000 from funds allocated to the City under the American Rescue Plan Act to Developer (\$700,000) and Parking Deck Owner (\$1,300,000), for Infrastructure Improvements for the Redevelopment Property to be constructed in the certain public rights of way in and adjacent to the Project.
- B.** Said Infrastructure Improvements shall be paid for and constructed by Developer, subject to reimbursement as described herein, and, following Completed Construction, shall be maintained by the City.

C. From time to time, Developer shall submit to a person or department within the City (as the same is designated by the City) such documentation as may be reasonably requested by the City verifying the costs Developer has incurred on behalf of Parking Deck Owner in connection with its the construction of the Infrastructure Improvements. The City shall have sixty (60) business days after receipt of such information to reimburse Developer for such costs.

SECTION VII (ADDITIONAL BROWNFIELD GRANT)

- A. The City shall provide to Parking Deck Owner an additional grant (the “Environmental Grant”) not to exceed \$2,000,000 for assessment and remediation of the Contamination. Said funds shall be paid into an escrow account at the Closing Date of Phase 1A of the Project, to be held by the Escrow Agent, with disbursement to Parking Deck Owner upon submittal of documentation reasonably acceptable to the City demonstrating costs incurred by Developer on behalf of Parking Deck Owner in remediating the Contamination.
- B. Environmental assessment and cleanup activities performed with monies from the Environmental Grant shall be tracked and reported monthly to the City for entry into US EPA’s Assessment, Cleanup and Redevelopment Exchange System (ACRES) database.
- C. The Developer acknowledges that the City intends to execute and record an Environmental Covenant Restricting Use of Property in accordance with this Section. The City shall undertake to receive Illinois Environmental Protection Agency (“IEPA”) approval of an Environmental Land Use Control (“ELUC”) covenant pursuant to 415 ILCS 5/58.17 and 35 Ill. Adm. Code 742.1010, substantially in the form attached hereto as Exhibit E (the “Environmental Covenant”). If the IEPA fails to approve the ELUC, the City shall nonetheless execute and record the Environmental Covenant in the real property records of Winnebago County, Illinois and provide the Developer with a copy of the recorded Covenant promptly after such recording. At a minimum, the Environmental Covenant shall: (a) preclude the use of groundwater for potable purposes as defined in City of Rockford Ordinance No, 2022-7-O, as well as for any non-potable purposes; and (b) preclude use of the Redevelopment Property for agricultural activities where the soil is used for growing food for human consumption; (c) require all residential and commercial

uses (including schools and child care facilities) to conform with IEPA regulations necessary for protection of human health and the environment including adequate mitigation strategies and engineering controls (d) and require compliance with an IEPA-approved Soil Management Plan and a Health and Safety Plan for any excavation, utility repair, construction or landscaping that is likely to disturb contaminated subsurface soil. If the Redevelopment Property is transferred to the Developer by the City before the Environmental Covenant is recorded, as a condition of this Development Agreement and consideration for the Environmental Grant, the Developer agrees to allow and accedes to the City to record the Environmental Covenant against the Redevelopment Property as set forth above. Developer agrees to facilitate the recording of such Environmental Covenant, including but not limited to signing of any documents as necessary to effectuate the recording.

- D.** As additional consideration for the Environmental Grant, Developer agrees to WAIVE, RELEASE, AND FOREVER DISCHARGE and covenant not to sue the City and Schneider Electric Buildings Americas, Inc., and their respective predecessors, successors, parent companies, subsidiaries, affiliates, related companies, business units, members principals, and all of their current or former officers, directors, employees, agents, shareholders, successors, heirs, and assigns (collectively the "**Released Parties**") from any and all claims, demands, liabilities, actions, debts, obligations, subpoenas or other requests, controversies, costs, attorneys' fees, expenses, accounts, damages, and losses of any kind or character whatsoever in law or equity or otherwise, known or unknown, that Developer has had, now has, and ever could have against the Released Parties in connection with, or arising directly or indirectly out of, or in any way related to, the Contamination, the costs to address the Contamination, any personal injury or property damage claims related to the Contamination (including without limitation, claims for diminution in property value or increased construction costs) and/or any claims that were or could have been asserted arising from or related to the Contamination.
- E.** The Developer further agrees that it will not take any action that reasonably could be expected to lead to third party to assert claims against any Released Party for any of the matters released in Subsection VII(E). The Developer further agrees not to directly or

indirectly disparage or make negative public comments about any Released Party and their relationship to the Redevelopment Property and/or the Contamination.

SECTION VIII (CITY LOAN #1 - Phase IA Loan)

- A. The City agrees to distribute additional funding to Developer for eligible expenses for Phase IA subject to all terms and conditions of this Agreement.
- B. The City agrees to distribute the funding as a loan ("Phase IA Loan") to Developer, subject to repayment terms as set forth herein.
- C. The Phase IA Loan amount pursuant to this Section VIII shall be Seven Million Two Hundred and Fifty Thousand and 00/100 Dollars (\$7,250,000) which shall be paid into an escrow account at the Closing Date of Phase 1A, to be held by the Escrow Agent, to be disbursed to Developer by Escrow Agent within (15) days following submittal of such documentation to Escrow Agent and the City as may be reasonably requested by the City verifying the costs Developer has incurred in connection eligible expenses for Phase IA. The City shall have fifteen (15) business days after receipt of such information to contest such costs in writing delivered to Developer. Failure of the City to contest such costs within the time period described herein shall be deemed approval of such costs.
- D. No interest shall accrue on the Loan principal.
- E. The Loan shall be secured by a Phase IA Loan Agreement and promissory note executed by Developer in substantially the form attached hereto as Exhibits F & F-1 ("Phase IA Loan Agreement" and "Phase IA Note").
- F. The term of the Phase IA Loan Agreement and Note shall commence on the date of the first disbursement of the Phase IA Loan funds to Developer and will mature on February 1, 2047.
- G. Developer shall repay the Phase IA note as follows:
 - 1. So long as Developer is making substantial, meaningful, and continuous progress on the Phase IA Project, Developer shall not be obligated to make any payments until February 1, 2030.

2. Commencing February 1, 2030, and each 1st day of February thereafter, Developer shall make annual payments in equal installments of the principal amount due under the Note as of February 1, 2030, and amortized over a thirty (30) year period. The entire Phase IA Loan balance must be paid in full no later than February 1, 2047.
3. Provided that all indebtedness owed to any TIF Lender has been first repaid to any such TIF Lender, Developer may utilize Phase I TIF funds set forth in Section IV to repay all or part of the Phase IA Loan.
4. Provided Developer has completed construction of Phase II as evidenced by the issuance of a certificate of occupancy prior to February 1, 2030, Developer may utilize Phase II TIF funds set forth in Section XII to repay all or part of the Phase IA Loan.

SECTION IX CITY LOAN #2 (PHASE IB LOAN)

- A. Upon Developer's request, the City agrees to distribute additional funding to Developer for eligible expenses for Phase IB subject to all terms and conditions of this Agreement.
- B. If so requested, the City agrees to distribute the funding as a loan ("Phase IB Loan") to Developer at the Closing Date of Phase IB, subject to disbursement and repayment terms as set forth herein.
- C. The Phase IB Loan amount pursuant to this Section IX shall be Three Million and 00/100 Dollars (\$3,000,000) which shall be paid into an escrow account at the Closing Date of Phase 1A, to be held by the Escrow Agent, to be disbursed to Developer by Escrow Agent within (15) days following submittal of such documentation to Escrow Agent and the City as may be reasonably requested by the City verifying the costs Developer has incurred in connection eligible expenses for Phase IB. The City shall have fifteen (15) business days after receipt of such information to contest such costs in writing delivered to Developer. Failure of the City to contest such costs within the time period described herein shall be deemed approval of such costs. The Phase IB Loan shall be contingent upon Developer's confirmation of financing to complete Phase IB.
- D. No interest shall accrue on the Phase IB Loan principal.

- E. The Phase IB Loan shall be secured by a Phase IB Loan Agreement and promissory note executed by Developer in substantially the form attached hereto as Exhibits G & G-1 (“Phase IB Loan Agreement” and “Phase IB Note”).
- F. The term of the Phase IB Loan Agreement and Note shall commence on the date of the first disbursement of the Phase IB Loan funds to Developer and will mature on February 1, 2047.
- G. Developer shall repay the Phase IB note as follows:
 - 1. So long as Developer is making substantial, meaningful, and continuous progress on the Phase IB Project, Developer shall not be obligated to make any payments until February 1, 2030.
 - 2. Commencing February 1, 2030, and each 1st day of February thereafter, Developer shall make annual payments in equal installments of the principal amount due under the Note as of February 1, 2030, and amortized over a thirty (30) year period. The entire Phase 1B loan balance must be paid in full no later than February 1, 2047.
 - 3. Provided that all indebtedness owed to any TIF Lender has been first repaid to any such TIF Lender, Developer may utilize Phase I TIF funds set forth in Section IV to repay all or part of the Phase IB Loan.
 - 4. Provided Developer has completed construction of Phase II as evidenced by the issuance of a certificate of occupancy prior to February 1, 2030, Developer may utilize Phase II TIF funds set forth in Section XII to repay all or part of the Phase IB Loan.

SECTION X PERMIT FEE CREDIT

- A. Developer shall be required to pay all usual and customary fees for issuance of permits to construct the Project, plan reviews, and inspections associated with construction of the Project.
- B. The City shall allow Developer a credit in the amount of Five Hundred Thousand Dollars (\$500,000.00) as an offset against the fees and costs referenced above attributable to Phase IA of the Project.

SECTION XI

REDEVELOPMENT GRANT FROM STATE OF ILLINOIS

- A.** The parties agree and understand that the Project has received a pledge from the State of Illinois, Department of Commerce & Economic Opportunity through Representative Maurice West for a one-time grant in the amount of Four Million and 00/100 Dollars (\$4,000,000.00).
- B.** City shall deposit those funds into an escrow account at the time of closing for Phase IA of the Project (the “**Redevelopment Grant**”) to be held by the Escrow Agent, and disbursed to Parking Deck Owner within (15) days following submittal of such documentation to Escrow Agent and the City as may be reasonably requested by the City verifying the costs Developer or Parking Deck Owner has incurred in connection eligible expenses under the Redevelopment Grant. The City shall have fifteen (15) business days after receipt of such information to contest such costs in writing delivered to Developer. Failure of the City to contest such costs within the time period described herein shall be deemed approval of such costs.
- C.** Developer and Parking Deck Owner shall comply with any and all rules, regulations, and requirements of the State of Illinois associated with the grant.
- D.** Neither Developer nor Parking Deck Owner shall be obligated to repay said Redevelopment Grant so long as:
 - 1. No event described in Subsection XXII(A) of this Agreement shall have occurred;
 - 2. Developer is making substantial, meaningful, and continuous progress on the Phase IA of the Project;
 - 3. Developer and Parking Deck Owner remain in compliance with any and all rules, regulations, and requirements of the State of Illinois associated with the grant.
 - 4. Developer completes Phase IA of the Project no later than June 1, 2027. Phase IA shall be considered “complete” upon issuance of the final certificate of occupancy for Phase IA of the Project.
- E.** The parties recognize that certain funds from the State of Illinois Department of Commerce and Economic Opportunity have been pledged to the City in an amount equal to the Redevelopment Grant for the Project. Said State funding shall not inure to the benefit of

Developer and shall not be in addition to the Redevelopment Grant in this Sec. XI. The City may utilize said funds as reimbursement for the Redevelopment Grant. Developer and Parking Deck Owner agree to cooperate with the City's efforts to secure said funds from the State and execute any documentation reasonably necessary to perfect said assistance.

SECTION XII PHASE II TIF FUNDS

- A. TIF Funds.** So long as no event described in Subsection XXII(A) of this Agreement shall have occurred and be continuing, the City hereby agrees to pay to the Developer TIF Entity on December 1st each year for the Term of the Agreement ninety percent (90%) of the Incremental Taxes collected on the Redevelopment Property during the prior year in order to pay for, or reimburse Developer, through payment to the Developer TIF Entity, for, a portion of the costs of TIF-Eligible Improvements that constitute Redevelopment Project Costs in accordance with the Act, contingent upon receipt by the City of reasonably satisfactory documentation evidencing such costs (including but not limited to closing statements, broker lien waivers, contractor lien waivers, cancelled checks, paid invoices or evidence of wires) and their eligibility as Redevelopment Project Costs, attributable to the entire Project. Developer and the Developer TIF Entity shall allocate the Phase II TIF Funds as set forth below.
- B. PHASE II Increment Determination.** For purposes of this Agreement, the baseline for purposes of determining the Increment attributable to Phase II of the Project shall be the equalized assessed value (EAV) on the Redevelopment Property for the year immediately preceding closing on Phase II of the Project.
- C. Allocation of Phase II TIF Funds.** Developer and the Developer TIF Entity shall allocate the Phase II TIF Funds to Redevelopment Project Costs.
- D. City TIF Allocation for Repayment of Phase I Advance.** As set forth above, the Developer TIF Entity shall receive 90% of the Phase II Incremental Taxes. The City may allocate the remaining amount to repay the Phase I Advance.

E. Limitations on Redevelopment Project Costs Reimbursement: The City's obligations to Developer under this Section XII are limited as follows:

1. Redevelopment Project Costs shall be limited to such costs that Developer incurs in connection with or as a result of the redevelopment of the Redevelopment Property with the Project and as set forth under the Act; and
2. the reimbursement of such Redevelopment Project Costs to Developer through payment to the Developer TIF Entity shall be subject to and limited by the provisions of the Act and other operations of law and this Agreement.

F. Reimbursement Payment to Developer: Developer, or the Developer TIF Entity, as applicable, shall advance (or in certain cases, may have already advanced) all funds and all costs necessary: (i) to redevelop the Redevelopment Property with the Project; and (ii) to undertake other matters and costs eligible as TIF-Eligible Improvements for reimbursement as Redevelopment Project Costs pursuant hereto in connection with Developer's use and occupancy of the Redevelopment Property. To establish its right of reimbursement for Redevelopment Project Costs, Developer or the Developer TIF Entity, as the case may be, shall submit to a person or department within the City (as the same is designated by the City) once each year, no later than October 1st, such documentation as may be reasonably requested by the City (including but not limited to closing statements, broker lien waivers, contractor lien waivers, cancelled checks, paid invoices or evidence of wires) verifying: (a) the costs Developer has incurred in connection with its redevelopment of the Redevelopment Property, including construction of the Project improvements so as to permit the Parties to establish the total Redevelopment Project Costs related to the Project; and (b) the Redevelopment Project Costs that Developer has incurred for which Developer is requesting reimbursement, for approval by the City. The appropriate City employee or department shall have fifteen (15) business days after receipt of such information from Developer to recommend approval or disapproval of such request for reimbursement to the corporate authorities of the City and, if a request is disapproved, to provide Developer in writing and in detail with an explanation as to why such City employee or department will not or cannot recommend such reimbursement.

G. THE CITY'S OBLIGATION TO PAY THE DEVELOPER THROUGH THE DEVELOPER TIF ENTITY UNDER SECTION XII OF 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.

H. 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 through the Developer TIF Entity, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer or the Developer TIF Entity for the development of the Project.

SECTION XIII ADDITIONAL STATE & FEDERAL BENEFITS

A. ADDITIONAL STATE AND FEDERAL BENEFITS; CITY'S RIGHT TO OFFSET; COOPERATION OF DEVELOPER.

1. Enterprise Zone Benefits. To the best of the City's knowledge, the portion of Phase II that is outside of the Historic District is located within the City of Rockford's Enterprise Zone #1. The City will take any available action to assist in establishing eligibility for the Project for Enterprise Zone benefits through the State of Illinois. This may include sales tax exemptions for eligible building materials.
2. The parties recognize that the City intends to pursue additional local, State and Federal assistance for the project. Except for the Enterprise Zone Benefits described above, any additional State or Federal benefits for the Project shall be credited to or offset the City's funding obligations in this Agreement and shall not be in addition to the City's funding obligations. Developer agrees to cooperate with City's efforts and shall execute any documentation reasonably required to secure said State or Federal assistance.

SECTION XIV

PHASE IA PARKING DECK AND JOINT OWNERSHIP AGREEMENT

A. CO-OWNERSHIP OF PHASE IA PARKING DECK. Following Completion of Construction, the City and Developer intend to co-own the Phase IA Parking Deck, pursuant to the following terms and conditions:

1. The improvements of the Phase IA Parking Deck shall be owned in the following proportions: (a) ninety-nine percent (99%) by the City, and (b) one percent (1%) by Developer or an affiliate of Developer.
2. The lot on which the Phase IA Parking Deck improvements are to be constructed shall (a) be entirely owned by Developer or an affiliate of Developer and leased to the City and Developer pursuant to a ground lease for nominal annual rent and otherwise on terms acceptable to the City and Developer, and (b) subject to recorded reciprocal easements and maintenance agreements for parking and ingress and egress to adjoining lots and private rights-of-way, including, without limitation sky bridges connecting the Parking Deck to buildings located on adjoining parcels, with maintenance of all sprinkler systems to be the responsibility of the party responsible for the maintenance of such skybridges under the terms of such recorded reciprocal easements and maintenance agreements.
3. Co-ownership of the Phase IA Parking Deck shall be subject to the terms and conditions of any declaration, easement, covenant or other similar encumbrance recorded against the Project, and shall be subordinate to any mortgage, deed of trust or similar security instrument entered by Developer and recorded against all or any portion of the Project in connection with any financing obtained by Developer for the construction, ownership or operation of the Project.
4. Upon mutual agreement, the Parties may transfer their respective ownership of the Phase IA Parking Deck improvements to an entity formed in connection with the Joint Ownership Agreement described in Subsection XIV(B) for such purposes.
5. Developer and City agree that as of the Effective Date there is no present intent that the Phase IA Parking Deck shall be exempt from City taxes.

B. JOINT OWNERSHIP AGREEMENT. The Parties shall negotiate in good faith and execute a mutually-agreeable joint ownership agreement upon reasonable terms, which at a minimum include the following terms and conditions (the “Joint Ownership Agreement”):

1. Co-Ownership of the Phase IA Parking Deck improvements, and any entity formed for the purpose of owning the Phase IA Parking Deck improvements (the “Parking Deck Owner”), shall be in accordance with the percentages described in Subsection XIV(A).
2. Developer, or its affiliate, shall operate and manage the Parking Deck Owners and the Phase IA Parking Deck improvements, in its sole and absolute discretion.
3. Developer shall be solely responsible for all ongoing maintenance and capital improvements on the Phase IA Parking Deck Improvements, which shall be performed according to standard practices established in the industry.
4. To the fullest extent permitted by law, Developer will indemnify and hold harmless the City and its officers, agents, representatives and/or employees from and against any and all claims, suits, liens, judgments, damages, losses and expenses, including legal fees and all court costs and liability (including statutory liability) arising in whole or in part and in any manner from injury and/or death of person or damage to or loss of any property to the extent caused by Developer’s gross negligence for willful misconduct in the exercise by Developer, and its officers, directors, agents, employees and subcontractors, with respect to of Developer’s management or maintenance of, or capital improvements to the parking deck, except those claims, suits, liens, judgments, damages, losses and expenses caused by the negligence of the City. Developer will defend and bear all costs of defending any actions or proceedings brought against the City and its officers, agents, representatives and/or employees, arising in whole or in part from any such acts.
5. At any time following the seventh anniversary but before the eighth anniversary of the Completion of Construction of the Phase IA Parking Deck improvements the City shall have the option to require Developer, or its affiliate, to purchase the City’s interest therein (the “Put Option”) in an amount equal to \$1,500,000. Thereafter, Developer, or its affiliate, shall have twenty-four (24) months following

the City's exercise of the Put Option to complete the purchase the City interest in the Phase IA Parking Deck. In the event the City does not timely exercise its Put Option, then upon the sale of Phase IA Parking Deck, or the sale of the City's interest in the Phase IA Parking Deck to Developer or its affiliate, the City shall be entitled to receive 99% of the net sale proceeds from such sale, or, in the event of a sale to Developer or its affiliate, an amount equal to 99% of the fair market value of the Phase IA Parking Deck as such amount is determined by an appraisal prepared by a mutually agreed-upon appraiser.

SECTION XV **CONDITIONS PRECEDENT TO CITY'S OBLIGATIONS**

A. 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.

1. Documentation that the property taxes for the Project have been paid in full and are current.
2. Execution of the Promissory Notes in form and content satisfactory to the City;
3. Articles of Organization and Operating Agreement;
4. Illinois Secretary of State Certificate of Good Standing; Resolution by board of directors of Developer duly authorizing the Developer to enter into and execute this Agreement;
5. 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 Redevelopment 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;

6. The absence of any legal proceedings (including foreclosure or bankruptcy proceedings) regarding the Redevelopment Property;
7. Evidence satisfactory to the City that all insurance coverages are provided in accordance with the provisions of this Agreement;
8. 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;
9. 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;
10. Full performance of all of Developer's obligations under this Agreement and the Loan Documents due on or before the date of disbursement;
11. The adoption and approval of the Redevelopment Plan for the Redevelopment Project Area by the Corporate Authorities;
12. 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;
13. Developer providing the City with reasonable evidence of sufficient financing for the Project.
14. Such other documents as reasonably required by the City to evidence the transactions provided for herein.

SECTION XVI CITY COOPERATION

A. CITY COOPERATION. The City agrees to cooperate with the Developer in the Developer's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity and upon request of the Developer will promptly execute any

applications or other documents (upon their approval by the City) which the Developer intends to file with such other governmental or quasi-governmental entities in respect of the Project. The City shall further promptly respond to, and/or process, and consider reasonable requests of the Developer for: applicable excavation and foundation permits; shell permits; other building permits; driveway permits; curb cuts or other permits necessary for the construction of the Project as well as to requests by Developer for inspections and temporary and permanent certificates of occupancy. Approval of any building permit applications and/or engineering plans shall be contingent on the Developer paying any and all review fees that have not been otherwise waived or reimbursed pursuant to the terms of this Agreement.

SECTION XVII DEVELOPER'S OBLIGATIONS

- A. CERTAIN DEVELOPER COMMITMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES.** In consideration of the City's substantial commitment to the redevelopment of the Redevelopment Property and its commitments contained in this Agreement, subject to the other provisions of this Agreement, the Developer agrees, represents, warrants and covenants, as the case may be, with and to the City as set forth below.
- B. FINAL PLANS.** The Developer shall construct the Project in accordance with this Agreement and substantially in accordance with the Final Plans.
- C. Permits.** The Developer shall apply for, diligently pursue and secure all required permits and approvals pursuant to the Project Schedule. The Developer shall be responsible for all building permit fees, subject to the Credit. The City shall cooperate with the Developer and act in good faith in the exercise of its regulatory authority in approving necessary permits subject to and in accordance with this Agreement.
- D. Locally-Sourced and Prevailing Wage.** The Parties acknowledge that an economic development goal of the Project is to capitalize on the creation of opportunities for Minorities, Women, Persons with Disability, Veterans, City Residents, Local Businesses, (MBEs, WBEs, DBEs, and VBEs) regarding both the construction and operations of the

Project and employment related to the Project. Developer agrees to use its Best Efforts during construction of the Project to maximize utilization of Local Sourcing, Business, MBEs, WBEs, DBEs and VBEs; in particular, minority and women owned enterprises by soliciting proposals from these groups through the construction bid and purchasing process. To the extent that it is financially and operationally feasible, these local services and products will be utilized in connection with the Project. The Developer estimates the current number of minority and women owned businesses engaged in the construction of Phase 1A process is between 20-30%. Developer shall keep full and complete records of its best efforts and provide to the City at the completion of each phase or portion thereof. All such records shall be reasonably maintained, in accordance with its common business practice record retention policies and shall be made available for reasonable inspection by the City. Developer shall construct the Project in compliance with the Prevailing Wage Act (for purposes of this Section, the "**Prevailing Wage Act**") of the State of Illinois, 820 ILCS 130/0.01 *et seq.*, as amended.

- E.** The Developer and the City, as applicable, shall grant, dedicate or convey all rights-of-way and easements, in form and substance reasonably acceptable to the Developer and the City, on the Redevelopment Property in order to provide for all required Project improvements, as shown in the Final Plans, including but not limited to park improvements, streets, sidewalks, street lights, water mains, storm and sanitary sewer mains, detention or retention ponds, gas, electricity, and cable television; provided, however, no such rights-of-way and easements shall interfere with the Developer's proposed development of the Redevelopment Property subject to and in accordance with the Final Plans. The Parties shall coordinate said conveyances with all applicable utility companies and other applicable governmental bodies and/or agencies.
- F.** In the event the Developer elects to park and stage construction equipment, materials and vehicles in locations other than on the Redevelopment Property, the City shall have the right to reasonably approve such locations.
- G. TIMING OF DEVELOPER'S OBLIGATIONS.** Subject to Uncontrollable Circumstances and pursuant to the terms and conditions of this Agreement, the Developer shall complete construction of the Project generally pursuant to the Project Schedule

subject to revisions thereto made by Developer, and approved by the City, which such approval shall not be unreasonably withheld, conditioned, or delayed, as necessary to accurately reflect anticipated milestones, events of Force Majeure, and changes in market conditions.

H. COMPLIANCE WITH APPLICABLE LAWS. The Developer shall at all times acquire, install, construct, operate and maintain the Project in conformance with all applicable laws, rules, ordinances and regulations. All work with respect to the Project shall conform to all applicable federal, state, county and local laws, regulations and ordinances, including, but not limited to, zoning, subdivision and planned development codes, building codes, environmental laws (including any law relating to public health, safety and the environment and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereafter), life safety codes, property maintenance codes and any other applicable codes and ordinances of the City, or any of its rules or regulations or amendments thereto, which are in effect at the time of issuance of each building permit. The Developer may contest the applicability of any such law, rule, ordinance and regulation with respect to the Project or the construction and development of the same. If there is a Change in Law so as to impose more stringent requirements with respect to the development or construction of the Project, then such increased requirements shall not be effective as applied to the Project. If there is a Change in Law so as to impose less restrictive requirements with respect to the development and construction of the Project, then the benefit of such less restrictive requirements shall inure to the benefit of the Developer and the Project.

I. 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.

J. ADDITIONAL REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER

1. The Developer is a limited liability company duly organized and existing and in good standing under the laws of Wisconsin, and is authorized to and has the power to enter into, and by proper action has been duly authorized to execute, deliver and perform, this Agreement. The Developer is solvent. To the Developer's knowledge, there are no actions at law or similar proceedings which are pending or threatened against the Developer which, if determined adversely, would result in any material and adverse change to the Developer's financial condition and which would materially and adversely affect the ability of the Developer to proceed with the construction and development of the Project. The Developer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as a Wisconsin limited liability company, so long as the Developer maintains an interest in the Redevelopment Property or has any other remaining obligations pursuant to the terms of this Agreement.
2. Neither the execution and delivery of this Agreement by the Developer, the consummation of the transactions contemplated hereby by the Developer, nor the fulfillment of or compliance with the terms and conditions of this Agreement by the Developer conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of the Developer (with the Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which the Developer or any of its partners or venturers is now a party or by which the Developer or any of its partners or its venturers is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of the Developer, any related party or any of its

venturers under the terms of any instrument or agreement to which the Developer, any related party or any of its partners or venturers is now a party or by which the Developer, any related party or any of its venturers is bound.

3. The Developer has sufficient financial and economic resources to implement and complete the Developer's obligations contained in this Agreement. It is anticipated that the Developer will obtain a firm commitment from a financial institution or institutional investment group providing all monies needed through third party financing or alternatively will provide proof of access to sufficient funds pursuant to the terms of this Agreement.
4. The Project requires economic assistance from the City in order to commence and complete the Project and, but for the economic assistance to be given by the City as heretofore stated, the Project as contemplated would not be economically viable nor would the funds necessary for its completion be made available.
5. The Developer has not knowingly made, offered or given, either directly or indirectly, to any member of the corporate authorities, or any officer, employee or agent of the City, or any other Person connected with the City, any money or anything of value as a gift or bribe or other means of influencing his or her action in his or her capacity with the City, to the extent prohibited under applicable law.
6. The Developer has not engaged the services of any finder or broker with respect to the purchase of any of the Redevelopment Property and the Developer is not liable for any real estate commissions, broker's fees, or finder's fees which may accrue by means of the acquisitions of any portion of the Redevelopment Property, other than Newmark Grubb Knight Frank, and the Developer agrees to hold the City harmless from such commissions or fees as are found to be due from the Developer.

SECTION XVIII

UNDERTAKINGS OF THE DEVELOPER AND CITY

A. DEVELOPER UNDERTAKING FOR PAYMENT OF REAL ESTATE TAXES.

1. **Covenant.** The Parties acknowledge that certain assumptions have been made relative to the future market value and assessed valuation of the Redevelopment Property, as improved pursuant to this Agreement under the Act, and further acknowledge that

attaining and maintaining such assessed valuation will have a material impact on the revenues available to support and amortize the Redevelopment Project Costs for this Project in the Redevelopment Area in accordance with the Redevelopment Plan. Accordingly, the Parties hereby covenant to develop and use the Redevelopment Property as provided herein.

2. **Restrictions.** Following finalization of the initial assessment of the Redevelopment Property following substantial completion of the Project, and except as otherwise provided herein, the Developer, for itself and on behalf of any successors, agrees that it will not protest, object or otherwise petition for a reduction to any real estate tax assessment attributable to the Redevelopment Property in any manner that would reduce the assessed value of that part of the Redevelopment Property during the term of the TIF, to the extent any such real estate tax reassessment results in an assessed value greater than 120% of the projected value of the Redevelopment Property, or the applicable portion thereof, estimated for purposes of calculating (a) the Phase I TIF Funds as of the Effective Date, and (b) the Phase II TIF Funds as of the commencement of Phase II.

B. UNDERTAKINGS ON THE PART OF THE DEVELOPER REGARDING RETAIL LEASING.

The Developer covenants that it shall use its reasonable efforts to furnish or cause the tenants of any retail business to submit to the City copies of the tenants' monthly and annual sales tax reports as filed with the Illinois Department of Revenue. The terms of this Section shall, to the extent possible, be incorporated in the leases for such retail businesses and shall survive the issuance of the Certificate of Completion. To the extent the documents submitted to the City pursuant to this paragraph are not considered public documents pursuant to the Illinois Freedom of Information Act or other laws, they shall be deemed confidential and proprietary. This covenant shall survive the issuance of the Certificate of Completion, but shall not apply to a commercial unit sold by Developer.

SECTION XIX REPRESENTATIONS AND WARRANTIES OF THE CITY

The City represents, warrants and agrees as the basis for the undertakings on its part herein contained that:

A. ORGANIZATION AND AUTHORITY. The City is a municipal corporation duly organized and validly existing under the laws of the State of Illinois, is a home rule unit of government, and has all requisite corporate power and authority to enter into, deliver and perform, this Agreement. The City is solvent. The City will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as an Illinois municipal corporation, so long as the City has any other remaining obligations pursuant to the terms of this Agreement.

B. AUTHORIZATION. The execution, delivery and the performance of this Agreement and the consummation by the City of the transactions provided for herein and the compliance with the provisions of this Agreement (i) have been duly authorized by all necessary corporate action on the part of the City, (ii) require no other consents, approvals or authorizations on the part of the City in connection with the City's execution and delivery of this Agreement, and (iii) shall not, by lapse of time, giving of notice or otherwise, result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the City is subject.

C. LITIGATION. To the best of the City's knowledge, there are no proceedings pending or threatened against or affecting the City or the TIF District in any court or before any governmental authority which involves the possibility of materially or adversely affecting the ability of the City to perform its obligations under this Agreement.

D. NO BREACH. Neither the execution and delivery of this Agreement by the City, the consummation of the transactions contemplated hereby by the City, nor the fulfillment of or compliance with the terms and conditions of this Agreement by the City conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of the City (with the City's prior written approval), any organizational documents, any restriction, agreement or instrument to which the City is now a party or by which the City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of the City.

E. NO BROKER. The City has not engaged the services of any finder or broker with respect to the purchase of any of the Redevelopment Property and the City is not liable for any real

estate commissions, broker's fees, or finder's fees which may accrue by means of the acquisitions of any portion of the Redevelopment Property, and the City agrees to hold the Developer harmless from such commissions or fees as are found to be due from the City.

F. NO CONFLICT OR BREACH. Neither the execution and delivery of this Agreement by the City, the consummation of the transactions contemplated hereby by the City, nor the fulfillment of or compliance with the terms and conditions of this Agreement by the City conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of the City (with the City's prior written approval), any organizational documents, any restriction, agreement or instrument to which the City is now a party or by which the City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of the City or under the terms of any instrument or agreement to which the City is now a party or by which the City is bound.

SECTION XX **INSURANCE**

A. PROJECT INSURANCE. The Developer shall, until construction of the Project is complete, obtain or cause to be obtained and continuously maintain insurance on the Project and, from time to time at the request of the City, furnish proof to the City that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Developer must obtain:

1. "Builder's Risk – Completed Value Basis," or similar form, in an amount equal to one hundred percent (100%) of the replacement cost of the Project with a waiver of coinsurance (except that such insurance may be subject to deductible clauses), and with coverage available in non-reporting form.
2. Prior to the commencement of the Project, commercial general liability insurance shall be obtained including (if such coverage is not specifically included within the actual policy) the "broad form CGL endorsement". The insurance shall name the City and Schneider Electric Buildings Americas, Inc. as an additional insured, with limits of not less than \$10,000,000.00 for each occurrence (to accomplish the above-required limits,

an umbrella excess liability policy may be used). Coverage must be written on an occurrence basis against claims for personal injury, including bodily injury, death or property damage occurring on, in or about the Project.

3. Workers' compensation insurance, with statutory coverage, only to the extent applicable.

B. INSURER RATINGS. All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies selected by the Developer or its successors and approved by the City having at a minimum Best rating of "A-" and a financial size category of Class VII or better in Best's Insurance Guide that are authorized under the laws of the State to assume the risks covered by such policies. Unless otherwise provided in this Section, the Developer will not cancel nor materially modify the policy without giving written notice to the City at least ten (10) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section and provide City contemporaneous notice thereof. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

SECTION XXI INDEMNIFICATION AND LIMITATION OF LIABILITY

During construction of the Project, the Developer agrees to indemnify, defend and hold harmless the City, its governing body members, officers and employees (hereinafter, for purposes of this Section, collectively the "**Indemnified Parties**") from and against any loss, damage, claims, demands, suits, costs, expenses (including reasonable attorney's fees), actions or other proceedings incident to construction of the Project ("**Indemnified Claims**"), provided the Indemnified Parties tender defense of any such Indemnified Claim to the Developer in sufficient time to avoid prejudice to Developer for handling by counsel selected by the Developer and reasonably acceptable to the City and, in no event, shall Developer be liable for any special, incidental, punitive, consequential or similar-type damages. The Developer's indemnification pursuant to this Section expressly does not include any claims from third-parties challenging or relating to the City's authority to create and establish the Redevelopment Project Area.

The Developer may not at any time settle or compromise such proceedings without advance written notice to the City. If such settlement or compromise involves any admission of wrongdoing on the part of the City, or any liability imposed on the City, monetary or otherwise, then the Developer shall be required to obtain the City's consent to such settlement or compromise in advance, such consent not to be unreasonably withheld, conditioned or delayed.

In any such litigation, if Illinois Rules of Professional Conduct prohibit the City and the Developer from being represented by the same counsel or if the positions of the City and the Developer in such litigation will necessarily be in conflict, then the City shall have the option of being represented by its own legal counsel. In the event that the City exercises such option, then the Developer shall reimburse the City from time to time on written demand from the Mayor and notice of the amount due for any and all reasonable out-of-pocket costs and expenses, including but not limited to court costs, witnesses' fees and/or other litigation expenses actually incurred by the City in connection therewith, including reasonable attorneys' fees actually incurred by the City.

SECTION XXII **EVENTS OF DEFAULT AND REMEDIES**

A. DEVELOPER EVENTS OF DEFAULT. The following shall be Events of Default with respect to this Agreement:

1. If any material representation made by the Developer in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to the City pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made, remain untrue when disclosed, and the Developer does not remedy the same within thirty (30) days after written notice from the City.
2. Failure of the Developer to comply with any material covenant or obligation contained in this Agreement and the Developer does not, within thirty (30) days after written notice from the City, initiate and diligently pursue appropriate measures to remedy the default if such default can reasonably be cured within 30 days, or if such default cannot reasonably be cured within 30 days, the Developer commences to cure such default within 30 days, and thereafter diligently pursues the curing of such default.

3. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Developer for any substantial part of its Redevelopment Property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.
4. The Developer: (i) becomes insolvent; or (ii) is unable, or admits in writing its inability to pay, its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its or their property; or (iv) is adjudicated a bankrupt; or (v) files a petition in bankruptcy or to effect a plan or other arrangement with creditors; or (vi) files an answer to a creditor's petition (admitting the material allegations thereof) for an adjudication of bankruptcy or to effect a plan or other arrangement with creditors; or (vii) applies to a court for the appointment of a receiver for any asset; or (viii) has a receiver or similar official appointed for any of its assets, or, if such receiver or similar official is appointed without the consent of the Developer and such appointment shall not be discharged within sixty (60) days after his appointment or the Developer has not bonded against such receivership or appointment; or (ix) a petition described in (v) is filed against the Developer and remains pending for a period of sixty (60) consecutive days, unless the same has been bonded, and as a result thereof, the Developer ceases to operate; or (x) files any lawsuit, claim and/or legal, equitable or administrative action affecting the City's ability to collect any such sales tax revenue hereunder.
5. The Developer abandons the Project on the Redevelopment Property. Abandonment shall be deemed to have occurred when work stops on the Redevelopment Property for a continuous period of more than one hundred eighty (180) consecutive days for any reason other than: (i) Uncontrollable Circumstances, (ii) if the Developer is ahead of its planned construction schedule on the Project Schedule, or (iii) work stoppage caused by an action or inaction of the City that is not in compliance with the terms of this Agreement.

B. CITY EVENTS OF DEFAULT. The following shall be Events of Default with respect to this Agreement:

1. If any representation made by the City in this Agreement, or in any certificate, notice, demand or request made by a Party hereto, in writing and delivered to the Developer pursuant to or in connection with any of said documents, shall prove to be untrue or incorrect in any material respect as of the date made, remain untrue when disclosed, and the City does not remedy the same within thirty (30) days after written notice from the Developer.
2. Failure of the City to comply with a material covenant or obligation contained in this Agreement and the City does not, within thirty (30) days after written notice from the Developer, initiate and diligently pursue appropriate measures to remedy the default if such default can reasonably be cured within 30 days, or if such default cannot reasonable be cured within 30 days, the City commences to cure such default within 30 days, and thereafter diligently pursues the curing of such default.
3. Failure of the City to comply with any of its obligations under this Agreement, including without limitation its obligations to make any payment to the Developer, including without limitation the payments due to the Developer hereunder.

C. REMEDIES OF DEFAULT. In the case of an event of default hereunder:

1. The defaulting party shall, upon written notice from the non-defaulting party, take immediate action to cure or remedy such event of default. If, in such case, any monetary event of default is not cured within thirty (30) days, or if in the case of a non-monetary event of default, action is not taken or not diligently pursued, or if action is taken and diligently pursued but such event of default or breach shall not be cured or remedied within a reasonable time, but in no event more than one hundred eighty (180) additional days after receipt of such notice, unless extended by mutual agreement, the non-defaulting party may pursue all rights and remedies available, whether at law, in equity or otherwise.
2. In case the non-defaulting Party shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, then, and in every such case, the Developer and the City shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and

powers of the Developer and the City shall continue as though no such proceedings had been taken.

3. If either party shall bring suit against the other to enforce the terms of this Agreement, the substantially losing party shall pay to the substantially prevailing party the substantially prevailing party's costs and expenses (including, without limitation, reasonable attorneys' fees and costs) incurred in enforcing this Agreement.

D. NO WAIVER BY DELAY OR OTHERWISE. Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that neither Party should be deprived of or limited in the exercise of the remedies provided in this Agreement because of concepts of waiver, laches or otherwise); nor shall any waiver in fact made with respect to any specific event of default be considered or treated as a waiver of the rights by the waiving Party of any future event of default hereunder, except to the extent specifically waived in writing. No waiver made with respect to the performance, nor the manner or time thereof, of any obligation or any condition under the Agreement shall be considered a waiver of any rights except if expressly waived in writing.

E. RIGHTS AND REMEDIES CUMULATIVE. Except as may be specifically provided for in this Agreement, the rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise of any one or more of such remedies shall not preclude the exercise by such Party, at that time or different times, of any other such remedies for the same event of default.

SECTION XXIII **COSTS OF THE PROJECT**

A. BUDGET. Attached hereto and incorporated herein as Exhibit D is the Developer's good faith estimate of the overall costs of the Project (the "Budget") as of the Effective Date. Developer may update the estimated Budget from time to time and shall promptly provide City with a copy of any updated Budget.

B. DEVELOPER'S COST. Except for reimbursement from the City of the City Incentives, as provided herein, the City shall not be responsible for any cost of constructing the Project.

C. DEVELOPER'S BUDGET MANAGEMENT. Should the actual cost or expense of the Project be greater than the amount set forth in the Budget, the Developer shall be required to pay such excess costs; provided, however, that Developer may reallocate dollars between and among line items on Exhibit D as may be desirable or necessary to complete the Project, provided appropriate supporting documentation is supplied to the City.

SECTION XXIV PROJECT AUDIT

Upon reasonable notice, the City and its representatives and consultants shall have access to all portions of the Project during reasonable times for the term of this Agreement. Upon reasonable notice, during business hours and at the offices of the Developer, the City and its representatives and consultants (which consultants shall not be compensated on a contingency fee or other similar basis) shall have access to all books and records relating to Developer's costs with respect to the Project, the Redevelopment Property and the Redevelopment Project Costs for inspection, audit and examination (but in no event shall the City make photocopies of any such books and records). The City agrees to keep all financial information of the Developer confidential, except to the extent required for compliance with any applicable law, rule or regulation. The City's audit and inspection rights set forth in this Section XXIV shall expire and be of no further force and effect on the date six (6) months following substantial completion of the Project.

SECTION XXV ACQUISITION AND CONSTRUCTION OF THE PROJECT

A. ACQUISITION OF THE REDEVELOPMENT PROPERTY. The Parties agree to complete and close on the purchase and sale of the Redevelopment Property within thirty (30) days following the Effective Date, and otherwise in accordance with the terms and conditions of the Purchase Agreement.

B. PLAN REVIEW COOPERATION. The City agrees to meet with the Developer and its authorized agents as frequently as may reasonably be necessary to coordinate the

preparation of, submission to and review and approval by the City of the Project building permit applications. Any errors or omissions of the City in the review of and comments provided in response to the submittals shall not constitute a waiver of the application of the City's ordinances and regulations related to the Project.

C. CORRECTED DOCUMENTS. Should the City reject any submitted building permit applications for failure to substantially comply with the Final Plans, the City shall identify such failure(s) with specificity and the Developer shall, within twenty-one (21) business days, or such other reasonable time, after receiving written notice thereof, cause revised documents to be prepared and submitted to the City. This process, within the time frames herein stipulated, shall be repeated as often as may be necessary until the documents are generally consistent with the Final Plans and applicable laws and ordinances, except that all submittals after the initial submittal shall be reviewed by the City within such shorter period as may be reasonably practical.

SECTION XXVI MISCELLANEOUS PROVISIONS

A. NOTICES. All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service, (b) electronic communications by fax between 9:00 a.m. and 5:00 p.m. CST Monday through Friday, (c) overnight courier, (d) registered or certified first class mail, postage prepaid, return receipt requested, or (e) priority mail with delivery confirmation.

If to City:

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

With Copy to:

City of Rockford
Department of Law
Attn: Legal Director
425 E. State Street, 7th Floor
Rockford, IL 61104

If to Developer:

J. Jeffers & Company.

Attn:

With a copy to:

and a copy to:

Daspin & Aument, LLP
300 South Wacker Drive, Suite 2200
Chicago, Illinois 60606
Attn: Brian P. White

The Parties, by notice hereunder, may designate any further or different addresses to which subsequent notices, certificates, approvals, consents or other communications shall be sent. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by fax. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier, and any notices, demands or requests sent pursuant to clause (d) shall be deemed received forty-eight (48) hours following deposit in the mail. Attorneys for each party shall be authorized to give notices for and on behalf of their respective clients.

- B. TIME OF THE ESSENCE.** Time is of the essence of this Agreement.
- C. INTEGRATION.** Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.
- D. COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.
- E. RECORDATION OF AGREEMENT.** The Parties agree that this Agreement shall not be recorded; provided, however, upon request of either Party, the City and the Developer shall execute a memorandum of this Agreement, which may be filed with the recorder of deeds or other proper office by the requesting party.

F. SEVERABILITY. If any provision of this Agreement, or any section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held to be invalid, the remainder of this Agreement shall be construed as if such invalid part were never included herein, and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

G. CHOICE OF LAW, VENUE AND WAIVER OF TRIAL BY JURY. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Venue for any legal proceeding of any kind arising from this Agreement shall be in the Circuit Court of Winnebago County, Illinois. The Parties hereto waive trial by jury in any action, proceeding or counterclaim brought by either of the Parties against the other on any matters whatsoever arising out of or in any way connected with this Agreement, or for the enforcement of any remedy.

H. ENTIRE CONTRACT AND AMENDMENTS. This Agreement (together with the exhibits attached hereto) is the entire contract between the City and the Developer relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the City and the Developer and may not be modified or amended except by a written instrument executed by the Parties hereto, unless otherwise provided in this Agreement. The City represents that there are no approvals, consents or permits required by the City with respect to the construction and development of the Project except those that are specifically stated in this Agreement and building permit application fees and permits, and there are no obligations, bonds, fees, assessments, contributions or costs to be fulfilled or paid with respect to the construction and development of the Project, except those that are specifically stated in this Agreement.

I. THIRD PARTIES. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other person other than the City and the Developer or permitted assign, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the City or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or the Developer. This Agreement is

not intended to and does not create any third party beneficiary rights whatsoever, except as specifically provided otherwise herein.

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

K. COOPERATION AND FURTHER ASSURANCES. The City and the Developer each 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, instruments, pledges and transfers as may be reasonably required for the better clarifying, assuring, mortgaging, conveying, transferring, pledging, assigning and confirming unto the City or the Developer or other appropriate persons all and singular the rights, property and revenues covenanted, agreed, conveyed, assigned, transferred and pledged under or in respect of this Agreement. The City agrees that the Developer may include the square footage of any detention area or other area burdened by conservation or trail easements, in calculating open space, floor area ratios, coverage ratios and the like in connection with applicable zoning or other governmental regulations.

L. SUCCESSORS IN INTEREST. The rights and obligations of the Developer and any permitted assignee and the City under this Agreement are personal to the Developer and the City, and no other person or entity shall acquire or have any rights hereunder or by virtue hereof, except that the covenants, conditions and agreements set forth in Section VII hereof shall constitute covenants running with the land and shall be binding upon and inure to the benefit of and be enforceable by and against any owner, tenant, or occupant of the Redevelopment Property and their respective successors, personal representatives, heirs, legatees, and assigns. Developer shall not sell or transfer all or any part of the Redevelopment Property without consent of the City, except as set forth in Subsection XXVI(M), below. Any sale of the Redevelopment Property in the ordinary course of business shall not relieve Developer of its obligations in this Agreement, unless and to the extent the City consents in writing.

M. RESTRICTIONS: Prior to the issuance of a certificate of occupancy for Phase I and except as otherwise provided in this Subsection XXVI(M), Developer (except in the ordinary course of business) may not, without the City's consent (not to be unreasonably withheld, conditioned or delayed): (i) merge, liquidate or consolidate, (ii) enter into any transaction that would materially adversely affect the ability of the Developer to complete the Project, (iii) assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of the Developer to complete the Project, or (iv) enter into a transaction that would cause a material and detrimental change to the Developer's condition that would substantially impair its ability to complete the Project. Notwithstanding anything to the contrary contained herein, prior to the issuance of a certificate of occupancy and thereafter, the Developer shall be permitted to: 1) transfer shares of ownership among existing members or affiliates of Developer, 2) bring in other investors or partners to the extent it does not materially impair their ability to complete the Project, 3) transfer title to any Lot to one or more subsidiaries or affiliates of Developer.

N. NO JOINT VENTURE, AGENCY OR PARTNERSHIP CREATED. Except with respect to Section XIV, and expressly limited to the rights and obligations described in the Joint Ownership Agreement, nothing in this Agreement, or any actions of the Parties to this Agreement, shall be construed by the Parties or any person to create the relationship of a partnership, agency or joint venture between or among such Parties.

O. NO PERSONAL LIABILITY OF OFFICIALS OF THE CITY OR THE DEVELOPER. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of the Corporate Authorities, any elected official, officer, partner, member, director, agent, employee or attorney of the City or the Developer, in his or her individual capacity, and no elected official, officer, partner, member, director, agent, employee or attorney of the City or the Developer shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of or in connection with or arising out of the execution, delivery and performance of this Agreement, or any failure in that connection.

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

Q. ESTOPPEL CERTIFICATES. Each of the Parties hereto agrees to provide the other, upon not less than twenty (20) days prior request, a certificate ("**Estoppel Certificate**") certifying that this Agreement is in full force and effect (unless such is not the case, in which such Parties shall specify the basis for such claim), that the requesting Party is not in default of any term, provision or condition of this Agreement beyond any applicable notice and cure provision (or specifying each such claimed default) and certifying such other matters reasonably requested by the requesting Party. If either Party fails to comply with this provision within the time limit specified, it shall be deemed to have appointed the other as its attorney-in-fact for execution of same on its behalf as to that specific request only.

R. LIABILITY. The City agrees to look to the interest of the Developer for the recovery of any judgment from the Developer, it being agreed that the Developer's directors, officers, members, managers or shareholders shall never be personally liable for any such judgment.

S. COLLATERAL ASSIGNMENT. The obligations of the Developer and its successors under this Agreement shall not be binding upon any mortgagee, ground lessor, sale-leaseback lessor and/or trust deed holders (collectively, "**Mortgagee**") that acquire title to all or any portion of the Redevelopment Property by trustee's sale, foreclosure, or deed-in-lieu of foreclosure or otherwise, but any such Mortgagee shall not be entitled to proceed with development of the Redevelopment Property or portion thereof unless and until such Mortgagee has consented in writing to be bound by all the terms, covenants and conditions of this Agreement. In addition, no Mortgagee shall be entitled to any benefits, funding, or incentives herein unless and until such Mortgagee has consented in writing to be bound by all the terms, covenants, and conditions of this Agreement. The City agrees to give any mortgagees, ground lessors, sale-leaseback lessors and/or trust deed holders, by registered or certified mail, a copy of any notice of default served upon the Developer, provided that prior to such notice the City has been notified, in writing (by way of notice of Assignment of Rents and Leases or otherwise) of the address of such mortgagees, ground lessors, sale-

leaseback lessors, and/or trust deed holders. The City further agrees that, except in instances where there is an imminent likelihood that public health or safety would be materially and adversely affected by such default, if the Developer shall fail to cure such default within the time provided in this Agreement, then the Mortgagee shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within such 30-day time period, then such additional time as may be necessary if within such 30-day period, the Mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including, without limitation, commencement of foreclosure proceedings, if necessary to effect such cure) in which event this Agreement shall not be terminated nor shall the City exercise any rights or remedies hereunder while such remedies are being so diligently pursued. The Developer may collaterally assign its interest in this Agreement in connection with any financing transaction.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

CITY:

CITY OF ROCKFORD,

an Illinois municipal corporation

ATTEST:

By: _____

City Clerk

By: _____

Mayor

DEVELOPER:

J. Jeffers & Co.,

a Wisconsin limited liability company

ATTEST:

By: _____

By: _____

Its:

Its:

LIST OF EXHIBITS

| | |
|-------------|--|
| EXHIBIT A | Legal Description |
| EXHIBIT A-1 | Redevelopment Property – Phase Depiction |
| EXHIBIT B | Project Schedule |
| EXHIBIT C | Redevelopment Project Costs |
| EXHIBIT D | Budget |
| EXHIBIT E | Environmental Cove |
| EXHIBIT F | Phase IA Loan Agreement |
| EXHIBIT F-1 | Phase IA Note |
| EXHIBIT G | Phase IB Loan Agreement |
| EXHIBIT G-1 | Phase IB Note |

EXHIBIT A

Legal Description of Redevelopment Property

PARCEL I:

Lot Four (4) as designated upon Plat No. 3 of Rockford Landing, part of the East Half (1/2) of Section 27 and part of the West Half (1/2) of Section 26, in Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of Assessor's Plat of the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of O. Dickerman's Addition to the City of Rockford and being a Resubdivision of part of Church and Robertson's Addition to the Town of Rockford, and being a Resubdivision of part of Church and Robertson's Third Addition to the City of Rockford, the Plat of which Subdivision is recorded in Book 48 of Plats on Page 148B in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois.

PARCEL II:

Lot Five (5) as designated upon Plat No. 3 of Rockford Landing, part of the East Half (1/2) of Section 27 and part of the West Half (1/2) of Section 26, in Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of Assessor's Plat of the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of O. Dickerman's Addition to the City of Rockford and being a Resubdivision of part of Church and Robertson's Addition to the Town of Rockford, and being a Resubdivision of part of Church and Robertson's Third Addition to the City of Rockford, the Plat of which Subdivision is recorded in Book 48 of Plats on Page 148B in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois.

PARCEL III:

Lot Six (6) as designated upon Plat No. 3 of Rockford Landing, part of the East Half (1/2) of Section 27 and part of the West Half (1/2) of Section 26, in Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of Assessor's Plat of the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of O. Dickerman's Addition to the City of Rockford and being a Resubdivision of part of Church and Robertson's Addition to the Town of Rockford, and being a Resubdivision of part of Church and Robertson's Third Addition to the City of Rockford, the Plat of which Subdivision is recorded in Book 48 of Plats on Page 148B in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois.

PARCEL IV:

Part of the Southeast Quarter (1/4) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian; part of the South Half (1/2) of Section 26, Township 44 North, Range 1 East of the Third Principal Meridian; part of Church and Robertson's Addition; part of Church and Robertson's Third Addition; and part of O. Dickerman's Addition, bounded and described as follows, to-wit: Beginning at the point of intersection of the South line of Loomis Street with the East line of Rock Street; thence Southerly along the Easterly line of Rock Street to a point of intersection with the North line of Lane Street; thence Easterly along the North line of Lane Street to the West bank of the Rock River; thence Northeasterly along the West bank of the Rock River to the Westerly line of the Illinois Central Railroad right-of-way; thence Northwesterly along the Westerly line of the Railroad right-of-way to the South line of Loomis Street; thence Westerly along the South line of Loomis Street to the point of beginning, situated in the County of Winnebago and State of Illinois.

PARCEL V:

Island No. 1 in Rock River, situated in the West part of the Southwest Quarter (1/4) of Section 26, and in the East part of the Southeast Quarter (1/4) of Section 27, in Township 44, North of Range 1, East of the

Third Principal Meridian, and generally known as Montague's Island and containing 4.23 acres, more or less, situated in the County of Winnebago and State of Illinois.

PARCEL VI:

Lot One (1) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois.

PARCEL VII:

Lot Two (2) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois.

PARCEL VIII:

Lot Three (3) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois.

PARCEL IX:

The North 31 Feet of Lot Four (4) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois.

PARCEL X:

The South 35 Feet of Lot Four (4) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois.

PARCEL XI:

Lot Five (5) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois.

PARCEL XII:

Lot Six (6) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois.

PARCEL XIII:

The West 45 Feet of Lot Fourteen (14) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian; situated in the County of Winnebago and State of Illinois.

PARCEL XIV:

Lot Fourteen (14), Except the West 45 Feet, in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian; situated in the County of Winnebago and State of Illinois.

PARCEL XV:

The Northerly 50.5 Feet of the Westerly 92 Feet of Lot One (1) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004619; situated in the County of Winnebago and State of Illinois.

PARCEL XVI:

The Southerly 18.84 Feet of the Northerly 69.34 Feet of the Westerly 92 Feet of Lot One (1) in Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004619; situated in the County of Winnebago and State of Illinois.

PARCEL XVII:

Part of Lot One (1) in Block Thirty-six (36) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Addition is recorded in Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois, bounded as follows, to-wit: Beginning at a point on the Northerly line of said lot, Ninety-two (92) feet Easterly from the Northwesterly corner of said lot; thence, Southerly, parallel with the Westerly line of said lot, Eighty-seven and Two Tents (87.2) feet; thence Easterly, parallel with the Southerly line of said lot, to the Easterly line of said lot; thence Northerly on the Easterly line of said lot, to the Northeast corner of said lot; and thence Westerly on the Northerly line of said lot to the place of beginning; ALSO that Additional part of said Lot One (1) in Block Thirty-six (36) as designated upon the Plat of said Church and Robertson's Addition described as follows, to-wit: Commencing at the Northwesterly corner of said Lot One (1); thence Easterly along the Northerly line of said Lot One (1), a distance of Ninety-two (92) feet; thence Southerly, parallel

with the Westerly line of said Lot One (1), a distance of Eighty-seven and Two Tents (87.2) feet to the place of beginning for the premises herein described, said place of beginning being the Southwesterly corner of the premises conveyed by Marion Lindgren to Sam Choppie by instrument dated Oct. 30, 1945 and recorded in Book 502 of records on Page 212 in said Recorder's Office; thence Northeasterly parallel with the Southerly line of said Lot One (1) to the Easterly line of said Lot One (1); thence Southerly along the Easterly line of said Lot One (1), a distance of Eleven and Twenty-eight One Hundredths (11.28) feet; thence Westerly in a direct line to a point on a line drawn to the place of beginning parallel with the Westerly line of said Lot One (1), a distance of To and Fifty-seven One Hundredths (2.57) feet Southerly from the point of beginning; thence Northerly parallel with the Westerly line of said Lot One (1), a distance of Two and Fifty-seven One Hundredths (2.57) feet to the place of beginning; situated in the County of Winnebago and State of Illinois.

PARCEL XVIII:

Part of Lot One (1) in Block Thirty-six (36) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which is recorded in Book U of Deeds, page 119 and in Book 58, on pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois, and a part of the Southeast Quarter (1/4) of Section Twenty-seven (27) in Township Forty-four (44) North of Range One (1) East of the Third (3rd) Principal Meridian, all bounded and described as follows, to-wit: Beginning on the Westerly line of said Lot One (1) at a point Sixty-nine and Thirty-five Hundredths (69.35) feet Southerly from the Northwesterly corner of said Lot; thence Easterly Ninety-two (92) feet to a point Sixty-nine and Two Tents (69.2) feet Southerly from a point on the Northerly line of said Lot which point is Ninety-two (92) feet Easterly from the Northwesterly corner of said lot; thence Southerly, parallel with the Westerly line of said Lot, Twenty and Fifty-seven Hundredths (20.57) feet; thence Easterly, in a direct line, to a point in the Easterly line of said Lot One (1) distant Eleven and Twenty-eight Hundredths (11.28) feet Southerly from the Southeasterly corner of the premises conveyed by Marion Lindgren to Sam Choppie by instrument dated October 30, 1945 and recorded in Book 502 of Records on page 212 in said Recorder's Office; thence Southerly, along the Easterly line of said Lot One (1) and the Easterly line of said Lot One (1) extended Southerly to the Northerly line of premises conveyed by Mildred M. Peterson to Sam Choppie, as Trustee, by Warranty Deed dated January 18, 1946, and recorded in Book 512 of Records on page 152 in said Recorder's Office; thence Westerly, along the Northerly line of said premises so conveyed to Choppie as aforesaid, to the Northwesterly corner of said premises so conveyed to Choppie as aforesaid; thence Northerly in a direct line to the point of beginning; EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004619; situated in the County of Winnebago and State of Illinois.

PARCEL XIX:

Part of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Twenty-seven (27) in Township Forty-four (44) North of Range One (1) East of the Third (3rd) Principal Meridian, bounded as follows, to-wit: Commencing on the East side of Main Street at One (1) chain and Seventy-six and One-half (76 1/2) links South 12 degrees West from the Northwest corner of Block Thirty-six (36) of Church and Robertson's Addition to the City of Rockford, West of Rock River, and running thence South 78 degrees 40' East Two (2) chains and Fifty (50) links; thence South 12 degrees West Eighty-six (86) links; thence North 78 degrees 40' West Two (2) chains and Fifty (50) links to the East line of Main Street; and running thence North 12 degrees East along the East line of Main Street. Eighty-six (86) links to the place of beginning; EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004619; situated in the County of Winnebago and State of Illinois.

PARCEL XX:

Part of the Southeast Fractional Quarter (1/4) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, bounded as follows, to-wit: Beginning on the Easterly line of South Main Street at a point 2 chains and 62 1/2 links, South 12 degrees West from the Northwest corner of Block 36 of Church and Robertson's Addition to the City of Rockford; thence South 78 degrees 40' East, 2 chains 50 links; thence South 12 degrees West 86 1/2 links; thence North 78 degrees 40' West, 2 chains and 50 links

in the Easterly line of South Main Street; thence North 12 degrees East 86 1/2 links to the place of beginning; situated in the County of Winnebago and State of Illinois.

PARCEL XXI:

Part of the Southeast Quarter (1/4) of Section Twenty-seven (27) in Township Forty-four (44) North of Range One (1) East of the Third (3rd) Principal Meridian, bounded as follows, to-wit: Beginning at a point on the East side of the River Road at Three (3) chains and Forty-nine (49) links South 12 degrees West from the Northwest corner of Lot One (1) in Block Thirty-six (36) of Church and Robertson's Addition to the City of Rockford; thence South 78 degrees 40' East Two (2) chains and Fifty (50) links; thence South 12 degrees West Eighty-nine and One-half (89 1/2) links; thence North 78 degrees 40' West Two (2) chains and Fifty (50) links; thence North 12 degrees East Eighty-nine and One-half (89 1/2) links to the place of beginning; EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004619; situated in the County of Winnebago and State of Illinois.

PARCEL XXII:

Part of the Southeast Fractional Quarter (1/4) West of Rock River of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, bounded as follows, to-wit: Beginning at a point on the East side of the River Road (now Main Street) South 12 degrees West Four (4) chains and Thirty-eight and One-half (38 1/2) links from the Northwest corner of Lot One (1) in Block Thirty-six (36) as designated upon the Plat of Church and Robertson's Addition to the City of Rockford; thence South 78 degrees 40' East Two (2) chains and Fifty (50) links; thence South 12 degrees West Eighty-nine and One-half (89 1/2) links; thence North 78 degrees 40' West Two (2) chains and Fifty (50) links to the East side of said road; thence North 12 degrees East along the East line of said road Eighty-nine and One-half (89 1/2) links to the place of beginning; EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004619; situated in the County of Winnebago and State of Illinois.

PARCEL XXIII:

Lots Two (2), Ten (10) and the North Half of Lot Eleven (11) in Block Thirty-six (36) as designated upon Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision being recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 and part of Assessor's Plat of the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, the Plat of which Subdivision being recorded in Book 2 of Plats on Page 260 in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois.

PARCEL XXIV:

The Westerly 66 feet of the South Half (1/2) of Lot Eleven (11) in Block Thirty-six (36) as designated upon Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision being recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 and part of Assessor's Plat of the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, the Plat of which Subdivision being recorded in Book 2 of Plats on Page 260 in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois.

PARCEL XXV:

The South Half (1/2) of Lot Eleven (11), Excepting the Westerly 66 feet in Block Thirty-six (36) as designated upon Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision being recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 and part of Assessor's Plat of the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, the Plat of which Subdivision being recorded in Book 2 of Plats on Page 260 in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois.

EXHIBIT A-1

Map of Redevelopment Property

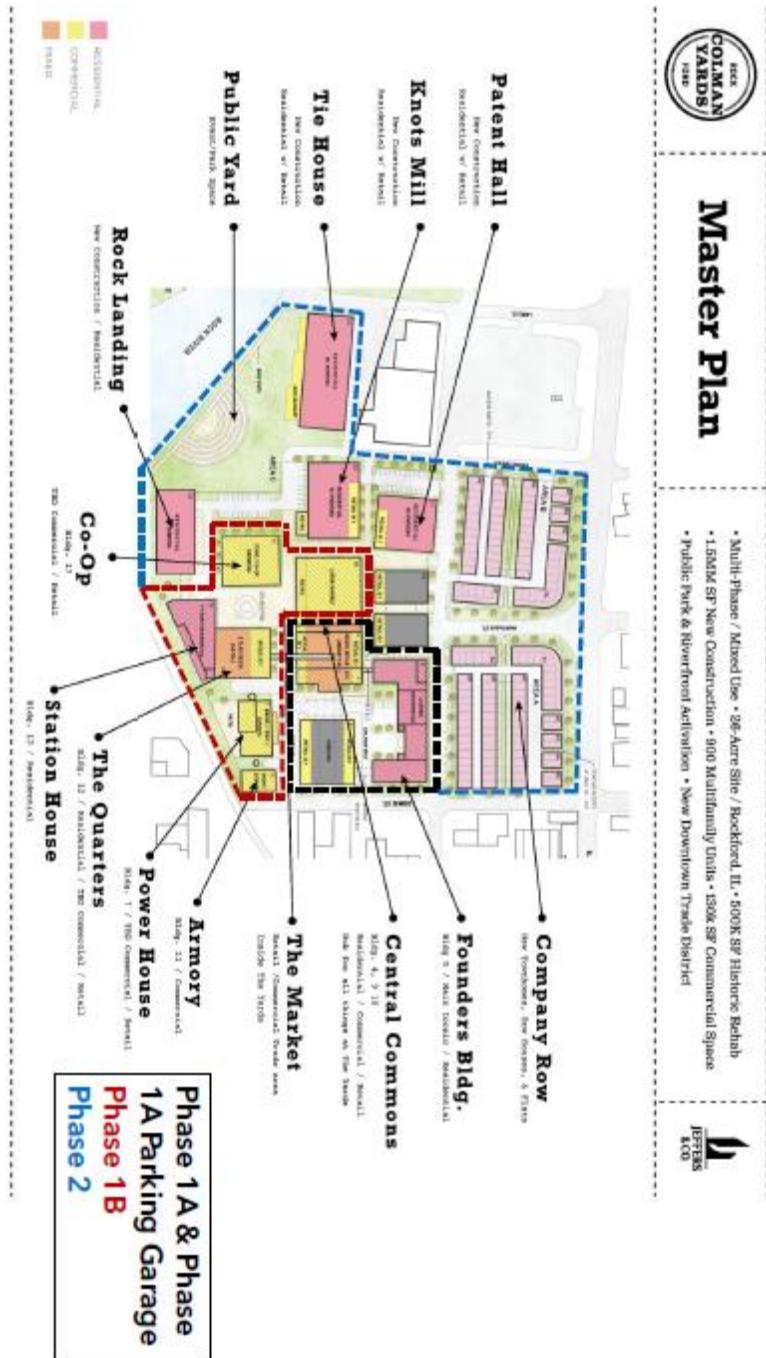


EXHIBIT B

Project Schedule

EXHIBIT C

Estimated Redevelopment Project Costs

Barber Colman Phase 1A

| Projected TIF Eligible Expenses | |
|--|-------------------|
| Acquisition & Closing Costs | 1,270,000 |
| Hard Construction Costs | 46,817,079 |
| GC Fees & Contingency | 9,244,817 |
| Engineering & Architectural Fees | 4,451,172 |
| Financing & Transactional Costs | 8,043,726 |
| Soft Costs | |
| Legal | 395,000 |
| Marketing / PR | 375,000 |
| Cost Certification | 20,000 |
| Accounting | 170,000 |
| Historic Consultant | 75,000 |
| Reasonableness Opinion | 20,000 |
| NPS Fees | 9,750 |
| Taxes During Construction | 25,000 |
| Utilities - Demo / New / During Construction | 100,000 |
| Furnishings | 1,290,000 |
| Financial Forecast | 50,000 |
| CM Fee - Development | 340,000 |
| Tenant Improvements | 796,600 |
| Soft Cost Contingency | 75,000 |
| Tax Credit Fees | 0 |
| Post Construction Phase 1 | 0 |
| Pre Con Fee | 200,000 |
| PNP Bond | 715,046 |
| Total | 74,483,190 |

EXHIBIT C (continued)

Estimated Redevelopment Project Costs

Barber Colman Phase 1B



| Projected TIF Eligible Expenses | |
|--|-------------------|
| Acquisition & Closing Costs | 520,000 |
| Hard Construction Costs | 32,420,311 |
| GC Fees & Contingency | 4,100,867 |
| Engineering & Architectural Fees | 2,685,794 |
| Financing Costs | 5,679,317 |
| Soft Costs | |
| Legal | 395,000 |
| Marketing / PR | 300,000 |
| Cost Certification | 20,000 |
| Tenant Improvements | 7,936,000 |
| Historic Consultant | 75,000 |
| Reasonableness Opinion | 20,000 |
| NPS Fees | 9,750 |
| Taxes During Construction | 25,000 |
| Utilities - Demo / New / During Construction | 100,000 |
| Furnishings | 970,565 |
| Financial Forecast | 50,000 |
| CM Fee - Development | 270,000 |
| Soft Cost Contingency | 75,000 |
| Total | 55,652,604 |

EXHIBIT C (continued)

Estimated Redevelopment Project Costs

Barber Colman Parking Garage



| Projected TIF Eligible Expenses | |
|----------------------------------|------------------|
| Acquisition & Closing Costs | 0 |
| Hard Construction Costs | 0 |
| GC Fees & Contingency | 0 |
| Engineering & Architectural Fees | 688,900 |
| Financing Costs | 207,222 |
| Soft Costs | |
| Legal | 50,000 |
| Soft Cost Contingency | 5,000 |
| P&P Bond | 200,500 |
| Total | 1,151,622 |

EXHIBIT D

Estimated Budget



Barber Colman Phase 1A

TOTAL PROJECT BUDGET

13 June 2023

| Cat. No. | Category | % | Original Budget |
|--|---|-------|--------------------|
| Acquisition & Closing Costs | | | |
| 1.01 | LAND | | \$500,000 |
| 1.02 | BUILDING | | \$0 |
| 1.03 | PREDEVELOPMENT LOAN PAYOFF | | \$750,000 |
| 1.04 | CARRY COST | | \$0 |
| 1.05 | TRANSACTION ATTORNEY FEES | | \$0 |
| 1.06 | ACQUISITION LEGAL | | \$0 |
| 1.07 | ENGINEERING REPORT | | \$0 |
| 1.08 | ENVIRONMENTAL PHASE 1 / PHASE 2 | | \$0 |
| 1.09 | PROPERTY CONDITION ASSESSMENT | | \$0 |
| 1.10 | APPRaisal | | \$0 |
| 1.11 | MARKET STUDY | | \$0 |
| 1.12 | ACQUISITION FEE | | \$0 |
| 1.13 | ESCROW FEE | | \$0 |
| 1.14 | ALTA SURVEY | | \$0 |
| 1.15 | DD / CLOSING COST CONTINGENCY | | \$0 |
| 1.16 | TITLE POLICY ENDORSEMENTS | | \$15,000 |
| 1.17 | RECORDING FEES | | \$5,000 |
| 1.18 | DISPOSITION FEE | | \$0 |
| Acquisition & Closing Costs Total | | | \$1,270,000 |
| Construction Costs | | | |
| 2.01 | RIGHT OF WAY - REIMBURSED BY CITY | | \$2,200,000 |
| 2.02 | HISTORIC REHAB HARD COST | | \$41,317,079 |
| 2.03 | RETAIL GREYBOX | | \$0 |
| 2.04 | SITEWORK | | \$1,800,000 |
| 2.05 | DEMOLITION & ABATEMENT | | \$1,500,000 |
| 2.06 | CONTRACTOR OVERHEAD | | \$0 |
| 2.07 | GENERAL REQUIREMENTS | 5.00% | \$2,427,500 |
| 2.08 | TENANT IMPROVEMENTS & LEASING COMMISSIONS | | \$854,592 |
| 2.09 | CONTRACTOR PROFIT (FEE) | 5.00% | \$2,065,854 |

| | | | |
|------|------------------------|-------|-------------|
| 2.10 | OWNER CONTINGENCY | | \$2,892,195 |
| 2.11 | CONTRACTOR CONTINGENCY | | \$1,239,512 |
| 2.12 | CONSTRUCTION INSURANCE | 0.65% | \$619,756 |

Construction Costs Total \$56,916,488

Engineering & Architectural Fees

| | | | |
|------|---------------------------------|--|-------------|
| 3.01 | ARCHITECTURAL | | \$4,451,172 |
| 3.02 | ENGINEERING | | \$0 |
| 3.03 | SOLAR INSTALL | | \$500,000 |
| 3.04 | LEAD & AIR QUALITY POST TESTING | | \$0 |
| 3.05 | SURVEY | | \$0 |
| 3.06 | WORK FORCE CONSULTANT | | \$0 |

Engineering & Architectural Fees Total \$4,951,172

Financing Costs

| | | | |
|------|--|--|-------------|
| 4.01 | CAPITALIZED INTEREST - CONSTRUCTION LOAN | | \$249,197 |
| 4.02 | CAPITALIZED INTEREST - PERMANENT LOAN | | \$0 |
| 4.03 | CAPITALIZED INTEREST - BRIDGE LOAN | | \$2,241,278 |
| 4.04 | CAPITALIZED INTEREST - BROWNFIELD LOAN | | \$0 |
| 4.05 | CAPITALIZED INTEREST - TIF LOAN | | \$2,267,833 |
| 4.06 | CAPITALIZED INTEREST - PACE | | \$911,722 |
| 4.07 | CAPITALIZED INTEREST - CDBG | | \$0 |
| 4.08 | CAPITALIZED INTEREST - PREFERRED EQUITY | | \$0 |
| 4.09 | ORIGINATION FEE - PACE | | \$424,284 |
| 4.10 | ORIGINATION FEE - CONSTRUCTION LOAN | | \$200,000 |
| 4.11 | ORIGINATION FEE - TIF LOAN | | \$150,000 |
| 4.12 | ORIGINATION FEE - BRIDGE LOAN | | \$237,802 |
| 4.13 | THIRD PARTY FEES - CONSTRUCTION LOAN | | \$0 |
| 4.14 | UNDERWRITING FEE - 2ND LOAN | | \$0 |
| 4.15 | ORIGINATION FEE - OTHER LOAN | | \$0 |
| 4.16 | ORIGINATION FEE - PREFERRED EQUITY | | \$0 |
| 4.17 | LENDER APPLICATION FEE | | \$4,850 |
| 4.18 | LENDER COSTS - REFINANCE | | \$0 |
| 4.19 | LEGAL - CONSTRUCTION LOAN | | \$75,000 |
| 4.20 | LEGAL - PACE LOAN | | \$75,000 |
| 4.21 | LEGAL - BRIDGE LOAN | | \$75,000 |
| 4.22 | LEGAL - OTHER LOAN | | \$0 |
| 4.23 | LEGAL - PREFERRED EQUITY | | \$0 |
| 4.24 | LEGAL - TC INVESTOR 1 | | \$0 |
| 4.25 | LEGAL - TC INVESTOR 2 | | \$0 |
| 4.26 | LENDER DD COSTS - CONSTRUCTION LOAN | | \$0 |
| 4.27 | INTEREST INCURRED | | \$0 |
| 4.28 | LENDER DD COSTS - OTHER LOAN | | \$0 |

| | | | |
|------------------------------|--------------------------------------|-------|--------------------|
| 4.29 | LENDER DD COSTS - TC INVESTOR 1 | | \$0 |
| 4.30 | LENDER DD COSTS - TC INVESTOR 2 | | \$0 |
| 4.31 | TITLE & RECORDINGS | | \$10,000 |
| 4.32 | PLAN AND COST REVIEW | | \$190,455 |
| 4.33 | CONSTRUCTION MONITORING FEES | | \$35,000 |
| 4.34 | MORTGAGE BROKERAGE FEE | | \$0 |
| 4.35 | INTERIOR DESIGN FEES | | \$0 |
| 4.36 | FHA EXAM FEE - PERMANENT LOAN | | \$0 |
| 4.37 | UPFRONT MIP - PERMANENT LOAN | | \$0 |
| 4.38 | RIVER EDGE REDEVELOPMENT ZONE 2% FEE | 2.00% | \$365,448 |
| 4.39 | LOAN STRUCTURING FEE | 1.00% | \$203,360 |
| 4.40 | BUILDER'S RISK INSURANCE | 0.75% | \$309,878 |
| Financing Costs Total | | | \$6,355,317 |

| Soft Costs | | | |
|-------------------|--|--|-----------|
| 5.01 | TAX PARTNERSHIP STRUCTURING FEE | | \$95,000 |
| 5.02 | LEGAL - EXTERNAL OWNER COUNSEL | | \$90,000 |
| 5.03 | LEGAL - AVM TRANSACTIONAL | | \$50,000 |
| 5.04 | LEGAL - CONSTRUCTION | | \$0 |
| 5.05 | LEGAL - DEVELOPMENT PARTNER | | \$0 |
| 5.06 | PROPERTY MANAGEMENT START-UP EXPENSE | | \$215,000 |
| 5.07 | LIABILITY INSURANCE | | \$0 |
| 5.08 | SAGE INTACT SOFTWARE | | \$170,000 |
| 5.09 | MARKETING / PR | | \$75,000 |
| 5.10 | COST CERTIFICATION | | \$20,000 |
| 5.11 | ACCOUNTING | | \$0 |
| 5.12 | HISTORIC CONSULTANT | | \$75,000 |
| 5.13 | REASONABLENESS OPINION | | \$20,000 |
| 5.14 | NPS FEES | | \$9,750 |
| 5.15 | TAXES DURING CONSTRUCTION | | \$25,000 |
| 5.16 | UTILITIES - DEMO / NEW / DURING CONSTRUCTION | | \$100,000 |
| 5.17 | CAPITAL NEEDS ASSESSMENT | | \$0 |
| 5.18 | FINANCIAL FORECAST | | \$50,000 |
| 5.19 | CM FEE - DEVELOPMENT | | \$340,000 |
| 5.20 | CM FEE - TENANT IMPROVEMENTS | | \$0 |
| 5.21 | PROPERTY ONBOARDING EXPENSE | | \$35,000 |
| 5.22 | SOFT COST CONTINGENCY | | \$75,000 |
| 5.23 | FURNISHINGS | | \$430,000 |
| 5.24 | FURNISHINGS - UNITS | | \$860,000 |
| 5.25 | PR/BRANDING | | \$300,000 |
| 5.26 | TAX CREDIT FEES | | \$0 |
| 5.27 | POST CONSTRUCTION PHASE 1 | | \$0 |

| | | | |
|---|-------------------------------------|-------|---------------------|
| 5.28 | PRE CON FEE | | \$200,000 |
| 5.29 | PNP BOND | | \$715,046 |
| Soft Costs Total | | | \$3,974,417 |
| Syndication Fee | | | |
| 6.01 | LEGAL SYNDICATION | | \$160,000 |
| Syndication Fee Total | | | \$160,000 |
| Developer Fee | | | |
| 7.01 | PAID DEVELOPER FEE | 5.61% | \$4,100,000 |
| 7.02 | DEFERRED DEVELOPER FEE | | \$7,500,000 |
| 7.03 | DEFERRED CM FEE | 0.00% | \$0 |
| Developer Fee Total | | | \$11,600,000 |
| Working Capital / Reserves | | | |
| 8.01 | BORROWER-CONTROLLED WORKING CAPITAL | | \$450,000 |
| 8.02 | INVESTOR-CONTROLLED WORKING CAPITAL | | \$0 |
| 8.03 | CONSTRUCTION INTEREST RESERVE | | \$0 |
| 8.04 | LENDER-CONTROLLED CAPITAL RESERVES | | \$0 |
| 8.05 | LENDER-CONTROLLED OPERATING RESERVE | | \$0 |
| 8.06 | TAXES AND INSURANCE ESCROW | | \$0 |
| 8.07 | INTEREST RESERVE | | \$0 |
| 8.08 | MARKETING RESERVE | | \$0 |
| Working Capital / Reserves Total | | | \$450,000 |
| TOTAL | | | \$87,323,563 |

EXHIBIT D (continued)
Estimated Budget

Barber Colman Phase 1B



J. JEFFERS & CO.

TOTAL PROJECT BUDGET

13 June 2023

| Cat. No. | Category | % | Original Budget |
|--|---|-------|------------------|
| Acquisition & Closing Costs | | | |
| 1.01 | LAND | | \$0 |
| 1.02 | BUILDING | | \$0 |
| 1.03 | PREDEVELOPMENT LOAN PAYOFF | | \$500,000 |
| 1.04 | CARRY COST | | \$0 |
| 1.05 | TRANSACTION ATTORNEY FEES | | \$0 |
| 1.06 | ACQUISITION LEGAL | | \$0 |
| 1.07 | ENGINEERING REPORT | | \$0 |
| 1.08 | ENVIRONMENTAL PHASE 1 / PHASE 2 | | \$0 |
| 1.09 | PROPERTY CONDITION ASSESSMENT | | \$0 |
| 1.10 | APPRaisal | | \$0 |
| 1.11 | MARKET STUDY | | \$0 |
| 1.12 | ACQUISITION FEE | | \$0 |
| 1.13 | ESCROW FEE | | \$0 |
| 1.14 | ALTA SURVEY | | \$0 |
| 1.15 | DD / CLOSING COST CONTINGENCY | | \$0 |
| 1.16 | TITLE POLICY ENDORSEMENTS | | \$15,000 |
| 1.17 | RECORDING FEES | | \$5,000 |
| 1.18 | DISPOSITION FEE | | \$0 |
| Acquisition & Closing Costs Total | | | \$520,000 |
| Construction Costs | | | |
| 2.01 | PARKING STRUCTURE | | \$500,000 |
| 2.02 | HISTORIC REHAB HARD COST | | \$21,988,561 |
| 2.03 | RETAIL GREYBOX | | \$6,931,750 |
| 2.04 | SITEWORK | | \$1,500,000 |
| 2.05 | DEMOLITION & ABATEMENT | | \$1,500,000 |
| 2.06 | CONTRACTOR OVERHEAD | | \$0 |
| 2.07 | GENERAL REQUIREMENTS | 5.00% | \$1,099,428 |
| 2.08 | TENANT IMPROVEMENTS & LEASING COMMISSIONS | | \$8,242,051 |
| 2.09 | CONTRACTOR PROFIT (FEE) | 5.00% | \$1,099,428 |

| | | | |
|---------------------------------|------------------------|-------|---------------------|
| 2.10 | OWNER CONTINGENCY | 5.00% | \$1,099,428 |
| 2.11 | CONTRACTOR CONTINGENCY | 3.00% | \$659,657 |
| 2.12 | CONSTRUCTION INSURANCE | 0.65% | \$142,926 |
| Construction Costs Total | | | \$44,763,229 |

Engineering & Architectural Fees

| | | | |
|---|---------------------------------|------|--------------------|
| 3.01 | ARCHITECTURAL | 6.0% | \$2,685,794 |
| 3.02 | ENGINEERING | | \$0 |
| 3.03 | SOLAR INSTAL | | \$500,000 |
| 3.04 | LEAD & AIR QUALITY POST TESTING | | \$0 |
| 3.05 | SURVEY | | \$0 |
| 3.06 | WORK FORCE CONSULTANT | | \$0 |
| Engineering & Architectural Fees Total | | | \$3,185,794 |

Financing Costs

| | | | |
|------|--|--|-------------|
| 4.01 | CAPITALIZED INTEREST - CONSTRUCTION LOAN | | \$1,103,984 |
| 4.02 | CAPITALIZED INTEREST - PERMANENT LOAN | | \$0 |
| 4.03 | CAPITALIZED INTEREST - BRIDGE LOAN | | \$1,190,308 |
| 4.04 | CAPITALIZED INTEREST - BROWNFIELD LOAN | | \$0 |
| 4.05 | CAPITALIZED INTEREST - TIF LOAN | | \$1,698,750 |
| 4.06 | CAPITALIZED INTEREST - HOME | | \$0 |
| 4.07 | CAPITALIZED INTEREST - CDBG | | \$0 |
| 4.08 | CAPITALIZED INTEREST - PREFERRED EQUITY | | \$0 |
| 4.09 | CAPITALIZED INTEREST - CONSTRUCTION LOAN | | \$0 |
| 4.10 | ORIGINATION FEE - CONSTRUCTION LOAN | | \$188,250 |
| 4.11 | ORIGINATION FEE - TIF LOAN | | \$135,000 |
| 4.12 | ORIGINATION FEE - BRIDGE LOAN | | \$164,838 |
| 4.13 | THIRD PARTY FEES - CONSTRUCTION LOAN | | \$0 |
| 4.14 | UNDERWRITING FEE - 2ND LOAN | | \$0 |
| 4.15 | ORIGINATION FEE - OTHER LOAN | | \$0 |
| 4.16 | ORIGINATION FEE - PREFERRED EQUITY | | \$0 |
| 4.17 | LENDER APPLICATION FEE | | \$0 |
| 4.18 | LENDER COSTS - REFINANCE | | \$0 |
| 4.19 | LEGAL - CONSTRUCTION LOAN | | \$75,000 |
| 4.20 | LEGAL - PERMANENT LOAN | | \$0 |
| 4.21 | LEGAL - BRIDGE LOAN | | \$75,000 |
| 4.22 | LEGAL - OTHER LOAN | | \$0 |
| 4.23 | LEGAL - PREFERRED EQUITY | | \$0 |
| 4.24 | LEGAL - TC INVESTOR 1 | | \$0 |
| 4.25 | LEGAL - TC INVESTOR 2 | | \$0 |
| 4.26 | LENDER DD COSTS - CONSTRUCTION LOAN | | \$0 |
| 4.27 | INTEREST INCURRED | | \$0 |
| 4.28 | LENDER DD COSTS - OTHER LOAN | | \$0 |

| | | | |
|------------------------------|--------------------------------------|-------|--------------------|
| 4.29 | LENDER DD COSTS - TC INVESTOR 1 | | \$0 |
| 4.30 | LENDER DD COSTS - TC INVESTOR 2 | | \$0 |
| 4.31 | TITLE & RECORDINGS | | \$10,000 |
| 4.32 | PLAN AND COST REVIEW | | \$500,000 |
| 4.33 | CONSTRUCTION MONITORING FEES | | \$0 |
| 4.34 | MORTGAGE BROKERAGE FEE | 0.65% | \$163,150 |
| 4.35 | INTERIOR DESIGN FEES | | \$0 |
| 4.36 | FHA EXAM FEE - PERMANENT LOAN | | \$0 |
| 4.37 | UPFRONT MIP - PERMANENT LOAN | | \$0 |
| 4.38 | RIVER EDGE REDEVELOPMENT ZONE 2% FEE | 2.00% | \$254,252 |
| 4.39 | LOAN STRUCTURING FEE | 1.00% | \$251,000 |
| 4.40 | BUILDER'S RISK INSURANCE | 0.75% | \$164,914 |
| Financing Costs Total | | | \$5,974,445 |

| Soft Costs | | | |
|-------------------|--|--|-----------|
| 5.01 | TAX PARTNERSHIP STRUCTURING FEE | | \$95,000 |
| 5.02 | LEGAL - EXTERNAL OWNER COUNSEL | | \$90,000 |
| 5.03 | LEGAL - AVM TRANSACTIONAL | | \$50,000 |
| 5.04 | LEGAL - CONSTRUCTION | | \$0 |
| 5.05 | LEGAL - DEVELOPMENT PARTNER | | \$0 |
| 5.06 | PROPERTY MANAGEMENT START-UP EXPENSE | | \$119,000 |
| 5.07 | LIABILITY INSURANCE | | \$0 |
| 5.08 | SAGE INTACT SOFTWARE | | \$0 |
| 5.09 | MARKETING / PR | | \$300,000 |
| 5.10 | COST CERTIFICATION | | \$15,500 |
| 5.11 | ACCOUNTING | | \$0 |
| 5.12 | HISTORIC CONSULTANT | | \$75,000 |
| 5.13 | REASONABLENESS OPINION | | \$15,500 |
| 5.14 | NPS FEES | | \$9,750 |
| 5.15 | TAXES DURING CONSTRUCTION | | \$25,000 |
| 5.16 | UTILITIES - DEMO / NEW / DURING CONSTRUCTION | | \$100,000 |
| 5.17 | CAPITAL NEEDS ASSESSMENT | | \$0 |
| 5.18 | FINANCIAL FORECAST | | \$50,000 |
| 5.19 | CM FEE - DEVELOPMENT | | \$270,000 |
| 5.20 | CM FEE - TENANT IMPROVEMENTS | | \$0 |
| 5.21 | PROPERTY ONBOARDING EXPENSE | | \$35,000 |
| 5.22 | SOFT COST CONTINGENCY | | \$79,355 |
| 5.23 | FURNISHINGS | | \$494,565 |
| 5.24 | FURNISHINGS - UNITS | | \$476,000 |
| 5.25 | GREEN CERTIFICATE | | \$0 |
| 5.26 | TAX CREDIT FEES | | \$0 |
| 5.27 | POST CONSTRUCTION PHASE 1 | | \$0 |

| | | | |
|---|-------------------------------------|-------|---------------------|
| 5.28 | INITIAL COMPLIANCE FEE | | \$0 |
| 5.29 | MISC. SOFT COSTS | | \$0 |
| Soft Costs Total | | | \$2,299,670 |
| Syndication Fee | | | |
| 6.01 | LEGAL SYNDICATION | | \$160,000 |
| Syndication Fee Total | | | \$160,000 |
| Developer Fee | | | |
| 7.01 | PAID DEVELOPER FEE | 4.43% | \$2,500,000 |
| 7.02 | DEFERRED DEVELOPER FEE | | \$4,500,000 |
| 7.03 | DEFERRED CM FEE | 0.00% | \$0 |
| Developer Fee Total | | | \$7,000,000 |
| Working Capital / Reserves | | | |
| 8.01 | BORROWER-CONTROLLED WORKING CAPITAL | | \$450,000 |
| 8.02 | INVESTOR-CONTROLLED WORKING CAPITAL | | \$0 |
| 8.03 | CONSTRUCTION INTEREST RESERVE | | \$0 |
| 8.04 | LENDER-CONTROLLED CAPITAL RESERVES | | \$0 |
| 8.05 | LENDER-CONTROLLED OPERATING RESERVE | | \$0 |
| 8.06 | TAXES AND INSURANCE ESCROW | | \$0 |
| 8.07 | INTEREST RESERVE | | \$0 |
| 8.08 | MARKETING RESERVE | | \$0 |
| Working Capital / Reserves Total | | | \$450,000 |
| TOTAL | | | \$64,353,138 |

EXHIBIT D (continued)
Estimated Budget

Barber Colman Parking Garage  **J. JEFFERS & CO.**

TOTAL PROJECT BUDGET

13 June 2023

| Cat. No. | Category | % | Original Budget |
|--|---|---|-----------------|
| Acquisition & Closing Costs | | | |
| 1.01 | LAND | | \$0 |
| 1.02 | BUILDING | | \$0 |
| 1.03 | PREDEVELOPMENT LOAN PAYOFF | | \$0 |
| 1.04 | CARRY COST | | \$0 |
| 1.05 | TRANSACTION ATTORNEY FEES | | \$0 |
| 1.06 | ACQUISITION LEGAL | | \$0 |
| 1.07 | ENGINEERING REPORT | | \$0 |
| 1.08 | ENVIRONMENTAL PHASE 1 / PHASE 2 | | \$0 |
| 1.09 | PROPERTY CONDITION ASSESSMENT | | \$0 |
| 1.10 | APPRaisal | | \$0 |
| 1.11 | MARKET STUDY | | \$0 |
| 1.12 | ACQUISITION FEE | | \$0 |
| 1.13 | ESCROW FEE | | \$0 |
| 1.14 | ALTA SURVEY | | \$0 |
| 1.15 | DD / CLOSING COST CONTINGENCY | | \$0 |
| 1.16 | TITLE POLICY ENDORSEMENTS | | \$0 |
| 1.17 | RECORDING FEES | | \$0 |
| 1.18 | DISPOSITION FEE | | \$0 |
| Acquisition & Closing Costs Total | | | \$0 |
| Construction Costs | | | |
| 2.01 | PARKING STRUCTURE | | \$11,537,389 |
| 2.02 | HISTORIC REHAB HARD COST | | \$0 |
| 2.03 | RETAIL GREYBOX | | \$0 |
| 2.04 | SITEWORK | | \$0 |
| 2.05 | DEMOLITION & ABATEMENT | | \$0 |
| 2.06 | CONTRACTOR OVERHEAD | | \$0 |
| 2.07 | GENERAL REQUIREMENTS | | \$712,500 |
| 2.08 | TENANT IMPROVEMENTS & LEASING COMMISSIONS | | \$1,158,163 |
| 2.09 | CONTRACTOR PROFIT (FEE) | | \$587,737 |

| | | | |
|---------------------------------|------------------------|--|---------------------|
| 2.10 | OWNER CONTINGENCY | | \$352,642 |
| 2.11 | CONTRACTOR CONTINGENCY | | \$352,642 |
| 2.12 | CONSTRUCTION INSURANCE | | \$176,321 |
| Construction Costs Total | | | \$14,877,394 |

| Engineering & Architectural Fees | | | |
|---|---------------------------------|--|------------------|
| 3.01 | ARCHITECTURAL | | \$688,900 |
| 3.02 | ENGINEERING | | \$0 |
| 3.03 | LEED CONSULTANT | | \$0 |
| 3.04 | LEAD & AIR QUALITY POST TESTING | | \$0 |
| 3.05 | SURVEY | | \$0 |
| 3.06 | WORK FORCE CONSULTANT | | \$0 |
| Engineering & Architectural Fees Total | | | \$688,900 |

| Financing Costs | | | |
|------------------------|--|--|-----------|
| 4.01 | CAPITALIZED INTEREST - CONSTRUCTION LOAN | | \$0 |
| 4.02 | CAPITALIZED INTEREST - PERMANENT LOAN | | \$0 |
| 4.03 | CAPITALIZED INTEREST - BRIDGE LOAN | | \$0 |
| 4.04 | CAPITALIZED INTEREST - BROWNFIELD LOAN | | \$0 |
| 4.05 | CAPITALIZED INTEREST - TIF LOAN | | \$302,306 |
| 4.06 | CAPITALIZED INTEREST - HOME | | \$0 |
| 4.07 | CAPITALIZED INTEREST - CDBG | | \$0 |
| 4.08 | CAPITALIZED INTEREST - PREFERRED EQUITY | | \$0 |
| 4.09 | CAPITALIZED INTEREST - CONSTRUCTION LOAN | | \$0 |
| 4.10 | ORIGINATION FEE - CONSTRUCTION LOAN | | \$0 |
| 4.11 | ORIGINATION FEE - TIF LOAN | | \$30,000 |
| 4.12 | ORIGINATION FEE - BRIDGE LOAN | | \$0 |
| 4.13 | THIRD PARTY FEES - CONSTRUCTION LOAN | | \$0 |
| 4.14 | UNDERWRITING FEE - 2ND LOAN | | \$0 |
| 4.15 | ORIGINATION FEE - OTHER LOAN | | \$0 |
| 4.16 | ORIGINATION FEE - PREFERRED EQUITY | | \$0 |
| 4.17 | LENDER APPLICATION FEE | | \$0 |
| 4.18 | LENDER COSTS - REFINANCE | | \$0 |
| 4.19 | LEGAL - CONSTRUCTION LOAN | | \$0 |
| 4.20 | LEGAL - PERMANENT LOAN | | \$0 |
| 4.21 | LEGAL - BRIDGE LOAN | | \$0 |
| 4.22 | LEGAL - OTHER LOAN | | \$0 |
| 4.23 | LEGAL - PREFERRED EQUITY | | \$0 |
| 4.24 | LEGAL - TC INVESTOR 1 | | \$0 |
| 4.25 | LEGAL - TC INVESTOR 2 | | \$0 |
| 4.26 | LENDER DD COSTS - CONSTRUCTION LOAN | | \$0 |
| 4.27 | INTEREST INCURRED | | \$0 |
| 4.28 | LENDER DD COSTS - OTHER LOAN | | \$0 |

| | | | |
|------------------------------|--------------------------------------|-------|------------------|
| 4.29 | LENDER DD COSTS - TC INVESTOR 1 | | \$0 |
| 4.30 | LENDER DD COSTS - TC INVESTOR 2 | | \$0 |
| 4.31 | TITLE & RECORDINGS | | \$0 |
| 4.32 | PLAN AND COST REVIEW | | \$0 |
| 4.33 | CONSTRUCTION MONITORING FEES | | \$0 |
| 4.34 | MORTGAGE BROKERAGE FEE | | \$0 |
| 4.35 | INTERIOR DESIGN FEES | | \$0 |
| 4.36 | FHA EXAM FEE - PERMANENT LOAN | | \$0 |
| 4.37 | UPFRONT MIP - PERMANENT LOAN | | \$0 |
| 4.38 | RIVER EDGE REDEVELOPMENT ZONE 2% FEE | | \$0 |
| 4.39 | LOAN STRUCTURING FEE | | \$0 |
| 4.40 | BUILDER'S RISK INSURANCE | 0.75% | \$86,530 |
| Financing Costs Total | | | \$378,837 |

| Soft Costs | | | |
|-------------------|--|--|----------|
| 5.01 | TAX PARTNERSHIP STRUCTURING FEE | | \$0 |
| 5.02 | LEGAL - EXTERNAL OWNER COUNSEL | | \$50,000 |
| 5.03 | LEGAL - AVM TRANSACTIONAL | | \$0 |
| 5.04 | LEGAL - CONSTRUCTION | | \$0 |
| 5.05 | LEGAL - DEVELOPMENT PARTNER | | \$0 |
| 5.06 | PROPERTY MANAGEMENT START-UP EXPENSE | | \$0 |
| 5.07 | LIABILITY INSURANCE | | \$0 |
| 5.08 | SAGE INTACT SOFTWARE | | \$0 |
| 5.09 | MARKETING / PR | | \$0 |
| 5.10 | COST CERTIFICATION | | \$0 |
| 5.11 | ACCOUNTING | | \$0 |
| 5.12 | HISTORIC CONSULTANT | | \$0 |
| 5.13 | REASONABLENESS OPINION | | \$0 |
| 5.14 | NPS FEES | | \$0 |
| 5.15 | TAXES DURING CONSTRUCTION | | \$0 |
| 5.16 | UTILITIES - DEMO / NEW / DURING CONSTRUCTION | | \$0 |
| 5.17 | CAPITAL NEEDS ASSESSMENT | | \$0 |
| 5.18 | FINANCIAL FORECAST | | \$0 |
| 5.19 | CM FEE - DEVELOPMENT | | \$0 |
| 5.20 | CM FEE - TENANT IMPROVEMENTS | | \$0 |
| 5.21 | PROPERTY ONBOARDING EXPENSE | | \$0 |
| 5.22 | SOFT COST CONTINGENCY | | \$4,370 |
| 5.23 | FURNISHINGS | | \$0 |
| 5.24 | FURNISHINGS - UNITS | | \$0 |
| 5.25 | GREEN CERTIFICATE | | \$0 |
| 5.26 | TAX CREDIT FEES | | \$0 |
| 5.27 | POST CONSTRUCTION PHASE 1 | | \$0 |

| | | | |
|---|-------------------------------------|-------|---------------------|
| 5.28 | INITIAL COMPLIANCE FEE | | \$0 |
| 5.29 | P&P BOND | | \$200,500 |
| Soft Costs Total | | | \$254,869 |
| Syndication Fee | | | |
| 6.01 | LEGAL SYNDICATION | | \$0 |
| Syndication Fee Total | | | \$0 |
| Developer Fee | | | |
| 7.01 | PAID DEVELOPER FEE | 0.00% | \$0 |
| 7.02 | DEFERRED DEVELOPER FEE | | \$0 |
| 7.03 | DEFERRED CM FEE | 0.00% | \$0 |
| Developer Fee Total | | | \$0 |
| Working Capital / Reserves | | | |
| 8.01 | BORROWER-CONTROLLED WORKING CAPITAL | | \$0 |
| 8.02 | INVESTOR-CONTROLLED WORKING CAPITAL | | \$0 |
| 8.03 | CONSTRUCTION INTEREST RESERVE | | \$0 |
| 8.04 | LENDER-CONTROLLED CAPITAL RESERVES | | \$0 |
| 8.05 | LENDER-CONTROLLED OPERATING RESERVE | | \$0 |
| 8.06 | TAXES AND INSURANCE ESCROW | | \$0 |
| 8.07 | INTEREST RESERVE | | \$0 |
| 8.08 | MARKETING RESERVE | | \$0 |
| Working Capital / Reserves Total | | | \$0 |
| TOTAL | | | \$16,240,000 |

EXHIBIT E**Environmental Covenant**

EXHIBIT F**Phase IA Loan Agreement**

EXHIBIT F-1**Phase IA Note**

EXHIBIT G**Phase IB Loan Agreement**

EXHIBIT G-1**Phase IB Note**

PHASE IA LOAN DISBURSING AGREEMENT

THIS PHASE IA LOAN DISBURSING AGREEMENT (“Agreement”) is entered into as of May_____, 2023 (the “Effective Date”), by and among Title Underwriters Agency (“Escrow Agent”), THE CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation (“Lender”), and J. JEFFERS & COMPANY, a Wisconsin limited liability company (“Borrower”).

RECITALS:

A. Borrower is, or on the date of this Agreement will be, the holder of fee simple title to approximately 22 acres of property known as the Barber Colman Campus which includes ten (10) historic commercial/industrial buildings bordered by Loomis Street on the north, Lane and Knowlton Streets on the south, Main Street on the west and the Rock River on the east, all in the City of Rockford, Illinois, and legally described in Exhibit A attached hereto (the “Redevelopment Property”).

B. Borrower and Lender are parties to that certain Redevelopment Agreement (the “Redevelopment Agreement”) with respect to the redevelopment plan and project, entitled the “[Colman Yards Redevelopment Tax Increment Financing Redevelopment Plan and Program”] (the “Redevelopment Plan”).

C. In accordance with the terms and conditions of the Redevelopment Agreement and in furtherance of the Redevelopment Plan, Borrower intends to develop the Redevelopment Property in the following phases: (1) Phase IA, (2) Phase 1B, and (3) Phase II (as such terms are defined in the Redevelopment Agreement), and Lender has agreed to provide certain incentives to Borrower, including without limitation, funding in the form of a no-interest loan to reimburse Borrower for eligible expenses in the development and construction of Phase IA.

D. Lender and Borrower have entered into that certain Phase IA Loan Agreement dated as of the date hereof (“Phase IA Loan Agreement”), with respect to financing provided by Lender to Borrower in the maximum principal amount of up to \$7,250,000.00 (the “Phase IA Loan”) for the development and construction Phase IA of a Project; unless the context otherwise indicates, any capitalized term used but not defined herein shall have the meaning given such term in the Phase IA Loan Agreement.

E. Lender and Borrower have requested that Escrow Agent disburse the Phase IA Loan Proceeds made by Lender under the Phase IA Loan Agreement, and Escrow Agent is willing to do so pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Receipt of Phase IA Loan Proceeds. Escrow Agent acknowledges receipt of the Phase IA Loan Proceeds which have been, or are to be, deposited in Escrow Agent’s Account No. _____ maintained with [Depository’s Name, Address, ABA No.]. Escrow Agent acknowledges it has received and reviewed a copy of the Phase IA Loan Agreement.

2. **Advances**. At the request of Borrower and subject to the terms and conditions of the Phase IA Loan Agreement, Escrow Agent is authorized and directed in strict accordance with this Agreement to disburse advances (“Advances”) of the Phase IA Loan Proceeds so deposited pursuant to this Agreement to pay eligible costs of construction of Phase IA of the Project pursuant to statements of amounts due, which must be approved by Borrower and Lender.
3. **Conditions of Disbursement**. Borrower may obtain Advances for reimbursement for eligible costs incurred by Borrower with respect the development and construction of Phase IA of the Project to the extent of the amount of work completed or materials supplied to the Project by each contractor of the Borrower until the final disbursement of Phase IA Loan Proceeds is made. Prior to the disbursement of an Advance of Phase IA Loan Proceeds, in addition to satisfying the conditions for an Advance under the Phase IA Loan Agreement, Lender and Escrow Agent must be furnished the following items via [email address] a Draw Request signed by Borrower and submitted at least 15 days prior to the date on which the requested Advance is to be made, which date shall be a Business Day (the “Advance Date”), it being expressly understood and agreed that Borrower shall be limited to one Draw Request per calendar month.
4. **Review of Draw Requests; Disbursement of Funds**. Provided that Borrower has complied to Lender’s satisfaction with the terms and conditions with respect to Advances under the Phase IA Loan Agreement, Lender will (on or before the Advance Date) furnish written approval of the relevant Draw Request, along with authorization to disburse to Escrow Agent, and upon receipt of such authorization, Escrow Agent will disburse the amounts shown in the relevant Draw Request directly to Borrower. In the event Lender determines that it is not satisfied with the terms and conditions with respect to an Advance under the Phase IA Loan Agreement, Lender shall provide Escrow Agent and Borrower written notice of such disapprove which written notice shall include the reasons for Lender’s disapproval in reasonable detail on or before the Advance Date (“Disapproval Notice”). If Escrow Agent has not received a Disapproval Notice on or before the Advance Date, Lender shall be deemed to have approved the Advance and Escrow Agent will disburse the amounts shown in the relevant Draw Request directly to Borrower.
5. **No Interest on Funds**. Escrow Agent shall not be liable for interest on funds deposited with it, provided that Escrow Agent will invest funds deposited with it at the direction of Lender.
6. **Reporting**. The parties acknowledge that neither Escrow Agent nor Lender shall be responsible for creating, furnishing or reporting any IRS 1099 notices or filings for any payments it disburses under this Agreement for the parties.
7. **Records**. Escrow Agent will keep and maintain books and records in sufficient detail to reflect the disbursements made by it pursuant to this Agreement. Lender and Borrower may during normal business hours examine the books and records of Escrow Agent pertaining to those disbursements.

8. **Duties of Escrow Agent.** Functions and duties assumed by Escrow Agent include only those described in this Agreement, and Escrow Agent is not obligated to act except in accordance with the terms and conditions of this Agreement. Escrow Agent does not insure that the Project will be completed, nor that any improvements for the Project will be in accordance with the plans and specifications, nor that sufficient funds will be available for the completion of the Project. Escrow Agent may conclusively rely upon and shall be protected in acting upon any document believed by Escrow Agent to be genuine and to have been signed or presented by the proper parties, consistent with reasonable due diligence on Escrow Agent's part.
9. **Custody of Documents.** Escrow Agent shall not be responsible for any loss of documents, Advances or funds while such items are not in its custody. Documents or funds which are deposited in the United States mail shall not be construed as being in the custody of Escrow Agent.
10. **Fees.** Escrow Agent's fee for disbursement shall be \$____.00 per draw. Disbursement fees will be charged against the Borrower for any draws in excess of six (6) draws. All fees charged by Escrow Agent, as provided above, shall be paid for by Borrower.
11. **Borrower to Inspect Improvements.** Borrower shall be responsible for making inspections of the Improvements during the course of construction, and shall determine to its own satisfaction that the work done or material supplied by each contractor to whom disbursements are to be made out of each advance has been properly done or supplied in accordance with applicable contracts with such contractors. Neither Lender nor Escrow Agent shall be required to conduct any inspection of the Improvements.
12. **Limitation on Liability.** It is expressly understood and agreed that neither Lender nor Escrow Agent assumes any liability or responsibility for the satisfactory completion of the Improvements, for the adequacy of funds advanced or disbursed by either of them pursuant hereto and to the Phase IA Loan Agreement to complete the Improvements, for inspections during construction, or for any acts on the part of Borrower or any contractor to be performed in the construction of the Improvements.
13. **Miscellaneous.**
 - a. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
 - b. This Agreement can be amended or modified only by a written amendment signed by the parties hereto. Nothing in this Agreement is intended to amend or modify any of the rights, duties or obligations of Borrower or Lender under the Phase IA Loan Agreement.
 - c. This Agreement may be executed in any number of counterparts, all of which shall constitute a single agreement. Facsimile or electronic transmission of this signed Agreement, and the retransmission of any signed facsimile or electronic

transmission of this Agreement, shall be the same as delivery of the original signed Agreement.

d. Any notice required to be given to Borrower, Lender or Escrow Agent pursuant to this Agreement shall be in writing and shall be deemed duly given (i) on the date of personal delivery, (ii) one business day following dispatch by Federal Express or equivalent, or (iii) three (3) business days after mailing certified mail, postage prepaid, return receipt requested, to the respective addresses of the parties set out below:

If to Borrower:

J. JEFFERS & COMPANY

with copy to:

Daspin & Aument, LLP
300 South Wacker Drive, Suite 2200
Chicago, Illinois 60606
Attn: Brian P. White
Facsimile No.: (312) 258-1955

If to Lender:

with copy to:

If to Escrow Agent:

14. Governing Law; Jurisdiction; Consent to Service of Process.

- a. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS.
- b. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE OTHER PARTY, ITS AFFILIATES OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ADVISORS IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE CIRCUIT COURT OF WINNEBAGO COUNTY, ILLINOIS, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY

BE HEARD AND DETERMINED IN SUCH ILLINOIS STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT.

15. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE).

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Escrow Agent:

TITLE UNDERWRITERS AGENCY

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Lender: THE CITY OF ROCKFORD,
an Illinois municipal corporation

By: _____
Title: _____
Name: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Borrower:

J. JEFFERS & COMPANY,
a Wisconsin limited liability company

By: _____

Its: _____

EXHIBIT A
LEGAL DESCRIPTION

PHASE IA LOAN AGREEMENT

between

**THE CITY OF ROCKFORD,
AN ILLINOIS MUNICIPAL CORPORATION,
as Lender**

and

**J. JEFFERS & CO,
A WISCONSIN LIMITED LIABILITY COMPANY
as Borrower**

Dated as of May __, 2023

PHASE IA LOAN AGREEMENT

THIS PHASE IA LOAN AGREEMENT (the “Agreement”) is executed as of May __, 2023, by and between **THE CITY OF ROCKFORD, ILLINOIS**, an Illinois municipal corporation (“Lender”), and **J. JEFFERS & COMPANY**, a Wisconsin limited liability company (“Borrower”).

RECITALS:

A. Borrower is, or on the date of this Agreement will be, the holder of fee simple title to approximately 22 acres of property known as the Barber Colman Campus which includes ten (10) historic commercial/industrial buildings bordered by Loomis Street on the north, Lane and Knowlton Streets on the south, Main Street on the west and the Rock River on the east, all in the City of Rockford, Illinois, and legally described in Exhibit A attached hereto (the “Redevelopment Property”).

B. Borrower and Lender are parties to that certain Redevelopment Agreement (the “Redevelopment Agreement”) with respect to the redevelopment plan and project, entitled the “[Colman Yards Redevelopment Tax Increment Financing Redevelopment Plan and Program”] (the “Redevelopment Plan”).

C. In accordance with the terms and conditions of the Redevelopment Agreement and in furtherance of the Redevelopment Plan, Borrower intends to develop the Redevelopment Property in the following phases: (1) Phase IA, (2) Phase 1B, and (3) Phase II (as such terms are defined in the Redevelopment Agreement), and Lender has agreed to provide certain incentives to Borrower, including without limitation, funding in the form of a no-interest loan to reimburse Borrower for eligible expenses in the development and construction of Phase IA.

NOW, THEREFORE, in consideration of the above premises, and the mutual covenants and agreements set forth herein, and for one dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION.

1.1 Exhibits Incorporated. All exhibits to this Agreement, as now existing and as the same may from time to time be modified, are fully incorporated herein by this reference.

1.2 Defined Terms. All capitalized terms used in this Agreement and not otherwise defined in this Agreement or in the Redevelopment Agreement shall have the following meanings:

“Affiliate” means, with respect to any Person (i) any Person directly or indirectly Controlling, Controlled By, or Under Common Control With such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (iii) any officer, director, or general partner of such Person, (iv) any Person who is an officer, director,

general partner, trustee, or holder of ten percent (10%) or more of the voting interest of any Person described in clauses (i) through (iii) of this sentence, (v) any Person related by birth or marriage to such Person, and (vi) any entity having indebtedness now or hereafter owed to Lender which is guaranteed by such Person.

“Applicable Laws” means all laws, statutes, ordinances, rules, regulations, judgments, decrees or orders of any state, federal or local Governmental Authority which are applicable to Borrower and/or the Redevelopment Property.

“Business Day” means any day other than a Saturday, Sunday, federal holiday or other day on which banks in Rockford, Illinois are authorized or required to be closed.

“Closing” means the execution and delivery of the Loan Documents and the satisfaction of all conditions required in Section 3.1 hereof.

“Code” means the Internal Revenue Code of 1986, as amended.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controls”**, **“Controlling”**, **“Controlled By”** and **“Under Common Control With”** have meanings correlative thereto.

“Default” means the occurrence of any event, circumstance or condition which constitutes a breach of or a default under this Agreement or any other Loan Document and which, after the giving of any required notice and/or the passage of any applicable cure period, would constitute an Event of Default under this Agreement or any other Loan Document.

“Designated Persons” means a Prohibited Person or any person or entity in which a Prohibited Person has 10% or greater ownership interest or that is otherwise Controlled by an Prohibited Person.

“Disbursing Agreement” means that certain Phase IA Loan Disbursing Agreement dated on or about the Closing Date made by and among the Borrower, the Lender and the Title Company, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Draw Request” means a statement of the Borrower requesting release of a portion of the Loan Proceeds to reimburse Borrower for eligible expenses in the development and construction of Phase IA submitted to Title Company pursuant to the terms and conditions of the Disbursing Agreement.

“Dollars” or **“\$”** refers to the lawful money of the United States of America.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“Event of Default” means any event so designated in Section 7.1, or any other section or provision, of this Agreement.

“Executive Order” has the meaning set forth in the definition of “Sanctions Laws and Regulations.”

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Improvements” means all buildings and other improvements and fixtures now or hereafter comprising any portion of the Redevelopment Property.

“Loan” means the loan made hereunder and governed by the terms hereof.

“Loan Amount” means \$7,250,000.00.

“Loan Closing Date” means the date upon which the Closing occurs.

“Loan Documents” means, collectively, this Agreement, the Note and the Disbursing Agreement, and any other agreement, document or instrument evidencing the obligations of Borrower to Lender that Lender reasonably requires in connection with the execution of this Agreement or from time to time to effectuate the purposes of this Agreement, together with all amendments, restatements, supplements and modifications thereof.

“Loan Proceeds” means all amounts advanced as part of the Loan, whether advanced directly to Borrower or otherwise.

“Manager” means _____, and any other Person that now or hereafter is the Manager of Borrower.

“Maturity Date” means February 1, 2047.

“Note” means that certain Phase IA Promissory Note in the stated principal amount of \$7,250,000.00 dated as of even date herewith made by Borrower and payable to the order of Lender, as the same may be amended, restated, modified or supplemented and in effect from time to time.

“Obligations” means all unpaid principal of the Loan, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other indebtedness, liabilities or obligations of Borrower to Lender or any indemnified party arising under the Loan Documents.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Party” means any Person (other than Lender) who is a party or signatory to any Loan Document.

“Patriot Act” means Title III of Pub. L. 107-56, signed into law October 26, 2001.

“Person” means any entity, whether an individual, trustee, corporation, partnership, limited liability company, trust, unincorporated organization, Governmental Authority, or otherwise.

“Personal Property” means all of Borrower’s right, title and interest, whether now existing or hereafter acquired, in and to all furniture, furnishings, fixtures, machinery, equipment, inventory and other personal property of every kind, tangible and intangible, now or hereafter (i) located on or about the Property, (ii) used or to be used in connection with the Property, or (iii) relating or arising with respect to the Property.

“Policies” shall mean those policies of insurance that Borrower is required by Lender to maintain, including those set forth in Article 7 and Exhibit B hereof; and each, a “Policy.”

“Prohibited Person” shall have the meaning ascribed to such term in Section 5.13(d) of this Agreement.

“Property” means all of Borrower’s right, title and interest, whether now existing or hereafter acquired, in and to the Redevelopment, all Improvements and fixtures now or hereafter located thereon, and all additions and accretions thereto.

“Redevelopment Property” has the meaning provided in Recital A of this Agreement.

“Sanctioned Country” means, at any time, a country or territory which is itself the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Prohibited Person or any Person listed in any Sanctions-related list of designated Persons maintained by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) an Affiliate of such Person.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Sanctions Laws and Regulations” mean any Sanctions, prohibitions or requirements imposed by any executive order (an “Executive Order”) or by any sanctions program administered by OFAC.

“Taxes” means all taxes, assessments, levies and charges imposed by any public or quasi-public authority having jurisdiction over the Property which are or may affect, or become a lien upon, the Property, or interest therein, or imposed by any Governmental Authority upon Borrower or Lender by reason of their respective interests in the Property or by reason of any payment, or portion thereof, made to Lender hereunder or pursuant to any Obligation or any of the other Loan Documents, other than taxes which are measured by and imposed upon Lender’s general net income.

“Title Company” means the title company which issues the Title Policy.

“Title Policy” has the meaning provided in Section 3.1(b) of this Agreement.

“To Borrower’s knowledge” means the current actual knowledge of _____.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

1.3 Singular and Plural Terms. Any defined term used in the plural in any Loan Document shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.4 Accounting Principles. Any accounting term used and not specifically defined in any Loan Document shall be construed in conformity with, and all financial data required to be submitted under any Loan Document shall be prepared in conformity with, GAAP applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to Lender.

1.5 References and Other Terms. Any reference to any Loan Document or other document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections and Exhibits shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term “document” is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms “including” and “include” mean “including (include) without limitation.”

2. THE LOAN.

2.1 Agreement to Borrow and Lend. Borrower agrees to borrow from Lender, and Lender agrees to lend to Borrower, an amount not to exceed the Loan Amount, on the terms of and subject to the conditions of this Agreement. The Loan is not a revolving facility, and Borrower shall not have the right to re-borrow any portion of the principal balance of the Loan repaid by Borrower.

2.2 Loan Advances Evidenced by Note. All disbursements hereunder shall be evidenced by the Note, which shall be executed and delivered by Borrower simultaneously with the execution of this Agreement.

2.3 Interest. No interest shall accrue on the Loan.

2.4 Payments of Principal.

(a) Commencing on February 1, 2030 (the “Payment Commencement Date”), and continuing on the first (1st) day of each February thereafter through and including the year in which the Maturity Date occurs, principal shall be payable in equal annual installments in an amount sufficient to amortize the Loan Amount (or the outstanding principal balance of the Loan as of the Payment Commencement Date) over an assumed thirty- (30-) year amortization period.

(b) Notwithstanding anything in Section 2.4(a) to the contrary, if at any time prior to February 1, 2030, Borrower shall fail to make substantial, meaningful, and continuous progress on development and construction of the Phase IA of the Project, as reasonable determined by Lender and subject to any delays caused by Force Majeure, and such failure continues for a period of ninety (90) days following written notice of such failure in reasonable detail delivered to Borrower, then at Lender’s option, the Payment Commencement Date shall be accelerated to the date on which the ninety (90) day cure period expires.

2.5 Prepayment. The Loan shall be prepayable at any time without penalty.

2.6 Sanctions Laws and Regulations.

(a) Borrower shall not, directly or indirectly, use the proceeds of the Loan, or lend, contribute or otherwise make available such proceeds to any joint venture partner or other Person or entity (i) to fund any activities or business of or with any Designated Person, or in any Sanctioned Country, or (ii) in any other manner that would result in a violation of any Sanctions Laws and Regulations by any Party.

(b) None of the funds or assets of Borrower that are used to pay any amount due pursuant to this Agreement shall constitute funds obtained from transactions with or relating to Designated Persons or any Sanctioned Country.

2.7 Loan Expenses. Borrower and Lender shall each be responsible for their own costs and fees incurred in connection with this Agreement.

3. **CONDITIONS TO CLOSING.**

3.1 Closing Deliveries. On or before the Loan Closing Date, unless a different date is specified below, Borrower shall execute and/or deliver to Lender those of the following documents and other items required to be executed and/or delivered by Borrower, and shall cause to be executed and/or delivered to Lender those of the following documents and other items required to be executed and/or delivered by others, all of which documents and other items shall contain such provisions as shall

be required to conform to this Agreement and otherwise shall be satisfactory in form and substance to Lender:

- (a) Loan Documents. Fully executed original copies of each of the Loan Documents.
- (b) Organizational Documents. A certified copy (certified, where applicable, by the state office in which such documents were filed, and in all other cases by an appropriate representative of the entity) of:
 - (i) The Certificate of Formation and the duly executed Operating Agreement of Borrower;
 - (ii) Resolutions by the Borrower authorizing the execution and delivery of the Loan Documents, certified by an appropriate representative of the Borrower;
 - (iii) An incumbency certificate, including specimen signatures for all individuals executing any of the Loan Documents, certified by the secretary or other appropriate representative of the Borrower;
- (c) Real Estate Taxes. Evidence satisfactory to Lender that real estate taxes due and payable with respect to the Redevelopment Property, if any, have been paid in full.
- (d) Additional Documents. Such other papers and documents regarding the Borrower as Lender may reasonably require.

3.2 Truthfulness of Statements as of Closing. As conditions precedent to the Closing, the following statements shall be true and correct on the Closing Date, and Borrower hereby represents and warrants to Lender the following:

- (a) The representations and warranties contained in Section 5 of this Agreement are correct on and as of the Closing as though made on and as of such date;
- (b) No Default has occurred and is continuing, and no Event of Default has occurred, hereunder, or would result from the execution and delivery of the Loan Documents;
- (c) No litigation has been instituted against the Borrower which would be reasonably likely to have a material adverse effect on the condition (financial or otherwise) of the Borrower's ability to perform its Obligations hereunder, under any of the Loan Documents; and

4. **DISBURSEMENT.**

4.1 Loan Disbursement. Subject to the satisfaction of the terms and conditions contained in this Article 4, the entirety of the Loan Amount shall be deposited with the Title Company at Closing. The Borrower may from time to time request disbursements of the Loan by delivering to the Title Company and the Lender a properly completed Draw Request executed by an Authorized Officer in accordance with the terms and conditions of the Disbursing Agreement. The Borrower hereby irrevocably authorizes the Lender to disburse the Loan proceeds requested pursuant to this Section in immediately available funds in accordance with the Disbursing Agreement.

4.2 Expenses and Advances. Any and all advances or payments made by Lender hereunder, from time to time, and any amounts expended by Lender pursuant to this Agreement, together with reasonable attorneys' fees, if any, shall be deemed to have been disbursed as part of the Loan and be and become Obligations hereunder secured and guaranteed by the Loan Documents, whether or not the aggregate of such Obligations shall exceed the face amount of the Note; provided, that Lender shall give simultaneous written notice to Borrower of any such advance so long as no Event of Default shall have occurred.

4.3 Acquiescence not a Waiver. To the extent that Lender may have acquiesced (whether intentionally or unintentionally) in the Borrower's failure to comply with and satisfy any condition precedent to the Closing or to any disbursement of Loan Proceeds, such acquiescence shall not constitute a waiver by Lender of any condition precedent set forth in this Agreement, and Lender at any time thereafter may require the Borrower to comply with and satisfy all conditions and requirements of this Agreement.

5. **REPRESENTATIONS AND WARRANTIES.** As a material inducement to Lender's entry into this Agreement, Borrower represents and warrants to Lender that:

5.1 Formation, Qualification and Compliance.

(a) Organization and Existence. Borrower is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Wisconsin and is qualified to do business in the State of Illinois and in all other jurisdictions in which Borrower is transacting business.

(b) Authorization. Borrower has the power and authority to execute, deliver and perform the obligations imposed on it under the Loan Documents and to consummate the transactions contemplated by the Loan Documents and has taken all necessary actions in furtherance thereof including, without limitation, that any Person whose approval is required by the terms of Borrower's organizational documents has duly approved the transactions contemplated by the Loan Documents and has authorized execution and delivery thereof by the respective signatories. No other consent by any local, state or federal agency is required in connection with the execution and delivery of the Loan Documents.

(c) Valid Execution and Delivery. All of the Loan Documents requiring execution by Borrower have been duly and validly executed and delivered by Borrower.

(d) Enforceability. All of the Loan Documents constitute valid, legal and binding obligations of Borrower and are fully enforceable against Borrower in accordance with their terms, subject only to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

5.2 Tax Liability. Borrower has filed all required federal, state and local tax returns and has paid, prior to delinquency, all taxes payable by it (including interest and penalties, but subject to lawful extensions disclosed to Lender and Lender in writing) other than taxes being promptly and actively contested in good faith and by appropriate proceedings. Borrower agrees to maintain adequate reserves for tax liabilities (including contested liabilities) in accordance with GAAP or in accordance with such other principles or methods as are reasonably acceptable to Lender.

5.3 Rights of Others. Borrower is in compliance with all covenants, conditions, restrictions, easements, rights of way and other rights of third parties relating to the Redevelopment Property.

5.4 ERISA. Borrower is not and will not be an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA. The assets of Borrower do not and will not constitute “plan assets” of one or more such plans within the meaning of 29 C.F.R. Sec. 2510.3-101. Borrower is not and will not be a “governmental plan” within the meaning of Section 3(32) of ERISA. Transactions by or with Borrower are not and will not be subject to any state or other statute, regulation or other restriction regulating investments of, or fiduciary obligations with respect to, governmental plans within the meaning of Section 3(32) of ERISA which is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code and which prohibit or otherwise restrict the transactions contemplated by this Agreement, including but not limited to the exercise by Lender of any of its rights under the Loan Documents. Neither Borrower, nor any member of a “controlled group of corporations” (within the meaning of Section 414 of the Code) maintains, sponsors or contributes to a “defined benefit plan” (within the meaning of Section 3(35) of ERISA) or a “multiemployer pension plan” (within the meaning of Section 3(37)(A) of ERISA).

5.5 Foreign Person. Borrower is not a “foreign person” within the meaning of Section 1445(f)(3) of the Code.

5.6 No Defenses. This Agreement, the Note, and the other Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense, nor would the operation of any of the terms of this Agreement, the Note or any of the other Loan Documents, or the exercise of any right thereunder, render this

Agreement, the Note, or any of the other Loan Documents unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury.

5.7 No Conflict/Violation of Law. The execution, delivery and performance of the Loan Documents by Borrower will not cause or constitute a default under or conflict with the organizational documents of Borrower. The execution, delivery and performance of the obligations imposed on Borrower under the Loan Documents will not cause Borrower to be in default, including after due notice or lapse of time or both, under the provisions of any agreement, judgment or order to which Borrower or by which Borrower is bound.

5.8 Consents Obtained. All consents, approvals, authorizations, orders or filings with any court or governmental agency or body, if any, required for the execution, delivery and performance of the Loan Documents by Borrower have been obtained or made.

5.9 No Litigation. There are no pending actions, suits or proceedings, arbitrations or governmental investigations against the Property or Borrower, whether pursuant to the Loan Documents or otherwise, an adverse outcome of which would (after taking into account applicable insurance for which the applicable insurer has affirmatively confirmed coverage) materially affect Borrower's performance under this Agreement, the Note, or any of the other Loan Documents.

5.10 Investment Company Act. Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 2005, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

5.11 Government Regulation. Borrower shall not (a) be or become subject at any time to any law, regulation, or list of any Governmental Authority (including, without limitation, the OFAC list) that prohibits or limits the Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower, or (b) fail (i) to provide documentary and other evidence of Borrower's identity or the identity of any direct or indirect beneficial owner or control person of the Borrower as may be reasonably requested by Lender at any time and from time to time to enable Lender to verify the identity of Borrower and any beneficial owner of Borrower, (ii) to certify to Lender at any time and from time to time as may be reasonably requested by Lender the names, addresses and other requested information of direct and indirect beneficial owners and control persons of Borrower, or at all times to comply with any applicable law or regulation, including, without limitation, Section 326 of the Patriot Act and 31 C.F.R. Section 1010.230.

5.12 Continuing Nature of Representations and Warranties. Borrower acknowledges, understands, and agrees that the representations and warranties set forth in this Section 5 shall be deemed to be continuing during all times when any or all of the Obligations remain outstanding.

6. **AFFIRMATIVE COVENANTS.** While any obligation of Borrower under the Loan Documents remains outstanding, the following provisions shall apply, except to the extent that Lender otherwise consents in writing:

6.1 Existence and Control. Borrower shall maintain its existence as a limited liability company in good standing under the laws of the State of Wisconsin and qualified to do business in the State of Illinois.

6.2 Notice of Certain Matters. Borrower shall give notice to Lender, within fifteen (15) days after Borrower obtains actual knowledge thereof, of each of the following:

(a) any litigation or claim affecting or relating to the Property and involving an amount in excess of \$100,000.00; and any litigation or claim that might subject Borrower to liability in excess of \$100,000.00, whether covered by insurance or not;

(b) any dispute between Borrower and any Governmental Authority relating to the Property, the adverse determination of which might materially affect the Property;

(c) any Default or Event of Default under any Loan Document;

6.3 Further Assurances. Borrower shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Lender all documents, and take all actions, reasonably required by Lender from time to time to confirm the rights created or now or hereafter intended to be created under the Loan Documents, to protect and further the validity, priority and enforceability of the Loan Documents, to subject to the Loan Documents any property intended by the terms of any Loan Document to be covered by the Loan Documents, to correct clerical errors herein and in the Loan Documents or otherwise to carry out the purposes of the Loan Documents and the transactions contemplated hereunder and thereunder.

6.4 Books and Records. Borrower shall maintain proper books of accounts and records and enter therein complete and accurate entries and records of all of its transactions in accordance with GAAP, or reasonable cash accounting methods consistently applied in accordance with the past practices and give representatives of Lender access thereto at all reasonable times upon reasonably prior written notice, subject to the rights of Building Tenant and other Tenants, including permission to: (i) examine, copy and make abstracts from any books and records and such other information which might be helpful to Lender in evaluation the status of the Obligations as it may reasonably request from time to time, and (ii) communicate directly with any of the Borrower's officers, employers, agents, accountants or other

financial advisors with respect to the business, financial conditions and other affairs of the Borrower.

6.5 Additional Banking Laws. The Borrower shall (a) ensure, and cause each Affiliate to ensure, that no person who owns a controlling interest in or otherwise Controls the Borrower or any Affiliate is or shall be listed on the “Specially Designated Nationals and Blocked Person List” or other similar lists maintained by the OFAC, the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, (c) promptly notify Lender of any change in ownership of Borrower, or of any change in ownership of any direct or indirect owner of Borrower, to the extent any such ownership change results in a change in the Persons who directly or indirectly own at least 10% of the equity interests of Borrower, or to the extent any direct or indirect owner of Borrower is a Prohibited Person, and (d) comply, and cause each Affiliate to comply, with all applicable bank secrecy act laws and regulations, as amended.

7. DEFAULTS AND REMEDIES.

7.1 Events of Default. The occurrence of any one or more of the following shall constitute an “Event of Default” as said term is used herein, and any Event of Default which may occur hereunder shall constitute an Event of Default under each of the other Loan Documents:

(a) Borrower fails to pay any scheduled installment of principal payable pursuant to the terms of the Note or any other amount payable to Lender under the Note, this Agreement, or any of the other Loan Documents within five (5) days after written notice from Lender; or

(b) Borrower fails to perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by Borrower under the Note, this Agreement, or any of the other Loan Documents and not specifically described in this Section 7.1 or in the Default section of any other Loan Document; provided, however, that if such failure by its nature can be cured, then so long as the continued operation and safety of the Property is not impaired, threatened or jeopardized, then Borrower shall have a period (the “Cure Period”) of thirty (30) days after Borrower receives written notice of such failure from Lender to cure the same and an Event of Default shall not be deemed to exist during the Cure Period; provided further that if such failure by its nature can be cured but cannot be cured by the payment of money and Borrower commences to cure such failure during the Cure Period and is diligently and in good faith attempting to effect such cure, the Cure Period shall be extended for sixty (60) additional days, but in no event shall the Cure Period be longer than ninety (90) days in the aggregate; or

(c) any representation or warranty made in any Loan Document or in any report, certificate, financial statement, document or other instrument delivered pursuant to or in connection with this Agreement or any of the other Loan Documents shall be materially breached by Borrower or shall prove to be false or misleading in any material respect upon the date when made or deemed to be made or repeated and Borrower shall fail to take such action as may be required to correct such breach or to make such representation or warranty not false or misleading in all material respects within thirty (30) days after written notice from Lender thereof; or

(d) Borrower is dissolved, liquidated or terminated, or all or substantially all of the assets of Borrower are sold or otherwise transferred without Lender's prior written consent if and to the extent such consent is required pursuant to the terms and conditions of the Redevelopment Agreement; or

(e) Borrower is the subject of an order for relief by a bankruptcy court which such order continues undismissed or unstayed for ninety (90) days, or admits its inability (whether through repudiation or otherwise) to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Borrower and the appointment continues undischarged or unstayed for ninety (90) days; or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of indebtedness, dissolution, custodianship, conservatorship, liquidation, construction or similar proceeding relating to it or any part of its property; or any similar proceeding is instituted without the consent of Borrower and continues undismissed or unstayed for ninety (90) days; or any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against any property of Borrower and is not released, vacated or bonded over to Lender's satisfaction within sixty (60) days after its issue or levy; or

(f) Borrower is enjoined or otherwise prohibited by any Governmental Authority from occupying and operating the Property and such injunction or prohibition continues unstayed for thirty (30) days or more for any reason; or

(g) Any material provision of this Agreement or the other Loan Documents shall at any time for any reason cease to be valid and binding on the Borrower, or shall be declared to be null and void, or the validity or enforceability thereof shall be successfully contested by any Governmental Authority, or Borrower shall deny that it has any or further liability or obligation under this Agreement or any of the other Loan Documents; or

(h) All or any material portion of the Property is condemned, seized or appropriated by a Governmental Authority; or

(i) The existence of any fraud, dishonesty or bad faith by or with the acquiescence of Borrower which in any way relates to or affects the Loan or the Property; or

(j) The occurrence of any event specifically identified as an Event of Default in any other section of this Agreement or in any other Loan Document.

7.2 Remedies Upon Default. Upon the occurrence of any Event of Default, Lender shall take such action or actions as Lender may direct, at Lender's option and in its absolute discretion, including, but not limited to, any or all of the following actions:

(a) Terminate any obligation or responsibility on the part of Lender to make further advances of Loan Proceeds or of any other amounts held by Lender and constituting security for the Obligations pursuant to this Agreement or any other Loan Document;

(b) Declare the outstanding principal balance of the Loan, together with all accrued interest thereon and other amounts owing in connection therewith, to be immediately due and payable in full, regardless of any other specified due date, and in the event of the occurrence of an Event of Default under Section 7.1(e) such principal shall become immediately due automatically; and/or

(c) Exercise any of its rights under the Loan Documents and any rights provided by Applicable Laws, including the right to foreclose on any security and exercise any other rights with respect to any security, all in such order and manner as Lender elects in its absolute discretion.

7.3 Cumulative Remedies, No Waiver. Lender's rights and remedies under the Loan Documents are cumulative and in addition to all rights and remedies provided by applicable law from time to time. The exercise or direction to exercise by Lender of any right or remedy shall not constitute a cure or waiver of any default, nor invalidate any notice of default or any act done pursuant to any such notice, nor prejudice Lender in the exercise of any other right or remedy. No waiver of any default shall be implied from any omission by Lender to take action on account of such default if such default persists or is repeated. No waiver of any default shall affect any default other than the default expressly waived, and any such waiver shall be operative only for the time and to the extent stated. No waiver of any provision of any Loan Document shall be construed as a waiver of any subsequent breach of the same provision. The consent by Lender to any act by Borrower requiring further consent or approval shall not be deemed to waive or render unnecessary Lender's consent to or approval of any subsequent act. Lender's acceptance of the late performance of any obligation shall not constitute a waiver by Lender of the right to require prompt performance of all further obligations; Lender's acceptance of any performance following the sending or filing of any notice of default shall not constitute a waiver of Lender's right to proceed with the exercise of remedies for any unfulfilled obligations; and Lender's acceptance of any partial performance shall not

constitute a waiver by Lender of any rights relating to the unfulfilled portion of the applicable obligation.

8. MISCELLANEOUS.

8.1 Nonliability. Borrower acknowledges and agrees that:

- (a) notwithstanding any other provision of any Loan Document: (i) Lender is not and shall be deemed a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Borrower and Lender does not intend to ever assume any such status; (ii) Lender does not intend to ever assume any responsibility to any Person for the quality or safety of the Property, and (iii) Lender shall not be deemed responsible for or a participant in any acts, omissions or decisions of Borrower;
- (b) Lender shall not be directly or indirectly liable or responsible in any way for any loss, cost, damage, penalty, expense, liabilities or injury of any kind to any Person or property resulting from any construction on, or development, occupancy, ownership, management, operation, possession, condition or use of, the Property (except to the extent solely caused by Lender's or Lender's gross negligence or willful misconduct), including without limitation those resulting or arising directly or indirectly from: (i) any defect in any Improvements; (ii) any act or omission of Borrower or any of Borrower's agents, employees, independent contractors, licensees or invitees; or (iii) any accident on the Property or any fire or other casualty or hazard thereon; and
- (c) By accepting or approving anything required to be performed or given to Lender under the Loan Documents, including any certificate, financial statement, Survey, appraisal or insurance policy, Lender shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by Lender to anyone.

8.2 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of Lender to Borrower, or any other claim by Borrower against Lender in connection with the Loan or otherwise, Borrower hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Borrower's obligations under the Loan Documents or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Borrower of any of its obligations under the Loan Documents.

8.3 Notices. Any notices, communications and waivers under this Agreement shall be in writing and shall be (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (c) sent by overnight express carrier, addressed in each case as follows:

To the Lender: _____

With a copy to: _____

To the Borrower: J. Jeffers & Company

With a copy to: Daspin & Aument, LLP
300 South Wacker Drive, Suite 2200
Chicago, Illinois 60606
Attn: Brian P. White
Facsimile No.: (312) 258-1955

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this section shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next Business Day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third Business Day following the day sent or when actually received.

8.4 Survival of Representations and Warranties. All representations and warranties of Borrower in the Loan Documents shall survive the making of the Loan and have been or will be relied on by Lender and Lender notwithstanding any investigation made by Lender or Lender, as the case may be.

8.5 No Third Parties Benefited. This Agreement is made for the purpose of setting forth rights and obligations of Borrower and Lender, and no other Person shall have any rights hereunder or by reason hereof.

8.6 Binding Effect, Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, Borrower and Lender and their respective successors and assigns. This Agreement is assignable by Lender or Borrower, and any full or partial assignment hereof by Lender or Borrower shall operate to vest in the assignee all rights, powers and obligations herein conferred upon and granted to each such party and so assigned by such party. Each assigning party shall give the other party reasonable notice of any such assignment and transfer of such assigning party's interest in this Agreement.

8.7 Counterparts. Any Loan Document may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

8.8 Prior Agreements; Amendments; Consents. The Redevelopment Agreement and this Agreement (together with the other Loan Documents) contains the entire agreement among Lender and Borrower with respect to the Loan, and all prior negotiations, understandings and agreements (including, but not limited to, any commitment letter issued by Lender to Borrower) are superseded by this Agreement and such other Loan Documents. No modification of any Loan Document (including

waivers of rights and conditions) shall be effective unless in writing and signed by the party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. Notwithstanding the foregoing, Lender shall have the right to waive or modify, conditionally or unconditionally, the conditions to its approvals and consents hereunder, without the consent of any party. Consents and approvals to be obtained from Lender shall be in writing.

8.9 Governing Law. All of the Loan Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois without regard to the conflicts of laws principles thereof.

8.10 Severability of Provisions. No provision of any Loan Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Loan Documents are hereby declared to be severable.

8.11 Headings. Article and section headings are included in the Loan Documents for convenience of reference only and shall not be used in construing the Loan Documents.

8.12 Conflicts. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, this Agreement shall prevail; provided however that, with respect to any matter addressed in both such documents, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

8.13 Time of the Essence. Time is of the essence of all of the Loan Documents.

8.14 JURY WAIVER. BORROWER AND LENDER EACH HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG BORROWER AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR ANY RELATIONSHIP BETWEEN BORROWER AND LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE LOAN DESCRIBED HEREIN AND IN THE OTHER LOAN DOCUMENTS.

8.15 JURISDICTION AND VENUE. BORROWER AND LENDER EACH HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY IT AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT SHALL BE LITIGATED IN THE CIRCUIT COURT OF WINNEBAGO COUNTY, ILLINOIS.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

BORROWER:

J. JEFFERS & COMPANY, a Wisconsin limited liability company

By: _____

Its: _____

STATE OF WISCONSIN)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2023, by _____, the _____ of J. Jeffers & Company, a limited liability company under the laws of the State of Wisconsin, on behalf of the limited liability company.

Notary Public

LENDER:

THE CITY OF ROCKFORD,
an Illinois municipal corporation

By: _____
Title: _____

Name: _____

EXHIBIT A
LEGAL DESCRIPTION

PHASE IA PROMISSORY NOTE

\$7,250,000.00

Date: May ___, 2023

THIS PHASE IA PROMISSORY NOTE (this “**Note**”) is made in Rockford, Illinois as of May ___, 2023 by J. JEFFERS & COMPNAY, a Wisconsin limited liability company (“**Borrower**”) for the benefit of THE CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation, in its capacity as a lender (“**Lender**”), in the original principal amount of Seven Million Two Hundred Fifty Thousand and No/100 Dollars (\$7,250,000.00), as provided herein and as provided in that certain Phase IA Loan Agreement dated as of even date herewith by and between Borrower and Lender (as it may be amended, restated, modified or supplemented and in effect from time to time, the “**Phase IA Loan Agreement**”).

Borrower promises to pay to the order of Lender at its principal office in Rockford, Illinois, on or before the Maturity Date, the lesser of (i) Seven Million Two Hundred Fifty Thousand and No/100 Dollars (\$7,250,000.00), or (ii) the aggregate principal amount of all Loans made to Borrower by Lender under and pursuant to the Phase IA Loan Agreement. Capitalized words and phrases not otherwise defined herein shall have the meanings assigned thereto in the Phase IA Loan Agreement.

The outstanding principal amount of the Loan shall be repaid by Borrower on the Maturity Date, unless payable sooner pursuant to the provisions of the Loan Agreement. Payments of principal are to be made in lawful money of the United States of America.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, the Phase IA Loan Agreement, to which Phase IA Loan Agreement reference is hereby made for a statement of the terms and provisions under which this Note may or must be paid prior to the Maturity Date, or pursuant to which the Maturity Date may be accelerated. The holder of this Note is entitled to all of the benefits and security provided for in the Phase IA Loan Agreement.

Except for such notices as may be expressly required under the Loan Documents, Borrower waives presentment, demand, notice, protest, and all other demands, or notices, in connection with the delivery, acceptance, performance, default, or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence. No failure to exercise, and no delay in exercising, any rights under any of the Loan Documents by Lender or of any holder of this Note shall operate as a waiver of such rights.

This Note shall be governed and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed entirely within such State.

No partners, shareholders, officers, directors, employees or agents of Borrower shall have any personal liability under this Note and Borrower agrees to look solely to the assets of Borrower in connection with any enforcement action under this Note.

[Signature on following page]

IN WITNESS WHEREOF, Borrower has executed this Phase IA Promissory Note as of the date set forth above.

BORROWER:

J. JEFFERS & COMPANY,
a Wisconsin limited liability company

By: _____

Its: _____

PHASE IB LOAN DISBURSING AGREEMENT

THIS PHASE IB LOAN DISBURSING AGREEMENT (“Agreement”) is entered into as of _____, 202_____ (the “Effective Date”), by and among Title Underwriters Agency (“Escrow Agent”), THE CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation (“Lender”), and J. JEFFERS & COMPANY, a Wisconsin limited liability company (“Borrower”).

RECITALS:

A. Borrower is, or on the date of this Agreement will be, the holder of fee simple title to approximately 22 acres of property known as the Barber Colman Campus which includes ten (10) historic commercial/industrial buildings bordered by Loomis Street on the north, Lane and Knowlton Streets on the south, Main Street on the west and the Rock River on the east, all in the City of Rockford, Illinois, and legally described in Exhibit A attached hereto (the “Redevelopment Property”).

B. Borrower and Lender are parties to that certain Redevelopment Agreement (the “Redevelopment Agreement”) with respect to the redevelopment plan and project, entitled the “[Colman Yards Redevelopment Tax Increment Financing Redevelopment Plan and Program”] (the “Redevelopment Plan”).

C. In accordance with the terms and conditions of the Redevelopment Agreement and in furtherance of the Redevelopment Plan, Borrower intends to develop the Redevelopment Property in the following phases: (1) Phase IA, (2) Phase 1B, and (3) Phase II (as such terms are defined in the Redevelopment Agreement), and Lender has agreed to provide certain incentives to Borrower, including without limitation, funding in the form of a no-interest loan to reimburse Borrower for eligible expenses in the development and construction of Phase IB.

D. Lender and Borrower have entered into that certain Phase IB Loan Agreement dated as of the date hereof (“Phase IB Loan Agreement”), with respect to financing provided by Lender to Borrower in the maximum principal amount of up to \$3,000,000.00 (the “Phase IB Loan”) for the development and construction Phase IB of a Project; unless the context otherwise indicates, any capitalized term used but not defined herein shall have the meaning given such term in the Phase IB Loan Agreement.

E. Lender and Borrower have requested that Escrow Agent disburse the Phase IB Loan Proceeds made by Lender under the Phase IB Loan Agreement, and Escrow Agent is willing to do so pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Receipt of Phase IB Loan Proceeds. Escrow Agent acknowledges receipt of the Phase IB Loan Proceeds which have been, or are to be, deposited in Escrow Agent’s Account No. _____ maintained with [Depository’s Name, Address, ABA No.]. Escrow Agent acknowledges it has received and reviewed a copy of the Phase IB Loan Agreement.

2. **Advances**. At the request of Borrower and subject to the terms and conditions of the Phase IB Loan Agreement, Escrow Agent is authorized and directed in strict accordance with this Agreement to disburse advances (“Advances”) of the Phase IB Loan Proceeds so deposited pursuant to this Agreement to pay eligible costs of construction of Phase IB of the Project pursuant to statements of amounts due, which must be approved by Borrower and Lender.
3. **Conditions of Disbursement**. Borrower may obtain Advances for reimbursement for eligible costs incurred by Borrower with respect the development and construction of Phase IB of the Project to the extent of the amount of work completed or materials supplied to the Project by each contractor of the Borrower until the final disbursement of Phase IB Loan Proceeds is made. Prior to the disbursement of an Advance of Phase IB Loan Proceeds, in addition to satisfying the conditions for an Advance under the Phase IB Loan Agreement, Lender and Escrow Agent must be furnished the following items via [\[email address\]](#) a Draw Request signed by Borrower and submitted at least 15 days prior to the date on which the requested Advance is to be made, which date shall be a Business Day (the “Advance Date”), it being expressly understood and agreed that Borrower shall be limited to one Draw Request per calendar month.
4. **Review of Draw Requests; Disbursement of Funds**. Provided that Borrower has complied to Lender’s satisfaction with the terms and conditions with respect to Advances under the Phase IB Loan Agreement, Lender will (on or before the Advance Date) furnish written approval of the relevant Draw Request, along with authorization to disburse to Escrow Agent, and upon receipt of such authorization, Escrow Agent will disburse the amounts shown in the relevant Draw Request directly to Borrower. In the event Lender determines that it is not satisfied with the terms and conditions with respect to an Advance under the Phase IB Loan Agreement, Lender shall provide Escrow Agent and Borrower written notice of such disapprove which written notice shall include the reasons for Lender’s disapproval in reasonable detail on or before the Advance Date (“Disapproval Notice”). If Escrow Agent has not received a Disapproval Notice on or before the Advance Date, Lender shall be deemed to have approved the Advance and Escrow Agent will disburse the amounts shown in the relevant Draw Request directly to Borrower.
5. **No Interest on Funds**. Escrow Agent shall not be liable for interest on funds deposited with it, provided that Escrow Agent will invest funds deposited with it at the direction of Lender.
6. **Reporting**. The parties acknowledge that neither Escrow Agent nor Lender shall be responsible for creating, furnishing or reporting any IRS 1099 notices or filings for any payments it disburses under this Agreement for the parties.
7. **Records**. Escrow Agent will keep and maintain books and records in sufficient detail to reflect the disbursements made by it pursuant to this Agreement. Lender and Borrower may during normal business hours examine the books and records of Escrow Agent pertaining to those disbursements.

8. Duties of Escrow Agent. Functions and duties assumed by Escrow Agent include only those described in this Agreement, and Escrow Agent is not obligated to act except in accordance with the terms and conditions of this Agreement. Escrow Agent does not insure that the Project will be completed, nor that any improvements for the Project will be in accordance with the plans and specifications, nor that sufficient funds will be available for the completion of the Project. Escrow Agent may conclusively rely upon and shall be protected in acting upon any document believed by Escrow Agent to be genuine and to have been signed or presented by the proper parties, consistent with reasonable due diligence on Escrow Agent's part.

9. Custody of Documents. Escrow Agent shall not be responsible for any loss of documents, Advances or funds while such items are not in its custody. Documents or funds which are deposited in the United States mail shall not be construed as being in the custody of Escrow Agent.

10. Fees. Escrow Agent's fee for disbursement shall be \$____.00 per draw. Disbursement fees will be charged against the Borrower for any draws in excess of six (6) draws. All fees charged by Escrow Agent, as provided above, shall be paid for by Borrower.

11. Borrower to Inspect Improvements. Borrower shall be responsible for making inspections of the Improvements during the course of construction, and shall determine to its own satisfaction that the work done or material supplied by each contractor to whom disbursements are to be made out of each advance has been properly done or supplied in accordance with applicable contracts with such contractors. Neither Lender nor Escrow Agent shall be required to conduct any inspection of the Improvements.

12. Limitation on Liability. It is expressly understood and agreed that neither Lender nor Escrow Agent assumes any liability or responsibility for the satisfactory completion of the Improvements, for the adequacy of funds advanced or disbursed by either of them pursuant hereto and to the Phase IB Loan Agreement to complete the Improvements, for inspections during construction, or for any acts on the part of Borrower or any contractor to be performed in the construction of the Improvements.

13. Miscellaneous.

- a. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
- b. This Agreement can be amended or modified only by a written amendment signed by the parties hereto. Nothing in this Agreement is intended to amend or modify any of the rights, duties or obligations of Borrower or Lender under the Phase IB Loan Agreement.
- c. This Agreement may be executed in any number of counterparts, all of which shall constitute a single agreement. Facsimile or electronic transmission of this signed Agreement, and the retransmission of any signed facsimile or electronic

transmission of this Agreement, shall be the same as delivery of the original signed Agreement.

d. Any notice required to be given to Borrower, Lender or Escrow Agent pursuant to this Agreement shall be in writing and shall be deemed duly given (i) on the date of personal delivery, (ii) one business day following dispatch by Federal Express or equivalent, or (iii) three (3) business days after mailing certified mail, postage prepaid, return receipt requested, to the respective addresses of the parties set out below:

If to Borrower:

J. JEFFERS & COMPANY

with copy to:

Daspin & Aument, LLP
300 South Wacker Drive, Suite 2200
Chicago, Illinois 60606
Attn: Brian P. White
Facsimile No.: (312) 258-1955

If to Lender:

with copy to:

If to Escrow Agent:

14. Governing Law; Jurisdiction; Consent to Service of Process.

- a. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS.
- b. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE OTHER PARTY, ITS AFFILIATES OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ADVISORS IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE CIRCUIT COURT OF WINNEBAGO COUNTY, ILLINOIS, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY

BE HEARD AND DETERMINED IN SUCH ILLINOIS STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT.

15. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE).

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Escrow Agent:

TITLE UNDERWRITERS AGENCY

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Lender: THE CITY OF ROCKFORD,
an Illinois municipal corporation

By: _____
Title: _____
Name: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Borrower:

J. JEFFERS & COMPANY,
a Wisconsin limited liability company

By: _____

Its: _____

EXHIBIT A
LEGAL DESCRIPTION

PHASE IB LOAN AGREEMENT

between

**THE CITY OF ROCKFORD,
AN ILLINOIS MUNICIPAL CORPORATION,
as Lender**

and

**J. JEFFERS & CO,
A WISCONSIN LIMITED LIABILITY COMPANY
as Borrower**

Dated as of ____ __, 202__

PHASE IB LOAN AGREEMENT

THIS PHASE IB LOAN AGREEMENT (the “Agreement”) is executed as of _____, 202___, by and between **THE CITY OF ROCKFORD, ILLINOIS**, an Illinois municipal corporation (“Lender”), and **J. JEFFERS & COMPANY**, a Wisconsin limited liability company (“Borrower”).

RECITALS:

A. Borrower is, or on the date of this Agreement will be, the holder of fee simple title to approximately 22 acres of property known as the Barber Colman Campus which includes ten (10) historic commercial/industrial buildings bordered by Loomis Street on the north, Lane and Knowlton Streets on the south, Main Street on the west and the Rock River on the east, all in the City of Rockford, Illinois, and legally described in Exhibit A attached hereto (the “Redevelopment Property”).

B. Borrower and Lender are parties to that certain Redevelopment Agreement (the “Redevelopment Agreement”) with respect to the redevelopment plan and project, entitled the “[Colman Yards Redevelopment Tax Increment Financing Redevelopment Plan and Program”] (the “Redevelopment Plan”).

C. In accordance with the terms and conditions of the Redevelopment Agreement and in furtherance of the Redevelopment Plan, Borrower intends to develop the Redevelopment Property in the following phases: (1) Phase IA, (2) Phase 1B, and (3) Phase II (as such terms are defined in the Redevelopment Agreement), and Lender has agreed to provide certain incentives to Borrower, including without limitation, funding in the form of a no-interest loan to reimburse Borrower for eligible expenses in the development and construction of Phase IB.

NOW, THEREFORE, in consideration of the above premises, and the mutual covenants and agreements set forth herein, and for one dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION.

1.1 Exhibits Incorporated. All exhibits to this Agreement, as now existing and as the same may from time to time be modified, are fully incorporated herein by this reference.

1.2 Defined Terms. All capitalized terms used in this Agreement and not otherwise defined in this Agreement or in the Redevelopment Agreement shall have the following meanings:

“Affiliate” means, with respect to any Person (i) any Person directly or indirectly Controlling, Controlled By, or Under Common Control With such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (iii) any officer, director, or general partner of such Person, (iv) any Person who is an officer, director,

general partner, trustee, or holder of ten percent (10%) or more of the voting interest of any Person described in clauses (i) through (iii) of this sentence, (v) any Person related by birth or marriage to such Person, and (vi) any entity having indebtedness now or hereafter owed to Lender which is guaranteed by such Person.

“Applicable Laws” means all laws, statutes, ordinances, rules, regulations, judgments, decrees or orders of any state, federal or local Governmental Authority which are applicable to Borrower and/or the Redevelopment Property.

“Business Day” means any day other than a Saturday, Sunday, federal holiday or other day on which banks in Rockford, Illinois are authorized or required to be closed.

“Closing” means the execution and delivery of the Loan Documents and the satisfaction of all conditions required in Section 3.1 hereof.

“Code” means the Internal Revenue Code of 1986, as amended.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controls”**, **“Controlling”**, **“Controlled By”** and **“Under Common Control With”** have meanings correlative thereto.

“Default” means the occurrence of any event, circumstance or condition which constitutes a breach of or a default under this Agreement or any other Loan Document and which, after the giving of any required notice and/or the passage of any applicable cure period, would constitute an Event of Default under this Agreement or any other Loan Document.

“Designated Persons” means a Prohibited Person or any person or entity in which a Prohibited Person has 10% or greater ownership interest or that is otherwise Controlled by an Prohibited Person.

“Disbursing Agreement” means that certain Phase IB Loan Disbursing Agreement dated on or about the Closing Date made by and among the Borrower, the Lender and the Title Company, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Draw Request” means a statement of the Borrower requesting release of a portion of the Loan Proceeds to reimburse Borrower for eligible expenses in the development and construction of Phase IB submitted to Title Company pursuant to the terms and conditions of the Disbursing Agreement.

“Dollars” or **“\$”** refers to the lawful money of the United States of America.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“Event of Default” means any event so designated in Section 7.1, or any other section or provision, of this Agreement.

“Executive Order” has the meaning set forth in the definition of “Sanctions Laws and Regulations.”

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Improvements” means all buildings and other improvements and fixtures now or hereafter comprising any portion of the Redevelopment Property.

“Loan” means the loan made hereunder and governed by the terms hereof.

“Loan Amount” means \$3,000,000.00.

“Loan Closing Date” means the date upon which the Closing occurs.

“Loan Documents” means, collectively, this Agreement, the Note and the Disbursing Agreement, and any other agreement, document or instrument evidencing the obligations of Borrower to Lender that Lender reasonably requires in connection with the execution of this Agreement or from time to time to effectuate the purposes of this Agreement, together with all amendments, restatements, supplements and modifications thereof.

“Loan Proceeds” means all amounts advanced as part of the Loan, whether advanced directly to Borrower or otherwise.

“Manager” means _____, and any other Person that now or hereafter is the Manager of Borrower.

“Maturity Date” means February 1, 2047.

“Note” means that certain Phase IB Promissory Note in the stated principal amount of \$3,000,000.00 dated as of even date herewith made by Borrower and payable to the order of Lender, as the same may be amended, restated, modified or supplemented and in effect from time to time.

“Obligations” means all unpaid principal of the Loan, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other indebtedness, liabilities or obligations of Borrower to Lender or any indemnified party arising under the Loan Documents.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Party” means any Person (other than Lender) who is a party or signatory to any Loan Document.

“Patriot Act” means Title III of Pub. L. 107-56, signed into law October 26, 2001.

“Person” means any entity, whether an individual, trustee, corporation, partnership, limited liability company, trust, unincorporated organization, Governmental Authority, or otherwise.

“Personal Property” means all of Borrower’s right, title and interest, whether now existing or hereafter acquired, in and to all furniture, furnishings, fixtures, machinery, equipment, inventory and other personal property of every kind, tangible and intangible, now or hereafter (i) located on or about the Property, (ii) used or to be used in connection with the Property, or (iii) relating or arising with respect to the Property.

“Policies” shall mean those policies of insurance that Borrower is required by Lender to maintain, including those set forth in Article 7 and Exhibit B hereof; and each, a “Policy.”

“Prohibited Person” shall have the meaning ascribed to such term in Section 5.13(d) of this Agreement.

“Property” means all of Borrower’s right, title and interest, whether now existing or hereafter acquired, in and to the Redevelopment, all Improvements and fixtures now or hereafter located thereon, and all additions and accretions thereto.

“Redevelopment Property” has the meaning provided in Recital A of this Agreement.

“Sanctioned Country” means, at any time, a country or territory which is itself the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Prohibited Person or any Person listed in any Sanctions-related list of designated Persons maintained by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) an Affiliate of such Person.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Sanctions Laws and Regulations” mean any Sanctions, prohibitions or requirements imposed by any executive order (an “Executive Order”) or by any sanctions program administered by OFAC.

“Taxes” means all taxes, assessments, levies and charges imposed by any public or quasi-public authority having jurisdiction over the Property which are or may affect, or become a lien upon, the Property, or interest therein, or imposed by any Governmental Authority upon Borrower or Lender by reason of their respective interests in the Property or by reason of any payment, or portion thereof, made to Lender hereunder or pursuant to any Obligation or any of the other Loan Documents, other than taxes which are measured by and imposed upon Lender’s general net income.

“Title Company” means the title company which issues the Title Policy.

“Title Policy” has the meaning provided in Section 3.1(b) of this Agreement.

“To Borrower’s knowledge” means the current actual knowledge of _____.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

1.3 Singular and Plural Terms. Any defined term used in the plural in any Loan Document shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.4 Accounting Principles. Any accounting term used and not specifically defined in any Loan Document shall be construed in conformity with, and all financial data required to be submitted under any Loan Document shall be prepared in conformity with, GAAP applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to Lender.

1.5 References and Other Terms. Any reference to any Loan Document or other document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections and Exhibits shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term “document” is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms “including” and “include” mean “including (include) without limitation.”

2. THE LOAN.

2.1 Agreement to Borrow and Lend. Borrower agrees to borrow from Lender, and Lender agrees to lend to Borrower, an amount not to exceed the Loan Amount, on the terms of and subject to the conditions of this Agreement. The Loan is not a revolving facility, and Borrower shall not have the right to re-borrow any portion of the principal balance of the Loan repaid by Borrower.

2.2 Loan Advances Evidenced by Note. All disbursements hereunder shall be evidenced by the Note, which shall be executed and delivered by Borrower simultaneously with the execution of this Agreement.

2.3 Interest. No interest shall accrue on the Loan.

2.4 Payments of Principal.

(a) Commencing on February 1, 2030 (the “Payment Commencement Date”), and continuing on the first (1st) day of each February thereafter through and including the year in which the Maturity Date occurs, principal shall be payable in equal annual installments in an amount sufficient to amortize the Loan Amount (or the outstanding principal balance of the Loan as of the Payment Commencement Date) over an assumed thirty- (30-) year amortization period.

(b) Notwithstanding anything in Section 2.4(a) to the contrary, if at any time prior to February 1, 2030, Borrower shall fail to make substantial, meaningful, and continuous progress on development and construction of the Phase IB of the Project, as reasonable determined by Lender and subject to any delays caused by Force Majeure, and such failure continues for a period of ninety (90) days following written notice of such failure in reasonable detail delivered to Borrower, then at Lender’s option, the Payment Commencement Date shall be accelerated to the date on which the ninety (90) day cure period expires.

2.5 Prepayment. The Loan shall be prepayable at any time without penalty.

2.6 Sanctions Laws and Regulations.

(a) Borrower shall not, directly or indirectly, use the proceeds of the Loan, or lend, contribute or otherwise make available such proceeds to any joint venture partner or other Person or entity (i) to fund any activities or business of or with any Designated Person, or in any Sanctioned Country, or (ii) in any other manner that would result in a violation of any Sanctions Laws and Regulations by any Party.

(b) None of the funds or assets of Borrower that are used to pay any amount due pursuant to this Agreement shall constitute funds obtained from transactions with or relating to Designated Persons or any Sanctioned Country.

2.7 Loan Expenses. Borrower and Lender shall each be responsible for their own costs and fees incurred in connection with this Agreement.

3. **CONDITIONS TO CLOSING.**

3.1 Closing Deliveries. On or before the Loan Closing Date, unless a different date is specified below, Borrower shall execute and/or deliver to Lender those of the following documents and other items required to be executed and/or delivered by Borrower, and shall cause to be executed and/or delivered to Lender those of the following documents and other items required to be executed and/or delivered by others, all of which documents and other items shall contain such provisions as shall

be required to conform to this Agreement and otherwise shall be satisfactory in form and substance to Lender:

- (a) Loan Documents. Fully executed original copies of each of the Loan Documents.
- (b) Organizational Documents. A certified copy (certified, where applicable, by the state office in which such documents were filed, and in all other cases by an appropriate representative of the entity) of:
 - (i) The Certificate of Formation and the duly executed Operating Agreement of Borrower;
 - (ii) Resolutions by the Borrower authorizing the execution and delivery of the Loan Documents, certified by an appropriate representative of the Borrower;
 - (iii) An incumbency certificate, including specimen signatures for all individuals executing any of the Loan Documents, certified by the secretary or other appropriate representative of the Borrower;
- (c) Real Estate Taxes. Evidence satisfactory to Lender that real estate taxes due and payable with respect to the Redevelopment Property, if any, have been paid in full.
- (d) Additional Documents. Such other papers and documents regarding the Borrower as Lender may reasonably require.

3.2 Truthfulness of Statements as of Closing. As conditions precedent to the Closing, the following statements shall be true and correct on the Closing Date, and Borrower hereby represents and warrants to Lender the following:

- (a) The representations and warranties contained in Section 5 of this Agreement are correct on and as of the Closing as though made on and as of such date;
- (b) No Default has occurred and is continuing, and no Event of Default has occurred, hereunder, or would result from the execution and delivery of the Loan Documents;
- (c) No litigation has been instituted against the Borrower which would be reasonably likely to have a material adverse effect on the condition (financial or otherwise) of the Borrower's ability to perform its Obligations hereunder, under any of the Loan Documents; and

4. **DISBURSEMENT.**

4.1 Loan Disbursement. Subject to the satisfaction of the terms and conditions contained in this Article 4, the entirety of the Loan Amount shall be deposited with the Title Company at Closing. The Borrower may from time to time request disbursements of the Loan by delivering to the Title Company and the Lender a properly completed Draw Request executed by an Authorized Officer in accordance with the terms and conditions of the Disbursing Agreement. The Borrower hereby irrevocably authorizes the Lender to disburse the Loan proceeds requested pursuant to this Section in immediately available funds in accordance with the Disbursing Agreement.

4.2 Expenses and Advances. Any and all advances or payments made by Lender hereunder, from time to time, and any amounts expended by Lender pursuant to this Agreement, together with reasonable attorneys' fees, if any, shall be deemed to have been disbursed as part of the Loan and be and become Obligations hereunder secured and guaranteed by the Loan Documents, whether or not the aggregate of such Obligations shall exceed the face amount of the Note; provided, that Lender shall give simultaneous written notice to Borrower of any such advance so long as no Event of Default shall have occurred.

4.3 Acquiescence not a Waiver. To the extent that Lender may have acquiesced (whether intentionally or unintentionally) in the Borrower's failure to comply with and satisfy any condition precedent to the Closing or to any disbursement of Loan Proceeds, such acquiescence shall not constitute a waiver by Lender of any condition precedent set forth in this Agreement, and Lender at any time thereafter may require the Borrower to comply with and satisfy all conditions and requirements of this Agreement.

5. **REPRESENTATIONS AND WARRANTIES.** As a material inducement to Lender's entry into this Agreement, Borrower represents and warrants to Lender that:

5.1 Formation, Qualification and Compliance.

(a) Organization and Existence. Borrower is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Wisconsin and is qualified to do business in the State of Illinois and in all other jurisdictions in which Borrower is transacting business.

(b) Authorization. Borrower has the power and authority to execute, deliver and perform the obligations imposed on it under the Loan Documents and to consummate the transactions contemplated by the Loan Documents and has taken all necessary actions in furtherance thereof including, without limitation, that any Person whose approval is required by the terms of Borrower's organizational documents has duly approved the transactions contemplated by the Loan Documents and has authorized execution and delivery thereof by the respective signatories. No other consent by any local, state or federal agency is required in connection with the execution and delivery of the Loan Documents.

(c) **Valid Execution and Delivery.** All of the Loan Documents requiring execution by Borrower have been duly and validly executed and delivered by Borrower.

(d) **Enforceability.** All of the Loan Documents constitute valid, legal and binding obligations of Borrower and are fully enforceable against Borrower in accordance with their terms, subject only to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

5.2 Tax Liability. Borrower has filed all required federal, state and local tax returns and has paid, prior to delinquency, all taxes payable by it (including interest and penalties, but subject to lawful extensions disclosed to Lender and Lender in writing) other than taxes being promptly and actively contested in good faith and by appropriate proceedings. Borrower agrees to maintain adequate reserves for tax liabilities (including contested liabilities) in accordance with GAAP or in accordance with such other principles or methods as are reasonably acceptable to Lender.

5.3 Rights of Others. Borrower is in compliance with all covenants, conditions, restrictions, easements, rights of way and other rights of third parties relating to the Redevelopment Property.

5.4 ERISA. Borrower is not and will not be an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA. The assets of Borrower do not and will not constitute “plan assets” of one or more such plans within the meaning of 29 C.F.R. Sec. 2510.3-101. Borrower is not and will not be a “governmental plan” within the meaning of Section 3(32) of ERISA. Transactions by or with Borrower are not and will not be subject to any state or other statute, regulation or other restriction regulating investments of, or fiduciary obligations with respect to, governmental plans within the meaning of Section 3(32) of ERISA which is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code and which prohibit or otherwise restrict the transactions contemplated by this Agreement, including but not limited to the exercise by Lender of any of its rights under the Loan Documents. Neither Borrower, nor any member of a “controlled group of corporations” (within the meaning of Section 414 of the Code) maintains, sponsors or contributes to a “defined benefit plan” (within the meaning of Section 3(35) of ERISA) or a “multiemployer pension plan” (within the meaning of Section 3(37)(A) of ERISA).

5.5 Foreign Person. Borrower is not a “foreign person” within the meaning of Section 1445(f)(3) of the Code.

5.6 No Defenses. This Agreement, the Note, and the other Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense, nor would the operation of any of the terms of this Agreement, the Note or any of the other Loan Documents, or the exercise of any right thereunder, render this

Agreement, the Note, or any of the other Loan Documents unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury.

5.7 No Conflict/Violation of Law. The execution, delivery and performance of the Loan Documents by Borrower will not cause or constitute a default under or conflict with the organizational documents of Borrower. The execution, delivery and performance of the obligations imposed on Borrower under the Loan Documents will not cause Borrower to be in default, including after due notice or lapse of time or both, under the provisions of any agreement, judgment or order to which Borrower or by which Borrower is bound.

5.8 Consents Obtained. All consents, approvals, authorizations, orders or filings with any court or governmental agency or body, if any, required for the execution, delivery and performance of the Loan Documents by Borrower have been obtained or made.

5.9 No Litigation. There are no pending actions, suits or proceedings, arbitrations or governmental investigations against the Property or Borrower, whether pursuant to the Loan Documents or otherwise, an adverse outcome of which would (after taking into account applicable insurance for which the applicable insurer has affirmatively confirmed coverage) materially affect Borrower's performance under this Agreement, the Note, or any of the other Loan Documents.

5.10 Investment Company Act. Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 2005, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

5.11 Government Regulation. Borrower shall not (a) be or become subject at any time to any law, regulation, or list of any Governmental Authority (including, without limitation, the OFAC list) that prohibits or limits the Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower, or (b) fail (i) to provide documentary and other evidence of Borrower's identity or the identity of any direct or indirect beneficial owner or control person of the Borrower as may be reasonably requested by Lender at any time and from time to time to enable Lender to verify the identity of Borrower and any beneficial owner of Borrower, (ii) to certify to Lender at any time and from time to time as may be reasonably requested by Lender the names, addresses and other requested information of direct and indirect beneficial owners and control persons of Borrower, or at all times to comply with any applicable law or regulation, including, without limitation, Section 326 of the Patriot Act and 31 C.F.R. Section 1010.230.

5.12 Continuing Nature of Representations and Warranties. Borrower acknowledges, understands, and agrees that the representations and warranties set forth in this Section 5 shall be deemed to be continuing during all times when any or all of the Obligations remain outstanding.

6. **AFFIRMATIVE COVENANTS.** While any obligation of Borrower under the Loan Documents remains outstanding, the following provisions shall apply, except to the extent that Lender otherwise consents in writing:

6.1 Existence and Control. Borrower shall maintain its existence as a limited liability company in good standing under the laws of the State of Wisconsin and qualified to do business in the State of Illinois.

6.2 Notice of Certain Matters. Borrower shall give notice to Lender, within fifteen (15) days after Borrower obtains actual knowledge thereof, of each of the following:

(a) any litigation or claim affecting or relating to the Property and involving an amount in excess of \$100,000.00; and any litigation or claim that might subject Borrower to liability in excess of \$100,000.00, whether covered by insurance or not;

(b) any dispute between Borrower and any Governmental Authority relating to the Property, the adverse determination of which might materially affect the Property;

(c) any Default or Event of Default under any Loan Document;

6.3 Further Assurances. Borrower shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Lender all documents, and take all actions, reasonably required by Lender from time to time to confirm the rights created or now or hereafter intended to be created under the Loan Documents, to protect and further the validity, priority and enforceability of the Loan Documents, to subject to the Loan Documents any property intended by the terms of any Loan Document to be covered by the Loan Documents, to correct clerical errors herein and in the Loan Documents or otherwise to carry out the purposes of the Loan Documents and the transactions contemplated hereunder and thereunder.

6.4 Books and Records. Borrower shall maintain proper books of accounts and records and enter therein complete and accurate entries and records of all of its transactions in accordance with GAAP, or reasonable cash accounting methods consistently applied in accordance with the past practices and give representatives of Lender access thereto at all reasonable times upon reasonably prior written notice, subject to the rights of Building Tenant and other Tenants, including permission to: (i) examine, copy and make abstracts from any books and records and such other information which might be helpful to Lender in evaluation the status of the Obligations as it may reasonably request from time to time, and (ii) communicate directly with any of the Borrower's officers, employers, agents, accountants or other

financial advisors with respect to the business, financial conditions and other affairs of the Borrower.

6.5 Additional Banking Laws. The Borrower shall (a) ensure, and cause each Affiliate to ensure, that no person who owns a controlling interest in or otherwise Controls the Borrower or any Affiliate is or shall be listed on the “Specially Designated Nationals and Blocked Person List” or other similar lists maintained by the OFAC, the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, (c) promptly notify Lender of any change in ownership of Borrower, or of any change in ownership of any direct or indirect owner of Borrower, to the extent any such ownership change results in a change in the Persons who directly or indirectly own at least 10% of the equity interests of Borrower, or to the extent any direct or indirect owner of Borrower is a Prohibited Person, and (d) comply, and cause each Affiliate to comply, with all applicable bank secrecy act laws and regulations, as amended.

7. DEFAULTS AND REMEDIES.

7.1 Events of Default. The occurrence of any one or more of the following shall constitute an “Event of Default” as said term is used herein, and any Event of Default which may occur hereunder shall constitute an Event of Default under each of the other Loan Documents:

- (a) Borrower fails to pay any scheduled installment of principal payable pursuant to the terms of the Note or any other amount payable to Lender under the Note, this Agreement, or any of the other Loan Documents within five (5) days after written notice from Lender; or
- (b) Borrower fails to perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by Borrower under the Note, this Agreement, or any of the other Loan Documents and not specifically described in this Section 7.1 or in the Default section of any other Loan Document; provided, however, that if such failure by its nature can be cured, then so long as the continued operation and safety of the Property is not impaired, threatened or jeopardized, then Borrower shall have a period (the “Cure Period”) of thirty (30) days after Borrower receives written notice of such failure from Lender to cure the same and an Event of Default shall not be deemed to exist during the Cure Period; provided further that if such failure by its nature can be cured but cannot be cured by the payment of money and Borrower commences to cure such failure during the Cure Period and is diligently and in good faith attempting to effect such cure, the Cure Period shall be extended for sixty (60) additional days, but in no event shall the Cure Period be longer than ninety (90) days in the aggregate; or

(c) any representation or warranty made in any Loan Document or in any report, certificate, financial statement, document or other instrument delivered pursuant to or in connection with this Agreement or any of the other Loan Documents shall be materially breached by Borrower or shall prove to be false or misleading in any material respect upon the date when made or deemed to be made or repeated and Borrower shall fail to take such action as may be required to correct such breach or to make such representation or warranty not false or misleading in all material respects within thirty (30) days after written notice from Lender thereof; or

(d) Borrower is dissolved, liquidated or terminated, or all or substantially all of the assets of Borrower are sold or otherwise transferred without Lender's prior written consent if and to the extent such consent is required pursuant to the terms and conditions of the Redevelopment Agreement; or

(e) Borrower is the subject of an order for relief by a bankruptcy court which such order continues undismissed or unstayed for ninety (90) days, or admits its inability (whether through repudiation or otherwise) to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Borrower and the appointment continues undischarged or unstayed for ninety (90) days; or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of indebtedness, dissolution, custodianship, conservatorship, liquidation, construction or similar proceeding relating to it or any part of its property; or any similar proceeding is instituted without the consent of Borrower and continues undismissed or unstayed for ninety (90) days; or any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against any property of Borrower and is not released, vacated or bonded over to Lender's satisfaction within sixty (60) days after its issue or levy; or

(f) Borrower is enjoined or otherwise prohibited by any Governmental Authority from occupying and operating the Property and such injunction or prohibition continues unstayed for thirty (30) days or more for any reason; or

(g) Any material provision of this Agreement or the other Loan Documents shall at any time for any reason cease to be valid and binding on the Borrower, or shall be declared to be null and void, or the validity or enforceability thereof shall be successfully contested by any Governmental Authority, or Borrower shall deny that it has any or further liability or obligation under this Agreement or any of the other Loan Documents; or

(h) All or any material portion of the Property is condemned, seized or appropriated by a Governmental Authority; or

(i) The existence of any fraud, dishonesty or bad faith by or with the acquiescence of Borrower which in any way relates to or affects the Loan or the Property; or

(j) The occurrence of any event specifically identified as an Event of Default in any other section of this Agreement or in any other Loan Document.

7.2 Remedies Upon Default. Upon the occurrence of any Event of Default, Lender shall take such action or actions as Lender may direct, at Lender's option and in its absolute discretion, including, but not limited to, any or all of the following actions:

(a) Terminate any obligation or responsibility on the part of Lender to make further advances of Loan Proceeds or of any other amounts held by Lender and constituting security for the Obligations pursuant to this Agreement or any other Loan Document;

(b) Declare the outstanding principal balance of the Loan, together with all accrued interest thereon and other amounts owing in connection therewith, to be immediately due and payable in full, regardless of any other specified due date, and in the event of the occurrence of an Event of Default under Section 7.1(e) such principal shall become immediately due automatically; and/or

(c) Exercise any of its rights under the Loan Documents and any rights provided by Applicable Laws, including the right to foreclose on any security and exercise any other rights with respect to any security, all in such order and manner as Lender elects in its absolute discretion.

7.3 Cumulative Remedies, No Waiver. Lender's rights and remedies under the Loan Documents are cumulative and in addition to all rights and remedies provided by applicable law from time to time. The exercise or direction to exercise by Lender of any right or remedy shall not constitute a cure or waiver of any default, nor invalidate any notice of default or any act done pursuant to any such notice, nor prejudice Lender in the exercise of any other right or remedy. No waiver of any default shall be implied from any omission by Lender to take action on account of such default if such default persists or is repeated. No waiver of any default shall affect any default other than the default expressly waived, and any such waiver shall be operative only for the time and to the extent stated. No waiver of any provision of any Loan Document shall be construed as a waiver of any subsequent breach of the same provision. The consent by Lender to any act by Borrower requiring further consent or approval shall not be deemed to waive or render unnecessary Lender's consent to or approval of any subsequent act. Lender's acceptance of the late performance of any obligation shall not constitute a waiver by Lender of the right to require prompt performance of all further obligations; Lender's acceptance of any performance following the sending or filing of any notice of default shall not constitute a waiver of Lender's right to proceed with the exercise of remedies for any unfulfilled obligations; and Lender's acceptance of any partial performance shall not

constitute a waiver by Lender of any rights relating to the unfulfilled portion of the applicable obligation.

8. MISCELLANEOUS.

8.1 Nonliability. Borrower acknowledges and agrees that:

- (a) notwithstanding any other provision of any Loan Document: (i) Lender is not and shall be deemed a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Borrower and Lender does not intend to ever assume any such status; (ii) Lender does not intend to ever assume any responsibility to any Person for the quality or safety of the Property, and (iii) Lender shall not be deemed responsible for or a participant in any acts, omissions or decisions of Borrower;
- (b) Lender shall not be directly or indirectly liable or responsible in any way for any loss, cost, damage, penalty, expense, liabilities or injury of any kind to any Person or property resulting from any construction on, or development, occupancy, ownership, management, operation, possession, condition or use of, the Property (except to the extent solely caused by Lender's or Lender's gross negligence or willful misconduct), including without limitation those resulting or arising directly or indirectly from: (i) any defect in any Improvements; (ii) any act or omission of Borrower or any of Borrower's agents, employees, independent contractors, licensees or invitees; or (iii) any accident on the Property or any fire or other casualty or hazard thereon; and
- (c) By accepting or approving anything required to be performed or given to Lender under the Loan Documents, including any certificate, financial statement, Survey, appraisal or insurance policy, Lender shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by Lender to anyone.

8.2 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of Lender to Borrower, or any other claim by Borrower against Lender in connection with the Loan or otherwise, Borrower hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Borrower's obligations under the Loan Documents or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Borrower of any of its obligations under the Loan Documents.

8.3 Notices. Any notices, communications and waivers under this Agreement shall be in writing and shall be (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (c) sent by overnight express carrier, addressed in each case as follows:

To the Lender: _____

With a copy to: _____

To the Borrower: J. Jeffers & Company

With a copy to: Daspin & Aument, LLP
 300 South Wacker Drive, Suite 2200
 Chicago, Illinois 60606
 Attn: Brian P. White
 Facsimile No.: (312) 258-1955

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this section shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next Business Day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third Business Day following the day sent or when actually received.

8.4 Survival of Representations and Warranties. All representations and warranties of Borrower in the Loan Documents shall survive the making of the Loan and have been or will be relied on by Lender and Lender notwithstanding any investigation made by Lender or Lender, as the case may be.

8.5 No Third Parties Benefited. This Agreement is made for the purpose of setting forth rights and obligations of Borrower and Lender, and no other Person shall have any rights hereunder or by reason hereof.

8.6 Binding Effect, Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, Borrower and Lender and their respective successors and assigns. This Agreement is assignable by Lender or Borrower, and any full or partial assignment hereof by Lender or Borrower shall operate to vest in the assignee all rights, powers and obligations herein conferred upon and granted to each such party and so assigned by such party. Each assigning party shall give the other party reasonable notice of any such assignment and transfer of such assigning party's interest in this Agreement.

8.7 Counterparts. Any Loan Document may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

8.8 Prior Agreements; Amendments; Consents. The Redevelopment Agreement and this Agreement (together with the other Loan Documents) contains the entire agreement among Lender and Borrower with respect to the Loan, and all prior negotiations, understandings and agreements (including, but not limited to, any commitment letter issued by Lender to Borrower) are superseded by this Agreement and such other Loan Documents. No modification of any Loan Document (including

waivers of rights and conditions) shall be effective unless in writing and signed by the party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. Notwithstanding the foregoing, Lender shall have the right to waive or modify, conditionally or unconditionally, the conditions to its approvals and consents hereunder, without the consent of any party. Consents and approvals to be obtained from Lender shall be in writing.

8.9 Governing Law. All of the Loan Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois without regard to the conflicts of laws principles thereof.

8.10 Severability of Provisions. No provision of any Loan Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Loan Documents are hereby declared to be severable.

8.11 Headings. Article and section headings are included in the Loan Documents for convenience of reference only and shall not be used in construing the Loan Documents.

8.12 Conflicts. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, this Agreement shall prevail; provided however that, with respect to any matter addressed in both such documents, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

8.13 Time of the Essence. Time is of the essence of all of the Loan Documents.

8.14 JURY WAIVER. BORROWER AND LENDER EACH HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG BORROWER AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR ANY RELATIONSHIP BETWEEN BORROWER AND LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE LOAN DESCRIBED HEREIN AND IN THE OTHER LOAN DOCUMENTS.

8.15 JURISDICTION AND VENUE. BORROWER AND LENDER EACH HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY IT AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT SHALL BE LITIGATED IN THE CIRCUIT COURT OF WINNEBAGO COUNTY, ILLINOIS.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

BORROWER:

J. JEFFERS & COMPANY, a Wisconsin limited liability company

By: _____

Its: _____

STATE OF WISCONSIN)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2023, by _____, the _____ of J. Jeffers & Company, a limited liability company under the laws of the State of Wisconsin, on behalf of the limited liability company.

Notary Public

LENDER:

THE CITY OF ROCKFORD,
an Illinois municipal corporation

By: _____
Title: _____

Name: _____

EXHIBIT A**LEGAL DESCRIPTION**

PHASE IB PROMISSORY NOTE

\$3,000,000.00

Date: ____, 202____

THIS PHASE IB PROMISSORY NOTE (this “**Note**”) is made in Rockford, Illinois as of _____, 202____ by J. JEFFERS & COMPNAY, a Wisconsin limited liability company (“**Borrower**”) for the benefit of THE CITY OF ROCKFORD, ILLINOIS, an Illinois municipal corporation, in its capacity as a lender (“**Lender**”), in the original principal amount of Three Million and No/100 Dollars (\$3,000,000.00), as provided herein and as provided in that certain Phase IB Loan Agreement dated as of even date herewith by and between Borrower and Lender (as it may be amended, restated, modified or supplemented and in effect from time to time, the “**Phase IB Loan Agreement**”).

Borrower promises to pay to the order of Lender at its principal office in Rockford, Illinois, on or before the Maturity Date, the lesser of (i) Three Million and No/100 Dollars (\$3,000,000.00), or (ii) the aggregate principal amount of all Loans made to Borrower by Lender under and pursuant to the Phase IB Loan Agreement. Capitalized words and phrases not otherwise defined herein shall have the meanings assigned thereto in the Phase IB Loan Agreement.

The outstanding principal amount of the Loan shall be repaid by Borrower on the Maturity Date, unless payable sooner pursuant to the provisions of the Loan Agreement. Payments of principal are to be made in lawful money of the United States of America.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, the Phase IB Loan Agreement, to which Phase IB Loan Agreement reference is hereby made for a statement of the terms and provisions under which this Note may or must be paid prior to the Maturity Date, or pursuant to which the Maturity Date may be accelerated. The holder of this Note is entitled to all of the benefits and security provided for in the Phase IB Loan Agreement.

Except for such notices as may be expressly required under the Loan Documents, Borrower waives presentment, demand, notice, protest, and all other demands, or notices, in connection with the delivery, acceptance, performance, default, or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence. No failure to exercise, and no delay in exercising, any rights under any of the Loan Documents by Lender or of any holder of this Note shall operate as a waiver of such rights.

This Note shall be governed and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed entirely within such State.

No partners, shareholders, officers, directors, employees or agents of Borrower shall have any personal liability under this Note and Borrower agrees to look solely to the assets of Borrower in connection with any enforcement action under this Note.

[Signature on following page]

IN WITNESS WHEREOF, Borrower has executed this Phase IB Promissory Note as of the date set forth above.

BORROWER:

J. JEFFERS & COMPANY,
a Wisconsin limited liability company

By: _____

Its: _____

**AMENDED BROWNFIELDS REVOLVING LOAN FUND
LOAN AGREEMENT BETWEEN J. JEFFERS & CO. AND THE CITY OF
ROCKFORD**

Colman Yards Redevelopment Site

Environmental Cleanup Actions

This Amended Loan Agreement (the “Agreement”) is made and entered into on this _____ day of _____, 2023 by and between J. Jeffers & Co., LLC a Wisconsin limited liability company, (“J. Jeffers”) and the City of Rockford, an Illinois municipal corporation (“City”). This Agreement shall amend and replace the prior Brownfields Revolving Loan Fund Loan Agreement, executed on December 28, 2022, between J. Jeffers & Co. and the City of Rockford, as to include supplemental Revolving Loan Funds and post-closeout Program Income as described within.

RECITALS

WHEREAS, the City is the recipient of a grant (the “Grant”) to establish the Revolving Loan Fund (“RLF”) from the U.S. Environmental Protection Agency (“USEPA”) and is authorized to make loans pursuant to the Small Business Liability Relief and Brownfields Revitalization Act, Section 104(k) of CERCLA, 42 U.S.C. 9604(k), and as a condition of awarding the Grants, the EPA has placed requirements on the use of the Grants and Program Income as documented in Cooperative Agreements numbered BF-00E45801-A, BF-4B01E45801-0, and CO05000001, as amended, (the “CA”); and

WHEREAS, J. Jeffers has entered into a Purchase Agreement dated October 7, 2021, as amended, to purchase the City owned property commonly known as the Barber Colman Campus located at 1200 Rock Street, Rockford, Illinois, as legally described and as depicted in Attachment A (the “Property”); and

WHEREAS, the City and J. Jeffers intend to enter into a Redevelopment Agreement in which Developer will undertake the phased redevelopment of the Property which includes the remediation of the Environmental Condition, the renovating of the existing buildings and the construction of additional new buildings to create a transit-oriented, pedestrian friendly, mixed-use development with up to 130,210 square feet of neighborhood retail uses, approximately 964 dwelling units made up of historic apartments and new townhomes and flats, four new mixed-use buildings and two enclosed parking garages, 150,000 square feet of open space which will include extensive public spaces, a public central yard and grass amphitheater, and other public and private improvements to the adjacent streets, alleys, and streetscape (the “Redevelopment Project”); and

WHEREAS, J. Jeffers is an eligible Borrower for the RLF Program and is not a PRP at this site; and

WHEREAS, J. Jeffers is willing to coordinate and conduct the remedial environmental actions on the Property (the “RLF Project”); and

WHEREAS, remedial environmental actions shall consist of site preparation activities, site security, asbestos abatement, lead paint removal and encapsulation, contaminated soil/groundwater cleanup, construction of engineered barriers where needed, and any additional eligible environmental cleanup activities. (“Environmental Cleanup Actions”)

WHEREAS, a determination of Site Eligibility was prepared for Hazardous Substances and Petroleum by Fehr-Graham and Associates. These documents were approved by the USEPA. Subsequently, the determinations demonstrated qualification of the Property for consideration of funding through the U.S. Environmental Protection Agency (EPA) Brownfields Cleanup Revolving Loan Fund (RLF) as demonstrated by Attachment B; and

WHEREAS, the most recent Supplemental Phase II Environmental Site Assessments were performed and completed in August and September of 2022; and

WHEREAS, the City has enrolled the Property in the Voluntary Site Remediation Program (SRP) of the Illinois Environmental Protection Agency (IEPA) and upon purchase of the Property J. Jeffers will re-enroll the Property in the SRP under J. Jeffers & Co., LLC and/or its assigns; and

Whereas, J. Jeffers & Co., LLC and/or its assigns seeks to obtain a No Further Remediation (NFR) from the IEPA’s SRP for residential cleanup standards at the completion of the Environmental Actions for the Redevelopment Project; and

WHEREAS, the estimated total cost of the Environmental Cleanup Actions for the entire Property site exceeds \$\$6,502,438.38; and

WHEREAS, the current Supplemental RLF Funds committed (programmed) to the Environmental Cleanup Actions is \$5,350,183.87, consisting of \$1,280,158.49 in Hazardous Substance Funding and \$170,025.38 in Petroleum Funding from BF-00E45801-A, and \$3,900,000 in co-mingled funding from BF-4B01E45801-0; and

WHEREAS, the available Program Income RLF Funds from BF-00E45801-A as of the execution of this Agreement is \$777,028.23 plus any accruing interest; and

WHEREAS, the available post-closeout Program Income RLF Funds from CO05000001 as of the execution of this Agreement is \$375,226.28 plus any accruing interest; and

WHEREAS, the USEPA has granted approval to fund the remaining Environmental Cleanup Actions with the USEPA RLF Program subject to available

funding, conditioned on the execution of satisfactory loan documents, the preparation by the City of an Administrative Record to include the Brownfields Cleanup Alternatives (ABCAs), a Community Relations Plan (CRP); a Quality Assurance Project Plan (QAPP) and a Public Comment Period; and

WHEREAS, the Administrative Record will be established and a Public Hearing will be held during the Public Comment Period prior to commencement of Environmental Cleanup Actions; and

WHEREAS, City and J. Jeffers have entered into this Agreement to provide for the disbursement and repayment of a loan as part of the RLF Project consisting of eligible Environmental Cleanup Actions as described herein on the Property; and

WHEREAS, the Redevelopment Project will be an estimated \$400 million dollar project (approximately); and

WHEREAS, the RLF Project will be undertaken by general contractors (“Contractors”) and overseen by an environmental consultant (“Consultant”) to be selected by J. Jeffers; and

WHEREAS, there may be separate subcontractors for Environmental Cleanup Actions at the Property.

NOW, THEREFORE, the City and J. Jeffers agree as follows:

I. FUNDING

- A. **Promissory Note.** Contemporaneously with the execution of this Agreement, J. Jeffers shall execute a promissory note (the “Note”) in favor of the City in the form attached as Attachment C hereto.
- B. **Disbursements.** From the USEPA RLF Grant, BF-00E45801-A, the City shall, following the execution of this Agreement, disburse to J. Jeffers up to the total aggregate principal sum of One Million Four Hundred Fifty Thousand One Hundred Eighty Three Dollars and Eighty Seven Cents (\$1,450,183.87) in available Hazardous Substance and Petroleum RLF Funds and Seven Hundred Seventy Seven Thousand Twenty Eight Dollars and Twenty Three Cents (\$777,028.23) in Program Income (the “Loan”) for payment of eligible Environmental Cleanup Actions identified in this Agreement; and

From the USEPA RLF Grant, BF-4B01E45801-0, the City shall, following the execution of this Agreement, disburse to J. Jeffers up to the total aggregate principal sum of Three Million Nine Hundred Thousand Dollars and Zero Cents (\$3,900,000) in available Co-Mingled Funds (the “Loan”) for payment of eligible Environmental Cleanup Actions identified in this Agreement; and

From the USEPA RLF Post-Closeout Program Income, CO05000001, the City shall, following the execution of this Agreement, disburse to J. Jeffers up to the total aggregate principal sum of Three Hundred Seventy Five Thousand Two Hundred Twenty Six Dollars and Twenty Eight Cents (\$375,226.28) in available Funds (the “Loan”) for payment of eligible Environmental Cleanup Actions identified in this Agreement; and

Each disbursement hereunder shall be referred to as a “Disbursement” and, collectively, as the “Disbursements.”

- C. **Disbursement Schedule.** No Disbursement shall be made unless the City and J. Jeffers have entered into a Redevelopment Agreement for the Redevelopment Project and J. Jeffers has closed on the purchase of the Property pursuant to the Purchase Agreement. All Disbursements shall be payable in accordance with the term of the Note, no later than two years after the date of this Agreement.
- D. **Source of Repayment.** J. Jeffers will be responsible for the repayment of the Note in accordance with the terms of the Note.
- E. **Repayment Amount and Schedule:** One hundred percent of the Loan shall be paid within fifteen (15) years from the date of this executed Agreement. There will be no interest charged.
- F. **Guaranty.** The Loan shall be secured by the absolute unconditional guaranty for the amount of \$6,502,438.38 (the “Guaranty”) of J. Jeffers (the “Guarantor”).
- G. **Conditions Precedent to Disbursement.** The City’s obligations to disburse any funds under this Agreement are contingent upon J. Jeffers’ satisfaction of each of the conditions precedent set forth below (collectively the “Loan Documents”). 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) Execution of the Guaranty in the amount of \$6,502,438.38;
 - (c) Articles of Organization and Operating Agreement;
 - (d) Illinois Secretary of State Certificate of Good Standing;
 - (e) Resolution by members of J. Jeffers duly authorizing J. Jeffers to enter into and execute this Agreement;
 - (f) The absence of any legal proceedings (including foreclosure or bankruptcy proceedings) regarding the Property;

- (g) Evidence satisfactory to the City that all insurance coverages are provided;
- (h) Evidence that all representations and warranties of J. Jeffers are true and correct in all respects as of the date of the making of any Disbursement and that no default or event of default shall be in existence on the date of making any Disbursement;
- (i) J. Jeffers providing the City with reasonable evidence of sufficient financing for the RLF Project;
- (j) Such other documents as reasonably required by the City to evidence the transactions provided for herein.

II. CONTRACT AND PROJECT OVERSIGHT

The City shall review and approve the contract between J. Jeffers and the Contractor for the RLF Project prior to execution, which review shall include confirmation that the contract includes such cross-cutting requirements as may be required by the EPA.

III. PERMITTED USES

- A. **Use of Proceeds.** Disbursements made pursuant to this Agreement shall be used to pay for *approved* Project Costs actually incurred upon closing of the Property until RLF Project completion (the “Funding Period”) in connection with Environmental Cleanup Actions.
- B. **Project Costs.** Project Costs shall be defined as costs and expenses incurred during the Funding Period in connection with the RLF Project, including, but not limited to, the costs of labor, supplies, materials, program costs and services associated with the Environmental Cleanup Actions as described herein. Project Costs must be aligned with RLF regulations as set forth by the EPA and must be approved by the City. Project Costs shall be further specified in a forthcoming Project Budget.
- C. **Funding Procedure.** All Disbursements under this Agreement shall be made pursuant to a Draw Request (the “Draw Request”) approved by J. Jeffers consisting of invoices coded to the EPA RLF funding source and reviewed and compiled by the City. Each draw request shall reference invoices that have been reviewed and approved by J. Jeffers, and/or such other information as the City may require. On the date specified in the Draw Request, if all the terms and conditions of this Agreement have been complied with by J. Jeffers and if no default exists under this Agreement, the City shall, as promptly as possible thereafter, disburse the amount of the draw to J. Jeffers the amounts set forth in such Draw Request.
- D. **Project Budget and Project Changes.** The City will obtain J. Jeffers’ written approval of any material changes in the forthcoming Project Budget. J. Jeffers will

provide the City with all bid requests, project bids, and information regarding costs of the RLF Project as the City shall require.

IV. ACCOUNTING AND PROJECT MANAGEMENT RECORDS.

A. Accounting and Project Management Records. J. Jeffers will document the use of Disbursements, and maintain adequate records consistent with industry standard accounting. J. Jeffers shall thereafter maintain documentation on the uses of Disbursements, including bid information, executed contracts, on-site inspection reports, Draw Requests, accompanying invoices and information sufficient to evidence in proper detail the nature of expenditures and other information as deemed appropriate by J. Jeffers or the City such that the City is in compliance with 40 C.F.R. Section 31.42. The documents required hereunder shall be maintained for a period of three (3) years following completion of the Project (submittal of the final financial status report by the City), unless any claim, negotiation, audit or other action involving records begins before the expiration of the 3-year retention period. In this case, the records will be retained 3 years after the resolution of the last of these actions.

V. PROJECT REQUIREMENTS.

- A.** J. Jeffers agrees to periodically inspect the site. Site security will be provided by J. Jeffers or its assigned contractor(s). J. Jeffers agrees to allow the City to erect a sign on the Property, approved by the City, stating that the Redevelopment Project is being financed in part by U.S. EPA RLF Funds, the City and State of Illinois, and providing the appropriate contacts for obtaining information on activities being conducted at the Property and for reporting suspected criminal activities. The sign erected on the Property shall comply with 40 CFR Part 35, Subpart O (Section 35.6105 (a) (2) (ii)).
- B.** J. Jeffers certifies that it is not a PRP at the site.
- C.** J. Jeffers certifies that it is not and has not and, to its knowledge, any Contractor(s):
 - i.** Are not presently or proposed to be debarred or suspended, declared ineligible, or voluntarily excluded from federal, state or local (hereinafter “public”) transactions; and
 - ii.** Have not within the preceding three years had a public transaction terminated for cause or default.
- D.** The RLF Project shall be carried out in accordance with all applicable state, local and federal laws, regulations, orders, writs, judgments, injunctions, decrees or awards, including but not limited to the following, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.) (“CERCLA”); Uniform Administrative Requirements for

Grants and Cooperative Agreements to States and Local Governments (40 C.F.R. Part 31); the National Oil and Hazardous Substances Contingency Plan (“NCP”), 40 C.F.R. Part 300, all applicable cross-cutting requirements, including those federal requirements agreed between the USEPA and the City defined by the Cooperative Agreement Number (B F-00E45801), OSHA Worker Health & Safety Standard 29 C.F.R. 1910.120; the Uniform Relocation Act, Historic Preservation Act, Endangered Species Act; and Permits required by Section 404 of the Clean Madison Act; Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. 327-333), the Anti-Kickback Act (40 U.S.C. 276c) and Section 504 of the Rehabilitation Act of 1973 as implemented by Executive Orders 11914 and 11250.

- E. J. Jeffers shall comply (and cause Contractor and any subcontractor employed in connection with the Project to comply) with Executive Order 11246, Equal Employment Opportunity, and implementing regulations at 41 C.F.R. 60-4 relating to federally-assisted construction contracts.
- F. J. Jeffers shall carry out (and cause Contractor and any subcontractor employed in connection with the RLF Project to carry out) the RLF Project in accordance with the relevant requirements of CERCLA 104 (k) and with the Davis-Bacon Act of 1931 (CERCLA § 104(g) (1), 40 U.S.C. § 276a to 276a-5 and 42 U.S.C. § 3222 as set forth in CERCLA § 104(g)). Compliance with the Davis-Bacon Act requires payment of federal prevailing wage rates. Contractor must obtain recent and applicable wage rates from the U.S. Department of Labor and incorporate them into the construction contract.
- G. Any Contract entered by J. Jeffers on the Property shall substantially contain the same language as shown in a future ABCA (Alternative Brownfield Cleanup Analysis) approved by USEPA.
- H. J. Jeffers shall keep the RLF Project in good repair and condition, and from time to time make necessary repairs, renewals, and replacements so that RLF Project shall be fully and efficiently preserved and maintained.
- I. J. Jeffers shall comply (and cause Contractor and any subcontractor employed in connection with the RLF Project to comply) with the statutes prohibiting discrimination on the grounds of race, color, national origin, sex and disability. In addition, Contractor shall undertake good faith efforts in compliance with 40 C.F.R. 31.36(e) to give opportunities to qualified Small Business Enterprises, Minority Business Enterprises and Women-Owned Business Enterprises to submit proposals and bids and provide services on contracts and subcontracts for services and supplies. Contractor may submit a report of such efforts at the request of J. Jeffers.
- J. J. Jeffers shall notify the City when the RLF Project is complete.

- K. The contractor(s) retained to conduct the RLF Project have not, within a three year period preceding this Agreement, been convicted or had a civil judgment rendered against them for (i) fraud or commission of a criminal offense in connection with obtaining, attempting to obtain or performing a public transaction or contract under a public transaction, (ii) violation of federal or state antitrust laws, or (iii) embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- L. The contractor(s) retained to conduct the RLF Project, are not presently indicted for or otherwise criminally or civilly charged by a public entity with commission of any of the offences enumerated under the section above.

VI. EVENTS OF DEFAULT

The following shall constitute Events of Default:

- A. Default by J. Jeffers in any payment when due of principal or interest under the Promissory Note;
- B. Any representation or warranty made by J. Jeffers hereunder or in the Loan Documents proves false or misleading in any material respect;
- C. Use of the Loan Proceeds for purposes other than those stated in this Agreement or approved in writing by the City;
- D. Default by J. Jeffers in the performance of any other term, covenant or agreement contained herein, or in the Loan Documents, which default is not cured within thirty (30) days of receipt of a notice of default (or such longer period as shall be reasonably necessary to cure such default provided J. Jeffers promptly commences such cure and thereafter diligently pursues such cure to completion).

VII. FINANCE REMEDIES

In the event of a default by J. Jeffers in the payment or performance of any obligation hereunder, the City may accelerate payment of the remaining balance of the Note and terminate any obligation to make additional Disbursements hereunder.

VIII. REPRESENTATIONS AND WARRANTIES

- A. **Environmental Representations and Warranties.** The City represents and warrants that:
 - 1. The Property is not listed or, to the City's knowledge, proposed for listing on the National Priorities List of the U.S. Environmental Protection Agency.

2. The City did not generate hazardous substances, pollutants or contaminants at or to the Property.
3. The City is not a potentially responsible party under Section 107 of CERCLA, 42 U.S.C. Section 9607.
4. The City acquired the Property after the disposal or placement of hazardous substances, pollutants and contaminants on the Property and has not caused, contributed to, permitted or exacerbated the release of such substances, pollutants or contaminants on or from the Property. The City is not otherwise a responsible person as defined in Illinois Statutes.
5. The Property is not subject to a unilateral administrative order, court order, and administrative order on consent or judicial consent decree issued to or entered by parties under CERCLA.
6. The Property is not subject to the jurisdiction, custody or control of the United States government.
7. The Property satisfies the definition of a Brownfield site as defined in Section 101(39) of CERCLA, 42 U.S.C. 9601(39).
8. The City certifies that it, J. Jeffers, the Contractor and the Consultant are not now, and have not in the past, been subject to any penalties resulting from environmental non-compliance at the Property.

B. **No Violation.** The execution and performance by J. Jeffers of this Agreement does not violate any provision of federal, state or local law, or result in a breach of or constitute a default under any agreement, indenture or other instrument to which the J. Jeffers is a party or by which the J. Jeffers may be bound.

C. **Authorization.** The City Council of the City of Rockford and J. Jeffers have authorized the execution and delivery of this Agreement.

D. **Litigation.** There are no pending or, to J. Jeffers' knowledge, threatened actions or proceedings before any court or administrative agency that may adversely affect the financial condition or operation of J. Jeffers.

E. **Not Excluded from Public Transactions.** J. Jeffers is not presently or proposed to be debarred or suspended, declared ineligible, or voluntarily excluded from federal, state, or local (hereinafter "public") transactions.

F. **No Termination for Cause or Default.** J. Jeffers has not within the preceding three years had a public transaction terminated for cause or default.

- G. **No Civil Judgments.** Neither J. Jeffers nor its respective officers or contractor(s) retained to conduct the Project have, within a three year period preceding this Agreement, have been convicted or had a civil judgment rendered against them for (i) fraud or commission of a criminal offence in connection with obtaining, attempting to obtain or performing a public transaction or contract under a public transaction, (ii) violation of federal or state antitrust laws, or (iii) embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- H. **No Criminal or Civil Indictments:** Neither J. Jeffers, nor its respective officers or contractor(s) retained to conduct the Project, are presently indicted for or otherwise criminally or civilly charged by a public entity with commission of any of the offences enumerated under the section above.
- I. **Acknowledgement.** J. Jeffers acknowledges that a Cooperative Agreement with the USEPA is the source of the Loan and that the City is under no obligation to lend any of its own funds.
- J. **Survival of Representations:** All representations and warranties shall survive the execution of this Agreement.

IX. MISCELLANEOUS

- A. **Successors.** This Agreement shall be binding upon the permitted assigns or successors of J. Jeffers and the City. This Agreement shall not be assigned or transferred by J. Jeffers without the written consent of the City and any purported assignment or transfer without such prior written consent shall be void.
- B. **Notices.** Any notice, consent, waiver, request or other communication required or permitted to be given under this Agreement shall be in writing and shall be given as follows:

To: J. Jeffers & Co., LLC:
 225 West Michigan Street, #300
 Milwaukee, WI 53202
 Attention: Joshua Jeffers
 Phone: 414-501-5615
 Email: joshua@jjeffers.com

With a copy to the City:

City of Rockford - Legal Department
 425 E. State Street
 Rockford, IL 61104
 Attention: Nicholas O. Meyer

Email: nicholas.meyer@rockfordil.gov

- C. **Attachments.** All attachments mentioned herein shall be deemed incorporated herein by reference as though fully set forth herein.
- D. **Entire Agreement.** This Agreement shall supersede any prior loan agreements, oral or written, regarding the subject matter of this Agreement between the City and J. Jeffers. This Agreement may not be amended or modified without the written consent of the parties hereto.
- E. **Inconsistency.** If any conflicts arise between the terms and conditions of this Agreement and the terms and conditions of the attached exhibits or any documents expressly incorporated by reference, the terms and conditions of this Agreement shall control, except where federal statutes or regulations are controlling.
- F. **Severability.** If any part of this Agreement is determined to be illegal or unenforceable, all other parts shall be given effect separately and shall be in effect.
- G. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois except where superseded by federal statutes or regulations.
- H. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the date first above written.

City of Rockford, an Illinois municipal Corporation

By: _____
Thomas P. McNamara, Mayor

**J. Jeffers & Co., LLC,
A Wisconsin limited liability company**

By: _____
Joshua Jeffers, President/CEO

ATTESTED:

By: _____
Nicholas O. Meyer, Legal Director

ATTACHMENT A
LEGAL DESCRIPTION OF PROPERTY

COLMAN YARDS DESCRIPTION

Lots Four (4), Five (5), and Six (6) as designated upon Plat No. 3 of Rockford Landing, part of the East Half (1/2) of Section 27 and part of the West Half (1/2) of Section 26, in Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of Assessor's Plat of the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of O. Dickerman's Addition to the City of Rockford and being a Resubdivision of part of Church and Robertson's Addition to the Town of Rockford, and being a Resubdivision of part of Church and Robertson's Third Addition to the City of Rockford, the Plat of which Subdivision is recorded in Book 48 of Plats on Page 148B in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois; ALSO, Lot Three (3) as designated upon Plat No. 2 of Rockford Landing, part of the Southeast Quarter (1/4) of Section 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of Assessor's Plat of the South Half of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of O. Dickerman's Addition to the City of Rockford, the Plat of which Subdivision is recorded in Book 44 of Plats on Page 148B in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois. ALSO, Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois; ALSO, Block Thirty-six (36) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120; ALSO, Lots Five (5), Six (6), Seven (7), Ten (10), and Eleven (11) in the Assessor's Plat of the South Half (1/2) of Section Twenty-seven (27), Township 44 North, Range One (1) East of the Third Principal Meridian, the Plat of which Subdivision being recorded in Book 2 of Plats on Page 260 in the Recorder's Office of Winnebago County, Illinois. EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004619; situated in the County of Winnebago and State of Illinois.

ATTACHMENT B
Eligibility Determination

ATTACHMENT C

PROMISSORY NOTE
\$6,502,438.38
City of Rockford
2022

FOR VALUE RECEIVED, the undersigned promises to pay to the order of the City of the Rockford, or it assigns, the sum of Six Million Five Hundred Two Thousand Four Hundred Thirty Eight Dollars and Thirty Eight Cents (\$6,502,438.38) in accordance with a certain Brownfields Revolving Loan Fund Loan Agreement dated as of even date herewith (the "Loan Agreement").

This Note shall bear interest at an annual rate equal to 0.00 %. The Full Principal on this Note shall be payable in within fifteen (15) years from the date of this Note. The undersigned may prepay this note in part or in whole at any time without penalty.

This Note is issued under and is governed by the Loan Agreement, the terms and conditions of which are hereby incorporated herein by reference.

Protest and notice of demand and protest are hereby waived. This Note shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned as of the day and year set forth above.

J. Jeffers & Co., LLC

By _____
Its _____



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB Pritzker, Governor

John J. Kim, Director

July 8, 2022

City of Rockford
 Attn: Rob Wilhelm
 425 East State Street
 Rockford, Illinois 61104

Dear Mr. Wilhelm:

On behalf of the City of Rockford, Fehr-Graham has requested a petroleum eligibility determination for the Colman North Block site in Rockford, Illinois. This letter acknowledges the City of Rockford's planned use of existing US EPA Petroleum Brownfields Assessment Grant funds for the site listed below. As the applicant for funding, the City of Rockford has represented to the Agency that it is not potentially liable for any petroleum contamination that may exist on the parcels in question by causing or contributing to any such contamination.

Based on statements and representations made by the City of Rockford, its consultant (Fehr-Graham), and a review of Illinois EPA records, the Illinois EPA has determined the following:

1. No responsible party has been identified for the Site through:
 - a) an unresolved judgment rendered in a court of law or an administrative order that would require any party (including the applicant/recipient) to conduct the activities (including assessment, investigation or cleanup) proposed as part of the grant award by US EPA for the petroleum funds in question;
 - b) an unresolved enforcement action by federal or state authorities that would require any party (including the applicant/recipient) to conduct the activities (including assessment, investigation, or cleanup) proposed as part of the grant award by US EPA for the petroleum funds in question; or
 - c) an unresolved citizen suit, contribution action, or other third-party claim brought against the current or immediate past owner for the site that would, if successful, require the activities (including assessment, investigation, or cleanup) proposed as part of the grant award by US EPA for the petroleum funds in question.

2125 S. First Street, Champaign, IL 61820 (217) 278-5800
 1101 Eastport Plaza Dr., Suite 100, Collinsville, IL 62234 (618) 346-5120
 9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
 595 S. State Street, Elgin, IL 60123 (847) 608-3131

2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
 412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
 4302 N. Main Street, Rockford, IL 61103 (815) 987-7760

PLEASE PRINT ON RECYCLED PAPER

2. The current owner of the Site did not dispense or dispose of or own the Site during the dispensing or disposal of, any contamination at the Site, did not exacerbate the contamination at the Site and took reasonable steps with regard to the contamination at the Site. For purposes of the Brownfields Program, the current owner is the entity that owns the Site at the time of submittal of the Site petroleum eligibility determination. Note that for Cleanup Grants, the current owner must be the applicant/recipient.

Reasonable steps with regard to contamination at the Site include, as appropriate: stopping continuing releases, preventing threatened future releases, and preventing or limiting human, environmental, or natural resource exposure to earlier petroleum or petroleum product releases. Reasonable steps are discussed in more detail on pages 4-5 of US EPA's August 6, 2019 "*Common Elements and Other Landowner Liability Guidance*."

3. The Site will be assessed, investigated, and cleaned up (if applicable) by a person that is not potentially liable for cleaning up the Site under CERCLA or any other law pertaining to the cleanup of petroleum products.

According to Illinois EPA records, the Site in question is not subject to any order issued under 9003(h) of the Solid Waste Disposal Act (42 USCA 6991b(h)).

Based on the foregoing, the Illinois EPA concludes that:

1. There is no viable responsible party for the Site;
2. The Site will not be assessed, investigated, or cleaned up by a person (as defined in 42 USCA 9601 (21)) that is potentially liable for cleaning up the Site; and
3. The Site is not subject to any order issued under § 9003(h) of the Solid Waste Disposal Act.

Based on these assertions, the following site/address is eligible for petroleum funding with the conditions noted below:

Colman North Block, 1204 South Main Street, Rockford, Illinois PIN: 11-27-281-010

Colman North Block, 1208 South Main Street, Rockford, Illinois PIN: 11-27-281-011

Colman North Block, 12XX South Main Street, Rockford, Illinois PIN: 11-27-281-012

Colman North Block, 12XX South Main Street, Rockford, Illinois PIN: 11-27-281-013

Colman North Block, 1222 South Main Street, Rockford, Illinois PIN: 11-27-281-014

Colman North Block, 1224 South Main Street, Rockford, Illinois PIN: 11-27-281-015

Colman North Block, 1234 South Main Street, Rockford, Illinois PIN: 11-27-281-016

Colman North Block, 212 Loomis Street, Rockford, Illinois PIN: 11-27-281-008

Colman North Block, 1235 Rock Street, Rockford, Illinois PIN: 11-27-281-009

US EPA has been copied on this letter for your convenience.

If any information or determination(s) set forth in this letter is inaccurate, or new information develops or is brought to light that may affect the determination(s) herein, City of Rockford must immediately contact the Illinois EPA regarding any such inaccuracy or new information to determine what, if any, impact such developments may have on petroleum eligibility for the Site(s) in question.

The information reviewed is consistent with the determinations set forth in Section 101(39) of CERCLA. If you have any questions, please feel free to contact me at (217)524-2084 or by email at jenessa.n.conner@illinois.gov.

Sincerely,



Jenessa Conner, Project Manager
Voluntary Site Remediation Unit
Remedial Project Management Section
Division of Remediation Management
Bureau of Land

c: Keary Cragan-U.S. EPA Project Manager



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. Box 19276, SPRINGFIELD, ILLINOIS 62794-9276 · (217) 782-3397

JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

July 8, 2022

City of Rockford
 Attn: Rob Wilhelm
 425 East State Street
 Rockford, Illinois 61104

Dear Mr. Wilhelm:

On behalf of the City of Rockford, Fehr-Graham has requested a petroleum eligibility determination for the Colman South Block site in Rockford, Illinois. This letter acknowledges the City of Rockford's planned use of existing US EPA Petroleum Brownfields Assessment Grant funds for the site listed below. As the applicant for funding, the City of Rockford has represented to the Agency that it is not potentially liable for any petroleum contamination that may exist on the parcels in question by causing or contributing to any such contamination.

Based on statements and representations made by the City of Rockford, its consultant (Fehr-Graham), and a review of Illinois EPA records, the Illinois EPA has determined the following:

1. No responsible party has been identified for the Site through:
 - a) an unresolved judgment rendered in a court of law or an administrative order that would require any party (including the applicant/recipient) to conduct the activities (including assessment, investigation or cleanup) proposed as part of the grant award by US EPA for the petroleum funds in question;
 - b) an unresolved enforcement action by federal or state authorities that would require any party (including the applicant/recipient) to conduct the activities (including assessment, investigation, or cleanup) proposed as part of the grant award by US EPA for the petroleum funds in question; or
 - c) an unresolved citizen suit, contribution action, or other third-party claim brought against the current or immediate past owner for the site that would, if successful, require the activities (including assessment, investigation, or cleanup) proposed as part of the grant award by US EPA for the petroleum funds in question.

2125 S. First Street, Champaign, IL 61820 (217) 278-5800
 1101 Eastport Plaza Dr., Suite 100, Collinsville, IL 62234 (618) 346-5120
 9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
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2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
 412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
 4302 N. Main Street, Rockford, IL 61103 (815) 987-7760

PLEASE PRINT ON RECYCLED PAPER

2. The current owner of the Site did not dispense or dispose of or own the Site during the dispensing or disposal of, any contamination at the Site, did not exacerbate the contamination at the Site and took reasonable steps with regard to the contamination at the Site. For purposes of the Brownfields Program, the current owner is the entity that owns the Site at the time of submittal of the Site petroleum eligibility determination. Note that for Cleanup Grants, the current owner must be the applicant/recipient.

Reasonable steps with regard to contamination at the Site include, as appropriate: stopping continuing releases, preventing threatened future releases, and preventing or limiting human, environmental, or natural resource exposure to earlier petroleum or petroleum product releases. Reasonable steps are discussed in more detail on pages 4-5 of US EPA's August 6, 2019 "*Common Elements and Other Landowner Liability Guidance*."

3. The Site will be assessed, investigated, and cleaned up (if applicable) by a person that is not potentially liable for cleaning up the Site under CERCLA or any other law pertaining to the cleanup of petroleum products.

According to Illinois EPA records, the Site in question is not subject to any order issued under 9003(h) of the Solid Waste Disposal Act (42 USCA 6991b(h)).

Based on the foregoing, the Illinois EPA concludes that:

1. There is no viable responsible party for the Site;
2. The Site will not be assessed, investigated, or cleaned up by a person (as defined in 42 USCA 9601 (21)) that is potentially liable for cleaning up the Site; and
3. The Site is not subject to any order issued under § 9003(h) of the Solid Waste Disposal Act.

Based on these assertions, the following site/address is eligible for petroleum funding with the conditions noted below:

Colman South Block, 1304 South Main Street, Rockford, Illinois PIN: 11-27-426-012

Colman South Block, 1306 South Main Street, Rockford, Illinois PIN: 11-27-426-013

Colman South Block, 13XX South Main Street, Rockford, Illinois PIN: 11-27-426-014

Colman South Block, 220 Montague Street, Rockford, Illinois PIN: 11-27-426-003

Colman South Block, 1316 South Main Street, Rockford, Illinois PIN: 11-27-426-015

Colman South Block, 1320 South Main Street, Rockford, Illinois PIN: 11-27-426-016

Colman South Block, 1326 South Main Street, Rockford, Illinois PIN: 11-27-426-017

Colman South Block, 1334 South Main Street, Rockford, Illinois PIN: 11-27-426-018

Colman South Block, 1XX Rock Street, Rockford, Illinois PIN: 11-27-426-009

Colman South Block, 211 Knowlton Street, Rockford, Illinois PIN: 11-27-426-010

Colman South Block, 1329 Rock Street, Rockford, Illinois PIN: 11-27-426-011

US EPA has been copied on this letter for your convenience.

If any information or determination(s) set forth in this letter is inaccurate, or new information develops or is brought to light that may affect the determination(s) herein, City of Rockford must immediately contact the Illinois EPA regarding any such inaccuracy or new information to determine what, if any, impact such developments may have on petroleum eligibility for the Site(s) in question.

The information reviewed is consistent with the determinations set forth in Section 101(39) of CERCLA. If you have any questions, please feel free to contact me at (217)524-2084 or by email at jenessa.n.conner@illinois.gov.

Sincerely,



Jenessa Conner, Project Manager
Voluntary Site Remediation Unit
Remedial Project Management Section
Division of Remediation Management
Bureau of Land

c: Keary Cragan-U.S. EPA Project Manager

Robert Wilhelm

From: Cragan, Keary <cragan.keary@epa.gov>
Sent: Monday, January 10, 2022 11:57 AM
To: Robert Wilhelm
Cc: Ross Grimes
Subject: RE: City of Rockford - CA# BF-00E02497 - Hazardous Substance Eligibility - Barber Colman Campus

Rob-

I accept your updated determinations of eligibility to use hazardous substance assessment funds for environmental groundwater assessments at the following multi-parcel brownfield site:

Barber-Colman Rock Street; Barber Colman Machine Shop, Barber-Colman River Region 1 and River Region 2 parcels (as described) In Rockford Illinois

Please let me know what else you need.

KC

Keary Cragan
 Environmental Engineer
 Brownfields
 US EPA Region 5
 77 W. Jackson (LB-5J)
 Chicago, IL 60604
 (312) 353-5669 Office
cragan.keary@epa.gov
<http://www.epa.gov/brownfields/>



From: Robert Wilhelm <Robert.Wilhelmi@rockfordil.gov>
Sent: Monday, January 03, 2022 11:05 AM
To: Cragan, Keary <cragan.keary@epa.gov>
Subject: FW: City of Rockford - CA# BF-00E02497 - Hazardous Substance Eligibility - Barber Colman Campus
Importance: High

From: Ross Grimes <rgrimes@fehrgraham.com>
Sent: Friday, December 3, 2021 4:52 PM
To: Cragan, Keary <cragan.keary@epa.gov>
Cc: Robert Wilhelm <Robert.Wilhelmi@rockfordil.gov>

Exhibit C

Environmental Covenant

Attachment: Environmental Covenant (14373 : Redevelopment Agreement with J. Jeffers & Co LLC.)

Environmental Land Use Control

PREPARED BY:

Name: _____

Address: _____

RETURN TO:

Name: _____

Address: _____

THE ABOVE SPACE FOR RECORDER'S OFFICE

Environmental Land Use Control

THIS ENVIRONMENTAL LAND USE CONTROL ("ELUC"), is made this _____ day of _____, 20____, by The City of Rockford, Illinois, ("Property Owner" or "City of Rockford") for the real property located at the common address 1200-1300 Rock Street, 1300 South Main Street, 100-121 Loomis Street, 1129 River Street and southeast of the intersection of Knowlton and Rock Streets, in Rockford, Illinois referred to as the Barber Colman Complex ("Property").

WHEREAS, 415 ILCS 5/58.17 and 35 Ill. Adm. Code 742 provide for the use of an ELUC as an institutional control in order to impose land use limitations or requirements related to environmental contamination so that persons conducting remediation can obtain a No Further Remediation determination from the Illinois Environmental Protection Agency ("IEPA"). The reason for an ELUC is to ensure protection of human health and the environment. The limitations and requirements contained herein are necessary in order to protect against exposure to contaminated soil, groundwater, or soil gas that may be present on the property as a result of historical activities. Under 35 Ill. Adm. Code 742, the use of risk-based, site-specific remediation objectives may require the use of an ELUC on real property, and the ELUC may apply to certain physical features (e.g., engineered barriers, indoor inhalation building control technologies, monitoring wells, caps, etc.).

WHEREAS, the City of Rockford intends to request risk-based, site specific soil, groundwater, or soil gas remediation objectives from IEPA under 35 Ill. Adm. Code 742 to obtain risk-based closure of the site, identified by Bureau of Land as Parcel Index Numbers 1127281012, 1127281010, 1127426013, 1127281013, 1127427004, 1127281016, 1127428020, 1127281011, 1127426018, 1127426015, 1127426014, 1127426003, 1127281014, 1127426017, 1127426016, 1127281015, 1127426012, 1127426010, 1127281008, 1127427005, 1127281009, 1127426009, 1127426011, 1127427006, utilizing an ELUC.

NOW, THEREFORE, the recitals set forth above are incorporated by reference as if fully set forth herein, and the Property Owner agrees as follows:

Section One. Property Owner does hereby establish an ELUC on the real estate, situated in the County of Winnebago, State of Illinois and further described in Exhibit A attached hereto and incorporated herein by reference (the "Property").

Attached as Exhibit B are site maps that show the legal boundary of the Property, any physical features to which the ELUC applies, the horizontal and vertical extent of the contaminants of concern above the applicable remediation objectives for soil, groundwater, or soil gas, and the nature, location of the source, and direction of movement of the contaminants of concern, as required under 35 Ill. Adm. Code 742.

Section Two. Property Owner represents and warrants it is the current owner of the Property and has the authority to record this ELUC on the chain of title for the Property with the Office of the Recorder or Registrar of Titles in Winnebago County, Illinois.

Section Three. The Property Owner hereby agrees, for itself, and its heirs, grantees, successors, assigns, transferees and any other owner, occupant, lessee, possessor or user of the Property or the holder of any portion thereof or interest therein, that:

- a. Use of groundwater at the Property for potable purposes, as defined in City of Rockford Ordinance No, 2022-7-O, as well as for any non-potable purposes, is prohibited.
- b. Use of the Property for agricultural activities where the soil is used for growing food for human consumption is prohibited.
- c. All residential and commercial uses (including schools and child care facilities) must conform with IEPA regulations necessary for protection of human health and the environment including adequate vapor mitigation strategies and other engineering controls.
- d. Any excavation, utility repair, construction or landscaping that is likely to disturb contaminated subsurface soil must comply with an IEPA-approved Soil Management Plan and a Health and Safety Plan.
- e. No person conducting environmental assessment or remediation at the Site or involved with determining compliance with applicable land use restrictions, at the direction of, or pursuant to an order issued by IEPA, or its successor in function, may be denied access to the Site for the purpose of conducting such activities. Each person who owns any portion of the Site shall provide IEPA, the City, and their respective representatives, contractors, and subcontractors with access at all reasonable times to conduct any remediation activity required under law or agreement.
- f. If the Property is sold to a third party before the covenant is recorded, the City of Rockford will condition the sale on the new Owner signing and recording the restriction.

Section Four. This ELUC is binding on the Property Owner, its heirs, grantees, successors, assigns, transferees and any other owner, occupant, lessee, possessor or user of the Property or the holder of any portion thereof or interest therein. This ELUC shall apply in perpetuity against the Property and shall not be released until the IEPA determines there is no longer a need for this ELUC as an institutional control; until the IEPA, upon written request, issues to the site that received the no further remediation determination a new no further remediation determination approving modification or removal of the limitation(s) or requirement(s); the new no further remediation determination is filed on the chain of title of the site subject to the no further remediation determination; and until a release or modification of the land use limitation or requirement is filed on the chain of title for the Property.

Section Five. Information regarding the remediation performed on the Property may be obtained from the IEPA through a request under the Freedom of Information Act (5 ILCS 140) and rules promulgated thereunder by providing the IEPA with the Parcel Index Numbers 1127281012, 1127281010, 1127426013, 1127281013, 1127427004, 1127281016, 1127428020, 1127281011, 1127426018, 1127426015, 1127426014, 1127426003, 1127281014, 1127426017, 1127426016, 1127281015, 1127426012, 1127426010, 1127281008, 1127427005, 1127281009, 1127426009, 1127426011, 1127427006 listed above.

Section Six. The effective date of this ELUC shall be the date that it is officially recorded in the chain of title for the Property to which the ELUC applies.

WITNESS the following signatures:

Property Owner, The City of Rockford

By: _____

Its:

Date: _____

STATE OF ILLINOIS)
) SS:
COUNTY OF)

I, _____ the undersigned, a Notary Public for said County and State, DO HEREBY CERTIFY, that _____ and _____, personally known to me to be the Property Owner(s) of _____, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that in said capacities they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 20____.

Notary Public

I, _____, a notary public, do hereby certify that before me this day in person appeared _____, personally known to me to be the Property Owner(s), of _____, each severally acknowledged that they signed and delivered the foregoing instrument as the Property Owner(s) herein set forth, and as their own free and voluntary act, for the uses and purposes herein set forth.

Given under my hand and seal this _____ day of _____, 20__.

Notary Public

PIN NOS. 11-27-281-012, 11-27-281-010, 11-27-426-013, 11-27-281-013, 11-27-427-004, 11-27-281-016, 11-27-428-020, 11-27-281-011, 11-27-426-018, 11-27-426-015, 11-27-426-014, 11-27-426-003, 11-27-281-014, 11-27-426-017, 11-27-426-016, 11-27-281-015, 11-27-426-012, 11-27-426-010, 11-27-281-008, 11-27-427-005, 11-27-281-009, 11-27-426-009, 11-27-426-011, 11-27-427-006 (Parcel Index Numbers)

Exhibit A

The subject property is located in the City of Rockford, Winnebago County, State of Illinois, commonly known as the former Barber Colman Site, Rockford, Illinois and more particularly described as:

Common Address: 1200-1300 Rock Street, 1300 South Main Street, 100-121 Loomis Street, 1129 River Street and southeast of the intersection of Knowlton and Rock Streets, in Rockford, Illinois referred to as the Barber Colman Complex

Legal Description: Lots Four (4), Five (5), and Six (6) as designated upon Plat No. 3 of Rockford Landing, part of the East Half (1/2) of Section 27 and part of the West Half (1/2) of Section 26, in Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of Assessor's Plat of the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of O. Dickerman's Addition to the City of Rockford and being a Resubdivision of part of Church and Robertson's Addition to the Town of Rockford, and being a Resubdivision of part of Church and Robertson's Third Addition to the City of Rockford, the Plat of which Subdivision is recorded in Book 48 of Plats on Page 148B in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois; ALSO, Lot Three (3) as designated upon Plat No. 2 of Rockford Landing, part of the Southeast Quarter (1/4) of Section 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of Assessor's Plat of the South Half of Section 27, Township 44 North, Range 1 East of the Third Principal Meridian, and being a Resubdivision of part of O. Dickerman's Addition to the City of Rockford, the Plat of which Subdivision is recorded in Book 44 of Plats on Page 148B in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois. ALSO, Block Thirty-two (32) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120 in the Recorder's Office of Winnebago County, Illinois; situated in the South Half (1/2) of Section 27, Township 44 North, Range 1 East of the Third (3rd) Principal Meridian, EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004617; situated in the County of Winnebago and State of Illinois; ALSO, Block Thirty-six (36) as designated upon the Plat of Church and Robertson's Addition to the Town (now city) of Rockford, the Plat of which Subdivision is recorded in Book 58 of Deeds on Page 121 and Book U of Deeds on Pages 119 and 120; ALSO, Lots Five (5), Six (6), Seven (7), Ten (10), and Eleven (11) in the Assessor's Plat of the South Half (1/2) of Section Twenty-seven

(27), Township 44 North, Range One (1) East of the Third Principal Meridian, the Plat of which Subdivision being recorded in Book 2 of Plats on Page 260 in the Recorder's Office of Winnebago County, Illinois. EXCEPTING THEREFROM that part Deeded to The People of the State of Illinois, Department of Transportation recorded January 31, 2013 as Document No. 20131004619; situated in the County of Winnebago and State of Illinois.

PIN NOS. 11-27-281-012, 11-27-281-010, 11-27-426-013, 11-27-281-013, 11-27-427-004, 11-27-281-016, 11-27-428-020, 11-27-281-011, 11-27-426-018, 11-27-426-015, 11-27-426-014, 11-27-426-003, 11-27-281-014, 11-27-426-017, 11-27-426-016, 11-27-281-015, 11-27-426-012, 11-27-426-010, 11-27-281-008, 11-27-427-005, 11-27-281-009, 11-27-426-009, 11-27-426-011, 11-27-427-006

Exhibit B

IN ACCORDANCE WITH SECTION 742.1010(d)(8)(A) through (D), PROVIDE ALL THE FOLLOWING ELEMENTS. ATTACH SEPARATE SHEETS, LABELED AS EXHIBIT B, WHERE NECESSARY.

- (A) A scaled map showing the legal boundary of the property to which the ELUC applies.
- (B) Scaled maps showing the horizontal and vertical extent of contaminants of concern above the applicable remediation objectives for soil, groundwater, and soil gas to which the ELUC applies.
- (C) Scaled maps showing the physical features to which an ELUC applies (e.g., engineered barriers, indoor inhalation building control technologies, monitoring wells, caps, etc.).
- (D) Scaled maps showing the nature, location of the source, and direction of movement of the contaminants of concern.

(Source: Amended at 37 Ill. Reg. 7506, effective July 15



To: Ald. Janessa Wilkins, Chair, Planning & Development Committee

Cc: Mayor Thomas McNamara
City Council

From: Anna Garrison, Economic Development Manager

Anna EC Garrison

RE: Adoption of the Ordinance to Terminate the South Main – Rock St TIF and
Ordinances for the Barber Colman TIF

Date: June 14, 2023

The City of Rockford has been working with Ryan LLC (formerly Kane, McKenna and Associates Inc.) as a consultant to complete the qualification and redevelopment plan for a proposed new Barber Colman Tax Increment Financing District.

With the assistance of Ryan and in conformance with the Illinois TIF Act, the City of Rockford has completed the following procedures in connection to the proposed designation of the Barber Colman TIF District:

1. On March 10, 2023 Ryan, delivered for placement with the City's Legal Department a TIF Plan and TIF Eligibility Report that demonstrated that the proposed TIF District met all of the criteria required for its designation under TIF Law.
2. The proposed TIF District, as proposed for designation, was added to the City's Interested Parties Registry and Rules filings on March 12, 2023.
3. The Public Hearing and Joint Review Board (JRB) Resolution for the proposed TIF District was adopted on March 20, 2023.
4. Legal notices regarding the public hearing and Joint Review Board (JRB) were sent by certified mail to all affected taxing districts and the Illinois Department of Commerce and Economic Opportunity on March 22, 2023.
5. Notices regarding the City's intent to consider adoption of the proposed TIF District were sent out by regular mail to any interested parties and to residential properties located within 750' of TIF boundaries on April 6, 2023.



6. The Joint Review Board (JRB) for the proposed TIF District was duly convened by the City on April 6, 2023. At the meeting, the JRB members present were presented with an overview of both the TIF Plan and the TIF Eligibility Report pursuant to State law.
7. The JRB consists of the following members:
 - The City;
 - The County of Winnebago;
 - Rockford Park District;
 - Rockford Township;
 - Rockford School District No. 205;
 - Rock Valley College; and
 - A public member.
8. Members present and participating in the JRB proceedings included all members except for Rockford Township.
9. At the meeting, the JRB members present voted 5-1 to recommend that the City proceed with the designation of the proposed TIF District. Rockford School District no. 205 spoke in opposition.
10. Legal notices regarding the public hearing were sent out by certified mail to all property owners of record, on May 3, 2023.
11. Publication of the legal notice regarding the public hearing was placed in the local newspaper, in the manner proscribed by State law, on May 3, 2023 and May 8, 2023.
12. A public hearing was held on May 22, 2023 at Rockford City Council Chambers. A representative of Rockford School District No. 205 spoke in opposition. Two community members spoke in favor of the new TIF.

Staff is now presenting for City Council consideration the following attached ordinances:

1. An ordinance terminating South Main – Rock Street Redevelopment Project Area and the Dissolution of the Special Tax Allocation Fund for the South Main – Rock Street Tax Increment Financing District;
2. An ordinance approving the Barber Colman Tax Increment Financing (TIF) District Redevelopment Plan and Project Area



- 3. An ordinance designating the Barber Colman Redevelopment Plan and Project Area;
- 4. An ordinance adopting Tax Increment Allocation Financing for the Barber Colman Redevelopment Plan and Project Area.

Please contact me with any questions at 779.348.7449

Rockford, Illinois

Date: June 20, 2023

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 an ordinance terminating the South Main - Rock Street Redevelopment Plan and Project Area and the dissolution of the Special Tax Allocation Fund for the South Main - Rock Street Tax Increment Financing District, hereby begs leave to report recommending approval of the request as recommended and hereby authorizes the Mayor and Legal Director to execute an ordinance terminating the South Main - Rock Street Redevelopment Plan and Project Area and the dissolution of the Special Tax Allocation Fund for the South Main - Rock Street Tax Increment Financing District. The Legal Director shall prepare the appropriate ordinance.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Gabrielle Torina

Karen Hoffman

Bill Rose

Committee Action Taken: June 20, 2023

| | | | |
|----------|-------------|-------------|---------------|
| Wilkins: | Ayes: _____ | Nays: _____ | Absent: _____ |
| Durkee: | Ayes: _____ | Nays: _____ | Absent: _____ |
| Torina: | Ayes: _____ | Nays: _____ | Absent: _____ |
| Hoffman: | Ayes: _____ | Nays: _____ | Absent: _____ |
| Rose: | Ayes: _____ | Nays: _____ | Absent: _____ |

DRAFT

2023-___-O

AN ORDINANCE OF THE CITY OF ROCKFORD, WINNEBAGO AND OGLE COUNTIES, ILLINOIS, PROVIDING FOR THE TERMINATION OF THE SOUTH MAIN-ROCK STREET (COLMAN VILLAGE) REDEVELOPMENT PROJECT AREA AND THE DISSOLUTION OF THE SPECIAL TAX ALLOCATION FUND FOR THE SOUTH MAIN-ROCK STREET TAX INCREMENT FINANCING DISTRICT

WHEREAS, the City of Rockford (the “City”) pursuant to, and in accordance with the Illinois Tax Increment Allocation Redevelopment Act 65 ILCS 5/11-74.1-1 et seq. (the “TIF Act”) established the South Main-Rock Street (Colman Village) Redevelopment Project Area on January 14, 2019 by a series of ordinances numbered as 2019-6-O, 2019-7-O, and 2019-8-O; and

WHEREAS, the City pursuant to, and in accordance with, Section 11-74.4-8 (65 ILCS 5/11-74.4-8) and other provisions of the TIF Act adopted and utilized tax increment financing in connection with the implementation of the Redevelopment Plan for the South Main-Rock Street (Colman Village); and

WHEREAS, the South Main-Rock Street Redevelopment Project Area is set to terminate on December 31, 2043, such date being not later than December 31 the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of the TIF Act, has been made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the redevelopment project area was adopted; and

WHEREAS, the City is required to complete and retire all obligations for the redevelopment costs incurred for South Main-Rock Street Redevelopment Project Area not later than December 31 of the year in which the City, pursuant to the Act, receives payment with respect to ad valorem taxes levied in the twenty-third (23rd) year calendar year after the ordinance

DRAFT

approving the RPA is adopted (such calendar year also being tax 2042, with payment due in calendar year 2043); and

WHEREAS, the City has made a determination that it is in the best interests of the City and the taxing districts that are affected by the continued operation of the South Main-Rock Street Redevelopment Project Area to terminate said Redevelopment Project Area effective immediately upon adoption of this Ordinance; and

WHEREAS, under the TIF Act, the City is required to notify affected taxing districts by no later than November 1 of the year of termination the South Main-Rock Street Redevelopment Project Area Special Allocation Fund; and

WHEREAS, the City shall request that a tax increment agency distribution summary report be prepared by the Office of the Winnebago County Clerk (the “County Clerk”) for 2022 taxes (payable in 2023) will provide for: (1) a determination of the total 2022 equalized assessed valuation for the South Main-Rock Street Redevelopment Project Area; and that (2) the frozen equalized assessed value of the South Main-Rock Street Redevelopment Project Area as previously certified by the County Clerk; and

WHEREAS, the difference between the 2022 equalized assessed value of the property in South Main-Rock Street Redevelopment Project Area that will be subsequently determined by the County and the frozen value of the South Main-Rock Street Redevelopment Project Area is commonly known as the recovered TIF value; and

WHEREAS, as a result of the completion of the payment of ad valorem taxes levied in the calendar year upon this termination of the South Main-Rock Street Redevelopment Project Area, all taxing districts whose boundaries include that TIF Area will have the opportunity to impose

DRAFT

their 2023 property tax levy (taxes payable in 2024) upon the recovered TIF value from the South Main-Rock Street Redevelopment Project Area.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Rockford, Winnebago, and Ogle Counties, Illinois, as follows:

SECTION 1: Recitals.

The recitals to this Ordinance set forth above are incorporated into and made a material part of this Ordinance.

SECTION 2: Termination of the South Main-Rock Street Redevelopment Project Area.

Effective immediately upon adoption of this ordinance, the South Main-Rock Street Redevelopment Project Area shall be terminated and shall no longer be designated as a redevelopment project area under the TIF Act. Effective after December 31, 2023, the special tax allocation fund for the South Main-Rock Street Redevelopment Project Area shall be dissolved. On and prior to December 31, 2023, any funds in the special tax allocation fund for the South Main-Rock Street Redevelopment Project Area may, pursuant to the terms of the TIF Act, be available for use in to complete obligations for the South Main-Rock Street Redevelopment Project Area, and/or in any contiguous tax increment financing district or any manner as allowed by the TIF Act.

SECTION 3: County filing and notification of affected taxing districts.

Upon the approval of this ordinance, a certified copy thereof shall be filed with Winnebago County. Prior to November 1, 2023, a copy of this ordinance shall also be transmitted to any and all taxing districts that levy taxes upon the South Main-Rock Street Redevelopment Project Area.

SECTION 4: Invalidity.

DRAFT

If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid by a court of competent jurisdiction such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 5: Effective Date.

This ordinance shall be in full force and effect upon its passage and approval and shall subsequently be published in pamphlet form as provided by law.

PASSED BY THE MAYOR AND THE CITY COUNCIL of the City of Rockford, Illinois, at a regular meeting thereof on the _____ day of _____, 2023, and approved by me as Mayor on the same day.

VOTING AYE: _____

VOTING NAY: _____

ABSENT: _____

ABSTAIN: _____

APPROVED: _____, 2023

MAYOR _____

ATTESTED:

LEGAL DIRECTOR

PASSED:

APPROVED:

PUBLISHED:

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

Legal Director and ex officio
Keeper of the Records and Seal

APPROVED BY:

NICHOLAS O. MEYER, Legal Director

RECOMMENDED BY:

JACOB RUBIN, Assistant City Attorney

I, NICHOLAS O. MEYER, Legal Director and ex officio Keeper of the Records and Seal of the City of Rockford, County of Winnebago, State of Illinois, do hereby certify that the foregoing is a true and correct copy of the *City of Rockford Ordinance Providing for the Termination of the South Main-Rock Street Redevelopment Project Area and the Dissolution of the Special Tax Allocation Fund for the South Main-Rock Street Tax Increment Financing District, Ordinance No: 2023-____-O* approved by the City Council of the City of Rockford at its meeting held on _____, _____, 2023.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the Corporate Seal of the City of Rockford, Illinois this ____ day of _____, 2023.

**NICHOLAS O. MEYER, Legal Director and
ex officio Keeper of the Records and Seal**

(SEAL)

Rockford, Illinois

Date: June 20, 2023

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 an ordinance for the Barber Colman Redevelopment Plan and Project Area, hereby begs leave to report recommending approval of the request as recommended and hereby authorizes the Mayor and Legal Director to execute an ordinance approving the Barber Colman Redevelopment Plan and Project Area. The Legal Director shall prepare the appropriate ordinance.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Gabrielle Torina

Karen Hoffman

Bill Rose

Committee Action Taken: June 20, 2023

Wilkins: Ayes: ____ Nays: ____ Absent: ____
Durkee: Ayes: ____ Nays: ____ Absent: ____
Torina: Ayes: ____ Nays: ____ Absent: ____
Hoffman: Ayes: ____ Nays: ____ Absent: ____
Rose: Ayes: ____ Nays: ____ Absent: ____

ORDINANCE NO. 2023-_____ -O

**AN ORDINANCE OF THE CITY OF ROCKFORD, WINNEBAGO AND OGLE
COUNTIES, ILLINOIS, APPROVING THE CITY OF ROCKFORD
BARBER COLMAN
TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN AND PROJECT**

WHEREAS, the City or Rockford, Winnebago and Ogle Counties, Illinois (the “*City*”), is a duly organized and existing municipal corporation created under the provisions of the laws of the State of Illinois and under the provisions of the Illinois Municipal Code, as from time to time supplemented and amended; and

WHEREAS, it is desirable and in the best interest of the citizens of the City of Rockford, Winnebago and Ogle Counties, Illinois for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11- 74.4 *et seq.*, as amended (the “*Act*”), for the proposed Barber Colman Tax Increment Financing District (hereinafter referred to as “Barber Colman TIF District”) redevelopment plan and project (the “*Plan and Project*”) within the municipal boundaries of the City and further within a proposed redevelopment project area (the “*Area*”) described in Section 2(a) of this Ordinance, which Area constitutes in the aggregate more than one and one-half acres; and

WHEREAS, the City authorized a study in regard to the designation of the Area for the Barber Colman TIF District and the preparation of the Plan in relation thereto; and

WHEREAS, The City made available for public inspection the Plan and Project, with said Plan containing an eligibility study (or qualifications report) for the Barber Colman TIF District, addressing the tax increment financing eligibility of the Redevelopment Project Area (the “*Eligibility Study*”); and

WHEREAS, the Mayor and City Council of the City (the “*Corporate Authorities*”) desire to implement tax increment financing pursuant to the Act for the Plan and Project within the municipal boundaries of the City and within the Area described and depicted in EXHIBIT A, EXHIBIT B, and EXHIBIT C, each being attached hereto and made part hereof; and

WHEREAS, THE City has complied with the specific notice, public meeting, Joint Review Board meeting and public hearing requirements provided for in the TIF Act as a prerequisite to approving the TIF Plan in relation to Barber Colman TIF District, in that the City has taken the following actions:

| | ACTION | DATE TAKEN |
|----|--|-------------------|
| 1. | Published the TIF Interested Parties Registry Notice in the local paper | March 12, 2023 |
| 2. | Provided for the availability of the Eligibility Study and TIF Plan at offices of the City’s Legal Department | May 12, 2023 |
| 3. | Approved Resolution No. _____ - calling for a Joint Review Board meeting and a public hearing relative to the proposed approval of the Redevelopment Project Area and the TIF Plan in relation thereto | March 20, 2023 |
| 4. | Mailed a copy of TIF Plan (including the Eligibility Study), along with a notice of the Joint Review Board meeting and the public hearing <ul style="list-style-type: none"> • To all taxing districts and the Illinois Department of Commerce and Economic Opportunity (by Certified Mail, return receipt requested) | March 22, 2023 |
| 5. | Mailed notices relative to the availability of the Eligibility Study and TIF Plan: <ul style="list-style-type: none"> • To all residential addresses within 750 feet of the boundaries of the Redevelopment Project Area (by First Class U.S. Mail) | April 6, 2023 |
| 6. | Held the Joint Review Board meeting | April 6, 2023 |
| 7. | Mailed notices of the public hearing: <ul style="list-style-type: none"> • To each taxpayer of record within the Redevelopment Project Area (by Certified Mail, return receipt requested) | May 3, 2023 |

| | | |
|----|---|-----------------------------------|
| 8. | Published notice of the public hearing in the local newspaper twice | May 3, 2023 And May 8, 2023 |
| 9. | Held a public hearing | May 22, 2023 |

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Corporate Authorities called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for May 22, 2023; and

WHEREAS, due notice with respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on March 22, 2023, by publication on May 3, 2023, and May 8, 2023, and by certified mail to taxpayers within the Area on May 3, 2023, and to residential addresses within 750 feet of the boundaries of the Area on April 6, 2023; and

WHEREAS, the City has heretofore convened a joint review board as required by and in all respects in compliance with the provisions of the Act; and

WHEREAS, the joint review board met on April 6, 2023, to review the public record, planning documents and proposed ordinances approving the Plan and Area and consider whether the Plan and Area satisfy the requirements of the Act; and

WHEREAS, On April 6, 2023, the joint review board considered and approved a resolution recommending approval of the Area, Plan, and the designation of the Area; and

WHEREAS, pursuant to the Act. The Corporate Authorities have waited at least fourteen (14) days, but not more than ninety (90) days, from the public hearing to introduce this Ordinance to the City Council of the City.

WHEREAS, the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area that could cause the Area to be a "conservation area" as defined in the Act; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, it is the intent of the Corporate Authorities to utilize the tax increment from all sources authorized by law; with such revenues to be exclusively utilized for the development of the Plan within the Area (except as provided in 65 ILCS 5/11-74.4-4(q)); and

WHEREAS, the Area would not reasonably be redeveloped without the use of such incremental revenues; and

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the City as a whole to determine whether the proposed Plan and Project conform to the comprehensive plan of the City.

NOW, THEREFORE, BE IT ORDAINED by Corporate Authorities of the City of Rockford, Winnebago and Ogle Counties, Illinois, as follows:

SECTION 1. Recitals. That the above recitals and findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

SECTION 2. Findings. That the Corporate Authorities hereby make the following findings:

a. The Area is legally described in Exhibit A, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety. The general street location for the Area is described in Exhibit B, a copy of which is attached hereto and made a part hereof, as

if fully set forth in its entirety. The map of the Area is depicted on EXHIBIT C, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety.

b. There exist conditions that cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a “conservation area” as defined in the Act.

c. The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

d. The proposed Area would not reasonably be redeveloped without the tax increment derived from real property tax incremental revenues, and the increment from such revenues will be exclusively utilized for the redevelopment as outlined in the Plan within the Area (except as provided in 65 ILCS 5/11-74.4-4(q)).

e. The Plan and Project conform to the comprehensive plan for the development of the City as a whole.

f. As set forth in the Plan it is anticipated that all obligations incurred to finance redevelopment project costs, if any, as defined in the Plan shall be retired within twenty-three (23) years after the Area is designated.

g. The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon that will be substantially benefited by the proposed Project improvements are included in the proposed Area.

SECTION 3. Plan and Project Approved. That the Plan and Project, which were the subject matter of the public hearing held on May 22, 2023, are hereby adopted and approved. A copy of the Plan and Project is set forth in EXHIBIT D a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety.

SECTION 4. Severability. This Ordinance, and its parts, is declared to be severable and if any section, clause, or portion thereof of this Ordinance is declared invalid, the invalidity thereof shall not affect the validity of any other provisions of this Ordinance which shall remain in full force and effect.

SECTION 5. Superseder. All ordinances, resolutions, motions, or orders in conflict with any provision of this Ordinance are, to the extent of such conflict, hereby repealed.

SECTION 6. Effective Date. This Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

PASSED BY THE MAYOR AND THE CITY COUNCIL of the City of Rockford, Illinois, at a regular meeting thereof on the _____ day of _____, 2023, and approved by me as Mayor on the same day.

VOTING AYE: _____

VOTING NAY: _____

ABSENT: _____

ABSTAIN: _____

APPROVED: _____

By: _____ Date: _____
Mayor

ATTEST:

By: _____
Legal Director

Presented and reading having been waived, at a duly convened meeting of the Corporate Authorities on _____, 2023.

I hereby certify that the above Ordinance was published in pamphlet form on _____, 2023, as provided by law.

Legal Director

EXHIBIT A

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

Redevelopment Project Area Legal Description

Part of the East Half of Section 27 and part of the Southwest Quarter of Section 26, all in Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows; beginning at the Northeast corner of Lot 3 as designated upon Plat No. 4 of Rockford Landing, the Plat of which is recorded in Book 48 of Plats on page 138A in the Recorder's Office of Winnebago County, Illinois, thence West, along the South line of Knowlton Street, a distance of 608 feet, more or less, to the easterly line of South Main Street; thence northerly, along the easterly line of South Main Street, a distance of 1343 feet, more or less, to the northerly line of Morgan Street; thence westerly, along the northerly line of Morgan Street, a distance of 249 feet, more or less, to the Southeast corner of Lot 5 in Block 17 as designated upon the Plat of Church and Robertson's Addition to the Town of Rockford, the Plat of which is recorded in Book 58 of Plats on page 120 in said Recorder's Office, said point being on the westerly line of the North/South alleyway in said Block 17; thence northerly, along the westerly line of said alleyway, a distance of 330 feet, more or less, to the South line of Kent Street; thence easterly, along the southerly line of Kent Street, a distance of 421 feet, more or less, to the Northwest corner of Lot 9 in Block 18 as designated upon said Church and Robertson's Addition, said point being on the easterly line of the North/South alleyway in said Block 18; thence southerly, along the easterly line of said alleyway, said easterly line extended south and along the easterly line of the North/South alleyway in Block 21 of said Church and Robertson's Addition, a distance of 695 feet, more or less, to the northerly line Loomis Street; thence easterly, along the northerly line of said Loomis Street, a distance of 667 feet, more or less, to the westerly line of the Canadian National Illinois Central Railroad; thence southerly, along the westerly line of said Railroad, a distance of 889 feet, more or less, to the westerly bank of the Rock River; thence southwesterly, along the westerly bank of said Rock River, a distance of 698 feet, more or less, to the Southeast corner of Lot 3 as designated upon Plat No. 2 of Rockford Landing, the Plat of which is recorded in Book 44 of Plats on page 148B in said Recorder's Office; thence westerly, along the northerly line of Lane Street, a distance of 203 feet, more or less, to the Southwest Corner of Lot 3 as designated upon said Plat No. 2 of Rockford Landing; thence northerly, along the West line of Lot 3 as designated upon said Plat No. 2 of Rockford Landing, a distance of 331.79 feet, more or less to the point of beginning; situated in the City of Rockford, The County of Winnebago and the State of Illinois; containing 31 acres, more or less.

EXHIBIT B

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

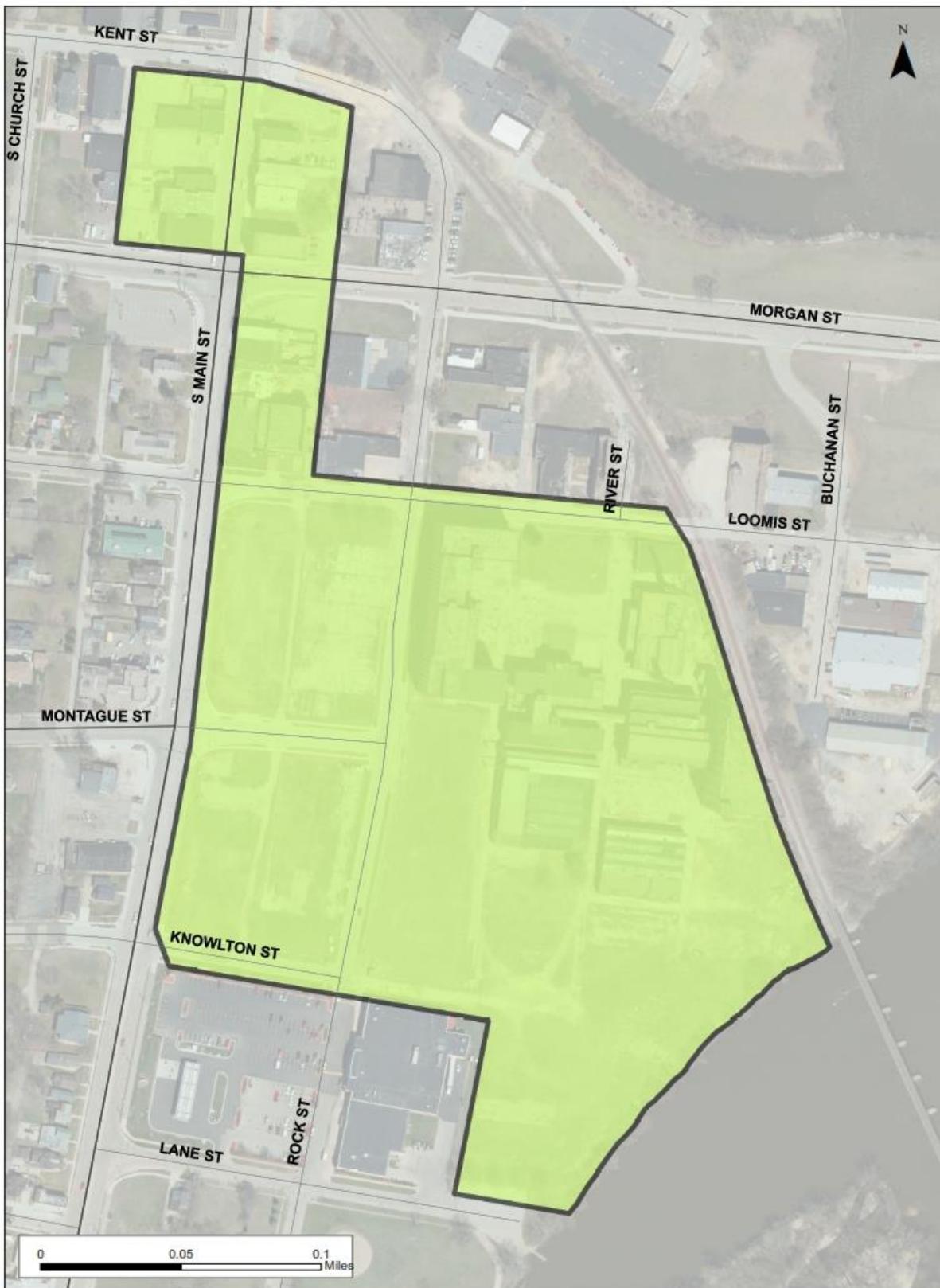
Redevelopment Project Area Common Boundary Description

The proposed RPA is in an area approximately bounded by: Kent Street (and in part Loomis Street) on the north, the Rock River (and in part Buchanan Street) on the east, Knowlton Street on the south, and alternatively South Main Street and a certain alleyway (situated at a point north of Morgan Street, halfway between Church Street and South Main Street) on the west.

EXHIBIT C

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

**Redevelopment Project Area
Street Location Map**



Barber Colman TIF District

EXHIBIT D

**Redevelopment Plan and Project for the
City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**



TIF REDEVELOPMENT PLAN BARBER COLMAN TIF DISTRICT

"Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

Prepared by the City of Rockford, Illinois

in conjunction with

Ryan, LLC

June 2023

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I. INTRODUCTION

The City of Rockford (the “City”) is a mature community located in Winnebago County, Illinois, approximately ninety (90) miles northwest of the City of Chicago. The City lies adjacent to the municipalities of Belvidere and Cherry Valley on the east, Loves Park and Machesney Park on the north, Winnebago and Pecatonica on the west, and New Milford to the south. It is only 50 miles from major employment centers located in the northwestern Chicago suburbs.

Increasingly, the City’s economy and real estate market is intertwined with the metropolitan Chicago economy, as the path of regional growth moves northwest of Chicago. This changing dynamic is perhaps best demonstrated by the rapid growth in recent years of the former Greater Rockford Airport, which has been redesignated as the Chicago Rockford International Airport (located within 5 miles of the South Main Street commercial corridor).

The City has an array of community assets that enhance its competitiveness. In particular, it has excellent transportation infrastructure, with connections to Interstate 90, and Interstate 39/U.S. 51, as well as U.S. 20. Interstate 90 is the primary linkage to the Chicago area, and Interstate 39 takes travelers south to Rochelle and other communities. Additionally, a continued area of focus for the City is its ongoing effort to return its historic Southwest area as a strong core strength of the Rockford community. The proposed redevelopment of the former and historic Barber Colman facilities, located in the heart of the South Main Street commercial corridor, into a major mixed used redevelopment project would be a substantial economic boost for Southwest Rockford.

More specifically, the City proposes the designation of the Barber Colman Redevelopment Project Area (the “RPA” or the “TIF District”) through the adoption of this Tax Increment Financing Redevelopment Plan (the “Redevelopment Plan” or “Plan”) to promote the strategic revitalization (and historic) properties located within an approximately 22-acre complex commonly known as the Barber Colman manufacturing plant (“Barber Colman”), which is positioned at a strategic location, abutting the Rock River, within the Southwest portion of the City (“Southwest Rockford”). The successful revitalization of the proposed RPA would significantly assist the City in achieving its policy goal of promoting economic development in general and the continued revitalization of Southwest Rockford in particular.

The City’s intent is to institute the proposed Barber Colman RPA to replace the South Main-Rock Street TIF District. That TIF District had also been formed to provide a key engine for the redevelopment of the Barber Colman facilities by the City in partnership with Rock Valley College. However, the plans for that proposed redevelopment did not materialize as expected by the City. The City has a new opportunity to work with a substantial developer to redevelop the Barber Colman complex, however that proposal would not be financially feasible without the full 23-year term that State law allows for new TIF Districts. Accordingly, the

City has deemed it necessary to reset the TIF District for the area in order to reposition the redevelopment project for success. The proposed developer for the redevelopment of the project would not be able to financially pursue the venture otherwise. Restoring a 23-year life for the TIF District is an essential part of the developer's overall project funding plan.

By undertaking the proposed re-designation, the City will help strengthen the RPA as a significant contributor to the City's overall economic base through the promotion of the redevelopment of the former Barber Colman complex and certain parcels located west and north of the Barber Colman properties along South Main Street. The City attained ownership of Barber Colman in 2001 with the intent to: 1) work toward cleaning up the complex and eliminating the long-term blighting influences associated with the properties; and 2) positioning the complex for future redevelopment and revitalization for the appropriate mix of land uses dictated by local market forces.

Over the past 20 years, the City, with funding assistance for the State and Federal governments, has accomplished substantial progress in the remediation of environmental contamination at the site, however significant environmental, and other blighting conditions, remain. The re-designation of the TIF will be a critical source for a portion of the financial resources to accommodate the rehabilitation and development of the remaining structures of the Barber Colman complex. It is difficult to contemplate that the City has many years remaining for an opportunity to salvage the remaining structures located within the Barber Colman complex. This is another reason why the City is motivated to maximize the life of the TIF through re-designation given that the proposed developer would not be financially able to proceed with the potential mix-used redevelopment of the property without the assurance of financial support offered by the extended life of the TIF District.

Ryan LLC (formerly Kane, McKenna and Associates) ("Ryan") has been retained by the City of Rockford to conduct an analysis of the potential qualification and designation of the area as a new Tax Increment Financing ("TIF") District, and to assist the City in drafting this TIF Redevelopment Plan.

The City has two fundamental goals in pursuing the potential TIF District. The first is to promote redevelopment of an area that has experienced long-term vacancies of historic properties, and in doing so, promote new, economically productive uses for the key parcels located within the critical core of Southwest Rockford. The second goal is to further the City's overall economic development program and thereby diversify its tax and employment bases.

TIF Plan Requirements. The City is preparing this Plan as required by the Tax Increment Allocation Redevelopment Act, (the "Act") 65 ILCS 5/11-74.4-3, et. seq., as amended. To establish a TIF district (also known as a Redevelopment Project Area ("RPA")), Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and Eligibility Report. Additionally, in the

case of the proposed establishment of this TIF District the City must also take formal action to FIRST remove the proposed RPA from the existing South Main-Rock Street TIF.

The Act enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest in order to: "promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas" (65 ILCS 5/11-74.4-2(b)).

By definition, a TIF "Redevelopment Plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualify the redevelopment project area as a "blighted area," "conservation area" (or combination thereof), or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act.

Community Background. The City of Rockford is one of the oldest communities in the State of Illinois, incorporated in 1839 prior to the Civil War (incorporated as a village, and then chartered as a city in 1852). After a long period of growth during the late 19th and early 20th century, population stabilized around its current level in the post-war era. As of the 2010 Census, the City population is 152,871 (150,115 in the 2000 Census), making it one of the largest communities in the state. However, the City has lagged the growth compared to other Illinois communities and is estimated to have fallen from the second largest City in Illinois to the fifth largest as of 2023.

The City has a number of important assets that make it a desirable location for residents and that fosters a competitive environment for businesses. First, the City has an educated workforce, with over 80% of the adult population (over age 25) having obtained a high school degree and about 21% either a bachelor's degree or an advanced degree (master's degree or other advanced degree). Rockford University is located near the proposed TIF District, and both Northern Illinois University (which also maintains a Rockford campus) and Beloit College are located within close driving distance. Additionally, a number of other higher educational institutions maintain services within the Rockford community. Due in part to these strengths, Rockford has evolved over many decades from one of the leading centers for furniture and machine tool making centers in the country into a nation leader in the aerospace industry.

Secondly, the City possesses a variety of transportation assets, including proximity to multiple Interstate highways, state highways, and an airport. Interstate 90 is the primary linkage to the Chicago area, and Interstate 39 takes travelers south to Rochelle, DeKalb, and other communities. Thirdly, the area is increasingly intertwined with the growing suburban areas northwest of Chicago primarily via the link along Interstate 90, and the growth in prominence of the Chicago Rockford International Airport.

Finally, the City has made a concerted effort under the current leadership to foster economic development. The City has put in place multiple economic development programs and incentives to expedite redevelopment as the Rockford region continues to transition from a historically industrial-based economy to a diversified, 21st century economy. The City has also worked to shift to a more strategic use of tax increment financing in favor of initiatives that are driven by specific private sector investment opportunities for economic growth and elimination of blighted conditions, as opposed to previous efforts that tended to be driven by area-wide factors without the presence of more precise private investment opportunities.

The Proposed TIF District. The proposed RPA is anchored by the Barber Colman complex on the south and east, and includes a number of key older commercial and industrial structures (many vacant) to the west and north of the complex along South Main Street, all located within the City, in an area approximately bounded by (see Appendix 1 and Appendix 2):

Kent Street (and in part Loomis Street) on the north, the Rock River (and in part Buchanan Street) on the east, Knowlton Street on the south, and alternatively South Main Street and a certain alleyway (situated at a point north of Morgan Street, halfway between Church Street and South Main Street) on the west.

The City's general economic development objectives are to enhance commercial and mixed use (not inclusive of residential and/or incidental industrial uses) opportunities within the proposed RPA. To achieve this overarching objective, the City has proposed the following guidelines in its 2020 Plan ("Comprehensive Plan"), and certain strategic South Rockford development plans as discussed within Section III below.

The primary purpose of the proposed RPA as a new TIF District is to allow the City to meet its obligation under the terms of a certain public/private development partnership agreement under consideration by the City that, if successful, would result in the installation of a major, private sector led, mixed use development for the Barber Colman complex.

Section IV of this report describes a number of redevelopment impediments facing the City. Dilapidation, obsolescence, excessive vacancies, environmental

contamination, and deterioration are some of the key impediments that reduce the competitiveness of the area.

On balance, the TIF area has the potential for redevelopment of certain underutilized properties. As such, the City has identified a number of objectives for redevelopment, with tax increment financing acting as a tool to achieve them. Please refer to Section III of this report for additional information about the goals, objectives and activities to support redevelopment.

The RPA would be suitable for new development if there is coordination of uses and redevelopment activity by the City. Through this TIF Redevelopment Plan and as part of its comprehensive economic development planning, the City intends to attract and encourage residential/commercial mixed uses for the underutilized sites located within the RPA. Through the establishment of the RPA, the City would implement a program to redevelop key areas within the new TIF District and in so doing, it would revitalize the area and extend benefits to the entire community.

Rationale for Redevelopment Plan. The City recognizes the need for a strategy to revitalize properties and promote development within the boundaries of the RPA. The needed private investment would only be possible if a new TIF district is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the revitalized projects will play a decisive role in encouraging private development in an area of the City that is lacking such major development opportunities. Adverse site conditions and economic barriers that have discouraged intensive private investment in the past will continue to be eliminated. Ultimately, the implementation of the Plan will benefit both the City and other affected taxing districts, by virtue of the expected stabilization and expansion of the tax base.

The City has determined that the area as a whole would not be developed in a coordinated manner unless the adoption of the TIF Redevelopment Plan occurs. The City, with the assistance of Ryan, has therefore prepared this Plan to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment and land assembly, the RPA will become a more viable area that will attract private investment. The public investment and land assembly will lay the foundation for the redevelopment of the area with private capital. This in turn will set the stage for future retail, commercial and mixed use opportunities surrounding the area.

The designation of the area as an RPA will allow the City to pursue the following beneficial strategies:

- Providing infrastructure that supports subsequent redevelopment plans for the RPA;
- Improvements to targeted sites in preparation for redevelopment (“site prep”) and improvements to existing structures in order to accommodate new mixed use developments, as well as existing and new commercial tenants;
- Remediation of adverse environmental conditions for both site and building elements located with the RPA;
- Entering into redevelopment agreements in order to redevelop property and/or to induce new development to locate within the RPA;
- Establishing a pattern of land-use activities that will increase efficiency and economic inter-relationships, especially as such uses complement adjacent current and/or future commercial mix-use opportunities and City redevelopment projects within the RPA and/or surrounding area; and
- Enhancing area appearance through improvements to landscape, streetscape and signage.

Through this Plan, the City will direct the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Several benefits are expected to accrue to the area: increase in high quality residential units, entry of new and/or renovated businesses; new employment opportunities; and physical and aesthetic improvements. Ultimately, the implementation of the Plan will benefit (a) the City, (b) the taxing districts serving the RPA, (c) residents and property owners within and/or adjacent to the RPA, and (d) existing and new businesses within the RPA.

City Findings. The City, through legislative actions as required by the Act, finds:

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the new RPA need to be addressed, and that redevelopment of such areas must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;

- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That without the development focus and extended resources provided for under the Act and as set forth in this Plan, growth and redevelopment would not reasonably be expected to be achieved;
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment; and
- That the TIF Redevelopment Plan conforms to the Rockford (2020) Comprehensive Plan, as detailed in Section III of this report.

Additionally, the City finds that it is useful, desirable, and necessary for the City to hold together assembled land into parcels of sufficient size to encourage development consistent with modern day land use standards.

It is further found, and certified by the City, in connection to the statutory process required for the adoption of this Plan, that (a) the RPA does not contain over seventy-five (75) inhabited residential units and (b) projected redevelopment of the RPA **will not result** in the displacement of ten (10) inhabited residential units or more. Therefore, *this Plan does not include a Housing Impact Study.*

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1½ acres. A boundary map of the RPA is included in Appendix 2 of this Plan.

II. RPA LEGAL DESCRIPTION

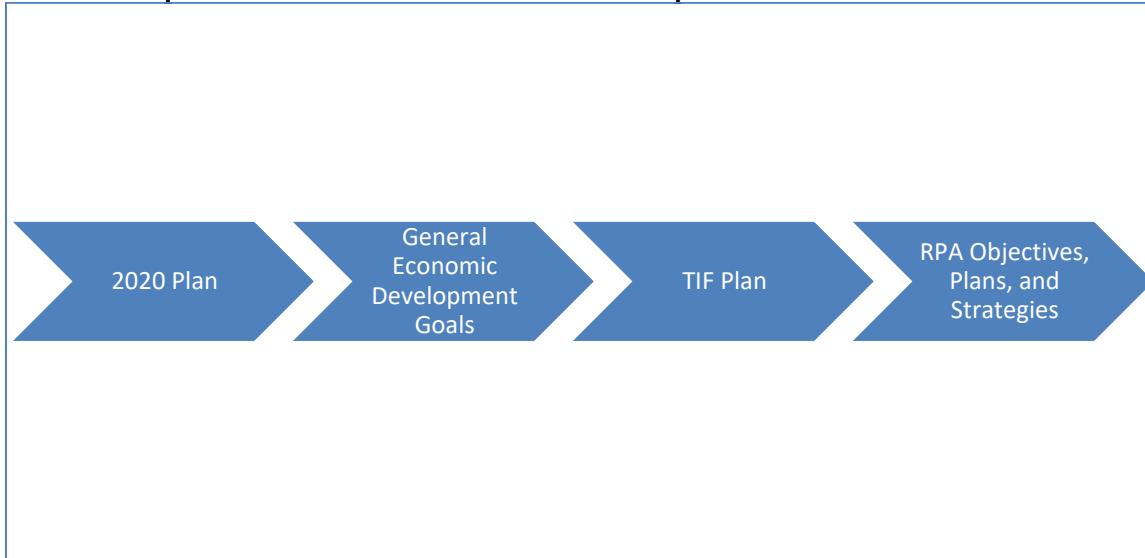
The Redevelopment Project Area legal description is attached in Appendix 1.

III. RPA GOALS AND OBJECTIVES

The City has established a number of economic development goals, objectives, and strategies which would determine the types of activities to be undertaken within the proposed Barber Colman TIF District. These efforts would conform to and promote the achievement of land use objectives in the City's (2020) *Comprehensive Plan*.

Exhibit 1

Relationship of Land Use and Economic Development Plans



As indicated in the exhibit above, the City's primary planning document is the *Comprehensive Plan* (also referred to as the *2020 Plan*) which describes the overall vision for the City and is the foundation for City initiatives such as the proposed Barber Colman TIF District. This overarching planning document determines future land uses and influences all other City planning efforts such as the TIF planning process.

General Economic Development Goals of the City. Establishment of the proposed Barber Colman TIF supports the following City-wide objectives.

- Restoring and strengthening the property tax base of the City and overlapping tax districts;
- Upgrading the overall housing stock of the City in general and Southwest Rockford, in particular;
- Creating new jobs and retain existing jobs for City and area residents;

- Providing for implementation of economic development and redevelopment strategies that benefits the City and its residents;
- Providing public infrastructure improvements (and environmental remediation) within the City to promote growth;
- Encouraging positive and feasible redevelopment of vacant properties and/or underutilized facilities;
- Coordinating all redevelopment within the City in a comprehensive manner, avoiding land use conflicts and negative community impacts with attracted users; and
- Creating a cooperative partnership between the City and other Southwest Rockford stakeholders.

Specific Objectives for the RPA. The general goals for economic development cited above would be supported by specific objectives, strategies and performance measures that would “drive” the redevelopment activities undertaken within the proposed RPA. RPA designation would allow the City to pursue the following objectives:

- Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal to private investors;
- Reduce, eliminate or prevent the onset of blight or other negative factors present within the area;
- Accomplish redevelopment over a reasonable time period;
- Provide for high quality development residential/commercial land uses within the RPA;
- Create an attractive overall appearance for the area; and
- Further the goals and objectives of the *2020 Plan*.

Additionally, The South Main Street corridor and former Barber-Colman facility have been identified as a key asset in achieving the City of Rockford’s long-term planning goals. Reports and plans which identify the RPA’s importance include, but are not limited to:

- South Rockford Target Area Plan: SWIFT (2004)
- Rockford Retail & Residential Market Study: ERA (2008)
- South Main Revitalization Strategy: State of the Corridor (2011)
- South Main Revitalization Strategy: Revitalization Vision + Implementation (2011)

- City of Rockford 2020 Plan: City of Rockford (2004, 2009, 2011, 2015)
- Recent appraisal reports commissioned by the developer and the City
- Certain Structural and Environmental Reports prepared for the City by Fehr Graham Engineering and Environmental firm between 2018 and 2022 (collectively, the “Graham Fehr” reports)

These reports and plans clearly establish the importance of the RPA. They also describe characteristics of the area which deter investment and prohibit the RPA from being fully utilized. Such characteristics include the persistent and long-term excessive vacancies, presence of conditions that are hazardous to the public, presence of obsolete and deteriorating improvements, inadequate utilities, a lack of adequate planning and the presence of incompatible land uses in close proximity to historically hazardous conditions that have and continue to exist within the Barber Colman complex.

Exhibit 2 identifies certain *2020 Plan* goals that pertain to the proposed Barber Colman TIF District.

Exhibit 2

Comprehensive Plan Goals and Objectives for City's 2020 Plan

| Goal | Objective | Action |
|---|--|--|
| Implement TIFs | Work to overcome land assembly challenges and land use conflicts | <ul style="list-style-type: none"> • Work with developers to assemble property in conjunction with TIF creation |
| Work to integrate Smart Growth principles into the City of Rockford | Mixed use development | <ul style="list-style-type: none"> • Assist with the financing of mixed-use developments • Incorporate planned mixed uses into neighborhood/sub-area plans • Provide incentives for mixed uses in new development and redevelopment areas |
| Preserve culturally, historically, and architecturally significant sites, buildings, and districts | Adaptive reuse of historic and underutilized buildings | <ul style="list-style-type: none"> • Incentivized the rehabilitation and reuse of locally designated resources within neighborhoods and commercial corridors • Ensure new development is compatible with historic districts • Encourage new mixed-use developments on underutilized sites |
| Assist with relocation of existing businesses, where appropriate, to other suitable locations within the Corridor or Southwest Rockford to allow for redevelopment of key sites | Promote adaptive use plan for Barber-Colman | <ul style="list-style-type: none"> • Utilize Brownfield Clean up Resources for Barber Colman • Utilize resources available to protect historic character of South Main Street and key sites like Barber Colman • Utilize resources such as TIF and New Market Tax Credits to help fund Barber Colman redevelopment plans |

Ultimately, the implementation of the Redevelopment Plan would contribute to the economic development of the area and provide new employment opportunities for City residents.

The RPA-specific objectives would be fulfilled by the execution of certain strategies, including but not limited to the following:

- Facilitating the preparation of improved and vacant sites, by assisting any private developer(s) to assemble suitable sites for modern development needs;
- Elimination of dilapidated, unsafe properties located within the RPA;
- Coordinating site preparation and rehabilitation of structures to provide additional land for new development, as appropriate;
- Fostering the replacement, repair, and/or improvement of infrastructure, including (as needed) sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new development within the RPA;
- Facilitating the provision of adequate on- and off-street parking within the RPA; and/or
- Coordinating development in tandem with any transportation system upgrades to make the area more accessible.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS

Evidence of the Lack of Development and Growth within the RPA. As documented in Appendix 4 of this Plan, the RPA has suffered from the lack of development and would qualify as a conservation area. In past years, the area overall has not benefited from sustained private investment and/or development, instead suffering economic decline. Absent intervention by the City, properties within the RPA would not be likely to gain in value.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually result in blight. Those conditions include structures and public improvements reflecting dilapidation and obsolescence, as well as other deficiencies. These various conditions work to discourage private sector investment in business enterprises.

Assessment of Fiscal Impact on Affected Taxing Districts. It is anticipated that the implementation of this Plan will not have a negative financial impact on the affected taxing districts. Instead, action taken by the City to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline or lag in property values, as measured by assessed valuations (AV), through the future elimination of vacant and blighted properties such as the Barber Colman (as well as other structures located along South Main Street within the RPA) buildings. In short, the establishment of a TIF district would protect other taxing districts from the potential downside risk of falling equalized assessed valuation at the South Rockford area core of the community.

Should the City achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the City will consider the declaration of “surplus funds,” as defined under the Act and pursuant to any executed intergovernmental agreement. Such funds which are neither expended nor obligated for TIF-related purposes can be used to assist affected taxing districts in paying the costs for increased services.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the City. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the City – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act.

An exception to the tax-sharing provision relates to the City’s utilization of TIF funding to mitigate the impact of residential redevelopment upon school districts. In such cases, the City will provide funds to offset the costs incurred by the eligible school districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act. It should be noted that new residential uses that

generate new students are not expected as part of future redevelopment activities. (Refer to Section VI of this Report, which describes allowable TIF project costs.)

V. TIF QUALIFICATION FACTORS PRESENT IN THE RPA

Findings. The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under the Act. Refer to the *TIF Eligibility Report*, attached as Appendix 4 in this Plan.

Eligibility Survey. Representatives of Ryan and City staff evaluated the RPA from December 2022 to the date of the publication of this Plan. Analysis was aided by certain reports obtained from the City, reports from City engineering/planning staff, on-site due diligence, and other sources. In Ryan's evaluation, only information was recorded which would help assess the eligibility of the proposed area as a TIF District.

VI. REDEVELOPMENT PROJECT

Redevelopment Plan and Project Objectives. As indicated in Section III of this Report, the City has established a planning process which guides economic development and land use activities throughout the City. Consistent with the established planning process, the City proposes to achieve economic development goals and objectives through the redevelopment of the Barber Colman TIF, pursuit of projects within the RPA, and the promotion of private investment via public financing techniques (including but not limited to tax increment financing).

The project-specific objectives envisioned for the Barber Colman TIF are as follows:

- 1) Implementing a plan that provides for the attraction of users and tenants to redevelop underutilized land and buildings that are available within the RPA.
- 2) Constructing public improvements which may include (if necessary):
 - Street and sidewalk improvements (including new street construction and widening of current streets; any street widening would conform with City standards for context-sensitive design);
 - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation);
 - Signalization, traffic control and lighting;
 - Off-street parking and public parking facilities; and
 - Landscaping, streetscaping, and beautification.
- 3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) Providing for site preparation, clearance, environmental remediation, and demolition, including grading and excavation (any demolition activities would conform to City criteria for allowing demolition) as needed.
- 5) Providing for the rehabilitation of structures in order to improve the occupancy and appearance of the property within the RPA.
- 6) Exploration and review of job training programs in coordination with any City, federal, state, and county programs.
- 7) Entering into agreements for the development and/or construction of public facilities and infrastructure.

Redevelopment Activities. Pursuant to the project objectives cited above, the City will implement a coordinated program of actions. These include, but are not limited to, land acquisition, land disposition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, construction of new public facilities, and rehabilitation of structures, if necessary. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

Site Preparation, Clearance, Relocation and Demolition

Property within the RPA may be improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment. Relocation may also be required under the TIF Act; the City would conform to the provisions of the Act.

Land Assembly and Disposition

Certain properties or interests in properties in the RPA may be acquired by purchase or the exercise of eminent domain. Properties owned by or acquired by the City may be assembled and reconfigured into appropriate redevelopment sites. If necessary, the City would facilitate private acquisition through reimbursement of acquisition and related costs as well as through the write-down of its acquisition costs. Such land may be held or disposed of by the City on terms appropriate for public or private development, including the acquisition of land needed for construction of public improvements.

Public Improvements

The City may, but is not required to, provide public improvements in the RPA to enhance the immediate area and support the Plan. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems, roadways, and traffic-related improvements;
- Parking facilities; and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

Rehabilitation/Taxing District Capital Costs

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conform to City code provisions. Improvements may include exterior and facade-related work as well as interior-related work.

The City may construct or provide for the construction and reimbursement for new facilities to be owned or used by units of local government. The City does not expect that locally designated landmarks or properties listed on or eligible for listing on the National Register of Historic Places (or properties significantly contributing to districts listed on the National Register of Historic Places) will be demolished or modified in connection with the Plan.

Interest Rate Write-Down

The City may enter into agreements with for-profit or non-profit owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

The City may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

School District Costs

The City may provide for payment of school district costs as provided for in the Act relating to residential components assisted through TIF funding.

General Land Use Plan. As noted in Section I of this report, the proposed RPA currently contains primarily retail uses.

Both existing and future land uses are shown in Appendix 3 attached hereto and made a part of this Plan. Appendix 3 shows existing and future land uses in the Redevelopment Project Area and includes Commercial Mixed-uses (or CD Mixed Use). Future land uses will conform to the Zoning Ordinance and the *Comprehensive Plan* as either may be amended from time to time.

Additional Design and Control Standards. The appropriate design standards (including any Planned Unit Developments) as set forth in the City's Zoning Ordinance and/or *Comprehensive Plan* shall apply to the RPA.

Eligible Redevelopment Project Costs. Under the TIF statute, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan. (Private investments, which supplement "Redevelopment Project Costs," are expected to substantially exceed such redevelopment project costs.) Eligible costs permitted by the Act and pertaining to this Plan include:

- (1) *Professional Service Costs* – Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
 - The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
 - Annual administrative costs shall *not* include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;
 - In addition, redevelopment project costs shall *not* include lobbying expenses;
- (2) *Property Assembly Costs* – Costs including but not limited to acquisition of land and other property (real or personal) or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as

an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

(3) *Improvements to Public or Private Buildings* – Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

(4) *Public Works* – Costs of the construction of public works or improvements, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

(5) *Job Training* – Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

(6) *Financing Costs* – Costs including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including (a) interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and (b) reasonable reserves related thereto;

(7) *Capital Costs* – To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;

- (8) *School-Related Costs* – For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually;¹
- (9) *Relocation Costs* – To the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of the Act;
- (10) *Payment in lieu of taxes*;
- (11) *Other Job Training* – Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly

¹ The calculation is as follows: (A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (C) For any school district in a municipality with a population in excess of 1,000,000, additional provisions apply.

to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

(12) *Developer Interest Cost* – Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (A) Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (B) Such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
- (C) If there are not sufficient funds available in the special tax allocation fund to make the payment then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (D) The total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
- (E) The cost limits set forth in subparagraphs (B) and (D) of paragraph shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D);
- (F) Instead of the eligible costs provided by subparagraphs (B) and (D), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under

the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (F) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F).²

The TIF Act prohibits certain costs. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the redevelopment project costs enumerated in the Act shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.³

Projected Redevelopment Project Costs. Estimated project costs are shown in Exhibit 4 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Redevelopment Plan. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the

² The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

³ Termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

redevelopment of the RPA, provided the *total amount* of payment for eligible redevelopment project costs (the “Total Estimated TIF Budget” in Exhibit 4) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

Exhibit 4
RPA Project Cost Estimates

| Program Actions/Improvements | Estimated Costs |
|--|------------------------|
| Land Acquisition, Assembly, and Relocation | \$ 3,500,000 |
| Site Preparation, Including Environmental Remediation, Demolition, and Site Grading | 8,860,000 |
| Utility Improvements (Including Water, Storm, Sanitary Sewer, Service of Public Facilities, and Road Improvements) | 4,500,000 |
| Rehabilitation of Existing Structures; Taxing District Capital Improvements | 24,000,000 |
| Public Facilities (including Parking Facilities and Streetscaping) | 7,000,000 |
| Interest Costs Pursuant to the Act | 1,000,000 |
| Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing) | 1,500,000 |
| Job Training | 500,000 |
| TOTAL ESTIMATED TIF BUDGET | \$50,860,000 |

Notes:

- (1) All project cost estimates are in 2023 dollars. Costs may be adjusted for inflation per the TIF Act.
- (2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.
- (3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The individual line-items set forth above are not intended to place an individual limit on the described expenditures – provided that the total amount of payments for eligible redevelopment project costs shall not exceed the “total estimated TIF budget” listed above.

As explained in the following sub-section, incremental property tax revenues from any contiguous RPA may be used to pay eligible costs for the Barber Colman TIF.

Sources of Funds to Pay Redevelopment Project Costs. Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from incremental property tax revenues, proceeds from municipal obligations to be retired primarily with such revenues, and interest earned on resources available but not immediately needed for the Plan. In addition, pursuant to the TIF Act and this Plan, the City may utilize net incremental property tax revenues received from other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. This would include contiguous TIFs that the City may establish in the future. (Conversely, incremental revenues from the Barber Colman TIF may be allocated to any contiguous TIF Districts.)

Redevelopment project costs as identified in Exhibit 4 specifically authorize those eligible costs set forth in the Act and do not address the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the City Council, only to leverage and commit private redevelopment activity.

The incremental tax revenues which will be used to pay debt service on the municipal obligations (if any) and to directly pay redevelopment project costs shall be the incremental increase in property taxes. The property tax increment would be attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA – over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2016 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the City may from time to time deem appropriate.

Nature and Term of Obligations to Be Issued. The City may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its power pursuant to the Illinois State Constitution.

Any and all obligations issued by the City pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years after the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-3rd year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

One or more series of obligations may be issued from time to time in order to implement this Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year. The total principal and interest may be payable from tax increment revenues (including tax increment revenues from current or future contiguous TIF Districts) and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Certain revenues may be declared as surplus funds if not required for: principal and interest payments, required reserves, bond sinking funds, redevelopment project costs, early retirement of outstanding securities, or facilitating the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan. Such surplus funds shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the City may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

Most Recent Equalized Assessed Valuation for the RPA. The most recent equalized assessed valuation for the RPA is based on the 2022 EAV and is estimated to be approximately \$432,306. It is anticipated the estimated base EAV for establishment of the RPA will be the 2022 EAV once available.

Anticipated Equalized Assessed Valuation for the RPA. Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA would increase to approximately \$17.5 million depending upon market conditions and the scope of the redevelopment projects.

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

Redevelopment Project. The City will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses conform to City zoning and planning requirements, or if the City undertakes redevelopment activities pursuant to this Plan. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken by the City:

- **Land Assembly and Relocation:** Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site, with relocation costs undertaken as provided by the Act. If necessary, the City would facilitate private acquisition through reimbursement or write-down of related costs, including without limitation the acquisition of land needed for construction of public improvements.
- **Demolition and Site Preparation:** The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements including environmental remediation necessary to prepare the site for desired redevelopment projects.
- **Rehabilitation:** The City may assist in the rehabilitation of buildings or site improvements located within the RPA.
- **Landscaping/Buffering/Streetscaping:** The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.
- **Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements:** Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The City may also undertake the provision of necessary detention or retention ponds.
- **Roadway/Street/Parking Improvements:** The City may widen and/or vacate existing roads. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.

- Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.
- Public Safety-Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.
- School District Costs: The payment of such costs may be provided pursuant to the requirements of the TIF Act.
- Interest Costs Coverage: The City may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.
- Professional Services: The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

Commitment to Fair Employment Practices and Affirmative Action.

As part of any Redevelopment Agreement entered into by the City and any private developers, both parties will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will conform to the most recent City policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race, creed, or sexual orientation. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, sexual orientation, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs, and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and compliance with applicable state and federal regulations.

The City and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees

are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs. This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the ordinance approving the RPA is adopted.

VIII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT

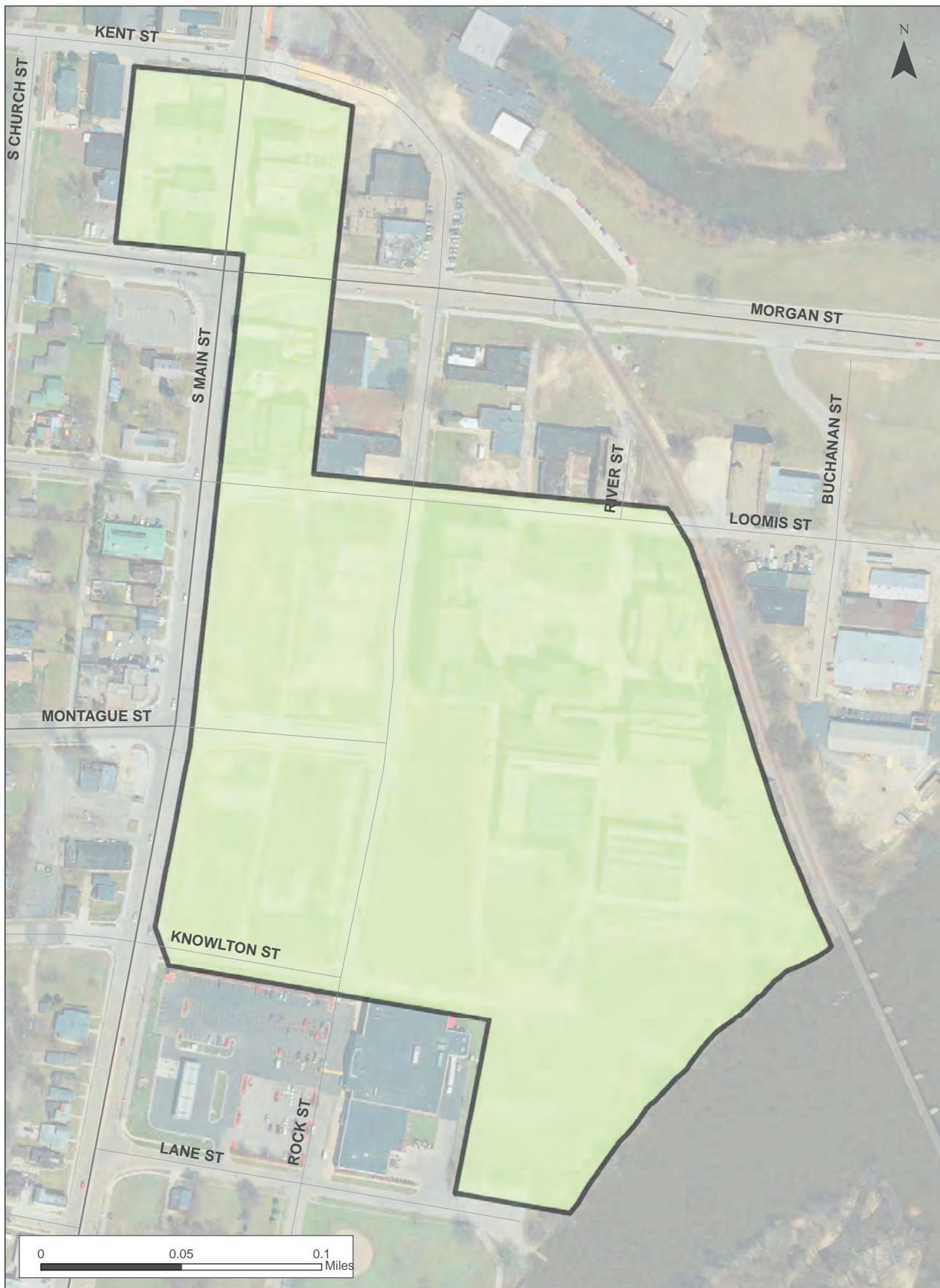
This Plan may be amended pursuant to the provisions of the Act.

APPENDIX 1
Legal Description of Project Area

Barber Colman Redevelopment Project Area Boundaries:

Part of the East Half of Section 27 and part of the Southwest Quarter of Section 26, all in Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows; beginning at the Northeast corner of Lot 3 as designated upon Plat No. 4 of Rockford Landing, the Plat of which is recorded in Book 48 of Plats on page 138A in the Recorder's Office of Winnebago County, Illinois, thence West, along the South line of Knowlton Street, a distance of 608 feet, more or less, to the easterly line of South Main Street; thence northerly, along the easterly line of South Main Street, a distance of 1343 feet, more or less, to the northerly line of Morgan Street; thence westerly, along the northerly line of Morgan Street, a distance of 249 feet, more or less, to the Southeast corner of Lot 5 in Block 17 as designated upon the Plat of Church and Robertson's Addition to the Town of Rockford, the Plat of which is recorded in Book 58 of Plats on page 120 in said Recorder's Office, said point being on the westerly line of the North/South alleyway in said Block 17; thence northerly, along the westerly line of said alleyway, a distance of 330 feet, more or less, to the South line of Kent Street; thence easterly, along the southerly line of Kent Street, a distance of 421 feet, more or less, to the Northwest corner of Lot 9 in Block 18 as designated upon said Church and Robertson's Addition, said point being on the easterly line of the North/South alleyway in said Block 18; thence southerly, along the easterly line of said alleyway, said easterly line extended south and along the easterly line of the North/South alleyway in Block 21 of said Church and Robertson's Addition, a distance of 695 feet, more or less, to the northerly line Loomis Street; thence easterly, along the northerly line of said Loomis Street, a distance of 667 feet, more or less, to the westerly line of the Canadian National Illinois Central Railroad; thence southerly, along the westerly line of said Railroad, a distance of 889 feet, more or less, to the westerly bank of the Rock River; thence southwesterly, along the westerly bank of said Rock River, a distance of 698 feet, more or less, to the Southeast corner of Lot 3 as designated upon Plat No. 2 of Rockford Landing, the Plat of which is recorded in Book 44 of Plats on page 148B in said Recorder's Office; thence westerly, along the northerly line of Lane Street, a distance of 203 feet, more or less, to the Southwest Corner of Lot 3 as designated upon said Plat No. 2 of Rockford Landing; thence northerly, along the West line of Lot 3 as designated upon said Plat No. 2 of Rockford Landing, a distance of 331.79 feet, more or less to the point of beginning; situated in the City of Rockford, The County of Winnebago and the State of Illinois; containing 31 acres, more or less.

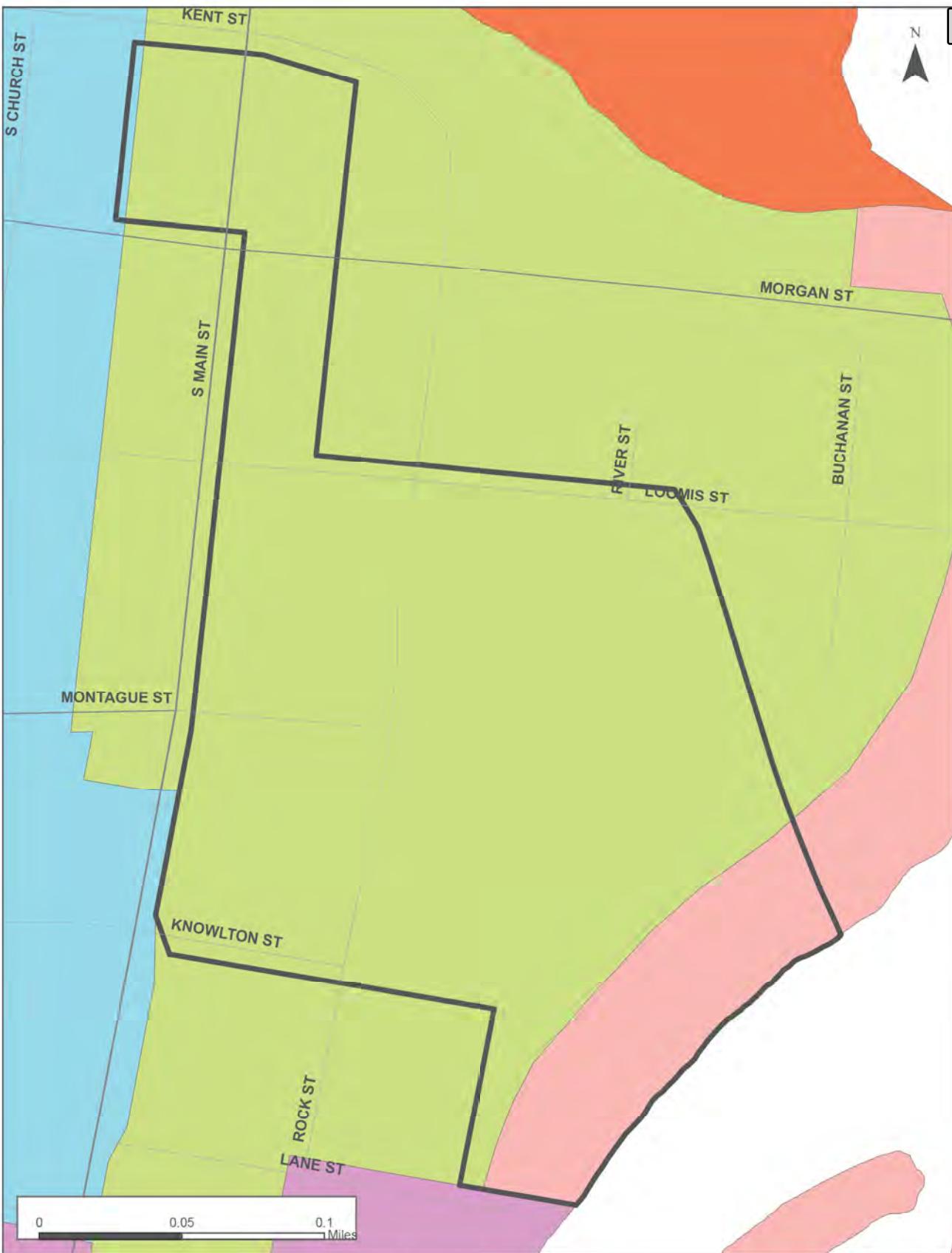
APPENDIX 2
Boundary Map of RPA



Barber Colman TIF District

APPENDIX 3

Existing and Future Land Use Map of RPA



Barber Colman TIF District

Showing Future Land Use

| | |
|--|---|
|  Mixed Use |  Existing (Quasi) Public Facility |
|  General Industry |  Central Business District Overlay |
|  General Industry/Retail |  Light Residential |
|  Priority Park Aquisition |  Barber Colman TIF Boundary (Update) |

THE DATA PROVIDED IN THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY AND THE CITY OF ROCKFORD, ITS PARTNERS, AND AFFILIATES (CORI) ASSUME NO LIABILITY FOR THE INFORMATION CONTAINED IN THIS DATA. MINING FITNESS FOR THE USE OF THIS INFORMATION RESTS WITH THE USER. CORI ASSUMES NO LIABILITY FOR THE ACCURACY OF THE DATA FOR DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY,

APPENDIX 4
TIF Eligibility Report

Prepared by Ryan, LLC

CITY OF ROCKFORD, ILLINOIS
BARBER COLMANTAX INCREMENT FINANCING
DISTRICT ELIGIBILITY REPORT

A study to determine whether all or a portion of an area located in the City of Rockford qualifies as a “conservation area” as set forth in the definition in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

Prepared for: City of Rockford, Illinois

Prepared by: Ryan, LLC

June, 2023

CITY OF ROCKFORD, ILLINOIS
BARBER COLMAN TAX INCREMENT FINANCING DISTRICT
ELIGIBILITY REPORT

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Appendix A: Tax Parcels for RPA

Appendix B: Boundary Map of RPA

EXECUTIVE SUMMARY

Ryan, LLC (Ryan) has been retained by the City of Rockford (the “City”) to undertake an analysis of the qualification of an area for the establishment of the Barber Colman Tax Increment Financing (TIF) District. The City is pursuing the establishment of the Barber Colman TIF District to promote the revitalization of under-utilized properties located within the City and the overall improvement of the area.

The focal point for the redevelopment effort is on the potential conversion of the former Barber Colman facilities into the proposed mixed-use Colman Yards development project. The unique opportunity to promote this redevelopment project, which the City considers transformative for the South Main Street area, is the primary reason for the proposed replacement of the existing South Main-Rock TIF District with the new Barber Colman TIF District. The City has determined that the proposed Colman Yards project would not be economically feasible without the additional resources and time offered by the new TIF District. A recent appraisal, commissioned by the proposed developer for the conversion of the Barber Colman complex to the Colman Yards project, concluded that the costs associated with the mixed-use development of the property would greatly exceed the value of the project upon completion. The resulting financing gap, between project cost and project valuation, will require substantial public investments (including maximized use of TIF resources) to close that financial gap.

For the purpose of forming the Barber Colman Tax Increment Financing District (the “TIF District,” the “TIF,” “Redevelopment Project Area,” or “RPA”), the City has commissioned the study of parcels within the RPA to demonstrate that the parcels qualify, separately or in aggregate, under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended (the “TIF Act” or “Act”) for inclusion in the creation of the TIF District. Ryan has agreed to conduct the TIF eligibility analysis for the RPA on the City’s behalf.

After completion of its site visit, as well as data provided by the City and the proposed Colman Yards developer, Ryan has reached the following conclusions regarding the potential qualification of the RPA:

- 1) *The area qualifies as a “conservation area”* – The RPA qualifies as a “conservation area” as defined under the TIF Act. The area in aggregate is in continued jeopardy danger of declining toward further blighted condition due, in part, to the adverse factors identified in this report. Such adverse conditions contribute to the prevention of healthy economic and physical development of the area. The TIF Act states that an area may only qualify as a “conservation area” if 50% or more of the structures are 35 years or older. For the RPA, 21 of the 24 structures or 88% are 35 years of age or older, thus the RPA meets the “threshold” statutory criteria for consideration as a “conservation area.”
- 2) *The current conditions impede redevelopment* – The existence of certain adverse conditions present within the RPA present a barrier to the area’s successful redevelopment. The existing conditions in the RPA are a continued impediments to redevelopment, leaving in place an environment where it is reasonable to assume

redevelopment would not take place “but for” the use of the TIF Act. The factors present on the ground has continued to negatively impact the City’s efforts to coordinate and promote sustained and consistent private sector investment in the overall area, and particular with respect to the Barber Colman properties with documented failed redevelopment efforts over the past decades. Without the use of renewed planning and economic development resources to mitigate such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.

- 3) *Viable redevelopment sites could produce incremental revenue* – Within the RPA, there are parcels which potentially could, with TIF-related assistance, be redeveloped and thereby produce incremental property tax revenue. The most significant example of such potential relates to the old, vacant Barber Colman facilities, which suffer from such an advanced state of deterioration that time to salvage them for redevelopment is likely to end at some point soon. Incremental revenues that could be produced by that and other properties, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the RPA.
- 4) *TIF designation is recommended* – To mitigate “conservation area” conditions, and to re-set the City’s best opportunity to promote significant private sector investment within the RPA. This in turn would foster the economic viability of the RPA. As a result, Ryan recommends that the City proceed with the formal TIF designation process for the entire area on place of the existing South Main-Rock Street TIF District.

Because the City will not pursue the redevelopment of residential parcels that could potentially dislocate 10 or more residential units within the proposed TIF district, the City will not conduct a housing impact study pursuant to the TIF Act.

I. INTRODUCTION AND BACKGROUND

The RPA is located within the southwestern portion of the City of Rockford and consists of portions of the South Main Street commercial corridor and the all the properties that constituted the former Barber-Colman industrial facility.

The South Main Street corridor is a central gateway into the City of Rockford's traditional central business district. Historically, the area was a vibrant commercial district until activity within surrounding industrial uses began to decline in the mid-20th Century. Since this period, the corridor has lacked investment and growth.

The former Barber-Colman industrial facility consists of approximately 22 acres of land originally home to textile manufacturer the Barber-Colman Company. Following the dissolution of this company in the 1980s, structures began to slip into disuse and were eventually vacated by the mid-1990s. Since this time the facility has been subject to severe deterioration.

The condition of the Barber Colman some of the buildings within the facilities were, in fact, so poor that several structures had to be demolished during the 2000s and 2010s timeframe. Additionally, the entire site has been targeted for environmental brownfield designations by both the Federal and State governments. Locally, the remaining Barber Colman structures are only permitted to stay in place for possible redevelopment under the Fire Department's Red X program (the Fire Department has also designated other structures on South Main Street within the RPA under the program as well). Under that program the remaining buildings have been cited as "hazardous and vacant structures" that are only spared from forced demolition by extraordinary security measures to protect the public. The remaining structures are also partial protected through their status as historic buildings

The condition of the entire Barber Colman complex has deteriorated to a point that recent appraisal and environmental analyses of the site lead to a conclusion that the costs associated with clearing, and further environmental clean-up of the site would substantially exceed any value that would be realized for the cleared property. Thus, the proposition of the City selling the site for any value, and the potential redevelopment of the site into a high value mix-used development is optimal for the City.

Over the last approximately twenty years. the South Main Street corridor and former Barber-Colman facility have been identified as a key potential asset in achieving the City of Rockford's long-term planning goals. Reports and plans which identify the area's (including the RPA) importance include, but are not limited to:

- South Rockford Target Area Plan: SWIFTT (2004)
- Rockford Retail & Residential Market Study: ERA (2008)
- South Main Revitalization Strategy: State of the Corridor (2011)
- South Main Revitalization Strategy: Revitalization Vision + Implementation (2011)

- City of Rockford 2020 Plan: City of Rockford (2004, 2009, 2011)
- Certain Structural and Environmental Reports prepared for the City by Fehr Graham Engineering and Environmental firm in early to mid-2018 (collectively, the “Fehr Graham” reports)

These reports and plans clearly establish the importance of the RPA. They also describe characteristics of the area which deter investment and prohibit the RPA from being fully utilized. Such characteristics include the persistent and long-term excessive vacancies, presence of obsolete and deteriorating improvements, inadequate utilities, a lack of adequate planning and the presence of incompatible uses in close proximity to one another.

Objectives- The City’s broad economic and community development objectives as stated in City of Rockford 2020 Plan: City of Rockford (2004, 2009, 2011, 2015) includes but are not limited to:

- Continue to create opportunities for rehabilitation.
- Enable a range of housing affordability within existing and new neighborhoods.
- Develop and implement programs to decrease crime and improve actual and perceived public safety.
- Reduce surplus City-owned land and structures and return publicly owned land to taxable status.
- Bring businesses, the community, and other resources together for the entire community of Rockford to attain a robust and diverse economic environment
- Ensure that all residents live in neighborhoods that are safe and that are at least either stable or improving.
- Identify, protect, and preserve Rockford’s historic resources to enhance the quality of life and economic wellbeing of current and future generations.
- Improve the aesthetics and enhance the identity of Rockford as whole as well as constituent neighborhoods, major road corridors and gateways, and the riverfront.

Specific economic and community development objectives as stated in the Rockford 2020 Comprehensive Plan - Plan Element 14: Implementation 2015-2019 report (2015) include, but are not limited to:

- Reposition former industrial sites and areas for new users.
- Ensure adequate supply of development ready land zoned for industrial and commercial uses.
- Encourage the growth of existing and emerging commerce retail corridors.
- Attract more essential services to currently underserved Planning Areas.
- Preserve culturally, historically, and architecturally significant sites, buildings, and districts.

Given the City's objectives as well as the conditions described in this report, the City has decided that it is highly desirable to promote the redevelopment of the under-utilized areas of the proposed RPA. Without an implementation plan (inclusive of use of TIF

resources) for redevelopment, City officials believe adverse conditions will worsen. The City intends to create, maintain, and implement such a plan to restore, stabilize, and increase the economic base associated within the RPA, which will not only benefit the community, as a whole, but also generate additional tax revenues to support municipal services. For example, the City has entered into a partnership with the proposed developer of the Colman Yards project to facilitate the redevelopment of the former Barber Colman complex that is indicative of the City's working toward implementation strategies to realize its goals and objectives for the RPA.

Determination of the “But For”- The City has determined that planned redevelopment for the RPA is feasible only with public finance assistance. The creation and utilization of a TIF redevelopment plan and redevelopment agreements are intended by the City to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the RPA and to improve the tax base and job creation within the City.

TIF Mechanism- The use of TIF relies upon induced private redevelopment in the RPA to create higher real estate values that would otherwise decline without such investment. By so doing, it would result in increased property taxes compared to the previous land use (and/or absence of use). In this way, the existing tax base for all tax districts would be protected and a portion of future increased taxes pledged to attract the requisite private investment.

General Scope and Methodology- Ryan formally began its analysis by conducting a series of meetings and discussions with City staff starting in December, 2022 and continuing up to the date of this report's issuance. The purpose of the meetings was to establish boundaries for initial analysis and to gather data related to the qualification criteria for parcels included in the RPA. These meetings were complemented by a series of field surveys for the entire area to evaluate the condition of the proposed TIF. Ryan made numerous site visits to the area to examine the parcels and the conditions. Ryan also utilized the City's most recent comprehensive plan and other City reports as previously referenced.

For the purpose of this study, properties within the RPA were examined in the context of the TIF Act governing improved areas (separate provisions of the Act address non-improved or vacant areas). The qualification factors discussed in this report qualify the area as a “conservation area,” as the term is defined pursuant to the TIF Act.

As work progressed, Ryan reported to key City staff its findings regarding TIF qualification and feasibility prospects for the area under study. Based on these findings the City (a) made refinements to the RPA boundaries and (b) directed Ryan to complete this report and to move forward with the preparation of a Redevelopment Plan and Project for the RPA.

For additional information about Ryan's data collection and evaluation methods, refer to Section IV of this report.

II. QUALIFICATION CRITERIA

With the assistance of City staff, Ryan, LLC assessed the RPA to determine the presence or absence of qualifying factors listed in the TIF Act. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating an RPA/Redevelopment Project Area. By definition, a Redevelopment Project Area is:

“An area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

Under the Act, “conservation area” means any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where certain conditions are met, as identified below.

TIF Qualification Factors for a “conservation area”- In accordance with the Illinois TIF Act, Ryan performed a two-step assessment to determine if the RPA would qualify as a “conservation area.” First, Ryan analyzed the threshold factor of age to determine if 50% or more of structures were 35 years of age or older.

If a proposed “conservation area” meets the age threshold, then the following factors are examined to determine TIF qualification:

If a “*conservation area*,” industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of three or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the Redevelopment Project Area:

(A) Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required, or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence: The condition or process of falling into disuse. Structures become ill-suited for the original use.

(C) Deterioration: With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards: All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures: The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies: The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate Utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses are considered to be noxious, offensive or unsuitable for the surrounding area.

(K) Environmental Clean-Up: The proposed Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for (or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for) the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law. Any such remediation costs would constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

(L) Lack of Community Planning: The proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

(M) Lagging or Declining EAV: The total equalized assessed value (EAV) of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

III. THE REDEVELOPMENT PROJECT AREA

The RPA consists of 52 tax parcels and is approximately 25 acres in size excluding rights of ways. Please see Appendix A for a list of the proposed parcels for inclusion in the TIF District. The Core of the RPA is the Barber Colman properties.

The RPA generally consists of tax parcels with frontage along South Main Street from Morgan Street to the south and Kent Street to the north, tax parcels with frontage only along the eastern portion of Main Street from Loomis Street to the south and Morgan Street to the north, and the former Barber-Colman properties (as bifurcated by Rock Street approximately from Loomis on the north and Knowlton Street on the south) roughly bound by Loomis Street to the north, the extension of Buchanan Street and the Rock River to the east, Knowlton Street to the south, and South Main Street to the west.

The RPA contains improved land designated primarily for commercial and mixed uses. Current land uses include commercial, industrial and mixed uses.

The RPA has been identified as a key asset for the City and provides an opportunity for significant future growth. However, factors exist which deter development of the area and prevent the RPA from fully contributing to the growth of the City. The area's potential for redevelopment is challenged by those factors described in detail in Section V of this report.

The RPA suffers from a variety of economic development impediments identified in the TIF Act. Specifically, it experiences excessive vacancies, dilapidation, obsolescence, deterioration, a presence of structures below minimum code standards, excessive vacancies, inadequate utilities, deleterious land-use or layout and a lack of community planning.

These adverse conditions prevent the City from achieving its economic and community development objectives. Within the RPA, the presence of dilapidation and obsolete and deteriorating improvements discourages private investment. The adverse aesthetics of these factors further impairs the success of existing area businesses. Lack of adequate planning manifested in the presence of parcels sizes and layouts that do not conform to modern market standards and the presence of inadequate utilities further contributes to obsolescence within the RPA and discourages redevelopment.

Factors such as these have prevented the RPA from obtaining adequate investment and maintaining a sound contribution to the growth of the City's tax base. Rather, these factors have slowed growth and endanger the area to blight. Without correction of the factors which impair investment in the area, the RPA will continue to be underutilized and will maintain an unrealized opportunity for the City.

IV. METHODOLOGY OF EVALUATION

The RPA was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Data was collected from the RPA, City and Winnebago County and used to determine relevance and severity of conditions compared against the statutory factors. Land and buildings within the RPA were examined to determine the applicability of the 13 different factors for qualification for TIF designation under the Act. The following steps were undertaken in this process:

- 1) Site visits to the RPA were undertaken by representatives from Ryan. These site visits required the area to be walked multiple times by the same team while taking notes, filling out site surveys and taking photographs. The purpose of these site visits included parcel counts, address matches, and the identification of current land uses, building conditions, lot conditions, and traffic flow. Ryan documented the area's conditions through site surveys, notes and photography. Site surveys were completed for each parcel within the RPA.
- 2) To determine if the area qualified as a "conservation area" the age of the buildings was ascertained by matching site surveys to Winnebago County and Rockford Township tax and building history records.
- 3) Ryan conducted evaluations of exterior structures and associated site improvements, noting such conditions relevant to the qualifying factors on the site surveys.
- 4) Ryan reviewed the 2016-2021 tax information from Winnebago County, parcel tax maps, site data, local history (discussions with City staff) for an evaluation of area-wide factors that have affected the area's development to determine the presence of qualifying factors.
- 5) Ryan performed EAV trend analysis to ascertain whether EAV growth in the RPA underperformed relative to EAV growth in the balance of the City and the Consumer Price Index-All Urban Consumers.

V. QUALIFICATION FINDINGS FOR RPA

Based upon Ryan's evaluation of parcels in the RPA and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the RPA as a "conservation area." These factors are summarized in Table 1 below. These factors are found to be clearly present and reasonably distributed throughout the RPA, as required under the Act.

Table 1
Summary of Conservation Area Findings

| Maximum Possible Factors per Statute | Minimum Factors Needed to Qualify per Statute | Qualifying Factors Present in RPA |
|--------------------------------------|---|---|
| 13 | 3 | <p>9</p> <ul style="list-style-type: none"> • Dilapidation • Deterioration • Obsolescence • Structures below minimum code • Excessive vacancies • Inadequate Utilities • Environmental Clean up • Deleterious land-use/layout • Lack of community planning |

Note: In addition to 9 qualifying factors above, the RPA meets the statutory age threshold that 50% or more of the structures are 35 years or older.

Finding as a "conservation area"- The RPA is found to qualify as a "conservation area" under the statutory criteria set forth in the TIF Act. As indicated in Section II, Ryan performed a two-step assessment, first finding that 50% or more of structures within the "conservation area" were over 35 years of age. Based upon Winnebago County Assessor and site survey data, at least 21 of 24 structures or 88% were 35 years in age or older, please see Table 2 below.

Table 2

| Conservation Area Findings | |
|---|------------|
| Total Number of Buildings in RPA | 24 |
| Total Number of Buildings 35yrs+ | 21 |
| Percentage of Buildings 35yrs+ | 88% |

“Conservation area” factors- As a second step, Ryan reviewed the criteria needed to qualify an area as a “conservation area,” finding that seven factors were present:

- 1) **Dilapidation:** The Act defines “dilapidation as an advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed. The Fehr Graham reports document several instances to demonstrate that the remaining Barber Colman buildings suffer from an advanced state of disrepair. Conditions supporting this finding include evidence of:
 - Rotted roof components (including episodes of holes in roofs and failing roofing support systems).
 - Bulging roof membranes roof membranes that appear to be holding water.
 - Clogged roof drains causing rotting of roof boards.
 - Wood planks falling off roofs.
 - Disconnected roof drain pipes.
 - Failing and buckled building support columns and ceiling beams.
 - Substantial rotting of overhead floors (including episodes of holes in floors and failing flooring support systems).
 - Significant water damage to both roof and flooring components, resulting in substantial rotting of wood components for roofs, floors and walls.
 - Fallen debris from roofing and flooring components due to extensive rotting conditions, water damage and overall exposure to weather elements.
 - Corroded building truss and overhead beam components.
 - Deteriorated and missing brick mortar on exterior wall elements.
 - Severe instances of stairstep cracking on face of buildings.
 - Bowing out of bricks falling off building foundations.
 - Designation of buildings under the Rockford Fire Department’s “Red X Program”, as described herein.

The City's partnership with the Colman Yards developer will require substantial investments or the buildings are likely to share the same fate as previous Barber Colman buildings that had to be demolished to secure public safety. As noted earlier, the level of investments required to successfully implement this rehabilitation strategy will fall well above the amount of private sector financing and equity the developer will be able to raise. As a result, the maximum investment of TIF (as well as other public sector sources) will be essential to the successful implementation of the plans to save and restore the structures for the planned mixed-use purposes.

2) **Deterioration:** The Act defines deterioration as the physical decline of surface improvements, primary building components, and secondary buildings components such as doors, windows, porches or gutters. With respect to surface improvements, deterioration is determined by the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas (including but not limited to surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces).

Substantial levels of deterioration were observed (and/or reported via the Fehr Graham structural and environmental reports for the Barber Colman structures and improvements) throughout the proposed TIF District. In particular, *serious and wide-range degrees of deterioration were identified for not only the remaining Barber Colman buildings, but also other buildings located within the area. Structures located within the RPA also exhibited significant episodes of deterioration defects that ranged from severe to extreme deteriorated conditions. More specifically, these deteriorated conditions were evident by virtue of severe defects related specially to building components such as window frames and building façades, as well to masonry building exteriors.*

With respect to surface improvements, deterioration was found adjacent to roadways, curbs/gutters, alley ways, sidewalk areas, and parking areas including, but not limited to, surface cracking, potholes, depressions, weed growth and loose paving materials. These indicators of deterioration were found in close proximity to the streets but not directly on the recently improved South Main Street corridor portion of the proposed RPA.

In summary, it was determined that the structures within the proposed RPA had various combinations of the following signs of deterioration:

- *Damaged and leaking roofs (especially as evidenced by reported dilapidated roof and ceiling elements now common for the remaining Barber Colman structures)*
- *Rusted, damaged or missing fascia*
- *Damaged masonry components*
- *Deteriorated and damaged concrete sections (including among adjacent parking and alley way areas)*
- *Water-damaged or missing brick*
- *Rusted window frames and lighting fixtures/standards*

- *Rotting wood window/door frames*
- *Broken windows, missing windowpanes and damaged doors.*

3) **Obsolescence:** The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use. The area exhibits both economic and functional obsolescence. The RPA exhibits area-wide obsolescence in need of investment and redevelopment for attracting new tenants.

The majority of the buildings within the area are near the end of their useful lives or has reached the end of their useful lives – in particular, dilapidated buildings that have fallen into extended/long-term disuse. This finding based just on the advanced age of many of the structures; but is also based upon extensive instances of long-term, excessive vacancies of many of the structures, as well the proof of lack of meaningful private sector investment demonstrated by the overall poor physical condition of the area's structures. The great majority of the structures located within the RPA were constructed in a time period stretching from the early 1900's through the late 1940's. As a result, many of the existing structures within the RPA suffer from area-wide functional obsolescence connected in part to the factors of lack of community planning, deleterious layout, obsolete platting, and advanced age.

The maximum useful life of a typical residential structure is generally considered to be 70 years of age. By this measure, most of the existing residential structures located within the RPA are well beyond their original useful life and require substantial investments to either place or keep them in both functional and economically feasible usage.

In some cases, this continuing process has evidently only been delayed through ongoing rehabilitative efforts by a number of building owners; conversely, many others have experienced physical decline that has resulted in structures falling into absolute disuse, making them poorly suited for the original (mostly industrial) use. Although a number of these structures continue to function for mixed uses, many others have lost all functionality and can only be placed back into productive use via a level of investment that would likely not be sustainable through private sector investments alone.

For many structures still in use, their obsolescence has been mitigated by a series of grandfathered governmental building, zoning and environmental regulations that essentially permit variances from modern land use regulations. If modern laws, standards and regulations were applied to such, it would render most of them totally obsolete – that is, again, costs would be too great to bring into compliance in a manner that would keep them suitable for occupancy.

The problem of obsolescence that occurs with age is aggravated by the presence of by real or perceived negative neighborhood influences connected to conditions,

such as dilapidating and deteriorating structures and site improvements, as well as (in many cases) inadequate or non-existing utilities, for areas adjacent to the proposed RPA. Prominent in this respect is the presence in nearby areas that contain structures that are dilapidated, fire damaged, condemned and/or abandoned. The poor condition (whether real or perceived) and high-profile nature of such property can be a major detriment to the attraction of private sector investment into the proposed RPA.

4) **Structure Below Minimum Code:** As noted, the TIF Act defines “below code standards” as structures not meeting the requirements of zoning, subdivision, building, fire and other governmental codes, excluding housing and property maintenance codes (which cover infractions such as weed nuisances or graffiti). The City has in the past documented various indicators of building code and fire safety violations in the remaining Barber Colman buildings and these structures failed to meet City building and fire safety regulations. Both of these large structures have been closed to access in part due to public safety reasons.

As previously noted, the overall state of the remaining Barber Colman buildings has at various times been subject to designation for demolition (while other structures were actually demolished), which would have eliminated numerous public safety concerns associated with the failed, dilapidated and deteriorated building conditions. The remaining buildings remain in an advanced state of deterioration related to minimum code standards.

The remaining Barber Colman buildings have such extensive damage and structural failings that have caused the Fire Department to designate the complex of buildings under its “Red X Program” though the identification of life safety hazards present for the structure. Pursuant to City codes: “...Any vacant or abandoned buildings or structures determined to be unsafe pursuant to Section 110 of [2015 International Fire Code] relating to structural or interior hazards shall be marked as required....”

The hazards cited as part of the program include:

- History of building fires
- History of environmental related instances
- Long term vacancy
- Structural hazards
- Significant health issues
- Multiple significant Building Code Violations
- Other situation that poses an unnecessary risk to firefighters and other responders

Additional code violations cited for the RPA, as a whole, included:

- Structural failures cited for several buildings
- Exterior masonry failures for several buildings
- Failures in fence structures throughout the RPA
- Condemnation citations for interior building issues
- Condemnation citations for unsafe and unsanitary conditions
- Heating system failures

5) **Excessive Vacancies:** The Act identifies excessive vacancies as the presence of buildings that are unoccupied or under-utilized which exert an adverse influence on the area due to the frequency, extent, or duration of the vacancies.

The former Barber Colman buildings, acquired by the City in 2002, were each 100% unoccupied at the time of the Ryan site visit, and according to the City had been unoccupied, vacant and/or underutilized since the mid 1970's through the early 1980's (and completely vacated by the 1990's), a period of between 40-50 years. Furthermore, additional vacant structures (some designated under the Red X Program) within the proposed RPA are situated along the South Main corridor, between Knowlton on the south and Kent Street on the north. Excessive vacancies contribute to conditions such as deterioration and obsolescence (as discussed above), and as such help to create an adverse influence on the overall area, which also acts as a deterrent and disincentive for the private sector investment that is required for the area's successful redevelopment.

6) **Inadequate Utilities:** This factor is present if underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electric services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

All the utilities currently located within the former Barber Colman facility are inadequate (and in some cases, non-existent) to meet the needs of the large-scale, mixed-use development that is planned development for the facility. The existing structures have been gutted of all useful utility infrastructure, and a significant portion of the development budget for the proposed project will be required to be expended on work to bring into the site all storm and sanitation sewer systems, as well as water lines, gas, and electrical services.

The City and the developer will be required to commit to making sure that such utility improvements are consistent with the US EPA requirements for engineered barrier design and construction to serve as mitigation of environmental hazards that have been found at the site.

7) **Deleterious Land-Use or Layout:** The Act states that deleterious land use and layout occurs with the existence of incompatible land-use relationships, buildings

occupied by inappropriate mixed-uses or uses are considered to be noxious, offensive or unsuitable for the surrounding area.

According to County records, much of the improvements found located on the area's parcels occurred during a period 65 to over 110 years ago. This applies to more than 60% of the buildings in the area. These properties were developed during a period that occurred several decades, when much of the area's improvements were placed into service prior to a time when the City utilized the types of land use and comprehensive planning practices of more modern times. A consequence of the relative lack of planning standards that has been that the area was permitted to develop in a piecemeal fashion with little regard for the consistent land-use patterns that ignored the proximity of residential uses within unsafe distances from heavy (and often hazardous) industrial uses.

In addition, the tendency of the area to experience frequent and prolonged vacancies within many area structures (especially since the early 1970's through the late 1980's) has led to blighted conditions that are noxious, offensive, and unsuitable for the surrounding residential areas that continue to have in place occupied housing units. This problem is evidenced by the historical property tax sales, condemnation, and demolition of properties throughout the area. The responsible reuse of such structures would be (a) part of an effort by the City to relieve the area of noxious properties, (b) encourage future development into the overall area, and (c) promote uniform compliance with building, fire, and safety codes now in effect for newer parts of the Rockford community. The continued existence of blighted conditions now found in the area contributes to the finding of deleterious layout and land use for the improved land within the RPA.

Finally, the previous registration of the former Barber Colman complex as a Brownfield site with the US EPA, is additional evidence of the area's deleterious layout and land use. This designation offers additional very strong evidence that nearby residential uses were within a proximity to former heavy industrial uses of a nature that would not be permitted under today's land use planning standards. The existence of this type of incompatible land-use near active residential uses constitutes an ongoing condition of a noxious, offensive, or unsuitable danger to community residents that is currently be addressed by the City via resources being made through the US EPA and other measures.

8) **Lack of Community Planning:** The Act states that if the proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan the factor is present. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning. The City published its first Comprehensive Plan in 1972. However, many structures in the RPA were already developed by the time the planning process started. In the RPA, 18 of the 24 buildings or 75% were built before 1972.

Table 3

| Lack of Community Planning Findings | |
|---|------------|
| Total Number of Buildings in RPA | 24 |
| Total Number of Buildings Built Prior to Comp Plan | 18 |
| Percentage of Buildings Built Prior to Comp Plan | 75% |

9) Environmental Clean-Up. The Act states that “the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law” and related “remediation costs (that) would constitute a material impediment to the development or redevelopment of the” RPA constitute a qualification factor under the TIF Act.

The Barber Colman property is a registered Brownfield site with the U.S. EPA, and the City has performed numerous environmental site assessments, building demolitions, and environmental site remediation since 2003 to restore the property to “No Further Remediation” (“NFR”) status. Accordingly, the City has received funding from the U.S. EPA to assess, design and construct engineered barriers on the site and remediate asbestos and lead-based paint found within the remaining Barber Colman buildings. Additionally, in pursuit of NFR status for the property, the City has already performed numerous environmental site assessments, building demolitions, and environmental site clean-ups since 2003 to restore the property to a less severe environmental threat to the community in general and the South Rockford area in particular.

The Fehr Graham reports offer one such assessments calling for the following actions related the Barber Colman property:

- Structural repairs to buildings to allow for safe working conditions
- Removal and disposal of PCB containing materials
- Asbestos abatement
- Lead-based paint mitigation
- Removal and disposal of mercury-containing electronic equipment
- Cleaning and filling pits/trenches

VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the City's potential designation of the RPA.

1. The area is contiguous and is greater than 1½ acres in size;
2. The proposed RPA will qualify as a "conservation area." Further, the "Conservation area" factors found in the RPA are present to a meaningful extent and are distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area; and
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

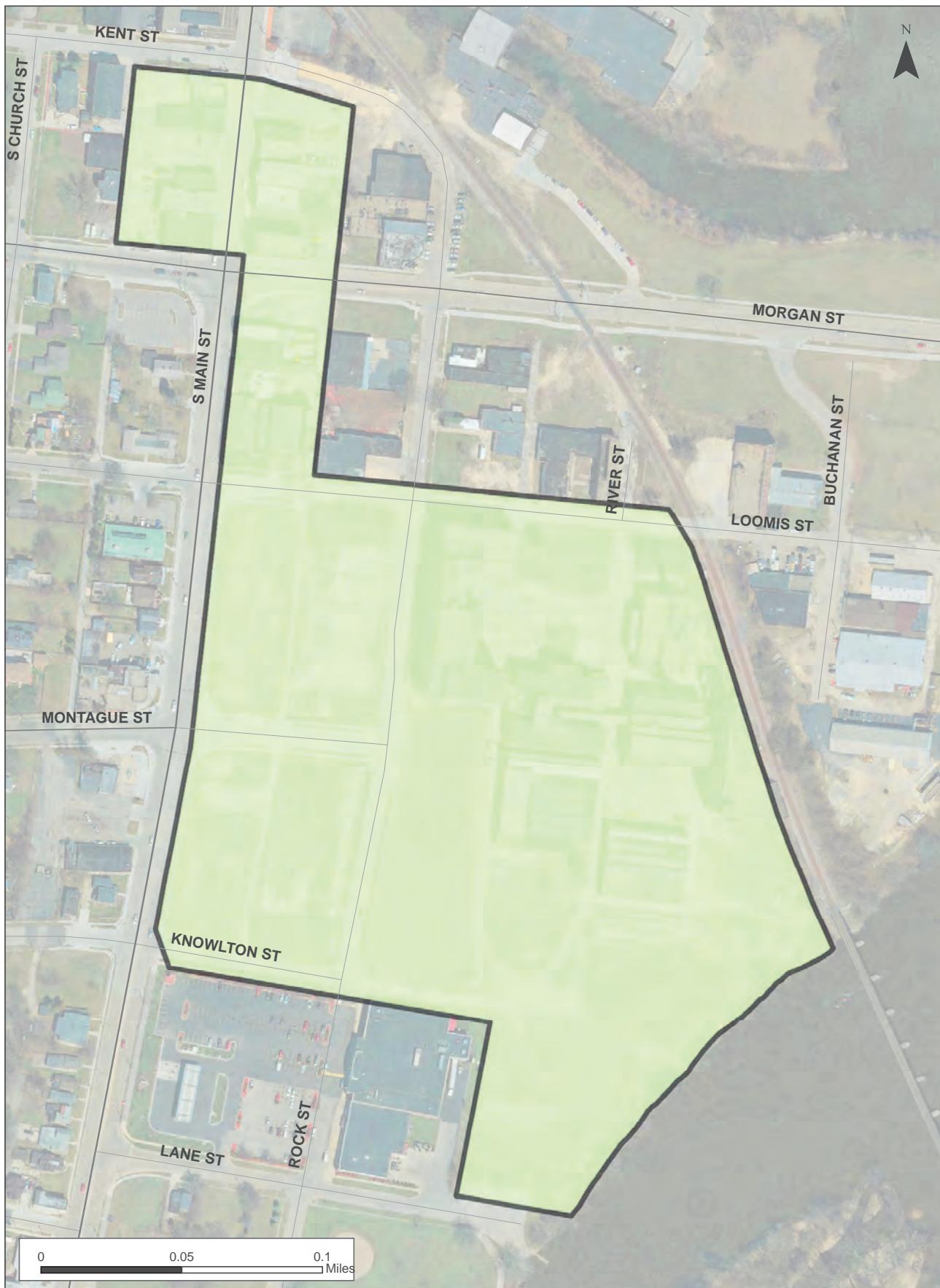
In the judgment of Ryan, these findings provide the City with sufficient justification to consider designation of the RPA.

APPENDIX A
Tax Parcels for RPA

**City of Rockford
Barber Colman TIF**

| PIN | |
|-----|---------------|
| 1 | 11-27-279-025 |
| 2 | 11-27-279-024 |
| 3 | 11-27-279-023 |
| 4 | 11-27-279-018 |
| 5 | 11-27-279-019 |
| 6 | 11-27-279-026 |
| 7 | 11-27-279-027 |
| 8 | 11-27-279-028 |
| 9 | 11-27-279-020 |
| 10 | 11-27-279-021 |
| 11 | 11-27-279-022 |
| 12 | 11-27-279-017 |
| 13 | 11-27-280-018 |
| 14 | 11-27-280-002 |
| 15 | 11-27-280-003 |
| 16 | 11-27-280-004 |
| 17 | 11-27-280-005 |
| 18 | 11-27-280-006 |
| 19 | 11-27-276-003 |
| 20 | 11-27-276-018 |
| 21 | 11-27-276-009 |
| 22 | 11-27-276-019 |
| 23 | 11-27-276-020 |
| 24 | 11-27-276-011 |
| 25 | 11-27-276-023 |
| 26 | 11-27-276-024 |
| 27 | 11-27-276-025 |
| 28 | 11-27-276-022 |
| 29 | 11-27-281-010 |
| 30 | 11-27-281-011 |
| 31 | 11-27-281-012 |
| 32 | 11-27-281-013 |
| 33 | 11-27-281-014 |
| 34 | 11-27-281-015 |
| 35 | 11-27-281-016 |
| 36 | 11-27-281-008 |
| 37 | 11-27-281-009 |
| 38 | 11-27-426-012 |
| 39 | 11-27-426-013 |
| 40 | 11-27-426-014 |
| 41 | 11-27-426-015 |
| 42 | 11-27-426-016 |
| 43 | 11-27-426-017 |
| 44 | 11-27-426-018 |
| 45 | 11-27-426-009 |
| 46 | 11-27-426-010 |
| 47 | 11-27-426-011 |
| 48 | 11-27-427-004 |
| 49 | 11-27-427-005 |
| 50 | 11-27-427-006 |
| 51 | 11-27-428-020 |
| 52 | 11-27-426-003 |

APPENDIX B
Boundary Map of RPA



Barber Colman TIF District

Rockford, Illinois

Date: June 20, 2023

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 an ordinance designating the Barber Colman Redevelopment Plan and Project Area, hereby begs leave to report recommending approval of the request as recommended and hereby authorizes the Mayor and Legal Director to execute an ordinance designating the Barber Colman Redevelopment Plan and Project Area. The Legal Director shall prepare the appropriate ordinance.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Gabrielle Torina

Karen Hoffman

Bill Rose

Committee Action Taken: June 20, 2023

Wilkins: Ayes: _____ Nays: _____ Absent: _____
Durkee: Ayes: _____ Nays: _____ Absent: _____
Torina: Ayes: _____ Nays: _____ Absent: _____
Hoffman: Ayes: _____ Nays: _____ Absent: _____
Rose: Ayes: _____ Nays: _____ Absent: _____

ORDINANCE NO. 2023-____-O____**AN ORDINANCE OF THE CITY OF ROCKFORD, WINNEBAGO AND OGLE COUNTIES, ILLINOIS, DESIGNATING THE BARBER COLMAN REDEVELOPMENT PROJECT AREA PURSUANT TO THE TAX INCREMENT ALLOCATION REDEVELOPMENT ACT**

WHEREAS, the City of Rockford, Winnebago and Ogle Counties, Illinois (the "City"), is a duly organized and existing municipal corporation created under the provisions of the laws of the State of Illinois and under the provisions of the Illinois Municipal Code, as from time to time supplemented and amended; and

WHEREAS, it is desirable and in the best interest of the citizens of the City of Rockford, Winnebago and Ogle Counties, Illinois, for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for proposed Barber Colman redevelopment plan and redevelopment project (the "*Plan and Project*") within the municipal boundaries of the City within a proposed redevelopment project area (the "Area") described in Section 2 of this Ordinance; and

WHEREAS, the Corporate Authorities have heretofore by ordinance approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Area designation hereinafter made, of a public hearing held on May 22, 2023, and it is now necessary and desirable to designate the Area as a redevelopment project area pursuant to the Act.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Rockford, Winnebago and Ogle Counties, Illinois, as follows:

SECTION 1. *Recitals* That the above recitals and findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

SECTION 2. *Area Designated.* That the Area, as legally described in EXHIBIT A, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety, is hereby designated as a redevelopment project area pursuant to Section 11-74.4-4 of the Act. The general street location for the Area is described in EXHIBIT B, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety. The map of the Area is depicted on EXHIBIT C, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety.

SECTION 3. *Severability.* This Ordinance, and its parts, is declared to be severable and if any section, clause, provision, or portion thereof of this Ordinance is declared invalid, the invalidity thereof shall not affect the validity of any other provisions of this Ordinance which shall remain in full force and effect.

SECTION 4. *Superseder.* All ordinances, resolutions, motions, or orders in conflict with any provision of this Ordinance are, to the extent of such conflict, hereby repealed.

SECTION 5. *Effective Date.* This Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

PASSED BY THE MAYOR AND THE CITY COUNCIL of the City of Rockford, Illinois, at a regular meeting thereof on the _____ day of _____, 2023, and approved by me as Mayor on the same day.

VOTING AYE:

VOTING NAY:

ABSENT:

ABSTAIN:

APPROVED: _____, 2023

MAYOR

ATTESTED:

LEGAL DIRECTOR

PASSED:

APPROVED:

PUBLISHED:

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

Legal Director and ex officio
Keeper of the Records and Seal

APPROVED BY:

NICHOLAS O. MEYER, Legal Director

RECOMMENDED BY:

Jacob Rubin, Assistant City Attorney

EXHIBIT A

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

Redevelopment Project Area Legal Description

Part of the East Half of Section 27 and part of the Southwest Quarter of Section 26, all in Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows; beginning at the Northeast corner of Lot 3 as designated upon Plat No. 4 of Rockford Landing, the Plat of which is recorded in Book 48 of Plats on page 138A in the Recorder's Office of Winnebago County, Illinois, thence West, along the South line of Knowlton Street, a distance of 608 feet, more or less, to the easterly line of South Main Street; thence northerly, along the easterly line of South Main Street, a distance of 1343 feet, more or less, to the northerly line of Morgan Street; thence westerly, along the northerly line of Morgan Street, a distance of 249 feet, more or less, to the Southeast corner of Lot 5 in Block 17 as designated upon the Plat of Church and Robertson's Addition to the Town of Rockford, the Plat of which is recorded in Book 58 of Plats on page 120 in said Recorder's Office, said point being on the westerly line of the North/South alleyway in said Block 17; thence northerly, along the westerly line of said alleyway, a distance of 330 feet, more or less, to the South line of Kent Street; thence easterly, along the southerly line of Kent Street, a distance of 421 feet, more or less, to the Northwest corner of Lot 9 in Block 18 as designated upon said Church and Robertson's Addition, said point being on the easterly line of the North/South alleyway in said Block 18; thence southerly, along the easterly line of said alleyway, said easterly line extended south and along the easterly line of the North/South alleyway in Block 21 of said Church and Robertson's Addition, a distance of 695 feet, more or less, to the northerly line Loomis Street; thence easterly, along the northerly line of said Loomis Street, a distance of 667 feet, more or less, to the westerly line of the Canadian National Illinois Central Railroad; thence southerly, along the westerly line of said Railroad, a distance of 889 feet, more or less, to the westerly bank of the Rock River; thence southwesterly, along the westerly bank of said Rock River, a distance of 698 feet, more or less, to the Southeast corner of Lot 3 as designated upon Plat No. 2 of Rockford Landing, the Plat of which is recorded in Book 44 of Plats on page 148B in said Recorder's Office; thence westerly, along the northerly line of Lane Street, a distance of 203 feet, more or less, to the Southwest Corner of Lot 3 as designated upon said Plat No. 2 of Rockford Landing; thence northerly, along the West line of Lot 3 as designated upon said Plat No. 2 of Rockford Landing, a distance of 331.79 feet, more or less to the point of beginning; situated in the City of Rockford, The County of Winnebago and the State of Illinois; containing 31 acres, more or less.

EXHIBIT B

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

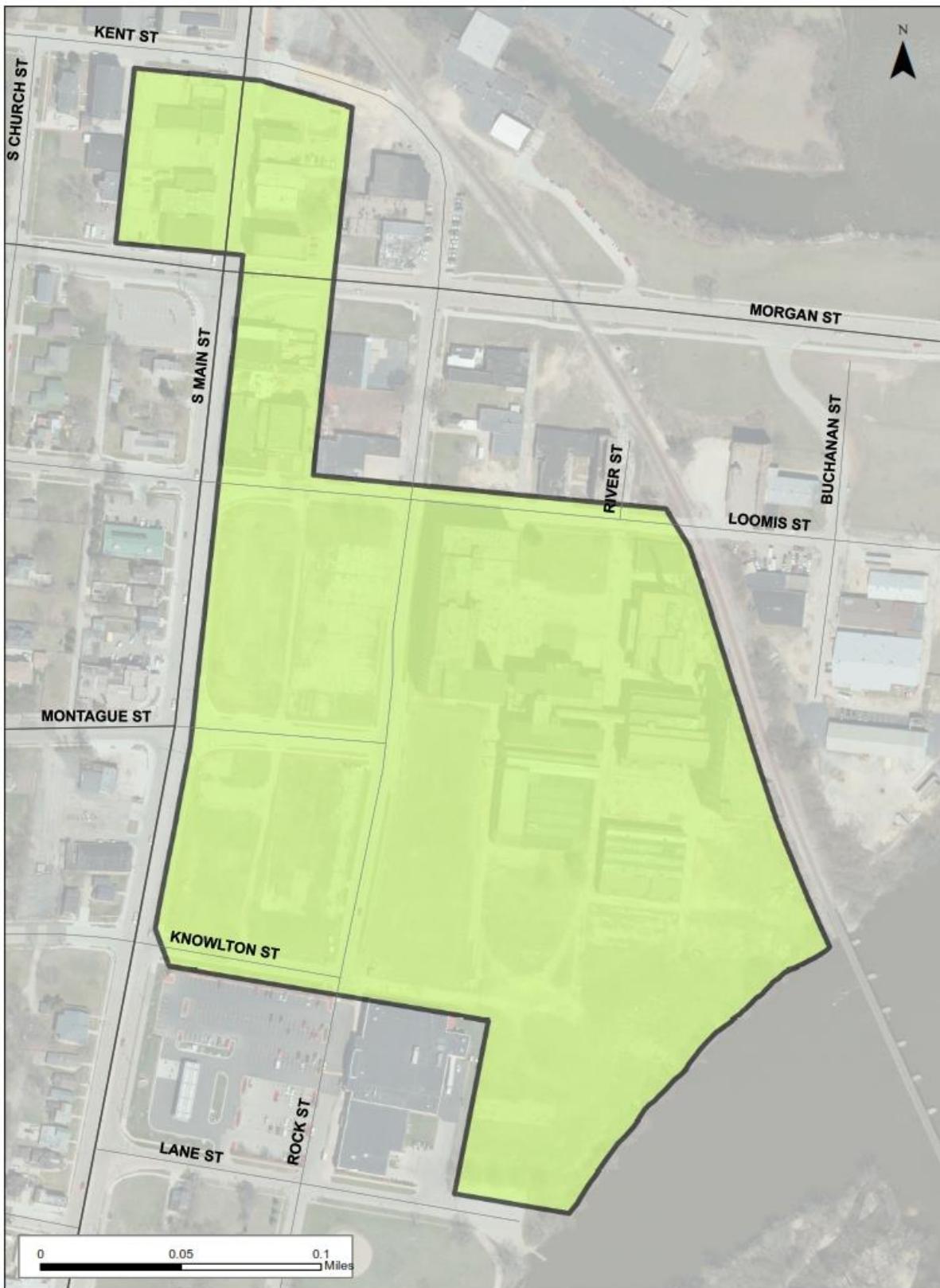
Redevelopment Project Area Common Boundary Description

The proposed RPA is in an area approximately bounded by: Kent Street (and in part Loomis Street) on the north, the Rock River (and in part Buchanan Street) on the east, Knowlton Street on the south, and alternatively South Main Street and a certain alleyway (situated at a point north of Morgan Street, halfway between Church Street and South Main Street) on the west.

EXHIBIT C

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

**Redevelopment Project Area
Street Location Map**



Barber Colman TIF District

STATE OF ILLINOIS)
COUNTIES OF WINNEBAGO AND OGLE)
) SS

I, **NICHOLAS O. MEYER**, Legal Director and ex officio Keeper of the Records and Seal of the City of Rockford, County of Winnebago, State of Illinois, do hereby certify that the foregoing is a true and correct copy of the ***City of Rockford Ordinance Designating the Barber Colman Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act, Ordinance No: 2023-____-O*** approved by the City Council of the City of Rockford at its meeting held on _____, _____, 2023.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the Corporate Seal of the City of Rockford, Illinois this ____ day of , 2023.

**NICHOLAS O. MEYER, Legal Director and
ex officio Keeper of the Records and Seal**

(SEAL)

Rockford, Illinois

Date: June 20, 2023

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 an ordinance adopting the Tax Increment Allocation Financing for the Barber Colman Redevelopment Plan and Project Area, hereby begs leave to report recommending approval of the request as recommended and hereby authorizes the Mayor and Legal Director to execute an ordinance adopting the Tax Increment Allocation Financing for the Barber Colman Redevelopment Plan and Project Area. The Legal Director shall prepare the appropriate ordinance.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Gabrielle Torina

Karen Hoffman

Bill Rose

Committee Action Taken: June 20, 2023

| | | | |
|----------|----------------------------|----------------------------|------------------------------|
| Wilkins: | Ayes: <input type="text"/> | Nays: <input type="text"/> | Absent: <input type="text"/> |
| Durkee: | Ayes: <input type="text"/> | Nays: <input type="text"/> | Absent: <input type="text"/> |
| Torina: | Ayes: <input type="text"/> | Nays: <input type="text"/> | Absent: <input type="text"/> |
| Hoffman: | Ayes: <input type="text"/> | Nays: <input type="text"/> | Absent: <input type="text"/> |
| Rose: | Ayes: <input type="text"/> | Nays: <input type="text"/> | Absent: <input type="text"/> |

ORDINANCE NO. 2023-____-O

**AN ORDINANCE OF THE CITY OF ROCKFORD,
WINNEBAGO AND OGLE COUNTIES, ILLINOIS,
ADOPTING TAX INCREMENT ALLOCATION FINANCING
FOR THE BARBER COLMAN REDEVELOPMENT PLAN
AND PROJECT AREA**

WHEREAS, the City of Rockford, Winnebago and Ogle Counties, Illinois (the "City"), is a duly organized and existing municipal corporation created under the provisions of the laws of the State of Illinois and under the provisions of the Illinois Municipal Code, as from time to time supplemented and amended; and

WHEREAS, it is desirable and in the best interest of the citizens of the City of Rockford, Winnebago and Ogle Counties, Illinois, for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), and

WHEREAS, the City has heretofore approved a redevelopment plan and project (the "Plan and Project") as required by the Act by passage of an ordinance and has heretofore designated a redevelopment project area (the "Area") as required by the Act by the passage of an ordinance and has otherwise complied with all other conditions precedent required by the Act.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Rockford, Winnebago and Ogle Counties, Illinois, as follows:

SECTION 1. *Recitals.* That the above recitals and findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

SECTION 2. *Tax Increment Financing Adopted.* That tax increment allocation financing is hereby amended to pay redevelopment project costs as defined in the Act and as set forth in the Plan and Project within the Area as legally described in EXHIBIT A, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety. The general street location for the Area is described in EXHIBIT B, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety. The map of the Area is depicted in EXHIBIT C, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety.

SECTION 3. *Allocation of Ad Valorem Taxes.* That pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act each year after the effective date of this Ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

a. That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property that is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the Area shall be allocated to and when collected shall be paid by the Counties collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

b. That portion, if any, of such taxes that is attributable to the increase in the current equalized assessed valuation of each lot, block, tract, or parcel of real property in the

Area which shall be deposited into a special fund, hereby created, and designated the "Barber Colman Redevelopment Project Area Special Tax Allocation Fund" of the City and such taxes shall be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

SECTION 4. *Severability.* This Ordinance, and its parts, is declared to be severable and if any section, clause, provision, or portion thereof of this Ordinance is declared invalid, the invalidity thereof shall not affect the validity of any other provisions of this Ordinance which shall remain in full force and effect.

SECTION 5. *Superseder.* All ordinances, resolutions, motions, or orders in conflict with any provision of this Ordinance are, to the extent of such conflict, hereby repealed.

SECTION 6. *Effective Date.* This Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

PASSED BY THE MAYOR AND THE CITY COUNCIL of the City of Rockford, Illinois, at a regular meeting thereof on the _____ day of _____, 2023, and approved by me as Mayor on the same day.

VOTING AYE: _____

VOTING NAY: _____

ABSENT: _____

ABSTAIN: _____

APPROVED: _____, 2023

MAYOR

ATTESTED:

LEGAL DIRECTOR

PASSED:

APPROVED:

PUBLISHED:

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

Legal Director and ex officio
Keeper of the Records and Seal

APPROVED BY:

NICHOLAS O. MEYER, Legal Director

RECOMMENDED BY:

JACOB RUBIN, Assistant City Attorney

EXHIBIT A

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

Redevelopment Project Area Legal Description

Part of the East Half of Section 27 and part of the Southwest Quarter of Section 26, all in Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows; beginning at the Northeast corner of Lot 3 as designated upon Plat No. 4 of Rockford Landing, the Plat of which is recorded in Book 48 of Plats on page 138A in the Recorder's Office of Winnebago County, Illinois, thence West, along the South line of Knowlton Street, a distance of 608 feet, more or less, to the easterly line of South Main Street; thence northerly, along the easterly line of South Main Street, a distance of 1343 feet, more or less, to the northerly line of Morgan Street; thence westerly, along the northerly line of Morgan Street, a distance of 249 feet, more or less, to the Southeast corner of Lot 5 in Block 17 as designated upon the Plat of Church and Robertson's Addition to the Town of Rockford, the Plat of which is recorded in Book 58 of Plats on page 120 in said Recorder's Office, said point being on the westerly line of the North/South alleyway in said Block 17; thence northerly, along the westerly line of said alleyway, a distance of 330 feet, more or less, to the South line of Kent Street; thence easterly, along the southerly line of Kent Street, a distance of 421 feet, more or less, to the Northwest corner of Lot 9 in Block 18 as designated upon said Church and Robertson's Addition, said point being on the easterly line of the North/South alleyway in said Block 18; thence southerly, along the easterly line of said alleyway, said easterly line extended south and along the easterly line of the North/South alleyway in Block 21 of said Church and Robertson's Addition, a distance of 695 feet, more or less, to the northerly line Loomis Street; thence easterly, along the northerly line of said Loomis Street, a distance of 667 feet, more or less, to the westerly line of the Canadian National Illinois Central Railroad; thence southerly, along the westerly line of said Railroad, a distance of 889 feet, more or less, to the westerly bank of the Rock River; thence southwesterly, along the westerly bank of said Rock River, a distance of 698 feet, more or less, to the Southeast corner of Lot 3 as designated upon Plat No. 2 of Rockford Landing, the Plat of which is recorded in Book 44 of Plats on page 148B in said Recorder's Office; thence westerly, along the northerly line of Lane Street, a distance of 203 feet, more or less, to the Southwest Corner of Lot 3 as designated upon said Plat No. 2 of Rockford Landing; thence northerly, along the West line of Lot 3 as designated upon said Plat No. 2 of Rockford Landing, a distance of 331.79 feet, more or less to the point of beginning; situated in the City of Rockford, The County of Winnebago and the State of Illinois; containing 31 acres, more or less.

EXHIBIT B

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

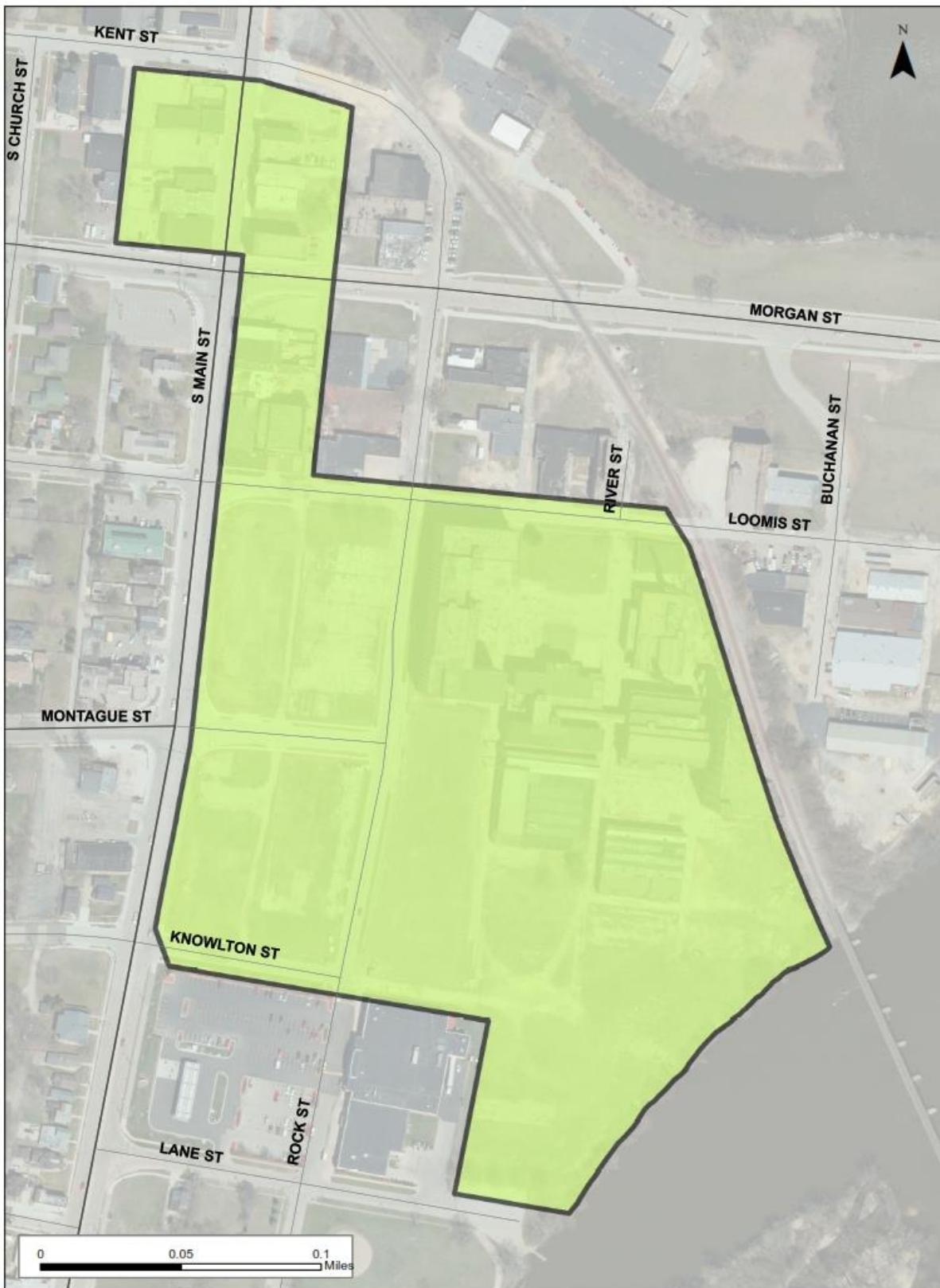
Redevelopment Project Area Common Boundary Description

The proposed RPA is in an area approximately bounded by: Kent Street (and in part Loomis Street) on the north, the Rock River (and in part Buchanan Street) on the east, Knowlton Street on the south, and alternatively South Main Street and a certain alleyway (situated at a point north of Morgan Street, halfway between Church Street and South Main Street) on the west.

EXHIBIT C

**City of Rockford
Barber Colman Tax Increment Financing District
(Barber Colman TIF District)**

**Redevelopment Project Area
Street Location Map**



Barber Colman TIF District

STATE OF ILLINOIS)
COUNTIES OF WINNEBAGO AND OGLE)
) SS

I, NICHOLAS O. MEYER, Legal Director and ex officio Keeper of the Records and Seal of the City of Rockford, County of Winnebago, State of Illinois, do hereby certify that the foregoing is a true and correct copy of the *City of Rockford Ordinance Adopting Tax Increment Financing For the Barber Colman Project Area, Ordinance No: 2023-____-O* approved by the City Council of the City of Rockford at its meeting held on _____, ____, 2023.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the Corporate Seal of the City of Rockford, Illinois this ____ day of _____, 2023.

**NICHOLAS O. MEYER, Legal Director and
ex officio Keeper of the Records and Seal**

(SEAL)