

City of Rochelle

Engineering Department

Memo

To: Dave Plyman, City Manager
CC: Jason Anderson, Economic Development Director
Tim Isley, Supt. of Street Division
Chris Frye, Finance Director
Alan Cooper, City Attorney (via council packet)
From: Sam Tesreau, City Engineer
Date: June 6, 2013
Re: State Local joint EDP/TARP agreement for South Main Street (FAU 5456) improvements, from Steward Rd to Steam Plant Rd with Sec. No. 12-00112-00-FP

Encl:

- (1) IDOT letter, from IDOT Secretary Ann Schneider's office, approving Economic Development Program (EDP) and Truck Access Route Program (TARP) funding for South Main Street
- (2) Preliminary EDP/TARP state/local joint agreement sec. #12-00112-00FP including the Location Map, Company Information and Local Agency/Company Agreement with Graphic Arts Bindery, LLC (shown as exhibits A, B and C as attachments to enclosure (2))
- (3) Resolution establishing a Class II designated truck route along South Main Street (shown as exhibit D in enclosure (2))

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1. A request for Economic Development Program support was submitted through the City Manager's office in late 2011 to IDOT Bureau of Statewide Program Planning Chief, Jeff South, for the South Main Street truck route improvements and access in conjunction with the relocation, expansion and job retention in Illinois of the Graphic Arts Bindery facility along South Main Street south of Steam Plant Road. A letter (encl. 1) was received in early 2012, from IDOT Secretary Ann Schneider's office, approving EDP funds for the project subject to an EDP state/ local agency agreement and other conditions outlined in the letter. This portion of South Main Street was identified on the City's 10 year Capital Improvement Plan as an infrastructure upgrade in 2008.
 2. According to the IDOT letter a state/local joint agreement must be fully executed prior to advertisement of this project for engineering or construction. IDOT District 2 Local Roads Engineers have worked with City staff to prepare the preliminary draft agreement (encl. 2). The agreement has been sent to IDOT's Springfield office for review and will not be finalized and signed until such time the LA approves the necessary resolutions and concurs with the draft

agreement. The agreement is the mechanism for releasing funds and beginning the period in which the project must be under a construction contract. The project must be awarded and contracted by 12/31/2015.

Furthermore, the "Local Agency (LA)", or the City of Rochelle, needs to pass an ordinance/resolution defining the limits of the proposed 80,000 pound truck route and identifying the truck route class. This resolution (encl. 3) will be attached as exhibit D in the agreement for this particular truck route. The truck route will be established along South Main Street, from the intersection with Steward Rd to the intersection with Steam Plant Road. Furthermore, this truck route shall be properly signed in accordance with the Illinois Manual on Uniform Traffic Control Devices.

Lastly, according to paragraph 11 and 12 (encl. 2) the LOCAL AGENCY/COMPANY AGREEMENT is another requirement of the EDP agreement. The Economic Development Director has secured a letter of commitment and the LOCAL AGENCY/COMPANY AGREEMENT from Graphic Arts Bindery, LLC. The EDP Employment report and the LOCAL AGENCY/COMPANY AGREEMENT will be attached as exhibit B and C in enclosure (2). The company is required to submit job creation progress reports for a period of 5 years and if the company defaults on their commitment the STATE will seek reimbursement from the LA.

3. Please be advised the South Main Street improvements, and other related expenses, have not been programmed into the current City FY 13/14 budget but will be programmed into a multi-year budget program, beginning FY14/15, to meet the City cost participation in the project. Any remaining expenses and balances over and above the maximum not to exceed EDP funding level will be borne by the City's local funds. Please consider approval of enclosure (2) and (3) and all exhibits attached thereto. Upon approval of these documents the EDP state/local agreement to be sent back to IDOT for their final review and necessary signatures. Please note this agreement is to be signed by the Mayor. Please note that if the agreement is to be approved by an appointed official, a resolution authorizing said appointed official to execute the agreement is required.



Illinois Department of Transportation

Office of the Secretary
2300 South Dirksen Parkway / Springfield, Illinois / 62764
Telephone 217/782-5597

November 17, 2011

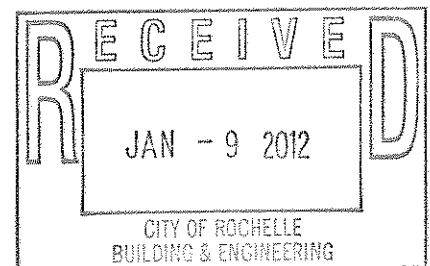
Mr. David Plyman
City Manager
420 N. 6th Street
Rochelle, Illinois 61068-0601

Dear Mr. Plyman:

Thank you for your letter requesting Economic Development Program (EDP) funding for improvements to South Main Street to provide access to the Graphic Arts Bindery. This company is expanding its facility to build a state-of-the-art printing and binding center. The company was considering several different locations to relocate including Kentucky; however, their final decision was to expand their facility in Illinois, thereby, retaining 53 employment positions. This will help maintain a strong economic employment base for the city of Rochelle, as well as Ogle County.

We are pleased to inform you that the Illinois Department of Transportation (IDOT) will provide \$1,102,997 for roadway improvements on South Main Street from Steward Road to Steam Plant Road including 800 feet of improvements along Steward Road. Funding will include eligible roadway engineering, contingencies and construction costs in an amount up to but not exceeding \$1,102,997. The department will also commit \$75,000 of Truck Access Route Program funding for 1.55 lane miles and one intersection for this project. Enclosed is an EDP Project Summary which provides a detailed description of this commitment and the employee reporting responsibilities.

Please contact Jason Nelson, our District 2 Local Roads Engineer, at (815) 284-5380, to formulate a state/local joint agreement. Please note that the joint agreement must be fully executed prior to advertisement of this project for engineering or construction. Failure to do so may jeopardize IDOT's ability to reimburse the city for eligible expenses. It is also the responsibility of the city to notify the department of any changes in the status of this company. If the company fails to locate at its site, IDOT should be notified by the city immediately.



Enclosure(1)

Mr. David Plyman
November 17, 2011
Page Two

Thank you for your interest in IDOT's EDP. If you have any questions or need additional information, please contact Jeffrey M. South, Bureau Chief of Statewide Program Planning, located at 2300 South Dirksen Parkway, Room 307, Springfield, Illinois 62764, or telephone him at (217) 782-2755.

Sincerely,

A handwritten signature in black ink that reads "Ann L. Schneider". The signature is written in a cursive style with a large initial "A".

Ann L. Schneider
Acting Secretary

Enclosure

EDP PROJECT SUMMARY

Location: Ogle County

Companies: Graphic Arts Bindery Company

Project Sponsor: City of Rochelle

State Funding

The Illinois Department of Transportation (DEPARTMENT) will provide funding of eligible roadway-related items for roadway improvements to serve the above mentioned company. Funding will include preliminary engineering, construction, construction engineering and contingencies in an amount up to but not exceeding \$1,102,997 from the Economic Development Program (EDP).

These improvements must be constructed to State Motor Fuel Tax standards. All necessary land acquisition or building demolition to construct this roadway will be the responsibility of the city of Rochelle. All EDP commitments are capped. For this project, the EDP funding cap is \$1,102,996.

Public Act 93-552

The department is required to comply with Public Act 93-552, the Corporate Accountability for Tax Expenditures Act. The act requires any recipient business which is the intended beneficiary of EDP assistance submit an initial report stating that business' commitment to specific employment levels and to subsequently report the progress of the development and specified employment commitments for the project on an annual basis.

This company will be required to fill out an annual Reporting Form for five full calendar years after the execution date of the local intergovernmental agreement. All annual progress reports will be completed on-line through the Department of Commerce and Economic Opportunity. For the purpose of the EDP, the Graphic Arts Bindery Company will be required to enter into agreement with the city of Rochelle to ensure that these reporting requirements are fulfilled. This agreement should be in place prior to the execution of the intergovernmental agreement between the DEPARTMENT and the city of Rochelle. The agreement between the city of Rochelle and the business must be in place prior to the disbursement of any EDP funds.

EDP Payback Provision

The commitment of EDP funds is contingent upon the fulfillment of the commitments to business investments and job creation/retention represented to the DEPARTMENT by the city of Rochelle and recipient businesses. Any substantial modifications to these commitments, change in location of this facility or the failure of the businesses to make firm commitment to this site will cause the DEPARTMENT's commitment to be reevaluated.

The employment levels committed by the Graphic Arts Bindery Company must be created within and retained over the five-year reporting period required by Public Act 93-552. If these commitments are not met, the department will review the project funding provided to the city of Rochelle. If reasonable justification for non-performance of the commitments is not provided, the city will be required to repay the EDP funding (\$1,102,997) to the DEPARTMENT in total or an appropriate pro rata sum commensurate with the circumstances of the situation.

Local Agency City of Rochelle	 Illinois Department of Transportation Economic Development/TARP Agreement	Job Number - Construction C-92-126-12
Section 12-00112-00-FP		Job Number - Engineering P-92-070-12

This Agreement is made and entered into between the above local agency hereinafter referred to as "LA", and the State of Illinois, acting by and through its Department of Transportation, hereinafter referred to as "STATE". The STATE and LA jointly propose to improve the designated location as shown below.

Location

Local Name South Main Street/Steward Road Route FAU 5456/FAU 5450 Length 4,145 ft.

Number of TARP Eligible Intersections 1 Lane Miles 1.55

Termini This project begins at Steward Road and extends to Steam Plant Road, including 800 feet of improvements along Steward Road.

Current Jurisdiction South Main Street/Steward Road are the jurisdiction of the city of Rochelle

Project Description

This project includes widening and reconstruction of South Main Street and a portion of Steward Road along with the new construction of Steward Road/ South Main Street intersection which provides access to Graphic Arts Bindery.

Division of Cost

Type of Work	EDP (1)	%	TARP (2)	LA (3)	%	Total
Participating Construction	962,497	(50)	75,000	()	()	1,999,994
Non-Participating Construction		()	()		()	0
Preliminary Engineering	70,250	(50)	()	70,250	(50)	140,500
Construction Engineering	70,250	(50)	()	70,250	(50)	140,500
		()	()		()	0
		()	()		()	0
		()	()		()	0
TOTAL	\$1,102,997		\$75,000	\$1,102,997		\$2,280,994

Note

- 1/ The STATE will reimburse the LA for eligible EDP construction and engineering costs of the project subject to a maximum of \$1,102,997.
- 2/ 80,000 lb Truck Access Road Program -There is available a lump sum amount of \$75,000 to be applied solely to construction costs.
- 3/ Any remaining balance shall be the responsibility of the LA in the event EDP and TARP funds are not sufficient to cover the project costs.

The STATE will pay the LA 95% of its share of the EDP construction costs upon the award of the construction contract and receipt of billing from the LA. The remaining 5% will be paid to the LA upon receipt of the final invoice. Upon award of the project and request of payment from the LA, the STATE will pay the LA its share of the TARP funds. The STATE will reimburse the LA for the STATE's share of the Preliminary and Construction Engineering on the basis of periodic billings provided said billings contain sufficient cost information and includes orders of payment by the LA. The final invoice will reflect the incurred cost of the improvement, less previous payments, no later than one year from the date of completion of the improvement. If a final invoice is not received within one year of the completion of the improvement the most recent invoice will be considered the final invoice and the obligation of funds will be closed.

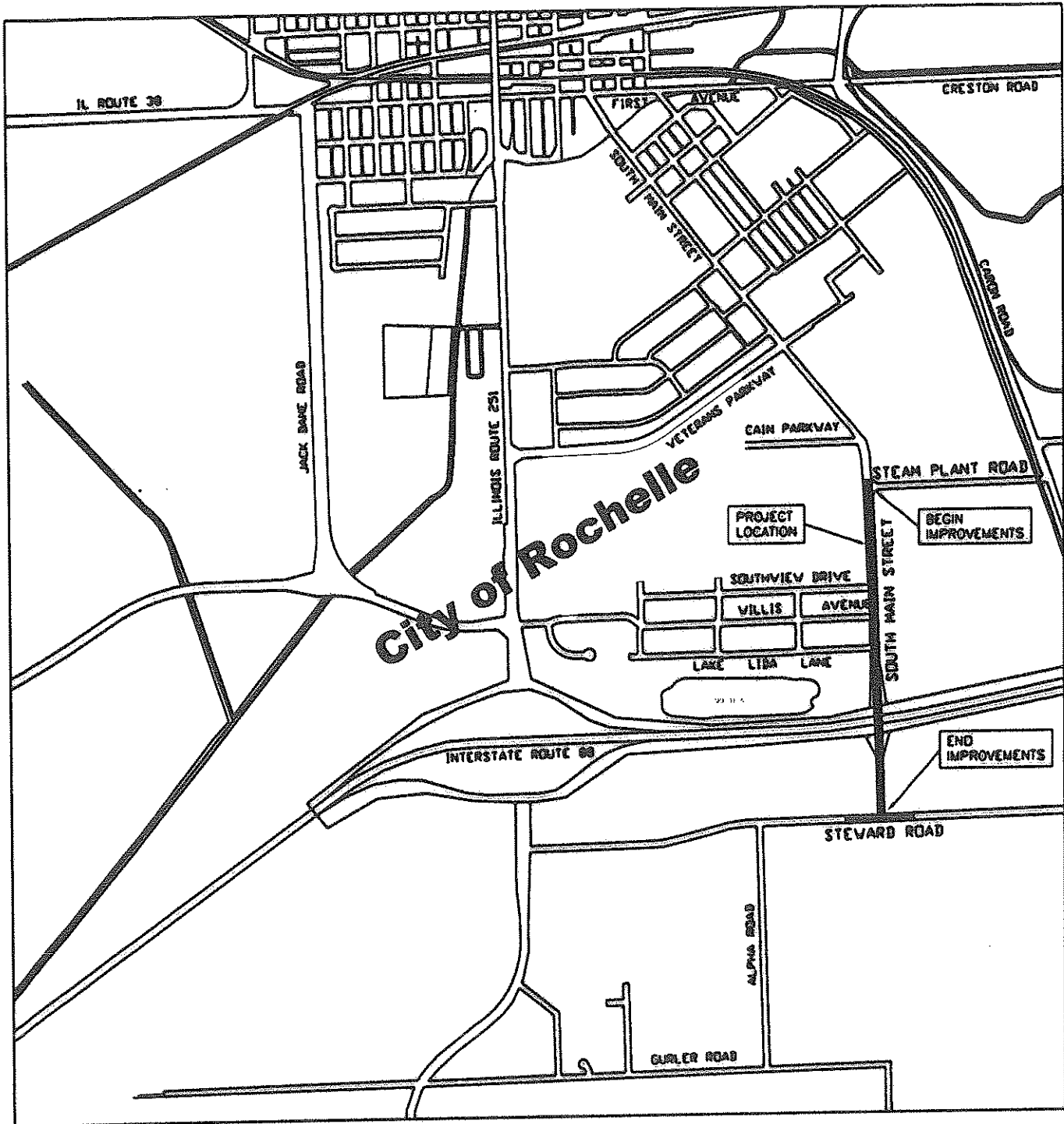
Enclosure(2)

Agreement Provisions

1. It is mutually agreed that the PROJECT will be processed, let and constructed in accordance with Motor Fuel Tax standards, policies and procedures.
2. Construction of the PROJECT will utilize domestic steel as required by Section 106.01 of the current edition of the Standard Specifications for Road and Bridge Construction.
3. The LA will certify to the STATE that all necessary right-of-way, temporary and permanent easements, and temporary use permits have been obtained or are not required, prior to the LA advertising for bids for the PROJECT.
4. The PROJECT will be let and awarded by the LA upon approval of the plans and specifications by the STATE.
5. The LA agrees to retain jurisdiction and to maintain or cause to be maintained in a manner satisfactory to the STATE, the completed PROJECT.
6. Upon approval of the final plans and specifications by the STATE and the LA, the LA agrees to accept bids and award the contract for construction of the proposed improvements after receipt of a satisfactory bid and after concurrence in the award has been received from the STATE and provide, or cause to be provided, all of the initial funding necessary to complete the project subject to partial reimbursement by the STATE as hereinafter specified.
7. This Agreement and the covenants contained herein shall be null and void in the event the initial contract covering the construction work contemplated herein is not awarded by December 31, 2015.
8. The LA shall maintain, for a minimum of 3 years after the completion of the project, adequate books, records, and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with this Agreement. All books, records, and supporting documents related to the project shall be available for review and audit by the Auditor General and the Department; and to provide full access to all relevant materials. Failure to maintain the books, records and supporting documents required by this section shall establish a presumption in favor of the STATE for the recovery of any funds paid by the STATE under the contract of which adequate books, records, and supporting documentation are not available to support their purported disbursement.
9. The LA agrees to pass an ordinance/resolution clearly defining the limits of the proposed 80,000 pound truck route and identifying the truck route class. A copy of said ordinance/resolution is attached as Exhibit D. Such truck route shall be properly signed in accordance with the Illinois Manual on Uniform Traffic Control Devices. Cost of truck route signing is included in estimated cost of the PROJECT.
10. Obligations of the STATE shall cease immediately without penalty or further payment being required if, in any fiscal year, the Illinois General Assembly fails to appropriate or otherwise make available funds for the work contemplated herein.
11. All projects for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) unless the provisions of that Act exempt its application.
12. The LA has entered into an economic development agreement with Graphic Arts Bindery herein referred to as the "COMPANY". As required by Public Act 93-552, the COMPANY agrees to annually submit to the STATE for a period of five complete calendar years from the execution of this Agreement, a progress report of employment. All annual progress reports will be completed on-line through the Department of Commerce and Economic Opportunity. The initial Employee Reporting Form should be attached as "Exhibit B". The agreement between the LA and the COMPANY delineating the reporting requirements is attached as "Exhibit C"
13. It is mutually agreed that in the event of a default by the COMPANY on their commitment to create and/or retain jobs, the STATE will seek reimbursement of the Economic Development funds provided for this PROJECT from the LA. This determination to seek reimbursement will be based on an evaluation of the information reported in the annual progress report of employment required in item 12 of this Agreement. Failure to submit the required employment report will be considered default on the COMPANY's commitment.
14. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

Local Agency City of Rochelle	Section 12-00112-00-FP
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Location Map South Main Street Improvements Section No 12-00112-00-FP



Not to Scale

EVILRITA



Date of Application _____

Application Tracking Number _____
(Assigned by IDOT)

COMPANY INFORMATION

Name of Company Graphic Arts Bindery, LLC

Chief Officer or Authorized Designee Kenneth B. Love

Title Member

Address 4701 West 16th Street
Cicero, IL 60804

Phone Number 708-516-1976 / 815-562-5800

E-mail Address klove@eanddwsb.com
(required)

FEIN Number 90-0076864

Standard Industrial Classification
Number (SIC #) N/A

North American Industry Classification
System (NAICS) _____

Project Site 1100 A South Main
City of Rochelle, Illinois 61068

(City and Zip Code where employees,
new or retained, are to be located.)

SPONSOR INFORMATION

Sponsor (Unit of Government) City of Rochelle

Contact Person Jason Anderson

Title Economic Development Director

Address 420 North Sixth Street
Rochelle, IL 61068

Phone Number 815-562-7595

EXHIBIT B

I, Chet Olson, Mayor, As the Chief Officer (or authorized designee of the recipient) verify that the information in the progress report contains no knowing misrepresentation of material facts upon which eligibility for development assistance is based. I further certify that, to the best of my knowledge, the recipient is in compliance with the development assistance agreement(s) between, or behalf of, the recipient and the Illinois Department of Transportation.

Chet Olson

Signature

10-27-11

Date

Mayor

Title

Granting Body of Economic Development Program Funds: Illinois Department of Transportation
Mr. Dick Smith, Director
Office of Planning and Programming
2300 South Dirksen Parkway
Springfield, Illinois 62764

Please mail form to: Illinois Department of Transportation
Mr. Keith Sherman
Office of Planning and Programming, Rm. 307
2300 South Dirksen Parkway
Springfield, Illinois 62764
Attn: Economic Development Program
Phone (217) 782-0378

CITY OF ROCHELLE / GRAPHIC ARTS BINDERY, LLC

LOCAL AGENCY/COMPANY AGREEMENT

THIS AGREEMENT is made as of the 12th day of September, 2011 by and between the City of Rochelle, Illinois hereinafter called the LOCAL AGENCY and Graphic Arts Bindery, LLC, hereinafter called the COMPANY.

WHEREAS, the LOCAL AGENCY is interested in expanding its economic base with the primary emphasis on creating and retaining jobs; and

WHEREAS, the LOCAL AGENCY will enter into an agreement with the Illinois Department of Transportation, hereinafter called the STATE, to implement an economic development program that significantly impacts upon the LOCAL AGENCY's economic base; and

WHEREAS, the COMPANY has proposed a project that will create and/or retain jobs, thus providing a significant benefit to the LOCAL AGENCY's economic base; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

I. REPORTING REQUIREMENTS

1.1 As required by Public Act 93-552, the COMPANY is required to submit to the STATE an annual progress report of employment for five years from the date of the IDOT/Local Agency funding agreement.

1.2 The annual progress report shall consist of job classifications, wages, number of positions, and other pertinent information as shown on Exhibit I.

1.3 All annual employee progress reports will be completed on-line through the Department of Commerce and Economic Opportunity. The COMPANY will be notified by letter annually with instructions on how and when to fill out their annual report. This report will then be submitted electronically to IDOT.

II. DEFAULT AND REMEDIES

2.1 The COMPANY shall make the investment in the Project which shall retain a minimum of 53 full-time jobs at the facility on or before June 30, 2014.

2.2 In the event the COMPANY fails to create and/or retain the requisite number of full-time jobs, or the COMPANY fails to comply with the reporting requirements herein, the COMPANY may be held in default. If declared in default, the COMPANY shall be put on suspension and shall be prohibited from completing any current or providing any future development assistance until the state receives proof that the recipient has come into compliance with the requirements of Public Act 93-552.

EXHIBIT C

III. TERMINATION

3.1 This Agreement may be terminated at any time by written, mutual agreement of the parties.

3.2 This Agreement, and all further obligations of the parties hereunder, will terminate when the Project has been completed and when the COMPANY has satisfied its reporting obligations under Section 1.


IV. GENERAL PROVISIONS

4.1 Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be invalid under applicable law, such provision shall be ineffective to the extent of such invalidity without invalidating the remaining provisions of this Agreement.

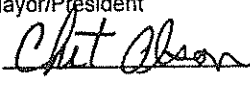
4.2 This Agreement represents the full and complete agreement between the parties with respect to the matters addressed herein and there are no oral agreements or understandings between the parties.

4.3 This Agreement shall be construed in accordance with and governed by the law of the State of Illinois.

APPROVED BY

Company Name Graphic Arts Bindery, LLC
Title Member
Signature 
Date 10/27/11

APPROVED

City of Rochelle
By The Honorable Chet Olson, Mayor
Mayor/President
Signature 
Date 10-27-11

RESOLUTION NO. _____

Date Passed: June 13, 2013

**ESTABLISHING A CLASS II DESIGNATED TRUCK ROUTE
ALONG SOUTH MAIN STREET
FROM STEWARD ROAD TO STEAM PLANT ROAD**

WHEREAS, the State of Illinois by its General Assembly, has enacted "The Illinois Vehicle Code"; and

WHEREAS, Chapter 625 of the Compiled Statutes, provides that local authorities, with respect to roads under their jurisdiction, may by ordinance or resolution, establish the maximum allowable weight of vehicles on designated roads, which weight designation shall be appropriately signed along such roads; and

WHEREAS, the City of Rochelle will be constructing or upgrading a new section of roadway that will facilitate the free flow of traffic and insure safety to the motoring public; and

WHEREAS, the City of Rochelle is desirous of providing a truck route for the purpose of a gross vehicle/load weight limit of 80,000 pounds.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Rochelle, Illinois that roadway improvements, known as South Main Street, shall be constructed, widened and/or upgraded beginning at the intersection of Steward Rd and extending north, along South Main Street for approximately 3400 feet, to Steam Plant Road.

The roadway(s), known as South Main Street, as defined above, shall be designated as a Class II Truck Route. The roadway improvement shall consist of two traffic lanes increasing to multiple lanes, including bi-directional and/or designated turn lanes, with variable width. Such truck route shall be properly signed in accordance with the Illinois Manual on Uniform Traffic Control Devices.

PASSED AND APPROVED this 13th day of June, 2013

ATTEST:

City Clerk

Mayor