

**Village of Villa Park and
School District 45, DuPage County, Illinois**

**INTERGOVERNMENTAL AGREEMENT CONCERNING VILLAGE OF
VILLA PARK ST. CHARLES ROAD COMMERCIAL CORRIDOR TIF
DISTRICT WITH RESPECT TO STUDENT TUITION PAYMENTS**

This Intergovernmental Agreement is entered into as of the _____ day of _____, 2024, by and between the Village of Villa Park, Illinois (“Village”) and the Board of Education of School District 45, DuPage County, Illinois (“District 45”).

WHEREAS, each of the parties has the authority to enter into this Agreement pursuant to Article VII, Section 10 of the Illinois Constitution of 1970, pursuant to Sections 3 and 5 of the Intergovernmental Cooperation Act (5 ILCS 220/3 and 5 ILCS 220/5), and pursuant to the statutory contracting power of each party;

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) (the “TIF Act”), the Village created a redevelopment plan and redevelopment project area commonly known as the “St. Charles Road Commercial Corridor TIF District” (sometimes referred to herein as the “TIF District”), and adopted tax increment allocation financing for the TIF District, which TIF District is located within the boundaries of the Village and also located in whole or in part within the boundaries of District 45; and

WHEREAS, the parties favor the economic development that can be incentivized through the creation of the TIF District and desire that the creation of the TIF District shall not result in financial detriment to the parties or have a substantial negative impact on the real estate tax base of any taxing district;

WHEREAS, the Village has been approached by Marquette Apartment Advisors LLC, an Illinois limited liability company (the "Developer") to acquire certain property owned by the Village of Villa Park and located at 100-110 S. Villa Avenue, Villa Park, Illinois and within the TIF District (the "Subject Property") to develop a mixed-use complex on the Redevelopment Property, to be known as “the Union”, that would include 238 apartments, 8,000 sq. ft. of commercial space along Villa Avenue, and a two-story parking deck that would include approximately 90 public parking spaces (“Project”) and has requested financial assistance from the Village in order to proceed to construct the Project; and

WHEREAS, pursuant to the TIF Act, the maximum amount of student tuition payments to be paid by the Village to District 45 pursuant to Section 11-4.4-3(q)(7.5) the TIF Act (the “Student Tuition Payments”) for each student residing in the residential housing component of the Project is equal to twenty-seven percent (27%) of Incremental Taxes, as hereinafter defined, generated from the Subject Property; and

WHEREAS, the Developer has also stated that its experience as an owner and operator of similar mixed-use developments within the region has demonstrated that few school age children reside in rental units with the size, style and number of units as proposed for the Project; and

WHEREAS, the Village and Developer have provided sufficient information to substantiate the fact that the Project could not proceed if the maximum Student Tuition Payments were required to be paid (despite it being contrary to the Developer's experience), because the Project would not be economically viable; and

WHEREAS, District 45 has reviewed the proposed Project and the information supplied by the Village and Developer and understands that the Project would benefit the Village by adding a superior mixed-use development to the community; provide a significant number of job opportunities; and, upon expiration of the TIF District, substantially increase the tax base of all taxing districts having jurisdiction over the Project; and

WHEREAS, after due consideration, in order to permit the Project to proceed, District 45 agrees to limiting the maximum amount of Student Tuition Payments to be paid from Incremental Taxes generated from the Subject Property as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. DEFINITIONS

As used herein, unless the context indicates otherwise, or unless specifically defined otherwise, the following terms shall be accorded the following meanings:

1.1 Incremental Revenues. The amount of real estate tax revenues which would be required to be deposited into the Village's special tax allocation fund pursuant to Section 11-74.4-8(b) of the TIF Act and in consequence of the Village's designation of the TIF District and approval of the redevelopment plan and project.

1.2 TIF Fund. The special tax allocation fund, as that term is used in the TIF Act, for the TIF District or such other fund or funds of the Village where the Incremental Revenues are deposited.

2. PAYMENTS FOR STUDENTS FROM TIF DISTRICT

In consideration for the promises provided for herein, the Village shall make the following payments to District 45:

2.1 Student Tuition Payments. The Village agrees to use Incremental Taxes generated from the Subject Property as reimbursement for each student attending District 45 but only to a maximum of (i) nine percent (9%) of such Incremental Taxes for years 2028 through 2037, and (ii) ten percent (10%) of such Incremental Taxes for years 2038 through 2045, (which is an amount approximately equal to the projected Student Tuition Payments based on the number of Students projected by the TIF Advisor) or until the

year the Alternative Revenue Source General Obligation Bond (the “ARS G.O. Bonds”) on the Subject Property is paid off, whichever comes first. District 45 agrees that the total amount of Student Tuition Payments, no matter the number of students residing at the Subject Property for so long as the TIF District remains in place, shall never exceed the maximum of the Incremental Taxes set forth herein, notwithstanding the requirements of the Act.

- 2.2** The Village shall dedicate half of any Incremental Taxes in excess of Payments to School Districts, to the Villa Park Library, and to obligations on the ARS G.O. Bonds, of the total Incremental Taxes toward early payment of the Bonds from the initiation of the Bonds payments until the Bonds are paid off. The Village shall pay off the bonds the first year that the funds set aside from the excess increment for the purpose of paying off the bonds are sufficient to retire the remaining debt if the bonds agreement allows it.
- 2.3** If the total amount of money for eligible Tuition Payments under State law (up to 27%) as modified by this Agreement exceeds the amount agreed to in this IGA (9% for 2028 through 2037, thence 10%) and paid by the Village, the Village agrees to accrue these unpaid amounts plus interest at an annual rate of the previous calendar year’s CPI-U for the Chicagoland area and repay all of those funds based on available increment in the years after the Bonds are retired, but during the life of the TIF.
 - 2.3.1** These funds shall be referred to as the Deferred Tuition Payments.
 - 2.3.2** The Village will add the Deferred Tuition Payments to the amount of Tuition Payments owed according to State Law and as modified by this Agreement once the Bonds Debt is paid off in full and retired.
 - 2.3.3** Deferred Tuition payments shall accrue during the life of the TIF and shall be paid in equal payments divided among the remaining years of the TIF after the Bonds are retired.
 - 2.3.4** Regardless of the total amount of Deferred Tuition Payments during the repayment of the Bonds, the total payment to District 45 shall not exceed 40.5% of the total annual Increment generated in any year; such that the total cost of Tuition payments owed annually after the retirement of the Bond, plus repayment of Deferred Tuition Payments, shall not exceed 40.5% of the total annual Increment generated in any year.
- 2.4** Upon completion of any portion of the proposed housing and the issuance of certificates of occupancy for any of the dwelling units, District 45 agrees to provide the Village on or before September 30 of each year

during the term of this Agreement a list of students attending District 45 and residing at the Subject Property.

- 2.5** Incremental Taxes. For purposes of this Amendment, Incremental Taxes shall mean all ad valorem real property taxes arising from the tax levies upon the Subject Property attributable to the current equalized assessed valuation of the Subject Project over and above the equalized assessed valuation as of the date of the TIF District was established.

3. MISCELLANEOUS PROVISIONS

- 3.1 Authority.** Each party warrants to the other that it is authorized to execute, deliver and perform this Agreement. Each party warrants to the other that execution, delivery and performance of this Agreement does not constitute a breach or violation of any agreement, undertaking, law or ordinance by which that party is bound. Each individual signing this Agreement on behalf of a party warrants to the other party that such individual is authorized to execute this Agreement in the name of the party on whose behalf he or she executes it.
- 3.2 Term.** The parties' obligations under this Agreement shall cease upon the earlier of: (i) the termination of the TIF District; or (ii) December 31, 2044.
- 3.3 Binding Effect.** This Agreement shall be binding on the parties and their respective successors. It may not be assigned.
- 3.4 Further Acts.** Each party shall, at the request and expense of the other, execute and deliver any further documents and do all acts and things as that party may reasonably require to carry out the true intent and meaning of this Agreement.
- 3.5 Governing Law.** This Agreement is governed by and shall be interpreted and enforced in accordance with the laws of the State of Illinois.
- 3.6 Waivers and Modifications.** No waiver of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and signed by the party making the waiver, and then shall be effective only in the specific instance and for the purpose given. This Agreement shall not in any other way be modified except in writing signed by all parties.
- 3.7 Notices.** Any notice, payment, request, instruction, or other document to be delivered hereunder shall be deemed sufficiently given if in writing and delivered personally or mailed by certified mail, postage prepaid, as follows:

If to the Village:
Village Manager
Village of Villa Park
20 S. Ardmore
Villa Park, IL 60181

If to District 45:
Superintendent
School District 45, DuPage County, Illinois
255 W. Vermont Street
Villa Park, IL 60181

3.8 Entire Agreement. This Agreement expresses the complete and final understanding of the parties with respect to its subject matter.

3.9 Execution. This Agreement may be executed in duplicate counterparts, each of which shall be as effective as the others upon approval and execution by all parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on or before the _____, 2024.

<p>BOARD OF EDUCATION, SCHOOL DISTRICT NUMBER 45, DUPAGE COUNTY, ILLINOIS</p> <p>By: _____ Board President</p> <p>ATTEST: _____ Board Secretary</p> <p>Date: _____, 2024</p>	<p>VILLAGE OF VILLA PARK, DUPAGE COUNTY, ILLINOIS</p> <p>By: _____ Village President</p> <p>ATTEST: _____ Village Clerk</p> <p>Date: _____, 2024</p>
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