



**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item:	Tax Increment Financing Redevelopment Agreement Geneva Pharmacy, 501 E. State Street		
Presenter & Title:	Cathleen Tymoszenko, Economic Development Director		
Date:	June 10, 2021		
<b>Please Check Appropriate Box:</b>			
<input type="checkbox"/>	Committee of the Whole Meeting	<input type="checkbox"/>	Special Committee of the Whole Meeting
<input type="checkbox"/>	City Council Meeting	<input checked="" type="checkbox"/>	Special City Council Meeting
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Other -
Associated Strategic Plan Goal/Objective: EV-11			
Estimated Cost: \$ \$93,520		Budgeted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Other Funding? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If "Other Funding," please explain: Special Allocation Fund TIF 2			
<b>Executive Summary:</b>			
<p>The Committee of the Whole unanimously recommended approval of a Redevelopment Agreement with Geneva Pharmacy to provide funding for the adaptive reuse of 501 E. State Street. Geneva Pharmacy will re-establish independent pharmacy services in the community. The subject site is at the northeast corner of East State and Woodward.</p> <p>The Redevelopment Agreement allows for reimbursement of a portion of certain improvements including demolition, site and utility upgrades, foundation repairs, sidewalk extension, façade and landscape to meet East State Street design standards. The recommendation was conditioned on the addition of hold harmless language (was added to Recital E).</p>			
•Resolution and Tax Increment Financing Redevelopment Agreement			
<b>Voting Requirements:</b>			
<p><i>This motion requires a majority of affirmative votes for passage.</i></p> <p><i>The Mayor may vote on three occasions: (a) when the vote of the aldermen or trustees has resulted in a tie; (b) when one half of the aldermen or trustees elected have voted in favor of an ordinance, resolution, or motion even though there is no tie vote; or (c) when a vote greater than a majority of the corporate authorities is required by state statute or local ordinance to adopt an ordinance, resolution, or motion.</i></p>			
<b>Recommendation / Suggested Action: (how the item should be listed on agenda)</b>			
Recommend Approval of Resolution 2021-43 Authorizing a Tax Increment Financing Redevelopment Agreement between the City of Geneva and Geneva Pharmacy.			

**RESOLUTION NO. 2021-43**

**RESOLUTION AUTHORIZING EXECUTION OF  
TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT  
BETWEEN  
THE CITY OF GENEVA AND GENEVA PHARMACY**



**BE IT RESOLVED BY THE CORPORATE AUTHORITIES OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS, as follows:**

**SECTION 1:** That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City of Geneva, a Tax Increment Financing Redevelopment Agreement by and between the City of Geneva and Geneva Pharmacy, in the form attached hereto at Exhibit “A”, relating to the development of the commercial real estate located at 501 E. State Street, in the City of Geneva, Kane County, Illinois.

**SECTION 2:** This Resolution shall become effective from and after its passage as in accordance with law.

**PASSED** by the City Council of the City of Geneva, Kane County, Illinois, this \_\_\_ day of \_\_\_\_\_, 2021

**AYES:      NAYS:      ABSENT:      ABSTAINING:      HOLDING OFFICE:**  
Approved by me this \_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
City Clerk

**CITY OF GENEVA**  
**TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT**  
**EAST SIDE REDEVELOPMENT DISTRICT:**  
**GENEVA PHARMACY**

This **REDEVELOPMENT AGREEMENT** (the “Redevelopment Agreement”) is entered into this \_\_\_\_ day of June 2021 by and between the CITY OF GENEVA, Kane County, Illinois, an Illinois municipal corporation, by and through its Mayor and City Council (hereinafter referred to as the "CITY", or “Corporate Authorities”); and Twenty Four West First Street LLC, an Illinois limited liability company, at its principle place of business at 24 W. First Street Manteno, IL 60950 and Geneva Pharmacy LLC dba Geneva Pharmacy at its principle place of business at 501 E. State Street, Geneva, IL 60134 and for the purposes of this Agreement shall be referred collectively as same (“Geneva Pharmacy”). The City and the Geneva Pharmacy are collectively referred to as the “Parties”.

RECITALS/INTRODUCTORY STATEMENTS/FINDINGS:

Among the factors of consideration, which the parties find have resulted in this Agreement, are the following:

A. The City has undertaken a program for the redevelopment of certain property, hereinafter described, pursuant to Illinois Compiled Statues, 65 ILCS 5/11-74 et seq., and commonly known as the Tax Increment Allocation Redevelopment Act (the “Act”).

B. In the year 2000, the City adopted the East State Street Tax Increment Financing Redevelopment Project and Plan (the “Redevelopment Plan”) and designated the Redevelopment Project Area pursuant to the Tax Increment Allocation Redevelopment Act to implement a comprehensive program to ensure that private investment in rehabilitation and new development occurs and to direct the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort within the Redevelopment Project Area (the “RDA”). Further, the Redevelopment Plan aims to encourage managed growth, deter future deterioration, encourage preservation, and stimulate private investment in the RDA. This goal is to be achieved through an integrated and

comprehensive strategy that leverages public resources to simulate private growth.

C. Geneva Pharmacy is the owner of certain real property (the "Subject Property") consisting of 8,282 square feet of land which is currently improved with a 1,336 square foot commercial building commonly known as 501 East State Street (IL Route 38 east of Woodlawn Street) wholly within the corporate boundaries of the CITY and legally described in **Exhibit A**. The original structure was built as a residence in 1857; an addition to the east and another to the north were constructed in later years. For at least the last 38 years, the property was solely used to house a commercial business. The "Redevelopment Project," will consist of the demolition of the two additions and retrofitting the primary structure for establishment of Geneva Pharmacy that will consist of ~1,000 square feet. In addition to the aforementioned demolition of the two additions, the Redevelopment Project will also consist of the removal of vinyl siding, restoring wood siding and adding masonry ledge consistent with East State Street Design Guidelines, upgrading site and utilities, improving site access to the subject property and an adjacent property, improved vehicular parking, a drive-thru lane, landscaping and signage.

D. Geneva Pharmacy shall commit \$516,520.00 for real property acquisition and site and building improvements as detailed in **Exhibit B**. These improvements are expected to be completed by December 31, 2021. Geneva Pharmacy seeks economic assistance from the CITY in order to complete the aforesaid improvements and has demonstrated by providing proprietary and confidential financial disclosures that without the economic assistance from the CITY the Redevelopment Project, as contemplated, would not be economically viable to it.

E. The CITY is working with the Illinois Department of Transportation (IDOT) to plan and complete East State Street streetscape and roadway improvements. To facilitate such improvements, Geneva Pharmacy acknowledges the expectation that a temporary construction easements may be needed as depicted in **Exhibit C**. With respect to the aforesaid work and improvements, Geneva Pharmacy saves, indemnifies and holds the CITY harmless with respect to any liabilities or damages associated with the work and improvements. Furthermore, recognizing that any compensation for such temporary construction easement will need to be paid for by the City of Geneva, and recognizing that the economic assistance received from the City to complete this project, will reduce funds available in the future for that purpose, Geneva Pharmacy agrees to grant such easement at the minimum allowable

amount as determined by IDOT, including no compensation, if applicable.

E. The CITY finds that it is in the CITY's best interest to have the Subject Property developed and operated in accordance with the Redevelopment Project in order to service the needs of the CITY and its residents; that the Redevelopment Project will increase employment opportunities in the City, serve to enhance the commercial economic conditions in the City, stimulate commercial growth and enhance the tax base of the City.

F. Accordingly the CITY commits to certain defined incentives under the terms and conditions hereinafter set forth to induce and assist in the Redevelopment Project.

NOW, THEREFORE, in consideration of the foregoing Introductory Statements and Findings, and of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

#### I. RECITALS PART OF AGREEMENT

Incorporation of Recitals. The representations, covenants, and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Article I.

#### II. AUTHORITY

Authority for the parties to enter into this Agreement is hereinafter set forth:

A. The CITY adopted the East State Street Tax Increment Financing Redevelopment Project and Plan under Ordinance Nos. 2000-12 and 2000-13 on February 22, 2000 and authorized the establishment of tax increment financing district on February 22, 2000, under Ordinance No. 2000-14 pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"),

B. Under the Act, the City is authorized to pay redevelopment project costs as defined in the Act and as set forth in the Plan and Redevelopment Project within the Area pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act.

C. That portion, if any, of such taxes that is attributable to the increase in the current equalized assessed valuation of each lot, block, tract, or parcel of real property in the Area shall be allocated to and when collected shall be paid to the Treasurer of the City of Geneva, who shall deposit said taxes into a special fund, hereby created, and designated the “Geneva East State Street Redevelopment Project Area Special Tax Allocation Fund” of the City. Such taxes shall be used for paying redevelopment project costs incurred and obligations incurred in the payment thereof.

D. The City hereby represents and warrants to Geneva Pharmacy that the City has full constitutional and lawful right, power, and authority under currently applicable law to execute, deliver, and perform the terms and obligations of this Agreement, and all of the covenants have been or will be duly and validly authorized and approved by any necessary City proceedings, findings, and actions. Accordingly, this Agreement constitutes the legal, valid, and binding obligation of the City, is enforceable in accordance with its terms and provisions, and does not require the consent of any other governmental authority. Concurrently, Twenty Four West First Street LLC and Geneva Pharmacy LLC hereby represent and warrant that they are a duly organized, validly existing limited liability companies under the laws of the State of Illinois and that they have the right, power, and authority to execute, deliver, and perform the terms and obligations of this Agreement. This Agreement constitutes the legal, valid, and binding obligation of Geneva Pharmacy, enforceable in accordance with its terms and provisions.

E. Whenever under the provisions of this Agreement and other related documents and instruments or any supplemental agreements, any request, demand, approval, notice, or consent of the City or Geneva Pharmacy is required, or the City or Geneva Pharmacy is required to agree or to take some action at the request of the other, such request, demand, approval, notice, consent, or agreement shall be given for the City, unless otherwise provided herein, by the Mayor or designee and for Geneva

Pharmacy by any officer of Geneva Pharmacy so authorized (and, in any event, the officers executing this Agreement are so authorized). Any Party shall be authorized to act on any such request, demand, approval, notice, consent, or agreement.

### III. REQUIRED APPROVALS

A. Geneva Pharmacy Site and Building Plans Approval. Geneva Pharmacy shall submit to the City a complete permit application with all required documentation, including engineering, building, and other required plans (the "Plans") for the Redevelopment Project to be constructed. The City shall review this application in accordance with all applicable ordinances, codes, and regulations and, within twenty (20) days after receipt of the Plans, shall either approve the application and Plans or provide a written description of the reasons that the application and/or the Plans have not been approved.

B. Construction Approval. Prior to commencing any work on the Redevelopment Project, Geneva Pharmacy shall obtain or cause its contractors, to obtain all requisite governmental permits and approvals for such work and at such times as are required in accordance with City ordinances and codes. Geneva Pharmacy shall expeditiously construct or cause to be constructed the Redevelopment Project in a good and workmanlike manner in accordance with all applicable federal, state, and local laws, ordinances, and regulations. Geneva Pharmacy shall not cause or permit any deviation from City-approved engineering and construction plans and specifications without the City's prior consent.

### IV. DEVELOPMENT INCENTIVE REIMBURSEMENT

The CITY acknowledges that the Redevelopment Project proposed by Geneva Pharmacy is desirable to the CITY and to the East State Street Tax Increment Financing District and Redevelopment Project Area (hereinafter sometimes the "Area") since the development, as proposed, shall provide economic revenue to the CITY and other taxing bodies and create employment opportunities. The CITY further acknowledges that Geneva Pharmacy would not proceed with the Redevelopment Project unless the City provides incentives to it pursuant to the authority cited above. As such, the incentives to be granted to Geneva Pharmacy shall be applied as hereinafter set forth:

A. Property Improvement Grant: The CITY shall provide a defined sum grant award not to exceed \$93,520 (the “Maximum Reimbursement Amount”), to assist with certain Eligible Reimbursement Costs as enumerated at **Exhibit B**. This grant shall be issued upon satisfactory proof of payment of the Completed Improvement and the Additional Improvement cost by Geneva Pharmacy.

B. Sources of Funds to Pay Reimbursable Improvement Costs: Any funds committed by the CITY herein are to be derived from property tax increment generated by the Redevelopment Project Area. Such reimbursement shall, however, be paid only from funds paid into the Special Tax Allocation Fund pursuant to the Act and from no other source. **THE CITY SHALL NOT BE OBLIGATED TO MAKE ANY PAYMENTS OTHER THAN FROM THE FUND, AND THE REIMBURSEMENT SHALL NOT BE DEEMED A GENERAL OBLIGATION OF THE MUNICIPALITY.**

#### V. REIMBURSEMENT PROCEDURES

A. Property Tax Increment: Geneva Pharmacy shall be responsible for payment of real property taxes in a timely manner and shall not object to the assessment as determined by the Kane County Assessor, during the term of TIF District.

B. Reimbursement of Eligible Costs: For those eligible costs that are construction costs, the Geneva Pharmacy shall be reimbursed in the manner set forth above, after submitting the following documentation to the City in accordance with Section 8.8 below:

(1) a sworn statement from Geneva Pharmacy setting forth a description of all contracts entered into by the Geneva Pharmacy in connection with the construction of the Redevelopment Project, the nature and scope of the work covered thereby, and the aggregate amounts paid to each contractor thereunder and further stating that such contracts embrace all of the work done or to be done and all of the material used or to be used in the completion of the Redevelopment Project;

(2) a sworn statement from Geneva Pharmacy setting forth all amounts paid to contractors or subcontractors and that Geneva Pharmacy has approved all work and materials for which payment has been made; and

(3) sworn contractors' statements and lien waivers from each of the parties who received payment under the aforesaid sworn statements that are the subject of the Redevelopment Project.

The City shall make payments from the Fund in the manner as indicated upon compliance with conditions (1), (2), (3) and (4).

#### VI. ADDITIONAL COVENANTS

A. Time: Time is of the essence unless otherwise stated in this Agreement and all time limits set forth are mandatory and cannot be waived except by a lawfully authorized and executed written waiver by the party excusing such timely performance.

B. Binding Effect: This Agreement shall inure to the benefit of and shall be binding upon the CITY and Geneva Pharmacy their respective successors and assigns. Geneva Pharmacy may freely assign its duties, obligations and benefits to any entity by transfer, conveyance or sale, and CITY shall direct such reimbursement payments in accordance with any assignment notice to be provided to CITY within thirty (30) days of such assignment.

C. Law Governing: This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

D. Severability: If any provision of this Agreement is held invalid by a court of competent jurisdiction or in the event such a court shall determine that the CITY does not have the power to perform any such provision, such provision shall be deemed to be excised here from and the invalidity thereof shall not affect any of the other provisions continued herein.

E. Term of Agreement. The term of this Agreement shall commence on the date first above written and shall continue until the completion of the Redevelopment Project and the reimbursement of all costs due to the Geneva Pharmacy of eligible Redevelopment Project Costs, provided that the City shall not be required to make any payments hereunder after December 1, 2022. Notwithstanding the foregoing to the contrary, the covenants agreed to by Geneva Pharmacy contained in Paragraph C of RECITALS/INTRODUCTORY STATEMENTS/FINDINGS herein shall survive the term of this Agreement and shall constitute an ongoing condition and obligation of Geneva Pharmacy, its successors and assigns.

F. Interpretations. This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

G. Exhibits. All exhibits attached hereto are declared to be a part of this Agreement and are incorporated herein by this reference.

H. Notices: All notices and requests required pursuant to this Agreement shall be sent by certified mail as follows:

To DEVELOPER: Geneva Pharmacy  
501 E. State Street  
Geneva, IL 60118

With copies to: John J. McGrath  
Partner  
troutman pepper  
3000 Two Logan Square, Eighteenth and Arch Streets  
Philadelphia, PA 19103-2799

To the CITY: City Administrator

22 South First Street  
Geneva, IL 60134

With copies to:

City Attorney  
22 South First Street  
Geneva, Illinois 60134

I. Authority to Execute: The signatories of the parties hereto warrant that they have been lawfully authorized by the City Council of the CITY and the member(s) of Geneva Pharmacy to execute this Agreement on their behalf.

J. Assignment: Prior to the substantial completion of the construction of the Redevelopment Project, as evidenced by the delivery and approval of the occupancy certificate, the Geneva Pharmacy agrees that it shall not sell, assign, or otherwise transfer its rights and obligations under this Agreement other than to an entity having common ownership with the Geneva Pharmacy. After substantial completion of the Redevelopment Project, Geneva Pharmacy shall have the right to assign its rights and delegate its duties under this Agreement without the consent of the City, provided, however, that the City shall not be required to pay any sums or send any notices to the assignee until the City shall have received written notice of such assignment from the assignor and the assignee.

K. Successors and Assigns: Recordation: The agreements, undertakings, rights, benefits, and privileges set forth in this Agreement shall be binding on and inure to the benefit of the parties and their respective successors, assigns, and legal representatives (including successor Corporate Authorities).

L. Consent or Approval: Except as otherwise provided in this Agreement, whenever consent or approval of either party is required, such consent or approval shall not be unreasonably withheld, delayed, or conditioned.

M. Interpretations: This Agreement has been jointly negotiated by the Parties and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement is entered into at Geneva, Illinois, as of the date and year shown above.

APPROVED BY the City of Geneva, Kane County, Illinois, by Resolution No. 2021-\_\_\_\_, on the \_\_\_\_ day of June , 2021.

CITY OF GENEVA  
An Illinois Municipal Corporation

Geneva Pharmacy LLC

\_\_\_\_\_  
Kevin R. Burns  
Mayor

BY: \_\_\_\_\_  
Name: Lisa Bush  
Trustee

ATTEST:

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

EXHIBIT A  
Legal Description

EXHIBIT B  
Project Budget

Property Acquisition	265,000
Demolition	15,000
Site and Foundation	80,520
Interior Remodel	68,000
Façade/Signage	60,000
Permits, Plans, Contingencies	28,000
<b>TOTAL</b>	<b>516,520</b>

REIMBURSEABLE EXPENSES	
Demolition	15,000
Site and Utilities	29,500
New Water Connection (lead line removal)	
New sidewalks	
Underground electric	
New storm water connection	
Foundation	15,000
Building Façade and Site Landscaping	34,000
<b>TOTAL</b>	<b>93,500</b>

Applicable line items may increase or decrease within the Reimbursable Expense Budget of \$93,500.00

EXHIBIT C  
IDOT East State Street Easement Exhibit