

OREGON TIF DISTRICT INTERGOVERNMENTAL AGREEMENT

by and between

**THE CITY OF OREGON, ILLINOIS
and**

OREGON COMMUNITY UNIT SCHOOL DISTRICT NO. 220

This Intergovernmental Agreement is entered into by and between the City of Oregon, an Illinois Municipal Corporation, and Oregon Community Unit School District No. 220, an Illinois School District, pursuant to the 1970 Illinois Constitution and Illinois Revised Statutes.

In consideration of their mutual promises, the Parties hereto agree as follows:

1. The City of Oregon ("City") is an Illinois Municipal Corporation organized under the Constitution and Statutes of the State of Illinois.
2. The Oregon Community Unit School District ("School District") is an Illinois School District organized under the Statutes of the State of Illinois.
3. The 1970 Illinois Constitution, Article VII, Section 10, and the Illinois Compiled Statutes, Ch. 5 Section 220/1 et seq. provide legal authority for intergovernmental privileges and authority to be enjoyed jointly by school districts and municipalities as well as other public bodies politic.
4. Pursuant to Section 65 ILCS 5/8-1-2.5 of the Illinois Municipal Code, the Corporate Authorities of the City may appropriate and expend funds for economic development purposes, including, without limitation, the making of grants to any other governmental entity or commercial enterprise that are deemed necessary or desirable for the promotion of economic development within the municipality.
5. The Tax Increment Allocation Redevelopment Act ("TIF Act"), Illinois Compiled Statutes, as amended, Ch. 65 Section 5/11-74.4-1 et seq. authorizes a municipality to enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan and project.
6. The City has adopted a Redevelopment Plan and Projects and designate a Redevelopment Area pursuant to the TIF Act for the Oregon TIF District ("TIF District") which is an area located in the School District and which will impact the growth of the School District's taxing base.

7. This Agreement is subject to and contingent in its entirety on the City's successful establishment of the TIF District.
8. The City has determined that it wishes to reduce the potential negative impact on the real estate tax base of the School District caused by residential development (as defined herein) occurring within the TIF District.
9. Payments provided for hereunder are not payments in lieu of taxes as defined by the TIF Act.
10. The City agrees to exercise its authority under Section 5/11-74.4-3(q)(7) of the TIF Act to reduce the negative impact on the real estate base of the School District from the establishment of the TIF District by reimbursing certain capital costs incurred in furtherance of the objectives of the TIF District Redevelopment Plan and Projects as described below.
11. The School District shall use any payments received pursuant to Section 5/11-74.4-3(q)(7) for reimbursement of capital and equipment expenditures relating to any facility and educational program of the School District.
12. The Parties declare that this Agreement is adopted pursuant to the 1970 Illinois Constitution, Article VII, Section 10 and Chapter 65 Section 5/11-74.4-4(b) of the TIF Act.

NOW, THEREFORE, the Parties agree to implement these policies as follows:

I. REIMBURSEMENT

A. TAX INCREMENT

The Parties agree that the Ogle County Clerk will provide to the Parties the actual annual gross real estate tax increment generated within the TIF District and within the boundaries of the School District and report such increment to the Parties.

B. REIMBURSEMENT CALCULATION

1. Each year during the term of this Agreement, the City agrees to reimburse the School District a sum, determined as follows, of the annual gross real estate tax increment created by any Residential Development (as defined herein) occurring within the TIF District. The reimbursement shall be used for expenditures of capital costs and job training, advanced vocational education and other career education purposes, as set forth in the TIF Act. For purposes of this Agreement, Residential Development shall be defined as any new residential dwelling units constructed in the existing subdivision located South of Illinois Route 64 and East of Daysville Road, (commonly known as Settler's Ridge Subdivision) and on any newly platted subdivisions, such being platted on or after February 28, 2017, and such newly platted subdivisions consisting of more

than three (3) residential lots.

For purposes of this Agreement, residential dwellings that are restricted to senior living (age 55 and older), assisted living facilities, and/or nursing home care facilities are not considered Residential Development and, along with commercial/industrial development, not subject to this Agreement.

2. As a result of information provided annually by the State Department of Education and the Ogle County Clerk, the parties will compute the actual real state tax loss, if any, realized by the School District. In the event that either or both of these offices fail to provide the information requested, the parties will use their own best efforts to obtain the necessary information.

An example of this computation follows:

- a. The State Department of Education will provide:
 - (i) The School District's operating tax rate: 5.52412
 - (ii) The State Entitlement rate (High School): 3.00The difference is: 2.52412
- b. The County Clerk will certify the real estate tax equalized assessed valuation within the TIF District over the base year and within the School District's boundaries:

\$100,000
- c. Item (a) times Item (b) =

\$2,524.12

C. STATE ENTITLEMENTS

The Parties acknowledge and agree that under the current system of State of Illinois School Entitlement payments, the School District does not necessarily lose the full amount of real estate taxes generated by its levy and extended against the incremental real estate increase. Further, the Parties agree that the actual real estate taxes lost to the School District are subject to several factors in part beyond the control of the Parties and include: 1) the School District's operating tax rate; 2) the annual statutory State Entitlement; and 3) other relevant tax limits and formulas. The Parties acknowledge that the entire method of funding common schools may be altered to lessen or increase the dependency of school funding on real property taxation. It is the intention of the Parties that if the method for funding common schools is altered, then the reimbursement method contained in this Agreement will be altered to reflect the increase or decrease in dependency of school funding on real property taxation to the extent provided for herein.

D. IMPACT FEE

The City will pay the sum described in Paragraph B above to the School District from the Special Tax Allocation Fund as an impact fee to be used for capital costs, pursuant to current Section 4-3(q)(7) of the TIF Act, and the School District shall provide the City with a list of such expenditures annually.

For purposes of this Agreement, "capital costs" shall mean expenditures for the purchase, rental or use of "capital assets" or "non-capitalized equipment," as those terms are defined in current Illinois State Board of Education Regulations. Examples of capital costs are, but not limited to:

- a. Acquisition of land to serve the immediate or future needs of children from the development;
- b. Improvement to any existing school site which already serves such needs;
- c. Development of classrooms, parking lots, sidewalks, traffic signals, internal roadways, connections with water, sewer and electrical lines, playgrounds, recreation grounds and athletic fields;
- d. Remodeling or renovation of School facilities;
- e. Purchase and prefabrication of classroom units;
- f. Material, goods or equipment as set forth in Exhibit A of the Illinois Program Accounting Manual for local Education Agencies prepared by the Illinois State Board of Education;
- g. Buses, maintenance, equipment, office equipment, district vehicles, or playground equipment; or
- h. Any other piece of capital equipment deemed necessary by the School District.

F. REIMBURSEMENT TIMING

The City shall pay the sum determined above to the School District within sixty (60) days of the City's receipt of the real estate tax increment generated as a preference and in the same proportions as actually received by the City provided that the School District has filed periodically with the City a list of eligible project costs equal to or exceeding the calculated sum to be paid to the School District under the terms of this Agreement.

II. GENERAL

Binding Effect:

This Agreement shall be binding on the Parties and their respective successors--including successors in office. Should the School District merge, this Agreement shall apply to the successor school district.

Governing Law:

This Agreement is governed by and shall be construed in accordance with the laws of the State of Illinois.

Term:

This Agreement shall become effective upon the establishment of the TIF District and shall remain in effect until either the City adopts an Ordinance dissolving the TIF District or until the termination of the TIF District even if the termination occurs after the initial term of 23 years. Whether the TIF District exists for the entire 23 years as called for under the TIF Plan or terminates at some other time, the City will pay from incremental real estate taxes distributed

to the City in the year following termination, the sums due the School District for the prior year which remain unpaid, if such increments are received by the City from the County.

Amendments, Waivers, Modifications:

No amendment, waiver or modification of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and adopted by each of the Parties as required by law.

Waiver of All Rights to Contest TIF District:

The School District by its execution and approval of this Agreement hereby waives forever any and all right to directly or indirectly set aside, modify or contest in any manner the establishment of the Oregon TIF District including the Redevelopment Plan, Projects and Area. Nothing contained herein is to be construed to give the School District any right to participate in this administration of the TIF District or Plan or Project. Further, the School District or its agents, employees, or officers shall not aid or assist in any manner any other party or entity seeking to challenge the TIF District.

Amending the TIF District:

The City will not otherwise amend the TIF Plan except in accordance with the requirements of the law.

Real Estate Tax Increment Information:

- (1) The Administrators of the TIF Plan and City agree to provide the School District with information developed to establish the initial equalized assessed valuation of the TIF District and the calculations for successive years' computation of the real estate tax increment for the TIF District as a whole and, if possible, for the School District alone.
- (2) The City agrees that its Administrators shall provide the School District with a copy of the TIF Annual Report when it is presented to the City Council. Such Report shall set forth: (a) the balance in the Special Tax Allocation Fund ("Fund") at the beginning of the year; (b) all amounts deposited in the Fund by source; (c) all expenditures from the Fund by categories; and (d) the balance in the Fund at the end of the year by source.

Complete Agreement:

This Agreement expresses the complete and final understanding of the Parties with respect to the subject matter.

Authority to Execute:

The undersigned represent that they have the authority of their respective governing authorities to execute this Agreement.


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on
March 20, 2017.

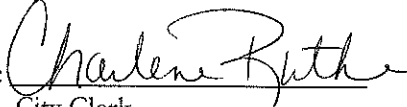
**OREGON COMMUNITY UNIT
SCHOOL DISTRICT NO. 220**

By: _____
President, Board
of Education

Attest: _____
Secretary

CITY OF OREGON,
an Illinois Municipal Corporation

By: 
Mayor

Attest: 
City Clerk