

**RESOLUTION No. \_\_\_\_\_**

**Date Passed: June 8, 2015**

**AUTHORIZING PRELIMINARY ACTION IN CONNECTION WITH  
HUB THEATER/GRABER BUILDING TIF REDEVELOPMENT PROJECT  
(INDUCEMENT RESOLUTION)**

**WHEREAS**, the City of Rochelle is a body politic and corporate, organized and existing pursuant to the Illinois Municipal Code, 65 ILCS 5/1-1-1, et. seq., which is authorized to take certain actions pertaining to redevelopment activities within the City, including the establishment of a Tax Increment Financing (“TIF”) district, pursuant to 65 ILCS 5/11-74.4-1 et seq.; and

**WHEREAS**, at the request of MTI, Inc., a Delaware corporation (the “Developer”), City staff has investigated the possibility of establishing a TIF District, to be known as the “Downtown and Southern Gateway TIF District”, to include property which the Developer has a contract to purchase, being the Hub Theater located at 416 Lincoln Highway, and the Graber Building located 423 Fourth Avenue, as well as other property in the area, the precise boundaries of which have not been determined; and

**WHEREAS**, the City has heretofore entered into a contract with Teska Associates for financial and land-planning consultation in connection with the proposal to establish the TIF District; and

**WHEREAS**, the Developer proposes to redevelop the TIF District by purchasing and renovating the Hub Theater for use as a performing arts center, and by purchasing and renovating the Graber Building for retail businesses on the first floor and offices on the upper floors (the “Project”), subject to approval of a final Redevelopment Plan by the City; and

**WHEREAS**, the City expects to reimburse the Developer for a portion of the Project costs which are determined eligible to be reimbursed from TIF funds; and

**WHEREAS**, the Developer has stated that without the contribution of public funds to the Project, the Developer will not undertake the Project; and

**WHEREAS**, City and Developer reasonably expect that they will pay or incur certain capital expenses in connection with the Project prior to the formation of the TIF District; and

**WHEREAS**, the action authorized by this Resolution is for the purpose of inducing the Developer to undertake the Project, thereby advancing the purposes of the TIF Redevelopment Plan and Project;

**NOW THEREFORE BE IT RESOLVED**, by the Mayor and City Council of the City of Rochelle, as follows:

1. The foregoing preambles are incorporated herein as though fully set forth.
2. The City declares its intention to enter into a Redevelopment Agreement with Developer which will provide, *inter alia*, for the City to reimburse the Developer for a certain percentage of eligible costs paid by the Developer, and to make certain other payments of eligible costs, and its intention to be reimbursed for such payments from incremental tax increases resulting from the Project. The City acknowledges that, in order to keep the Project moving forward on an acceptable schedule, it will be necessary for the City to make some reimbursable payments prior to formation of the TIF District. TIF-eligible expenses which are incurred by the Developer and reimbursed by the City prior to the formation of the TIF District, and any such expenses similarly incurred by the City, may be reimbursed to the appropriate City fund from the Special Tax Allocation Fund following formation of the TIF District and collection of incremental tax revenue into the Special Tax Allocation Fund.
3. This Resolution is adopted for the purpose of inducing Developer to proceed with the Project and incur costs pending formation of the District.
4. Neither the Developer nor any other party is entitled to rely on this Resolution as a commitment to loan or contribute funds, nor a commitment to establish the TIF district, nor a commitment as to the precise boundaries or qualification of the TIF District under applicable law, nor a commitment to reimburse Developer for any costs Developer may have incurred, and the City reserves the right not to establish the TIF district without cause and without notice, and in such event the City shall not be subject to any liability or damages of any nature. Neither the Developer nor anyone claiming by or through Developer, shall have any claim against the City as a result of any decision by the City not to establish the TIF district.

**BE IT FURTHER RESOLVED**, that this Resolution shall be in full force and effect from and after its passage, approval and publication according to law.

PASSED this 8<sup>th</sup> day of June, 2015

AYES: \_\_\_\_\_ NAYES: \_\_\_\_\_ ABSENT: \_\_\_\_\_

ATTEST: \_\_\_\_\_ APPROVED this 8th day of June, 2015.

\_\_\_\_\_  
City Clerk

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Mayor