

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Ordinance authorizing the City Manager to execute a TIF agreement between the City of Rochelle and KC and SE LLC

Staff Contact: Jeff Fiegenschuh, City Manager

Summary: The ownership of KC and SE, LLC located at 417 Cherry Avenue is requesting a short-term development agreement with the City of Rochelle to cover a portion of the costs associated with replacing the roof and repairing the foundation and structural issues associated with the facility. The estimates provided by the owners (included in the packet) are approximately \$94,000. Staff is recommending the following terms to the city council for consideration:

- 1) Upon successful completion of the project and remittance of all receipts and lien waver, reimbursement up to \$45,000 for TIF eligible expenses towards the replacement of the roof and repair of the foundation to be paid on January 8, 2024.
- 2) If the property is sold to a new owner on or before January 1, 2025, KC and SE LLC will remit back to the City of Rochelle 75% of the \$45,000 reimbursement.
- 3) If the property is sold to a new owner on or before January 1, 2026, KC and SE LLC remit back to the City of Rochelle 50% of the \$45,000 reimbursement.
- 4) If the property is sold to a new owner on or before January 1, 2027, KC and SE LLC will remit back to the City of Rochelle 25% of the \$45,000 reimbursement.
- 5) The City of Rochelle shall retain the first right of refusal to purchase the facility upon future sale.

Attached is a copy of the proposed development agreement and proposed expenses.

Revenue Sources:

Source:	Budgeted Amount:	Proposed Expenditure
Downtown and Southern Corridor TIF	\$250,000	\$45,000

Recommendation: Authorize the City Manager to execute an intergovernmental agreement with KC and SE LLC for the redevelopment of property located at 417 Cherry Avenue.