

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

SUBJECT: Resolution Amending and Extending an Agreement with the Greater Rochelle Economic Development Corporation (GREDCO)

Staff Contact: Jeffrey A. Fiegenschuh, City Manager

Summary: On February 13, 2023, the City Council approved an extension of our revenue sharing agreement with the Greater Rochelle Economic Development Corporation (GREDCO). To ensure the agreement remains aligned with the mayor's term, as required under Illinois statute, I am recommending an additional extension through May 2027. No other terms of the agreement will change through this extended period. This partnership has proven mutually beneficial for both the City of Rochelle and GREDCO, and I believe this extension is well justified. GREDCO continues to maintain a strong working relationship with both the Lee County Industrial Development Association (LCIDA) and Tom Demmer.

Key Provisions of the Extended Agreement:

1. **Revenue Share:**

GREDCO shall receive 5% of the annual revenues generated by City of Rochelle Rail (CIR). There will be no minimum payment requirement and no cap on the total amount received.

2. **Term of Agreement:**

The agreement will expire at the end of the current mayoral term (May 2027).

3. **Restrictions on Property Acquisition:**

GREDCO may not use CIR funds to purchase or acquire property that is intended to be subsequently acquired by the City of Rochelle.

4. **Accounting and Reporting:**

All accounting and reporting requirements from the original agreement will remain in effect.

5. **Use of Funds:**

All funds received by GREDCO must be used exclusively for the continued development of the CIR and for other economic development initiatives that benefit the City of Rochelle and its residents.

Strategic Plan Goal Application: Explore, develop and improve strategies for industrial growth

Recommendation: Staff recommendations approval of the attached resolution authorizing the City Manager to execute an agreement extension with GREDCO.