

AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF CREST HILL AND RICHLAND SCHOOL DISTRICT 88A WITH RESPECT TO DECLARATION OF SURPLUS FUNDS IN THE PROPOSED WEBER/DIVISION TAX INCREMENT FINANCE DISTRICT

THIS AGREEMENT is made as of the ____ day of _____, 2023, between the CITY OF CREST HILL, an Illinois municipal corporation (the “City”), and the BOARD OF EDUCATION OF RICHLAND SCHOOL DISTRICT 88A (“Richland” or “School District”). Collectively, the City and Richland shall be referred to as the “Parties.”

WHEREAS, the Parties are vested with certain authority pursuant to their intergovernmental cooperation powers under Article VII, Section 10 the Illinois Constitution of 1970, and Section 1 *et seq.* of the Intergovernmental Cooperation Act [5 ILCS 220/1 *et seq.*], and pursuant to the provisions of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5.11-74.4-1 *et seq.* (the “Act”); and

WHEREAS, the City has initiated the process of creating within the School District boundaries a tax increment financing (“TIF”) district under the Act and in connection therewith will adopt a Redevelopment Plan and Project known as the Weber/Division Tax Increment Finance Redevelopment Plan (the “Plan”), will designate a redevelopment project area (the “Project Area”) on land legally described in the Plan, and will also adopt tax increment financing for the Project Area by ordinances duly passed by the City Council of the City; and

WHEREAS, pursuant to the Act, the Will County Treasurer will transfer to the City “Incremental Taxes” as hereafter defined to be deposited into a Special Fund Tax Increment Allocation (“the Fund”); and

WHEREAS, the Plan is designed to facilitate and encourage the redevelopment of the Project Area; and

WHEREAS, the School District recognizes the long-term benefits and importance of development in the City; and

WHEREAS, the City and the School District desire to enter into an intergovernmental agreement for their mutual benefit and the benefit of the citizens and taxpayers of each of the Parties, and to resolve any differences over the Plan and the Project Area and through this Agreement mutually provide for the best interests of their communities and constituents; and

WHEREAS, the City will commit to making certain payments from the Fund pursuant to the terms of this Agreement provided the School District will commit to waive any claims or objections relating to the City's desire to avail itself of tax increment financing, the designation of the Project Area, the Plan, and the adoption of tax increment financing for the Project Area.

NOW, THEREFORE, in consideration of the mutual promises of the City and the School Districts, the Parties agree as follows:

1. Waiver of Objections. The School District hereby waives all objections to the Plan, the Project Area, and Tax Increment Financing for the Project Area for the Weber/Division TIF District, and agrees not to initiate or participate in any challenge to the designation of the Project Area, the adoption of the Plan for the Project Area, and the approval of tax increment financing for the Project Area, or any/all actions taken by the City in respect thereto.
2. Surplus Declaration. Commencing in the eighth (8th) year that the City receives increment payments from the County Treasurer, the City shall annually thereafter declare a "Surplus" of Incremental Taxes equal to ten (10%) percent of the total Incremental Taxes. Commencing in the eleventh (11th) year that the City receives Incremental Taxes and until the TIF District is terminated the City shall declare a

Surplus in the amount of fifteen (15%) percent of the total Incremental Taxes. This is a limited obligation of the City and will be paid solely from Incremental Taxes received by the City each year. It is the intention of the parties that the City shall declare a Surplus based upon the Incremental Taxes generated by the TIF District before the payment or transfer of any funds from the TIF District account for any other purpose. The School District specifically does not waive the right to payments based upon the number of students residing within the Weber/Division TIF District as required by 65 ILCS/5/11-74.4-3(q)(7.5).

3. “Incremental Taxes” shall mean in each calendar year during the term of this Agreement, the portion of the *ad valorem* real estate taxes arising from levies upon taxable real property in the Redevelopment Project Area by taxing districts that is attributable to the increase in the equalized assessed value of the taxable real property in the Project Area over the initial equalized assessed value of the taxable real property in the Project Area as determined in accordance Section 5/11-74.4-9 of the Act which has been allocated to and when collected shall be paid to the Treasurer of the City for deposit by the Treasurer into the Fund incurred.
4. Distribution of Guaranteed Annual Payments. The Surplus declared by the City under paragraph 2 above shall be paid to the County Collector to be distributed as a Surplus payment in accordance with Section 11-74.4-4 of the Act.
5. Authority. Each Party warrants to the other that it is authorized to execute, deliver and perform this Agreement and agrees not to raise lack of such authority as a defense in any action brought by the other or any third party regarding this Agreement.

6. Further Performance. Each Party shall, at the request and expense of the other, execute and deliver any further documents and do all acts and things as each Party may reasonably require to carry out the true intent and meaning of this Agreement.
7. Final Payments. Payments made under this Agreement shall be final and non-refundable.
8. Writing Requirement. No waiver of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and signed by the Party making the waiver, and then shall be effective only in the specific instances and for the purpose given.
9. Default. In the event of a default, the non-defaulting party shall be entitled to recover any and all reasonable attorney's fees and costs incurred by the non-defaulting party in enforcing the terms of this Agreement against the defaulting party.
10. Complete Agreement. This Agreement expresses the complete and final understanding of the Parties with respect to its subject matter and may not be amended or modified except by a written agreement executed by the Parties. This Agreement supersedes all prior agreements, negotiations, and discussions relative to the subject matter hereof and fully integrates the agreement of the Parties.
11. Effective Date. The effective date of this Agreement as reflected above shall be the date that the last of the Parties executes the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized officials as of the date of the Agreement herein set forth.

RICHLAND SCHOOL DISTRICT 88A, Will
County, Illinois

By: _____
President

Attest: _____
Secretary

Date: _____

CITY OF CREST HILL, Will County, Illinois

By: _____
Mayor

Attest: _____
City Clerk

Date: _____
