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**THE CITY OF ROCHELLE**  
**Ogle County, Illinois**

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**RESOLUTION**  
**NO. \_\_\_\_\_**

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**A RESOLUTION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT  
WITH SCHOOL DISTRICTS 212 AND 231 REGARDING THE EASTERN GATEWAY  
TIF DISTRICT**

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**JOHN BEARROWS, Mayor**  
**ROSE HUERAMO, City Clerk**

**TOM McDERMOTT**  
**BIL HAYES**  
**KATE SHAW-DICKEY**  
**DAN McDERMOTT**  
**ROSAELIA ARTEAGA**  
**BEN VALDIVIESO**

**City Council**

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Peterson, Johnson and Murray, LLC, City Attorneys  
1301 W. 22nd Street, Ste. 500 Oak Brook, Illinois 60523

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**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT  
WITH SCHOOL DISTRICTS 212 AND 231 REGARDING THE EASTERN GATEWAY  
TIF DISTRICT**

**WHEREAS**, Section 7 of Article VII of the 1970 Constitution of the State of Illinois provides that a municipality that is not a home rule unit shall only have the powers granted to them by law and as such the City of Rochelle, Ogle County, Illinois being a non-home rule unit pursuant to the provisions of said Section 7 of Article VII, and may exercise only the powers expressly granted by law; and

**WHEREAS**, the Illinois General Assembly granted non-home rule municipalities broad authority to “pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities.” 65 ILCS 5/1-2-1; and

**WHEREAS**, while “non-home rule municipalities have the authority to enact ordinances, such ordinances may in no event conflict with state law or prohibit what a state statute expressly permits . . . A local ordinance may impose more rigorous or definite regulations in addition to those enacted by the state legislature so long as they do not conflict with the statute.” (*Village of Wauconda v. Hutton*, 291 Ill. App. 3d 1058, 1060 (1997)); and

**WHEREAS**, Rochelle Township High School District No. 212 and Rochelle Community Consolidated School District No. 231 (hereinafter “School Districts”) are public school districts operating under the authority of Article X of the Constitution of the State of Illinois and the Illinois School Code (105 ILCS 5/1-1 et seq.); and

**WHEREAS**, Article VII, Section 10 of the Constitution of the State of Illinois and the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.) authorizes units of local government, including municipalities, and school districts to contract and otherwise associate among themselves to exercise, combine, or transfer any power or function, in any manner not prohibited by law or ordinance; and

**WHEREAS**, the City has proposed a Redevelopment Plan and Projects and designated a Redevelopment Area pursuant to the TIF Act for the Eastern Gateway TIF District (“TIF District”) which is an area located in the School Districts and which will impact the growth of the School Districts’ taxing base; and

**WHEREAS**, the City has determined that it wishes to reduce some of the negative impact on the real estate tax base of the School Districts caused by the creation of the TIF District; and

**WHEREAS**, it is mutually beneficial for the City and the School District to enter into an Intergovernmental Agreement which outlines the City’s reimbursement of TIF funds to School

Districts; and

**WHEREAS**, the Mayor and City Council have found that it is in the best interest of the City to enter into an Intergovernmental Agreement with Rochelle Township High School District No. 212 and Rochelle Community Consolidated School District No. 231 regarding the Eastern Gateway TIF, a copy of the Agreement is attached herein as Exhibit A.

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ROCHELLE, ILLINOIS:**

SECTION ONE: That the City hereby incorporates all of the recitals above into this Resolution as if fully set forth herein.

SECTION TWO: The attached Intergovernmental Agreement between the City of Rochelle and Rochelle Township High School District No. 212 and Rochelle Community Consolidated School District No. 231 is hereby approved and the City Manager or his designee is authorized to executed said document.

SECTION THREE: If any provision of this Resolution or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Resolution is severable.

SECTION FOUR: Where the conditions imposed by any provisions of this Resolution are more restrictive than comparable provisions imposed elsewhere in any other local law, ordinance, resolution, rule or regulation, the regulations of this Resolution will govern.

SECTION FIVE: The City Clerk shall publish this Resolution in pamphlet form.

SECTION SIX: This Resolution shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

APPROVED THIS 28<sup>th</sup> day of October 2024.

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MAYOR

ATTEST:

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CITY CLERK

**EXHIBIT A**  
**ROCHELLE EASTERN GATEWAY TIF DISTRICT**  
**INTERGOVERNMENTAL AGREEMENT**

**By and Between**  
**THE CITY OF ROCHELLE, ILLINOIS**  
**And**  
**ROCHELLE TOWNSHIP HIGH SCHOOL DISTRICT NO. 212**  
**And**  
**ROCHELLE COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 231**

This Intergovernmental Agreement is entered into by and between the City of Rochelle, an Illinois Municipal Corporation, Rochelle Township High School District No. 212, an Illinois School District, and Rochelle Community Consolidated School District No. 231, an Illinois School District, pursuant to the 1970 Illinois Constitution and Illinois Compiled Statutes.

In consideration of their mutual promises, the parties hereto agree as follows:

1. The City of Rochelle ("City") is an Illinois Municipal Corporation organized under the Constitution and Statutes of the State of Illinois.
2. The Rochelle Township High School District No. 212 and the Rochelle Community Consolidated School District No. 231 (hereinafter collectively referred to as "School Districts") are Illinois School Districts organized under the Statutes of the State of Illinois.
3. The 1970 Illinois Constitution, Article VII, Section 10, and the Illinois Compiled Statutes, 1992, as amended, Ch. 5 Section 220/1 et seq. provide legal authority for intergovernmental privileges and authority to be enjoyed jointly by school districts and municipalities, as well as other public bodies politic.
4. The Tax Increment Allocation Redevelopment Act ("TIF Act"), Illinois Compiled Statutes, 1992, as amended, Ch. 65 Section 5/11-74.4-1 et seq. authorizes a municipality to enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan and project.
5. The City has proposed a Redevelopment Plan and Projects and designated a Redevelopment Area pursuant to the TIF Act for the Eastern Gateway TIF District ("TIF District") which is an area located in the School Districts and which will impact the growth of the School Districts' taxing base.
6. The City has determined that it wishes to reduce some of the negative impact on the real estate tax base of the School Districts caused by the creation of the TIF District.

7. The City has determined that excellent, adequately funded schools, operating without tax rate increases necessitated by the TIF, encourage economic development and an increase in the real estate tax base.
8. The parties declare that this Agreement is adopted pursuant to the 1970 Illinois Constitution, Article VII, and Section 10; the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes, 1992, as amended, Ch. 65 Section 5/11-74.4-1 et seq. and other applicable statutes.

**NOW, THEREFORE, the parties agree to implement these policies as follows:**

## **I. REIMBURSEMENT CALCULATION**

### **A. FORMULA CALCULATION**

Each year during the term of this Agreement, the City agrees to reimburse the School Districts for expenditures for capital costs, job training, and advanced vocational and career education from the real estate tax increment created by any development or increase in equalized assessed valuation within the TIF District, a sum equal to Twenty-Four percent (24%) of the annual gross real estate tax increment created in the TIF District. The School Districts will only receive reimbursement for their respective increased costs that are permitted to be reimbursed pursuant to 65 ILCS 5/11-74.4-3(q) and 65 ILCS 5/11-74.4-4(c). Any amounts received under this paragraph shall be divided among the School Districts on a pro-rata basis, according to each District's tax rates as applicable for the most current tax year.

For example purposes only:

#### Assumptions:

- a) Increment: \$1,000,000
- b) School Districts Portion: 24%

Formula: (a) x (b) = \$240,000

Thus, under this example, \$240,000 would be paid to the School Districts for this parcel in the year stated.

Division of total amount among School Districts:

#### Assumptions:

- a) Grade School Tax Rate= 2.97457%
- b) High School Tax Rate= 2.53239%
- c) Sum of School District Tax Rates= 5.50696%

Formula: (a)+ (b) = (c); (a)/(c) = 54%; (b)/(c) = 46%

Thus, under this example, \$129,600 (54% of \$240,000) would be paid to the Grade School and \$110,400 (46% of \$240,000) would be paid to the High School for this parcel in the year stated.

## **B. STATE ENTITLEMENTS**

The parties acknowledge and agree that under the current system of State of Illinois School Entitlement payments, the School Districts do not necessarily lose the full amount of real estate taxes generated by its levy and extended against the incremental real estate increase. Further, the parties agree that the actual real estate taxes lost to the School Districts are subject to several factors in part beyond the control of the parties and include: (1) the School Districts' operating tax rate; (2) the annual statutory State Entitlement; and (3) other relevant tax limits and formulas. The parties acknowledge that the entire method of funding common schools may be altered to lessen or increase the dependency of school funding on real property taxation and that the entire method of funding common schools may be altered to lessen or increase the dependency of school funding on real property taxation. If the methodology of calculating the annual statutory state entitlement is altered in any way after the date of this Agreement that reduces the amount of state entitlement funds the School District is to receive, then reimbursement calculations under this Agreement shall be adjusted to the extent necessary to ensure that the School District can receive additional reimbursement equal to the amount of statutory state entitlement so lost.

## **C. TAX INCREMENT**

The parties agree that the Ogle County Clerk will provide to the parties the actual annual net real estate tax increment generated within the TIF District and within the boundaries of the School Districts and report such increment to the parties.

## **D. RATE CHANGES**

The parties agree that the City will contribute on an annual basis to the School Districts an amount equal to the future tax revenues received in the TIF Fund attributable to (a) the School Districts' levies for the debt service on any Bond Issue; and (b) an increase in the School Districts' levy pursuant to any increase in any statutory maximum tax rate. For example, if the rate attributable to the School Districts' Bond or maximum tax rate increase in tax year 2024 was .15, the City would divide .15 by the total tax rate of 8.20 (for all taxing districts, for example) and multiply that result by the total revenue received in the TIF Fund, for tax year 2024. The School Districts shall apply the funds received under this section as a result of any Bond Issue to the reduction of the principal and interest on the bond. The additional full payment from the City to the School Districts contemplated by this section shall only be paid to the School Districts to the extent that the City is in receipt of sufficient annual increment from this TIF to make all annual payments required by any bond issue enacted by the City for infrastructure improvements located within this TIF District (consistent with the limitations set forth in Section II- General - Term), plus City incurred TIF district establishment and annual administrative costs. To the extent that the City is not in receipt of sufficient annual increment to make the annual payments referenced in the

preceding sentence, the School Districts shall only receive fifty percent (50%) of the full amount of payment from the City contemplated by this section.

The City agrees to set aside annually within the TIF Fund a sum equal to the actual loss of revenue attributable to the aforementioned bonds and maximum rate increases and contribute that sum to the amount paid to the School Districts as set forth above. The City will pay the sum determined to be used for capital and other allowable purposes, pursuant to current Section 74.4-3(q) of the TIF Act.

#### **E. DISTRICT REIMBURSEMENT**

The City will pay the sum above described in and subject to the limitations within Paragraph A to the School Districts from the Special Tax Allocation Fund to be used for capital costs and job training, advanced vocational education and other career education purposes pursuant to current Section 4-3(q) (7) and (10) of the TIF Act, other purposes pursuant to 4-3(q) of the TIF Act, and as lease payments pursuant to 65 ILCS 5/11-74.4-4(c), and the School Districts shall provide the City with a list of the expenditures annually.

The payments made under this paragraph may also be used for the following purposes which, as with all expenses referenced in this Section E, the City determines are reasonable or necessary expenses incurred and incidental expenses to the redevelopment plan and project:

1. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project to existing public building is to be demolished to use the site for private investment of devoted to a different use requiring private investment, pursuant to current Section 4-3(q) (3) and (10) of the TIF Act.
2. Costs of construction of public works or improvements, pursuant to current Section 4-3(q) (4) of the TIF Act.
3. Property assembly 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, pursuant to current Section 4-3(q) (4) of the TIF Act.
4. Financing costs, including but not limited to all related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months

thereafter and including reasonable reserves related thereto, pursuant to current Section 4-3(q) (4) of the TIF Act.

5. Any other lawful purpose authorized by any amendment to 65 ILCS 5/11-74.4-1 effective on or after the date of this Agreement.

For purposes of this Agreement, the term “capital” shall include all real property, and all personal property having a value in excess of \$500 and having a useful life of at least six (6) months and otherwise meeting the definition of “Capital” as set forth by the Illinois State Board of Education. Examples of capital costs are, but not limited to:

- a. Acquisition of land to serve the immediate or future needs of children from the development;
- b. Improvement to any existing school site which already serves such needs;
- c. Development of classrooms, parking lots, sidewalks, traffic signals, internal roadways, connections with water, sewer and electrical lines, playgrounds, recreation grounds and athletic fields;
- d. Remodeling or renovation of School facilities;
- e. Purchase and prefabrication of classroom units;
- f. Material, goods or equipment as set forth in Exhibit A of the Illinois Program Accounting Manual for Local Education Agencies prepared by the Illinois State Board of Education;
- g. Buses, maintenance, equipment, office equipment, District vehicles, or playground equipment; or
- h. Any other piece of capital equipment deemed necessary by the School Districts.

In the event that the capital expenditures of the School District, in any year, exceed the amount available for distribution hereunder as calculated hereinabove, any such unreimbursed sums shall be carried over to a subsequent year or years and be reimbursed by the City as amounts necessary for such reimbursement become available from the share of increment created hereunder for School District.

## **F. RESIDENTIAL DEVELOPMENT**

The City shall not permit residential development within the TIF District without first obtaining the written consent of the School Districts.

## **G. REIMBURSEMENT TIMING**

The City shall pay the sum determined above to the School Districts within sixty (60) days of the City’s receipt of the real estate tax increment generated as a preference and in the same proportions as actually received by the City provided that the School Districts have filed periodically with the



City a list of eligible project costs equal to or exceeding the calculated sum to be paid to the School Districts under the terms of this Agreement.

#### **H. EXCLUDED PARCELS**

The City and the School Districts agree that any redevelopment of Hickory Grove and any increment created by the redevelopment of that property shall not be subject to any disbursement under this Agreement. Hickory Grove's Property Identification Number is 24-13-377-041 and is depicted in Exhibit 1 to this Agreement.

### **II. GENERAL**

#### **A. BINDING EFFECT**

This Agreement shall be binding on the parties and their respective successors – including successors in office. Should the School Districts merge, this Agreement shall apply to the successor School Districts.

#### **B. GOVERNING LAW**

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

#### **C. TERM**

The obligation of the parties hereto shall continue for the duration of the TIF District. The parties execute this agreement in anticipation of the City issuing a Recovery Zone Bond in the Amount of Two Million, Nine Hundred Forty Thousand Dollars (\$2,940,000) supplemented with other financial resources the total of which will not exceed Four Million Dollars (\$4,000,000). The Recovery Zone Bond shall be amortized over a period of twenty (20) years. The City agrees that the TIF District shall terminate upon the sooner of (1) the final payment of the aforementioned financial instruments (and such scheduled final payment date shall not be adjusted to a later date as a result of any refinancing of the financial instruments) or (2) twenty-three (23) years from the creation of the TIF District. Whether the TIF District exists for the entire twenty-three (23) years or terminates earlier, the City will pay in the following year thereafter, the sums due to the School Districts for the prior year.

#### **D. INTENDED INCREMENT USE**

The City agrees that the purpose of the incremental revenues derived from the TIF District, except for the revenues provided to the School Districts pursuant to this Agreement, are for the payment of the above-mentioned Recovery Zone Bond, and, in addition, for reimbursing the City any sums advanced by the City to pay the debt service on such Bonds in the event that sufficient real estate increment does not exist to pay on the Bonds. Additionally, the City may use increment to pay all TIF District administrative costs. The parties acknowledge that there is no present intention by either party for any real estate affected by the TIF Plan to be subject to either (a) any extension of the TIF beyond the termination date referenced above; or (b) any successor TIF District.

**E. AMENDMENTS, WAIVERS, MODIFICATIONS**

No amendment, waiver, or modification of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and adopted by each of the parties as required by law.

**F. NO USE OF LIGHTHOUSE POINTE TIF REVENUES**

No incremental revenues generated within the boundaries of the Lighthouse Pointe TIF District shall be deposited in the Special Tax Allocation Fund of this Eastern Gateway TIF District.

**G. WAIVER OF ALL RIGHTS TO CONTEST TIF DISTRICT**

The School Districts by their execution and approval of this Agreement hereby waives forever any and all right to directly or indirectly set aside, modify or contest in any manner the establishment of the proposed Eastern Gateway TIF District including the Redevelopment Plan as currently constituted and the Redevelopment Area as proposed (to the extent that it would not be inconsistent with other provisions of the Agreement). Nothing contained herein is to be construed to give the School Districts any right to participate in the administration of the TIF District or Plan or Project. Further, the School Districts or their agents, employees, or officers shall not aid or assist in any manner any other party or entity seeking to challenge the TIF District.

**H. AMENDING THE TIF DISTRICT**

The City will not otherwise amend the TIF Plan, except after providing prior written notice to the School Districts as required by statute.

**I. REAL ESTATE TAX INCREMENT INFORMATION**

1. The Administrators of the TIF Plan and City agree to provide the School Districts with information developed to establish the initial equalized assessed valuation of the TIF District and the calculations for successive years' computation of the real estate tax increment for the TIF District as a whole and, if possible, for the School Districts alone.
2. The City agrees that its Administrators shall provide the School Districts with a copy of the TIF Annual Report when it is presented to the City Council. Such Report shall set forth:
  - a. the balance in the Special Tax Allocation Fund ("Fund") at the beginning of the year;
  - b. all amounts deposited in the Fund by source;
  - c. an expenditure from the Fund by categories; and
  - d. the balance in the Fund at the end of the year by source.

**J. COMPLETE AGREEMENT**

This Agreement expresses the complete and final understanding of the parties with respect to the subject matter.

**K. NOTICE**

Notices or demands hereunder shall be in writing and shall be severed (a) by personal deliver; or (b) by certified mail, return receipt requested to:

To The City:

City of Rochelle  
Attn: City Manager  
420 N. 6<sup>th</sup> Street  
Rochelle, IL 61068

To The School Districts:

Rochelle Twp High School District No. 212  
Attn: Superintendent  
1401 Flagg Rd.  
Rochelle, IL 61068

Rochelle C.C.S.D. No. 231  
Attn: Superintendent  
401 E. Flagg Rd.  
Rochelle, IL 61068

**L. AUTHORITY TO EXECUTE**

The undersigned represent that they have the authority of their respective governing authorities to execute this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on \_\_\_\_\_, 2024.

Rochelle Township High School Dist. No.212,  
an Illinois School District

City of Rochelle,  
an Illinois Municipal Corporation

BY: \_\_\_\_\_  
President, Board of Education

BY: \_\_\_\_\_  
City Manager

ATTEST: \_\_\_\_\_  
Secretary

ATTEST: \_\_\_\_\_  
City Clerk

Rochelle C.C.S.D. No. 231, an Illinois School District

BY: \_\_\_\_\_  
President, Board of Education

ATTEST: \_\_\_\_\_  
Secretary

## CERTIFICATE

I, Rose Huéramo, City Clerk of the City of Rochelle, County of Ogle and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. \_\_\_\_\_, “A RESOLUTION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH SCHOOL DISTRICTS 212 AND 231 REGARDING THE EASTERN GATEWAY TIF DISTRICT” which was adopted by the Mayor and City Council of the City of Rochelle on October 28, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Rochelle this 28<sup>th</sup> day of October 2024.

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CITY CLERK