

CITY OF LEROY  
COUNTY OF MCLEAN  
STATE OF ILLINOIS

RESOLUTION NO. 95 - 3

FOR THE CITY OF LEROY, ILLINOIS, A MUNICIPAL CORPORATION, TO INDUCE THE  
LOCATION OF A NEW BUSINESS IN THE CITY OF LEROY FIRST TAX INCREMENT  
FINANCING DISTRICT

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ADOPTED BY THE CITY COUNCIL OF THE CITY OF LE ROY THIS 1st  
DAY OF May, 1995.

PRESENTED: May 1, 1995

PASSED: May 1, 1995

APPROVED: May 1, 1995

RECORDED: May 1, 1995

PUBLISHED: May 1, 1995

In Pamphlet Form

Voting "Aye" 6

Voting "Nay" 0

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The undersigned being the duly qualified and acting City Clerk of the City of LeRoy does hereby certify that this document constitutes the publication in pamphlet form, in connection with and pursuant to Section 1-2-4 of the Illinois Municipal Code, of the above-captioned resolution and that such resolution was presented, passed, approved, recorded and published as above stated.

(SEAL)

X Juanita Daigley  
City Clerk of the City of LeRoy,  
McLean County, Illinois

Dated: May 1, 1995.

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FOR THE CITY OF LEROY, ILLINOIS, A MUNICIPAL CORPORATION, TO INDUCE THE  
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WHEREAS, the Mayor and City Council of the City of LeRoy, an Illinois municipal corporation, have approved and adopted resolutions providing for tax increment financing in the City of LeRoy, specifically in that geographical area known as the "LeRoy First Tax Increment Financing District;" and

WHEREAS, the Mayor and City Council of the City of LeRoy, Illinois, have determined that a project proposed by Charles Feeney and Feeney Oil Company, of Normal, Illinois, will have a substantial chance of success if located within the LeRoy First Tax Increment Financing District; and

WHEREAS, in order to induce the location of said new business in the City of LeRoy the developer requires financial assistance; and

WHEREAS, the City of LeRoy is capable of providing financial assistance through the utilization of tax increment financing, specifically through the utilization of tax increment revenues to be received by the LeRoy First Tax Increment Financing District after such project is completed and begins to generate real estate tax increments and sales tax increments in said district,

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of LeRoy, Illinois, in lawful meeting assembled, as follows:

1. That at its regular City Council meeting on February 21, 1994, a motion was regularly made and seconded, and said motion was approved by the council members then present (five ayes, zero nays) to approve the tax increment financing agreement plan between Charles Feeney and Feeney Oil Company, on the one hand, and the City of LeRoy, on the other, as outlined in a letter prepared by the city attorney, Hunt Henderson, a copy of which letter is attached hereto as Exhibit A, and incorporated herein by reference; and that the intent of the City Council of the City of LeRoy on February 21, 1994, was to induce the location of a truckstop, convenience store, and restaurant business or businesses on property contracted to be purchased by Charles Feeney or caused to be purchased by his direction under an entity controlled by him or of which he was a substantial owner, such inducement being the offering by the City of LeRoy to reimburse Feeney (the developer) for all or a portion of the cost eligible expenses of the aforesaid development from a part of the increment revenues of the LeRoy First Tax Increment Financing District "generated" by the development.

2. That at all times since February 21, 1994, the LeRoy City Council has intended to enter into an agreement with Charles Feeney or any other entity controlled by him, as the developer of the aforesaid project in the LeRoy First Tax Increment Financing District, and that a proposed agreement has been forwarded to Charles Feeney for review.

3. That it is the continuing sense of the City Council of the City of LeRoy that without the inducement and agreement made with Charles Feeney in February, 1994, that the aforescribed project would not and will not be located in or near the City of LeRoy, and that the loss of such project would greatly diminish the economic benefits to be realized by residents in the local area, and by the City of LeRoy.

**PASSED** by the City Council of the City of LeRoy, Illinois, upon the motion by

Lois Parkin, seconded by David McClelland

, by roll call vote on the 1st day of May, 1995, as follows:

Aldermen elected 6 Aldermen present 6

**VOTING AYE:**

David McClelland, Lois Parkin, Ronnie Litherland, Fred Dodson, George Cook  
(full names) Dawn Thompson

**VOTING NAY:**

none  
(full names)

**ABSENT, ABSTAIN, OTHER:**


none  
(full names)

and deposited and filed in the office of the City Clerk in said municipality on the 1st day of May, 1995.


X Juanita Dagley  
Juanita Dagley, City Clerk of the City of LeRoy,  
McLean County, Illinois

**APPROVED BY** the Mayor of the City of LeRoy, Illinois, this 1st day of

May, 1995.

X   
Jerry C. Davis, Mayor of the City of LeRoy,  
McLean County, Illinois

ATTEST: (SEAL)

X   
Juanita Dagley, City Clerk, City of LeRoy,  
McLean County, Illinois

112 EAST CENTER STREET

LEROY, ILLINOIS 61752

(309) 962-2791

February 22, 1994

Mr. Charles Feeney and Feeney Oil Company

c/o Mr. Martin L. O'Connor

Attorney at Law

Fleming, Messman &amp; O'Connor

217 E. Washington Street

Bloomington, Illinois 61701

Dear Mr. Feeney:

The LeRoy City Council has voted and agreed to enter into a contract for your proposed development in the LeRoy 1st TIF District upon the following terms.

In concept, during the negotiations regarding the proposed TIF development agreement, we, you and the representatives for the City, have "conceptualized" the agreement as breaking down into three separate components of the annual increment funds that would be made available from time to time to the district as the result of the development you propose. The first one-third of the annual increment (on a calendar year basis) would be set aside to cover the interest on the project loan. The maximum interest payable though would be thirty percent of the loan interest annually, as that is a maximum imposed by state law. The developer (whether that be you personally or Feeney-Oil Company, or some other entity that you or Feeney Oil Company would control) would not be permitted to incur a loan, part of the interest of which would be payable as proposed in this section, for more than one hundred percent of the original project cost (said costs being deemed to include land acquisition, building repairs and improvements, personal property necessary to be obtained in order to properly equip the site and initially stock it, and any other such items of real estate improvements or personal property acquisition). If the developer were to refinance the loan at a later date, and the loan were to be refinanced for an amount of principal greater than the principal balance due from time to time after the inception of the loan, the City would only be obligated to pay the maximum of thirty percent of the interest as calculated on the remaining balance of principal that was due at the time of refinancing reduced by all principal payments made against the loan after the refinancing was completed. There will be no dollar "capital" on the amount of interest that could be payable over the lifetime of the agreement but there will be a time limit cap. The last funds that would be due the developer will be from those funds or increment payments received on or before October 31, 2007 (end of the Tax Increment District's life). Any increment or payments of an increment not received from the County Real Estate Tax Collector or from the State of Illinois from the sales tax increments that may have been accrued or "earned" by October 31, 2007, but not then received, will be kept by the City, if permitted by law, or may not even be capable of being received and kept by the City as the entity known as a "Tax Increment Financing District" will have terminated effective October 31, 2007. As you and I discussed during our telephone conversation, I am uncertain at this time as to what would be permissible under the state law in 2007, insofar as to the City being entitled to receive further increments that may have accrued before October 31, 2007, but might not be received for another several months or longer. If state law or applicable regulations are enacted answering the question, the parties to the proposed development

agreement could, in good faith, negotiate the matter to provide for final payments of amounts accrued but not paid to the City by October 31, 2007, to be paid at a later date if that is legally permissible. Any increment remaining annually from the "one-third" set aside to cover part of the developer's interest payments, after payment of the maximum amount allowed in accordance with the agreement, will go to the City to be used as the City desires, in accordance with applicable TIF legislation and regulations.

The second "one-third" of the annual increment (on a calendar year basis) will be paid to the developer so long as the developer has cost eligible expenses that qualify for the increment. As you and I discussed in our telephone conversation yesterday afternoon, once we agree that we have a proposal that both parties are willing to accept, you will work with the City's TIF Consultant, Kane, McKenna and Associates, and presumably with Don Eslick, to determine the total amount of cost-eligible project expenses and costs that you may have in order that that will be properly documented at the outset. The developer must apply the one-third of the annual increment discussed in this section to reduction of principal on the project loan until the loan is paid off. This does not mean that the principal payments must be in addition to your regular monthly or annual payments as may be required by your lender. This does mean that application of this share of the increment must be clearly shown annually as having been applied to reduction of the principal on the loan taken out to enable the developer to undertake the project, including acquisition of land, improvement of the site, and so forth. After the project loan has been paid in full, the developer may keep the increment to the extent that eligible project costs remain. Again, receipt of funds by the City up to and including those received by October 31, 2007, will be available for disbursement to the developer, funds that may have accrued or have been "earned" by October 31, 2007, but not received by the City, will not be an obligation of the City to pay to the developer unless applicable statutes or regulations are put in place answering the question of whether or not the City may receive those funds legally after the termination of the Tax Increment Financing District's life.

The remaining "one-third" will be kept by the City to be used in connection with its development plan for the district, and for those costs that the City may meet with such funds for the benefit of the municipality and to be expended within the district. Likewise, the City will be entitled to keep any share remaining annually from the "one-third" set aside to cover interest, over and above the maximum amount of that one-third share payable to the developer in accordance with the agreement.

The entire agreement will terminate effective October 31, 2007, unless, for any reason, the parties agree to extend it in any respect, if permitted by law beyond that date.

In the event the proposal as I have set it forth in this letter meets entirely with your approval, I would appreciate your either forwarding a letter to me to the effect that you agree to the terms as set forth in the letter, subject to those terms being set forth in more complete detail in an appropriate written agreement to be entered into between the parties, or you may sign a copy of this written proposal and return it to me by mail indicating that you accept these particular terms, subject to the same being set forth in a contract to be approved by the developer and the developer's attorney as well as by the attorney for the City of LeRoy and the City Council of the City of LeRoy.

Sincerely yours,

Hunt Henderson

**CERTIFICATE**

I, Juanita Dagley, certify that I am the duly elected and acting municipal clerk of the City of LeRoy, of McLean County, Illinois.

I further certify that on May 1, 1995, the Corporate Authorities of such municipality passed and approved Resolution No. 95 - 3, entitled:

**FOR THE CITY OF LEROY, ILLINOIS, A MUNICIPAL CORPORATION, TO INDUCE THE LOCATION OF A NEW BUSINESS IN THE CITY OF LEROY FIRST TAX INCREMENT FINANCING DISTRICT,**

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Resolution No. 95-3, including the Resolution and a cover sheet thereof, was prepared, and a copy of such Resolution was posted at the municipal building, commencing on May 1, 1995, and continuing for at least ten days thereafter. Copies of such Resolution were also available for public inspection upon request in the office of the municipal clerk.

Dated at LeRoy, Illinois, this 1st day of May, 1995

(SEAL)

  
\_\_\_\_\_  
Municipal Clerk

STATE OF ILLINOIS        )  
                                  ) SS:  
COUNTY OF McLEAN        )

I, Juanita Dagley, do hereby certify that I am the duly qualified and acting City Clerk of the City of LeRoy, McLean County, Illinois, and as such City Clerk that I am the keeper of the records and files of the Mayor and the City Council of said City.

I do further certify that the foregoing is a true, correct and complete copy of an resolution entitled:

**FOR THE CITY OF LEROY, ILLINOIS, A MUNICIPAL CORPORATION, TO INDUCE THE LOCATION OF A NEW BUSINESS IN THE CITY OF LEROY FIRST TAX INCREMENT FINANCING DISTRICT.**

I do further certify said resolution was adopted by the City Council of the City of LeRoy at a regular meeting on the \_\_\_\_\_ day of \_\_\_\_\_, 1995, and prior to the making of this certificate the said resolution was spread at length upon the permanent records of said City where it now appears and remains as a faithful record of said resolution in the record books.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1995.

X \_\_\_\_\_  
                                  City Clerk

(SEAL)