

**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 Nextgen Ventures Rochelle, LLC

Staff Contact: Jeff Fiegenschuh, City Manager

Summary: Nextgen Ventures Rochelle is the developer who is developing the site located at Highway 251 and Flagg Road. They will be leasing the site to Breakthru Beverage. They are requesting a TIF redevelopment agreement with the city to close their potential funding gap and to assist with property redevelopment including, but not limited to, a new loading dock on the south side of the facility, site/infrastructure improvements, and façade and landscaping improvements.

The terms of the agreement include the following:

- 1) Seeking reimbursement of \$700,000 of \$1,700,000 of TIF eligible expenses
- 2) Seeking 85% of increment created by the site redevelopment.
- 3) Payments payable by December 31st of each year, beginning December 31, 2024. Like other agreements, the developer will have to show proof the property tax bill is paid in full and provide paid receipts for all TIF eligible expenses.
- 4) Substantial completion of the project by December 31, 2024. Full completion by December 31, 2025
- 5) 5th year true up payment to ensure there is enough increment being generated to meet the \$700,000 total. If sufficient increment is not generated, the corridor TIF will fund an amount appropriate to ensure the developer meets the \$700,000. The potential payment ensures the total amount of \$700,000 is obtained.
- 6) Developer/Tennent agree to not file any property tax protests on the property until such time as the \$700,000 total has been paid in full.
- 7) At this time, the developer will only be utilizing the access off Flagg Road and Highway 251, so no improvements to 8th Street will be needed.

Attached is a copy of the initial property development concept, list of TIF eligible expenses and an example of a potential true up payment after year 5.

Revenue Sources:

Source:	Budgeted Amount:	Proposed Expenditure
Northern Gateway TIF	\$700,000	\$700,000 over 20 years

Recommendation: Authorize the City Manager to execute an intergovernmental agreement with NextGen Ventures Rochelle, LLC for the redevelopment of the Highway 251 and Flagg Road corner.