



Agenda
Village of Arlington Heights
Joint Review Board
Buechner Room, 1st Floor
Arlington Heights Village Hall, 33 S. Arlington Heights Rd.
July 31, 2024
3:30 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 8/10/2023

IV. NEW BUSINESS

- A. Hickory Kensington State Comptroller Annual TIF Report
 - i. Staff Presentation
 - ii. Comments/Questions from Joint Review Board
 - iii. Public Comments Regarding Annual Report

V. PUBLIC COMMENT

VI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact Erin Mercado, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, emercado@vah.com or (847)368-5793.



**Joint Review Board
7/31/2024**

Item: Minutes 8/10/2023

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes 8/10/2023

Type

Minutes

**Hickory Kensington TIF
Joint Review Board Minutes
Wednesday, August 10, 2023
3:30 PM Community Room
Village of Arlington Heights**

Call to Order: Tom Kuehne called the meeting to order at 3:30 pm.

Roll Call:

The following Members were present:

Carrie Fullerton, Arlington Heights Park District

Mike Vargas, Township HS District 214

Robert Galick, William Rainey Harper College

Tom Kuehne, Village of Arlington Heights

Stacey Mallek, School District 25

Greg Ford, Public Member

John Ciffone, Public Member

Mike Driskell, Arlington Heights Memorial Library

Also Present:

Michael Lysicatos, Village of Arlington Heights

Charles Witherington-Perkins, Village of Arlington Heights

Melissa Cayer, Public

Keith Moens, Public

Alva Kreutzer, Township HS District 214

Chairman Kuehne indicated that the minutes from last year's Joint Review Board Meetings for all of the TIF districts previously distributed and dated July 20, 2022 should be approved by the Joint Review Board (JRB). C. Fullerton motioned to approve the minutes seconded by S. Mallek. All were in favor. Motion approved. The Chairman then asked M. Lysicatos to provide a summary report for the Hickory Kensington TIF District.

Michael Lysicatos provided the 2022 Annual TIF Comptroller report for the Hickory Kensington TIF. The FY2022 report was uploaded to the State Comptroller portal within 180 days of the end of the fiscal year as required by statute. The report included certifications from the Mayor, Legal Counsel Opinion, summary of actions from the Village Manager, Audit information. The same report was also uploaded to the Cook County Clerk's website and emailed to all required taxing districts.

The fund had a beginning balance of \$3,229,925 with \$822,569 revenue received in 2022. Expenses totaled \$15,000 for an administrative service charge used to manage the TIF program. There was an ending fund balance of \$4,085,772.

Section 3.3 lists future anticipated expenses which includes the costs associated with the redevelopment agreement for 4 N Hickory, which is currently under construction. The project consists of a 5-story

mixed-use building with apartments. The TIF funds will be used to reimburse costs associated with public improvements to the streetscape and public way on the north side of the development and pay as you go for eight years. The assistance also includes the purchase of excess land on the north side of the development and public work that will serve as a land bank for future development. The total TIF assistance budgeted for this project is \$2,460,000. The Village is almost complete with the construction of Campbell Street from Beverly Street to Hickory Street that is budgeted to cost \$165,000. Additional costs include redevelopment costs, administrative costs, and professional services for the next 5 years totaling \$2,040,000, \$75,000, and \$75,000 respectively.

To date the Hickory Kensington TIF has experienced \$1,750,000 in private investments at Kensington Day Care; \$700,000 of private funds in the Campbell Street Public Way with \$165,000 in public funds expected this year to be included in next year's reporting; \$2,100,000 in private investments in Arlington Market Phase II with an additional \$850,000 expected net fiscal year; and finally, \$21,625,536 in private and \$2,460,000 in public investments in 4 N Hickory next fiscal year.

The investments from FY2022 are anticipated to create 50 temporary and 5 permanent jobs and \$268,960 in annual increment each year. The base EAV for the Hickory Kensington TIF is \$8,634,983.

Chairman Kuehne asked for any questions from the JRB or the public.

S. Mallek inquired about when the TIF district was created and the approximate end of the TIF. She also asked for clarification on the status of the 4 N. Hickory project and when they may receive any students from the project. C. Perkins provided that it would be late in 2023 at the earliest.

M. Cayer stated she was in favor of abolishing TIF districts to assist with fixing property taxes.

Chairman Kuehne made a motion to adjourn the meeting at 3:39 pm. All agreed. Meeting adjourned.

Submitted by Tom Kuehne, Chairman Joint Review Board

Michael Lysicatos, Recording Secretary



**Joint Review Board
7/31/2024**

Item: Hickory Kensington State Comptroller Annual TIF Report

Department: Planning & Community Development Department

ATTACHMENTS:

| Description | Type |
|--|-------------|
| Hickory Kensington State Comptroller Annual TIF Report | Report |

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: Hickory Kensington TIF

| | |
|---|-------------------------------------|
| Primary Use of Redevelopment Project Area*: Mixed | |
| <small>*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.</small> | |
| If "Combination/Mixed" List Component Types: Comm./Residential | |
| Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one): | |
| Tax Increment Allocation Redevelopment Act | <input checked="" type="checkbox"/> |
| Industrial Jobs Recovery Law | <input type="checkbox"/> |

Please utilize the information below to properly label the Attachments.

| | No | Yes |
|--|----|-----|
| For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A). For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A). | X | |
| Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B). | | X |
| Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C). | | X |
| Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D). | | X |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E). | | X |
| Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F). | | X |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G). | X | |
| Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H). | X | |
| Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J). | X | |
| An analysis prepared by a financial advisor or underwriter, <u>chosen by the municipality</u> , setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; <u>and actual debt service</u> . [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter <u>MUST</u> be attached (labeled Attachment J). | X | |
| Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K). | | X |
| Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L). | | X |
| A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M). | | X |
| For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N). | | X |

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)] and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: Hickory Kensington TIF

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 4,085,772

| SOURCE of Revenue/Cash Receipts: | Revenue/Cash Receipts for Current Reporting Year | Cumulative Totals of Revenue/Cash Receipts for life of TIF | % of Total |
|---|--|--|------------|
| Property Tax Increment | \$ 892,893 | \$ 5,024,832 | 95% |
| State Sales Tax Increment | | | 0% |
| Local Sales Tax Increment | | | 0% |
| State Utility Tax Increment | | | 0% |
| Local Utility Tax Increment | | | 0% |
| Interest | \$ 173,882 | \$ 290,075 | 5% |
| Land/Building Sale Proceeds | | | 0% |
| Bond Proceeds | | | 0% |
| Transfers from Municipal Sources | | | 0% |
| Private Sources | | | 0% |
| Other (identify source _____; if multiple other sources, attach schedule) | | | 0% |

All Amount Deposited in Special Tax Allocation Fund \$ 1,066,775

Cumulative Total Revenues/Cash Receipts \$ 5,314,907 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 975,450

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 975,450

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 91,325

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD* \$ 4,177,097

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 3.2 A [65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: Hickory Kensington TIF

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

PAGE 1

| Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)] | Amounts | Reporting Fiscal Year |
|--|---------|-----------------------|
| 1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost. | | |
| Contractual services - Environmental Investigation (Mostardi Platt) | 1,391 | |
| Contractual services - Railroad Request/Permitting (Patrick Engineering) | 4,186 | |
| | | |
| | | |
| | | |
| | | \$ 5,577 |
| 2. Annual administrative cost. | | |
| Administrative services | 15,000 | |
| | | |
| | | |
| | | |
| | | |
| | | \$ 15,000 |
| 3. Cost of marketing sites. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 4. Property assembly cost and site preparation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 6. Costs of the construction of public works or improvements. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |

SECTION 3.2 A
PAGE 2

| | | |
|--|---------|------------|
| 7. Costs of eliminating or removing contaminants and other impediments. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 8. Cost of job training and retraining projects. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 9. Financing costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 10. Capital costs. | | |
| Capital Outlay Redevelopment 4 N Hickory | 624,873 | |
| Capital Construction - Campbell Roadway Construction (Builders Paving Inc) | 330,000 | |
| | | |
| | | |
| | | |
| | | \$ 954,873 |
| 11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |

**SECTION 3.2 A
PAGE 3**

| | | |
|--|--|-------------------|
| 13. Relocation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 14. Payments in lieu of taxes. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 15. Costs of job training, retraining, advanced vocational or career education. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 17. Cost of day care services. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 18. Other. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| TOTAL ITEMIZED EXPENDITURES | | \$ 975,450 |

SECTION 3.3 [65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: Hickory Kensington TIF

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FUND BALANCE BY SOURCE

| |
|--------------|
| \$ 4,177,097 |
|--------------|

| 1. Description of Debt Obligations | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Obligations | \$ - | \$ - |

| 2. Description of Project Costs to be Paid | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| Redevelopment Agreement 4 N Hickory | \$ | 1,835,127 |
| Redevelopment Costs (5 Years) | \$ | 7,164,873 |
| Administrative Costs (5 Years) | \$ | 75,000 |
| Professional Services (5 Years) | \$ | 135,000 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Project Costs | \$ | 9,210,000 |

| | |
|--------------------------------|--------------|
| TOTAL AMOUNT DESIGNATED | \$ 9,210,000 |
|--------------------------------|--------------|

| | |
|--------------------------|----------------|
| SURPLUS/(DEFICIT) | \$ (5,032,903) |
|--------------------------|----------------|

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: Hickory Kensington TIF

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

| | |
|--|--|
| | Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area. |
|--|--|

| | |
|--|--|
| Property (1): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (2): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (3): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (4): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (5): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (6): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (7): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: Hickory Kensington TIF

PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

| | |
|--|---|
| 1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area. | |
| 2. The municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.) | X |
| 2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan: | 7 |
| 2b. The total number of NEW projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Redevelopment Project area, if any. | 3 |

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

| TOTAL: | 11/1/99 to Date | Estimated Investment for Subsequent Fiscal Year | Total Estimated to Complete Project |
|--|------------------------|--|--|
| Private Investment Undertaken (See Instructions) | \$ 3,850,000 | \$ 22,500,536 | \$ 23,375,536 |
| Public Investment Undertaken | \$ 1,654,873 | \$ 2,633,282 | \$ 4,288,155 |
| Ratio of Private/Public Investment | 2 16/49 | | 5 37/82 |

Project 1: Arlington Market Homes

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 2: Kensington Day Care

| | | | |
|--|--------------|--|--------------|
| Private Investment Undertaken (See Instructions) | \$ 1,750,000 | | \$ 1,750,000 |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 3: Campbell Street Public Way

| | | | |
|--|--------------|--|--------------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 1,030,000 | | \$ 1,030,000 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 4: Arlington Market Phase II

| | | | |
|--|--------------|------------|---|
| Private Investment Undertaken (See Instructions) | \$ 2,100,000 | \$ 875,000 | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 5 Name: 4 N Hickory Redevelopment

| | | | |
|--|------------|---------------|---------------|
| Private Investment Undertaken (See Instructions) | | \$ 21,625,536 | \$ 21,625,536 |
| Public Investment Undertaken | \$ 624,873 | \$ 1,835,127 | \$ 2,460,000 |
| Ratio of Private/Public Investment | 0 | | 8 34/43 |

Project 6 Name: Redev. Cost - Util. Underground

| | | | |
|--|---|------------|------------|
| Private Investment Undertaken (See Instructions) | | \$ - | |
| Public Investment Undertaken | | \$ 798,155 | \$ 798,155 |
| Ratio of Private/Public Investment | 0 | | 0 |

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.
 SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: Hickory Kensington TIF

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

| Number of Jobs Retained | Number of Jobs Created | Job Description and Type (Temporary or Permanent) | Total Salaries Paid |
|-------------------------|------------------------|---|---------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | \$ - |

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

| Project Name | The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement. | | The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement. | |
|---------------------------|---|-----------|--|-----------|
| | Temporary | Permanent | Temporary | Permanent |
| 4 N Hickory Redevelopment | 50 | 5 | 50 | 0 |
| | | | | |
| | | | | |
| | | | | |

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

| Project Name | The amount of increment projected to be created at the time of approval of the redevelopment agreement. | The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement. |
|---------------------------|---|---|
| 4 N Hickory Redevelopment | \$268,960 | Under Construction, No Increment Generated As of Yet |
| | | |
| | | |
| | | |

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, IF ANY:

| Project Name | Stated Rate of Return |
|---------------------------|-----------------------|
| 4 N Hickory Redevelopment | 18.24% |
| | |
| | |

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: Hickory Kensington TIF

Provide a general description of the redevelopment project area using only major boundaries.

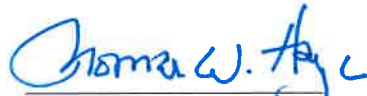
Mixed-use area defined by N Douglass Ave from E Miner Street to E Kensington Rd to the west; the southern boundary follows E Northwest Hwy Starting from N Douglass Ave for approximately 670 feet and then runs north to E Kensington Rd where it continues east to N Dryden Ave; the boundaries eastern edge is defined by the first row of parcels along N Dryden Ave from E Kensington Rd to E Wing St; the northern boundary of the district runs from east to west starting at the end point of the eastern edge approximately 200 feet east of the intersectin of S Dryden Ave and E Wing St and runs west approximately 1,000 fet to the western side of E Hamline Ln and then travels north 260 feet, then west where it meets N Hickory Ave and then north again until it meets E Miner St. The attached map provides a more detailed visualizatino of the boundaries and tax lots.

| Optional Documents | Enclosed |
|---|-----------------|
| Legal description of redevelopment project area | |
| Map of District | X |

ATTACHMENT B (Hickory Kensington TIF)

I, Thomas W. Hayes, the duly elected Chief Executive Officer, of the Village of Arlington Heights, County of Cook, State of Illinois, and as such, do hereby certify that the Village of Arlington Heights has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for Tax Increment Financing District: Hickory Kensington, during the current municipal fiscal year, January 1, 2023 to December 31, 2023.

June 19, 2024



Thomas W. Hayes
President Board of Trustees
Village of Arlington Heights

ATTEST:



Becky Hume
Village Clerk

June 27, 2024

**Opinion of the Village Attorney of
The Village of Arlington Heights Regarding the Hickory Kensington Redevelopment
Plan and Project Under the Illinois Tax Increment
Allocation Redevelopment Act**

This will confirm that I serve as the Village Attorney of the Village of Arlington Heights, Cook County, Illinois. I have reviewed all information provided to me by the Village TIF Administrator regarding the Village of Arlington Heights Hickory Kensington Redevelopment Plan and Project pursuant to the Illinois Tax Increment Allocation Redevelopment Act (the "Act"). Based on such information, I hereby certify that the Village of Arlington Heights has conformed substantially to all applicable reporting requirements of the Act for the fiscal year ended December 31, 2023 to the best of my knowledge and belief.

Sincerely,



Hart M. Passman

HMP/jss
cc: Michael Lysicatos, TIF Administrator

ATTACHMENT D (Hickory Kensington TIF)

I, Randall Recklaus, Village Manager, do hereby certify that the following activities were undertaken in furtherance of the objectives of the redevelopment plan for Tax Increment Financing District: Hickory Kensington, between January 1, 2023 and December 31, 2023.

1. Continued to work with prospective and current developers.
2. Completed construction of the Campbell Street Public Way.
3. Reimbursed 4 N Hickory, LLC. in the amount of \$624,873.00 following the completion of specific construction activities and receipt of submission requirements for the redevelopment of the 4 N Hickory mixed-use project.
4. The Village hired Mostardi Platt as an environmental engineering consultant related to possible redevelopment of the property at 5 N Douglas Avenue.
5. The Village hired Patrick Engineering as an engineering consultant to assist with effort to implement a new roadway crossing the Union Pacific railroad spur to service existing and future developments.
6. The Village Board approved an agreement with Commonwealth Edison (ComEd) for the relocation of underground utilities on August 21, 2023 in the amount of \$670,000.00. The work is anticipated to be completed in FY2024.

June 19, 2024



Randall Recklaus
Village Manager

ATTEST:



Becky Hume
Village Clerk

ATTACHMENT E: Redevelopment Agreements (Hickory Kensington TIF)



Doc# 1821145024 Fee \$86.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 07/30/2018 10:52 AM PG: 1 OF 25

**AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT
BETWEEN THE VILLAGE OF ARLINGTON HEIGHTS
AND 4 NORTH HICKORY, LLC**

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS:

SECTION ONE: That 4 North Hickory, LLC, is the developer of the property known as the TIF Hickory Kensington Area.

SECTION TWO: That the Redevelopment Agreement by and between the Village of Arlington Heights and 4 North Hickory, LLC, dated June 18, 2018, concerning redevelopment of the property described in Exhibit A of the Agreement, a true and correct copy of which is attached hereto, be and the same is hereby approved.

SECTION THREE: The Village President and Village Clerk are hereby authorized and directed to execute said agreement on behalf of the Village of Arlington Heights.

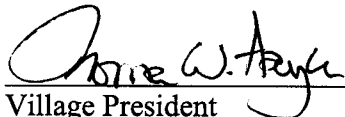
SECTION FOUR: This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law and the Agreement shall be recorded by the Village Clerk in the Office of the Recorder of Cook County.

AYES: ROSENBERG, SIDOR, TINGALIA, BALDINO, BLACKWOOD
LABEDZ, HAYES

NAYS: GLASGOW

PASSED AND APPROVED this 18th day of June, 2018.

ATTEST:


Village President


Village Clerk

AGREEMENT RESOLUTIONS:TIF Hickory Kensington Area Redevelopment Agreement

18-024/A18-021

**REDEVELOPMENT AGREEMENT
BETWEEN 4 NORTH HICKORY, LLC AND
THE VILLAGE OF ARLINGTON HEIGHTS**

THIS REDEVELOPMENT AGREEMENT ("Agreement") is dated as of the 8th day of June 2018, by and between the Village of Arlington Heights, an Illinois home rule municipal corporation, with its principal office located at 33 South Arlington Heights Road, Arlington Heights, Illinois 60005 ("Village"), and 4 North Hickory, LLC, an Illinois limited liability company, with its principal office at 3475 Kirchoff Road, Rolling Meadows, Illinois 60008 ("Developer").

WHEREAS, as a home rule unit of government duly organized under the general laws of the State of Illinois, the Village has the power to regulate for the protection of the public health, safety and welfare of its inhabitants, and, pursuant thereto, has the power to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to create employment opportunities, and to enter into contractual agreements with private parties in order to achieve these goals;

WHEREAS, the Village is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended (the "Act") to finance redevelopment in accordance with the conditions and requirements set forth in the Act;

WHEREAS, the Village prepared a Redevelopment Plan and Project ("Redevelopment Plan") affecting and including the land legally described in the Hickory/Kensington Redevelopment Plan ("Redevelopment Area");

WHEREAS, on July 21, 2014, the Village Board, after giving all notices required by law, and after conducting all public hearings required by law, enacted the following ordinances (collectively, the "TIF Ordinances"):

1. Ordinance No. 14-033, titled "An Ordinance of the Village of Arlington Heights, Cook County, Illinois, Approving a Tax Increment Redevelopment Plan and Redevelopment Project for the Hickory/Kensington Area".
2. Ordinance No. 14-034, titled "An Ordinance of the Village of Arlington Heights, Cook County, Illinois, Designating the Hickory/Kensington Area a Redevelopment Project Area Pursuant to the Real Property Tax Increment Allocation Redevelopment Project Act"; and
3. Ordinance No. 14-035, titled "An Ordinance of the Village of Arlington Heights, Cook County, Illinois, Adopting Tax Increment Allocation Financing for the Hickory/Kensington Area;

WHEREAS, the Developer desires to purchase a portion of land ("Land") located in the Redevelopment Area commonly known as 4 North Hickory Street, Arlington Heights, Illinois, P.I.N.s 03-29-405-003-0000 and 02-29-408-003, legally described on Exhibit A attached hereto and incorporated herein by reference;

WHEREAS, upon its acquisition of the Land, Developer intends to construct a mixed use building as further described in Article I ("Project") on that portion of the Land described on Exhibit A-3 attached hereto and incorporated herein and referred to as the "Property";

RECEIVED

JUN 13 2018

PLANNING & COMMUNITY
DEVELOPMENT DEPARTMENT

A18-021/18-024

WHEREAS, Developer has notified the Village that, given the costs associated with the purchase of the Property and the construction of the Project and the Public Way, the Project will not be possible or feasible without financial assistance from the Village;

WHEREAS, the Village is desirous of fostering the development of the Property to increase its property tax base and the real property tax base of taxing districts of the community and to provide retailer occupation sales tax from the commercial uses of the Property; and

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

The representations set forth in the foregoing recitals are a material part of this Agreement and are hereby incorporated into and made a part of this Agreement and constitute representations, warranties and agreements of the respective parties.

After its acquisition of the Land, Developer intends to (a) sell to the Village the northern portion of the Land ("Northern Parcel"), which is legally described on Exhibit A-1 attached hereto and incorporated herein by reference; (b) to construct a public way ("Public Way") on that portion of the Land legally described on Exhibit A-2 attached hereto and incorporated herein by reference, and thereafter convey same to the Village, and (c) construct a five story mixed-use building consisting of approximately 76 residential rental units, a roof top deck for use by the residential tenants, approximately 3435 square feet of retail space on the first floor, as well as 86 indoor parking spaces (to be used exclusively by the residential tenants) and 31 exterior parking spaces. That portion of the Land upon which the Project shall be built is legally described on Exhibit A-3 attached hereto and incorporated herein by reference and shall to as the "Property".

Actual development of the Land is dependent on Developer receiving all required approvals. The Parties understand that the parameters of the Project may be revised in accordance with submittal, review and approval by the Village and in accordance with final construction plans.

ARTICLE II UNDERTAKINGS ON THE PART OF THE VILLAGE

2.1. Purchase of Property. The Village agrees to purchase the Northern Parcel from the Developer for \$700,000. The Northern Parcel shall be conveyed by Developer to the Village via warranty deed at a title company ("Title Company") mutually agreeable to the parties. The Village agrees to pay for its title policy and recording fees. Prior to closing, the Village will have the opportunity to review all environmental studies for the Northern Parcel. In addition, the Village may choose to have its own environmental studies performed on the Northern Parcel. The purchase of the Northern Parcel will not take place unless the Village is satisfied that there are no environmental concerns (after notice from the Village and opportunity to cure by the Developer), the Developer has provided proof that its bank loan for the Project has been obtained and is open, and permits have been issued for the foundations for the building.

2.2. Tax Increment Financing. Tax increment financing, implemented in accordance with the terms and provisions of the Act and this Agreement, is intended to be one of the sources of funding for the Project. In this regard, the Village agrees to maintain a special tax allocation fund ("Special Tax Allocation Fund") for the deposit of incremental property taxes required by the Act and the Plan and approved by the Village into which the Village will deposit incremental real property tax revenues pursuant to Section 2.4 below.

2.3 Annual Reports. The Village shall maintain eligibility of the Hickory/Kensington Redevelopment Project Area to receive tax increment financing through the preparation and maintenance of annual reports and other mandates as may be required by the Act.

2.4. Village Deposits. The Village shall deposit 100% of the incremental property taxes actually received from the Project ("Incremental Property Taxes") in the Hickory Kensington Tax Allocation Fund ("Fund").

2.5 Annual Accounting. The Village has an annual audit conducted on all of its funds. The audit is conducted in accordance with generally accepted accounting principles as applied to Illinois municipalities and in accordance with the provisions of the Act. After it is reviewed and accepted by the Village Board, the annual audit is available on the Village's website.

2.6. Allocation of Incremental Project Property Taxes. The amounts of Incremental Project Property Taxes actually received and deposited from time to time into the Fund by the Village shall be allocated as follows:

a) Up to \$800,000 shall be paid by the Village to Developer to reimburse Developer for costs associated with the construction of the Public Way, including the streetscape. Prior to reimbursement, all costs must be certified, including the cost of the land for the Public Way. The Village may pay up to 90% of the costs as set forth on verified invoices associated with the construction of the Public Way. The Village will make every effort to review all invoices within 20 days and submit appropriate invoices for payment within 30 days after review is complete. One half of the remaining ten percent will be paid only after completion of construction of the Project and the final coat is put on the Public Way. The remaining one half of the ten percent shall be paid only after six months or one winter season has passed since the final coat. The cost for the land for the Public Way will be paid after the Public Way is dedicated and only after review of appropriate documentation as to the cost of the land.

b) For the first eight years after stabilized occupancy during the Term of the Agreement, the Village shall disburse to Developer an annual amount no greater than \$120,000 with a cumulative distribution no greater than \$960,000 ("Maximum Distribution Amount"). This distribution is specifically subject to the Village receipt from Cook County real estate tax increment equal to or greater than the increment generated from this Project and sufficient funds in the TIF account. The first payment shall not be requested until at least 12 months after stabilized occupancy of the Project. The Stabilized Occupancy date shall be 12 months after a Final Certificate of Occupancy has been issued. Annual requests shall be tied to a calendar year – January 1 through December 31.

In order for the Developer to receive any annual payment, the Developer must demonstrate need, which should be tied to the required cash on cash return per Exhibit D, dated 12/14/2017. The Developer shall submit an audited Project Pro Forma for the prior calendar year which includes Income, Expenses, Net Operating Income (NOI) and Debt Service. If the NOI funds are not sufficient to meet the required cash on cash return, then the Village shall provide assistance to supplement the NOI to the extent necessary to meet the cash on cash return up to \$120,000 annually for the first eight years. For purposes of calculating the annual payment, expenses shall be capped at 37% of costs in any single year.

2.7 Payments to Developer. Provided that there is no interference with Developer's completion of the Public Way, the Village reserves the right to inspect all work regarding a submitted request for reimbursement and to examine Developer's records relating to all TIF Eligible Costs. The Village shall have 20 days after the receipt of a written request for reimbursement from Developer to review the requested disbursement of funds. In the event that the Village finds an error in the request for reimbursement or that the work performed is inconsistent with the Plans, the Village shall specify in writing to Developer such error in reasonable detail (each, a "Deficiency Notice") within such 20-day review period. In the event of delivery of a Deficiency Notice to Developer, Developer shall endeavor to correct the work in question prior to approval of the portion of the request affected; provided, however, that all funding related to portions not affected by such error shall be promptly remitted to Developer. If the Village fails to deliver a Deficiency Notice within the 20-day period aforesaid, it shall be conclusively presumed that the Village has approved of the request for reimbursement.

With regard to the disbursement of funds described in Section 2.6(b), for each year during the Term of the Agreement, Developer shall present to the Village a request for payment in the form attached hereto as Exhibit C. The Village shall have 20 days after receipt to review the request and, if it meets all requirements, schedule approval of the requested disbursement of funds within 30 days after the review is complete. Any required payments to school districts shall be made prior to any annual payment due to the Developer.

2.8 Certificate of Completion. In accordance with current Village practice, upon satisfactory completion of construction of the Public Way and satisfactory substantial completion of construction of the Project (as provided for in Section 3.1), the Village shall issue to Developer certificates of completion ("Certificate") certifying that Developer has fulfilled its obligation to complete the Public Way and the Project, as the case may be, in accordance with the terms of the Agreement.

2.9 No Amendment of Redevelopment Plan. The Village agrees that it will not revoke or amend the Redevelopment Plan and the Redevelopment Project Area or any of the ordinances adopted by the Village relating thereto or this Agreement if such revocation or amendment would prevent or materially impair the development of the Project by Developer or interfere with the reimbursement by the Village of the TIF Eligible Costs in accordance with this Agreement.

2.10. Confidentiality. The Village shall keep all information provided to it, pursuant to the terms of this Agreement, confidential between it and Developer and shall not divulge any of said information, without prior written approval of Developer, but shall use such information only for the purposes of this Agreement, unless otherwise provided by law.

2.11 Payment from TIF Increment Only. The amount due under this Agreement is a special limited obligation of the Village and shall be paid solely from TIF funds during the natural life of the Hickory/Kensington TIF Fund. This obligation shall not be secured by the full faith and credit of the Village.

**ARTICLE III
DEVELOPER'S OBLIGATIONS**

3.1. Construction of the Project. Developer agrees to develop and construct the Project in accordance with construction documents and drawings (the "Plans") which shall be approved by the Village consistent with Exhibit F. The Developer has provided to the Village, as part of this Agreement, a Project Timeline as depicted in Exhibit E. This Timeline sets forth the anticipated dates for the following:

- a. Submit for zoning approval
- b. Complete zoning process
- c. Submit permits
- d. Start construction
- e. Complete construction

Within 30 days after substantial completion of the Project, Developer shall deliver to the Village a certification of all costs expended by Developer with regard to construction of the Project; financing costs, including interest assistance, surveys and plans; professional services, such as architectural, engineering and legal, and site preparation of the Property.

3.2 Construction of the Public Way. In order to improve vehicular flow in the neighborhood in which the Project is located, the parties agree that Developer, subsequent to its acquisition of the Land, agrees to construct on a portion of the Land identified on Exhibit A-2 the Public Way in accordance with the Village specifications for construction of public streets. Upon completion of the Public Way, as evidenced by Village acceptance of the construction and payment to Developer of any remaining costs related to the construction of the Public Way, the Developer shall dedicate the Public Way to the Village.

3.3 TIF Eligible Project Costs. A list of TIF eligible costs ("TIF Eligible Costs") relating to the development and construction of the Project and the Public Way is attached hereto as Exhibit B and made a part hereof. This exhibit shall include the actual cost of acquisition for the Public Way, the estimated for the public improvements for the Public Way, and the estimated costs for the streetscape public improvements for the Public Way.

3.4 Receipt of Funds. As set forth in Section 2.6(a) relating to the construction of the Public Way, Developer shall submit written requests for reimbursement of TIF Eligible Costs setting forth the amount for which payment is requested. The request for reimbursement shall be accompanied by such bills, contracts, invoices and lien waivers as the Village shall reasonably require to evidence appropriate payment of the TIF Eligible Costs for which reimbursement is sought; provided, however, the parties agree that delivery by Developer of a Sworn Owner's Statement and a Sworn Contractor's Statement for the work (or portion thereof) regarding the costs of which Developer is seeking reimbursement as a TIF Eligible Cost shall be sufficient evidence to reimbursement of such TIF Eligible Costs. In any event, each request for reimbursement shall include a statement from Developer that each expense mentioned therein has been properly incurred and that, to the best of Developer's knowledge, the work that is the subject of such request for reimbursement has been performed substantially in accordance with the Plans (as defined in Section 3.1).

3.5 Zoning. Developer understands and agrees that development of the Project can only be undertaken in accordance with a planned unit development ordinance ("Planned Unit Development") to be approved by the Village. The Village agrees to cooperate and work expeditiously with Developer regarding the process for the approval of the Planned Unit Development. If the Village Board does not adopt an ordinance approving the Developer's Project, this Agreement shall be null and void.

3.6. Compliance with Applicable Codes. Developer shall comply with all applicable zoning

ordinances and regulations, building codes, fire codes and all other applicable Village ordinances, resolutions and regulations regarding the construction and operation of the Project.

3.7. **Compliance with Laws.** Developer shall comply or diligently pursue compliance with all applicable laws, rules and regulations of the State of Illinois, the United States of America, codes, ordinances and regulations of the Village and all agencies having jurisdiction over Developer.

3.8. **Prevailing Wage Act.** Developer acknowledges that, to the extent applicable, regarding the construction of the Public Way, it shall comply with the Illinois Prevailing Wage Act, 820 ILCS 13010.01 *et seq.* ("Act").

3.9. **No Gifts.** Developer, to the best of its knowledge, covenants that no officer, member, manager or employee of Developer has made, offered or given, either directly or indirectly, to any member of the corporate authorities, or any officer, employee or agent of the Village, any money or anything of value as a gift or bribe or other means of influencing his or her action in his or her capacity with the Village.

3.10. **Conflicts of Interest.** Pursuant to Section 5/11-74.14-4(n) of the Act, 65 ILCS 5/11-74.4-4(n), Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the Village, or any consultant hired by the Village or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest in the Property, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business or the Property.

**ARTICLE IV
TERM AND TERMINATION OF AGREEMENT**

4.1. **Term of the Agreement.** The Term of the Agreement ("Term of the Agreement") shall commence on the Execution Date and shall terminate upon the last payment of TIF Funding by the Village to Developer pursuant to this Agreement.

4.2. **Termination upon Incentive Cap.** In the event the Village's Maximum Distribution Amount of \$960,000 is met prior to the expiration of the Term of the Agreement pursuant to Section 4.1, this Agreement shall automatically terminate upon said Village Maximum Distribution Amount being paid to Developer.

**ARTICLE V
RESTRICTIONS**

Developer shall adhere to a policy of equal opportunity for employment by Developer regarding the construction and operation of the Project and will not discriminate against any employee or applicant for employment on the basis of race, color, religion, sexual orientation, gender or national origin. Developer shall take affirmative action to ensure that applicants are employed and that employees are treated during employment by Developer without regard to race, color, religion, sexual orientation, gender or national origin. The parties understand and agree that this covenant being made by Developer to the Village does not include any representation by Developer regarding the actions of the commercial tenants at the Project.

**ARTICLE VI
AUTHORIZATION AND ENFORCEABILITY**

6.1. **Village Authority.** The execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on the part of the Village's Board of Trustees, including, without limitation, adoption of an appropriate resolution authorizing execution of this Agreement.

6.2. **Developer Authority.** Developer hereby represents to the Village that it has full power to execute, deliver and perform the terms and obligations of this Agreement; and that this Agreement constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms.

6.3. **Developer Existence.** During the Term of the Agreement, Developer shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence and standing as an Illinois limited liability company, so long as Developer maintains an interest in the Property or has any other remaining obligation pursuant to the terms of this Agreement.

6.4. **Relationship of the Parties.** Nothing in this Agreement shall be deemed or construed by the parties as creating the relationship of principal and agent, or of any partnership or joint venture.

6.5. **Non-Conflict or Breach.** Neither the execution and delivery of this Agreement by Developer, the consummation of the transactions contemplated hereby by Developer, nor the

fulfillment of or compliance with the terms and conditions of this Agreement by Developer conflicts with or will result in a breach of any of the terms, conditions or provisions of any offerings or disclosure statement made or to be made on behalf of Developer (with Developer's prior written approval), any organizational documents, any restriction, agreement or instrument to which Developer or any of its partners or ventures is now a party or by which Developer or any of its partners or its ventures is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the assets or rights of Developer, any related party or any of its ventures under the terms of any instrument or agreement to which Developer, any related party or any of its partners or ventures is now a party or by which Developer, any related party or any of its ventures is bound.

ARTICLE VII DEFAULTS

7.1. **Timely Performance.** Failure or delay by any party to timely perform any representation, warranty, covenant, agreement, term or condition of this Agreement after written notice thereof shall constitute an "event of default" under this Agreement. The party who so fails or delays must, upon receipt of written notice of the existence of such event of default, immediately commence to cure, correct or remedy such event of default and thereafter proceed with diligence to cure such event of default. The party claiming such event of default shall give written notice of the claimed event of default to the other party, specifying the event of default. Unless an event of default is cured in full within 30 days after service of notice by the party, unless as otherwise provided in Section 7.2, that party shall be relieved of any and all of its obligations arising pursuant to this Agreement, and such obligations shall be immediately canceled and without any force or effect.

7.2. **Cure of Default.** If such event of default is cured within such 30 day period, the event of default shall not be deemed to constitute a default under this Agreement. If the event of default is one which cannot reasonably be cured within such 30 day period, upon request, the cure period shall be extended for such time as is reasonably necessary for the curing of the same, so long as there is diligent proceeding to cure such event of default. If such event of default is cured within such extended period, the default shall not be deemed to constitute a default under this Agreement. However, an event of default not cured as provided in this Article VII shall constitute a default under this Agreement. Except as otherwise expressly provided in this Agreement, any failure or delay by either party in asserting any of its rights or remedies as to any event of default or default shall not operate as a waiver of any such event of default or default of any rights or remedies it may have as a result of such event of default or default.

7.3. **Enforcement of Default.** In the event of a default, the non-defaulting party may take whatever action at law or in equity as may appear necessary or desirable to enforce the performance and observance of any obligation, covenant or agreement. Upon an occurrence of an event of default, the defaulting party shall reimburse the non-defaulting party for all costs incurred in seeking to enforce such obligation, covenant or agreement, including but not limited to costs incurred by use of its employees and attorneys.

**ARTICLE VIII
RELEASE AND INDEMNIFICATION**

8.1. **Release and Indemnification.** The indemnifications and covenants contained in this Article shall survive termination or expiration of this Agreement for a period of two years following the expiration of the Term of the Agreement.

8.2. **Hold Harmless.** Developer shall hold harmless, indemnify and defend the Village and its governing body members, officers, agents, employees and independent contractors from and against all claims, causes of action and suits of every kind and nature, including liabilities, damages costs, expenses and reasonable attorney's fees brought by third parties arising from any and all conduct of Developer, its independent contractors, officers, agents, employees, representatives or any other person in connection with the construction and operation of the Project, other than that caused by the negligent acts of the Village.

8.3. **Liability of Village.** Except for the negligent actions of the Village, the Village and its governing body members, officers, agents, employees and independent contractors shall not be liable for any damage or injury to the persons or property of Developer or its officers, agents, employees, independent contractors or any other persons who may be about the Property or with regard to the construction and/or operation of the Project.

8.4. **Representatives Not Personally Liable.** No elected or appointed official, agent, employee or representative of the Village shall be personally liable to Developer in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any obligations under the terms of this Agreement.

8.5. **Covenant Not to Sue.** Developer covenants and agrees that no recourse under or upon any obligation or agreement contained herein or for any claim based thereon shall be had against the Village, its officers, agents, attorneys, representatives or employees in any amount in excess of any specific sum agreed by the Village to be paid hereunder, subject to the terms and conditions contained herein, and no liability, right or claim at law or in equity shall attach to or shall be incurred by the Village, its officers, agents, attorneys, representatives or employees in excess of such amounts, all and any such rights or claims against the Village, its officers, agents, attorneys, representatives or employees are hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the Village.

**ARTICLE IX
MISCELLANEOUS PROVISIONS**

9.1. **Entire Agreement.** This Agreement (together with the exhibits attached hereto) is the entire contract between the Village and Developer relating to the subject matter hereof, supersedes all prior and contemporaneous negotiations, understandings, and agreements, written or oral, between the Village and Developer regarding the Property, and may not be modified or amended except by a written instrument executed by both of the parties hereto. Each party acknowledges that no representation or warranties have been made which have not been set forth herein.

9.2. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement intended to relieve or discharge the obligation or liability of any third person to either the Village or Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the Village or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

9.3. Counterparts. Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one (1) Agreement.

9.4. Special and Limited Obligations. This Agreement shall constitute a special and limited obligation of the Village according to the terms hereof. This Agreement shall never constitute a general obligation of the Village to which its credit, resources or general taxing power are pledged. The Village pledges to the payment of its obligations hereunder solely and only from the Incremental Property Tax revenues set forth herein, if, as and when received and not otherwise.

9.5. Time and Force Majeure. Time is of the essence of this Agreement; provided, however, neither Developer nor the Village shall be deemed in default with respect to any performance obligations under this Agreement or their respective parts to be performed if any such failure to timely perform is due in whole or in part to the following (which, if claimed in writing, delivered within 30 days of the event giving rise to constitute an "unavoidable delay"): acts of nature, fires, floods, explosions, riots, wars, hurricane, sabotage terrorism, vandalism, accident, restraint of government, governmental acts or omissions, newly enacted governmental restriction, regulation or control, injunctions, failure of suppliers, subcontractors, and/or carriers, shortage or delays in delivery or materials, labor strikes and other like events that are beyond the reasonable anticipation and control of Developer or the Village.

9.6. Waiver. Any party to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

9.7. Severability. If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstances shall, to any extent, be invalid or unenforceable, the remainder of such section, subsection, term or provision of this Agreement or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby.

9.8. Notices. All notices, demands, requests, consents, approvals or other communications or instruments required or otherwise given under this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally or by telecommunication actually received, or as of the third day from and including date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows, unless another address is provided in writing:

To Developer: 4 North Hickory, LLC
Attn: Ben Pecoraro
3475 Kirchoff Road
Rolling Meadows, Illinois 60008
(847)773-7136

With a copy to: Guido Neri
444 N. Northwest Highway, Suite 355
Park Ridge, Illinois 60068
(847) 825-9400

And to: Fisher Cohen Waldman Shapiro, LLP
Attn: Mark Lenz
1247 Waukegan Rd #100
Glenview, Illinois 60025
(224) 260-3090

To the Village: Village of Arlington Heights
Attn: Village Manager
33 North Arlington Heights Road
Arlington Heights, Illinois 60005
(847) 368-5000

9.9. **Successor in Interest.** The Agreement shall be binding upon and to the benefit of the parties hereto and their respective authorized successors and assigns; provided, however, that Developer may not assign its right under this Agreement without the express written approval of the Village which shall not be unreasonably withheld.

9.10. **Caption.** The caption, section and article headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

9.11. **Governing Law.** This Agreement shall be construed and interpreted under the laws of the State of Illinois. This Agreement shall be taken and deemed to have been fully executed, made by the parties in, and governed by the laws of the State of Illinois for all purposes and intents.

9.12. **Mutual Assistance.** The Village and Developer agree to take such action, including the execution and delivery of such documents, instruments, petitions and certifications (and, in the Village's case, the adoption of such ordinances and resolutions), supplemental hereto as may reasonably be necessary or appropriate to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent to the extent legally permitted.

9.13. **Conflict of Interest.** No member of the Board of Trustees, or any branch of the Village's government who has any power of review or approval of any of Developer's undertakings shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested.

IN WITNESS WHEREOF, the Village and Developer have caused this Agreement to be executed in their respective names and the Village has caused its seal to be affixed thereto, and attested as to the date first above written.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Attest:

By: Thomas W. Hayes
Name: Thomas W. Hayes
Its: Village President

By: Rebecca Hume Name:
Rebecca Hume
Its: Village Clerk

Date: June 18, 2018

4 NORTH HICKORY, LLC

By: [Signature]
Name: Edward E. [unclear]
Its: MANAGER

Attest:

By: [Signature]

Date: JUNE 12, 2018

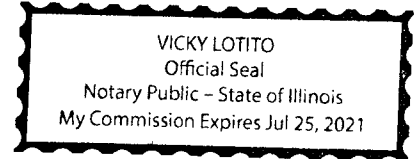


EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

LOTS 31 TO 36 BOTH INCLUSIVE IN BLOCK 2 IN DUNTON AND BIGSBY ADDITION TO ARLINGTON HEIGHTS, A SUBDIVISION OF THE WEST 960 FEET OF THE SOUTH WEST ¼ OF THE SOUTH EAST ¼ OF SECTION 29, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF BLOCK 3 IN DUNTON AND BIGSBY ADDITION TO ARLINGTON HEIGHTS AFORESAID, EXCEPT THAT PART OF SAID BLOCK 3 CONDEMNED FOR ROAD IN COUNTY COURT OF COOK COUNTY, ILLINOIS, AS CASE NO. 50638 DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTH WEST CORNER OF SAID BLOCK, THENCE RUNNING NORTH ALONG THE WEST LINE OF SAID OF BLOCK 11.78 FEET; THENCE EASTERLY ALONG THE ARC OF THE CIRCLE OF 1017.14 FEET RADIUS CONVEX TO THE SOUTH WEST TO A POINT IN THE SOUTH LINE OF SAID BLOCK THAT IS SOUTH 154.35 FEET TO THE POINT OF BEGINNING, ALSO OF THE SOUTH ½ OF ALL THAT PART OF PEORIA STREET (NOW KNOWN AS CAMPBELL STREET) LYING BETWEEN THE EAST LINE OF WESTERN AVENUE (NOW KNOWN AS DOUGLAS AVENUE) AND WEST LINE OF EVERGREEN AVENUE (NOW KNOWN AS HICKORY AVENUE) IN DUNTON AND BIGSBY ADDITION TO ARLINGTON HEIGHTS AFORESAID NORTH AND ADJOINING BLOCK 3, AND THE NORTH ½ OF ALL THAT PART OF PEORIA STREET (NOW KNOWN AS CAMPBELL STREET) LYING BETWEEN THE EAST LINE OF WESTERN AVENUE (NOW KNOW AS DOUGLAS AVENUE) AND THE WEST LINE OF EVERGREEN AVENUE (NOW KNOWN AS HICKORY AVENUE) IN DUNTON AND BIGSBY ADDITION TO ARLINGTON HEIGHTS AFORESAID SOUTH AND ADJOINING LOT 36 IN BLOCK 2 ALL LYING EAST OF A LINE DESCRIBED AS FOLLOWS: COMMENCING AT A POINT OF THE SOUTH LINE OF SAID BLOCK 3 AT THE GAUGE OF WEST RAIL OF EXISTING SWITCH TRACK OF CHICAGO AND NORTHWESTERN RAILROAD COMPANY, SAID POINT BEING 120.89 FEET EAST (MEASURED ALONG THE SAID SOUTH LINE OF SAID BLOCK 3) OF THE SOUTH WEST CORNER OF SAID BLOCK 3; THENCE NORTH 373.11 FEET ALONG A LINE (BEING SAID GAUGE) WHICH EXTENDED NORTH INTERSECTS THE CENTER OF SAID VACATED CAMPBELL STREET AT A POINT 122.30 FEET EAST (MEASURED ALONG THE CENTER OF SAID VACATED CAMPBELL STREET) OF WEST LINE OF SAID BLOCK 3 EXTENDED NORTH; THENCE EAST PERPENDICULAR TO THE LAST DESCRIBED COURSE A DISTANCE OF 3 FEET; THENCE NORTH PERPENDICULAR TO LAST DESCRIBED COURSE 8.64 FEET; THENCE WEST PERPENDICULAR TO LAST DESCRIBED COURSE 3 FEET; THENCE NORTH 28.25 FEET TO CENTER OF VACATED CAMPBELL STREET AT SAID POINT 122.30 FEET EAST (MEASURED ALONG CENTER OF VACATED CAMPBELL STREET) OF THE WEST LINE OF SAID BLOCK 3 EXTENDED NORTH; THENCE EAST 12.70 FEET ALONG CENTER OF SAID VACATED CAMPBELL STREET: THENCE NORTH 25 FEET TO SOUTH WEST CORNER OF LOT 36 IN BLOCK 2 I DUNTON AND BIGSBY ADDITION AFORESAID, ALL IN COOK COUNTY, ILLINOIS

EXHIBIT A-1

Legal Description of Land sale to Village

THAT PART OF LOTS 31 TO 36 BOTH INCLUSIVE IN BLOCK 2 IN DUNTON AND BIGSBY ADDITION TO ARLINGTON HEIGHTS, A SUBDIVISION OF THE WEST 960 FEET OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 29, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 31, ALSO BEING A POINT ON THE WEST RIGHT-OF-WAY LINE OF HICKORY AVENUE (FORMERLY KNOWN AS EVERGREEN AVENUE); THENCE SOUTH 00 DEGREES 07 MINUTES 25 SECONDS EAST, ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 141.92 FEET, TO A LINE 8.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 36; THENCE NORTH 89 DEGREES 51 MINUTES 02 SECONDS WEST, ALONG SAID PARALLEL LINE, A DISTANCE OF 135.04 FEET, TO THE WEST LINE OF SAID LOT 36; THENCE NORTH 00 DEGREES 07 MINUTES 48 SECONDS WEST, ALONG SAID WEST LINE OF LOT 36 AND WEST LINE OF LOTS 35, 34, 33, 32 AND 31, A DISTANCE OF 142.00 FEET, TO THE NORTHWEST CORNER OF LOT 31; THENCE SOUTH 89 DEGREES 48 MINUTES 50 SECONDS EAST, ALONG NORTH LINE OF SAID LOT 31, A DISTANCE OF 135.05 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

CONTAINING 0.440 ACRES OR 19,171 SQUARE FEET MORE OR LESS.

ALSO TO BE KNOWN AS LOT 2 IN 4 NORTH SUBDIVISION, BEING A SUBDIVISION OF THAT PART OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

EXHIBIT A-2

Legal Description of Campbell Street Right of Way

THAT PART OF LOT 36 IN BLOCK 2 AND BLOCK 3 ALL IN DUNTON AND BIGSBY ADDITION TO ARLINGTON HEIGHTS, A SUBDIVISION OF THE WEST 960 FEET OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 29, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THAT PART OF VACATED CAMPBELL STREET PER DOCUMENT NUMBER 15547124 (PREVIOUSLY KNOWN AS PEORIA STREET) DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF HICKORY AVENUE (FORMERLY KNOWN AS EVERGREEN AVENUE) AND A LINE 8.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 36 IN BLOCK 2; THENCE SOUTH 00 DEGREES 07 MINUTES 25 SECONDS EAST, ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 66.00 FEET, TO A LINE 8.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 3; THENCE NORTH 89 DEGREES 51 MINUTES 02 SECONDS WEST, ALONG SAID PARALLEL LINE, A DISTANCE OF 144.94 FEET; THENCE NORTH 00 DEGREES 10 MINUTES 38 SECONDS EAST, A DISTANCE OF 4.75 FEET; THENCE NORTH 89 DEGREES 49 MINUTES 22 SECONDS WEST, ALONG A LINE PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 3.00 FEET, TO LINE WHICH EXTENDED NORTH INTERSECTS THE CENTER OF VACATED CAMPBELL STREET PER DOCUMENT NUMBER 15547124 AT A POINT 122.30 FEET EAST (MEASURED ALONG THE CENTER OF SAID VACATED CAMPBELL STREET) OF WEST LINE OF SAID BLOCK 3 EXTENDED NORTH; THENCE NORTH 00 DEGREES 10 MINUTES 38 SECONDS EAST, ALONG SAID LINE, A DISTANCE OF 28.25 FEET, TO THE CENTER LINE OF VACATED CAMPBELL STREET; THENCE SOUTH 89 DEGREES 51 MINUTES 02 SECONDS EAST, ALONG SAID CENTER LINE, A DISTANCE OF 12.73 FEET, TO A SOUTHERLY EXTENSION OF THE WEST LINE OF SAID LOT 36; THENCE NORTH 00 DEGREES 07 MINUTES 48 SECONDS WEST, ALONG SAID SOUTHERLY EXTENSION LINE, A DISTANCE OF 33.00 FEET, TO A LINE 8.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 36 IN BLOCK 2; THENCE SOUTH 89 DEGREES 51 MINUTES 02 SECONDS EAST, ALONG SAID PARALLE LINE, A DISTANCE OF 135.04 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

CONTAINING 0.214 ACRES OR 9,321 SQUARE FEET MORE OR LESS.

EXHIBIT A-3

Legal Description of Developer Site

THAT PART OF BLOCK 3 IN DUNTON AND BIGSBY ADDITION TO ARLINGTON HEIGHTS, A SUBDIVISION OF THE WEST 960 FEET OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 29, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF HICKORY AVENUE (FORMERLY KNOWN AS EVERGREEN AVENUE) AND A LINE 8.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 3; THENCE SOUTH 00 DEGREES 07 MINUTES 25 SECONDS EAST, ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 276.94 FEET, TO THE SOUTHEAST CORNER OF SAID BLOCK 3, ALSO BEING A POINT ON THE NORTH RIGHT-OF-WAY LINE OF KENSINGTON ROAD (FORMERLY KNOWN AS FOUNDRY ROAD), ALSO BEING A SOUTH LINE OF SAID BLOCK 3; THENCE NORTH 89 DEGREES 47 MINUTES 26 SECONDS WEST, ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 115.65 FEET TO A POINT IN THE SOUTH LINE OF SAID BLOCK THAT IS 154.35 EAST OF THE SOUTHWEST CORNER OF SAID BLOCK, SAID POINT BEING THE EAST POINT OF PART OF SAID BLOCK 3 CONDEMNED FOR ROAD IN COUNTY COURT OF COOK COUNTY, ILLINOIS AS CASE NO. 50638; THENCE WESTERLY, A DISTANCE OF 33.75 FEET ALONG THE ARC OF A NON-TANGENT CIRCLE TO THE RIGHT HAVING A RADIUS OF 1017.14 FEET AND WHOSE CHORD BEARS NORTH 88 DEGREES 50 MINUTES 38 SECONDS WEST, A DISTANCE OF 33.75 FEET TO A POINT; THENCE NORTH 00 DEGREES 10 MINUTES 38 SECONDS EAST, ALONG A LINE WHICH EXTENDED NORTH INTERSECTS THE CENTER LINE OF VACATED CAMPBELL STREET PER DOCUMENT NUMBER 15547124 AT A POINT 122.30 FEET EAST (MEASURED ALONG THE CENTER OF SAID VACATED CAMPBELL STREET) OF WEST LINE OF SAID BLOCK 3 EXTENDED NORTH, A DISTANCE OF 272.33 FEET; THENCE SOUTH 89 DEGREES 49 MINUTES 22 SECONDS EAST, ALONG A LINE PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 3.00 FEET; THENCE NORTH 00 DEGREES 10 MINUTES 38 SECONDS EAST, ALONG A LINE PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 3.89 FEET TO A LINE 8.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID BLOCK 3; THENCE SOUTH 89 DEGREES 51 MINUTES 02 SECONDS EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 144.94 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

CONTAINING 0.944 ACRES OR 41,142 SQUARE FEET MORE OR LESS.

ALSO TO BE KNOWN AS LOT 1 IN 4 NORTH SUBDIVISION, BEING A SUBDIVISION OF THAT PART OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

EXHIBIT B
TIF eligible Costs

LAND ACQUISITION: \$2,268,000

IMPROVEMENTS FOR DEDICATED STREET \$582,000

EXCAVATION: \$220,000

ARCHITECTURAL FEES: \$167,000

ENGINEERING FEES: \$94,000

ENVIRONMENTAL REMEDIATION: \$130,000

LEGAL FEES: \$55,000

TITLE COSTS: \$20,000

INTEREST CARRY ON FINANCING: \$460,000

APPRAISALS: \$28,000

MARKETING COSTS: \$186,000

EXHIBIT C

Request for Payment Form

Pursuant to the Redevelopment Agreement between 4 North Hickory LLC and the Village of Arlington Heights, the following request for funds pursuant to Section 2.6.B of the Agreement is submitted as follows: (must be accompanied by certified audited documents)

Calendar Year January 1 to December 31, _____

Funds Requested: \$ _____ .00

Rental Income

Residential: \$ _____

Commercial: \$ _____

Parking: \$ _____

Other: \$ _____

Total: \$ _____

Operating Expenses Itemized (list all operating expenses)

Total: \$ _____

Annual Net Operating Income: \$ _____

Interest Payments on Debt: \$ _____

Principal Payments on Debt: \$ _____

Total Annual Debt Service: \$ _____

Cash on Cash Return: \$ _____

Assumptions

New 76 unit mixed use development.
86 indoor parking spaces on ground floor and basement levels.
32 outdoor parking spaces
3,450sf of ground commercial retail space.

| | | |
|------------------|---|------------------|
| Residential | 7 Studio units @ 570sf. | 3,991 sf |
| | 12 Junior 1 Bedroom units @ 618sf. | 7,412 sf |
| | 35 1-Bedroom units @ 732sf. | 25,632 sf |
| | 22 2-Bedroom units @ 1,051sf. | 23,135 sf |
| | Common Area (floors 2 thru 5) | 12,023 sf |
| | Common Area (ground floor & basement) | 4,032 sf |
| | Ground Floor Commercial Area | 3,450 sf |
| | Total Residential Area | 79,675 sf |
| Parking (Indoor) | 37 indoor parking spaces (ground floor) | 14,031 sf |
| | 49 indoor parking spaces (basement level) | 17,482 sf |
| | Total Parking space Area | 31,513 sf |

Acquisition

| | | |
|------------------|--------------------------------|------------------|
| Land Acquisition | Acquisition Costs | 2,100,000 |
| | Sales Commission (5%) | 105,000 |
| | Closing & Legal Fees (3%) | 63,000 |
| | Total Acquisition Costs | 2,268,000 |

Construction Hard Costs

| | |
|-----------------------|-------------------|
| Off Site Improvements | 505,500 |
| Land Improvements | 774,232 |
| Structures Hard Costs | 12,177,518 |
| General Requirements | 643,863 |
| Builders OH&P | 1,128,089 |
| Total | 15,229,202 |

Development Soft Costs

| | |
|--|------------------|
| Permits, Fees, etc. | 587,000 |
| Architectural & Engineering Fees (Incl. Supervision) | 307,333 |
| P & P Bond Premium | 120,676 |
| R.E. Taxes During construction | 100,000 |
| Interest During Construction | 500,145 |
| HUD & Lender Fees | 387,319 |
| HUD Closing Costs | 141,224 |
| Initial Operating Deficit | 505,197 |
| Developer's Fee | 805,844 |
| Marketing & Lease up | 673,596 |
| Total | 4,128,334 |

Total Project Costs

| | |
|-------------------------|-------------------|
| Acquisition Costs | 2,268,000 |
| Construction Hard Costs | 15,229,202 |
| Development Soft Costs | 4,128,334 |
| Total | 21,625,536 |

Source of Funds

| | |
|---|-------------------|
| HUD Loan | 16,838,800 |
| Sale of Land to Arlington Heights | 700,000 |
| Tiff Assistance for OffSite Improvements & Street | 800,000 |
| Deferred Developer's Fee | 805,844 |
| Deferred Builder's OH&P (80% of fee will be deferred) | 802,471 |
| Investor Equity | 1,577,321 |
| Total | 21,625,536 |

12/14/2017

| | \$2.25 | \$2.32 | \$2.39 | \$2.46 | \$2.53 | \$2.61 | \$2.69 | \$2.77 | \$2.85 | \$2.94 |
|-------------------------------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Average Monthly Rent/sf | | | | | | | | | | |
| Gross potential rent, monthly | 10.176 135,850 | 139,444 | 143,827 | 147,899 | 152,374 | 156,945 | 161,854 | 166,803 | 171,800 | 176,843 |
| Occupancy Rate | 95% | | | | | | | | | |
| Indoor Parking Income | 128,613 | 132,472 | 136,446 | 140,539 | 144,755 | 149,098 | 153,571 | 158,178 | 162,924 | 167,811 |
| Total net monthly income | 138,613 | 142,472 | 146,446 | 150,539 | 154,755 | 161,098 | 165,571 | 170,178 | 174,924 | 179,811 |
| Net Annual Income | 1,663,351 | 1,709,661 | 1,757,351 | 1,806,872 | 1,857,066 | 1,933,178 | 1,986,863 | 2,042,136 | 2,099,083 | 2,157,735 |
| Operating Expenses | 37 (615,443) | (632,575) | (650,220) | (668,395) | (687,114) | (715,276) | (735,136) | (755,591) | (776,661) | (798,362) |
| Commercial Income NNN | 75,900 | 75,900 | 75,900 | 75,900 | 75,900 | 75,900 | 75,900 | 75,900 | 75,900 | 75,900 |
| Annual TIF Assistance | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| Annual Net Operating Income | 1,243,817 | 1,272,987 | 1,303,031 | 1,333,977 | 1,365,851 | 1,427,602 | 1,461,417 | 1,496,247 | 1,412,122 | 1,449,073 |

| | | | | | | | | | | |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| DSCR | 1.37 | 1.40 | 1.43 | 1.47 | 1.50 | 1.57 | 1.61 | 1.65 | 1.55 | 1.60 |
| Annual Interest | 754,848 | 747,882 | 740,191 | 732,380 | 724,374 | 716,917 | 707,871 | 697,819 | 686,141 | 673,019 |
| Annual Principal Reduction | 153,823 | 160,889 | 168,280 | 176,011 | 184,097 | 192,554 | 201,400 | 210,653 | 220,330 | 230,452 |
| Total Annual Debt Service | 908,471 | 908,471 | 908,471 | 908,471 | 908,471 | 908,471 | 908,471 | 908,471 | 908,471 | 908,471 |

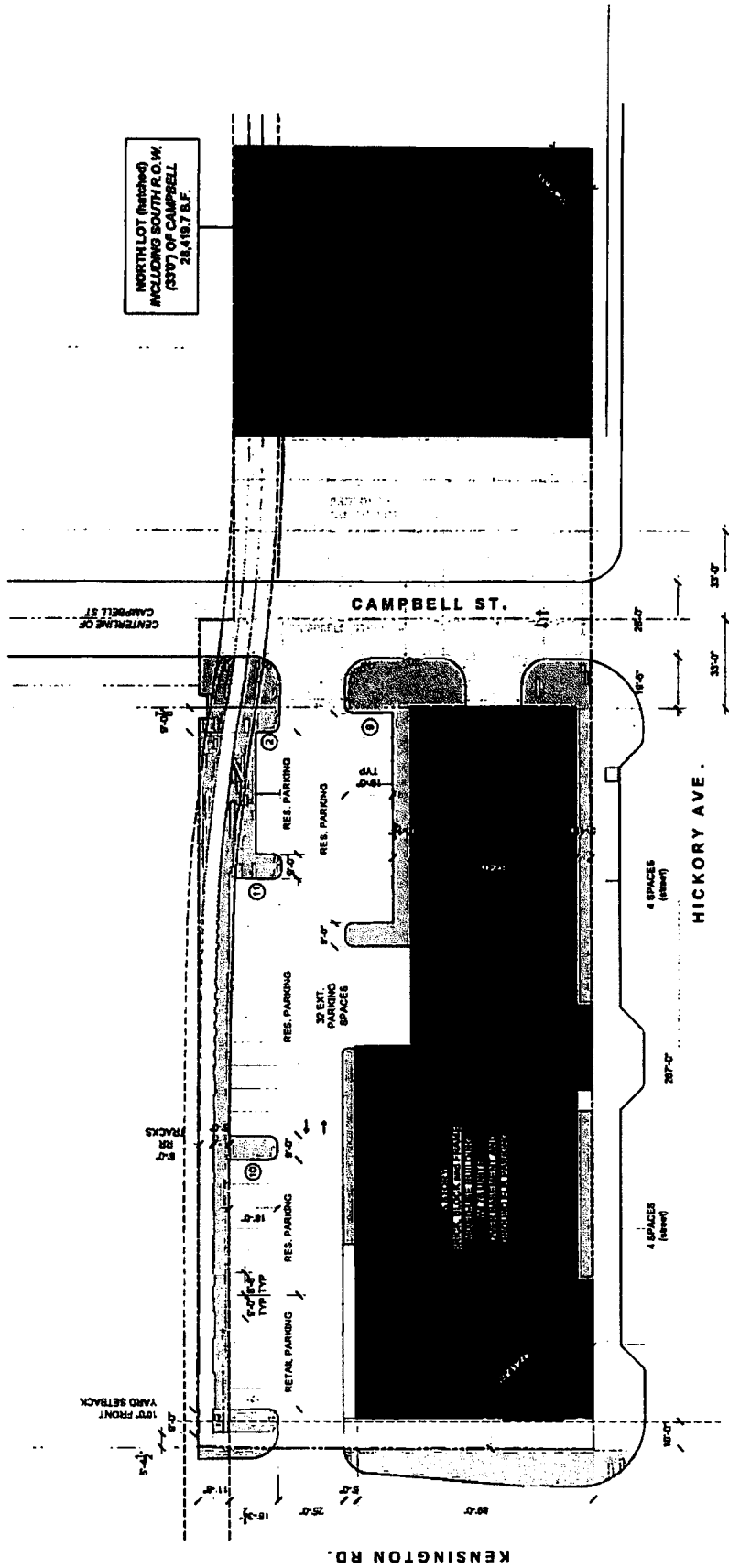
| | | | | | | | | | | |
|------------------------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|
| Cash on Cash Return | 836,348 | 864,618 | 894,260 | 925,206 | 957,390 | 991,191 | 1,022,948 | 1,057,778 | 1,095,861 | 1,137,402 |
| Principal Reduction | 153,823 | 160,889 | 168,280 | 176,011 | 184,097 | 192,554 | 201,400 | 210,653 | 220,330 | 230,452 |
| Total Annual Cash Flow | 489,168 | 525,405 | 562,840 | 601,517 | 641,477 | 711,685 | 754,347 | 798,429 | 723,981 | 771,054 |

| | | | | | | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Annual Cash Flow | 489,168 | 525,405 | 562,840 | 601,517 | 641,477 | 711,685 | 754,347 | 798,429 | 723,981 | 771,054 |
| Total Annual Depreciation (31.5yrs) | (614,525) | (614,525) | (614,525) | (614,525) | (614,525) | (614,525) | (614,525) | (614,525) | (614,525) | (614,525) |
| Net Taxable Income | (125,356) | (89,120) | (51,685) | (13,008) | 26,952 | 97,160 | 139,822 | 183,904 | 109,456 | 156,529 |

| | | | | | | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cap Rate Based Value | 19,136,848 | 19,884,410 | 20,046,834 | 20,622,726 | 21,013,100 | 21,963,108 | 22,483,346 | 23,019,191 | 21,724,957 | 22,289,436 |
| Less Investor Equity | (1,577,321) | (1,577,321) | (1,577,321) | (1,577,321) | (1,577,321) | (1,577,321) | (1,577,321) | (1,577,321) | (1,577,321) | (1,577,321) |
| Less Deferred Developer's Fee | (805,844) | (805,844) | (805,844) | (805,844) | (805,844) | (805,844) | (805,844) | (805,844) | (805,844) | (805,844) |
| Less Deferred Builder's OH&P | (902,471) | (902,471) | (902,471) | (902,471) | (902,471) | (902,471) | (902,471) | (902,471) | (902,471) | (902,471) |
| Less Principal Balance | (16,688,077) | (16,626,188) | (16,356,908) | (16,180,897) | (15,998,800) | (15,804,245) | (15,602,845) | (15,392,182) | (15,171,862) | (14,941,411) |
| Total Realized Equity | (836,065) | (226,415) | 404,090 | 1,056,193 | 1,730,664 | 2,873,227 | 3,594,865 | 4,341,363 | 3,267,459 | 4,066,389 |

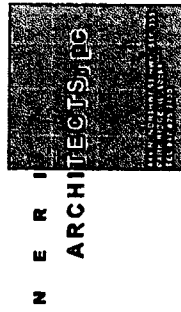
Exhibit E – Estimated Time Line for Project

Submit for Zoning Approvals: March 2018
Complete Zoning Approvals: July 2018
Submit Building Permits: August 2018
Start Construction: October 2018
Complete Construction: December 2019



CONCEPTUAL SITE PLAN

SCALE: 1" = 40'-0"





1702
02.01.18
AC-17

1
AC-17
View looking West
SCALE 1/8" = 1'-0"

N E R I
ARCHITECTS
1155 COMMERCIAL AVENUE SUITE 200
ANN ARBOR MI 48106
TEL (313) 963-8300



1702
02.01.18
AC-17

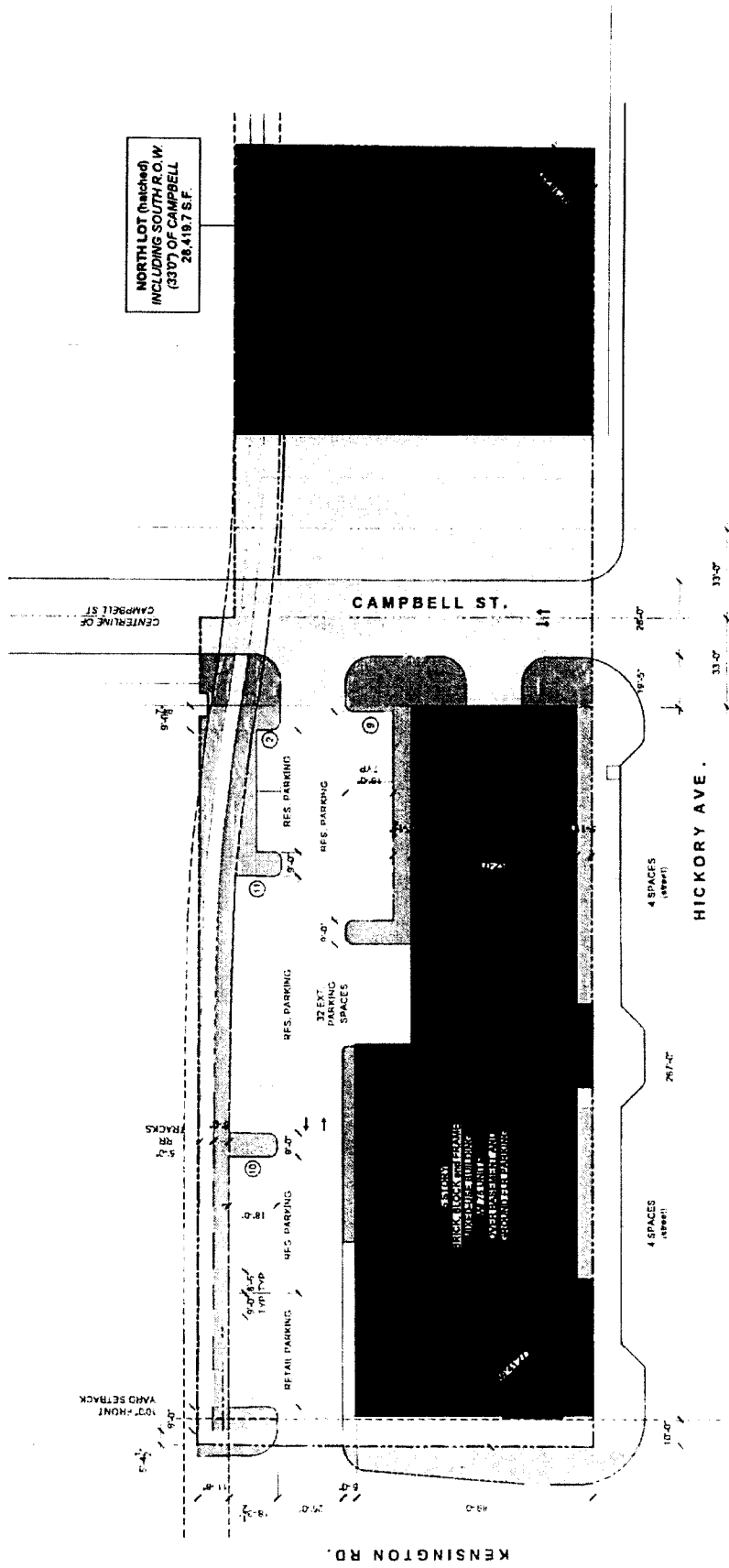
1
AC17

View/looking West

SCALE 1/4" = 1'-0"

N E R I
ARCHITECTS,

444 N. WOOD ST. #100
CHICAGO, IL 60610
TEL: 312.733.4400



NORTH LOT (shaded)
INCLUDING SOUTH R.O.W.
(330') OF CAMPBELL
28,418.7 S.F.

CONCEPTUAL SITE PLAN

SCALE: 1" = 40'-0"



N E R I
ARCHITECTS,
2222 NORTH WHEELER AVE. SUITE 100
DENVER, CO 80202
303.733.1313



Village of Arlington Heights

33 South Arlington Heights Road
Arlington Heights, Illinois 60005-1499
(847) 368-5000
Website: www.vah.com

June 19, 2018

4 North Hickory, LLC
Attn: Ben Pecoraro
3475 Kirchoff Road
Rolling Meadows, Illinois 60008

RE: RDA for 4 North Hickory

Dear Ben:

Please find enclosed a signed original of the Redevelopment Agreement for the property at 4 N. Hickory in Arlington Heights, IL. I have also sent copies to Guido Neri and Mark Lenz.

I look forward to working with your team on this exciting project.

Thank you.

Sincerely,

Bill Enright

Deputy Director Planning and Community Development

C: Guido Neri
Mark Lenz

ATTACHMENT F and K (Hickory Kensington TIF)

SEE ATTACHED

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor and
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Arlington Heights, Illinois (the Village) as of and for the year ended December 31, 2023, which collectively comprise the basic financial statements of the Village of Arlington Heights, Illinois, and have issued our report thereon dated June 17, 2024.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary financial information (balance sheet and schedule of revenues, expenditures, and changes in fund balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

SiKich CPA LLC

Naperville, Illinois
June 17, 2024

FINANCIAL STATEMENTS

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

BALANCE SHEET
TAX INCREMENT FINANCING FUND
HICKORY KENSINGTON TIF

December 31, 2023

| ASSETS | |
|--|-----------------------------------|
| Cash and cash equivalents | \$ 4,261,455 |
| Property taxes receivable | 784,778 |
| Prepaid items | <u>67,000</u> |
| TOTAL ASSETS | <u><u>\$ 5,113,233</u></u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | |
| LIABILITIES | |
| Accounts payable | <u>\$ 161,136</u> |
| Total liabilities | <u>161,136</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue | <u>775,000</u> |
| Total liabilities and deferred inflows of resources | <u>936,136</u> |
| FUND BALANCE | |
| Nonspendable - prepaid items | 67,000 |
| Restricted for community development | <u>4,110,097</u> |
| Total fund balance | <u>4,177,097</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u><u>\$ 5,113,233</u></u> |

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
TAX INCREMENT FINANCING FUND
HICKORY KENSINGTON TIF**

For the Year Ended December 31, 2023

| | |
|----------------------------------|----------------------------|
| REVENUES | |
| Property taxes | \$ 892,893 |
| Investment income | <u>173,882</u> |
| Total revenues | <u>1,066,775</u> |
| EXPENDITURES | |
| Current | |
| Contractual services | 5,577 |
| Other expenditures | 15,000 |
| Capital outly | <u>954,873</u> |
| Total expenditures | <u>975,450</u> |
| NET CHANGE IN FUND BALANCE | 91,325 |
| FUND BALANCE, JANUARY 1 | <u>4,085,772</u> |
| FUND BALANCE, DECEMBER 31 | <u><u>\$ 4,177,097</u></u> |

(See independent auditor's report.)

Attachment L : Auditors Letter (Hickory Kensington TIF)

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Mayor and
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have examined management's assertion that the Village of Arlington Heights, Illinois (the Village), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2023. Management is responsible for the Village's assertion. Our responsibility is to express an opinion on management's assertion about the Village's compliance with the specific requirements based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Village's compliance with the specified requirements.

In our opinion, management's assertion that the Village of Arlington Heights, Illinois, complied with the aforementioned requirements for the year ended December 31, 2023, is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management and the Illinois Department of Revenue, Illinois State Comptrollers office and the Joint Review Board and should not be used by anyone other than these specified parties.

SiKich CPA LLC

Naperville, Illinois
June 17, 2024

Attachment N: Third Party Verification of Rate of Return on Redevelopment Projects
(Hickory Kensington TIF)

DRAFT

TO: William Enright Arlington Heights Deputy Director Planning &
Community Development
FROM: Kane, McKenna and Associates, Inc.
DATE: April 27, 2017
RE: **Review of Proposed Hickory & Kensington Mixed Use Development**

1) Background on Redevelopment Project

The Village of Arlington Heights (the "Village") had retained Kane, McKenna Associates, Inc. (KMA) to review the TIF proposal presented by Neri Architects PC or entities to be formed by it (the "Developer"), regarding the purchase and redevelopment of property located at 4 N Hickory Avenue on the northwest corner of Hickory Avenue and Kensington Road (the "Project").

The Project consists of two tax parcels: 03-29-405-003 and 03-29-408-003. The Project will develop a 74 unit apartment complex consisting of 10 studio, 40 one bedroom, and 24 two bedroom apartment units. There will be 74 indoor parking spaces on the ground floor and basement levels along with 29 outdoor parking spaces. The development will also have 4,000 sf of ground commercial retail space.

It is proposed that the project would be developed by Neri Architects PC and owned by the same entity.

2) Data Sources: Limitations of KMA Analysis

KMA has been tasked with reviewing the Developer's gap analysis. To determine the revenue projection, KMA reviewed data from the developer as to proposed land uses, square footage, market assessment of income from said uses, and other variables.

To perform the Gap Analysis, KMA reviewed developer data especially as it pertains to the Project construction budget. KMA also used internal files and published construction benchmarks as a basis of comparison to check the reasonableness of Developer budget assumptions.

5) **Return Analysis**

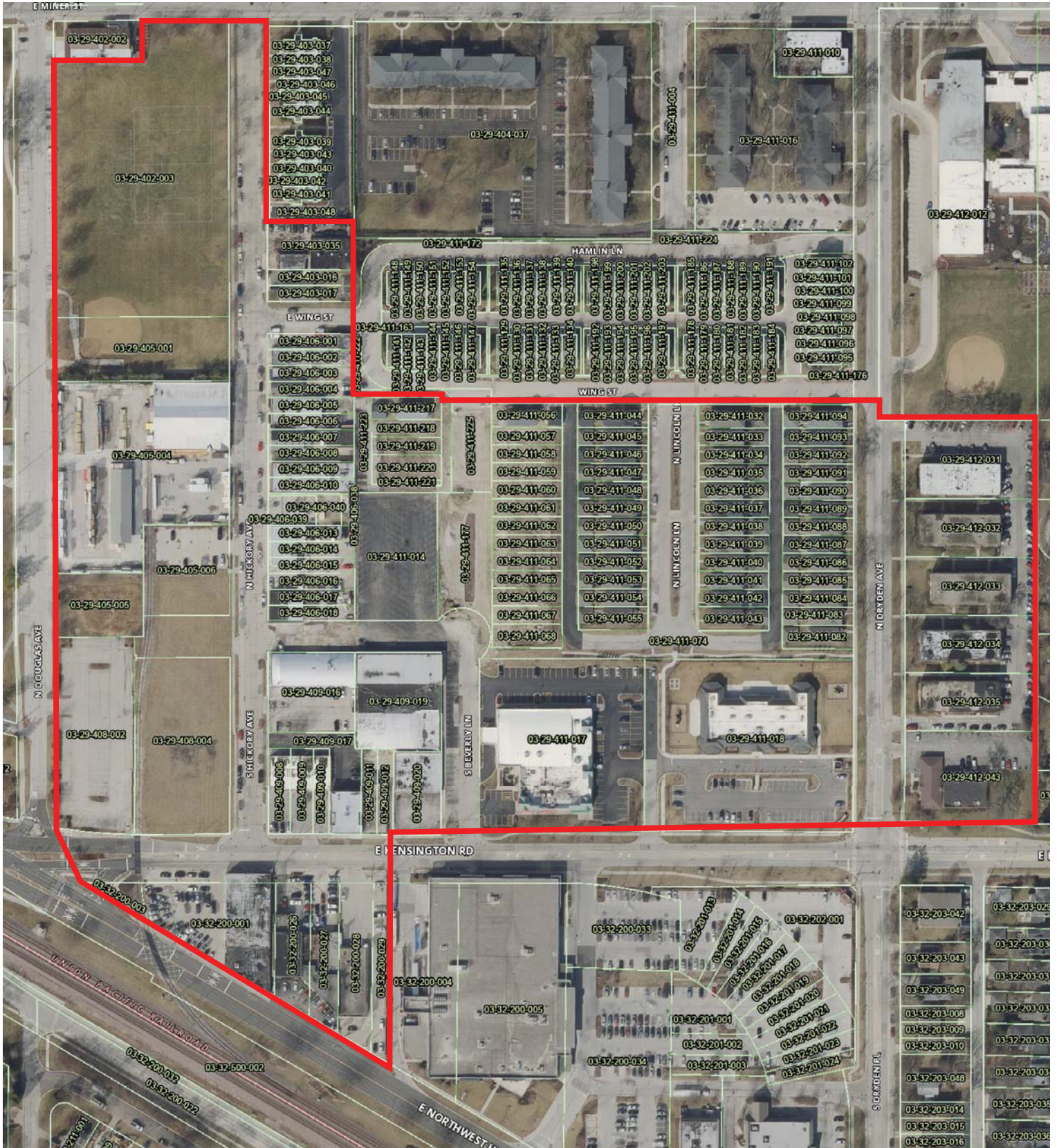
The return analysis prepared by KMA and based on Developer assumptions is summarized below. The chart attached below includes the Developer's estimated project returns.

| | Without TIF | With TIF Developer Request |
|----------------------------------|--------------|----------------------------|
| Project NOI | \$1,672,232 | \$1,672,232 |
| Project Costs | \$19,185,346 | \$19,185,346 |
| Less TIF Assistance Upfront | \$0 | \$1,500,000 |
| Less TIF Assistance over 8 years | \$0 | \$960,000 |
| Net Project Costs | \$19,185,346 | \$16,725,346 |
| Leveraged Return | 8.82% | 18.24% |
| Unleveraged Return | 5.56% | 7.22% |
| Return on Costs | 5.30% | 6.43% |

The returns indicate that the use of TIF funding is appropriate for this project. However, the main question is whether up front assistance in the full amount is necessary, and could the request be modified to a greater reliance on the "pay as you go" component. If the Village does provide TIF funding up front, a true up on costs should be included prior to any payments.

HICKORY KENSINGTON TIF PARCEL MAP

The Village of
Arlington Heights
Illinois
Planning & Community Development





Agenda
Village of Arlington Heights
Joint Review Board
Buechner Room, 1st Floor
Arlington Heights Village Hall, 33 S. Arlington Heights Rd.
July 31, 2024
3:40 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 8/10/2023

IV. NEW BUSINESS

- A. TIF V State Comptroller Annual TIF Report
 - i. Staff Presentation
 - ii. Comments/Questions from Joint Review Board
 - iii. Public Comments Regarding Annual Report

V. PUBLIC COMMENT

VI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact Erin Mercado, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, emercado@vah.com or (847)368-5793.



**Joint Review Board
7/31/2024**

Item: Minutes 8/10/2023

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes 8/10/2023

Type

Minutes

TIF 5 District
Joint Review Board Minutes
Wednesday, August 10, 2023
3:40PM Community Room
Village of Arlington Heights

Call to Order: Tom Kuehne called the meeting to order at 3:40 pm.

Roll Call:

The following Members were present:

Carrie Fullerton, Arlington Heights Park District

Mike Vargas, Township HS District 214

Robert Galick, William Rainey Harper College

Tom Kuehne, Village of Arlington Heights

Stacey Mallek, School District 25

Greg Ford, Public Member

John Ciffone, Public Member

Mike Driskell, Arlington Heights Memorial Library

Also Present:

Michael Lysicatos, Village of Arlington Heights

Charles Witherington-Perkins, Village of Arlington Heights

Melissa Cayer, Public

Keith Moens, Public

Alva Kreutzer, Township HS District 214

Chairman Kuehne opened the meeting and asked M. Lysicatos to provide summary reports for the TIF 5 (V) district.

M. Lysicatos provided a summary of the fiscal year 2022 report. The FY2022 report was uploaded to the State Comptroller portal within 180 days of the end of the fiscal year as required by statute. The report included certifications from the Mayor, Legal Counsel Opinion, summary of actions from the Village Manager, Audit information. The same report was also uploaded to the Cook County Clerk's website and emailed to all required taxing districts. The redevelopment agreements for the MJR and RPS Southpoint projects were included in the reporting.

The TIF 5 area is defined by the Rand Road and Palatine Road corridors and is anchored by several large commercial shopping centers, namely Town and Country to the west and Southpoint Shopping Center to the East.

During the FY2022 reporting year, the fund balance started at \$3,965,938 with incremental revenues and cash receipts totaling \$1,193,760. (This was \$800,000 last year) The Town and Country Shopping Center completed renovation of two tenant spaces including the Raising Canes and received \$1,354,511 in

funding for public improvements to facilitate the improvements which are both leased. The fund also paid \$17,325 in professional services for development advisory services.

Section 3.3 outlines project costs to be paid. Included are two projects for the Southpoint Shopping Center. The first is the complete At Home retail store which is slated to receive up to \$1,300,000 in reimbursements for public improvements based on the redevelopment agreement and expected to be paid out in the 2023 fiscal year. The second is to MJR Southpoint which is in the process of completing the Chipotle, Bibibop, and AT&T store. The projects are in the process of being completed in the 2023 fiscal year with up to \$170,000 in reimbursements for public improvements to the drainage systems.

The remaining future costs include \$500,000 in reserve for tax appeals, \$75,000 for professional services, \$150,000 in administrative costs, \$500,000 in redevelopment costs and \$940,000 for enhancements to the Rand Road corridor which are currently in different phases of design and implementation to install Uptown signage and improvements along the medians and crossings.

Section 5 of the report outlines completed investments to date and those anticipated for fiscal year 2023. A total of \$22,313,848 in private investments and \$5,994,511 in public investments have been made so far in Town and Country Phases I and II, and the corridors within the TIF. An additional \$12,388,427 in private and \$1,689,286 in public investments are slated in FY 2023 for the Rand Road Corridor, At Home, and Chipotle/Bibibop/AT&T developments already underway or completed.

Section 6 is updated for FY2022 and reports on the current and potential impact of developments occurring from 2022 and forward. The Town and Country and Southpoint Shopping center projects supported through TIF funds are anticipated to produce 421 jobs with 25 already in place. There are no estimates of the increment generated for the projects as the construction was underway and the taxes are one year out from being reported to determine the impacts as the projects come on-line. Finally, section 8 reports on the Base EAV of the TIF which is \$30,180,546.

C. Perkins presented the board with a sample letter distributed to the taxing districts about a potential surplus in the fund next year. TIF 5 is a great example of how TIF funding has created redevelopment that would not otherwise be created and successfully stabilize these commercial centers. As a result, tax increment has increased. The Village feels they can release a \$1 million surplus in 2024 in spite of anticipated costs for new redevelopment. The funds would be distributed proportionally amongst the taxing districts based upon the tax levy rates. For agencies that are tax cut it would be outside the tax cut. If the increment holds over the next few years, additional surpluses may be distributed.

Chairman Kuehne asked the board whether it is more beneficial for the taxing districts to receive a refund from TIF funding or for the TIF to end early.

S. Malleck stated that she would be in favor of both options.

M. Vargas stated that the options would depend on the growth of the EAV.

C. Perkins provided that just on Town and Country, in 2021, School district 25, received 23.9% of the tax bill where as normally would be approximately 37% along with the 37% of the surplus. District 214 received 17.2% of the taxes versus 26.6% so surplus is positive.

S. Malleck inquired about the legal obligation to disburse surplus. Staff provided that it would need to be accumulated for three years and not designated for redevelopment. The surplus indicated is after redevelopment costs are taken into account.

Chairman Kuehne indicated that the plan is to analyze the surplus during the development of the budget.

A.Kreutzer indicated there are 19 TIF districts for District 214 but the public often does not hear about the surplus funds which makes the districts a bit of a double-edged sword. While the preference was to have less TIFs the surplus was positive.

S. Malleck Without the guaranteed of ending a TIF early, the surplus is preferred. She also had a question on the status of Town and Country mall and Amazon Fresh. M. Lysicatos indicated that they are analyzing their business model but are still paying rent through a long-term lease. While there is a kickout provision they have not used that option and see it as a good sign. The indication is that the model they were using was not successful and the thinking is they will renovate with a new concept and will move forward although it is not certain.

S. Malleck also asked about timing of the TIF meetings. M. Lysicatos indicated that the current meeting dates are the new date to occur after the final reports are submitted and avoid having to conduct a supplemental meeting.

M. Cayer inquired about how the status of the At Home. M. Lysicatos indicated that he believed they are doing well but it is too early to have data to know for certain. Amazon tax break on warehouse on Dundee and 63. C. Perkins indicated that the Class 6 abatement went to the property to allow them provide more competitive leasing terms. M. Cayer indicated her support to abolish TIF districts and to get the money to the schools and taxing districts.

Chairman Kuehne made a motion to adjourn the meeting at 3:59 pm. All agreed. Meeting adjourned.

Submitted by Tom Kuehne, Chairman Joint Review Board

Michael Lysicatos, Recording Secretary



**Joint Review Board
7/31/2024**

Item: TIF V State Comptroller Annual TIF Report

Department: Planning & Community Development Department

ATTACHMENTS:

| Description | Type |
|---|-------------|
| TIF V State Comptroller Annual TIF Report | Report |

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 5

| | |
|---|----------|
| Primary Use of Redevelopment Project Area*: Retail | |
| <small>*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.</small> | |
| If "Combination/Mixed" List Component Types: | |
| Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one): | X |
| Tax Increment Allocation Redevelopment Act | |
| Industrial Jobs Recovery Law | |

Please utilize the information below to properly label the Attachments.

| | No | Yes |
|---|----|-----|
| For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A). For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A). | X | |
| Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B). | | X |
| Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C). | | X |
| Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D). | | X |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E). | X | |
| Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F). | | X |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G). | X | |
| Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H). | X | |
| Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J). | X | |
| An analysis prepared by a financial advisor or underwriter, chosen by the municipality , setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter MUST be attached (labeled Attachment J). | X | |
| Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K). | | X |
| Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L). | | X |
| A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M). | X | |
| For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N). | | X |

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)] and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 5

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 3,829,749

| SOURCE of Revenue/Cash Receipts: | Revenue/Cash Receipts for Current Reporting Year | Cumulative Totals of Revenue/Cash Receipts for life of TIF | % of Total |
|---|--|--|------------|
| Property Tax Increment | \$ 1,157,216 | \$ 11,487,997 | 80% |
| State Sales Tax Increment | | | 0% |
| Local Sales Tax Increment | | | 0% |
| State Utility Tax Increment | | | 0% |
| Local Utility Tax Increment | | | 0% |
| Interest | \$ 166,396 | \$ 545,300 | 4% |
| Land/Building Sale Proceeds | | | 0% |
| Bond Proceeds | | \$ 2,240,618 | 16% |
| Transfers from Municipal Sources | | | 0% |
| Private Sources | | | 0% |
| Other (identify source _____; if multiple other sources, attach schedule) | | \$ 501 | 0% |

All Amount Deposited in Special Tax Allocation Fund \$ 1,323,612

Cumulative Total Revenues/Cash Receipts \$ 14,274,416 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 1,482,579

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 1,482,579

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ (158,967)

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD* \$ 3,670,782

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 3.2 A [65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 5

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

PAGE 1

| Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)] | Amounts | Reporting Fiscal Year |
|--|---------|-----------------------|
| 1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost. | | |
| Contractual services - Redevelopment Agreement Financial Analysis (Ryan LLC) | 575 | |
| | | |
| | | |
| | | |
| | | |
| | | \$ 575 |
| 2. Annual administrative cost. | | |
| Administration Costs | 30,000 | |
| Tax Increment Association Dues | 400 | |
| | | |
| | | |
| | | |
| | | \$ 30,400 |
| 3. Cost of marketing sites. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 4. Property assembly cost and site preparation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 6. Costs of the construction of public works or improvements. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |

SECTION 3.2 A
PAGE 2

| | | |
|--|-----------|--------------|
| 7. Costs of eliminating or removing contaminants and other impediments. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 8. Cost of job training and retraining projects. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 9. Financing costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 10. Capital costs. | | |
| RPS Arlington - TIF Reimbursemetn for capital improvements | 1,185,000 | |
| Michaels Signs - Streetscaping Costs | 66,604 | |
| | | |
| | | |
| | | |
| | | \$ 1,251,604 |
| 11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |

SECTION 3.2 A
PAGE 3

| | | |
|--|---------|---------------------|
| 13. Relocation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 14. Payments in lieu of taxes. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 15. Costs of job training, retraining, advanced vocational or career education. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 17. Cost of day care services. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 18. Other. | | |
| Tax Reserve Transfer - If Requested By Taxing Bodies | 200,000 | |
| | | |
| | | |
| | | |
| | | |
| | | \$ 200,000 |
| TOTAL ITEMIZED EXPENDITURES | | \$ 1,482,579 |

SECTION 3.3 [65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 5

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FUND BALANCE BY SOURCE

| |
|--------------|
| \$ 3,670,782 |
|--------------|

| 1. Description of Debt Obligations | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Obligations | \$ - | \$ - |

| 2. Description of Project Costs to be Paid | Amount of Original Issuance | Amount Designated |
|---|-----------------------------|-------------------|
| | | |
| Development Agreement: MJR/Southpoint Real Estate LLC | \$ | 170,000 |
| Reserve for Tax Appeals (5 Years) | \$ | 300,000 |
| Professional Services (5 Years) | \$ | 75,000 |
| Administrative Costs (5 Years) | \$ | 150,000 |
| Redevelopment Costs (5 Years) | \$ | 2,795,000 |
| Corridor Enhancement (5 Years) | \$ | 1,195,900 |
| Surplus Tax Distribution (5 Years) | \$ | 5,400,000 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Project Costs | \$ | 10,085,900 |

| | |
|--------------------------------|---------------|
| TOTAL AMOUNT DESIGNATED | \$ 10,085,900 |
|--------------------------------|---------------|

| | |
|--------------------------|----------------|
| SURPLUS/(DEFICIT) | \$ (6,415,118) |
|--------------------------|----------------|

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 5

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

| | |
|--|--|
| | Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area. |
|--|--|

| | |
|--|--|
| Property (1): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (2): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (3): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (4): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (5): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (6): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (7): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 5

PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

| | |
|--|---|
| 1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area. | |
| 2. The municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.) | X |
| 2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan: | 6 |
| 2b. The total number of NEW projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Redevelopment Project area, if any. | 4 |

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

| TOTAL: | 11/1/99 to Date | Estimated Investment for Subsequent Fiscal Year | Total Estimated to Complete Project |
|--|------------------------|--|--|
| Private Investment Undertaken (See Instructions) | \$ 29,110,584 | \$ 7,790,715 | \$ 36,901,299 |
| Public Investment Undertaken | \$ 6,772,719 | \$ 873,143 | \$ 8,447,015 |
| Ratio of Private/Public Investment | 4 17/57 | | 4 7/19 |

Project 1: Town and Country Phase I

| | | | |
|--|---------------|--|---------------|
| Private Investment Undertaken (See Instructions) | \$ 20,000,000 | | \$ 20,000,000 |
| Public Investment Undertaken | \$ 4,100,000 | | \$ 4,100,000 |
| Ratio of Private/Public Investment | 4 36/41 | | 4 36/41 |

Project 2: Corridor Enhancement

| | | | |
|--|--------------|------------|--------------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 66,604.00 | \$ 328,143 | \$ 1,195,900 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 3: Town and Country Phase II / 2022

| | | | |
|--|--------------|--|--------------|
| Private Investment Undertaken (See Instructions) | \$ 2,313,848 | | \$ 2,313,848 |
| Public Investment Undertaken | \$ 1,354,511 | | \$ 1,354,511 |
| Ratio of Private/Public Investment | 1 17/24 | | 1 17/24 |

Project 4: RPS Arlington, LLC

| | | | |
|--|--------------|--|--------------|
| Private Investment Undertaken (See Instructions) | \$ 6,796,736 | | \$ 6,796,736 |
| Public Investment Undertaken | \$ 1,251,604 | | \$ 1,251,604 |
| Ratio of Private/Public Investment | 5 34/79 | | 5 34/79 |

Project 5 MJR- Southpoint Real Estate, LLC

| | | | |
|--|---|--------------|--------------|
| Private Investment Undertaken (See Instructions) | | \$ 5,591,691 | \$ 5,591,691 |
| Public Investment Undertaken | | \$ 170,000 | \$ 170,000 |
| Ratio of Private/Public Investment | 0 | | 32 58/65 |

Project 5 MJR- Southpoint Phase II

| | | | |
|--|---|--------------|--------------|
| Private Investment Undertaken (See Instructions) | | \$ 2,199,024 | \$ 2,199,024 |
| Public Investment Undertaken | | \$ 375,000 | \$ 375,000 |
| Ratio of Private/Public Investment | 0 | | 5 19/22 |

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 5

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

| Number of Jobs Retained | Number of Jobs Created | Job Description and Type (Temporary or Permanent) | Total Salaries Paid |
|-------------------------|------------------------|---|---------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | \$ - |

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

| Project Name | The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement. | | The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement. | |
|--|---|-------------------------|--|-------------------------|
| | Temporary | Permanent | Temporary | Permanent |
| RPS Arlington, LLC | | 25 | | 25 |
| MJR - Southpoint Real Estate, LLC | | 71 | | 20 |
| MJR Southpoint Real Estate, LLC - Phase II | N/A (RDA Not Finalized) | N/A (RDA Not Finalized) | N/A (RDA Not Finalized) | N/A (RDA Not Finalized) |
| | | | | |
| | | | | |

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

| Project Name | The amount of increment projected to be created at the time of approval of the redevelopment agreement. | The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement. |
|--|---|---|
| RPS Arlington, LLC | Not Estimated | Not Estimated |
| MJR - Southpoint Real Estate, LLC | Not Estimated | Not Estimated |
| MJR Southpoint Real Estate, LLC - Phase II | Redevelopment agreement not finalized | Redevelopment agreement not finalized |
| | | |
| | | |

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, IF ANY:

| Project Name | Stated Rate of Return |
|--|-----------------------|
| RPS Arlington, LLC | 9.50% |
| MJR - Southpoint Real Estate, LLC | 8.30% |
| MJR Southpoint Real Estate, LLC - Phase II | Not Completed To Date |
| | |
| | |

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 5

Provide a general description of the redevelopment project area using only major boundaries.

Commercial area at the intersection of Palatine Road, Rand Road, and Arlington Heights Road.

| Optional Documents | Enclosed |
|---|-----------------|
| Legal description of redevelopment project area | |
| Map of District | |

ATTACHMENT B (TIF 5)

I, Thomas W. Hayes, the duly elected Chief Executive Officer, of the Village of Arlington Heights, County of Cook, State of Illinois, and as such, do hereby certify that the Village of Arlington Heights has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for Tax Increment Financing District: TIF 5, during the current municipal fiscal year, January 1, 2023 to December 31, 2023.

June 19, 2024.



Thomas W. Hayes
President Board of Trustees
Village of Arlington Heights

ATTEST:



Becky Hume
Village Clerk

June 27, 2024

**Opinion of the Village Attorney of
The Village of Arlington Heights Regarding the TIF #5 Redevelopment
Plan and Project Under the Illinois Tax Increment
Allocation Redevelopment Act**

This will confirm that I serve as the Village Attorney of the Village of Arlington Heights, Cook County, Illinois. I have reviewed all information provided to me by the Village TIF Administrator regarding the Village of Arlington Heights TIF #5 Redevelopment Plan and Project pursuant to the Illinois Tax Increment Allocation Redevelopment Act (the "Act"). Based on such information, I hereby certify that the Village of Arlington Heights has conformed substantially to all applicable reporting requirements of the Act for the fiscal year ended December 31, 2023 to the best of my knowledge and belief.

Sincerely,



Hart M. Passman

HMP/jss
cc: Michael Lysicatos, TIF Administrator

ATTACHMENT D (TIF 5)

I, Randall Recklaus, Village Manager, do hereby certify that the following activities were undertaken in furtherance of the objectives of the redevelopment plan for Tax Increment Financing District: TIF 5, between January 1, 2023 and December 31, 2023.

1. Continued to work with prospective developers.
2. Reimbursed RPS Arlington LLC. in the amount of \$1,354,511.00 following the completion of all agreed upon activities and receipt of submission requirements for the At Home store located in the Southpoint Shopping Center
3. The Village continued coordination of streetscape improvements with a consultant.

June 26, 2023


Randall Recklaus
Village Manager

ATTEST:


Becky Hume
Village Clerk

ATTACHMENT E: Redevelopment Agreements (TIF V)

**Southpoint RPS Arlington, LLC
Southpoint MJR – Southpoint Real Estate, LLC**

THIS DOCUMENT
PREPARED BY AND AFTER
RECORDING RETURN TO:

Hart M. Passman, Esq.
Elrod Friedman LLP
325 North LaSalle St.
Suite 450
Chicago, IL 60654

This Space for Recorder's Use Only

TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE VILLAGE OF ARLINGTON HEIGHTS

AND

RPS ARLINGTON, LLC

(750 EAST RAND ROAD – SOUTHPOINT SHOPPING CENTER)

DATED AS OF May 17, 2022

{00125746.7}

A2022-038

**VILLAGE OF ARLINGTON HEIGHTS
TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT
(750 EAST RAND ROAD – SOUTHPOINT SHOPPING CENTER)**

THIS REDEVELOPMENT AGREEMENT (“*Agreement*”) is made and entered into this _____ day of _____, 2022, by and between the **VILLAGE OF ARLINGTON HEIGHTS**, an Illinois home rule municipal corporation (“*Village*”), and **RPS ARLINGTON, LLC**, a Florida limited liability company (“*Developer*”) (the Village and the Developer are, collectively, the “*Parties*”).

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in this Agreement, and pursuant to the Village’s home rule powers, the Village and the Developer hereby agree as follows:

SECTION 1. RECITALS.¹

A. Pursuant to the TIF Act, the Village has undertaken a program to redevelop certain property within a designated portion of the Village, known as the Palatine and Rand Roads Redevelopment Project Area (“*Redevelopment Project Area*”).

B. The Redevelopment Project Area encompasses a retail shopping mall commonly known as the Southpoint Shopping Center.

C. On February 7, 2005, the Corporate Authorities of the Village, after giving all notices and conducting all public hearings required by the TIF Act, adopted the following ordinances: (1) Ordinance No. 05-007, approving a Tax Increment Redevelopment Plan and Project for the Redevelopment Project Area, (2) Ordinance No. 05-008, designating the Redevelopment Project Area pursuant to the TIF Act, and (3) Ordinance No. 05-009, adopting Tax Increment Allocation Financing for the Redevelopment Project Area.

D. The Developer is the owner of the Property, which is located generally within eastern portion of the Southpoint Shopping Center, and within the Redevelopment Project Area.

E. The Property is improved with a single-story commercial building (“*Building*”), a public parking lot (“*Parking Lot*”), and related improvements.

F. The Developer intends to redevelop and improve the Property by: (i) repairing and improving the façade and exterior of the Building; (ii) replacing the roof of the Building; (iii) renovating the Parking Lot; (iv) removing asbestos from the Building; (v) constructing other site improvements on the Property; and (vi) such other related work and costs as listed on **Exhibit E** (collectively, the “*Project*”).

¹ All capitalized words and phrases throughout this Agreement have the meanings set forth in the preamble above and in Section 2 and the other provisions of this Agreement. If a word or phrase is not specifically defined in this Agreement, it has the meaning ascribed to it in the Zoning Code (as defined in Section 2 of this Agreement).

G. In connection with the Developer's undertaking of the Project within the Redevelopment Project Area, the Developer intends to construct certain site improvements, the costs of which are eligible for reimbursement pursuant to the TIF Act.

H. The Developer would not undertake the Project but for the benefit of certain tax increment financing to be provided by the Village in accordance with the terms set forth in this Agreement.

I. In order to serve the needs of the Village, produce increased tax revenues for the various taxing districts authorized to levy taxes on the Property, and stimulate and induce the redevelopment of the Southpoint Shopping Center, the Village has agreed to reimburse the Developer for certain Redevelopment Project Costs incurred in connection with the Project through property tax increment revenues, all in accordance with the terms and provisions of the TIF Act and this Agreement.

J. The Corporate Authorities of the Village, after due and careful consideration, have concluded that the redevelopment of the Property as provided for in this Agreement will further the growth of the Village, facilitate a portion of the redevelopment of the Redevelopment Project Area, improve the environment of the Village, increase the assessed valuation of the real estate situated within the Village, foster increased economic activity within the Village, increase employment opportunities within the Village, upgrade public infrastructure within a portion of the Redevelopment Project Area, and otherwise be in the best interests of the Village by furthering the health, safety, morals and welfare of its residents and taxpayers.

SECTION 2. DEFINITIONS; RULES OF CONSTRUCTION.

A. **Definitions.** Whenever used in this Agreement, the following terms have the following meanings unless a different meaning is required by the context:

"Anchor Lease": A lease agreement with an Anchor Tenant pursuant to the requirements described in Section 3.C of this Agreement.

"Anchor Tenant": At Home Stores, LLC, a Texas limited liability company, or a comparable replacement retail tenant of comparable quality and credit rating, with comparable anticipated annual sales tax receipts, as determined and approved in advance and in writing by the Village Manager.

"Building Materials Plan": That certain Building Materials Plan prepared by Core States Group, consisting of two sheets, with a latest revision date of February 22, 2022, a copy of which is attached to this Agreement as **Exhibit B-3**.

"Certificate of Expenditure": Defined in Section 8.B.1 of this Agreement.

"Corporate Authorities": The President and Board of Trustees of the Village.

"Developer": RPS Arlington, LLC, a Florida limited liability company.

"Effective Date": The date set forth in the first sentence on Page 1 of this Agreement.

“Engineering Plans”: Those certain Engineering Plans prepared by Core States Group, consisting of six sheets, with a latest revision date of March 7, 2022, a copy of which is attached to this Agreement as **Exhibit B-2**.

“Events of Default”: Defined in Section 14 of this Agreement.

“Evidence of Lease Date”: The date on which the Village Clerk receives evidence deemed satisfactory in the sole discretion of the Village, that the Developer has entered into the Anchor Lease with an Anchor Tenant.

“Floor Plans”: Those certain Floor Plans prepared by Core States Group, consisting of one sheet, with a latest revision date of April 12, 2022, a copy of which is attached to this Agreement as **Exhibit B-4**.

“Fund”: The special tax allocation fund established for the TIF District in accordance with the TIF Act and the TIF Approval Ordinances.

“Improvements”: The improvements to be made in connection with the development of the Property pursuant to the Project, as provided in Section 4 of this Agreement, including, without limitation, the improvements identified in the Project Development Plans.

“Incremental Property Taxes”: The ad valorem taxes, if any, arising from the taxes levied upon the Redevelopment Project Area, which taxes are attributable to the increases in the then current equalized assessed value of each taxable lot, block, tract, or parcel in the Property over and above the total initial equalized assessed value of each such lot, block, tract, or parcel of real property, all as determined by the County Clerk of Cook County, Illinois, pursuant to and in accordance with the TIF Act, the TIF Approval Ordinances, and this Agreement.

“Letter of Intent”: Defined in Section 3.C of this Agreement.

“Parking Lot Plan”: That certain Parking Lot Plan prepared by Core States Group, consisting of one sheet, with a latest revision date of March 28, 2022, a copy of which is attached to this Agreement as **Exhibit B-6**.

“Person”: Any corporation, partnership, individual, joint venture, trust, estate, association, business, enterprise, proprietorship, or other legal entity of any kind, either public or private, and any legal successor, agent, representative, or authorized assign of the above.

“Property”: That certain tract of land, consisting of approximately 7.42 acres, commonly known as 750 East Rand Road, and legally described in **Exhibit A** attached to this Agreement.

“Project Commencement Date”: Defined in Section 5.B.1 of this Agreement.

“Project Completion Date”: Defined in Section 5.B.3 of this Agreement.

“Project Development Plans”: Collectively, those plans and specifications for the Project attached to this Agreement as Group Exhibit B.

“Public Improvements”: Those Improvements that will be dedicated to, and accepted by, the Village.

“Redevelopment Plan”: The redevelopment plan and project for the TIF District adopted pursuant to Village Ordinance No. 05-007.

“Redevelopment Project Costs”: All qualifying redevelopment project costs that are: (i) authorized and defined by the TIF Act (65 ILCS 5/11-74.4-3(q)) and included within the Redevelopment Plan; and (ii) incurred by the Developer to construct the Project.

“TIF-Eligible Costs”: Redevelopment Costs that are eligible for reimbursement by the Village pursuant to this Agreement and the TIF Act, including costs related to the Parking Lot Improvements, roof replacement, asbestos removal, HVAC and mechanical replacement, and façade renovation, each as further described in **Exhibit E** attached to this Agreement.

“Requirements of Law”: All applicable federal, state, and Village laws, statutes, codes, ordinances, resolutions, rules and regulations, as well as judicial decisions and orders binding on the Parties or the Project.

“Roof Plan”: That certain Roof Plan prepared by Core States Group, consisting of one sheet, with a latest revision date of April 12, 2022, a copy of which is attached to this Agreement as **Exhibit B-5**.

“Site Plan”: That certain Site Plan prepared by Core States Group, consisting of one sheet, with a latest revision date of April 12, 2022, a copy of which is attached to this Agreement as **Exhibit B-1**.

“Site Restoration”: Site restoration and modification activities to establish a park-like setting suitable for passive outdoor recreational activities, including without limitation, demolition of partially constructed improvements and structures, regrading, erosion control, and installation of sod or seeding.

“Structure”: Defined in Section 28-3 of the Zoning Code.

“TIF”: Tax increment financing, as further defined and described in the TIF Act.

“TIF Act”: The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*

“TIF Approval Ordinances”: Village Ordinance No. 05-007, Ordinance No. 05-008, and Ordinance No. 05-009.

“TIF District”: The Palatine and Rand Roads Redevelopment Project Area, designated by the Corporate Authorities pursuant to Village Ordinance No. 05-008.

“Total Developer Costs”: Defined in Section 8.C.1 of this Agreement.

“Total Project Budget”: Defined in Section 3.A.2 of this Agreement.

“Transferee Assumption Agreement”: Defined in Section 11.B.4 of this Agreement.

“Uncontrollable Circumstance”: Any of the following events and circumstances that are unforeseen and materially change the costs or ability of the Developer to carry out their obligations under this Agreement:

1. A change in the Requirements of Law;
2. Insurrection, riot, civil disturbance, sabotage, act of public enemy, explosion, nuclear incident, war, or naval blockade;
3. Epidemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary weather condition, or other similar act of God;
4. Governmental condemnation or taking; or
5. Strikes or labor disputes, other than those caused by the unlawful acts of the Developer, its partners, or affiliated entities.

Uncontrollable Circumstance does not include economic hardship, impracticability of performance, commercial, economic, or market conditions, a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor), or any pandemic, epidemic, war, or labor dispute existing on the Effective Date of this Agreement.

“Village Attorney”: The duly appointed Village Attorney of the Village.

“Village Clerk”: The duly appointed Village Clerk of the Village.

“Village Code”: The Municipal Code of Arlington Heights, Illinois, 1995, as amended.

“Village Contribution”: Defined in Section 8.A.1 of this Agreement.

“Village Manager”: The duly appointed Village Manager of the Village or his or her designee, as appointed by the Village Manager.

“Zoning Code”: The 2002 Comprehensive Amendment of the Zoning Ordinance of the Village of Arlington Heights, as amended.

B. Rules of Construction.

1. Grammatical Usage and Construction. In construing this Agreement, pronouns include all genders, and the plural includes the singular and vice versa.

2. Headings. The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

3. **Calendar Days.** Unless otherwise provided in this Agreement, any reference in this Agreement to “day” or “days” means calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

SECTION 3. DEVELOPMENT, USE, OPERATION AND MAINTENANCE OF THE PROPERTY.

Notwithstanding any use or development right that may be applicable or available pursuant to the provisions of the Village Code or the Zoning Code or any other rights the Developer may have, the Property must be developed, used, operated, and maintained only pursuant to, and in accordance with, the terms and provisions of this Agreement and its exhibits, including, without limitation, the following development conditions:

A. Standard Conditions.

1. The development, use, operation and maintenance of the Property must comply with all applicable Village codes and ordinances, as the same have been or may be amended from time to time, except to the extent specifically and explicitly provided otherwise in this Agreement.

2. The development, use, operation and maintenance of the Property must comply with the Project Development Plans, except for minor alterations due to final engineering and site work as may be approved by the Village Director of Planning & Community Development, the Village Engineer, or the Village Director of Public Works (for matters within their respective permitted authorities) in accordance with all applicable Village standards.

B. Construction of Structures and Buildings. The Building and all Structures must be constructed and located on the Property as depicted in the Project Development Plans.

C. Anchor Tenant Lease & Use. The Developer must enter into an Anchor Lease with the Anchor Tenant for not less than 100,000 square feet of the Building for use as a furniture & home decor store. The terms of the Anchor Lease must substantially conform to the Letter of Intent by and between the Developer and At Home Stores, LLC and dated November 5, 2021 (“*Letter of Intent*”) attached to this Agreement as **Exhibit G**. The Anchor Lease must include, without limitation, the following terms: (a) a ten-year initial lease term with three options for five-year extensions; (b) a right of the Developer to terminate the Anchor Lease and retake possession of the leased premises if the Anchor Tenant ceases operations for more than 180 days; and (c) a provision expressly disclaiming any right of the Anchor Tenant to prevent the Developer from leasing space at the Property to other retail tenants. The Developer must provide a complete copy of the executed Anchor Lease prior to reimbursement by the Village of any Redevelopment Project Costs.

D. Maintenance. The Developer is responsible for the continuity, care, conservation, maintenance, and operation of the Property, in a condition that is consistent with other comparable commercial properties and is in compliance with all local codes and regulations, and all landscaping, equipment, appurtenances and stormwater detention facilities located on or within

the Property and the cost of power required for such equipment and appurtenances. The Developer and any co-owners of the Property must regularly and systematically perform the maintenance, repair, and replacement of any and all parts or portions of the Property necessary to permit the Property to function as designed.

E. Parking and Loading. The Developer must provide all off-street parking and loading spaces on the Property as required by the Zoning Code.

F. Cooperation with Adjoining Property Owners. The Developer must cooperate in good faith with the Village and with the owners of other real property within the Redevelopment Project Area concerning, and will not unreasonably object or prohibit, future improvements to the Redevelopment Project Area.

G. General Use and Development Restrictions. The development and use of the Property except for minor alterations due to final engineering and site work approved by the Village Director of Planning & Community Development or the Village Director of Public Works, as appropriate, must comply, and be in accordance, with the following (upon their respective approval, adoption, and effective date):

1. This Agreement;
2. The TIF Approval Ordinances;
3. The Project Development Plans, and all individual plans and documents of which they are comprised;
4. The Zoning Code; and
5. The Requirements of Law.

Unless otherwise provided in this Agreement, either specifically or in context, in the event of a conflict between or among any of the plans or documents listed as or within items 1 through 5 of this Section 3.G, the plan or document that provides the greatest control and protection for the Village, as determined by the Village Manager, will control. All of the above plans and documents will be interpreted so that the duties and requirements imposed by any one of them are cumulative among all of them, unless otherwise provided in this Agreement either specifically or in context.

SECTION 4. IMPROVEMENTS.

A. Description of Improvements. The Developer must, at its sole cost and expense, construct and install all of the Improvements depicted on the Project Development Plans, including, without

1. All traffic control improvements set forth in the Project Development Plans;
2. The improvements to the Building, including the façade of the Building, as depicted in the Site Plan, Building Materials Plan, and Building Elevations;

3. The parking lot improvements to the parking lot depicted in the Site Plan and Parking Lot Renderings, including pedestrian crossing and walkway enhancements, of a design to be approved in advance by the Village;

4. The replacement of the roof of the Building depicted in the Roof Replacement Plan;

5. The asbestos removal activities described in the Project Development Plans; and

6. Any other Improvements identified in the Project Development Plans.

B. Design and Construction of the Improvements.

1. General Standards. All Improvements must be designed and constructed pursuant to and in accordance with the Project Development Plans, and will be subject to the reasonable written satisfaction of the Village Director of Building & Life Safety in accordance with the Village Code. All work performed on the Improvements must be conducted in a good and workmanlike manner, with due dispatch, and within any deadlines provided in this Agreement or in the permits issued by the Village for construction of the Improvements. All materials used for construction of the Improvements must be new and of first-rate quality.

2. Contract Terms; Prosecution of the Work. The Developer must include in every contract for work on the Improvements terms requiring the contractor to prosecute the work diligently and continuously, in full compliance with, and as required by or pursuant to, this Agreement, the Project Development Plans, and the Requirements of Law, until the work is properly completed, and providing that the Developer may take over and prosecute the work if the contractor fails to do so in a timely and proper manner.

3. Engineering Services. The Developer must provide, at its sole cost and expense, all engineering services for the design and construction of the Improvements, by a professional engineer responsible for overseeing the construction of the Improvements. The Developer must promptly provide the Village with the name of a local owner's representative and a telephone number or numbers at which the owner's representative can be reached at all times.

4. Village Inspections and Approvals. All work on the Improvements is subject to inspection and approval by Village representatives at all times.

5. Other Approvals. Where the construction and installation of any Improvement requires the consent, permission, or approval of any public agency or private party, the Developer must promptly file all applications, enter into all agreements, post all security, pay all fees and costs, and otherwise take all steps that may be required to obtain the consent, permission, or approval.

C. Connection of Utilities.

1. Burial of Utilities. The Developer must, at its sole cost and expense, cause to be buried all existing or new utility lines necessary for the Building. The Developer must

cooperate with all utility companies and owners of neighboring properties as may be necessary to ensure that the burial of utilities required pursuant to this Section 4.C.1 does not disrupt utility service to neighboring properties.

2. Compliance with Village Code. No utilities located on the Property may be connected to utilities or utility infrastructure belonging to the Village except in accordance with the applicable provisions of the Village Code, and upon payment of any connection fees required pursuant to the Village Code.

D. Completion of the Improvements. The Village has the right, but not the obligation, to refuse to issue a final certificate of occupancy for any Building or Structure located on the Property until the Improvements are completed by the Developer and approved by the Village. The foregoing does not preclude the Village's issuance of conditional certificates of occupancy pursuant to Section 5.C.2 of this Agreement and the applicable provisions of the Village Code. The issuance of any building permit or certificate of occupancy by the Village at any time prior to completion of all of the Improvements by the Developer and approval of the Improvements by the Village will not confer on the Developer any right or entitlement to any other building permit or certificate of occupancy.

E. Dedication and Maintenance of the Improvements.

1. Final Inspection and Approval of the Improvements. The Developer must notify the Village when it believes that any or all of the Improvements have been fully and properly completed and must request final inspection and approval of the Improvement or Improvements by the Village. The notice and request must be given far enough in advance to allow the Village time to inspect the Improvements and to prepare a punch list of items requiring repair or correction and to allow the Developer time to make all required repairs and corrections prior to the scheduled completion date (as may be established pursuant to this Agreement or in the permits issued by the Village for completion of the Improvements). The Developer must promptly make all necessary repairs and corrections as specified on the punch list. The Village is not required to approve any portion of the Improvements until: (a) all of the Improvements as may be required pursuant to Section 4.A of this Agreement, including all punch list items, have been fully and properly completed; and (b) the Village Director of Building & Life Safety has determined that the specific Improvement has been constructed to completion, in accordance with the Project Development Plans and the Requirements of Law.

2. Dedication and Acceptance of Public Improvements. Neither the execution of this Agreement nor the approval or recordation of any final plat of subdivision for the Property constitutes acceptance by the Village of any Improvements that are depicted as "dedicated" in the Project Development Plans, if any. The acceptance of ownership of, and responsibility for, a specific approved Improvement as a Public Improvement may be made only by the Corporate Authorities, and only in compliance with the requirements of the Village Code.

SECTION 5. DEMOLITION AND CONSTRUCTION.

A. Single Phase of Construction. The construction of the Improvements and the development of the Property must take place in one continuous phase, subject to seasonal conditions, and in accordance with Section 5.F of this Agreement.

B. Construction Schedule. The Developer must pursue, or cause to be pursued, all required development, demolition, construction, and installation of the Structures, Building, and Improvements on the Property in a diligent and expeditious manner, in strict compliance with the Village Code and the Requirements of Law, and in accordance with the project timeline attached to this Agreement as **Exhibit G** and the following:

1. Commencement of Developer Improvements. The Developer must commence construction of the Improvements, if at all, no later than June 23, 2022 ("**Project Commencement Date**").

2. Commencement of Tenant Improvements. The Developer must commence construction of all Improvements described in the Anchor Lease on or before June 23, 2022.

3. Completion Date. All construction of the Project must be completed, and the Anchor Tenant must commence occupancy of the Building and open to the public for their customary businesses, on or before December 31, 2023 ("**Project Completion Date**"). If construction of the Project is not completed, and the Building not open to the public for their customary businesses, on or before the Project Completion Date, the Developer will not be entitled to reimbursement of any Redevelopment Project Costs, the Village will not pay any portion of the Village Contribution to the Developer, and the Village will have the right to terminate this Agreement upon providing written notice to the Developer.

4. The Village Director of Community Development may, for good cause, extend the deadlines set forth in this Section 5.B for a total of six months.

C. Issuance of Permits and Certificates.

1. General Right to Withhold Permits and Certificates. In addition to every other remedy permitted by law for the enforcement of this Agreement, the Village has the absolute right to withhold the issuance of any building permit or certificate of occupancy for the Property at any time when the Developer has failed or refused to meet fully any of its obligations under, or is in violation of, or is not in full compliance with, the terms of this Agreement; provided, however, the Village must promptly provide a detailed written explanation for such withholding.

2. Conditional Certificate of Occupancy. A conditional certificate of occupancy associated with the Building or Structure to be located on the Property will not be issued until the grading of the street parkways across the frontage of the Building or subject Structure, final grading and installation of top soil, seeding/sod, landscaping on the subject structure have been completed, and sidewalks across the frontage of the Building or subject Structure and street lights and surface course of all street pavement throughout the Property have been installed, subject to seasonal conditions.

D. Removal and Restoration.

1. **Removal of Partially Constructed Structures and Improvements.** Subject to Uncontrollable Circumstance, if the Developer fails to diligently pursue all demolition and construction as required in, or permitted by, Sections 4, 5, and 6 of this Agreement to completion within the time period prescribed in the building permit or permits issued by the Village for such demolition and construction, as the case may be, and if a perfected application to renew the building permit or permits is not filed within 30 days after the expiration of the permit or permits, the Developer must, within 60 days after notice from the Village: (a) remove any partially constructed or partially completed Structures or Improvements from the Property; and (b) perform Site Restoration on that portion of the Property in which the Developer has failed to complete all such demolition and construction, all in accordance with plans approved by the Village.

2. **Removal and Restoration by Village.** In the event the Developer fail or refuses to remove any partially completed Structures or Improvements, or to perform Site Restoration, as required pursuant to Section 5.D of this Agreement, the Village will have, and is hereby granted, the right, at its option, to: (a) demolish and/or remove any of the partially completed Structures and Improvements from any and all portions of the Property; (b) perform Site Restoration; and/or (c) cause the Building, Structures, or Improvements to be completed in accordance with the plans submitted. The Developer will fully reimburse the Village for all costs and expenses, including legal and administrative costs, incurred by the Village for such work. If the Developer does not so fully reimburse the Village, then the Village will have the right to place a lien on the Property for all such costs and expenses in the manner provided by law. The rights and remedies provided in this Section 5.D.2 are in addition to, and not in limitation of, the Village's rights and remedies otherwise available in this Agreement, at law, and/or in equity.

E. As-Built Plans. After completion of construction of any Structure or Improvement, the Developer must submit to the Village Director of Building & Life Safety final "as-built" plans: (1) related to drainage, grading, storm sewer, sanitary sewer and water mains, and associated Structures; and (2) for other final construction documents (in paper and, for Improvements, electronic format) as reasonably required and approved by the Village Director of Public Works and Director of Planning and Community Development. The as-built plans must indicate, without limitation, the amount, in square feet, of impervious surface area on the Property.

F. Damage to Public Property. The Developer must maintain the Property and all streets, sidewalks, and other public property in and adjacent to the Property in a good and clean condition at all times during the development of the Property and construction of the Improvements. Further, the Developer must: (1) promptly clean all mud, dirt, or debris deposited on any street, sidewalk, or other public property in or adjacent to the Property by the Developer or any agent of or contractor hired by, or on behalf of, the Developer; and (2) repair any damage that may be caused by the TIF Activities of the Developer or any agent of or contractor hired by, or on behalf of, the Developer.

SECTION 6. PAYMENT OF VILLAGE FEES AND COSTS.

A. Negotiation and Review Fees. In addition to all other costs, payments, fees, charges, contributions, or dedications required by this Agreement or by the Requirements of Law,

the Developer must pay to the Village, contemporaneous with the execution of this Agreement by the Village Manager, all third-party legal, engineering, and other consulting or administrative fees, costs, and expenses incurred or accrued in connection with: (1) the development of the Property, including, without limitation, the review and processing of plans and building permits therefor, and (2) the negotiation, preparation, consideration, and review of this Agreement. The Developer acknowledges and agrees that it will continue to be liable for and pay, promptly after presentation of a written demand or demands for payment, such third-party fees, costs, and expenses incurred in connection with any applications, documents, proposals, or requests for interpretations or amendments of this Agreement, whether formal or informal, of whatever kind, submitted by the Developer during the term of this Agreement in connection with the use and development of the Property. Further, the Developer acknowledges and agrees that it is liable for and will pay after demand all fees, costs, and expenses incurred by the Village for publication and recordings required in connection with the above matters.

B. Other Village Fees. In addition to all other costs, payments, fees, charges, contributions, or dedications required by this Agreement, the Developer must pay to the Village all application, inspection, and permit fees, all water and sewer general and special connection fees, tap-on fees, charges, and contributions, and all other fees, charges, and contributions pursuant to the Requirements of Law.

SECTION 7. RESERVED.

SECTION 8. TIF FINANCING.

A. Project Financing.

1. The Parties agree that the estimated Total Developer Costs for the Project is approximately \$6,796,736.00, which includes the costs of the Developer, and the construction and tenant improvement allowance related to the Anchor Lease, as set forth in the Total Project Budget attached to this Agreement as Exhibit F.

2. The Developer must advance and secure funds, or must cause other parties to advance and secure funds necessary to complete the Project, including the redevelopment of a 100,000-square-foot space within the Building suitable for an Anchor Tenant.

B. Reimbursement for Project Costs.

1. The Parties acknowledge that the Developer will pay, or has paid, for some or all of the Redevelopment Project Costs of the Project. To partially subsidize the costs of the Project, the Village will pay the Developer up to \$1,300,000.00 ("***Village Contribution***") as reimbursement for Redevelopment Project Costs incurred by the Developer which qualify as TIF-Eligible Costs, subject to the limitations set forth in Sections 9.B and 9.C of this Agreement.

2. In the Village's sole discretion, the Village Contribution may be paid from the Incremental Property Taxes deposited into the Fund and permitted by law to be used to make payments under the TIF Act.

3. Any funds contained in the Fund in excess of the Village Contribution may be used by the Village for any lawful purpose permitted under the TIF Act.

C. Certification and Reimbursement of TIF-Eligible Costs.

1. Certificates of Expenditure. In order to obtain reimbursement of Redevelopment Project Costs, the Developer must submit to the Village written requests for certification of such Redevelopment Project Costs in the form attached as **Exhibit H** to this Agreement ("*Certificate of Expenditure*"). Each Certificate of Expenditure must be accompanied by: (i) evidence that the Developer has actually incurred and paid all Redevelopment Project Costs for which such Developer seeks reimbursement; (ii) proof of issuance of all building permits required for the Project; (iii) proof that an Anchor Tenant commenced occupancy and operations in the Building in satisfaction of this Agreement; and (iv) sworn statements and lien waivers from the Developer's general contractor for any material, fixtures, apparatus, machinery, services, or labor provided by any contractor, subcontractor, or other person or entity entitled to file a lien under the Mechanics Lien Act, 770 ILCS 60/1, included in the Redevelopment Project Costs for which reimbursement is sought. If the Developer does not fulfill its obligations as set forth in this Section 8.B.1, the Village will have no obligation to certify or reimburse the Developer for Redevelopment Project Costs.

2. Requirements of Reimbursement. Notwithstanding any other provision of this Agreement, the Developer will be entitled to be reimbursed from Incremental Property Taxes for Redevelopment Project Costs only if: (i) the Developer actually incurs such TIF-Eligible Costs; (ii) the Redevelopment Project Costs are also "Redevelopment Project Costs" as defined in the TIF Act; (iii) Reimbursement is permitted pursuant to this Agreement, the Redevelopment Plan, and the TIF Act; and (iv) the Developer is not in default or breach of any obligation under this Agreement.

3. Review of Certificate of Expenditures. The Village Manager will determine if Redevelopment Project Costs described in a Certificate of Expenditure constitute TIF-Eligible Costs meeting the requirement of this Section 8.B, and approve or disapprove of each Certificate of Expenditure. If the Village Manager finds an error or deficiency in the Certificate of Expenditure, the Village Manager will give written notice to the Developer, identifying such error or deficiency in reasonable detail, within 30 days after the date that the Village receives the Certificate of Expenditure. The process of submission, identification or errors or deficiencies and resubmission will continue in good faith until the Parties agree on the content of the Certificate of Expenditure.

4. Timing of Reimbursement. The Village will pay to the Developer reimbursement funds for TIF-Eligible Costs up to the Village Contribution on the 45th day following the last to occur of: (i) completion of all Improvements; (ii) satisfactory inspection and approval of the Improvements by the Village; (iii) issuance of a temporary or final certificate of occupancy for the Property, whichever is first issued; (iv) submittal by the Developer and approval by the Village of a Certificate of Expenditure for the TIF-Eligible Costs incurred by the Developer; and (v) occupancy and commencement of operations by the Anchor Tenant, all together with documentation required under Section 8.B.1 of this Agreement, subject to any period for

resubmission or correction of a Certificate of Expenditure pursuant to Section 8.B.3 of this Agreement.

C. **Reduction of Village Contribution.** The Village Contribution may be proportionately reduced pursuant to the following conditions:

1. **Insufficient Total Developer Costs.** Prior to or in conjunction with the submitting a request for reimbursement of TIF-Eligible Costs pursuant to Section 8.B of this Agreement, the Developer must submit to the Village a certification of all actual costs incurred by the Developer in connection with the Project, together with copies of all sworn contractors' statements, waivers of lien, construction contracts and such other documents evidencing the TIF Actual Total Developer Costs of the Project as may be requested by the Village ("***Total Developer Costs***"). The Village and its financial consultants will have 90 days to review the certification of Total Developer Costs and the documentation evidencing the TIF Actual costs and notify the Developer in writing whether the certification of costs and submitted documentation are acceptable. If the certifications are not acceptable, the Parties must negotiate in good faith to resolve the Village's objections. In the event that the Total Developer Costs as agreed by the Parties are less than \$6,796,736.00, the amount of the Village Contribution will be reduced proportionally. For example, if the Total Developer Costs are \$3,843,554.21 (56.55% of the anticipated Total Developer Costs), the maximum Village Contribution would be \$735,120.11.

2. **Revenues Above Projections.** Prior to or in conjunction with the submitting a request for reimbursement of TIF-Eligible Costs pursuant to Section 8.B of this Agreement, the Developer must provide to the Village, and obtain Village's written approval of, an updated projection of Developer's expected revenues and expenses for the operation and maintenance of the Project and the Property ("***Financial Projection***"). If actual revenues from the operation of the Property exceed the projected revenues quoted in the Projection submitted to the Village on April 27, 2022, the Village Contribution will be reduced proportionately and reflecting increased cash flow to the Project.

D. **Commitment to Fair Employment Practices and Affirmative Action; Prevailing Wage.** The Village and the Developer must comply with the requirements pertaining to fair employment practices and affirmative action described in Section VII.B of the Redevelopment Plan and the Illinois Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*), as they may be applicable.

E. **Commitment to Preserve Village Contribution.** The Village agrees, so long as the Developer is not in breach of this Agreement, that the Village will not revoke, rescind, repeal, or amend the Redevelopment Plan or the TIF Approval Ordinances, unless it has first deposited into an escrow account the then-remaining balance of the Village Contribution that has not yet been paid to the Developer, pursuant to an escrow agreement to be negotiated in good faith and executed by the Village and the Developer. In the event that an escrow account is established pursuant to this Section 8.E, all subsequent payments to the Developer pursuant to this Agreement will be paid from the escrow account and not from any other Village source.

SECTION 9. LIABILITY AND INDEMNITY OF VILLAGE.

A. Village Review. The Developer acknowledges and agrees that the Village is not, and will not be, in any way liable for any damages or injuries that may be sustained as the result of the Village's review and approval of any plans for the Property or the Project, or the issuance of any approvals, permits, certificates, or acceptances, for the development or use of the Property or the Project, and that the Village's review and approval of any such plans and the Project and issuance of any such approvals, permits, certificates, or acceptances does not, and will not, in any way, be deemed to insure the Developer, or any of their respective heirs, successors, assigns, tenants, and licensees, or any third party, against damage or injury of any kind at any time.

B. Village Procedure. The Developer acknowledges and agrees that all notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of this Agreement, and agrees not to challenge such approvals on the grounds of any procedural infirmity or of any denial of any procedural right.

C. Indemnity. The Developer agrees to, and does hereby, hold harmless and indemnify the Village, the Corporate Authorities and all Village elected or appointed officials, officers, employees, agents, representatives, engineers, and attorneys, from any and all claims that may be asserted at any time against any of such parties in connection with (i) the Village's review and approval of any plans for the Property or the Improvements; (ii) the issuance of any approval, permit, certificate or acceptance for the Property or the Improvements; (iii) the development, construction, maintenance or use of any portion of the Property or the Improvements; and (iv) the Developer's failure to comply with any provisions of this Agreement. Nothing in this Section 9.C is intended to make the Developer responsible for any damages, attorneys' fees or other costs incurred by the Village by reason of any claim that this Agreement or any payments to the Developer under this Agreement, violate the TIF Act.

D. Defense Expense. The Developer must, and does hereby agree to, pay all expenses, including legal fees and administrative expenses, incurred by the Village in defending itself with regard to any and all of the claims covered by Section 9.C of this Agreement.

SECTION 10. REAL ESTATE TAX CHALLENGES.

A. Real Estate Tax Payments. The Developer agrees to timely pay all applicable real estate taxes levied against its interest in the Property, and must not allow said taxes to become delinquent.

B. Conveyance. In recognition of the nature of the Project and the Village's projections of the need for incremental tax revenues to finance Redevelopment Project Costs, in accordance with the TIF Act, for so long as the TIF District is in existence, the Developer may not knowingly undertake to convey or lease any portion of the Property to persons whose ownership and use of such portion of the Property will cause that portion of the Property to be exempt from payment of property taxes, and the Developer will impose a prohibition against granting such conveyance in all leases and/or deeds conveying all or any portion of the Property.

C. Tax Exempt Status. Neither the Developer nor any tenant of any portion of the Property may assert tax-exempt status in a manner that would have an impact on the payment of real estate taxes with respect to their respective portions of the Property.

SECTION 11. NATURE, SURVIVAL AND TRANSFER OF OBLIGATIONS.

A. Binding Effect. All obligations assumed by the Developer under this Agreement are binding upon the Developer personally, upon any and all of their respective successors and assigns (excluding any lessees or tenants of the Property), and upon any and all of the respective successor legal or beneficial owners of all or any portion of the Property.

B. Successors and Transferees. To assure that all grantees, successors, assigns, and successor owners have notice of this Agreement and the obligations created by it, the Developer must, from and after the Effective Date:

1. Deposit with the Village Clerk, concurrent with the Village's approval of this Agreement, any consents or other documents necessary to authorize the Village to record this Agreement in the office of the Cook County Recorder of Deeds;

2. Notify the Village in writing at least 30 days prior to transferring a legal or beneficial interest in any portion of the Property to any party not a party to this Agreement (excluding any lessees or tenants of the Developer);

3. Incorporate, by reference, this Agreement into any and all real estate sales contracts entered into for the transfer of all or any portion of the Property to any party not a party to this Agreement; and

4. Except as provided in Section 11.B of this Agreement, require, prior to the transfer of all or any portion of the Property, or any legal or equitable interest therein, to any party not a party to this Agreement (excluding any lessees or tenants of the Developer), the transferee of the Property or of said portion of or interest in the Property to execute an enforceable written agreement, in substantially the form attached to this Agreement as **Exhibit I**, in which such party agrees to be bound by the provisions of this Agreement ("**Transferee Assumption Agreement**") and to provide the Village, upon request, with such reasonable assurance of the financial ability of such transferee to meet those obligations as the Village may require. The Village agrees that upon a successor becoming bound to the obligation created in the manner provided in this Agreement and providing the financial assurances required pursuant to this Agreement, the liability of the Developer will be released to the extent of the transferee's assumption of the liability. The failure of the Developer to provide the Village with a copy of a Transferee Assumption Agreement fully executed by the transferee and, if requested by the Village, with the transferee's proposed assurances of financial capability before completing any transfer, will result in the Developer remaining fully liable for all of its obligations under this Agreement but will not relieve the transferee of its liability for all such obligations as a successor to the Developer.

C. Transfer Defined. For purposes of this Agreement, the term "transfer" includes, without limitation, any assignment, sale, transfer to a receiver or to a trustee in bankruptcy, transfer in trust, or other disposition of the Property, or any beneficial interest in the Property, in whole or in part, by voluntary or involuntary sale, foreclosure, merger, sale and leaseback, consolidation, or otherwise.

D. Mortgagees of Property. This Agreement is and will be binding on all mortgagees of the Property or other secured parties automatically upon such mortgagee assuming title to the

Property, in whole or in part, by a foreclosure or a deed in lieu of foreclosure without the necessity of entering into a Transferee Assumption Agreement. Until such time, however, a mortgagee or other secured party will have no personal liability hereunder.

SECTION 12. TERM.

A. The provisions of this Agreement run with and bind the Property and inure to the benefit of, be enforceable by, and obligate the Developer, the Village, and any of their respective legal representatives, heirs, grantees, successors, and assigns, from the Effective Date until either: (a) the Developer has been paid all of the Village Contribution due pursuant to Section 8 of this Agreement; or (b) the expiration of the TIF District, whichever is earlier. Notwithstanding anything to the contrary in this Section 12 (to the extent that the time periods referred to in such Sections have not elapsed when this Agreement terminates), the Developer's ongoing maintenance obligations set forth in Section 4.E and Section 7.B of this Agreement will survive the termination of this Agreement. In addition, the indemnity and defense obligations set forth in Section 9 of this Agreement will survive the termination of this Agreement. If any of the privileges or rights created by this Agreement would otherwise be unlawful or void for violation of: (i) the rule against perpetuities or some analogous statutory provision; (ii) the rule restricting restraints on alienation; or (iii) any other statutory or common law rules imposing time limits, then the affected privilege or right will continue only until 21 years after the death of the last survivor of the now living lawful descendants of the current President of the United States, or for any shorter period that may be required to sustain the validity of the affected privilege or right.

B. In the event that the Project Completion Date does not occur on or prior to December 31, 2023, the Village shall have the right, in its sole and absolute discretion, to terminate this Agreement and all obligations of this Village under this Agreement by delivery of notice to the Developer.

SECTION 13. DEVELOPER REPRESENTATIONS, COVENANTS, AND WARRANTIES.

A. Developer. The Developer, and the person executing this Agreement on behalf of the Developer, represent, warrant, and covenant, as of the date of this Agreement, that:

1. The Developer is a Florida limited liability company, duly organized and validly existing;
2. The Developer has the authority to enter into, execute, deliver and perform this Agreement;
3. The execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its organizational documents, as amended and supplemented, any of the applicable Requirements of Law, or constitute a breach of or default under, or require any consent under, any agreement, instrument, or document to which the Developer is now a party or by which the Developer is now or may become bound;

4. There are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened, or affecting the Developer which would impair its ability to perform under this Agreement;

5. The Developer will apply for and will maintain all government permits, certificates, and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct and complete its obligations as required by this Agreement;

6. The Developer has sufficient financial and economic resources to implement and complete its obligations under this Agreement;

7. The Developer has no knowledge of any financial liabilities, contingent or otherwise, of the Developer which might have a material adverse effect upon its ability to perform its obligations under this Agreement;

8. The information provided to the Village by the Developer pursuant to this Agreement is true and correct, and the Developer acknowledges that the Village has entered into this Agreement in reliance on this information and the representation and warranty by the Developer that this information is true and correct; and

9. Prior to the issuance of certificates of occupancy for the Building, the Developer may not use the Property as collateral for any other property or project or for anything other than the cost of constructing the Project on the Property. The Developer's loan agreement, if any, must expressly provide that the amount of said loan may not be increased without the consent of the Village, which consent may not be withheld if the debt-to-equity ratio for the proposed increased loan is maintained at the same level as the existing loan at the time the existing loan was initially issued. Nothing in this Section 13.A.9 is to be deemed or interpreted to prevent a parent entity of the Developer from using the Property for security as a part of any securitized debt offering.

B. Village. The Village represents, warrants and agrees as the basis for the undertakings on its part contained in this Agreement that:

1. The Village is a municipal corporation duly organized and validly existing under the law of the State of Illinois and has all requisite corporate power and authority to enter into this Agreement.

2. The execution, delivery and the performance of this Agreement and the consummation by the Village of the transactions provided for herein and the compliance with the provisions of this Agreement: (1) have been duly authorized by all necessary corporate action on the part of the Village, (2) require no other consents, approvals or authorizations on the part of the Village in connection with the Village's execution and delivery of this Agreement, and (3) will not, by lapse of time, giving of notice or otherwise result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the Village is subject.

3. To the best of the Village's knowledge, there are no proceedings pending or threatened actions against or affecting the Village or the Property in any court or before any

governmental authority that involves the possibility of materially or adversely affecting the ability of the Village to perform its obligations under this Agreement.

SECTION 14. DEFAULT.

A. Events of Default by the Developer. The following are the Developer Events of Default under this Agreement:

1. If any representation made by the Developer in this Agreement, or in any certificate, notice, demand or request made by the Developer in writing and delivered to the Village pursuant to or in connection with this Agreement, proves to be untrue or incorrect in any material respect as of the date made.

2. Subject to an Uncontrollable Circumstance, default by the Developer for a period of 15 days after written notice thereof in the performance or breach of any covenant contained in this Agreement concerning the existence, structure or financial condition of such Developer; provided, however, that such default or breach will not constitute an Event of Default if such default cannot be cured within said 15 days and such Developer, within said 15 days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within 60 days after such notice.

3. Default by the Developer for a period of 15 days after written notice thereof in the performance or breach of any covenant, warranty or obligation contained in this Agreement; provided, however, that such default will not constitute an Event of Default if such default cannot be cured within said 15 days and such Developer, within said 15 days initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within 60 days after such notice.

4. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

5. The commencement by the Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by the Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of the Developer generally to pay such entity's debts as such debts become due or the taking of action by the Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others that is not dismissed within 60 days after filing.

6. Failure of the Developer to have funds to meet such Developer's obligations under this Agreement.

7. Sale, assignment, or transfer of the Property except in accordance with the Transferee Assumption provisions in Section 11 of this Agreement.

8. Change in the organizational status of the Developer except in accordance with the Transferee Assumption provisions in Section 11 of this Agreement.

9. Abandonment of the Project or Property by the Developer. Abandonment will be deemed to have occurred when work stops on the development of the Property for more than 30 days for any reason other than Uncontrollable Circumstances, unless otherwise permitted by this Agreement. The failure of the Developer to secure any other approvals required for the development or construction of the Property will not be a valid defense to abandonment.

10. The Developer fails, for 15 days after written notice, to comply with the Requirements of Law in relation to the construction and maintenance of the Improvements contemplated by this Agreement.

11. The Village acknowledges that nothing in this Agreement obligates the Developer to commence building the Improvements, to open a business on the Property or (if and when a business opens on the Property) to continue to operate a business on the Property. It shall not be an Event of Default if: (i) the Developer fails to obtain building permits for the Improvements; or (ii) the Developer fails to open or operate the Building for business to the public. However, the Developer acknowledges and agrees that the Developer will not be entitled to reimbursement of any Redevelopment Project Costs, the Village will not pay any portion of the Village Contribution to the Developer, and the Village will have the right to terminate this Agreement upon providing written notice to the Developer in the event that any of the following events occurs: (i) construction of the Project is not completed, and the Building is not open to the public for customary business, within 18 months after the Effective Date of this Agreement; or (ii) the Developer (or a transferee) fails to operate the Buildings for customary business, or a substantially similar use, for a period of 180 consecutive days or more; provided, however, that any of the foregoing are not due to an Uncontrollable Circumstance.

B. Events of Default by the Village. The following are Village Events of Default under this Agreement:

1. If any representation made by the Village in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to the Developer, pursuant to or in connection with any of said documents, proves to be untrue or incorrect in any material respect as of the date made.

2. Subject to an Uncontrollable Circumstance, default by the Village for a period of 30 days after written notice thereof from the Developer in the performance or breach of any covenant contained in this Agreement; provided, however, that such default will not constitute an Event of Default if such default cannot be cured within said 30 days and the Village, within said 30 days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within 90 days after such notice.

C. Remedies for Default. In the case of a party's Event of Default under this Agreement:

1. Except as otherwise provided in this Agreement, the non-defaulting Party may institute such proceedings in law or in equity, by suit, action, mandamus, or any other proceeding, as may be necessary or desirable in its opinion to cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance of the defaulting Party's obligations under this Agreement.

2. Pursuant to Section 5.D of this Agreement, the Village may, without prejudice to any other rights and remedies available to the Village, require: (a) the demolition and removal of any partially constructed or partially completed buildings, Structures, or Improvements from the Property; and (b) the performance of Site Restoration. Concurrent with the Village's exercise of its rights under 6.E, the Corporate Authorities will have the right, but not the obligation, to terminate the entitlements set forth in this Agreement, without protest or objection by the Developer.

3. In addition to every other remedy permitted by law for the enforcement of the terms of this Agreement, the Village is entitled to withhold the issuance of building permits or certificates of occupancy for the Building and any other Structures within the Property at any time when the Developer has failed or refused to meet fully any of its obligations under this Agreement after notice and an opportunity to cure as provided in this Section 14.

4. In case the Village has proceeded to enforce its rights under this Agreement and such proceedings have been discontinued or abandoned for any reason, then, and in every such case, the Developer and the Village will be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Developer and the Village will continue as though no such proceedings had been taken.

D. Limitation. Notwithstanding anything to the contrary contained in this Agreement, including the provisions of this Section 14, the Developer agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the Village or any elected or appointed officials, officers, employees, agents, representatives, engineers, or attorneys of the Village, on account of the negotiation, execution or breach of any of the terms and conditions of this Agreement.

E. Prevailing Party. In the event of a judicial proceeding brought by one Party against the other Party, the prevailing Party in the judicial proceeding will be entitled to reimbursement from the unsuccessful Party of all costs and expenses, including reasonable attorneys' fees, incurred in connection with the judicial proceeding.

SECTION 15. GENERAL PROVISIONS.

A. Notice. Any notice required to be given under this Agreement must be in writing and must be delivered (i) personally, (ii) by a reputable overnight courier, (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid, or (iv) by E-mail. E-mail notices will be deemed valid and received by the addressee only upon explicit or implicit acknowledgment of receipt by the addressee. Unless otherwise expressly provided in this Agreement, notices will be deemed received upon the earlier of (a) actual receipt; (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three

business days following deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section 15.A, each Party will have the right to change the address or the addressee, or both, for all future notices to the other party, but no notice of a change of addressee or address will be effective until actually received.

Notices to the Village will be addressed to, and delivered at, the following address:

Village Arlington Heights
33 South Arlington Heights Road
Arlington Heights, Illinois 60005
Attention: Village Manager
E-mail: RRecklaus@vah.com

With a copy to:

Elrod Friedman LLP
325 N. LaSalle Street, Suite 450
Chicago, Illinois 60650
Attention: Hart Passman
E-mail: Hart.Passman@elrodfriedman.com

Notices to the Developer will be addressed to, and delivered at, the following address:

RPS Arlington, LLC
215 W. Verne St., Ste. D
Tampa, FL 33606
Attention: Scott Phillips
Email: scott@rpscapital.com

B. Time of the Essence. Time is of the essence in the performance of all terms and provisions of this Agreement.

C. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements and negotiations between the parties, whether written or oral, relating to the subject matter of this Agreement.

D. Exhibits/Conflicts. Exhibits A through I attached to this Agreement are, by this reference, incorporated in and made a part of this Agreement. In the event of a conflict between an exhibit and the text of this Agreement, the text of this Agreement will control.

E. Amendments and Modifications. No amendment or modification to this Agreement will be effective unless and until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with all applicable statutory procedures.

F. Governing Law. This Agreement is governed by, and will be enforced in accordance with, the internal laws, but not the conflicts of laws rules, of the State of Illinois.

G. Changes in Laws. Unless otherwise explicitly provided in this Agreement, any reference to any Requirements of Law includes any modifications of, or amendments to such Requirements of Law as may, from time to time, hereinafter occur.

H. Non-Waiver. No party is under any obligation to exercise any of the rights granted to it in this Agreement. The failure of a party to exercise at any time any right granted to such party will not be deemed or construed to be a waiver of that right, nor will the failure void or affect such party's right to enforce that right or any other right.

I. Severability. It is hereby expressed to be the intent of the parties hereto that should any provision, covenant, agreement, or portion of this Agreement or its application to any person, entity, or property be held invalid by a court of competent jurisdiction, the remaining provisions of this Agreement and the validity, enforceability, and application to any person, entity, or property will not be impaired thereby, but the remaining provisions will be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Agreement to the greatest extent permitted by applicable law.

J. No Third-Party Beneficiaries. No claim as a third-party beneficiary under this Agreement by any person, firm, or corporation may be made, or will be valid, against any Party hereto.

K. Interpretation. This Agreement is to be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Each provision of this Agreement is to be construed as though both parties to this Agreement participated equally in the drafting of this Agreement. Any rule or construction that a document is to be construed against the drafting party is not applicable to this Agreement.

L. Headings. The table of contents, heading, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

M. Recording. The Village will record this Agreement against the Property, at the sole cost and expense of the Developer, with the Office of the Cook County Recorder of Deeds promptly following the full execution of this Agreement by the Parties.

N. Counterparts. This Agreement may be executed in counterparts, each of which will constitute an original document and together will constitute the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed, effective as of the date first written above.

ATTEST:

VILLAGE OF ARLINGTON HEIGHTS,
an Illinois home rule municipal corporation

Rebecca Hume
Rebecca Hume, Village Clerk

By: Randall R. Recklaus
Randall R. Recklaus
Its: Village Manager

ATTEST:

RPS ARLINGTON, LLC,
an Florida Limited Liability Company

By: Travis Fulford
Its: Member
Travis Fulford

By: Scott Phillips
Its: Manager
Scott Phillips

ACKNOWLEDGMENTS

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

This instrument was acknowledged before me on May 17, 2022 by Randall R. Recklaus, the Village Manager of the **VILLAGE OF ARLINGTON HEIGHTS**, an Illinois home rule municipal corporation, and by Rebecca Hume, the Village Clerk of said municipal corporation.

Given under my hand and notarial seal this 17 day of May, 2022.

Notary Public

My Commission Expires: 06/08/2024

(SEAL)



STATE OF Florida)
) SS
COUNTY OF Millborough)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that this instrument was acknowledged before me on May 11, 2022, by Scott Phillips, the Manager of RPS Arlington, LLC, a Florida limited liability company, and by Travis Felford, the member of said limited liability company.

Given under my hand and notarial seal this 11th day of May, 2022.

Notary Public

My Commission Expires:

(SEAL)



Signature

INDEX OF EXHIBITS

| | |
|-----------|---|
| Exhibit A | Legal Description of Property |
| Exhibit B | Project Development Plans (Group Exhibit) |
| | B-1 Site Plan |
| | B-2 Engineering Plans |
| | B-3 Building Materials Plan |
| | B-4 Floor Plans |
| | B-5 Roof Plan |
| | B-6 Parking Lot Plan |
| Exhibit C | [Intentionally Omitted] |
| Exhibit D | Schedule of TIF-Eligible Costs |
| Exhibit E | Total Project Budget |
| Exhibit F | Letter of Intent |
| Exhibit G | Project Timeline |
| Exhibit H | Form Certificate of Expenditure |
| Exhibit I | Transferee Assumption Agreement |

EXHIBIT "A"
Legal Description

Parcel 1:

Part of Lots 1, 2 and 3 in the Cub Addition, being a Subdivision in the Northwest 1/4 of the Northeast 1/4 of Section 20, Township 42 North, Range 11, East of the Third Principal Meridian, according to the Plat thereof recorded May 17, 1984 as Document No. 27090321;

also

Part of Lots 61 to 65 inclusive in C. A. Goelz's Arlington Heights Gardens, a subdivision in the Northeast 1/4 of Section 20, Township 42 North, Range 11, East of the Third Principal Meridian, registered March 13, 1928 as Document No. LR396997;

also

Part of vacated Prairie Avenue (33 feet wide) and vacated Lillian Avenue (66 feet wide) vacated according to ordinance recorded December 13, 1988 as Document No. 88576174, described as follows:

Commencing at the most Southerly corner of said Lot 3 in the Cub Addition; thence North 47 degrees, 48 minutes, 11 seconds West along the Southwesterly line of said Lot 3, being also the Northeasterly line of rand road, a distance of 410.16 feet to the point of beginning; thence continuing along said Southwesterly line of Lot 3, North 47 Degrees, 48 Minutes, 11 Seconds West 190.40 feet; thence North 42 degrees, 11 minutes, 49 seconds East 120.00 feet; thence North 00 degrees, 01 minutes, 48 seconds West 153.58 feet; thence North 89 degrees, 58 minutes, 49 seconds East 45.07 feet to a point of curvature; thence Southeasterly along a curve concave to the Southwest having a radius of 57.50 feet, an arc distance of 57.16 feet, the chord of said arc having a length of 54.83 feet, and a bearing of South 61 degrees, 32 minutes, 37 seconds east; thence North 89 degrees, 58 minutes, 49 seconds East 25.91 feet; thence North 00 degrees, 01 minutes, 11 seconds West 46.57 feet; thence North 89 degrees, 58 minutes, 49 seconds East 294.22 feet; thence North 00 degrees, 01 minutes, 48 seconds West 20.28 feet; thence North 89 degrees, 58 minutes, 12 seconds East 9.65 feet; thence South 00 degrees, 01 minutes, 48 seconds East 10.15 feet; thence South 89 degrees, 58 minutes, 12 seconds West 1.96 feet; thence South 00 degrees, 01 minutes, 48 seconds East 152.09 feet; thence South 45 degrees, 01 minutes, 48 seconds East 12.73 feet; thence South 00 degrees, 01 minutes, 48 seconds East 7.00 feet; thence North 89 degrees, 58 minutes, 12 seconds East 20.18 feet; thence North 00 degrees, 01 minutes, 48 seconds West 3.08 feet; thence North 89 degrees, 58 minutes, 12 seconds East 24.38 feet; thence North 00 degrees, 01 minutes, 48 seconds West 21.40 feet; thence North 89 degrees, 58 minutes, 12 seconds East 10.90 feet; thence North 00 degrees, 01 minutes, 48 seconds West 349.03 feet; thence North 89 degrees, 58 minutes, 12 seconds East 226.45 feet; thence South 00 degrees, 01 minutes, 48 seconds East 44.97 feet; thence North 89 degrees, 58 minutes, 12 seconds East 20.75 feet to a point on the East line of Lot 65 in said C. A. Goelz's Arlington Heights Gardens; thence South 00 degrees, 01 minutes, 48 seconds East along the East line and the East line extended of said Lots 61, 62, 63, 64 and 65, a distance of 492.59 feet; thence South 89 degrees, 58 minutes, 12 seconds West 204.61 feet; thence North 00 degrees, 01 minutes, 48 seconds West 0.33 feet; thence South 89 degrees, 58 minutes, 12 seconds West 42.65 feet; thence North 00 degrees, 01 minutes, 48 seconds West 94.86 feet; thence South 89 degrees, 58 minutes, 12 seconds West 10.96 feet; thence North 00 degrees, 01 minutes, 48 seconds West 39.80 feet; thence South 89 degrees, 58 minutes, 12 seconds West 24.32 feet; thence North 00 degrees, 01 minutes, 48 seconds West 3.08 feet; thence South 89 degrees, 58 minutes, 12 seconds West 20.18 feet; thence South 00 degrees, 01 minutes, 48 seconds East 7.00 feet; thence South 44 degrees, 58 minutes, 12 seconds West 12.73 feet; thence South 00 degrees, 01 minutes, 48 seconds East 121.74 feet; thence South 89 degrees, 58 minutes, 12 seconds West 13.03 feet; thence South 00 degrees, 01 minutes, 48 seconds East 22.80 feet; thence South 89 degrees, 58 minutes, 12 seconds West 305.66 feet; thence South 42 degrees, 11 minutes, 49 seconds West 62.50 feet to the place of beginning in Cook County,

EXHIBIT "A"
Legal Description

Illinois.

Parcel 2:

Part of Lots 62 and 63 in C. A. Goelz's Arlington Heights Gardens, a subdivision in the Northeast 1/4 of Section 20, Township 42 North, Range 11, East of the Third Principal Meridian, registered March 13, 1928 as Document No. LR396997; also part of vacated Prairie Avenue (33 feet wide) and vacated Lillian Avenue (66 feet wide), vacated according to ordinance recorded December 13, 1988 as Document No. 88576174, described as follows:

Commencing at the Northwest corner of said Lot 63; thence South 89 degrees, 42 minutes, 11 seconds East along the North line of said Lot 63, a distance of 32.74 feet to the point of beginning; thence South 00 degrees, 01 minutes, 48 seconds East 90.01 feet; thence South 89 degrees, 58 minutes, 12 seconds West 10.90 feet; thence South 00 degrees, 01 minutes, 48 seconds East 21.40 feet; thence South 89 degrees, 58 minutes, 12 seconds West 24.38 feet; thence South 00 degrees, 01 minutes, 48 seconds East 3.08 feet; thence South 89 degrees, 58 minutes, 12 seconds West 20.18 feet; thence North 00 degrees, 01 minutes, 48 seconds West 7.00 feet; thence North 45 degrees, 01 minutes, 48 seconds West 12.73 feet; thence North 00 degrees, 01 minutes, 48 seconds West 152.09 feet; thence North 89 degrees, 58 minutes, 12 seconds East 64.46 feet; thence South 00 degrees, 01 minutes, 48 seconds East 53.60 feet to the place of beginning, in Cook County, Illinois.

Parcel 3:

Part of Lots 61 and 62 in C. A. Goelz's Arlington Heights Gardens, a subdivision in the Northeast 1/4 of Section 20, Township 42 North, Range 11, East of the Third Principal Meridian, registered March 13, 1928 as Document No. LR396997; also part of vacated Prairie Avenue (33 feet wide) vacated according to ordinance recorded December 13, 1988 as Document No. 88576174, described as follows:

Commencing at the Northwest corner of said Lot 61; thence South 89 degrees, 41 minutes, 51 seconds East along the North line of said Lot 61, a distance of 32.71 feet to the point of beginning; thence South 00 degrees, 01 minutes, 48 seconds East 80.29 feet; thence South 89 degrees, 58 minutes, 12 seconds West 64.46 feet; thence North 00 degrees, 01 minutes, 48 seconds West 121.74 feet; thence North 44 degrees, 58 minutes, 12 seconds East 12.73 feet; thence North 00 degrees, 01 minutes, 48 seconds West 7.00 feet; thence North 89 degrees, 58 minutes, 12 seconds East 20.18 feet; thence South 00 degrees, 01 minutes, 48 seconds East 3.08 feet; thence North 89 degrees, 58 minutes, 12 seconds East 24.32 feet; thence South 00 degrees, 01 minutes, 48 seconds East 39.80 feet; thence North 89 degrees, 58 minutes, 12 seconds East 10.96 feet; thence South 00 degrees, 01 minutes, 48 seconds East 14.57 feet to the place of beginning, in Cook County, Illinois.

Parcel 4:

Non-exclusive easements for the benefit of parcels 1, 2 and 3 as described and created by Construction, Operation and Reciprocal Easement Agreement dated June 13, 2020 made by and between 600 Rand Rd, LLC, an Illinois limited liability company, MJR/Southpoint Real Estate Holding Company, LLC, an Illinois limited liability company, TJ Chicago Properties, LLC, an Illinois limited liability company, Nare Southpoint, LLC, an Illinois limited liability company corporation, Ron B. Wynn Living Trust dated December 10, 2013, and Konvin Associates Limited Partnership, an Illinois limited partnership. recorded as document number 2017608084, in Cook County, Illinois.

EXHIBIT "A"
Legal Description

Parcel 5:

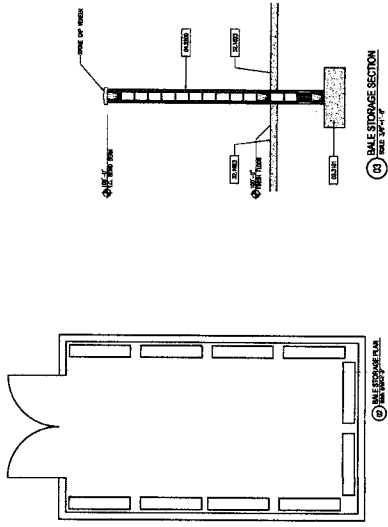
Non-exclusive easement set forth in Plat of Subdivision recorded as document 27090321, for ingress and egress, over so much of that part of the Land designated "Access Easement" on said Plat, (except therefrom those portions that were vacated by Plat of Easement Vacation recorded as document 95498113 and also excepting therefrom any portion falling within Parcel 1 herein).

Parcel 6:

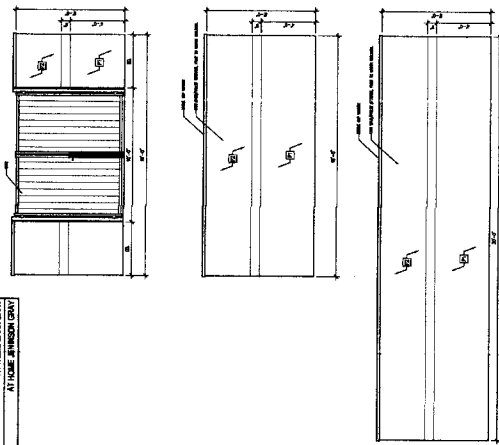
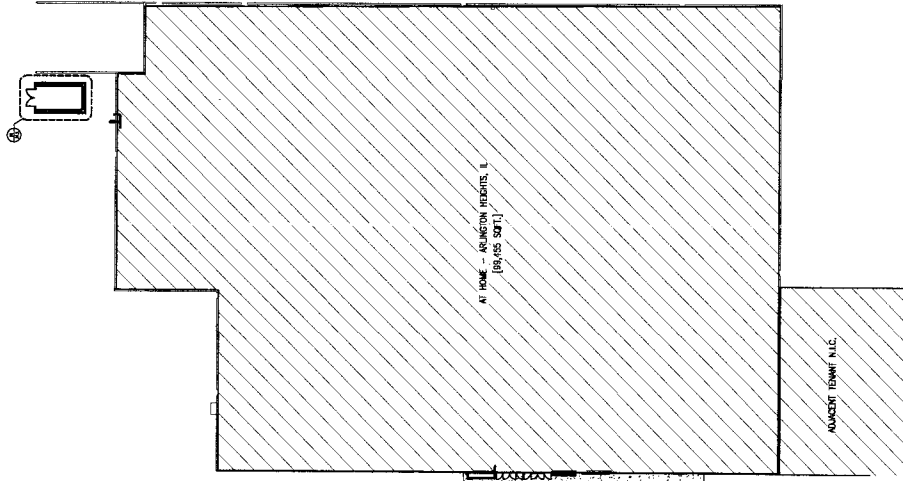
Non-exclusive easement set forth in Plat of Subdivision recorded as document 27090321, for utilities, over so much of that part of the Land designated as "Private Utility Easement" on said Plat, (except therefrom those portions that were vacated by Plat of Easement Vacation recorded as document 95498113).

Parcel 7:

Non-exclusive easement set forth in Plat of Subdivision recorded as document 27090321, for private water main, over so much of that part of the Land designated as "Private Water Main Easement" on said Plat, (except therefrom those portions that were vacated by Plat of Easement Vacation recorded as document 95498113) in Cook County, Illinois.



| FINISH SCHEDULE | |
|-----------------|---------------------------------|
| P1 PAINT | AT HOME - ARLINGTON HEIGHTS, IL |
| P2 PAINT | AT HOME - ARLINGTON HEIGHTS, IL |



| REV | DESCRIPTION | DATE |
|-----|----------------------|----------|
| | INDUSTRIAL SITE PLAN | 11/12/23 |
| | | |
| | | |
| | | |
| | | |

AT HOME - ARLINGTON HEIGHTS, IL 60004

750 E. RAND ROAD

ARLINGTON HEIGHTS, IL 60004

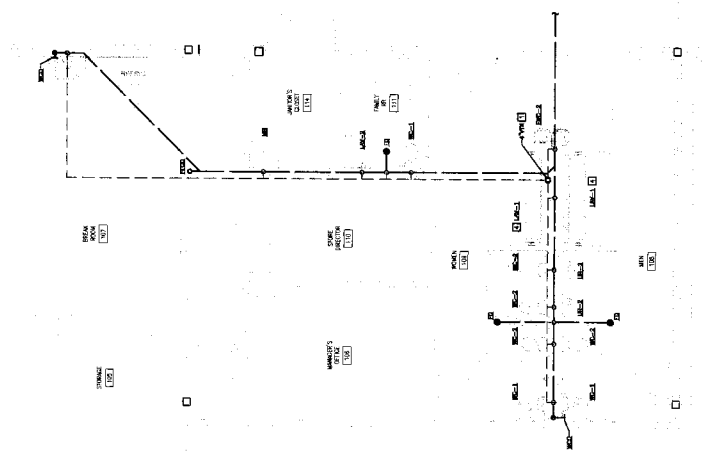
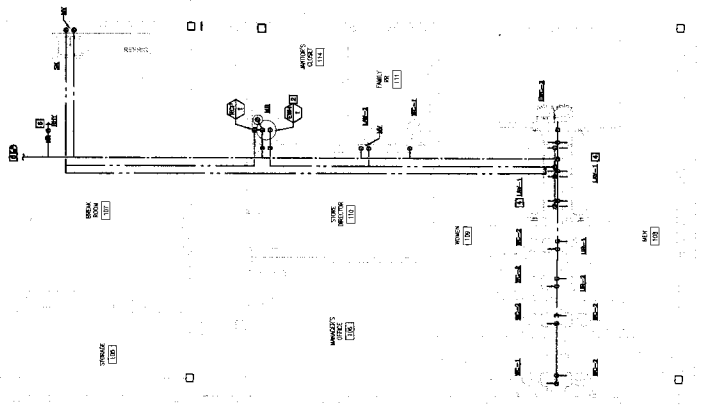
STORE NUMBER: 827

CSI NUMBER: AHC28011

02.22.2023



- PLUMBING PLAN NOTES**
- 1) ALL DIMENSIONS UNLESS OTHERWISE NOTED ARE IN FEET AND INCHES.
 - 2) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 - 3) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 - 4) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 - 5) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 - 6) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 - 7) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 - 8) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 - 9) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 - 10) ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.



02 ENLARGED PLUMBING PLAN - WATER
1/4" = 1'-0"

03 PLUMBING RISER - WASTE AND VENT
1/4" = 1'-0"

04 PLUMBING RISER - WATER
1/4" = 1'-0"

03 PLUMBING RISER - WASTE AND VENT
1/4" = 1'-0"

FINISH SCHEDULE

| | |
|--------------------|--------------------------|
| STOREFRONT | ANOD. ALUM. FINISH |
| BRAKE METAL TRIM | ANOD. ALUM. FINISH |
| METAL COPING | SHASTA WHITE BY BERRIDGE |
| EFS W/ SAND FINISH | AT HOME DARK GRAY |
| EFS W/ SAND FINISH | AT HOME JENINSON GRAY |
| EFS W/ SAND FINISH | AT HOME GREEK VILLA |
| GLAZING | LOW-E VISION GLASS |
| PAINT | AT HOME DARK GRAY |
| PAINT | AT HOME JENINSON GRAY |
| PAINT | AT HOME GREEK VILLA |
| METAL ROOFING | ZINC GREY BY BERRIDGE |
| METAL ROOFING | SHASTA WHITE BY BERRIDGE |



NEW CONSTRUCTION BEYOND

APPROXIMATE LOCATION OF NEW CONSTRUCTION

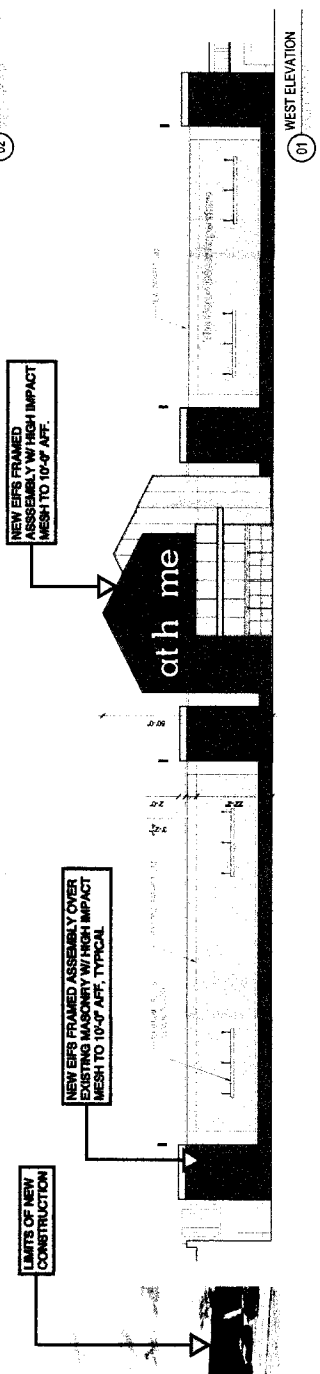
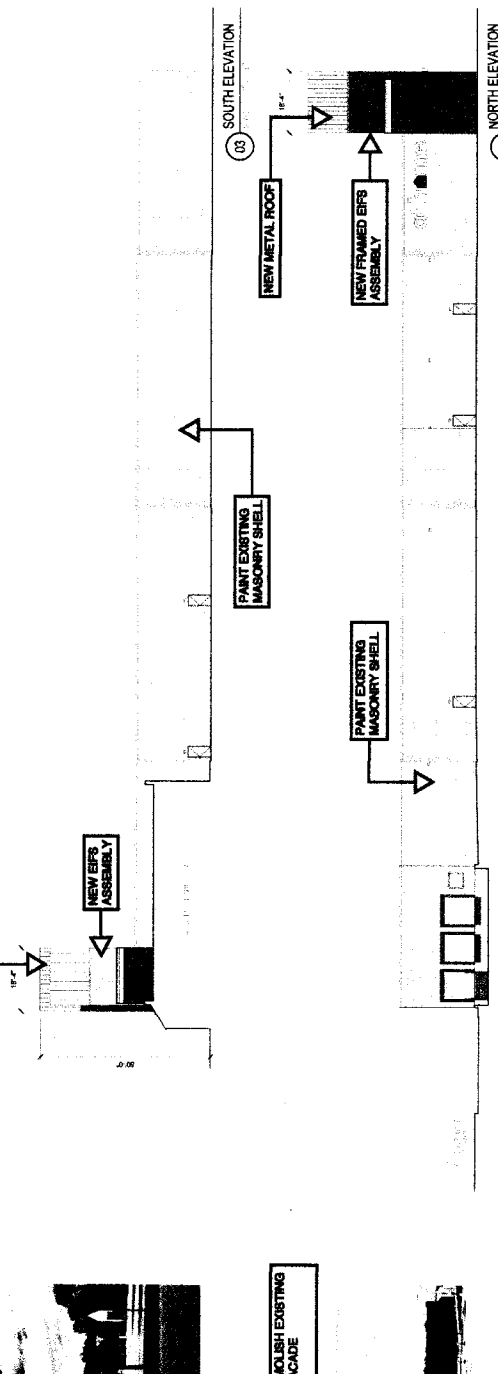
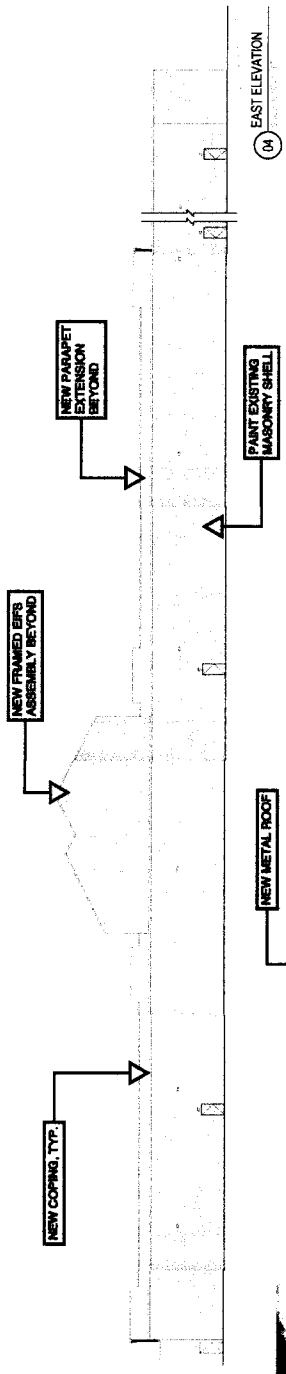
DEMOLISH EXISTING ARCADE



EXISTING CONSTRUCTION TO REMAIN

DEMOLISH EXISTING ARCADE

LIMITS OF NEW CONSTRUCTION



REV DESCRIPTION DATE
 02 DESIGN COMMISSION SUBMITTAL 02.22.22
 03 INITIAL REVIEW COMMENTS 03.29.22

AT HOME
 750 East Rand Rd.
 Arlington Heights, Illinois, 60004



STORE NUMBER: #37
 LOT NUMBER: #1007

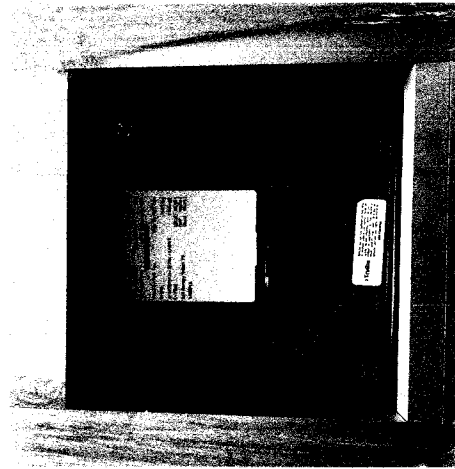
P R O P O S E D E X T E R I O R M A T E R I A L S

At Home:
Digital Material Board

MATERIALS NOT SHOWN BUT PROVIDED BY LANDLORD

- HVAC: BY LANDLORD
- Roof: BY LANDLORD
- LIGHTING: AS REQUIRED

STOREFRONT:



STANDING SEAM METAL ROOFING :
SHASTA WHITE



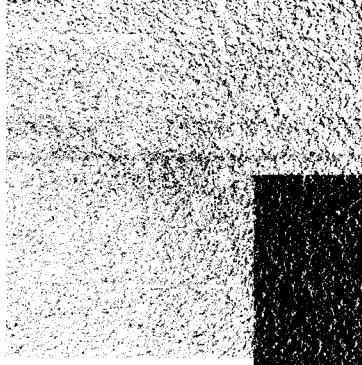
STANDING SEAM METAL ROOFING :
ZINC GRAY



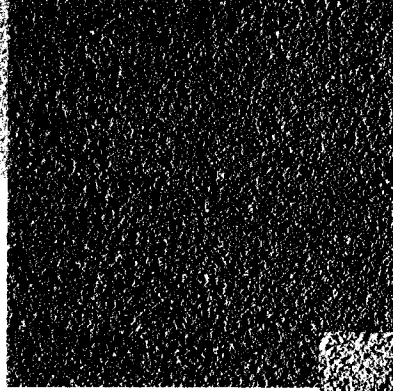
BRICK EXISTING TO REMAIN



At Home Jenison Gray
EFIS sample



At Home Dark Grey
EFIS sample



At Home Greek Villa
EFIS sample

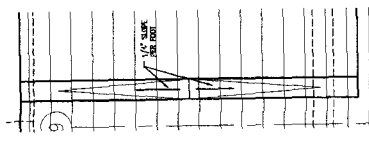


| REV | DESCRIPTION | BY | DATE |
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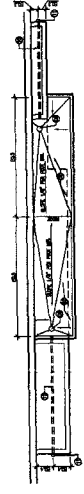


AT HOME
750 E. RAND ROAD
ARLINGTON HEIGHTS, IL 60004

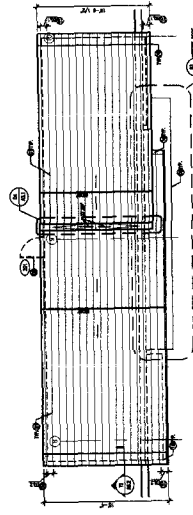
REVISED: 11/22/2022
CSD NUMBER: 3003911



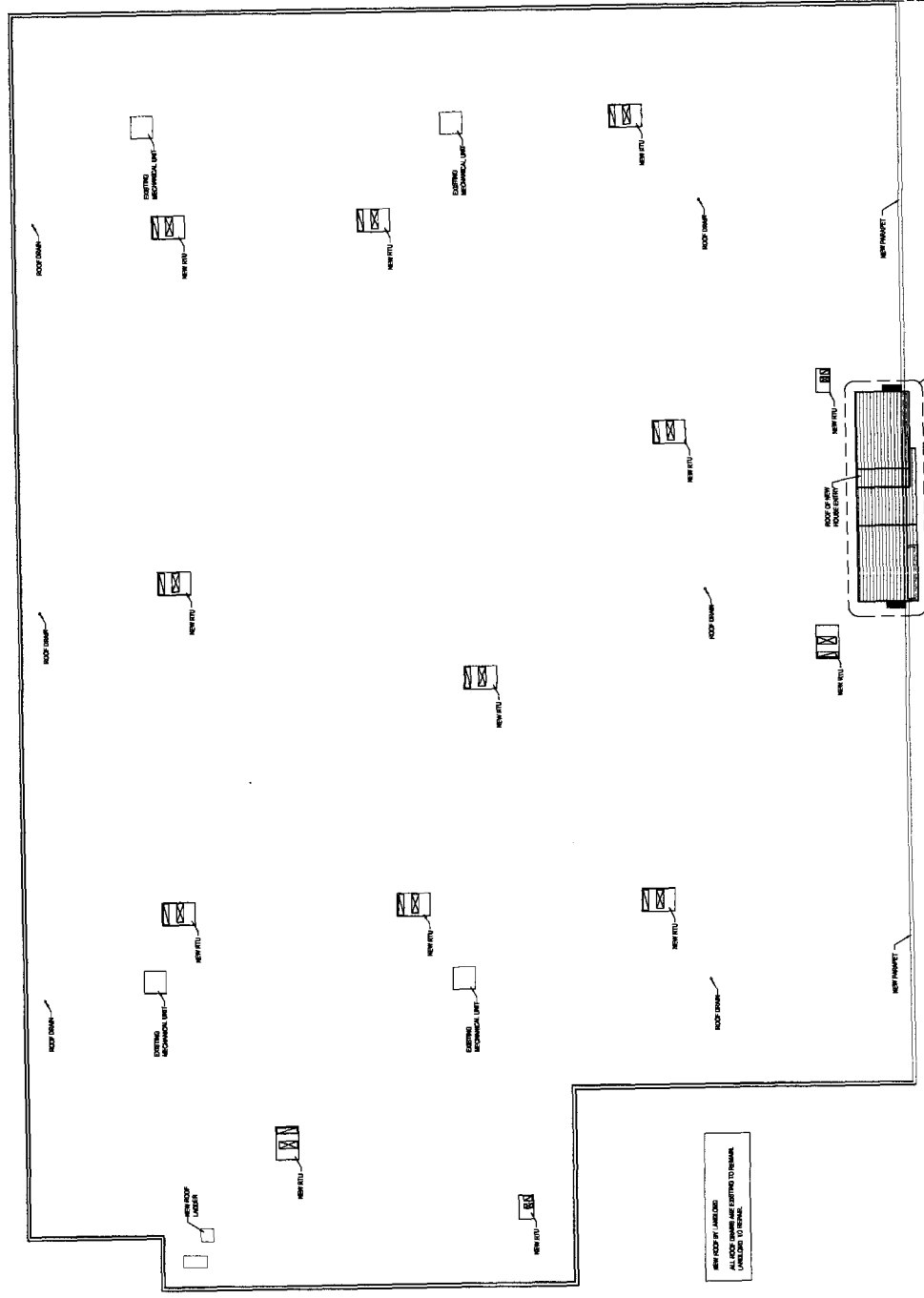
04 ROOF VALLEY CRICKET
SCALE: 3/16"=1'-0"



05 ENTRY CANOPY ROOF PLAN
SCALE: 3/16"=1'-0"



02 ENTRY HOUSE METAL ROOF PLAN
SCALE: 3/16"=1'-0"



01 ROOF PLAN
SCALE: 7/16"=1'-0"

EXISTING ROOF ARE TO EXIST UNLESS NOTED



| REV. | DATE | DESCRIPTION |
|------|----------|-------------------|
| 01 | 04.12.22 | ISSUED FOR PERMIT |
| | | |
| | | |
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| | | |

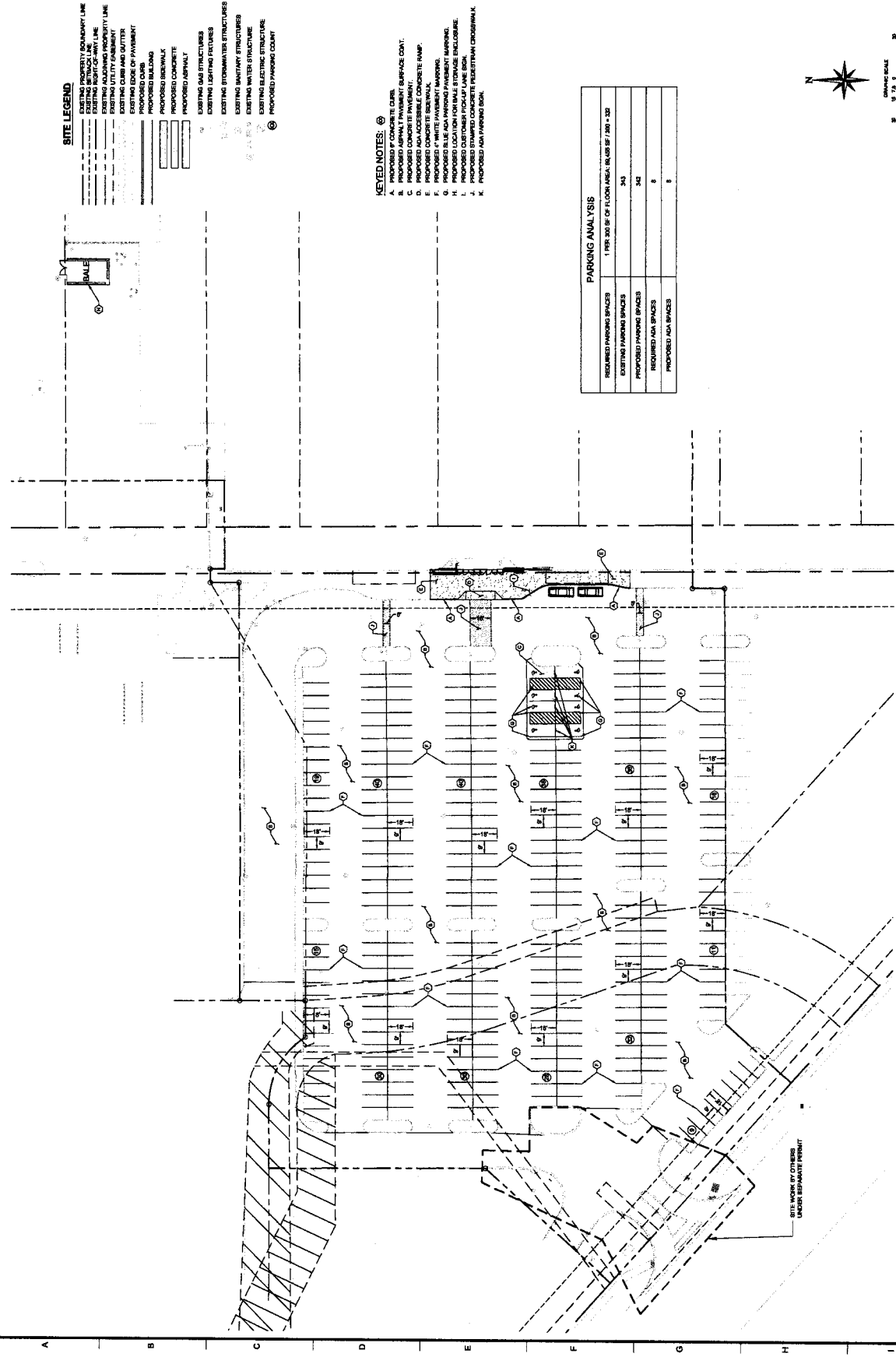
AT HOME
750 E. RAND ROAD
ARLINGTON HEIGHTS, IL 60004

STORE NUMBER: 507
CSD NUMBER: AHD3.00911



NEW ROOF BY ANALOG
ALL ROOF TYPES ARE SUBJECT TO PERMIT
ANALOG TO EXISTING

1 2 3 4 5 6 7 8 9 10 11 12 13



SITE LEGEND

- EXISTING PROPERTY BOUNDARY LINE
- EXISTING UTILITY LINE
- EXISTING ADJOINING PROPERTY LINE
- EXISTING UTILITY EMBANKMENT
- EXISTING DRIVEWAY
- EXISTING SIDE OF DRIVEWAY
- PROPOSED DRIVE
- PROPOSED BUILDING
- PROPOSED CONCRETE
- PROPOSED ASPHALT
- EXISTING GAS STRUCTURES
- EXISTING LIGHTING FIXTURES
- EXISTING SIGN/WATER STRUCTURES
- EXISTING SANITARY STRUCTURES
- EXISTING WATER STRUCTURE
- EXISTING ELECTRIC STRUCTURE
- PROPOSED PARKING CURB

- KEYED NOTES:**
- A. PROPOSED P. CONCRETE CURB.
 - B. PROPOSED ASPHALT PAVEMENT SURFACE CONT.
 - C. PROPOSED ASPHALT DRIVEWAY.
 - D. PROPOSED CONCRETE SIDEWALK.
 - E. PROPOSED CONCRETE SIDEWALK.
 - F. PROPOSED P. WHITE PAVEMENT MARKING.
 - G. PROPOSED SIGN FOR MAINTENANCE.
 - H. PROPOSED LOCATION FOR MAINTENANCE.
 - I. PROPOSED CUSTOMER PICK-UP LANE SIGN.
 - J. PROPOSED TRIMMED CONCRETE PEDIESTRIAN CROSSWALK.
 - K. PROPOSED TRIMMED CURB.

PARKING ANALYSIS

| | |
|-------------------------|--|
| REQUIRED PARKING SPACES | 1 PER 300 SF OF FLOOR AREA PER 200 - 230 |
| EXISTING PARKING SPACES | 343 |
| PROPOSED PARKING SPACES | 342 |
| REQUIRED ADA SPACES | 8 |
| PROPOSED ADA SPACES | 8 |



CORE STATES GROUP

1000 WEST 10TH AVENUE, SUITE 100
 CHICAGO, ILLINOIS 60604
 TEL: 773.462.1000
 WWW.CORESTATES.COM

CLIENT

811

PROJECT INFORMATION

| | |
|-------------|------------|
| PROJECT NO. | 1000000000 |
| DATE | 10/10/2010 |
| DESCRIPTION | 811 |
| LOCATION | 811 |
| SCALE | AS SHOWN |
| DRAWN BY | 811 |
| CHECKED BY | 811 |
| DATE | 10/10/2010 |

LOCATION

811 SITE PLAN
 FOR AT HOME
 ARLINGTON
 HEIGHTS, IL

REGISTERED PROFESSIONAL ENGINEER

STATE OF ILLINOIS
 ARLINGTON HEIGHTS, IL
 00004

ENGINEER SEAL

SHEET TITLE

SITE PLAN

DATE

10/10/2010

SCALE

AS SHOWN

DRAWN BY

811

CHECKED BY

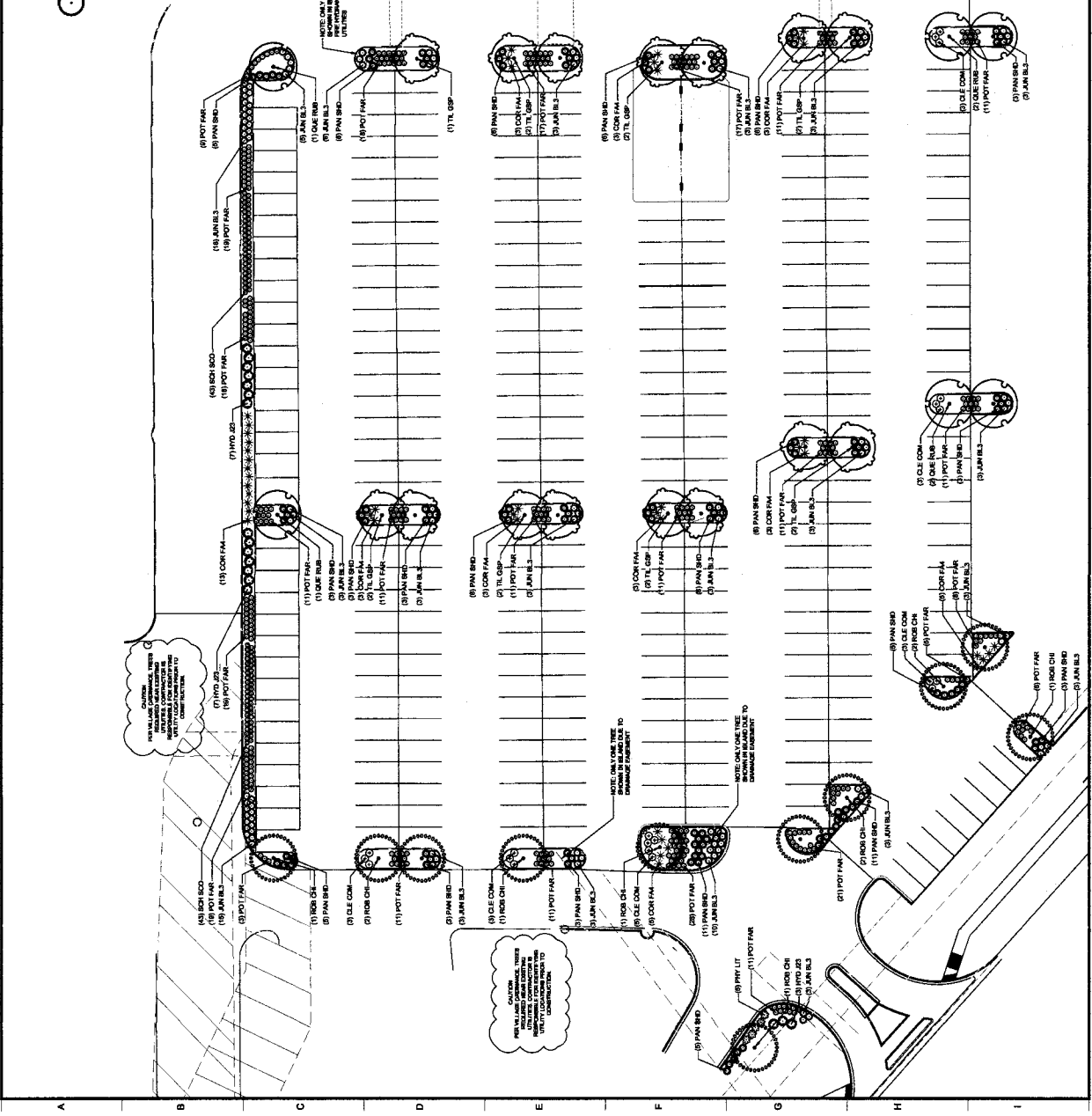
811

C1



| TREE | CODE | QTY | SYMBOL | COMMON NAME | SIZE |
|-----------|------|-----|----------|-------------|---------|
| CELESTIAL | CE | 1 | (Symbol) | CELESTIAL | 18" DBH |
| ... | ... | ... | ... | ... | ... |

LANDSCAPE REQUIREMENTS
 4" TREES IN ALL PARKING LOT ISLANDS (SHOWN, EXCEPTIONS NOTED DUE TO UTILITIES)



| CLIENT | PROJECT | DATE |
|--------|---------|------|
| ... | ... | ... |

CLIENT

...

DOCUMENT

CONTRACT PLAN FOR AT HOME RESTORATION HEIGHTS, IL

SITE LOCATION

795 E. RAND ROAD, ANTONIO HEIGHTS, IL 60004

ENGINEER SEAL

...

HYPERGREEN DESIGN GROUP

Scale 1" = 20'

NOTES: 1. ALL TREE PLANTINGS TO BE INSTALLED BY THE CONTRACTOR. 2. ALL TREE PLANTINGS TO BE INSTALLED BY THE CONTRACTOR. 3. ALL TREE PLANTINGS TO BE INSTALLED BY THE CONTRACTOR.

EXHIBIT D

SCHEDULE OF TIF-ELIGIBLE COSTS

| | |
|--|---------------------------|
| Architectural & Engineering | \$85,000 |
| Asbestos Removal | \$115,000 |
| Roof Replacement | \$627,000 |
| Parking Lot Improvements | <u>\$473,000</u> |
| <u>Total</u> | <u>\$1,300,000</u> |

Southpoint Shopping Center Redevelopment
Arlington Heights, IL

Acquisition & Hold Costs

| | | | |
|--|-----------|------------------|---------------------|
| Acquisition Costs | \$ | 1,055,774 | |
| Real Estate Taxes | \$ | 669,400 | <i>2 Years</i> |
| Other Prop Op Costs | \$ | 212,668 | <i>Thru 3/31/22</i> |
| Est. Prop Op Costs until At Home Rent Commencement | \$ | 175,000 | |
| Interest Carry on Financing | \$ | 520,000 | |
| Sub-Total | \$ | 2,632,842 | |

Soft & Hard Construction Costs

| | | | |
|----------------------------------|-----------|------------------|---|
| Architectural & Engineering | \$ | 95,000 | |
| Legal Fees | \$ | 55,000 | |
| Leasing Commissions | \$ | 420,000 | |
| Miscellaneous Costs | \$ | 230,000 | |
| Development Fee | \$ | 221,894 | |
| HVAC | \$ | 275,000 | |
| Lot Landscaping | \$ | 30,000 | |
| Monument Sign | \$ | 75,000 | |
| Parking Lot | \$ | 675,000 | |
| Parking Lot Lights | \$ | 45,000 | |
| RIRO Access | \$ | 100,000 | |
| Roof | \$ | 642,000 | |
| Façade Renovation Allowance | \$ | 650,000 | <i>At Home completing Façade, Asbestos, & Interior Demo</i> |
| Tenant Improvement Allowance | \$ | 550,000 | |
| Asbestos | \$ | - | <i>Reimbursing At Home through TI</i> |
| Demo | \$ | - | <i>Reimbursing At Home through TI</i> |
| Utility & Fire Alarm Split - New | \$ | 100,000 | |
| Subtotal: | \$ | 4,163,894 | |
| Total Project Costs* | \$ | 6,796,736 | |

November 5, 2021- Final Signed LOI

RPS Arlington
4921 Centre Pointe Drive
Suite 300
North Charleston, SC 29418

RE: 730 E. Rand Road, Arlington Heights, IL 60004

Dear Charles:

This is a proposal to lease the former BIF Furniture property located in Arlington Heights, IL subject to the following terms and conditions.

1. PARTIES: The parties to the transaction shall be RPS Arlington ("Landlord") and At Home Stores LLC, a Delaware limited liability company ("Tenant").
2. DEMISED PREMISES: Landlord shall lease to Tenant the premises consisting of a 100,501 square foot building ("Building"); the land underneath the Building; and all site improvements to be used for parking, ingress, and egress to public roads and other purposes ("Common Areas") as depicted on the attached site plan identified as Exhibit B ("Demised Premises").
3. STREET ADDRESS: 730 E. Rand Road, Arlington Heights, IL 60004
4. TERM: Tenant shall have a ten (10) year term ("Primary Term") from Rent Commencement Date.
5. OPTIONS: Tenant shall have three (3) successive five (5) year options ("Options") to extend the term of the lease by providing Landlord a six (6) month written notice of its intent to exercise.
6. RENT: Tenant shall pay Landlord the following annual fixed NNN rent during the Primary Term and Options ("Rent").

| | | | |
|----|---------------|-----------|-----|
| a. | Primary Term: | \$703,507 | NNN |
| b. | 1st Option: | \$759,787 | NNN |
| c. | 2nd Option: | \$820,570 | NNN |
| d. | 3rd Option: | \$886,216 | NNN |
7. LEASE COMMENCEMENT DATE: Upon the Delivery Date as defined below.
8. RENT COMMENCEMENT DATE: The payment of Rent and all other obligations under the lease shall commence the earlier of: (i) the grand opening of Tenant's store to the public, or 120 days after Tenant accepts possession of the Demised Premises in the condition required herein (defined in Article 10); and (ii) after substantial completion of Landlord's Work (defined in Article 11). Interior demolition to be completed by Tenant along with any abatement work.

9. DELIVERY DATE: Landlord shall deliver exclusive possession of the Demised Premises to Tenant no later than Q1 2022 ("Delivery Date").
10. DELIVERY CONDITIONS: Tenant's acceptance of the Demised Premises from Landlord shall be conditioned upon the: (i) substantial completion of Landlord's Work; (ii) delivery of the Demised Premises in compliance with all laws, regulations, codes, ordinances including but not limited to and the American's with Disabilities Act; (iii) delivery of the Building in a water tight condition and in good condition and repair; (iv) delivery of all building mechanical systems in good condition and repair; (v) delivery of the parking lot and site utilities in good condition and repair; (vi) receipt of Landlord's approval of Tenant's construction plans; (vii) receipt of all required third party approvals; (viii) receipt of an executed subordination, non-disturbance and attornment agreement from Landlord's lender(s) [and the primary landlord], if applicable, (ix) receipt of a building permit and all other required governmental and quasi-governmental permits and approvals.; (collectively, "Delivery Conditions"). Tenant shall assume no liability for pre-existing environmental conditions or environmental conditions continuing and related to a pre-existing condition other than asbestos abatement if applicable.
11. LANDLORD'S WORK: Landlord shall deliver the Demised Premises to Tenant with the substantial completion of all work setforth on EXHIBIT A and in a broom clean condition ("Landlord's Work"). Landlord's Work shall be completed on or before the Delivery Date. Landlord to entitle and install a right in right out into the property from Rand Road if approved by the Village of Arlington Heights and Illinois Department of Transportation.
12. TENANT'S WORK: Tenant accepts delivery of the Demised Premises "As-Is", subject to substantial completion of Landlord's Work and the fulfillment of the Delivery Conditions. Tenant shall complete all work required to open the Building as a typical At Home store pursuant to Tenant's Plans ("Tenant's Work") and Landlord agrees to cooperate with Tenant in applying for and obtaining any required permits and approvals. At the end of the lease all Tenant improvements shall belong to the Landlord and all furniture, fixtures and equipment provided and installed by Tenant shall remain property of the Tenant.
13. TENANT'S PLANS: Tenant shall provide Landlord with a copy of its construction plans outlining in detail Tenant's Work ("Tenant's Plans") to the Building and Common Areas, if applicable. Landlord shall have fifteen (15) business days after receipt to approve or reject Tenant's Plans with detailed comments.
14. REPAIRS: During the term of the lease (and any extensions thereof), Landlord and Tenant shall have the responsibility to maintain and repair the Demised Premises as follows:
 - a. Landlord shall be responsible for maintaining, repairing and replacing the:
 - i. Structural portions of the Shopping Center, the Demised Premises, and the structural components of the Building, including but not limited to the interior and exterior walls, foundation systems and all other structural components;
 - ii. Building roof, roof insulation, and roof deck;

- iii. Utilities to the point that they enter the Building; and
 - b. Tenant shall be responsible for maintaining and repairing all items not reserved for the Landlord.
15. COMMON AREA MAINTENANCE: Landlord shall maintain, repair and replace all Shopping Center common areas in a manner similar to comparable shopping centers.. Tenant shall maintain and repair the Common Areas and Parking lot contained within the Demised Premises in a manner and Tenant shall contribute to the upkeep of the common areas of the shopping center. Controllable Expenses not to exceed 0.75 per square foot (\$75,375 per year)
 16. REAL ESTATE TAXES: Tenant shall pay all real estate taxes attributable to the Demised Premises as set forth in a separate tax parcel. Real Estate Taxes are currently estimated at \$2.25 psf.
 17. INSURANCE: Tenant shall add the Demised Premises to its existing blanket insurance policy and keep in place a general liability policy naming the Landlord as an additional insured and shall make no other contribution toward Building property damage insurance or Shopping Center common area liability insurance. To be further discussed in the lease with input from risk management.
 18. UTILITIES: Landlord shall provide separately metered utilities to the Demised Premises and Tenant shall pay all charges for those utilities furnished to the Demised Premises during Primary Term and Options.
 19. SIGNAGE: Tenant shall be entitled to install its standard signage package on the Building subject only to governmental approvals. Tenant shall also have the right to install its sign panel in the location and on all pylon and monument signs which contained a BIF Furniture sign subject only to approval from governmental authorities. Tenant to have top billing on three existing monument signs – two on Rand Road and one on Palatine Road. Landlord to install a single tenant pylong sign fronting Rand Road for Tenant's exclusive use if approved by the Village of Arlington Heights. Signage is a contingency of deal.
 20. FAÇADE: Intentionally Deleted. See Work Exhibit
 21. BROKERAGE COMMISSION: Landlord and Tenant acknowledge that other than Adam Cody of JLL and RealtyLink Commercial (the "Brokers"), no other brokers, agents or other parties are due a brokerage commission or fee as a result of this transaction. Landlord shall be responsible for paying any and all fees owed to the Broker pursuant to the terms of a separate brokerage agreement between Landlord and Broker.
 22. CONFIDENTIALITY: Landlord and Tenant shall keep the matters concerning this proposal and its negotiation confidential and not disclose any material information to third parties.
 23. PARKING RATIO: The Shopping Center and Demised Premises shall at all times maintain a minimum parking ratio of 4 parking spaces for each 1,000 square feet of building floor area or greater, if required by local zoning ordinances. Outlots

shall be self-parked and all retail and offices uses located in outlots shall maintain a minimum parking ratio of 5 spaces for each 1,000 square of building floor area.. All inline and outlot restaurants shall maintain a minimum parking ratio of: (i) 10 to 1 if 5,000 square feet of building floor area or less; (ii) 15 to 1 if >5,000 – 7,000 square feet building floor area; and (iii) 20 to 1 if >7,000 square feet of building floor area.

24. SITE PLAN RESTRICTIONS: All Shopping Center buildings, including outlots, shall be placed within permissible building areas and shall meet the minimum parking ratio requirements outlined herein. Outlot buildings shall: (i) not exceed one storey and 25' in height, (ii) not contain more than one occupant, and (iii) self maintain their common areas. No inline restaurant shall be located within 300 feet of the At Home building and no theatre, health spa or gym shall be located within 1000 feet of the At Home building. This term shall only apply to areas owned and controlled by the Landlord. Arlington RPS only controls the Demised Premises.
25. TENANT RENT CREDIT: Landlord acknowledges that Tenant must make improvements to the Demised Premises prior to occupying the Building and using the Common Areas. In consideration for Tenant improving the Demised Premises Landlord shall waive Rent during the first 6 months of the Primary Term but not Additional Rent.
26. TENANT IMPROVEMENT ALLOWANCE: Landlord shall pay to Tenant an allowance in the amount of \$550,000 to offset the costs Tenant will incur in improving the Demised Premises for its occupancy ("Tenant Improvement Allowance"). The Tenant Improvement Allowance shall be paid to Tenant as follows: (i) 50% after a lease agreement is fully executed, all contingencies are waived, and Tenant receives its building permit; and (ii) 50% after Tenant opens for business to the public and provides Landlord with a copy of its final or temporary certificate of occupancy and all standard documentation evidencing the completion and payment of Tenant's Work.
27. CO-TENANCY REQUIREMENTS: Intentionally Deleted
28. OPTION TO TERMINATE: Tenant shall have a one time option to terminate the lease if Tenant's store sales for the 79th month thru the 90th month of the Primary Term do not exceed \$8,100,000.00. Tenant may exercise the option by delivering written notice to landlord at any time during the 90th month thru the 91st month of the Primary Term ("Termination Notice"). If Tenant exercises the option, the lease shall terminate and Tenant shall vacate the Demised Premises no later than last day of the next February ("Lease Termination Date") after Landlord's receipt of the Termination Notice. Tenant shall be responsible for the payment of rent and other charges under the lease thru the Lease Termination Date.
29. NON-BINDING- Landlord and Tenant each acknowledge that a transaction of this type involves terms and conditions which have not yet been agreed upon and that this letter is in no way intended to be a complete or definitive statement of all of the terms and conditions of the proposed transaction, but contemplates and is subject to the negotiation and execution of a lease and other legal agreements. Landlord and Tenant further acknowledge that they are both expending time and money on this transaction at their own risk. Neither Landlord or Tenant shall be legally bound

in any manner unless and until approval of the terms set forth in this letter have been obtained from Tenant's real estate committee, board of directors and the lease and all related legal agreements have been executed and delivered by both parties. Notwithstanding the previous sentence, both parties agree that Article #22 shall be a binding agreement.

Time is of the essence, therefore this letter shall remain open until November 1, 2021 at 5:00 pm Central Standard Time. If both parties hereto do not execute the letter by this time, the letter shall become null and void and neither party shall have any further obligations to one another hereunder except for Article #22 above.

Sincerely,

Tenant: At Home Stores LLC

By: Carolyn Glover

Name: Carolyn Glover

Its: Real Estate Director

Dated: 12-6-21

Landlord: PPS Arlington

By: Scott Phillips

Name: Scott Phillips

Its: Manager

Dated: 11/5/21

cc: Dean M. Zurmely

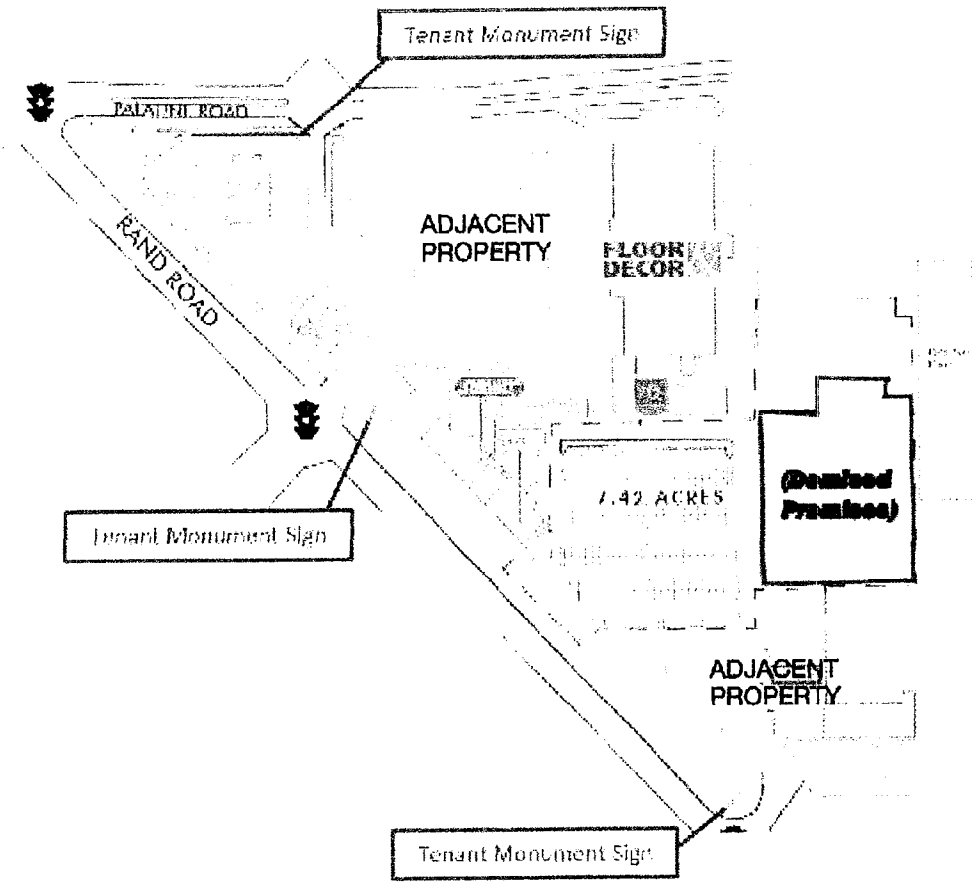
Exhibit A "Landlord's Work"

- Landlord shall replace the roof, HVAC system and the parking lot.
- Split the following systems and provide Tenant with separate utility meters.
 - Fire protection system
 - Electrical system
 - Water system
 - HVAC system
 - Site lighting and pylon sign systems
 - -

 - Façade- Landlord shall replace the existing building façade and improve to the Tenant's standard which includes increasing the façade's height. Tenant to approve final façade improvement design and elevations which are to be included in the lease. City approval of 50' "house" is a contingency of deal. LL is responsible for refacing/cleaning up the façade and doing all work outside of Tenant's "house" which Tenant shall construct. LL's work will include removing windows, canopies, etc to match Tenant's proposed elevation.

•
Right in Right Out – LL shall entitle and install a right in – right out to the premise from Rand Road. City approval of right in/right out will not be a contingency of deal.

- Pylon Signage – LL shall entitle and install a free standing pylong sign fronting Rand Road for Tenant's exclusive use. City approval of signage is a contingency of deal.



At Home Project Timeline

Project Start: 4/1/2022

Grand Opening: 11/11/2022

| Project | Description | Start | Finish |
|------------------------------------|--------------------------|----------|----------|
| Building | | | |
| Façade Modifications | | | |
| | Design Commission Review | 4/12/22 | 4/12/22 |
| | Submit Plans for Permit | 4/13/22 | 5/13/22 |
| | Construction Duration | 5/16/22 | 8/5/22 |
| Separate Utilities | | | |
| | Submit Plans for Permit | 4/13/22 | 5/13/22 |
| | Construction Duration | 5/16/22 | 6/10/22 |
| HVAC Replacement | | | |
| | Submit Plans for Permit | 4/13/22 | 5/13/22 |
| | Construction Duration | 6/20/22 | 7/1/22 |
| Roof Replacement | | | |
| | Submit Plans for Permit | 4/13/22 | 5/13/22 |
| | Construction Duration | 7/11/22 | 7/22/22 |
| Tenant | | | |
| Build-Out | | | |
| | Submit Plans for Permit | 4/13/22 | 5/13/22 |
| | Construction Duration | 5/16/22 | 10/14/22 |
| Fixturing | | | |
| | Submit Plans for Permit | 4/13/22 | 5/13/22 |
| | Construction Duration | 10/17/22 | 11/4/22 |
| Site/Civil | | | |
| Monument Signage | | | |
| | Design Commission Review | 4/12/22 | 4/12/22 |
| | Submit Plans for Permit | 4/13/22 | 5/13/22 |
| | Construction Duration | 8/1/22 | 8/5/22 |
| Curb Rework and Parking Lot | | | |
| | Design Commission Review | 4/12/22 | 4/12/22 |
| | Submit Plans for Permit | 4/13/22 | 5/13/22 |
| | Construction Duration | 7/25/22 | 8/12/22 |
| Right-In/Right-Out | | | |
| | Submit Plans for Permit | 6/1/22 | 6/15/22 |
| | Construction Duration | 7/18/22 | 8/12/22 |

AT HOME PROJECT TIMELINE

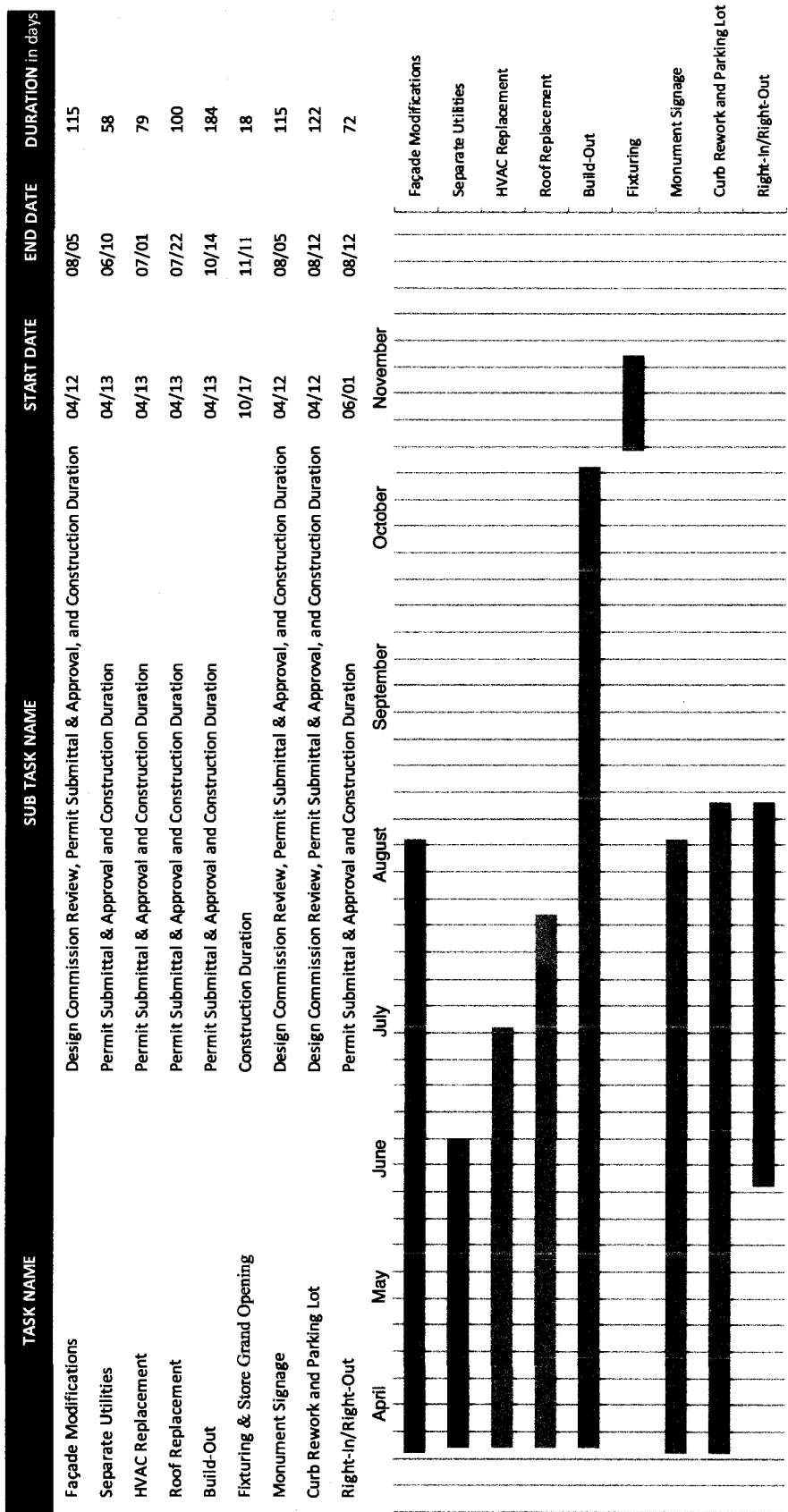


EXHIBIT H

CERTIFICATE OF EXPENDITURE

To: Village of Arlington Heights
33 S. Arlington Heights Rd.
Arlington Heights, IL 60005
Attention: Village Manager

From: RPS Arlington, LLC ("**Developer**")

Subject: Redevelopment Agreement dated _____, 2022, by and between the Village of Arlington Heights and RPS Arlington, LLC ("**Redevelopment Agreement**")

Date: _____

This is a Certification Request, submitted pursuant to Section 8.C of the Redevelopment Agreement, requesting the Manager to approve this certificate of expenditure for the Redevelopment Project Costs detailed in the attached schedule. The undersigned hereby certifies that:

- i. The Developer actually incurred such Redevelopment Project Costs;
- ii. Such Redevelopment Project Costs are also "redevelopment project costs" as defined in the TIF Act;
- iii. Reimbursement is permitted pursuant to the Redevelopment Agreement, the TIF Act, and the Redevelopment Plan;
- iv. The Developer is not in default or breach of any obligation under the Redevelopment Agreement which constitutes an Event of Default; and
- v. An Anchor Tenant has commenced occupancy and operations in the Building, in satisfaction of the Redevelopment Agreement.

Terms capitalized herein have the meanings specified in the Redevelopment Agreement, the terms of which are incorporated herein by reference.

RPS Arlington, LLC

By: _____

Its: _____

ATTACHMENTS TO CERTIFICATION OF EXPENDITURE

- 1. Schedule of Redevelopment Project Costs**
- 2. Bills, contracts, invoices, and other evidence that Developer has incurred and paid all Redevelopment Project Costs**
- 3. Sworn statements and lien waivers**
- 4. Proof of Anchor Tenant occupancy and commencement of operations.**

EXHIBIT I

TRANSFEEE ASSUMPTION AGREEMENT

THIS AGREEMENT is made as of this _____ day of _____, 202_, between the **VILLAGE OF ARLINGTON HEIGHTS**, an Illinois municipal corporation ("**Village**"), and **RPS ARLINGTON, LLC**, a Florida limited liability company ("**Developer**"), and _____ ("**Transferee**").

WITNESSETH:

WHEREAS, pursuant to that certain real estate sale contract dated _____, 20__, the Transferee agreed to purchase from Developer certain real property situated in Lake County, Illinois and legally described in **Exhibit 1** attached to and, by this reference, made a part of this Agreement ("**Property**"); and

WHEREAS, following the conveyance of the Property by Developer, the Transferee will be the legal owner of the Property; and

WHEREAS, as a condition to the conveyance of the Property by Developer, the Village and Developer require that the Transferee agree to comply with all the terms, requirements, and obligations set forth in that certain Development Agreement, dated as of _____, 202_, and recorded in the office of the Lake County Recorder on _____, 202_, as Document No. _____, by and between the Village and Developer ("**Development Agreement**");

NOW, THEREFORE, in consideration of the agreement of Developer to convey the Property to the Transferee, and of the Village to accept the transfer of obligations as provided herein and to grant the releases granted herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by, between, and among the Village, Developer, and the Transferee as follows:

1. **Recitals**. The foregoing recitals are by this reference incorporated herein and made a part hereof as substantive provisions of this Agreement.

2. **Assumption of Obligations**. The Transferee, on its behalf and on behalf of its successors, assigns, heirs, executors, and administrators, hereby agrees, at its sole cost and expense, to comply with all of the terms, requirements, and obligations of the Development Agreement, including all exhibits and attachments thereto, regardless of whether such terms, requirements, and obligations are to be performed and provided by, or are imposed upon, Developer of the Property.

3. **Payment of Village Fees and Costs**. In addition to any other costs, payments, fees, charges, contributions, or dedications required by this Agreement, the Development Agreement or by applicable Village codes, ordinances, resolutions, rules, or regulations, the Transferee must pay to the Village, immediately upon presentation of a written demand or demands therefor, all legal, engineering, and other consulting or administrative fees, costs, and expenses incurred in connection with the negotiation, preparation, consideration, and review of this Agreement.

4. **Acknowledgment and Release of Developer.** The Village hereby acknowledges its agreement to the Transferee's assumption of the obligation to comply with the terms, requirements, and obligations of the Development Agreement, including all exhibits and attachments thereto, and the Village hereby releases Developer from any personal liability for failure to comply with the terms, requirements, and obligations of the Development Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

ATTEST:

VILLAGE OF ARLINGTON HEIGHTS,
an Illinois municipal corporation

Village Clerk

By: _____
Its: Village Manager

ATTEST:

RPS ARLINGTON, LLC,
a Florida limited liability company

By: _____

By: _____

Its: _____

Its: _____

ATTEST:

[TRANSFEREE]

By: _____

By: _____

Its: _____

Its: _____

Return to:
Village of Arlington Heights
Legal Department
33 S Arlington Heights Rd.
Arlington Heights, IL 60005

THIS SPACE FOR CLERK'S USE ONLY

**AN ORDINANCE APPROVING A TAX INCREMENT FINANCING
REDEVELOPMENT AGREEMENT BY AND BETWEEN
THE VILLAGE OF ARLINGTON HEIGHTS AND
MJR/SOUTHPOINT REAL ESTATE HOLDING COMPANY, LLC**

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE
VILLAGE OF ARLINGTON HEIGHTS:

SECTION ONE: That a Tax Increment Financing Redevelopment Agreement between MJR/Southpoint Real Estate Holding Company, LLC, developer of property within the Southpoint Shopping Center located at 600 East Rand Road, Arlington Heights, Illinois, and the Village of Arlington Heights, a true and correct copy of which is attached hereto, be and the same is hereby approved.

SECTION TWO: The Village Manager and Village Clerk are hereby authorized and directed to execute said Agreement on behalf of the Village of Arlington Heights.

SECTION THREE: This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law and shall be recorded by the Village Clerk in the Office of the Cook County Clerk.

AYES: BERTUCCI, GRASSE, SCHWINGBECK, TINAGLIA, CANTY, LABEDZ

NAYS: NONE

PASSED AND APPROVED this 6th day of September, 2022.

Rob. P. Labedz
Village President Pro-Tem

ATTEST:

Rebecca Hume
Village Clerk

AGRRES:TIF #5 Redevelopment Agreement MJR-Southpoint

2022-051

THIS DOCUMENT
PREPARED BY AND AFTER
RECORDING RETURN TO:

Hart M. Passman, Esq.
Elrod Friedman LLP
325 North LaSalle St.
Suite 450
Chicago, IL 60654

This Space for Recorder's Use Only

TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE VILLAGE OF ARLINGTON HEIGHTS

AND

MJR/SOUTHPOINT REAL ESTATE HOLDING COMPANY, LLC

(600 EAST RAND ROAD – SOUTHPOINT SHOPPING CENTER)

DATED AS OF September 6, 2022

**VILLAGE OF ARLINGTON HEIGHTS
TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT
(600 EAST RAND ROAD – SOUTHPOINT SHOPPING CENTER)**

THIS REDEVELOPMENT AGREEMENT (“*Agreement*”) is made and entered into this 6 day of September 2022, by and between the **VILLAGE OF ARLINGTON HEIGHTS**, an Illinois home rule municipal corporation (“*Village*”), and **MJR/SOUTHPOINT REAL ESTATE HOLDING COMPANY, LLC**, an Illinois limited liability company (“*Developer*”) (the Village and the Developer are, collectively, the “*Parties*”).

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in this Agreement, and pursuant to the Village’s home rule powers, the Village and the Developer hereby agree as follows:

SECTION 1. RECITALS.¹

A. Pursuant to the TIF Act, the Village has undertaken a program to redevelop certain property within a designated portion of the Village, known as the Palatine and Rand Roads Redevelopment Project Area (“*Redevelopment Project Area*”).

B. The Redevelopment Project Area encompasses a retail shopping mall commonly known as the Southpoint Shopping Center.

C. On February 7, 2005, the Corporate Authorities of the Village, after giving all notices and conducting all public hearings required by the TIF Act, adopted the following ordinances: (1) Ordinance No. 05-007, approving a Tax Increment Redevelopment Plan and Project for the Redevelopment Project Area, (2) Ordinance No. 05-008, designating the Redevelopment Project Area pursuant to the TIF Act, and (3) Ordinance No. 05-009, adopting Tax Increment Allocation Financing for the Redevelopment Project Area.

D. The Developer is the owner of the Property, which is located within the Southpoint Shopping Center, and within the Redevelopment Project Area.

E. The Property is improved with off-street parking facilities.

F. The Developer intends to construct two buildings on the Property, to be used for restaurant and retail uses (collectively, the “*Buildings*”).

G. In connection with the Developer’s undertaking of the Project within the Redevelopment Project Area, the Developer intends to enlarge a detention basin to serve the Property (“*Detention Basin*”), the costs of which are eligible for reimbursement pursuant to the TIF Act.

¹ All capitalized words and phrases throughout this Agreement have the meanings set forth in the preamble above and in Section 2 and the other provisions of this Agreement. If a word or phrase is not specifically defined in this Agreement, it has the meaning ascribed to it in the Zoning Code (as defined in Section 2 of this Agreement).

H. The Developer would not undertake the Project but for the benefit of certain tax increment financing to be provided by the Village in accordance with the terms set forth in this Agreement.

I. In order to serve the needs of the Village, produce increased tax revenues for the various taxing districts authorized to levy taxes on the Property, and stimulate and induce the redevelopment of the Southpoint Shopping Center, the Village has agreed to reimburse the Developer for one-half of the costs incurred in connection with the enlargement of the Detention Basin through property tax increment revenues, all in accordance with the terms and provisions of the TIF Act and this Agreement.

J. The Corporate Authorities of the Village, after due and careful consideration, have concluded that the redevelopment of the Property as provided for in this Agreement will further the growth of the Village, facilitate a portion of the redevelopment of the Redevelopment Project Area, improve the environment of the Village, increase the assessed valuation of the real estate situated within the Village, foster increased economic activity within the Village, increase employment opportunities within the Village, upgrade public infrastructure within a portion of the Redevelopment Project Area, and otherwise be in the best interests of the Village by furthering the health, safety, morals and welfare of its residents and taxpayers.

SECTION 2. DEFINITIONS; RULES OF CONSTRUCTION.

A. **Definitions.** Whenever used in this Agreement, the following terms have the following meanings unless a different meaning is required by the context:

“Anchor Lease”: A lease agreement with an Anchor Tenant pursuant to the requirements described in Section 3.C of this Agreement.

“Anchor Tenants”: Each of: (1) Chipotle, or a comparable replacement food service tenant of comparable quality and credit rating, with comparable anticipated annual sales tax receipts, as determined and approved in advance and in writing by the Village Manager; and (2) AT&T, or a comparable replacement retail tenant of comparable quality and credit rating, with comparable anticipated annual sales tax receipts, as determined and approved in advance and in writing by the Village Manager.

“Certificate of Expenditure”: Defined in Section 7.C.1 of this Agreement.

“Corporate Authorities”: The President and Board of Trustees of the Village.

“Developer”: MJR/Southpoint Real Estate Holding Company, LLC, an Illinois limited liability company.

“Effective Date”: The date set forth in the first sentence on Page 1 of this Agreement.

“Exterior Perspectives Plan”: That certain Exterior Perspectives Plan prepared by Soos & Associates, Inc., consisting of one sheet, with a latest revision date of June 14, 2022, a copy of which is attached to this Agreement as **Exhibit B-2**.

“Events of Default”: Defined in Section 13 of this Agreement.

“Evidence of Lease Date”: The date on which the Village Clerk receives evidence deemed satisfactory in the sole discretion of the Village, that the Developer has entered into the Anchor Lease with an Anchor Tenant.

“Fund”: The special tax allocation fund established for the TIF District in accordance with the TIF Act and the TIF Approval Ordinances.

“Improvements”: The improvements to be made in connection with the development of the Property pursuant to the Project, as provided in Section 4 of this Agreement, including, without limitation, the improvements identified in the Project Development Plans.

“Incremental Property Taxes”: The ad valorem taxes, if any, arising from the taxes levied upon the Redevelopment Project Area, which taxes are attributable to the increases in the then current equalized assessed value of each taxable lot, block, tract, or parcel in the Property over and above the total initial equalized assessed value of each such lot, block, tract, or parcel of real property, all as determined by the County Clerk of Cook County, Illinois, pursuant to and in accordance with the TIF Act, the TIF Approval Ordinances, and this Agreement.

“Person”: Any corporation, partnership, individual, joint venture, trust, estate, association, business, enterprise, proprietorship, or other legal entity of any kind, either public or private, and any legal successor, agent, representative, or authorized assign of the above.

“Property”: That certain tract of land, consisting of approximately 1.23 acres, commonly known as 600 East Rand Road, and legally described in **Exhibit A** attached to this Agreement.

“Project Commencement Date”: Defined in Section 5.B.1 of this Agreement.

“Project Completion Date”: Defined in Section 5.B.3 of this Agreement.

“Project Development Plans”: Collectively, those plans and specifications for the Project attached to this Agreement as **Group Exhibit B**.

“Public Improvements”: Those Improvements that will be dedicated to, and accepted by, the Village.

“Redevelopment Plan”: The redevelopment plan and project for the TIF District adopted pursuant to Village Ordinance No. 05-007.

“Redevelopment Project Costs”: All qualifying redevelopment project costs that are: (i) authorized and defined by the TIF Act (65 ILCS 5/11-74.4-3(q)) and included within the Redevelopment Plan; and (ii) incurred by the Developer to construct the Project.

“Requirements of Law”: All applicable federal, state, and Village laws, statutes, codes, ordinances, resolutions, rules and regulations, as well as judicial decisions and orders binding on the Parties or the Project.

“Site Plan”: That certain Site Plan prepared by Soos & Associates, Inc., consisting of one sheet, with a latest revision date of June 14, 2022, a copy of which is attached to this Agreement as **Exhibit B-1**.

“Site Restoration”: Site restoration and modification activities to establish a park-like setting suitable for passive outdoor recreational activities, including without limitation, demolition of partially constructed improvements and structures, regrading, erosion control, and installation of sod or seeding.

“Structure”: Defined in Section 28-3 of the Zoning Code.

“TIF”: Tax increment financing, as further defined and described in the TIF Act.

“TIF Act”: The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*

“TIF Approval Ordinances”: Village Ordinance No. 05-007, Ordinance No. 05-008, and Ordinance No. 05-009.

“TIF District”: The Palatine and Rand Roads Redevelopment Project Area, designated by the Corporate Authorities pursuant to Village Ordinance No. 05-008.

“TIF-Eligible Costs”: Redevelopment Costs that are eligible for reimbursement by the Village pursuant to this Agreement and the TIF Act, as further described in **Exhibit C** attached to this Agreement.

“Total Project Budget”: Exhibit D to this Agreement.

“Transferee Assumption Agreement”: Defined in Section 10.B.4 of this Agreement.

“Uncontrollable Circumstance”: Any of the following events and circumstances that are unforeseen and materially change the costs or ability of the Developer to carry out their obligations under this Agreement:

1. A change in the Requirements of Law;
2. Insurrection, riot, civil disturbance, sabotage, act of public enemy, explosion, nuclear incident, war, or naval blockade;
3. Epidemic, hurricane, tornado, landslide, earthquake, lightning, fire, windstorm, other extraordinary weather condition, or other similar act of God;
4. Governmental condemnation or taking; or
5. Strikes or labor disputes, other than those caused by the unlawful acts of the Developer, its partners, or affiliated entities.

Uncontrollable Circumstance does not include economic hardship, impracticability of performance, commercial, economic, or market conditions, a failure of performance by a contractor (except as caused by events which are Uncontrollable Circumstances as to the contractor), or any pandemic, epidemic, war, or labor dispute existing on the Effective Date of this Agreement.

“Village Attorney”: The duly appointed Village Attorney of the Village.

“Village Clerk”: The duly appointed Village Clerk of the Village.

“Village Code”: The Municipal Code of Arlington Heights, Illinois, 1995, as amended.

“Village Contribution”: Defined in Section 7.B.1 of this Agreement.

“Village Manager”: The duly appointed Village Manager of the Village or his or her designee, as appointed by the Village Manager.

“Zoning Code”: The 2002 Comprehensive Amendment of the Zoning Ordinance of the Village of Arlington Heights, as amended.

B. Rules of Construction.

1. Grammatical Usage and Construction. In construing this Agreement, pronouns include all genders, and the plural includes the singular and vice versa.

2. Headings. The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

3. Calendar Days. Unless otherwise provided in this Agreement, any reference in this Agreement to “day” or “days” means calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

SECTION 3. DEVELOPMENT, USE, OPERATION AND MAINTENANCE OF THE PROPERTY.

Notwithstanding any use or development right that may be applicable or available pursuant to the provisions of the Village Code or the Zoning Code or any other rights the Developer may have, the Property must be developed, used, operated, and maintained only pursuant to, and in accordance with, the terms and provisions of this Agreement and its exhibits, including, without limitation, the following development conditions:

A. Standard Conditions.

1. The development, use, operation and maintenance of the Property must comply with all applicable Village codes and ordinances, as the same have been or may be amended from time to time, except to the extent specifically and explicitly provided otherwise in this Agreement.

2. The development, use, operation and maintenance of the Property must comply with the Project Development Plans, except for minor alterations due to final engineering and site work as may be approved by the Village Director of Planning & Community Development,

the Village Engineer, or the Village Director of Public Works (for matters within their respective permitted authorities) in accordance with all applicable Village standards.

B. Construction of Structures and Buildings. The Buildings and all Structures must be constructed and located on the Property as depicted in the Project Development Plans.

C. Anchor Tenant Leases & Uses. The Developer must enter into Anchor Leases with each Anchor Tenant for not less than 4,535 cumulative square feet of the Buildings. The Developer must provide a complete copy of the executed Anchor Leases prior to reimbursement by the Village of any Redevelopment Project Costs.

D. Maintenance. The Developer is responsible for the continuity, care, conservation, maintenance, and operation of the Property, in a condition that is consistent with other comparable commercial properties and is in compliance with all local codes and regulations, and all landscaping, equipment, appurtenances and stormwater detention facilities located on or within the Property and the cost of power required for such equipment and appurtenances. The Developer and any co-owners of the Property must regularly and systematically perform the maintenance, repair, and replacement of any and all parts or portions of the Property necessary to permit the Property to function as designed.

E. Parking and Loading. The Developer must provide all off-street parking and loading spaces on the Property as required by the Zoning Code.

F. Cooperation with Adjoining Property Owners. The Developer must cooperate in good faith with the Village and with the owners of other real property within the Redevelopment Project Area concerning, and will not unreasonably object or prohibit, future improvements to the Redevelopment Project Area.

G. General Use and Development Restrictions. The development and use of the Property except for minor alterations due to final engineering and site work approved by the Village Director of Planning & Community Development or the Village Director of Public Works, as appropriate, must comply, and be in accordance, with the following (upon their respective approval, adoption, and effective date):

1. This Agreement;
2. The TIF Approval Ordinances;
3. The Project Development Plans, and all individual plans and documents of which they are comprised;
4. The Zoning Code; and
5. The Requirements of Law.

Unless otherwise provided in this Agreement, either specifically or in context, in the event of a conflict between or among any of the plans or documents listed as or within items 1 through 5 of this Section 3.G, the plan or document that provides the greatest control and protection for the Village, as determined by the Village Manager, will control. All of the above plans and documents

will be interpreted so that the duties and requirements imposed by any one of them are cumulative among all of them, unless otherwise provided in this Agreement either specifically or in context.

SECTION 4. IMPROVEMENTS.

A. Description of Improvements. The Developer must, at its sole cost and expense, construct and install all of the Improvements depicted on the Project Development Plans, including, without

1. Construction of both Buildings;
2. Enlargement of the Detention Basin; and
3. Any other Improvements identified in the Project Development Plans.

B. Design and Construction of the Improvements.

1. General Standards. All Improvements must be designed and constructed pursuant to and in accordance with the Project Development Plans, and will be subject to the reasonable written satisfaction of the Village Director of Building & Life Safety in accordance with the Village Code. All work performed on the Improvements must be conducted in a good and workmanlike manner, with due dispatch, and within any deadlines provided in this Agreement or in the permits issued by the Village for construction of the Improvements. All materials used for construction of the Improvements must be new and of first-rate quality.

2. Contract Terms; Prosecution of the Work. The Developer must include in every contract for work on the Improvements terms requiring the contractor to prosecute the work diligently and continuously, in full compliance with, and as required by or pursuant to, this Agreement, the Project Development Plans, and the Requirements of Law, until the work is properly completed, and providing that the Developer may take over and prosecute the work if the contractor fails to do so in a timely and proper manner.

3. Engineering Services. The Developer must provide, at its sole cost and expense, all engineering services for the design and construction of the Improvements, by a professional engineer responsible for overseeing the construction of the Improvements. The Developer must promptly provide the Village with the name of a local owner's representative and a telephone number or numbers at which the owner's representative can be reached at all times.

4. Village Inspections and Approvals. All work on the Improvements is subject to inspection and approval by Village representatives at all times.

5. Other Approvals. Where the construction and installation of any Improvement requires the consent, permission, or approval of any public agency or private party, the Developer must promptly file all applications, enter into all agreements, post all security, pay all fees and costs, and otherwise take all steps that may be required to obtain the consent, permission, or approval.

C. Connection of Utilities.

1. **Burial of Utilities.** The Developer must, at its sole cost and expense, cause to be buried all existing or new utility lines necessary for the Buildings. The Developer must cooperate with all utility companies and owners of neighboring properties as may be necessary to ensure that the burial of utilities required pursuant to this Section 4.C.1 does not disrupt utility service to neighboring properties.

2. **Compliance with Village Code.** No utilities located on the Property may be connected to utilities or utility infrastructure belonging to the Village except in accordance with the applicable provisions of the Village Code, and upon payment of any connection fees required pursuant to the Village Code.

D. Completion of the Improvements. The Village has the right, but not the obligation, to refuse to issue a final certificate of occupancy for any Building or Structure located on the Property until the Improvements are completed by the Developer and approved by the Village. The foregoing does not preclude the Village's issuance of conditional certificates of occupancy pursuant to Section 5.C.2 of this Agreement and the applicable provisions of the Village Code. The issuance of any building permit or certificate of occupancy by the Village at any time prior to completion of all of the Improvements by the Developer and approval of the Improvements by the Village will not confer on the Developer any right or entitlement to any other building permit or certificate of occupancy.

E. Dedication and Maintenance of the Improvements.

1. **Final Inspection and Approval of the Improvements.** The Developer must notify the Village when it believes that any or all of the Improvements have been fully and properly completed and must request final inspection and approval of the Improvement or Improvements by the Village. The notice and request must be given far enough in advance to allow the Village time to inspect the Improvements and to prepare a punch list of items requiring repair or correction and to allow the Developer time to make all required repairs and corrections prior to the scheduled completion date (as may be established pursuant to this Agreement or in the permits issued by the Village for completion of the Improvements). The Developer must promptly make all necessary repairs and corrections as specified on the punch list. The Village is not required to approve any portion of the Improvements until: (a) all of the Improvements as may be required pursuant to Section 4.A of this Agreement, including all punch list items, have been fully and properly completed; and (b) the Village Director of Building & Life Safety has determined that the specific Improvement has been constructed to completion, in accordance with the Project Development Plans and the Requirements of Law.

2. **Dedication and Acceptance of Public Improvements.** Neither the execution of this Agreement nor the approval or recordation of any final plat of subdivision for the Property constitutes acceptance by the Village of any Improvements that are depicted as "dedicated" in the Project Development Plans, if any. The acceptance of ownership of, and responsibility for, a specific approved Improvement as a Public Improvement may be made only by the Corporate Authorities, and only in compliance with the requirements of the Village Code.

SECTION 5. DEMOLITION AND CONSTRUCTION.

A. Single Phase of Construction. The construction of the Improvements and the development of the Property must take place in one continuous phase, subject to seasonal conditions, and in accordance with Section 5.B of this Agreement.

B. Construction Schedule. The Developer must pursue, or cause to be pursued, all required development, demolition, construction, and installation of the Structures, Buildings, and Improvements on the Property in a diligent and expeditious manner, in strict compliance with the Village Code and the Requirements of Law, and in accordance with the project timeline attached to this Agreement as **Exhibit E** and the following:

1. Commencement of Developer Improvements. The Developer must commence construction of the Improvements, if at all, no later than September 7, 2022 ("**Project Commencement Date**").

2. Commencement of Tenant Improvements. The Developer must commence construction of all Improvements described in the Anchor Leases on or before January 1, 2023.

3. Completion Date. All construction of the Project must be completed, and the Anchor Tenants must commence occupancy of the Buildings and open to the public for their customary businesses, on or before May 1, 2023 ("**Project Completion Date**"). If construction of the Project is not completed, and the Buildings not open to the public for their customary businesses, on or before the Project Completion Date, the Developer will not be entitled to reimbursement of any Redevelopment Project Costs, the Village will not pay any portion of the Village Contribution to the Developer, and the Village will have the right to terminate this Agreement upon providing written notice to the Developer.

4. The Village Director of Community Development may, for good cause, extend the deadlines set forth in this Section 5.B for a total of six months.

C. Issuance of Permits and Certificates.

1. General Right to Withhold Permits and Certificates. In addition to every other remedy permitted by law for the enforcement of this Agreement, the Village has the absolute right to withhold the issuance of any building permit or certificate of occupancy for the Property at any time when the Developer has failed or refused to meet fully any of its obligations under, or is in violation of, or is not in full compliance with, the terms of this Agreement; provided, however, the Village must promptly provide a detailed written explanation for such withholding.

2. Conditional Certificate of Occupancy. A conditional certificate of occupancy associated with the Building or Structure to be located on the Property will not be issued until the grading of the street parkways across the frontage of the Building or subject Structure, final grading and installation of top soil, seeding/sod, landscaping on the subject structure have been completed, and sidewalks across the frontage of the Building or subject Structure and street lights and surface course of all street pavement throughout the Property have been installed, subject to seasonal conditions.

D. Removal and Restoration.

1. Removal of Partially Constructed Structures and Improvements. Subject to Uncontrollable Circumstance, if the Developer fails to diligently pursue all demolition and construction as required in, or permitted by, Sections 3, 4, and 5 of this Agreement to completion within the time period prescribed in the building permit or permits issued by the Village for such demolition and construction, as the case may be, and if a perfected application to renew the building permit or permits is not filed within 30 days after the expiration of the permit or permits, the Developer must, within 60 days after notice from the Village: (a) remove any partially constructed or partially completed Structures or Improvements from the Property; and (b) perform Site Restoration on that portion of the Property in which the Developer has failed to complete all such demolition and construction, all in accordance with plans approved by the Village.

2. Removal and Restoration by Village. In the event the Developer fail or refuses to remove any partially completed Structures or Improvements, or to perform Site Restoration, as required pursuant to Section 5.D of this Agreement, the Village will have, and is hereby granted, the right, at its option, to: (a) demolish and/or remove any of the partially completed Structures and Improvements from any and all portions of the Property; (b) perform Site Restoration; and/or (c) cause the Buildings, Structures, or Improvements to be completed in accordance with the plans submitted. The Developer will fully reimburse the Village for all costs and expenses, including legal and administrative costs, incurred by the Village for such work. If the Developer does not so fully reimburse the Village, then the Village will have the right to place a lien on the Property for all such costs and expenses in the manner provided by law. The rights and remedies provided in this Section 5.D.2 are in addition to, and not in limitation of, the Village's rights and remedies otherwise available in this Agreement, at law, and/or in equity.

E. As-Built Plans. After completion of construction of any Structure or Improvement, the Developer must submit to the Village Director of Building & Life Safety final "as-built" plans: (1) related to drainage, grading, storm sewer, sanitary sewer and water mains, and associated Structures; and (2) for other final construction documents (in paper and, for Improvements, electronic format) as reasonably required and approved by the Village Director of Public Works and Director of Planning and Community Development. The as-built plans must indicate, without limitation, the amount, in square feet, of impervious surface area on the Property.

F. Damage to Public Property. The Developer must maintain the Property and all streets, sidewalks, and other public property in and adjacent to the Property in a good and clean condition at all times during the development of the Property and construction of the Improvements. Further, the Developer must: (1) promptly clean all mud, dirt, or debris deposited on any street, sidewalk, or other public property in or adjacent to the Property by the Developer or any agent of or contractor hired by, or on behalf of, the Developer; and (2) repair any damage that may be caused by the TIF Activities of the Developer or any agent of or contractor hired by, or on behalf of, the Developer.

SECTION 6. PAYMENT OF VILLAGE FEES AND COSTS.

A. Negotiation and Review Fees. In addition to all other costs, payments, fees, charges, contributions, or dedications required by this Agreement or by the Requirements of Law, the Developer must pay to the Village, contemporaneous with the execution of this Agreement by

the Village Manager, all third-party legal, engineering, and other consulting or administrative fees, costs, and expenses incurred or accrued in connection with the development of the Property, including, without limitation, the review and processing of plans and building permits therefor. The Developer acknowledges and agrees that it will continue to be liable for and pay, promptly after presentation of a written demand or demands for payment, such third-party fees, costs, and expenses incurred in connection with any applications, documents, proposals, or requests for interpretations or amendments of this Agreement, whether formal or informal, of whatever kind, submitted by the Developer during the term of this Agreement in connection with the use and development of the Property. Further, the Developer acknowledges and agrees that it is liable for and will pay after demand all fees, costs, and expenses incurred by the Village for publication and recordings required in connection with the above matters.

B. Other Village Fees. In addition to all other costs, payments, fees, charges, contributions, or dedications required by this Agreement, the Developer must pay to the Village all application, inspection, and permit fees, all water and sewer general and special connection fees, tap-on fees, charges, and contributions, and all other fees, charges, and contributions pursuant to the Requirements of Law.

SECTION 7. TIF FINANCING.

A. Project Financing.

1. The Parties agree that the estimated cost of the Project is approximately \$5,591,691.00, which includes the costs of the Developer, and the construction and tenant improvement allowance related to the Anchor Lease, as set forth in the Total Project Budget attached to this Agreement as Exhibit D.

2. The Developer must advance and secure funds, or must cause other parties to advance and secure funds necessary to complete the Project.

B. Reimbursement for Project Costs.

1. The Parties acknowledge that the Developer will pay, or has paid, for some or all of the Redevelopment Project Costs of the Project. To partially subsidize the costs of the Project, the Village will pay the Developer one-half of the costs of enlargement of the Detention Basin, but only up to a maximum of \$170,000.00 ("*Village Contribution*"), as reimbursement for Redevelopment Project Costs incurred by the Developer which qualify as TIF-Eligible Costs, subject to the limitations set forth in Section 7.C of this Agreement.

2. In the Village's sole discretion, the Village Contribution may be paid from the Incremental Property Taxes deposited into the Fund and permitted by law to be used to make payments under the TIF Act.

3. Any funds contained in the Fund in excess of the Village Contribution may be used by the Village for any lawful purpose permitted under the TIF Act.

C. Certification and Reimbursement of TIF-Eligible Costs.

1. Certificates of Expenditure. In order to obtain reimbursement of Redevelopment Project Costs, the Developer must submit to the Village written requests for certification of such Redevelopment Project Costs in the form attached as **Exhibit F** to this Agreement ("**Certificate of Expenditure**"). Each Certificate of Expenditure must be accompanied by: (i) evidence that the Developer has actually incurred and paid all Redevelopment Project Costs for which such Developer seeks reimbursement; (ii) proof of issuance of all building permits required for the Project; (iii) proof that the Anchor Tenants commenced occupancy and operations in the Buildings in satisfaction of this Agreement; and (iv) sworn statements and lien waivers from the Developer's general contractor for any material, fixtures, apparatus, machinery, services, or labor provided by any contractor, subcontractor, or other person or entity entitled to file a lien under the Mechanics Lien Act, 770 ILCS 60/1, included in the Redevelopment Project Costs for which reimbursement is sought. If the Developer does not fulfill its obligations as set forth in this Section 7.C.1, the Village will have no obligation to certify or reimburse the Developer for Redevelopment Project Costs.

2. Requirements of Reimbursement. Notwithstanding any other provision of this Agreement, the Developer will be entitled to be reimbursed from Incremental Property Taxes for Redevelopment Project Costs only if: (i) the Developer actually incurs such TIF-Eligible Costs; (ii) the Redevelopment Project Costs are also "Redevelopment Project Costs" as defined in the TIF Act; (iii) reimbursement is permitted pursuant to this Agreement, the Redevelopment Plan, and the TIF Act; and (iv) the Developer is not in default or breach of any obligation under this Agreement.

3. Review of Certificate of Expenditures. The Village Director of Community Development will determine if Redevelopment Project Costs described in a Certificate of Expenditure constitute TIF-Eligible Costs meeting the requirement of this Section 7.C, and approve or disapprove of each Certificate of Expenditure. If the Director of Community Development finds an error or deficiency in the Certificate of Expenditure, the Director of Community Development will give written notice to the Developer, identifying such error or deficiency in reasonable detail, within 30 days after the date that the Village receives the Certificate of Expenditure. The process of submission, identification or errors or deficiencies and resubmission will continue in good faith until the Parties agree on the content of the Certificate of Expenditure.

4. Timing of Reimbursement. The Village will pay to the Developer reimbursement funds for TIF-Eligible Costs up to the Village Contribution on the 45th day following the last to occur of: (i) completion of all Improvements; (ii) satisfactory inspection and approval of the Improvements by the Village; (iii) issuance of a temporary or final certificate of occupancy for the Property, whichever is first issued; (iv) submittal by the Developer and approval by the Village of a Certificate of Expenditure for the TIF-Eligible Costs incurred by the Developer; and (v) occupancy and commencement of operations by the Anchor Tenants, all together with documentation required under Section 7.C.1 of this Agreement, subject to any period for resubmission or correction of a Certificate of Expenditure pursuant to Section 7.C.3 of this Agreement.

D. Commitment to Fair Employment Practices and Affirmative Action; Prevailing Wage. The Village and the Developer must comply with the requirements pertaining to fair employment practices and affirmative action described in Section VII.B of the

Redevelopment Plan and the Illinois Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*), as they may be applicable.

E. Commitment to Preserve Village Contribution. The Village agrees, so long as the Developer is not in breach of this Agreement, that the Village will not revoke, rescind, repeal, or amend the Redevelopment Plan or the TIF Approval Ordinances, unless it has first deposited into an escrow account the then-remaining balance of the Village Contribution that has not yet been paid to the Developer, pursuant to an escrow agreement to be negotiated in good faith and executed by the Village and the Developer. In the event that an escrow account is established pursuant to this Section 7.E, all subsequent payments to the Developer pursuant to this Agreement will be paid from the escrow account and not from any other Village source.

SECTION 8. LIABILITY AND INDEMNITY OF VILLAGE.

A. Village Review. The Developer acknowledges and agrees that the Village is not, and will not be, in any way liable for any damages or injuries that may be sustained as the result of the Village's review and approval of any plans for the Property or the Project, or the issuance of any approvals, permits, certificates, or acceptances, for the development or use of the Property or the Project, and that the Village's review and approval of any such plans and the Project and issuance of any such approvals, permits, certificates, or acceptances does not, and will not, in any way, be deemed to insure the Developer, or any of their respective heirs, successors, assigns, tenants, and licensees, or any third party, against damage or injury of any kind at any time.

B. Village Procedure. The Developer acknowledges and agrees that all notices, meetings, and hearings have been properly given and held by the Village with respect to the approval of this Agreement, and agrees not to challenge such approvals on the grounds of any procedural infirmity or of any denial of any procedural right.

C. Indemnity. The Developer agrees to, and does hereby, hold harmless and indemnify the Village, the Corporate Authorities and all Village elected or appointed officials, officers, employees, agents, representatives, engineers, and attorneys, from any and all claims that may be asserted at any time against any of such parties in connection with (i) the Village's review and approval of any plans for the Property or the Improvements; (ii) the issuance of any approval, permit, certificate or acceptance for the Property or the Improvements; (iii) the development, construction, maintenance or use of any portion of the Property or the Improvements; and (iv) the Developer's failure to comply with any provisions of this Agreement. Nothing in this Section 8.C is intended to make the Developer responsible for any damages, attorneys' fees or other costs incurred by the Village by reason of any claim that this Agreement or any payments to the Developer under this Agreement, violate the TIF Act.

D. Defense Expense. The Developer must, and does hereby agree to, pay all expenses, including legal fees and administrative expenses, incurred by the Village in defending itself with regard to any and all of the claims covered by Section 8.C of this Agreement.

SECTION 9. REAL ESTATE TAX CHALLENGES.

A. Real Estate Tax Payments. The Developer agrees to timely pay all applicable real estate taxes levied against its interest in the Property, and must not allow said taxes to become delinquent.

B. Conveyance. In recognition of the nature of the Project and the Village's projections of the need for incremental tax revenues to finance Redevelopment Project Costs, in accordance with the TIF Act, for so long as the TIF District is in existence, the Developer may not knowingly undertake to convey or lease any portion of the Property to persons whose ownership and use of such portion of the Property will cause that portion of the Property to be exempt from payment of property taxes, and the Developer will impose a prohibition against granting such conveyance in all leases and/or deeds conveying all or any portion of the Property.

C. Tax Exempt Status. Neither the Developer nor any tenant of any portion of the Property may assert tax-exempt status in a manner that would have an impact on the payment of real estate taxes with respect to their respective portions of the Property.

SECTION 10. NATURE, SURVIVAL AND TRANSFER OF OBLIGATIONS.

A. Binding Effect. All obligations assumed by the Developer under this Agreement are binding upon the Developer personally, upon any and all of their respective successors and assigns (excluding any lessees or tenants of the Property), and upon any and all of the respective successor legal or beneficial owners of all or any portion of the Property.

B. Successors and Transferees. To assure that all grantees, successors, assigns, and successor owners have notice of this Agreement and the obligations created by it, the Developer must, from and after the Effective Date:

1. Deposit with the Village Clerk, concurrent with the Village's approval of this Agreement, any consents or other documents necessary to authorize the Village to record this Agreement in the office of the Cook County Recorder of Deeds;

2. Notify the Village in writing at least 30 days prior to transferring a legal or beneficial interest in any portion of the Property to any party not a party to this Agreement (excluding any lessees or tenants of the Developer);

3. Incorporate, by reference, this Agreement into any and all real estate sales contracts entered into for the transfer of all or any portion of the Property to any party not a party to this Agreement; and

4. Require, prior to the transfer of all or any portion of the Property, or any legal or equitable interest therein, to any party not a party to this Agreement (excluding any lessees or tenants of the Developer), the transferee of the Property or of said portion of or interest in the Property to execute an enforceable written agreement, in substantially the form attached to this Agreement as **Exhibit G**, in which such party agrees to be bound by the provisions of this Agreement ("**Transferee Assumption Agreement**") and to provide the Village, upon request, with such reasonable assurance of the financial ability of such transferee to meet those obligations as

the Village may require. The Village agrees that upon a successor becoming bound to the obligation created in the manner provided in this Agreement and providing the financial assurances required pursuant to this Agreement, the liability of the Developer will be released to the extent of the transferee's assumption of the liability. The failure of the Developer to provide the Village with a copy of a Transferee Assumption Agreement fully executed by the transferee and, if requested by the Village, with the transferee's proposed assurances of financial capability before completing any transfer, will result in the Developer remaining fully liable for all of its obligations under this Agreement but will not relieve the transferee of its liability for all such obligations as a successor to the Developer.

C. Transfer Defined. For purposes of this Agreement, the term "transfer" includes, without limitation, any assignment, sale, transfer to a receiver or to a trustee in bankruptcy, transfer in trust, or other disposition of the Property, or any beneficial interest in the Property, in whole or in part, by voluntary or involuntary sale, foreclosure, merger, sale and leaseback, consolidation, or otherwise.

D. Mortgagees of Property. This Agreement is and will be binding on all mortgagees of the Property or other secured parties automatically upon such mortgagee assuming title to the Property, in whole or in part, by a foreclosure or a deed in lieu of foreclosure without the necessity of entering into a Transferee Assumption Agreement. Until such time, however, a mortgagee or other secured party will have no personal liability hereunder.

SECTION 11. TERM.

A. The provisions of this Agreement run with and bind the Property and inure to the benefit of, be enforceable by, and obligate the Developer, the Village, and any of their respective legal representatives, heirs, grantees, successors, and assigns, from the Effective Date until either: (a) the Developer has been paid all of the Village Contribution due pursuant to Section 7 of this Agreement; or (b) the expiration of the TIF District, whichever is earlier. Notwithstanding anything to the contrary in this Section 11 (to the extent that the time periods referred to in such Sections have not elapsed when this Agreement terminates), the Developer's ongoing maintenance obligations set forth in Section 4.E of this Agreement will survive the termination of this Agreement. In addition, the indemnity and defense obligations set forth in Section 8 of this Agreement will survive the termination of this Agreement. If any of the privileges or rights created by this Agreement would otherwise be unlawful or void for violation of: (i) the rule against perpetuities or some analogous statutory provision; (ii) the rule restricting restraints on alienation; or (iii) any other statutory or common law rules imposing time limits, then the affected privilege or right will continue only until 21 years after the death of the last survivor of the now living lawful descendants of the current President of the United States, or for any shorter period that may be required to sustain the validity of the affected privilege or right.

B. In the event that the Project Completion Date does not occur on or prior to May 1, 2023, the Village shall have the right, in its sole and absolute discretion, to terminate this Agreement and all obligations of this Village under this Agreement by delivery of notice to the Developer.

SECTION 12. DEVELOPER REPRESENTATIONS, COVENANTS, AND WARRANTIES.

A. Developer. The Developer, and the person executing this Agreement on behalf of the Developer, represent, warrant, and covenant, as of the date of this Agreement, that:

1. The Developer is an Illinois limited liability company, duly organized and validly existing;
2. The Developer has the authority to enter into, execute, deliver and perform this Agreement;
3. The execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its organizational documents, as amended and supplemented, any of the applicable Requirements of Law, or constitute a breach of or default under, or require any consent under, any agreement, instrument, or document to which the Developer is now a party or by which the Developer is now or may become bound;
4. There are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened, or affecting the Developer which would impair its ability to perform under this Agreement;
5. The Developer will apply for and will maintain all government permits, certificates, and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct and complete its obligations as required by this Agreement;
6. The Developer has sufficient financial and economic resources to implement and complete its obligations under this Agreement;
7. The Developer has no knowledge of any financial liabilities, contingent or otherwise, of the Developer which might have a material adverse effect upon its ability to perform its obligations under this Agreement;
8. The information provided to the Village by the Developer pursuant to this Agreement is true and correct, and the Developer acknowledges that the Village has entered into this Agreement in reliance on this information and the representation and warranty by the Developer that this information is true and correct; and
9. Prior to the issuance of certificates of occupancy for the Buildings, the Developer may not use the Property as collateral for any other property or project or for anything other than the cost of constructing the Project on the Property. The Developer's loan agreement, if any, must expressly provide that the amount of said loan may not be increased without the consent of the Village, which consent may not be withheld if the debt-to-equity ratio for the proposed increased loan is maintained at the same level as the existing loan at the time the existing loan was initially issued. Nothing in this Section 12.A.9 is to be deemed or interpreted to prevent a parent

entity of the Developer from using the Property for security as a part of any securitized debt offering.

B. Village. The Village represents, warrants and agrees as the basis for the undertakings on its part contained in this Agreement that:

1. The Village is a municipal corporation duly organized and validly existing under the law of the State of Illinois and has all requisite corporate power and authority to enter into this Agreement.

2. The execution, delivery and the performance of this Agreement and the consummation by the Village of the transactions provided for herein and the compliance with the provisions of this Agreement: (1) have been duly authorized by all necessary corporate action on the part of the Village, (2) require no other consents, approvals or authorizations on the part of the Village in connection with the Village's execution and delivery of this Agreement, and (3) will not, by lapse of time, giving of notice or otherwise result in any breach of any term, condition or provision of any indenture, agreement or other instrument to which the Village is subject.

3. To the best of the Village's knowledge, there are no proceedings pending or threatened actions against or affecting the Village or the Property in any court or before any governmental authority that involves the possibility of materially or adversely affecting the ability of the Village to perform its obligations under this Agreement.

SECTION 13. DEFAULT.

A. Events of Default by the Developer. The following are the Developer Events of Default under this Agreement:

1. If any representation made by the Developer in this Agreement, or in any certificate, notice, demand or request made by the Developer in writing and delivered to the Village pursuant to or in connection with this Agreement, proves to be untrue or incorrect in any material respect as of the date made.

2. Subject to an Uncontrollable Circumstance, default by the Developer for a period of 15 days after written notice thereof in the performance or breach of any covenant contained in this Agreement concerning the existence, structure or financial condition of such Developer; provided, however, that such default or breach will not constitute an Event of Default if such default cannot be cured within said 15 days and such Developer, within said 15 days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within 60 days after such notice.

3. Default by the Developer for a period of 15 days after written notice thereof in the performance or breach of any covenant, warranty or obligation contained in this Agreement; provided, however, that such default will not constitute an Event of Default if such default cannot be cured within said 15 days and such Developer, within said 15 days initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within 60 days after such notice.

4. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

5. The commencement by the Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by the Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of the Developer generally to pay such entity's debts as such debts become due or the taking of action by the Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others that is not dismissed within 60 days after filing.

6. Failure of the Developer to have funds to meet such Developer's obligations under this Agreement.

7. Sale, assignment, or transfer of the Property except in accordance with the Transferee Assumption provisions in Section 10 of this Agreement.

8. Change in the organizational status of the Developer except in accordance with the Transferee Assumption provisions in Section 10 of this Agreement.

9. Abandonment of the Project or Property by the Developer. Abandonment will be deemed to have occurred when work stops on the development of the Property for more than 30 days for any reason other than Uncontrollable Circumstances, unless otherwise permitted by this Agreement. The failure of the Developer to secure any other approvals required for the development or construction of the Property will not be a valid defense to abandonment.

10. The Developer fails, for 15 days after written notice, to comply with the Requirements of Law in relation to the construction and maintenance of the Improvements contemplated by this Agreement.

11. The Village acknowledges that nothing in this Agreement obligates the Developer to commence building the Improvements, to open a business on the Property or (if and when a business opens on the Property) to continue to operate a business on the Property. It shall not be an Event of Default if: (i) the Developer fails to obtain building permits for the Improvements; or (ii) the Developer fails to open or operate the Building for business to the public. However, the Developer acknowledges and agrees that the Developer will not be entitled to reimbursement of any Redevelopment Project Costs, the Village will not pay any portion of the Village Contribution to the Developer, and the Village will have the right to terminate this Agreement upon providing written notice to the Developer in the event that any of the following events occurs: (i) construction of the Project is not completed, and the Building is not open to the public for customary business, within 18 months after the Effective Date of this Agreement; or (ii)

the Developer (or a transferee) fails to operate the Buildings for customary business, or a substantially similar use, for a period of 180 consecutive days or more; provided, however, that any of the foregoing are not due to an Uncontrollable Circumstance.

B. Events of Default by the Village. The following are Village Events of Default under this Agreement:

1. If any representation made by the Village in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to the Developer, pursuant to or in connection with any of said documents, proves to be untrue or incorrect in any material respect as of the date made.

2. Subject to an Uncontrollable Circumstance, default by the Village for a period of 30 days after written notice thereof from the Developer in the performance or breach of any covenant contained in this Agreement; provided, however, that such default will not constitute an Event of Default if such default cannot be cured within said 30 days and the Village, within said 30 days, initiates and diligently pursues appropriate measures to remedy the default and in any event cures such default within 90 days after such notice.

C. Remedies for Default. In the case of a party's Event of Default under this Agreement:

1. Except as otherwise provided in this Agreement, the non-defaulting Party may institute such proceedings in law or in equity, by suit, action, mandamus, or any other proceeding, as may be necessary or desirable in its opinion to cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance of the defaulting Party's obligations under this Agreement.

2. Pursuant to Section 5.D of this Agreement, the Village may, without prejudice to any other rights and remedies available to the Village, require: (a) the demolition and removal of any partially constructed or partially completed buildings, Structures, or Improvements from the Property; and (b) the performance of Site Restoration. Concurrent with the Village's exercise of its rights under 6.E, the Corporate Authorities will have the right, but not the obligation, to terminate the entitlements set forth in this Agreement, without protest or objection by the Developer.

3. In addition to every other remedy permitted by law for the enforcement of the terms of this Agreement, the Village is entitled to withhold the issuance of building permits or certificates of occupancy for the Building and any other Structures within the Property at any time when the Developer has failed or refused to meet fully any of its obligations under this Agreement after notice and an opportunity to cure as provided in this Section 13.

4. In case the Village has proceeded to enforce its rights under this Agreement and such proceedings have been discontinued or abandoned for any reason, then, and in every such case, the Developer and the Village will be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Developer and the Village will continue as though no such proceedings had been taken.

D. Limitation. Notwithstanding anything to the contrary contained in this Agreement, including the provisions of this Section 13, the Developer agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the Village or any elected or appointed officials, officers, employees, agents, representatives, engineers, or attorneys of the Village, on account of the negotiation, execution or breach of any of the terms and conditions of this Agreement.

E. Prevailing Party. In the event of a judicial proceeding brought by one Party against the other Party, the prevailing Party in the judicial proceeding will be entitled to reimbursement from the unsuccessful Party of all costs and expenses, including reasonable attorneys' fees, incurred in connection with the judicial proceeding.

SECTION 14. GENERAL PROVISIONS.

A. Notice. Any notice required to be given under this Agreement must be in writing and must be delivered (i) personally, (ii) by a reputable overnight courier, (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid, or (iv) by E-mail. E-mail notices will be deemed valid and received by the addressee only upon explicit or implicit acknowledgment of receipt by the addressee. Unless otherwise expressly provided in this Agreement, notices will be deemed received upon the earlier of (a) actual receipt; (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section 14.A, each Party will have the right to change the address or the addressee, or both, for all future notices to the other party, but no notice of a change of addressee or address will be effective until actually received.

Notices to the Village will be addressed to, and delivered at, the following address:

Village Arlington Heights
33 South Arlington Heights Road
Arlington Heights, Illinois 60005
Attention: Village Manager
E-mail: RRecklaus@vah.com

With a copy to:

Elrod Friedman LLP
325 N. LaSalle Street, Suite 450
Chicago, Illinois 60650
Attention: Hart Passman
E-mail: Hart.Passman@elrodfriedman.com

Notices to the Developer will be addressed to, and delivered at, the following address:

MJR/Southpoint Real Estate Holding Company, LLC
1622 Willow Rd Ste 201
Northfield IL 60093
Attention: Jeffrey Silverman

Email: RS@usartscc.com

B. Time of the Essence. Time is of the essence in the performance of all terms and provisions of this Agreement.

C. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements and negotiations between the parties, whether written or oral, relating to the subject matter of this Agreement.

D. Exhibits/Conflicts. Exhibits A through G attached to this Agreement are, by this reference, incorporated in and made a part of this Agreement. In the event of a conflict between an exhibit and the text of this Agreement, the text of this Agreement will control.

E. Amendments and Modifications. No amendment or modification to this Agreement will be effective unless and until it is reduced to writing and approved and executed by all parties to this Agreement in accordance with all applicable statutory procedures.

F. Governing Law. This Agreement is governed by, and will be enforced in accordance with, the internal laws, but not the conflicts of laws rules, of the State of Illinois.

G. Changes in Laws. Unless otherwise explicitly provided in this Agreement, any reference to any Requirements of Law includes any modifications of, or amendments to such Requirements of Law as may, from time to time, hereinafter occur.

H. Non-Waiver. No party is under any obligation to exercise any of the rights granted to it in this Agreement. The failure of a party to exercise at any time any right granted to such party will not be deemed or construed to be a waiver of that right, nor will the failure void or affect such party's right to enforce that right or any other right.

I. Severability. It is hereby expressed to be the intent of the parties hereto that should any provision, covenant, agreement, or portion of this Agreement or its application to any person, entity, or property be held invalid by a court of competent jurisdiction, the remaining provisions of this Agreement and the validity, enforceability, and application to any person, entity, or property will not be impaired thereby, but the remaining provisions will be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Agreement to the greatest extent permitted by applicable law.

J. No Third-Party Beneficiaries. No claim as a third-party beneficiary under this Agreement by any person, firm, or corporation may be made, or will be valid, against any Party hereto.

K. Interpretation. This Agreement is to be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Each provision of this Agreement is to be construed as though both parties to this Agreement participated equally in the drafting of this Agreement. Any rule or construction that a document is to be construed against the drafting party is not applicable to this Agreement.

L. Headings. The table of contents, heading, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

M. Recording. The Village will record this Agreement against the Property, at the sole cost and expense of the Developer, with the Office of the Cook County Recorder of Deeds promptly following the full execution of this Agreement by the Parties.

N. Counterparts. This Agreement may be executed in counterparts, each of which will constitute an original document and together will constitute the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed, effective as of the date first written above.

ATTEST:

Rebecca Hume
Rebecca Hume, Village Clerk

VILLAGE OF ARLINGTON HEIGHTS,
an Illinois home rule municipal corporation

By: Randall R. Recklaus
Randall R. Recklaus
Its: Village Manager

ATTEST:

By: [Signature]
Its: Authorized Member

**MJR/SOUTHPOINT REAL ESTATE
HOLDING COMPANY, LLC,**
an Illinois limited liability company

By: [Signature]
Its: Managing Partner

ACKNOWLEDGMENTS

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

This instrument was acknowledged before me on September 7th, 2022 by Randall R. Recklaus, the Village Manager of the **VILLAGE OF ARLINGTON HEIGHTS**, an Illinois home rule municipal corporation, and by Rebecca Hume, the Village Clerk of said municipal corporation.

Given under my hand and notarial seal this 7th day of September, 2022.

Notary Public Magdalena Mattio

My Commission Expires: 7.31.2025

(SEAL)



STATE OF ILLINOIS)
)
COUNTY OF Cook) SS

I, Annette Wax, a Notary Public in and for said County, in the State aforesaid, do hereby certify that this instrument was acknowledged before me on August 23, 2022, by Jeffrey Silverman, the Managing Partner of **MJR/SOUTHPOINT REAL ESTATE HOLDING COMPANY, LLC**, an Illinois limited liability company, and by Richard Silverman the Partner of said limited liability company.

Given under my hand and notarial seal this 23 day of August, 2022.

Annette D. Wax
Signature

Notary Public

My Commission Expires: 12/10/2022

(SEAL)



INDEX OF EXHIBITS

| | |
|-----------|---|
| Exhibit A | Legal Description of the Property |
| Exhibit B | Project Development Plans (Group Exhibit) |
| | B-1 Site Plan |
| | B-2 Exterior Perspectives Plan |
| Exhibit C | Schedule of TIF-Eligible Costs |
| Exhibit D | Total Project Budget |
| Exhibit E | Project Timeline |
| Exhibit F | Form Certificate of Expenditure |
| Exhibit G | Transferee Assumption Agreement |

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LEGAL DESCRIPTION

LOT 2 IN THE FINAL PLAT OF GARDEN FRESH RESUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 8, 2019 AS DOCUMENT NUMBER 1903918025, BEING A RESUBDIVISION OF PART OF LOTS 1 AND 3 IN THE CUB ADDITION, BEING A SUBDIVISION IN THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 20, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 17, 1984 AS DOCUMENT NO. 27090321, IN COOK COUNTY, ILLINOIS.

Property Index Number(s): 03-20-200-017-0000

Common Address: 600 East Rand Road, Arlington Heights, Illinois 60004

EXHIBIT B
PROJECT DEVELOPMENT PLANS

EXHIBIT B-1

SITE PLAN

EXHIBIT B-2

EXTERIOR PERSPECTIVES PLAN

Outlot Development
 within Southpoint Shopping Center
Proposed One-Story Multi-Tenant Retail Building
 715 East Rand Road, Arlington Heights, IL 60004



DC Submittal - DRAWINGS INDEX (Date: July 13, 2022)

| SHEET | SHEET TITLE |
|----------------|--|
| A-01 | EXISTING CONDITIONS AERIAL |
| A-02 | ALTA/NSPS LAND TITLE SURVEY |
| A-03 (SHEET 1) | EXISTING CONDITIONS - TOPOGRAPHIC SURVEY |
| A-04 | SITE PLAN |
| A-05 | SITE PLAN DETAIL |
| A-06 | FLOOR PLAN |
| A-07 | EXTERIOR ELEVATIONS |
| A-08 | EXTERIOR ELEVATIONS |
| A-09 | BUILDING SECTION |
| A-10 | ROOF PLAN |
| A-11 | EXTERIOR PERSPECTIVES |
| A-12 | EXTERIOR PERSPECTIVES |

MJK Real Estate Holding Company, LLC. Soos & Associates, Inc.
 1622 Willow Road, Suite 201 105 Schelter Road, Suite 101
 Northfield, IL 60093 847-919-4801 Lincolnshire, IL 60069 847-821-7667

EXHIBIT C

SCHEDULE OF TIF-ELIGIBLE COSTS

MWRD Storm Water Pond Work \$350,000

EXHIBIT D

TOTAL PROJECT BUDGET

Arlington Heights, IL

4/20/2022 11:06 AM

Land 1.23 Acres

CMG - 2,385 SF

Proposed Building 2 - 4,419 SF

| | | | |
|------------------------------|--------------------------------|----|----------------|
| Land Cost: | | \$ | 1,400,000 |
| ICS Budget | Site Costs | \$ | 1,207,301 |
| ICS Budget | Chipotle Building Costs | \$ | 700,579 |
| ICS Budget | 50% Pond Costs | \$ | 175,000 |
| TI - Chipotle | (TI & Slab Allowance) | \$ | 165,000 |
| Pond Costs | | \$ | 175,000 |
| WL- Chipotle | (Included in ICS Budget) | \$ | - |
| Monument Sign | | \$ | - |
| Architecture / Engineering | | \$ | 100,000 |
| Permits | | \$ | 35,000 |
| Leasing Commissions Chipotle | | \$ | 75,000 |
| Leasing Commissions Vacant | | \$ | 120,000 |
| Legal | | \$ | 50,000 |
| Misc | | \$ | 50,000 |
| Real Estate Taxes | | \$ | 40,000 |
| Loan Fees / Interest | | \$ | 50,000 |
| Survey | | \$ | 10,000 |
| Building 2 Shell | 4,419 SF @ \$275 PSF | \$ | 1,215,225 |
| Tenant Allowance 2 | 4,419 SF @ \$45 PSF | \$ | 198,855 |
| | | | |
| Project Cost: | | \$ | 5,766,960 |
| | | | |
| Rent: Chipotle | 2,385 SF @ \$47.50 PSF | \$ | 113,288 |
| Rent - Building 2 | 4,419 SF @ \$45 PSF | \$ | 198,855 |
| | | \$ | 312,143 |
| | | | |
| Debt: (75% LTC) | \$4,325,219.82 (25 YRS @ 4.5%) | \$ | 288,492 |
| | | | |
| Cash Flow: | | \$ | 23,651 |
| | | | |
| ROI: (25% Equity) | \$ 1,441,740 | | 1.64% |

EXHIBIT E

PROJECT TIMELINE

| | |
|--|-------------------|
| Commencement of Developer Improvements | September 7, 2022 |
| Commencement of Tenant Improvements | January 1, 2023 |
| Completion Date | May 1, 2023 |

EXHIBIT F

FORM CERTIFICATE OF EXPENDITURE

To: Village of Arlington Heights
33 S. Arlington Heights Rd.
Arlington Heights, IL 60005
Attention: Village Manager

From: MJR/Southpoint Real Estate Holding Company, LLC ("**Developer**")

Subject: Redevelopment Agreement dated _____, 2022, by and between the Village of Arlington Heights and MJR/Southpoint Real Estate Holding Company, LLC ("**Redevelopment Agreement**")

Date: _____

This is a Certification Request, submitted pursuant to Section 7.C of the Redevelopment Agreement, requesting the Manager to approve this certificate of expenditure for the Redevelopment Project Costs detailed in the attached schedule. The undersigned hereby certifies that:

- i. The Developer actually incurred such Redevelopment Project Costs;
- ii. Such Redevelopment Project Costs are also "redevelopment project costs" as defined in the TIF Act;
- iii. The Village Engineer has determined that, based upon an inspection, the Improvements constructed by the Developer pursuant to the Redevelopment Agreement have been completed in accordance with the Redevelopment Plan and the Redevelopment Agreement;
- iv. Reimbursement is permitted pursuant to the Redevelopment Agreement, the TIF Act, and the Redevelopment Plan;
- v. The Developer is not in default or breach of any obligation under the Redevelopment Agreement which constitutes an Event of Default; and
- vi. The Anchor Tenants have commenced occupancy and operations in the Building, in satisfaction of the Redevelopment Agreement.

Terms capitalized herein have the meanings specified in the Redevelopment Agreement, the terms of which are incorporated herein by reference.

MJR/Southpoint Real Estate Holding Company, LLC

By: _____

Its: _____

ATTACHMENTS TO CERTIFICATION OF EXPENDITURE

1. **Schedule of Redevelopment Project Costs**
2. **Bills, contracts, invoices, and other evidence that Developer has incurred and paid all Redevelopment Project Costs**
3. **Sworn statements and lien waivers**
4. **Proof of Anchor Tenant occupancy and commencement of operations.**

EXHIBIT G

TRANSFEEE ASSUMPTION AGREEMENT

THIS AGREEMENT is made as of this _____ day of _____, 202_, between the **VILLAGE OF ARLINGTON HEIGHTS**, an Illinois municipal corporation ("**Village**"), and **MJR/SOUTHPOINT REAL ESTATE HOLDING COMPANY, LLC**, an Illinois limited liability company ("**Developer**"), and _____ ("**Transferee**").

WITNESSETH:

WHEREAS, pursuant to that certain real estate sale contract dated _____, 20__, the Transferee agreed to purchase from Developer certain real property situated in Lake County, Illinois and legally described in **Exhibit 1** attached to and, by this reference, made a part of this Agreement ("**Property**"); and

WHEREAS, following the conveyance of the Property by Developer, the Transferee will be the legal owner of the Property; and

WHEREAS, as a condition to the conveyance of the Property by Developer, the Village and Developer require that the Transferee agree to comply with all the terms, requirements, and obligations set forth in that certain Development Agreement, dated as of _____, 202_, and recorded in the office of the Lake County Recorder on _____, 202_, as Document No. _____, by and between the Village and Developer ("**Development Agreement**");

NOW, THEREFORE, in consideration of the agreement of Developer to convey the Property to the Transferee, and of the Village to accept the transfer of obligations as provided herein and to grant the releases granted herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by, between, and among the Village, Developer, and the Transferee as follows:

1. **Recitals**. The foregoing recitals are by this reference incorporated herein and made a part hereof as substantive provisions of this Agreement.

2. **Assumption of Obligations**. The Transferee, on its behalf and on behalf of its successors, assigns, heirs, executors, and administrators, hereby agrees, at its sole cost and expense, to comply with all of the terms, requirements, and obligations of the Development Agreement, including all exhibits and attachments thereto, regardless of whether such terms, requirements, and obligations are to be performed and provided by, or are imposed upon, Developer of the Property.

3. **Payment of Village Fees and Costs**. In addition to any other costs, payments, fees, charges, contributions, or dedications required by this Agreement, the Development Agreement or by applicable Village codes, ordinances, resolutions, rules, or regulations, the Transferee must pay to the Village, immediately upon presentation of a written demand or demands therefor, all legal, engineering, and other consulting or administrative fees, costs, and expenses incurred in connection with the negotiation, preparation, consideration, and review of this Agreement.

4. **Acknowledgment and Release of Developer**. The Village hereby acknowledges its agreement to the Transferee's assumption of the obligation to comply with the

terms, requirements, and obligations of the Development Agreement, including all exhibits and attachments thereto, and the Village hereby releases Developer from any personal liability for failure to comply with the terms, requirements, and obligations of the Development Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

ATTEST:

VILLAGE OF ARLINGTON HEIGHTS,
an Illinois municipal corporation

Village Clerk

By: _____
Its: Village Manager

ATTEST:

**MJR/SOUTHPOINT REAL ESTATE HOLDING
COMPANY, LLC,**
an Illinois limited liability company

By: _____
Its: _____

By: _____
Its: _____

ATTEST:

[TRANSFEREE]

By: _____
Its: _____

By: _____
Its: _____

ATTACHMENT F and K (TIF 5)

SEE ATTACHED

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor and
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Arlington Heights, Illinois (the Village) as of and for the year ended December 31, 2023, which collectively comprise the basic financial statements of the Village of Arlington Heights, Illinois, and have issued our report thereon dated June 17, 2024.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary financial information (balance sheet and schedule of revenues, expenditures, and changes in fund balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

SiKich CPA LLC

Naperville, Illinois
June 17, 2024

FINANCIAL STATEMENTS

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**BALANCE SHEET
TAX INCREMENT FINANCING FUND
TIF V**

December 31, 2023

| ASSETS | |
|--|-----------------------------------|
| Cash and cash equivalents | \$ 3,715,436 |
| Property taxes receivable | <u>1,000,000</u> |
| TOTAL ASSETS | <u><u>\$ 4,715,436</u></u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | |
| LIABILITIES | |
| Accounts payable | <u>\$ 44,654</u> |
| Total liabilities | <u>44,654</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue | <u>1,000,000</u> |
| Total liabilities and deferred inflows of resources | <u>1,044,654</u> |
| FUND BALANCE | |
| Restricted for community development | <u>3,670,782</u> |
| Total fund balance | <u>3,670,782</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u><u>\$ 4,715,436</u></u> |

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
TAX INCREMENT FINANCING FUND
TIF V**

For the Year Ended December 31, 2023

| | |
|----------------------------------|----------------------------|
| REVENUES | |
| Property taxes | \$ 1,157,216 |
| Investment income | <u>166,396</u> |
| Total revenues | <u>1,323,612</u> |
| EXPENDITURES | |
| Current | |
| Contractual services | 575 |
| Other charges | |
| Administrative service charges | 30,000 |
| Economic development charges | 400 |
| Reserve for tax refunds | 200,000 |
| Capital outlay | <u>1,251,604</u> |
| Total expenditures | <u>1,482,579</u> |
| NET CHANGE IN FUND BALANCE | (158,967) |
| FUND BALANCE, JANUARY 1 | <u>3,829,749</u> |
| FUND BALANCE, DECEMBER 31 | <u><u>\$ 3,670,782</u></u> |

(See independent auditor's report.)

Attachment L : Auditors Letter (TIF 5)

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Mayor and
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have examined management's assertion that the Village of Arlington Heights, Illinois (the Village), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2023. Management is responsible for the Village's assertion. Our responsibility is to express an opinion on management's assertion about the Village's compliance with the specific requirements based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Village's compliance with the specified requirements.

In our opinion, management's assertion that the Village of Arlington Heights, Illinois, complied with the aforementioned requirements for the year ended December 31, 2023, is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management and the Illinois Department of Revenue, Illinois State Comptroller's office and the Joint Review Board and should not be used by anyone other than these specified parties.

SiKich CPA LLC

Naperville, Illinois
June 17, 2024

**Attachment N: Third Party Verification of Rate of Return on
Redevelopment Projects (TIF V)**

**Southpoint RPS Arlington, LLC
Southpoint MJR – Southpoint Real Estate, LLC**



MEMO

To: Village of Arlington Heights
From: SB Friedman Development Advisors, LLC
Date: May 6, 2022

RE: RPS CAPITAL TIF UNDERWRITING ANALYSIS – UPDATED CONSTRUCTION BUDGET

SB Friedman Development Advisors, LLC (SB Friedman) was engaged by the Village of Arlington Heights (the “Village”) to conduct a financial review of a proposed public/private financing arrangement that would assist in the redevelopment of a vacant 100,501 square foot (SF) anchor space at Southpoint Shopping Center. RPS Capital (the “Owner”) is negotiating with a national furniture retailer to occupy the space, which would require replacing the building’s roof, remediating asbestos in the building, and renovating the building and parking lot (the “Project”). The Owner has indicated that public assistance, in the form of tax increment financing (TIF), is needed for the Project to be financially feasible.

On February 18, 2022, we submitted to the Village a memo concluding that the Project does not appear to be financially feasible without public assistance and would likely require public participation, at the amount requested, to proceed as presented. Since submittal of our memo, the Owner provided an updated budget which resulted in a \$130,000 reduction in development costs.

SB Friedman tested the impact of the budget reduction on Project returns. In doing so, we reduced the Owner’s updated developer fee from \$222K to \$158K for the purposes of sizing public assistance. This aligns with our standard developer fee assumption for projects requesting public assistance, which is 4% of TDC, net of acquisition (discussed further in our February 18 memo). Assuming all other Project assumptions remain constant, the unleveraged IRR with the full requested assistance increases from 9.5% in the original analysis to 10.1% with the updated budget.

It is our understanding that the Village is seeking to hold the Owner to the 9.5% return estimated in our original analysis. To do so, the public participation could be limited to \$1.3 million, as presented below. The need for assistance appears to be driven by the negotiated rent, which does not fully support redevelopment costs.

Table 1. Estimated Returns

| Returns Metric | Original Budget – Full Request | Updated Budget – Full Request | Updated Budget – \$1.3M in Assistance |
|----------------------|--------------------------------|-------------------------------|---------------------------------------|
| Unleveraged IRR | 9.5% | 10.1% | 9.5% |
| Requested Assistance | \$1.5 million | \$1.5 million | \$1.3 million |

Source: Source: RPS Capital, SB Friedman

Figure 4. Estimated Project Returns

| Returns Metric | Project - No Assistance | Project - \$600,000 Assistance | Industry Benchmark [1] |
|---|-------------------------|--------------------------------|---------------------------|
| Unleveraged IRR | | | |
| 7.5% Terminal Cap Rate | 4.7% | 6.2% | 7.2-10.0% 8.7% average |
| 7.0% Terminal Cap Rate | 5.2% | 6.7% | |
| Leveraged IRR | | | |
| 7.5% Terminal Cap Rate | 5.2% | 10.4% | 12.0% average |
| 7.0% Terminal Cap Rate | 6.9% | 11.7% | |
| Debt Coverage Ratio at Stabilization (Year 1) | 1.22 | 1.37 | 1.42 |

[1] Based on data available through RERC, Quarter 1 2022, for top tier retail investment properties in the Midwest and through Realty Rates, Quarter 1, 2022, for freestanding retail properties
 Source: MJR/Southpoint Real Estate Holding Company, LLC, SB Friedman

Conclusions and Recommendations

The Project does not appear to generate sufficient returns or meet typical debt coverage requirements without public assistance. Therefore, the Project would likely require public participation at the amount requested to proceed as presented. The need for assistance appears to be driven by the relationship between achievable rents and site prep and hard construction costs. Site prep costs, net of the stormwater pond improvements, represent a significant portion of the Project budget (22% of TDC), while the hard construction costs appear high relative to comparable projects observed by SB Friedman. However, the Developer provided a detailed construction cost breakdown prepared by Innovative Construction Solutions, Inc. for both the site prep and hard construction costs, with multiple bids for many of the budget line items. Therefore, the budgeted costs appear to represent the actual conditions of the Site, as well as the contemplated development program and design. The costs also appear to reflect the current inflationary cost environment.

If the Village proceeds with structuring a public-private financing arrangement to facilitate development of the Site, we recommend a check-in at Project completion and when tenants are secured for the second building to evaluate whether final costs and rental terms align with those that were used to size the public assistance. If cost savings or improved cash flow generation were achieved, the public assistance could be recalibrated.



Agenda
Village of Arlington Heights
Joint Review Board
Buechner Room, 1st Floor
Arlington Heights Village Hall, 33 S. Arlington Heights Rd.
July 31, 2024
4:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 8/10/2023

IV. NEW BUSINESS

- A. TIF IV State Comptroller Annual TIF Report
i. Staff Presentation
ii. Comments/Questions from Joint Review Board
iii. Public Comments Regarding Annual Report
- B. South Arlington Heights Road State Comptroller Annual TIF Report
i. Staff Presentation
ii. Comments/Questions from Joint Review Board
iii. Public Comments Regarding Annual Report

V. PUBLIC COMMENT

VI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact Erin Mercado, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, emercado@vah.com or (847)368-5793.



**Joint Review Board
7/31/2024**

Item: Minutes 8/10/2023

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes 8/10/2023

Type

Minutes

TIF 4 / South Arlington Heights Road Districts

Joint Review Board Minutes

Wednesday, August 10, 2023

4:00 PM Community Room

Village of Arlington Heights

Call to Order: Tom Kuehne called the meeting to order at 4:00 pm.

Roll Call:

The following Members were present:

Carrie Fullerton, Arlington Heights Park District

Mike Vargas, Township HS District 214

Robert Galick, William Rainey Harper College

Tom Kuehne, Village of Arlington Heights

Greg Ford, Public Member

John Ciffone, Public Member

Mike Driskell, Arlington Heights Memorial Library

Also Present:

Michael Lysicatos, Village of Arlington Heights

Charles Witherington-Perkins, Village of Arlington Heights

Melissa Cayer, Public

Keith Moens, Public

Alva Kreutzer, Township HS District 214

Chairman Kuehne opened the meeting and asked M. Lysicatos to provide summary reports for the TIF 4 (IV) and South Arlington Heights Road districts.

M. Lysicatos provided a summary of the TIV 4 (IV) fiscal year 2022 report. The FY2022 report was uploaded to the State Comptroller portal within 180 days of the end of the fiscal year as required by statute. The report included certifications from the Mayor, Legal Counsel Opinion, summary of actions from the Village Manager, Audit information. The same report was also uploaded to the Cook County Clerk's website and emailed to all required taxing districts.

The TIF 4 area is defined by the intersection of Arlington Heights Road and Council Trail to the north, and Golf Road and Belmont Avenue to the east with the biggest landmark being the International Plaza shopping center.

During the FY2022 reporting year, the fund balance started at \$3,335,919 with incremental revenues and cash receipts totaling \$531,829.00. (This was \$453,000 last year) Expenditures totaled \$95,543 including vendors Kane McKenna Associates for financial analysis, and RJN Group to complete a preliminary sewer analysis to determine the capacity of the infrastructure. Other costs also included \$50,000 in administrative costs and additional services with RJN associated with sewer analysis.

Section 3.3 outlines project costs to be paid. Over the next five years a total of \$5,350,000 is anticipated in redevelopment costs primarily for future development at International Plaza, and \$246,750 in professional services for engineering and financial assistances. Other costs included \$3,250 for additional sewer capacity analysis and \$127,000 on corridor beautification near the intersection of Arlington Heights Road and Golf Road.

Section 5 of the report outlines completed investments to date and those anticipated for fiscal year 2023. A total of \$4,700,000 in private investments and \$288,952 in public investments have for the Council Trail roadway/sewer improvements, Autumn Leaves development and preliminary sewer capacity analysis in the area. An additional \$145,125 in public investments in the sewer capacity analysis and corridor beautification is expected in FY 2023.

Section 6 is updated for FY2022 and reports on the current and potential impact of developments occurring from 2022 and forward. There are no projects to report on at this time.

Finally, section 8 reports on the Base EAV of the TIF which is \$5,971,966.

M. Vargas inquired about future development being allotted to the International Plaza redevelopment. M. Lysicatos clarified that Golf Road is the southern border of the TIF 4 district and anything south along Arlington Heights from that point is the South Arlington Heights Road District. The International Plaza project is the older shopping center. C. Perkins added that the project would include five additional properties that the Village has already acquired that have been prepared for development. He also indicated the complexity of the project which have led to the delays in redevelopment. There is not set timeline but hopeful to have a preliminary agreement with Urban Street who have presented plans to the Village Board in August 2023 under early review. The TIF district was extended to 2037 and an agreement to increase the base year, reducing the increment to make the project viable making it a critical junction for redevelopment.

M. Cayer inquired about whether the police issue tickets for unsafe properties. C. Perkins provided that Building and Life Safety issues citations for property maintenance and have so far issued 44 citations for the International Plaza property to the ownership. M. Cayer reiterated her opposition to TIF districts and the high school graduation requirement to complete community service.

A. Kreutzer inquired about the specific of what was proposed at the Village Board early review meeting. C. Perkins indicated that the proposal included 266 market-rate apartments, 37-unit senior living facility, and four to five commercial out-lots in the range of 20 to 22,000 square foot range. A market assessment indicated big-box users were not ideal for this site and recommended residential mixed-use development. She also inquired about whether the units would be apartments or condos. C. Perkins indicated they were condos and staff does not anticipate many students coming from the development.

K. Moens asked that there be no new TIF districts, new extensions, and districts ended as soon as possible. He urged to not issue support to the Bears project and that there is research indicating that TIF districts may work against EAV in the long-run. He asked that the taxes and surplus be sent to the taxing bodies as soon as possible.

M. Lysicatos provided a summary of the South Arlington Heights Road TIF district fiscal year 2022 report. The FY2022 report was uploaded to the State Comptroller portal within 180 days of the end of the fiscal year as required by statute. The report included certifications from the Mayor, Legal Counsel Opinion, summary of actions from the Village Manager, Audit information. The same report was also uploaded to the Cook County Clerk's website and emailed to all required taxing districts.

The South Arlington Heights Road TIF is defined by mixed-use development bounded by E Seegers Rod to the north, South Arlington Heights Road to the west, I-90 the south, and S Tonne Drive to the east. During the FY2022 reporting year, the fund balance started at \$536,99 with incremental revenues and cash receipts totaling \$804,276. Expenditures totaled \$107,199 including vendors Kane McKenna Associates for financial analysis, and RJN Group to complete a preliminary sewer analysis to determine the capacity of the infrastructure. Other costs also included \$15,000 in administrative costs and additional services with RJN associated with sewer analysis.

Section 3.3 outlines project costs to be paid. Over the next five years a total of \$51,575,000 is anticipated in redevelopment costs, professional services, administrative costs. It is anticipated that the Arlington Gateway Project at the corner of Arlington Heights Road and Algonquin Road will proceed through the development application process and will be submitting a TIF request.

Section 5 of the report outlines completed investments to date and those anticipated for fiscal year 2023. A total of \$57,381 has been expended on the sewer analysis to determine future capacity and infrastructure investments needed to support development. An additional \$154,375 is anticipated to be expended in FY 2023 to continue this analysis.

Section 6 is updated for FY2022 and reports on the current and potential impact of developments occurring from 2022 and forward. There are no projects to report on at this time.

Finally, section 8 reports on the Base EAV of the TIF which is \$24,691,570.

M. Vargas asked how far north the TIF districts as they have a temporary building on Arlington Heights Road. M. Lysicatos indicated that Seegers Road is the northern terminus and that there is a project that may be proposed at the northern end of the district. The hotels are not included and only the east side of Arlington Heights Road. C. Perkins indicated that the old Wellington parking lot and the old district building are there along with sites suitable for redevelopment.

C. Fullerton asked whether there was a discussion about open space in regards to the new development in TIF districts 4 and 5. C. Perkins indicated there have not been as they are all fairly small parcels with frontage on Arlington Heights Road. They will likely all be paying sizable developer fees to the park district and most will include amenities such as pool and fitness centers.

M. Cayer reiterated her desire to abolish TIF districts and concerned about funds going to private parks.

Chairman Kuehne made a motion to adjourn the meeting at 4:20 pm. All agreed. Meeting adjourned.

Submitted by Tom Kuehne, Chairman Joint Review Board

Michael Lysicatos, Recording Secretary



**Joint Review Board
7/31/2024**

Item: TIF IV State Comptroller Annual TIF Report

Department: Planning & Community Development Department

ATTACHMENTS:

Description

TIF IV Report

Type

Report

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 4

| | |
|---|-------------------------------------|
| Primary Use of Redevelopment Project Area*: Mixed | |
| <small>*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.</small> | |
| If "Combination/Mixed" List Component Types: Commercial/Retail | |
| Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one): | |
| Tax Increment Allocation Redevelopment Act | <input checked="" type="checkbox"/> |
| Industrial Jobs Recovery Law | <input type="checkbox"/> |

Please utilize the information below to properly label the Attachments.

| | No | Yes |
|--|----|-----|
| For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A). For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A). | X | |
| Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B). | | X |
| Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C). | | X |
| Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D). | | X |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E). | | X |
| Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F). | | X |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G). | X | |
| Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H). | X | |
| Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J). | X | |
| An analysis prepared by a financial advisor or underwriter, chosen by the municipality , setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter <u>MUST</u> be attached (labeled Attachment J). | X | |
| Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K). | | X |
| Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L). | | X |
| A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M). | X | |
| For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N). | X | |

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)] and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 4

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 3,818,354

| SOURCE of Revenue/Cash Receipts: | Revenue/Cash Receipts for Current Reporting Year | Cumulative Totals of Revenue/Cash Receipts for life of TIF | % of Total |
|---|--|--|------------|
| Property Tax Increment | \$ 541,524 | \$ 9,506,072 | 95% |
| State Sales Tax Increment | | | 0% |
| Local Sales Tax Increment | | | 0% |
| State Utility Tax Increment | | | 0% |
| Local Utility Tax Increment | | | 0% |
| Interest | \$ 168,963 | \$ 508,890 | 5% |
| Land/Building Sale Proceeds | | | 0% |
| Bond Proceeds | | | 0% |
| Transfers from Municipal Sources | | | 0% |
| Private Sources | | | 0% |
| Other (identify source _____; if multiple other sources, attach schedule) | | \$ 721 | 0% |

All Amount Deposited in Special Tax Allocation Fund \$ 710,487

Cumulative Total Revenues/Cash Receipts \$ 10,015,683 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 23,593

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 23,593

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 686,894

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD* \$ 4,505,248

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 3.2 A [65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 4

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

PAGE 1

| Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)] | Amounts | Reporting Fiscal Year |
|--|---------|-----------------------|
| 1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost. | | |
| Contractual services - Redevelopment Agreement Financial Analysis (Ryan LLC) | 5,700 | |
| Contractual services - Engineering Sewer Capacity Project (RJV Group) | 11,906 | |
| Contractual services - Engineering Sewer Capacity Project (American Underground) | 1,987 | |
| | | |
| | | |
| | | |
| | | \$ 19,593 |
| 2. Annual administrative cost. | | |
| Illinois Tax Increment Association Dues | 4,000 | |
| | | |
| | | |
| | | |
| | | |
| | | \$ 4,000 |
| 3. Cost of marketing sites. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 4. Property assembly cost and site preparation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 6. Costs of the construction of public works or improvements. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |

SECTION 3.2 A
PAGE 3

| | | |
|--|--|------------------|
| 13. Relocation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 14. Payments in lieu of taxes. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 15. Costs of job training, retraining, advanced vocational or career education. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 17. Cost of day care services. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 18. Other. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| TOTAL ITEMIZED EXPENDITURES | | \$ 23,593 |

SECTION 3.3 [65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 4

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FUND BALANCE BY SOURCE

| |
|--------------|
| \$ 4,505,248 |
|--------------|

| 1. Description of Debt Obligations | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Obligations | \$ - | \$ - |

| 2. Description of Project Costs to be Paid | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| Redevelopment Costs (5-Years) | \$ | 8,200,000 |
| Corridor Beautification | \$ | 315,000 |
| Professional Services (5-Years) | \$ | 200,000 |
| Sewer Capacity Analysis | \$ | 18,721 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Project Costs | \$ | 8,733,721 |

| | |
|--------------------------------|--------------|
| TOTAL AMOUNT DESIGNATED | \$ 8,733,721 |
|--------------------------------|--------------|

| | |
|--------------------------|----------------|
| SURPLUS/(DEFICIT) | \$ (4,228,473) |
|--------------------------|----------------|

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 4

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

| | |
|--|--|
| | Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area. |
|--|--|

| | |
|--|--|
| Property (1): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (2): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (3): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (4): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (5): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (6): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (7): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 4

PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

| | |
|--|---|
| 1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area. | |
| 2. The municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.) | X |
| 2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan: | 6 |
| 2b. The total number of NEW projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Redevelopment Project area, if any. | 3 |

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

| TOTAL: | 11/1/99 to Date | Estimated Investment for Subsequent Fiscal Year | Total Estimated to Complete Project |
|--|------------------------|--|--|
| Private Investment Undertaken (See Instructions) | \$ 4,700,000 | \$ - | \$ 104,912,742 |
| Public Investment Undertaken | \$ 300,858 | \$ 3,433,815 | \$ 9,222,673 |
| Ratio of Private/Public Investment | 15 51/82 | | 11 3/8 |

Project 1: Council Trail Sewer / Roadway

| | | | |
|--|------------|--|------------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 265,580 | | \$ 265,580 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 2: Autumn Leaves

| | | | |
|--|--------------|--|--------------|
| Private Investment Undertaken (See Instructions) | \$ 4,700,000 | | \$ 4,700,000 |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 3: Preliminary Sewer Capacity Analysis

| | | | |
|--|-----------|--|-----------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 23,372 | | \$ 23,372 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 4: Phase I Sewer Capacity Analysis

| | | | |
|--|-----------|----------|-----------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 11,906 | \$ 6,815 | \$ 18,721 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 5: Corridor Beautification

| | | | |
|--|------|------------|------------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ - | \$ 127,000 | \$ 315,000 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 6 Name: International Plaza Redevelopment

| | | | |
|--|------|--------------|----------------|
| Private Investment Undertaken (See Instructions) | \$ - | | \$ 100,212,742 |
| Public Investment Undertaken | \$ - | \$ 3,300,000 | \$ 8,600,000 |
| Ratio of Private/Public Investment | 0 | | 11 62/95 |

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 4

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

| Number of Jobs Retained | Number of Jobs Created | Job Description and Type (Temporary or Permanent) | Total Salaries Paid |
|-------------------------|------------------------|---|---------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | \$ - |

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

| Project Name | The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement. | | The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement. | |
|-----------------------------------|---|-----------|--|-----------|
| | Temporary | Permanent | Temporary | Permanent |
| International Plaza Redevelopment | N/A | N/A | N/A | N/A |
| | | | | |
| | | | | |
| | | | | |

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

| Project Name | The amount of increment projected to be created at the time of approval of the redevelopment agreement. | The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement. |
|-----------------------------------|---|---|
| International Plaza Redevelopment | N/A (only MOU executed) | N/A (only MOU executed) |
| | | |
| | | |
| | | |

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, IF ANY:

| Project Name | Stated Rate of Return |
|-----------------------------------|-----------------------|
| International Plaza Redevelopment | 13.28 |
| | |
| | |

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: TIF 4

Provide a general description of the redevelopment project area using only major boundaries.

Commercial and mixed-use area bounding by Council Trail to the north, Golf Road to the south, Arlington Heights Road to the west and Belmont Avenue to the east.

| Optional Documents | Enclosed |
|---|-----------------|
| Legal description of redevelopment project area | |
| Map of District | |

ATTACHMENT B (TIF 4)

I, Thomas W. Hayes, the duly elected Chief Executive Officer, of the Village of Arlington Heights, County of Cook, State of Illinois, and as such, do hereby certify that the Village of Arlington Heights has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for Tax Increment Financing District: TIF 4, during the current municipal fiscal year, January 1, 2023 to December 31, 2023.

June 19, 2024.



Thomas W. Hayes
President Board of Trustees
Village of Arlington Heights

ATTEST:



Becky Hume
Village Clerk

June 27, 2024

**Opinion of the Village Attorney of
The Village of Arlington Heights Regarding the TIF #4 Redevelopment
Plan and Project Under the Illinois Tax Increment
Allocation Redevelopment Act**

This will confirm that I serve as the Village Attorney of the Village of Arlington Heights, Cook County, Illinois. I have reviewed all information provided to me by the Village TIF Administrator regarding the Village of Arlington Heights TIF #4 Redevelopment Plan and Project pursuant to the Illinois Tax Increment Allocation Redevelopment Act (the "Act"). Based on such information, I hereby certify that the Village of Arlington Heights has conformed substantially to all applicable reporting requirements of the Act for the fiscal year ended December 31, 2023 to the best of my knowledge and belief.

Sincerely,



Hart M. Passman

HMP/jss
cc: Michael Lysicatos, TIF Administrator

ATTACHMENT D (TIF 4)

I, Randall Recklaus, Village Manager, do hereby certify that the following activities were undertaken in furtherance of the objectives of the redevelopment plan for Tax Increment Financing District: TIF 4, between January 1, 2023 and December 31, 2023.

1. Continued to work with prospective developers.
2. The Village hired a consultant to complete Phase I engineering services in order to upgrade sewer service in the TIF district.
3. The Village entered into a Memorandum of Understanding (MOU) with Urbanstreet Group, LLC on November 20, 2023 regarding the proposed redevelopment of the International Plaza site in TIF 4.

June 19, 2024



Randall Recklaus
Village Manager

ATTEST:



Becky Hume
Village Clerk

ATTACHMENT E (TIF 4)
Executed Memorandum of Understanding (MOU) between the Village of Arlington Heights and Urbanstreet Group, LLC for proposed redevelopment

SEE ATTACHED

VILLAGE OF ARLINGTON HEIGHTS

RESOLUTION NO. R2023-36

RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH
URBANSTREET GROUP, LLC

WHEREAS, in 2002 the Village established Tax Increment Financing District #4 (“*TIF District*”) around the northeast corner of Golf Road and Arlington Heights Road; and

WHEREAS, the Village has pursued redevelopment of properties within the TIF District;
and

WHEREAS, UrbanStreet Group, LLC (“*Developer*”) presented the Village with a mixed-use redevelopment project proposal within the TIF District, inclusive of the International Plaza Shopping Center and certain parcels owned by the Village; and

WHEREAS, the Village and Developer desire to enter into a memorandum of understanding regarding Developer’s proposed redevelopment project (“*Memorandum of Understanding*”); and

WHEREAS, the Village President and Board of Trustees have determined that approving the Memorandum of Understanding will serve and be in the best interest of the Village;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS, AS FOLLOWS:

SECTION 1. RECITALS. The facts and statements contained in the preamble to this Resolution are found to be true and correct and are hereby adopted as part of this Resolution.

SECTION 2. APPROVAL OF MEMORANDUM OF UNDERSTANDING. The Memorandum of Understanding is hereby approved in substantially the form attached to this Resolution as Exhibit A, and in a final form to be approved by the Village Manager and the Village Attorney.

SECTION 3. EXECUTION OF MEMORANDUM OF UNDERSTANDING. The Village Manager and the Village Clerk are hereby authorized and directed to execute and attest, on behalf of the Village, the Memorandum of Understanding upon receipt by the Village Clerk of at least one original copy of the Memorandum of Understanding executed by the Developer; provided, however, that if the executed copy of the Memorandum of Understanding is not received by the Village Clerk within 30 days after the effective date of this Resolution, then this authority to execute and attest will, at the option of the President and Board of Trustees, be null and void.

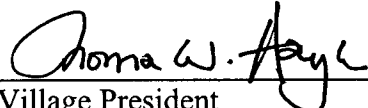
SECTION 4. EFFECTIVE DATE. This Resolution will be in full force and effect from and after its passage and approval in the manner provided by law.

[SIGNATURE PAGE FOLLOWS]

AYES: LABEDZ, SHIRLEY, GRASSE, TINAGLIA, BALDINO,
SCHWINGBECK, HAYES

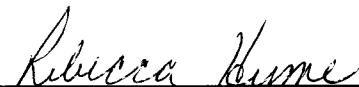
NAYS: DUNNINGTON

PASSED AND APPROVED this 20 day of November, 2023.



Village President

ATTEST:



Village Clerk

Memorandum of Understanding
between
Village of Arlington Heights
and
UrbanStreet Group, LLC

The Village of Arlington Heights (“*Village*”) and UrbanStreet Group, LLC, an Illinois limited liability company, or controlled nominee (“*UrbanStreet*”; the Village and UrbanStreet are each a “*Party*” and collectively the “*Parties*”) enter into this Memorandum of Understanding (“*MOU*”), related to the Project (defined below) and the Village Parcels (defined below).

1. Acknowledgment of the Parties

This MOU is not binding on either Party, except that for a period of 180 days (which may be extended by written consent of the Village Manager and UrbanStreet) following their mutual approval of this MOU (“*Negotiation Period*”), the provisions of Section 5.C will be binding. Otherwise, the Parties will be bound only if and when they enter into the Purchase and Sale Agreement and the Redevelopment Agreement (both defined below).

Moreover, the Parties acknowledge and agree that none of the details of the Project have been fully analyzed or considered by UrbanStreet and the Village Board of Trustees, or any of its boards or commissions, and by approving this MOU neither the Village, nor UrbanStreet is implying or guaranteeing approval of the Project unless and until a more complete analysis and consideration have taken place, including, without limitation, the completion of the zoning, subdivision review, and tax increment financing processes required by law. The Parties further acknowledge and agree that the execution of this MOU is not to be deemed or interpreted as the approval by the Village of any or all of the required zoning, subdivision, or financial incentive approvals for the Project, nor as an obligation for the Village to grant any or all of the required approvals. However, notwithstanding the foregoing, the MOU is a framework from which to negotiate the various agreements and approvals for the Project referenced herein.

2. UrbanStreet’s Project:

A. UrbanStreet has proposed the redevelopment of approximately 17.6 acres located generally at the northeast corner of Golf and Arlington Heights Roads in the Village (“*Development Site*”), featuring a mix of uses, including a residential development, an affordable senior living development, and commercial outlots (“*Project*”). UrbanStreet is currently under contract to purchase approximately 13.5 acres of the Development Site, which is commonly known as International Plaza (“*IP Property*,” which is generally depicted on the preliminary Project concept site plan in *Exhibit A-1*). International Plaza is located in Village TIF #4 (“*Existing TIF*”

A 2023-64
R 2023-30

District”) and is developed as a shopping center that includes approximately 170,000 square feet of retail space, most of which is subject to month-to-month leases or is vacant.

B. The proposed residential development consists of six buildings with a total of 266 market rate units and on-site improvements, access and common facilities and amenities (collectively the “*Market Rate Component*”).

C. The proposed affordable senior living development consists of one building with up to 37 units and on-site improvements, access and common facilities and amenities (“*Affordable Senior Component*”). UrbanStreet will make the ASC Property (defined below) “pad ready” for the Affordable Senior Component. Urban Street is currently negotiating with an affordable housing developer for the development of the Affordable Senior Component. However, if that developer does not proceed with the Affordable Senior Component, UrbanStreet will use good faith efforts to secure the development of the Affordable Senior Component by another developer. The Affordable Senior Component will be designed and incorporated into the Project in a manner similar to the Market Rate Component. Residents of the Affordable Senior Component will have access to exterior amenities in the Market Rate Component to the extent the Affordable Senior Component does not include similar facilities, pursuant to rules and restrictions developed during the land use entitlements process for the Project, which will be promulgated by the ownership or management of the Market Rate Component from time to time, and conditioned upon such access not adversely affecting the financing, marketability or use of the Market Rate Component, as reasonably determined by the owner or management of the Market Rate Component.

D. The proposed commercial outlot development consists of several outlots fronting on Golf Road (collectively the “*Commercial Outlots*”). The Village has offered, as a part of its incentive for the Project, the transfer of certain Village-owned parcels at the northeast corner of South Arlington Heights and Golf Roads to UrbanStreet for the development of portions of the Project which are located upon such parcels (collectively the “*Village Parcels*,” which are generally depicted on *Exhibit A-2* and which have the property index numbers listed in *Exhibit B*).

E. UrbanStreet estimates the total costs of the Project will be approximately \$100,200,000, which includes all land acquisition costs and all hard costs and soft costs for development of the Market Rate Component and preparation of the sites for the Commercial Outlots and Affordable Senior Component.

F. UrbanStreet estimates that the Project is intended to be developed within the following timeline (i) acquisition of the IP Property and the Village Parcels by September 15, 2024, (ii) start of construction of the Market Rate Component by October 31, 2024, (iii) initial occupancy of the Market Rate Component December 31, 2025, (iv) start of construction of the Affordable Senior Component by September 15, 2025, (v) occupancy of the Affordable Senior Component approximately 18 months after commencement, (vi) start of construction of the

Commercial Outlots by May 31, 2025, and (vii) occupancy of the Commercial Outlots within 24 months after commencement. These estimates are based upon certain assumptions which may or may not be achieved based upon the actual timing of the conditions precedent to the acquisition of the IP Property and Village Parcels and the commencement of the Project. The Redevelopment Agreement will include a timeline for commencement and completion of the Project and its components, along with completion guaranties for the privately-owned portions of the Project similar to those required by construction lenders, and with completion guaranties for the public improvements constructed as part of the Project as required by applicable law.

3. Village Redevelopment Goals for IP Property:

The Village affirms its decades-long desire to achieve the redevelopment of the blighted IP Property with an appropriate use or uses and acknowledges that such a redevelopment is one of the Village's highest priorities. Specifically, the Village affirms, as reflected in its Redevelopment Plan and Project for the Existing TIF District, its willingness to utilize appropriate incentives, including tax increment financing incentives, to encourage such redevelopment. The Village also acknowledges that the portions of the Project to be developed on the Village Parcels are appropriate uses for the redevelopment of the IP Property.

4. Financial Gap and Request for Incentives:

A. UrbanStreet has advised the Village that, based on UrbanStreet's financial analysis and projections, the redevelopment of the IP Property with the Project would result in a below-market rate of return, and therefore results in a financial "gap". UrbanStreet's Project *pro forma* projections are in *Exhibit C*. UrbanStreet has represented to the Village that the Project is not commercially feasible without the conveyance of the Village Parcels, the TIF Incentive (defined below), and the Pledged Taxes (defined below), because UrbanStreet would be unable to achieve its goal of an internal rate of return ("**IRR**") of 13.28% ("**Target IRR**") for the Project. UrbanStreet's IRR will be calculated according to the formula and method in *Exhibit C*. As set forth below, the amount of the TIF Incentive will be adjusted, through the principal amount of the TIF Note (defined below), so that the Target IRR has the potential to be met.

B. Accordingly, UrbanStreet has requested economic incentives from the Village in the form of:

i. Up to a \$3.3 million cash payment to UrbanStreet from the Village, from the current fund balance of the Existing TIF District (the "**Direct Incentive Payment**"), committed and disbursed by the Village into an escrow ("**Escrow**") which is established for the reimbursement of TIF Eligible Costs (defined below) and released from the escrow when permissible per Section 4.D below pursuant to joint direction of the Village and the Developer after Village approval of Developer requests for reimbursement delivered to the Village from time to time;

ii. Revenue bonds ("**Revenue Bonds**") with the following characteristics:

1. The principal amount of the Revenue Bonds (“*Actual Principal Amount*”) will be determined based on a feasibility report prepared by the Village’s financial consultants that will consider, among other factors, progress on the Market Rate Component, the Affordable Senior Component, and the Commercial Outlots, but the net proceeds of the Revenue Bonds payable to UrbanStreet will be the amount remaining after deductions for amounts including, without limitation, reserves and costs of issuance, which are currently estimated to be \$5.3 million (“*Net Bond Proceeds*”), and the Net Bond Proceeds will be deposited into the Escrow;

2. The interest rate of the Revenue Bonds will be an amount adequate to market them, but cannot exceed 9%, calculated on a 360-day year;

3. Interest on the Revenue Bonds is expected to be exempt from taxation to the extent both permissible under the law and allowable in the opinion of the Village’s bond counsel;

4. Debt service on the Revenue Bonds will be paid only from pledges of the incremental property taxes generated by the Existing TIF District, excluding incremental property taxes generated by those properties listed in *Exhibit D* and net of the Senior Pledges (as defined in Section 4.G below), that are received by the Village from the County Treasurer (as set forth in a separate tax code from the County if permitted), along with 33% of the 1% Village’s home rule sales tax generated by the Project during the term of the Existing TIF District and received by the Village from the State (collectively the “*Pledged Taxes*”);

5. Debt service on the Revenue Bonds will have a minimum debt coverage ratio of 1.30:1.00;

6. The Village will use its reasonable best efforts to sell the Revenue Bonds within 180 days of UrbanStreet satisfying the conditions in Section 4.D(i) – (vi) below;

7. The Revenue Bonds will mature no later than the Village’s receipt of the final payment of Pledged Taxes from the Existing TIF District; and

iii. One pay-as-you-go tax increment financing junior lien note in a principal amount currently estimated at approximately \$2.79 million or such greater amount equal to the difference between the amount of total TIF Incentive necessary not to exceed the Target IRR and the sum of the Direct Incentive and the Net Bond Proceeds and in an amount supported by the Feasibility Report, bearing interest at the annual rate equal to no more than 100 basis points over the interest rate of the Revenue Bonds, calculated on a 360 day year, and payable from Pledged Taxes remaining after payment of the debt service supporting the Revenue Bonds (“*TIF Note*” and, collectively with the Direct Incentive Payment and the Net Bond Proceeds, the “*TIF*”

Incentive”). The TIF Note will be issued within 90 days of final occupancy of the Market Rate Component. Interest on the TIF Note will be exempt from taxation to the extent both permissible under the law and allowable in the opinion of the Village’s bond counsel. The TIF Note will mature no later than the Village’s receipt of the final payment of Pledged Taxes from the Existing TIF District.

C. The TIF Incentive will be a limited obligation of the Village payable solely from the Pledged Taxes. The TIF Incentive will not be a general obligation of the Village and will not be secured by the full faith and credit of the Village. Insufficiency of the Pledged Taxes to pay the TIF Incentive when due will not be an event of default and UrbanStreet will have no recourse against the Village in the event there is an insufficient amount of Pledged Taxes to pay the TIF Incentive.

D. The TIF Incentive will be earned by UrbanStreet upon the receipt by the Village of evidence (i) that sufficient construction financing and equity funding is available for the completion of the acquisition of the Development Site, the site improvements for the entire Development Site, and the construction of the Market Rate Component and the Commercial Outlots, (ii) of executed contracts for construction of the Market Rate Component and the Commercial Outlots, (iii) of executed purchase and sale agreements, leases, or letters of intent relating to the development and use of all the Commercial Outlots, (iv) any other information required to be provided to any underwriter of the Revenue Bonds with respect to the issuance of the Revenue Bonds, (v) that all zoning, subdivision, and other land use approvals for the Project have been obtained and that building permits for the Market Rate Component and the Commercial Outlots have been obtained, and (vi) other information reasonably required by the Village with respect to the viability of the Market Rate Component and the Commercial Outlots. Project funding will be disbursed as follows: (x) first, private equity, of approximately \$31,500,000, and any proceeds from the sale of any portion of the Development Site, (y) second, the TIF Incentive in the Escrow, so long as the construction lender has confirmed in writing that the construction loan is in balance and ready to be disbursed for the Project, and (z) third, construction loan proceeds, of approximately \$60,131,000. Distributions of the TIF Incentive that are earned, but not paid because of a lack of revenues, such as from the TIF Note, will accrue until paid.

E. The TIF Incentive may only be used for eligible redevelopment project costs, and, with respect to TIF Incentive provided through the grant of proceeds of tax-exempt obligations, eligible redevelopment project costs that qualify to be financed with proceeds of tax-exempt obligations. The amounts of the TIF Incentive and the Target IRR are subject to revision prior to finalizing the Redevelopment Agreement based on the Parties’ further review of the Project’s funding sources, anticipated construction costs, IRR, and Target IRR.

F. If the Project yields a rate of return in excess of the Target IRR, then (i) during construction of the Project, UrbanStreet will bury the ComEd lines in the vicinity of the Project, at its cost (“*Undergrounding Costs*”), to the extent the Undergrounding Costs do not cause the

rate of return for the Project to be below the Target IRR, and (ii) if after paying the Undergrounding Costs, or if UrbanStreet does not bury the ComEd Lines, the Project yields a rate of return in excess of the Target IRR, the TIF Incentive will be reduced to an amount that is no greater than necessary so that UrbanStreet achieves the Target IRR, and no more. Reductions of the TIF Incentive will be accomplished first by reducing the principal amount of the TIF Note prior to its issuance, and second, if necessary, UrbanStreet will return any excess Direct Incentive Payment it received that results in the Target IRR being exceeded.

G. The Parties acknowledge that incremental property taxes from the Existing TIF District are pledged (i) first to pay student tuition assistance payments pursuant to 65 ILCS 5/11-74.4-3(q)(7.5) and library patron assistance payments pursuant to 65 ILCS 5/11-74.4-3(q)(7.7), (ii) second to pay certain amounts pursuant to Intergovernmental Agreements related to the Existing TIF District between the Village and Township High School District No. 214, the Village and Elk Grove Township, the Village and Arlington Heights Park District, and the Village and Community Consolidated School District No. 59, and (iii) third to pay the Village's administration costs for the Existing TIF District, including, without limitation, costs of issuance related to the TIF Incentive (collectively the "*Senior Pledges*"). Incremental property taxes pledged or paid as part of the TIF Incentive are subordinate to, and will be net of, the Senior Pledges.

H. UrbanStreet anticipates that the Project will commence on or prior to November 30, 2024 and to be completed, meaning all aspects have satisfied the requirements for the issuance of Village-issued certificate of occupancy on or prior to November 30, 2026. The Redevelopment Agreement will include a timeline for commencement and completion of the Project and its components.

I. The Parties' final and binding agreement related to the Project will be embodied in a redevelopment agreement approved by both the Village Board of Trustees and UrbanStreet ("*Redevelopment Agreement*"). However, the Redevelopment Agreement will be approved only after the Village has completed all necessary public hearings and meetings necessary for the Project's incentives, zoning, subdivision, and other entitlements.

5. Purchase of Village Parcels:

A. To incentivize UrbanStreet to develop the Project, the Village is willing to agree, in a purchase and sale agreement approved by both the Village Board of Trustees and UrbanStreet ("*Purchase and Sale Agreement*"), to designate UrbanStreet as the developer of the Village Parcels and to convey to UrbanStreet title to the Village Parcels in as-is where-is condition for \$10. The Purchase and Sale Agreement will acknowledge the historic uses of the Village Parcels which include a gas station and a dry-cleaning facility, and that UrbanStreet accepts the Village Parcels without reservation or contingency with respect to their environmental condition. The conveyance will be conditioned on, and will occur after the later of, (i) approval of all zoning, subdivision, and other entitlements necessary for the Project, (ii) approval of the Redevelopment

Agreement, (iii) UrbanStreet satisfying the conditions in Section 4.D(i)-(vi) above. The conveyance will be at no cost to the Village. The other terms and conditions of the conveyance will be included within the Purchase and Sale Agreement. The Purchase and Sale Agreement will be approved prior to the Redevelopment Agreement. Notice of the proposed Purchase and Sale Agreement will be given, and alternative proposals for development of the Village Parcels will be considered, in accordance with 65 ILCS 5/11-74.4-4(c).

B. If UrbanStreet takes title to the Village Parcels:

i. If UrbanStreet fails to commence construction of the Project when required, the Purchase and Sale Agreement will grant the Village the right to reconveyance of the Village Parcels.

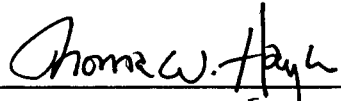
ii. If UrbanStreet commences construction of the Project when required, and if UrbanStreet has not conveyed the property on which the Affordable Senior Component will be constructed (“*ASC Property*”) to the developer constructing it, and if the developer constructing it fails to receive sufficient construction financing and equity funding, on or before November 30, 2025, the Purchase and Sale Agreement will grant the Village the right to reconveyance of the ASC Property in “pad ready” condition.

C. The Village hereby designates UrbanStreet as the exclusive developer of the Village Parcels during the Negotiation Period and agrees that, during the Negotiation Period, the Village will not negotiate with any entity other than UrbanStreet or its designee concerning (i) the redevelopment of the Village Parcels, or (ii) the Village’s sale or other conveyance of the Village Parcels.

6. Additional Redevelopment Agreement Provisions:

UrbanStreet will seek various zoning, subdivision, and development approvals for the Project. If such requests (as they may be supplemented or modified by UrbanStreet) are approved by the Village, they will also be incorporated in the Redevelopment Agreement. Further, the Redevelopment Agreement will include such other provisions as the Parties deem appropriate and mutually acceptable, including Project completion and performance guarantees and a list of redevelopment project costs eligible for reimbursement with the TIF Incentive (the “*TIF Eligible Costs*”).

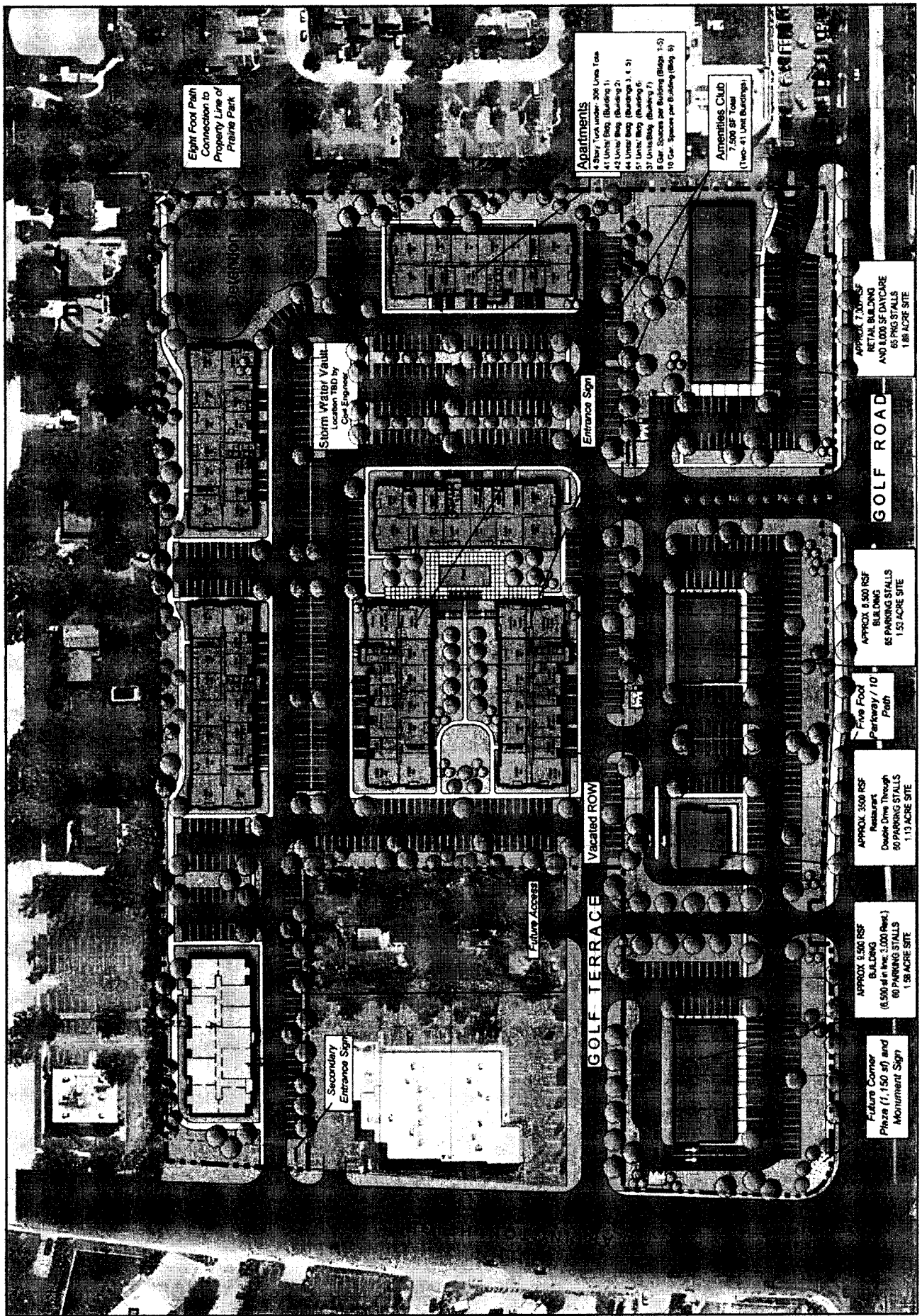
Approved:



Village of Arlington Heights



UrbanStreet Group, LLC
Authorized Person
Jonathan Dennis



Eight Foot Path
Connection to
Property Line of
Prairie Park

Storm Water Vault
Location TBD by
Civil Engineer

Secondary
Entrance Sign

Future Access

GOLF TERRACE

Vacated ROW

Entrance Sign

Apartments
 207 Units - 208 Units Total
 41 Units Bldg (Building 1)
 41 Units Bldg (Building 2)
 44 Units Bldg (Buildings 3 & 3)
 51 Units Bldg (Building 5)
 31 Units Bldg (Building 6)
 8 Gar. Spaces per Building (Bldgs 1-5)
 10 Car. Spaces per Building (Bldg 6)

Amenities Club
 7,500 SF Total
 (Two - 41 Unit Buildings)

Future Corner
Plaza (1,150 sf) and
Monument Sign

APPROX. 6,500 RSF
BUILDING
(8,500 sf inc. 3,000 RSF)
60 PARKING STALLS
1.58 ACRE SITE

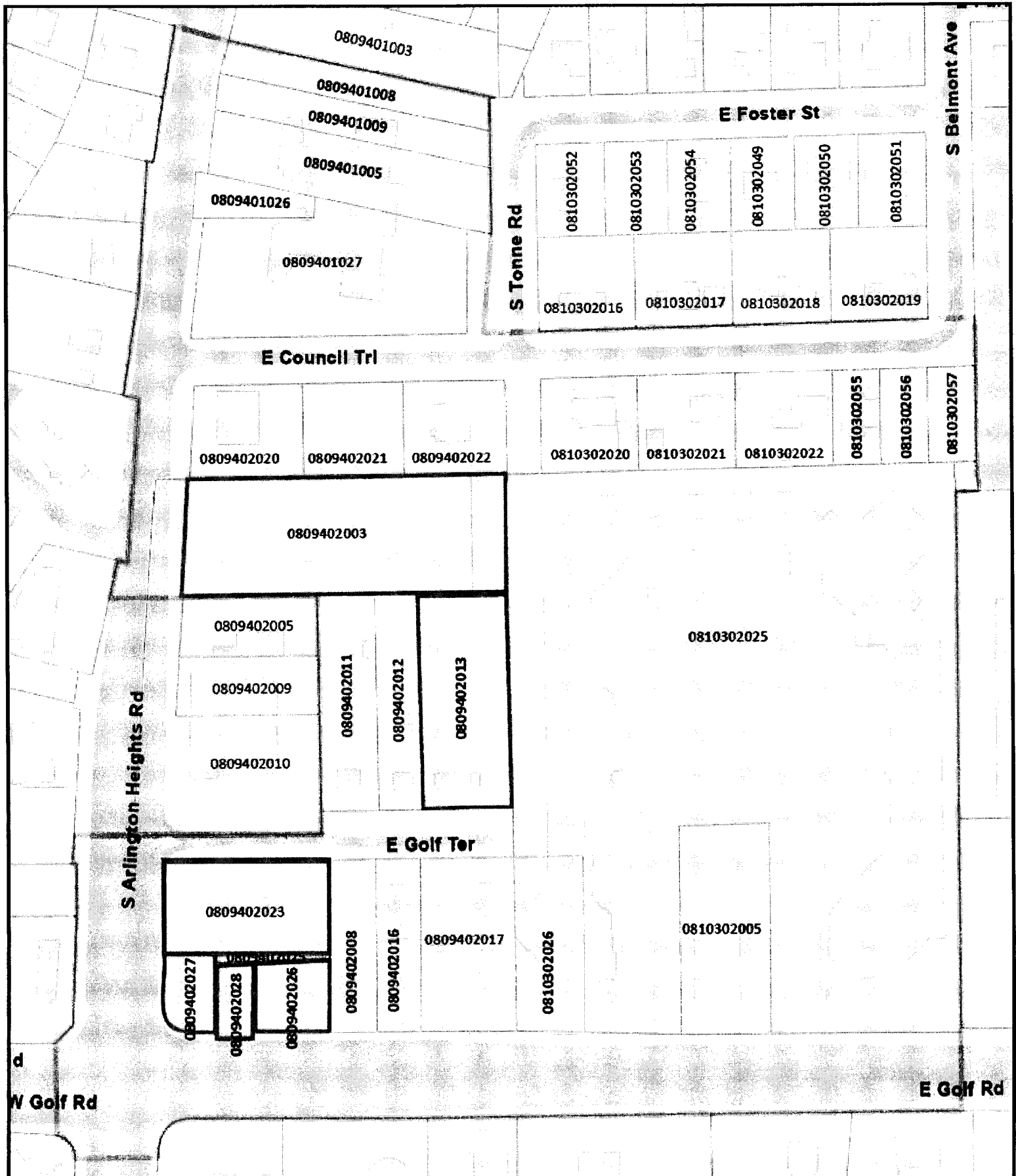
APPROX. 3,500 RSF
Restaurant
Double Drive Through
80 PARKING STALLS
1.13 ACRE SITE

Five Foot
Parkway / 10'
Path

APPROX. 6,500 RSF
BUILDING
80 PARKING STALLS
1.53 ACRE SITE

APPROX. 7,000 SF
RETAIL BUILDING
AND 4,000 SF DAYCARE
65 PKG STALLS
1.88 ACRE SITE

GOLF ROAD



Highlighted parcels are Village-owned.

11/14/2023

EXHIBIT B
VILLAGE PARCELS

Cook County Property Index Numbers¹:

1. PIN 08-09-402-003
2. PIN 08-09-402-013
3. PIN 08-09-402-023
4. PIN 08-09-402-025
5. PIN 08-09-402-027
6. PIN 08-09-402-028
7. PIN 08-09-402-026

¹ The Village Parcels exclude the ASC Property.

EXHIBIT C

PROJECT *PRO FORMA* AND IRR FORMULA AND METHOD

(attached)

PRELIMINARY, SUBJECT TO CHANGE

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
Urban Street - International Plaza Redevelopment**

**PROJECT SUMMARY
Uses of Funds**

USES:

| | |
|--|-------------------|
| | <u>Total</u> |
| Total Land Acquisition | 9,564,200 |
| Total Site Development Costs | 13,257,000 |
| Total Hard Construction Costs of Building | 59,824,732 |
| Total Soft Costs | <u>17,566,810</u> |
| | |
| Total Costs | 100,212,742 |

**PROJECT SUMMARY
Sources of Funds**

SOURCES:

| | | |
|---------------------------------------|--------------------|-------------|
| <u>Without Financial Assistance</u> | | |
| Equity | 40,080,897 | 40% |
| Debt Financing | <u>60,131,845</u> | <u>60%</u> |
| | | |
| TOTAL SOURCES (W/O ASSISTANCE) | 100,212,742 | 100% |
| | | |
| <u>With Financial Assistance</u> | | |
| Equity | 24,179,048 | 24% |
| Debt Financing | 60,131,845 | 60% |
| TIF Bond Proceeds | 5,312,750 | 5% |
| Upfront Village TIF Assistance | 3,300,000 | 3% |
| Developer Note | 2,789,099 | 3% |
| Affordable Housing Site Sale | 500,000 | 0% |
| Retail Land Sale | <u>4,000,000</u> | <u>4%</u> |
| | | |
| TOTAL SOURCES (W/O ASSISTANCE) | 100,212,742 | 100% |

**Village of Arlington Heights, Illinois Assumptions With Public Financial Assistance (Leveraged Return)
Preliminary IRR Review with Assumptions**

| | |
|-----------------------|-------------|
| Total Investment | 100,212,742 |
| Construction Loan | 60,131,845 |
| Village Assistance | 11,401,849 |
| Land Sale | 4,500,000 |
| Loan Rate (Const.) | 7.50% |
| Refinance Loan (2021) | 60,131,845 |
| Loan Term | 25 years |
| Loan Rate (Long Term) | 6.50% |
| Equity | 24,179,048 |

Project Description:

Residential 268,693 Sq. Ft.

Residential Revenue Assumptions:

| | | |
|--|-----------|--------------------------|
| Avg. Net Residential Rent/Sq.Ft./Year (2025) | \$30.00 | \$2.50 Rent/Sq.Ft./Month |
| Parking Revenue/Initial Year | \$90,000 | |
| Misc. Income/Initial Year | \$382,106 | |

Apartment Expense Assumptions:

Estimated Annual Expenses (% Rev.) 33.0%

Growth Assumptions:

| | |
|--|--------|
| Annual Residential Lease Escalation (Yr. 1-3) | 2.50% |
| Annual Residential Lease Escalation (Yr. 4-10) | 3.00% |
| Initial Year Occupancy Level | 100.0% |

| Year | Residential Revenues | Misc. & Parking Revenues | Total Revenues | Less: Vacancy | Less: Expenses | Total Net Resid. Revenues | Net Revenues Available For Debt Service | Debt Service | NOI | IRR Calculation NOI | Add Residual | Sch. Const. Draw | Principal | Inter |
|-------------|----------------------|--------------------------|----------------|---------------|----------------|---------------------------|---|--------------|-----------|---------------------|--------------|------------------|-----------|-------|
| Const. 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (24,179,048) | (24,179,048) | 0 | 0 | |
| Const. 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60,131,845 | 0 | |
| 2025 | 8,060,790 | 472,106 | 8,532,896 | (426,645) | (2,815,856) | 5,290,396 | 5,290,396 | 4,929,698 | 360,698 | 360,698 | 360,698 | 0 | 1,021,128 | 3.4 |
| 2026 | 8,262,310 | 486,269 | 8,748,579 | (437,429) | (2,887,031) | 5,424,119 | 5,424,119 | 4,929,698 | 494,421 | 494,421 | 494,421 | 0 | 1,087,501 | 3.1 |
| 2027 | 8,468,867 | 500,857 | 8,969,725 | (448,486) | (2,960,009) | 5,561,229 | 5,561,229 | 4,929,698 | 631,532 | 631,532 | 631,532 | 0 | 1,158,189 | 3.7 |
| 2028 | 8,722,934 | 515,883 | 9,238,816 | (461,941) | (3,048,809) | 5,728,066 | 5,728,066 | 4,929,698 | 798,369 | 798,369 | 798,369 | 0 | 1,233,471 | 3.0 |
| 2029 | 8,984,622 | 531,359 | 9,515,981 | (475,799) | (3,140,274) | 5,899,908 | 5,899,908 | 4,929,698 | 970,210 | 970,210 | 970,210 | 0 | 1,313,647 | 3.0 |
| 2030 | 9,254,160 | 547,300 | 9,801,460 | (490,073) | (3,234,482) | 6,076,905 | 6,076,905 | 4,929,698 | 1,147,208 | 1,147,208 | 1,147,208 | 0 | 1,399,034 | 3.2 |
| 2031 | 9,531,785 | 563,719 | 10,095,504 | (504,775) | (3,331,516) | 6,259,213 | 6,259,213 | 4,929,698 | 1,329,515 | 1,329,515 | 1,329,515 | 0 | 1,489,971 | 3.4 |
| 2032 | 9,817,739 | 580,631 | 10,398,369 | (519,918) | (3,431,462) | 6,446,989 | 6,446,989 | 4,929,698 | 1,517,291 | 1,517,291 | 65,479,070 | 0 | 1,586,819 | 3.2 |

IRR analysis:

| | | | | | |
|-------------|-------|----------------------|-------------|-----------------|--------|
| Assumptions | | | | | |
| Cap Rate | 5.50% | Value (Res.) 10 yrs. | 113,803,866 | IRR Calculation | 13.28% |
| | | Total Value | 113,803,866 | | |
| | | Less: | | Return on Cost | 6.27% |
| | | Mortgage | 49,842,087 | | |
| | | Residual | 63,961,779 | | |

The IRR will be calculated at the time the Developer presents the Village with a fully executed guaranteed maximum price construction contract (“**GMP**”) for the Project, a full Project financing commitment, and a current dated market study from a third-party approved by the Village demonstrating the Project’s feasibility. The IRR calculation will be performed taking into account (i) the final GMP price, (ii) all costs of land acquisition, site improvements costs, hard costs and soft costs as identified in all contracts related to such costs that are executed by the Developer, and (iii) the rental rates identified in the market study.

The Target IRR is 13.28%.

EXHIBIT D
EXCLUDED PROPERTIES

Cook County Property Index Numbers:

1. 08-09-402-011
2. 08-09-402-012
3. ASC Property

ATTACHMENT F and K (TIF 4)

SEE ATTACHED

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor and
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Arlington Heights, Illinois (the Village) as of and for the year ended December 31, 2023, which collectively comprise the basic financial statements of the Village of Arlington Heights, Illinois, and have issued our report thereon dated June 17, 2024.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary financial information (balance sheet and schedule of revenues, expenditures, and changes in fund balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

SiKich CPA LLC

Naperville, Illinois
June 17, 2024

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

BALANCE SHEET
TAX INCREMENT FINANCING FUND
TIF IV

December 31, 2023

| ASSETS | |
|--|-----------------------------------|
| Cash and cash equivalents | \$ 4,499,340 |
| Property taxes receivable | <u>577,708</u> |
| TOTAL ASSETS | <u><u>\$ 5,077,048</u></u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | |
| LIABILITIES | |
| None | <u>\$ -</u> |
| Total liabilities | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue | <u>571,800</u> |
| Total liabilities and deferred inflows of resources | <u>571,800</u> |
| FUND BALANCE | |
| Restricted for community development | <u>4,505,248</u> |
| Total fund balance | <u>4,505,248</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u><u>\$ 5,077,048</u></u> |

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
TAX INCREMENT FINANCING FUND
TIF IV**

For the Year Ended December 31, 2023

| | |
|----------------------------------|----------------------------|
| REVENUES | |
| Property taxes | \$ 541,524 |
| Investment income | <u>168,963</u> |
| Total revenues | <u>710,487</u> |
| EXPENDITURES | |
| Current | |
| Contractual services | 23,193 |
| Other expenditures | <u>400</u> |
| Total expenditures | <u>23,593</u> |
| NET CHANGE IN FUND BALANCE | 686,894 |
| FUND BALANCE, JANUARY 1 | <u>3,818,354</u> |
| FUND BALANCE, DECEMBER 31 | <u><u>\$ 4,505,248</u></u> |

(See independent auditor's report.)

Attachment L : Auditors Letter (TIF 4)

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Mayor and
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have examined management's assertion that the Village of Arlington Heights, Illinois (the Village), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2023. Management is responsible for the Village's assertion. Our responsibility is to express an opinion on management's assertion about the Village's compliance with the specific requirements based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Village's compliance with the specified requirements.

In our opinion, management's assertion that the Village of Arlington Heights, Illinois, complied with the aforementioned requirements for the year ended December 31, 2023, is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management and the Illinois Department of Revenue, Illinois State Comptrollers office and the Joint Review Board and should not be used by anyone other than these specified parties.

SiKich CPA LLC

Naperville, Illinois
June 17, 2024



**Joint Review Board
7/31/2024**

Item: South Arlington Heights Road State Comptroller Annual TIF Report

Department: Planning & Community Development Department

ATTACHMENTS:

| Description | Type |
|---|-------------|
| South Arlington Heights Road State Comptroller Report | Report |

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: South Arlington Heights Road TIF

| | |
|---|-------------------------------------|
| Primary Use of Redevelopment Project Area*: Mixed | |
| <small>*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.</small> | |
| If "Combination/Mixed" List Component Types: Commercial/Residen | |
| Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one): | |
| Tax Increment Allocation Redevelopment Act | <input checked="" type="checkbox"/> |
| Industrial Jobs Recovery Law | <input type="checkbox"/> |

Please utilize the information below to properly label the Attachments.

| | No | Yes |
|--|----|-----|
| For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A). For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A). | X | |
| Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B). | | X |
| Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C). | | X |
| Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D). | | X |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E). | X | |
| Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F). | | X |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G). | X | |
| Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H). | X | |
| Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J). | X | |
| An analysis prepared by a financial advisor or underwriter, chosen by the municipality , setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter MUST be attached (labeled Attachment J). | X | |
| Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K). | | X |
| Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L). | | X |
| A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M). | X | |
| For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N). | X | |

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)] and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: South Arlington Heights Road TIF

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 1,245,579

| SOURCE of Revenue/Cash Receipts: | Revenue/Cash Receipts for Current Reporting Year | Cumulative Totals of Revenue/Cash Receipts for life of TIF | % of Total |
|---|--|--|------------|
| Property Tax Increment | \$ 746,275 | \$ 2,141,929 | 97% |
| State Sales Tax Increment | | | 0% |
| Local Sales Tax Increment | | | 0% |
| State Utility Tax Increment | | | 0% |
| Local Utility Tax Increment | | | 0% |
| Interest | \$ 64,571 | \$ 76,231 | 3% |
| Land/Building Sale Proceeds | | | 0% |
| Bond Proceeds | | | 0% |
| Transfers from Municipal Sources | | | 0% |
| Private Sources | | | 0% |
| Other (identify source _____; if multiple other sources, attach schedule) | | | 0% |

All Amount Deposited in Special Tax Allocation Fund \$ 810,846

Cumulative Total Revenues/Cash Receipts \$ 2,218,160 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 69,364

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 69,364

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 741,482

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD* \$ 1,987,061

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 3.2 A [65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: South Arlington Heights Road TIF

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

PAGE 1

| Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)] | Amounts | Reporting Fiscal Year |
|--|---------|-----------------------|
| 1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost. | | |
| Project Financial Analysis (Ryan LLC) | 5,638 | |
| | | |
| | | |
| | | |
| | | |
| | | \$ 5,638 |
| 2. Annual administrative cost. | | |
| Administrative service fee - Village of Arlington Heights | 15,000 | |
| | | |
| | | |
| | | |
| | | |
| | | \$ 15,000 |
| 3. Cost of marketing sites. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 4. Property assembly cost and site preparation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 6. Costs of the construction of public works or improvements. | | |
| RJN Group - Preliminary Sewer Study | 42,767 | |
| American Underground - Sewer Study | 5,960 | |
| | | |
| | | |
| | | |
| | | \$ 48,726 |

SECTION 3.2 A
PAGE 3

| | | |
|--|--|------------------|
| 13. Relocation costs. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 14. Payments in lieu of taxes. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 15. Costs of job training, retraining, advanced vocational or career education. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 17. Cost of day care services. | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| 18. Other. | | |
| | | |
| | | |
| | | |
| | | |
| | | \$ - |
| TOTAL ITEMIZED EXPENDITURES | | \$ 69,364 |

SECTION 3.3 [65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: South Arlington Heights Road TIF

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FUND BALANCE BY SOURCE

| |
|--------------|
| \$ 1,987,061 |
|--------------|

| 1. Description of Debt Obligations | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Obligations | \$ - | \$ - |

| 2. Description of Project Costs to be Paid | Amount of Original Issuance | Amount Designated |
|--|-----------------------------|-------------------|
| Administrative Costs (5 Years) | \$ | 75,000 |
| Redevelopment (5 Years) | \$ | 4,200,000 |
| Professional Services (5 Years) | \$ | 500,000 |
| Capital - Sewer Improvements (5 Years) | \$ | 2,000,000 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Amount Designated for Project Costs | \$ | 6,775,000 |

| | |
|--------------------------------|--------------|
| TOTAL AMOUNT DESIGNATED | \$ 6,775,000 |
|--------------------------------|--------------|

| | |
|--------------------------|----------------|
| SURPLUS/(DEFICIT) | \$ (4,787,939) |
|--------------------------|----------------|

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: South Arlington Heights Road TIF

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

| | |
|--|--|
| | Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area. |
|--|--|

| | |
|--|--|
| Property (1): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (2): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (3): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (4): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (5): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (6): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

| | |
|--|--|
| Property (7): | |
| Street address: | |
| Approximate size or description of property: | |
| Purchase price: | |
| Seller of property: | |

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: South Arlington Heights Road TIF

PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

| | |
|--|---|
| 1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area. | |
| 2. The municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.) | X |
| 2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan: | 7 |
| 2b. The total number of NEW projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Redevelopment Project area, if any. | 4 |

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

| TOTAL: | 11/1/99 to Date | Estimated Investment for Subsequent Fiscal Year | Total Estimated to Complete Project |
|--|------------------------|--|--|
| Private Investment Undertaken (See Instructions) | \$ - | \$ 50,000,000 | \$ 127,000,000 |
| Public Investment Undertaken | \$ 100,148 | \$ 1,133,204 | \$ 2,233,352 |
| Ratio of Private/Public Investment | 0 | | 56 77/89 |

Project 1: Preliminary Sewer Analysis

| | | | |
|--|-----------|--|-----------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 57,381 | | \$ 57,381 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 2: Phase I Sewer Analysis

| | | | |
|--|-----------|-----------|-----------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | \$ 42,767 | \$ 13,396 | \$ 56,163 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 4: Sewer - Engineering

| | | | |
|--|---|------------|------------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | \$ 100,000 | \$ 100,000 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 5 Name: Sewer Construction

| | | | |
|--|---|--------------|--------------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | \$ 1,000,000 | \$ 2,000,000 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 6 Name: Arlington Gateway

| | | | |
|--|---|---------------|----------------|
| Private Investment Undertaken (See Instructions) | | \$ 50,000,000 | \$ 127,000,000 |
| Public Investment Undertaken | | | \$ - |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 7 Name: Streetscaping

| | | | |
|--|---|-----------|-----------|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | \$ 19,808 | \$ 19,808 |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 7 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 8 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 9 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 10 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 11 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 12 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 13 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 14 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 15 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 16 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 17 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 18 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 19 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 20 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 21 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 22 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 23 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 24 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

Project 25 Name:

| | | | |
|--|---|--|---|
| Private Investment Undertaken (See Instructions) | | | |
| Public Investment Undertaken | | | |
| Ratio of Private/Public Investment | 0 | | 0 |

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: South Arlington Heights Road TIF

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

| Number of Jobs Retained | Number of Jobs Created | Job Description and Type (Temporary or Permanent) | Total Salaries Paid |
|-------------------------|------------------------|---|---------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | \$ - |

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

| Project Name | The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement. | | The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement. | |
|-------------------|---|-----------|--|-----------|
| | Temporary | Permanent | Temporary | Permanent |
| Arlington Gateway | N/A | N/A | N/A | N/A |
| | | | | |
| | | | | |
| | | | | |

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

| Project Name | The amount of increment projected to be created at the time of approval of the redevelopment agreement. | The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement. |
|-------------------|---|---|
| Arlington Gateway | Redevelopment Agreement Not Completed | Redevelopment Agreement Not Completed |
| | | |
| | | |
| | | |

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, IF ANY:

| Project Name | Stated Rate of Return |
|-------------------|-----------------------|
| Arlington Gateway | N/A |
| | |
| | |

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Arlington Heights: South Arlington Heights Road TIF

Provide a general description of the redevelopment project area using only major boundaries.

The South Arlington Heights Road TIF district is defined by the mixed-use areas bounded by E Seegers Road to the north, South Arlington Heights Road on the west, I-90 to the south, and S Tonne Drive to the east.

| Optional Documents | Enclosed |
|---|-----------------|
| Legal description of redevelopment project area | |
| Map of District | |

ATTACHMENT B (South Arlington Heights Road TIF)

I, Thomas W. Hayes, the duly elected Chief Executive Officer, of the Village of Arlington Heights, County of Cook, State of Illinois, and as such, do hereby certify that the Village of Arlington Heights has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for Tax Increment Financing District: South Arlington Heights Road TIF, during the current municipal fiscal year, January 1, 2023 to December 31, 2023.

June 19, 2024



Thomas W. Hayes
President Board of Trustees
Village of Arlington Heights

ATTEST:



Becky Hume
Village Clerk

June 27, 2024

**Opinion of the Village Attorney of
The Village of Arlington Heights Regarding the South Arlington Heights Road
Redevelopment Plan and Project Under the
Illinois Tax Increment Allocation Redevelopment Act**

This will confirm that I serve as the Village Attorney of the Village of Arlington Heights, Cook County, Illinois. I have reviewed all information provided to me by the Village TIF Administrator regarding the Village of Arlington Heights South Arlington Heights Road Redevelopment Plan and Project pursuant to the Illinois Tax Increment Allocation Redevelopment Act (the "Act"). Based on such information, I hereby certify that the Village of Arlington Heights has conformed substantially to all applicable reporting requirements of the Act for the fiscal year ended December 31, 2023 to the best of my knowledge and belief.

Sincerely,



Hart M. Passman

HMP/jss
cc: Michael Lysicatos, TIF Administrator

ATTACHMENT D (South Arlington Heights Road TIF)

I, Randall Recklaus, Village Manager, do hereby certify that the following activities were undertaken in furtherance of the objectives of the redevelopment plan for Tax Increment Financing District: South Arlington Heights Road TIF between January 1, 2023 and December 31, 2023.

1. Continued to work with prospective developers.
2. The Village hired a consultant to complete Phase I engineering services in order to upgrade sewer service in the TIF district.
3. The Village hired a financial services consultant to assist with financial analysis of potential redevelopment of the Arlington Gateway Project.

June 26, 2024



Randall Recklaus
Village Manager

ATTEST:



Becky Hume
Village Clerk

ATTACHMENT F and K (South Arlington Heights Road TIF)

SEE ATTACHED

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor and
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Arlington Heights, Illinois (the Village) as of and for the year ended December 31, 2023, which collectively comprise the basic financial statements of the Village of Arlington Heights, Illinois, and have issued our report thereon dated June 17, 2024.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary financial information (balance sheet and schedule of revenues, expenditures, and changes in fund balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

SiKich CPA LLC

Naperville, Illinois
June 17, 2024

FINANCIAL STATEMENTS

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

BALANCE SHEET
TAX INCREMENT FINANCING FUND
SOUTH ARLINGTON HEIGHTS ROAD TIF

December 31, 2023

| ASSETS | |
|--|-----------------------------------|
| Cash and cash equivalents | \$ 1,988,946 |
| Property taxes receivable | <u>350,000</u> |
| TOTAL ASSETS | <u><u>\$ 2,338,946</u></u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | |
| LIABILITIES | |
| Accounts payable | <u>\$ 1,885</u> |
| Total liabilities | <u>1,885</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue | <u>350,000</u> |
| Total liabilities and deferred inflows of resources | <u>351,885</u> |
| FUND BALANCE | |
| Restricted for community development | <u>1,987,061</u> |
| Total fund balance | <u>1,987,061</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u><u>\$ 2,338,946</u></u> |

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
TAX INCREMENT FINANCING FUND
SOUTH ARLINGTON HEIGHTS ROAD TIF**

For the Year Ended December 31, 2023

REVENUES

| | |
|-------------------|----------------|
| Property taxes | \$ 746,275 |
| Investment income | <u>64,571</u> |
| Total revenues | <u>810,846</u> |

EXPENDITURES

| | |
|----------------------|---------------|
| Current | |
| Contractual services | 11,597 |
| Other charges | 15,000 |
| Capital outlay | <u>42,767</u> |
| Total expenditures | <u>69,364</u> |

NET CHANGE IN FUND BALANCE 741,482

FUND BALANCE, JANUARY 1 1,245,579

FUND BALANCE, DECEMBER 31 \$ 1,987,061

(See independent auditor's report.)

Attachment L : Auditors Letter (South Arlington Heights Road TIF)

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Mayor and
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have examined management's assertion that the Village of Arlington Heights, Illinois (the Village), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2023. Management is responsible for the Village's assertion. Our responsibility is to express an opinion on management's assertion about the Village's compliance with the specific requirements based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Village's compliance with the specified requirements.

In our opinion, management's assertion that the Village of Arlington Heights, Illinois, complied with the aforementioned requirements for the year ended December 31, 2023, is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management and the Illinois Department of Revenue, Illinois State Comptrollers office and the Joint Review Board and should not be used by anyone other than these specified parties.

SiKich CPA LLC

Naperville, Illinois
June 17, 2024