

ORDINANCE NO. 92- 38

AN ORDINANCE AUTHORIZING EXECUTION OF A CONTRACT WITH BALL
CHATHAM COMMUNITY UNIT SCHOOL DISTRICT NUMBER FIVE
REGARDING THE CHATHAM TAX INCREMENT FINANCING DISTRICT

WHEREAS, the Village of Chatham is in the process of developing a Tax Increment Financing District (T.I.F.) in the business or industrial zoned central area of Chatham to encourage business expansion and development; and

WHEREAS, the Village of Chatham holds that Ball Chatham Community Unit School District Number Five is in unique position among the taxing bodies within the Chatham T.I.F. District; and

WHEREAS, the Village of Chatham finds it is in the best interest of the citizens of Chatham to minimize the financial impact of the Chatham TIF District upon the School District; and

WHEREAS, the Village of Chatham and the School District are authorized by the Illinois Constitution and by the Intergovernmental Cooperation Act, Ill.Rev.Stat., Ch. 127, Sec. 741, et seq., to enter into intergovernmental agreements;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, ILLINOIS, AS FOLLOWS:

SECTION 1: The Village of Chatham is hereby authorized to enter into a contract with the Ball Chatham Community Unit District Number Five to minimize the financial impact of the Chatham Tax Increment Financing District, all as set forth in the attached agreement, Exhibit D.

SECTION 2: The President and Clerk are authorized and directed to sign said agreement on behalf of the Village. The Clerk is authorized and directed to attest said agreement on

behalf of the Village. The proper officers of the Village are authorized and directed to implement said agreement on behalf of the Village.

SECTION 3: This Ordinance is effective upon its passage and approval as provided by law.

Carl Oblinger Pro Tem
CARL OBLINGER, VILLAGE PRESIDENT

ATTEST: Pat Scad
PAT SCAD, VILLAGE CLERK

AYES: 6

NAYS: 0

PASSED: 10-13-92

APPROVED: 10-13-92

EXHIBIT D

INTERGOVERNMENTAL AGREEMENT

WHEREAS, the Village of Chatham, Illinois, an Illinois municipal corporation ("Chatham") is in the process of developing a tax increment financing district for redeveloping its downtown area, the legal description of which and a map of which are attached hereto as Exhibits A and B respectively (the "Downtown TIF District");

WHEREAS, Ball Chatham Community Unit School District No. 5, an Illinois body corporate and politic ("District"), is concerned about the possible loss of tax revenues due to the Downtown TIF District which will not be compensated by the State of Illinois School Aid formula;

WHEREAS, the District is a customer of the Village of Chatham electric, water and sewer systems;

WHEREAS, the Glenwood Junior High School and High School are potentially customers of the Village of Chatham electric system;

WHEREAS, Chatham and the District are authorized by the Illinois Constitution and by the Intergovernmental Cooperation Act, Ill.Rev.Stat., Ch. 127, Sec. 741, et seq., to enter into intergovernmental agreements;

WHEREAS, Chatham and the District wish to minimize the financial impact of the Chatham TIF District upon the District and provide corresponding benefits to Chatham;

WHEREAS, on October 28, 1991, District entered into a contract with Rural Electric Convenience Cooperative for service to the Glenwood Junior High School and High School, which agreement terminates on November 1, 1996 (the "RECC Agreement")

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS AND OF THE MUTUAL COVENANTS AND PROMISES HEREINAFTER SET FORTH, THE PARTIES HERETO AGREE AS FOLLOWS:

1. The District shall, on or about July 1 of each year beginning in July, 1993, and for 1992 taxes payable in 1993 and each subsequent tax year, deliver to the Village a statement of the property tax revenues which District claims it has lost due to the Downtown TIF District for the preceding tax year. Such amounts shall be calculated as follows: (A) the tax rate extended by the County Clerk for District for tax year 1992 for levies which are subject to a statutory rate cap (e.g., education, special education, operation and maintenance, working cash and transportation) plus the additional rate of \$.05 per \$100 shall be multiplied by a dollar figure which is the difference between the total initial equalized assessed valuation of the taxable real property located within the Downtown TIF District, calculated according to Section 11-74.4-9(a) of the Illinois Municipal Code, and the current equalized assessed valuation of all taxable real property within the Downtown TIF District in the preceding tax year as determined by the County Clerk in accordance with Section 11-74.4-9(c) of the Illinois Municipal Code. (B) From the dollar figure derived from the calculation (A) shall be subtracted a dollar figure which is the difference in state aid received by the District in the current year pursuant to Ill.Rev.Stat., Ch. 122, Sec. 18-8, and the amount that the state aid would have been had the current equalized assessed valuation, rather than the initial equalized assessed valuation, been used for the State Aid

calculation. (C) From such resulting amount shall be subtracted any surplus TIF funds redistributed by Chatham to District. The resulting amount is the lost tax revenues for purposes of this Agreement. All such calculations shall be accompanied by reasonable backup documentation and a statement of all assumptions used. A sample calculation is attached hereto as Exhibit C.

2. Within 30 days of receipt of the District's statement of lost tax revenues, the Village shall either accept the District's calculations or provide alternative calculations. If the parties cannot agree on a calculation within 30 days after Chatham's submission to the District, then the matter shall be referred to a mutually acceptable neutral certified public accountant familiar with public school finance, whose calculation shall be binding on the parties.

3. The District shall be entitled to reimbursement by Chatham of lost tax revenues through credits applied against the District's electric bills for Chatham Elementary School and the District's Administrative Center beginning in July of the year in which the loss occurs. The credit shall be applied against the July and subsequent monthly electric bills until the credit is entirely used up. Credits will begin with the July bill whether or not the parties have agreed on a final calculation of the lost tax revenue in the manner set forth in Paragraphs 1 and 2 hereof. Credits may be carried over from year to year in the event they are not totally used, provided that any credits unused upon the termination of the Downtown TIF District or this Agreement, whichever shall first

occur, shall be extinguished. After retirement of Chatham's water and sewer bonds, series _____, or any refinancing thereof, or January 1, 2005, whichever occurs first, Chatham may in its discretion apply credits against District's water and/or sewer bills for such facilities.

4. Upon expiration of the RECC Agreement in November, 1996, or any renewal thereof, District shall consider changing its electric supplier for the Glenwood Junior High School and High School to the Village of Chatham. Chatham shall by May 1, 1996, or not later than 6 months prior to the expiration of any renewal of the RECC Agreement, offer District a rate for its consideration. In the event District elects for Glenwood Junior High School and High School to be served by the Village, District shall be entitled to credits against the bills for Glenwood Junior High and High Schools, calculated in accordance with Paragraphs 1 and 2, subject to the limitation that the credits for Glenwood Junior High School and High School shall be applied only against demand charges and shall be limited to the amount of such demand charges. In the event District elects to have Chatham serve Glenwood Junior High School and High School with electrical power, Chatham agrees to do all things necessary to implement this paragraph, including entering into a pre-annexation agreement pursuant to Section 11-15.1-1, et seq. of the Illinois Municipal Code, or annexing the schools to the Village in accordance with Section 7-1-1, et seq. of the Illinois Municipal Code.

5. Paragraph 4 of this Agreement is severable. In the event Paragraph 4 is declared unenforceable or its operation is enjoined by a court of competent jurisdiction, the validity of the remainder of this Agreement shall remain unaffected.

6. During the term of this Agreement, Chatham shall extend to District an electric rate less than or equal to its best published industrial utility rate. Chatham's rates charged to District shall be based on the same standards and criteria as used to establish rates for other industrial users of Chatham's utilities.

7. This Agreement is effective upon its approval by the corporate authorities of the District and of Chatham and formation by Chatham of the Downtown TIF District. It shall remain in effect until (a) termination of the Downtown TIF District; or (b) termination of this Agreement by mutual agreement of the parties.

8. District hereby waives any and all objections it has or may have to the Downtown TIF District; Chatham may proceed with the formation and continuation of the TIF District in reliance thereon.

9. This Agreement is the entire agreement between the parties. All prior or contemporaneous oral representations regarding the subject matter of this Agreement are hereby expressly disclaimed. This Agreement shall be governed by Illinois law and enforced only in a court of competent jurisdiction located in Sangamon County, Illinois. The subject matter of this Agreement is unique, and breaches hereof may or may not be fully compensable in monetary terms. Either party therefore may apply to a court for specific performance of this Agreement. No modification to this

Agreement shall be effective unless in a writing signed by both parties and approved by resolution or ordinance of the corporate authorities of both parties.

VILLAGE OF CHATHAM, ILLINOIS,

BY: Linda Keester, Pro Tem
Village President

ATTEST:

Pat Schaefer
Village Clerk

BALL-CHATHAM COMMUNITY UNIT
SCHOOL DISTRICT NO. 5,

BY: Clark German
Board President

ATTEST:

Rhona Hallberg
Clerk

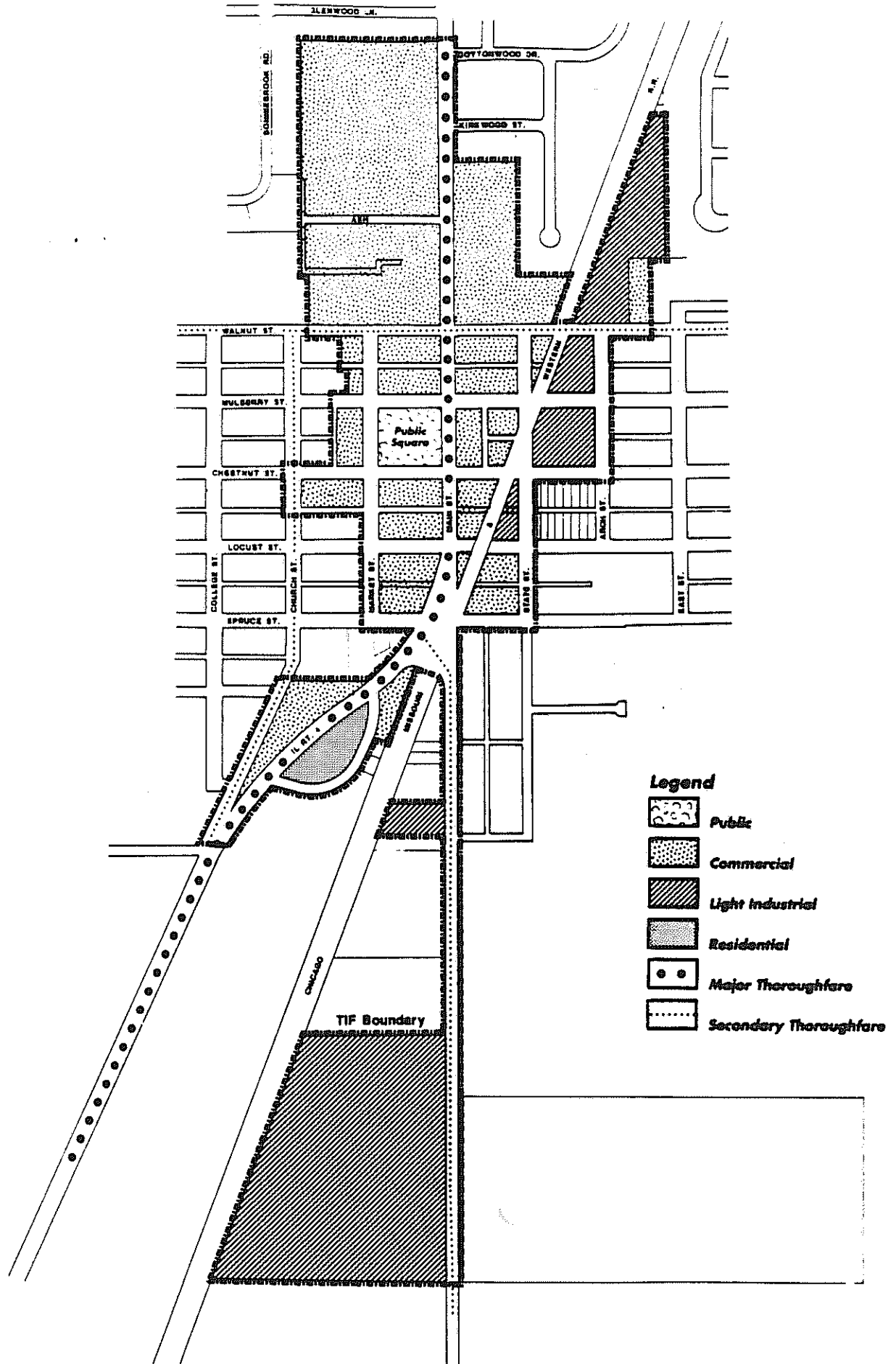
EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

Part of the Northeast Quarter of Section 13 and part of the East Half of Section 12, Township 14 North, Range 6 West of the Third Principal Meridian; and part of the West Half of Section 7 and part of the Northwest Quarter of Section 18, Township 14 North, Range 5 West of the Third Principal Meridian, described more particularly as follows: Commencing at the East Quarter Corner of the aforementioned Section 13, thence North 00 degrees 06 minutes 16 seconds East along the Range Line a distance of 620.50 feet to the Northeast Corner of Parkview Estates First Addition, said point marks the true point of beginning, thence North 82 degrees 50 minutes 44 seconds West a distance of 160.58 feet, thence South 84 degrees 16 minutes 46 seconds West a distance of 100.50 feet, thence South 66 degrees 27 minutes 23 seconds West a distance of 109.07 feet, thence South 63 degrees 23 minutes 38 seconds West a distance of 295.00 feet, thence South 89 degrees 59 minutes 24 seconds West a distance of 570.04 feet to a point on the Easterly Right-of-Way Line of the Missouri and Northwestern Railroad, thence North 20 degrees 58 minutes 28 seconds East along said right-of-way line a distance of 1345.42 feet, thence South 89 degrees 59 minutes 44 seconds East a distance of 691.52 feet to a point 22 feet West of the Range Line, thence North parallel to the Range Line a distance of 1010.21 feet, more or less, to a point 76.33 feet North of the South Line of the aforementioned Section 12, thence West parallel to the section line a distance of 338.52 feet to a point on the Easterly Right-of-Way Line of the Missouri and Northwestern Railroad, thence Northeasterly along said right-of-way line a distance of 160.44 feet, thence East parallel to the section line a distance of 281.05 feet, thence North parallel to and 22 feet West of the Range Line a distance of 733.52 feet to a point on the Easterly Right-of-Way Line of the Missouri and Northwestern Railroad, thence Northwesterly perpendicular to said right-of-way line a distance of 116 feet to a point on the Westerly Right-of-Way Line of the Former Illinois Terminal Railroad, thence Southwesterly along said right-of-way to a point 548.75 feet Northeasterly of the section line, thence deflect to the right 116 degrees 30 minutes 55 seconds for a distance of 92.73 feet to a point on the Easterly Right-of-Way Line of Circle Drive, thence Southwesterly along said right-of-way line to a point on the Easterly Right-of-Way Line of Illinois Route 4, thence Southwesterly along said right-of-way line to a point on the South Line of Section 12, thence West along said section line to a point on the Westerly Right-of-Way Line of Church Street, thence Northeasterly along said Westerly right-of-way line to a point 264 feet South of the South right-of-way line of Spruce Street, thence East parallel to the South Line of Spruce Street to a point on the Westerly Right-of-Way Line of Illinois Route 4, thence Northeasterly along said Westerly right-of-way line to a point on the North Line of Spruce Street, thence West along said North line to the Southeast corner of Block 16 in the Original Town of Chatham, thence North along the West Line of Market Street to the Northeast Corner of Lot 16 in the Block 13 of the Original Town

of Chatham, thence West along the South Line of an alley to the Northeast Corner of Lot 16 in Block 14 of the Original Town of Chatham, thence North along the West Line of Church Street to the Southeast Corner of Block 6 in the Original Town of Chatham, thence East along the North Line of Chestnut Street to the Southeast Corner of Lot 9 in Block 7 of the Original Town of Chatham, thence North along the West Line of an alley to the Southeast Corner of Lot 12 in Block 4 of the Original Town of Chatham, thence East along the North Line of Mulberry Street to the Southwest Corner of Lot 15 in Block 4 of the Original Town of Chatham, thence North along the West Line of said Lot 15 to the Northwest Corner of said Lot 15, thence West along the South Line of an alley a distance of 12 feet, thence North to a point 12 feet West of the Northeast Corner of Lot 3 in Block 4 of the Original Town of Chatham, thence West along the South Line of Walnut Street to the Northeast Corner of Lot 8 in Block 4 of the Original Town of Chatham, thence North to the South Line of Stevens Addition to the Village of Chatham, thence West along the South Line of Stevens Addition to the Southwest Corner thereof, thence North along the West Line of Stevens Addition 198 feet, more or less, to the Southeast Corner of Lot 18 of Chatham Knolls Subdivision, thence North along the East Line of Lots 9 through 18 of Chatham Knolls Subdivision to the Northeast Corner of Lot 9, thence East along the South Line of Chatham Knolls Subdivision to a point on the East Right-of-Way Line of Illinois Route 4, thence South along said right-of-way line to the Southwest Corner of Lot 1 in Birch Grove Subdivision, thence East along the South Line of Lots 1 through 4 of Birch Grove Subdivision to the Southeast Corner of Lot 4, thence South along the West Line of Lots 6 through 12 of Birch Grove Subdivision to the South Line of said subdivision, thence East along the South line of said subdivision extended to a point on the Easterly Right-of-Way Line of the Missouri and Northwestern Railroad, thence Northeasterly along said right-of-way line to the Southwest Corner of Lot 129 of Walnut Park Estates Plat 4, thence East along the South Line of Lot 129 a distance of 77.8 feet, more or less, to the West Line of Walnut Park Estates Plat 2, thence South along the West Line of Walnut Park Estates Plat 2 to the Southwest Corner of said Plat 2, thence West parallel to the quarter section line of said Section 7 a distance of 83 feet, thence South to a point on the South Line of Walnut Street, thence West to the Northwest Corner of Block 1 of Thayers Addition to Chatham, thence South along the East Line of Arch Street to the Northwest Corner of Block 3 of Thayers Addition to Chatham, thence West along the South Line of Chestnut Street to the Northwest Corner of Block 10 in the Original Town of Chatham, thence South along the East Line of State Street to a point 66 feet East of the Northeast Corner of Cloyds Addition to Chatham, thence West along the South Line of Spruce Street to the Northwest Corner of Lot 23 of Cloyds Addition, thence South along the East Line of Main Street to a point 2115.63 feet South of the Northwest Corner of Section 18, thence West to the true point of beginning; all located in the Village of Chatham, Sangamon County, Illinois.

EXHIBIT B



**General Land Use Plan
Chatham, Illinois**



EXHIBIT C

STATE AID PROJECTIONS 1992/93

CURRENT DISTRICT WADADA.....	3044.81	DIST. CWADA.....	3069.6498
1ST PRIOR YEAR.....	2906.61	STATE GUAR. E.A.V. PER CWADA..A.....	94296.014
2ND PRIOR YEAR.....	2648.36	DIST. E.A.V. PER CWADA.....	38356.083
		STATE GUARANTEE.....	55939.930
THREE YEAR TOTAL WADA.....	8599.78	DIST. 1986 OPER. TAX RATE.....	2.76
THREE YEAR AVERAGE.....	2866.5933	* STATE AID ENTITLEMENT.....	4739362
CHAPTER I ELIGIBLES.....	166		
CURRENT WADA.....	3044.81		
DISTRICT % LOW INCOME ELIGIBLES.....	5.4519001		
STATE AVERAGE LOW INCOME ELIGIBLES.....	19.31		
DIST. % TO STATE %.....	28.233558		
% TO STATE X .53.....	14.963785		
DIST. QUALIFIED.....	24.839884		
CWADA.....	3069.6498		
DIST. 1990 GENERAL STATE AID EQ.A.V.....	117739748		
EQUALIZED A.V. PER STUDENT.....	38356.083		
DIST. OPERATING TAX RATE.....	2.76		
FOUNDATION LEVEL.....	2602.57		
MAX. OPERATING TAX RATE.....	2.76		
STATE GUAR. E.A.V. PER CWADA.....	94296.014		

STATE AID PROJECTIONS 1992/93
(With \$1,000,000 less assessed valuation)

CURRENT DISTRICT WADADA.....	3044.81	DIST. CWADA.....	3069.6498
1ST PRIOR YEAR.....	2906.61	STATE GUAR. E.A.V. PER CWADA..A.....	94296.014
2ND PRIOR YEAR.....	2648.36	DIST. E.A.V. PER CWADA.....	38030.313
		STATE GUARANTEE.....	56265.700
THREE YEAR TOTAL WADA.....	8599.78	DIST. 1986 OPER. TAX RATE.....	2.76
THREE YEAR AVERAGE.....	2866.5933	* STATE AID ENTITLEMENT.....	4766962
CHAPTER I ELIGIBLES.....	166		
CURRENT WADA.....	3044.81		
DISTRICT % LOW INCOME ELIGIBLES.....	5.4519001		
STATE AVERAGE LOW INCOME ELIGIBLES.....	19.31		
DIST. % TO STATE %.....	28.233558		
% TO STATE X .53.....	14.963785		
DIST. QUALIFIED.....	24.839884		
CWADA.....	3069.6498		
DIST. 1990 GENERAL STATE AID EQ.A.V.....	116739748		
EQUALIZED A.V. PER STUDENT.....	38030.313		
DIST. OPERATING TAX RATE.....	2.76		
FOUNDATION LEVEL.....	2602.57		
MAX. OPERATING TAX RATE.....	2.76		
STATE GUAR. E.A.V. PER CWADA.....	94296.014		
		* CHANGE IN ENTITLEMENT	\$27,600