

**RESOLUTION NO. \_\_\_\_\_**  
**Date Passed: February 13, 2012**

**A RESOLUTION RELATED TO THE USE OF  
ECONOMIC DEVELOPMENT ADMINISTRATION GRANT FUNDS  
(City Rail)**

**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.; and

**WHEREAS**, the City is the owner of certain real estate located in the city limits of City, improved with railroad track and rail facilities for the operation of a railroad (the "City Industrial Rail"); and

**WHEREAS**, the City has submitted an application to the United States Economic Development Administration ("EDA") for a grant to be used in the construction of improvements to the City Industrial Rail ("EDA Grant"); and

**WHEREAS**, the City, Coated Sand Solutions, LLC ("CSS"), and certain other property owners entered into an Annexation Agreement dated September 13, 2011, and recorded in the Office of the Ogle County Recorder as document number 201101106457 on October 3, 2011 ("Annexation Agreement"); and

**WHEREAS**, pursuant to the Annexation Agreement, City has agreed to construct certain improvements to the City Industrial Rail across Steward Rd. and to CSS' property ("Rail Improvements"); and

**WHEREAS**, in order to satisfy the requirements of its application for the EDA Grant, the City must take steps to assure that the EDA Grant is not used for the purpose of increasing the value of property which may benefit from the Rail Improvements; and

**WHEREAS**, the property east of the Subject Property, as defined in the Annexation Agreement, is currently undeveloped land used for cultivation of crops, is not annexed into the City and is identified as Parcel No. 25-32-400-013 ("Hayes Property"); and

**WHEREAS**, the Hayes Property may be benefited by the Rail Improvements, and the terms of the EDA Grant require that the City take steps to insure that the owners of the Hayes Property do not benefit from said construction for a period of five (5) years following the completion of the construction; and

**WHEREAS**, the EDA Grant also requires that the EDA Grant funds must be used for the purpose of constructing the improvements for the City Industrial Rail, and not for the purpose of reimbursement to others for doing so; and

**WHEREAS**, the EDA has requested that the City adopt this resolution to fulfill the requirements of the EDA Grant:

**NOW, THEREFORE BE IT RESOLVED** by the Mayor and Council of the City of Rochelle that

- (1) The City shall construct the Rail Improvements using EDA Grant funds and shall not, in any event, use EDA Grant funds to reimburse CSS or any other party for constructing the Rail Improvements.
- (2) For a period of five (5) years commencing on the date the Rail Improvements are completed using EDA Grant funds, the City shall not extend rail facilities or other utilities into the Hayes Property, issue any building permits for construction on the Hayes Property, or annex the Hayes Property into the City.

PASSED AND APPROVED this 13<sup>th</sup> day of February, 2012.

ATTEST:

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City Clerk

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Mayor