

RESOLUTION NO. 21-001

CITY OF MONMOUTH, ILLINOIS

**PROPOSED  
MAIN STREET TAX INCREMENT FINANCING (TIF) DISTRICT  
REDEVELOPMENT PROJECT**

**INDUCEMENT RESOLUTION**

**WHEREAS**, the City of Monmouth, Warren County, Illinois (the “City”), an Illinois Home Rule Municipality, has the authority to promote the health, safety and welfare of the City and its citizens, and to prevent the spread of blight and deterioration by promoting the development of private investment in property thereby increasing the real estate tax base of the City and providing employment for its citizens; and

**WHEREAS**, pursuant to 65 ILCS 5/8-1-2.5, a municipality may appropriate and expend funds for economic development purposes, including without limitation for commercial enterprises that are deemed necessary or desirable for the promotion of economic development within the municipality; and

**WHEREAS**, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.*, as amended (the “Act”), the City has the authority to provide incentives to owners or prospective owners of real property to develop, redevelop, rehabilitate, market and/or upgrade such property by constructing public infrastructure or reimbursing the owners of real property for certain costs with revenue resulting from increases in real estate tax revenues (“Tax Increment”) or from other City sources; and

**WHEREAS**, it appears that the above mentioned redevelopments cannot be developed without the adoption of a new Tax Increment Financing District Redevelopment Plan, Area and Projects to be created for the Project Area and documented pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74-4 *et. seq.* (the “Act”); and

**WHEREAS**, the City is considering proposals for private commercial, light industrial and residential redevelopment projects on properties that the City intends to include within the proposed **Monmouth Main Street Tax Increment Financing (TIF) District Redevelopment Project Area** (the “Project Area”); and

**WHEREAS**, the City is authorized under the Act to make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of its redevelopment plans and projects and to finance redevelopment project costs provided such project costs are eligible under the Act; and

**WHEREAS**, **Land Management Partners, LLC** (% Jared Kunkle, Co-owner and Manager), 721 North Main Street, Monmouth, IL 61462, or its assignee (the “Developer”) is currently proposing a redevelopment project consisting of, but not limited to, the acquisition, rehabilitation, expansion, and renovation of commercial property located at 721 North Main Street, Monmouth, Illinois (PIN 09-210-034-00 and the “Project Site” as further described in *Exhibit 1*.

*Description of Project and TIF District Application* attached hereto) for the purpose of operating one or more commercial offices thereon (the “Redevelopment Project” or “Project”), all of which is within the proposed Project Area; and

**WHEREAS**, redevelopment of the property within the Project Area will entail expenditures of substantial time, effort and money and that but for the assistance of tax increment financing, the proposed Project is not deemed to be economically feasible; and

**WHEREAS**, this Resolution is intended to induce the Developer to proceed with assembling the Project Site, commence with the Redevelopment Project and to seek reimbursement from incremental real estate tax revenue received by the City, or from other sources as may be agreed to between the City and the Developer, which are necessary to accomplish the goals of the proposed Monmouth Main Street TIF District Redevelopment Plan, Projects and Area as may be established by the City for this Project; and

**WHEREAS**, pursuant to recent discussions between the Developer and the City Administrator, the City Council has initiated an examination of the proposed Project Area and believes that expenditures of development costs in furtherance of the potential Redevelopment Plan and Projects should be allowable project costs under the Redevelopment Plan and pursuant to the Act, provided that **this Resolution is not a guarantee of the amount of project costs that will be allowable, if any, but rather is an indication of the intent and sense of the City at this time.**

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Monmouth, Warren County, Illinois, as follows:

1. That the intentions of the City of Monmouth regarding this Project as expressed in the recitals herein are hereby approved; provided however, that neither such intentions, affirmations, authorizations nor such recitals are binding upon the City nor may the same be relied upon to any entity’s or person’s detriment by such entity or person whether third person or otherwise in the event that the aforementioned agreements or plans are not mutually attainable.
2. That the Corporate Authorities of the City of Monmouth are in favor of the proposed Project.
3. The City shall proceed and exercise good faith efforts to establish the proposed Monmouth Main Street Tax Increment Financing District Redevelopment Plan, Project and Area to include the Developer’s Property and Project. The City and the Developer shall also exercise good faith efforts to enter into a Predevelopment Agreement or TIF Redevelopment Agreement on or before **February 15, 2021**, and provided that such agreement is approved, and Developer’s Property and Project is included in an established TIF District, then those future TIF eligible project costs incurred by the Developer from the date of this Resolution may be reimbursed to the Developer from an appropriate Special Tax Allocation fund and shall thereby constitute an incurred obligation of the City of Monmouth pursuant to Sections 5/11-74.4-4 (b) and (j) of the Act.
4. The provisions of this Resolution shall be effective commencing with its adoption as provided by law.

**PASSED, APPROVED AND ADOPTED** by the Mayor and City Council of the City of Monmouth, Warren County, Illinois, on the 4<sup>th</sup> day of January, 2021, and deposited and filed in the Office of the City Clerk of said City of Monmouth on that date.

<b>CORPORATE AUTHORITIES</b>	<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Tony Cook				
Justin Thomas				
Brian Daw				
Susan Twomey				
Juan Pinedo				
Mary Kelly				
Dan Heatherly				
Rod Davies, Mayor				
<b>TOTALS:</b>				

**APPROVE:**

\_\_\_\_\_, Date \_\_\_\_/ \_\_\_\_ / 2021  
 Rod Davies, Mayor

**ATTEST:**

\_\_\_\_\_, Date \_\_\_\_/ \_\_\_\_ / 2021  
 Susan Trevor, City Clerk

**ATTACHMENTS**

**EXHIBIT 1. DESCRIPTION OF PROJECT AND TIF DISTRICT APPLICATION**

## EXHIBIT 1

### **DESCRIPTION OF PROJECT AND TIF DISTRICT APPLICATION**

Land Management Partners, LLC purchased the insurance business of Fred Jenks Insurance Service September of 2017. We have been operating as LMP Agency out of the building while renting from Fred Jenks since then and are planning to acquire the building 1/15/2021. Land Management Partners, LLC also operates a Farm Management and Real Estate business out of Alexis and would like to relocate this business into Monmouth. With current State of Illinois requirements, this is not possible with how the office building on 721 N. Main St. is set up. We need to add more office space. The added office space will be able to be locked to keep insurance and real estate offices separate. The current building on 721 N. Main St. has not had any updates done to it since the 1980's. We have also been waiting to establish ourselves in the community before we did the renovation and would like to make the building attractive from the road since it sits on Main St. This project will be a full remodel with 2 separate additions added onto the building.

One addition will be to enclose the current overhang that is on the SW corner of the building. We have previously believed there were footings under the overhang but recently probed and found out there were not. This will require digging and pouring concrete footings and then match up the height of the floor to the rest of the building. We will relocate the front door to the SW portion of the west facing wall. We will add another door on the east wall facing the parking lot. The east facing door will have a wheelchair ramp which the building does not currently have.

Second addition will be to the east. We are looking to even this portion of the building up so half of the building will be an 8' addition and the other half will be a 14' addition. The roof line will match up with what is currently there. In this addition, we will add a filing/storage room (could be an extra office in the future if needed), new back entrance to office for employees, an ADA bathroom, and an office.

Internal renovation of current structure will relocate some non-load bearing walls, added bracing in basement to level floors, redo plumbing to new bathroom and kitchenette in conference room, update to 200amp service, add or redo any electrical to make sure up to code, add LED lighting, new water heater, update windows, add insulation, and drywall all walls and ceilings. We will go from 3 offices and a kitchen to 6 offices, a conference room with kitchenette, and a filing/storage room.

Exterior will be completely redone also. We will put new vinyl siding up with a 3' wainscoting at the bottom to give the building an attractive look from the street. We are planning to redo the retaining walls out front with new landscaping. The parking lot will get fully redone with concrete. We still need to meet with Andy Jackson to discuss how the parking lot can be set up, so the drainage is done properly.

Overall, this will be a complete gut and renovation of an old office building. Our goal is to bring it up to a more modern look and have an attractive appearance on Main St. This is a big capital investment for our company, but we plan to be in Monmouth for the long term. We will be adding jobs into this office building with bringing the real estate and management portion of our business under one roof. We are currently working with local contractors for the remodel. Our goal is to grow our business in Monmouth and have a building we can be proud of and the city of Monmouth can be proud to have on Main Street.



Figure 1. 721 North Main Street, Monmouth, IL as seen looking east from Main Street (28 Dec. 2020).



Figure 2. 721 North Main Street, Monmouth, IL as seen looking south from East Girard Avenue

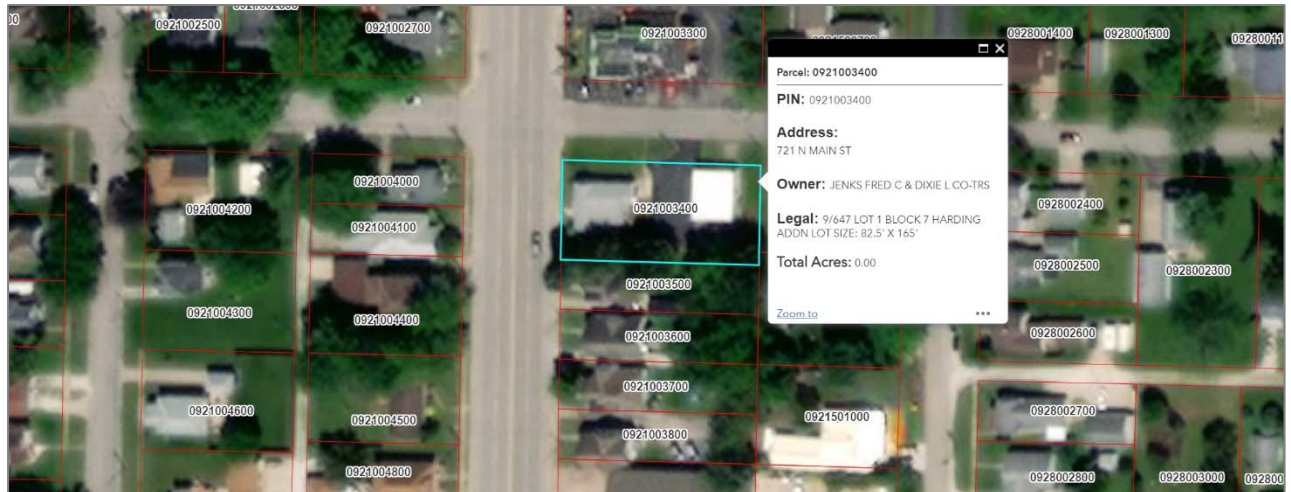


Figure 3. 721 North Main Street, Monmouth, IL is PIN 09-210-034-00 as depicted above on Warren County IL GIS found online at: <https://warrenco-094.maps.arcgis.com/apps/webappviewer/index.html?id=ab19af089b1549f58ea5af6a35d73d81>. PIN 09-210-034-00 is located within the proposed Monmouth Main Street Tax Increment Financing (TIF) District.



**TAX INCREMENT FINANCING (TIF) DISTRICT**

**APPLICATION FOR TIF BENEFITS RELATING TO PRIVATE (TIF) ELIGIBLE REDEVELOPMENT PROJECT COSTS**

Pursuant to Section (65 ILCS 5/11-74.4-4(b)) of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 et. seq.), municipalities may make and enter into contracts with private developers to induce redevelopment projects which are necessary or incidental to the implementation and furtherance of its redevelopment plan and project. Municipalities may also, under certain conditions, incur project redevelopment costs and reimburse developers who incur redevelopment project costs which are authorized by a redevelopment agreement (65 ILCS 5/11-74.4-4 (j)).

Private developers seeking reimbursement of TIF eligible redevelopment project costs are required by the municipality to complete this application allowing the municipality to adequately determine the developer's eligibility for assistance from the Tax Increment Financing (TIF) District.

**INSTRUCTIONS: Complete each section and return via email to [tifillinois@tifillinois.com](mailto:tifillinois@tifillinois.com), fax (309) 664-7878 or U.S. Mail to: The Economic Development Group, Ltd., 1701 Clearwater Avenue, Bloomington, IL 61704.**

**PART I: DEVELOPER INFORMATION**

Developer Legal/Business Name: Land Management Partners, LLC Date: 12/28/2020

Business type:  Sole Proprietorship;  Partnership;  Corporation (State of Charter: \_\_\_\_\_);  LLC  Other (please describe): \_\_\_\_\_ Please

list any other business, subsidiary, parent company, corporation, limited liability company, individual, or other entity that might incur costs related to this Project: \_\_\_\_\_

Insurance portion in Monmouth is a DBA: LMP Agency

Developer's Contact Information:

Name Jared Kunkle Title Co-Owner

Address 721 N. Main St.

City Monmouth State IL Zip 61462

Daytime Phone 309-299-6998 Mobile 309-299-6998

Fax 309-734-6241 email Jared@lmp309.com

**PART II: PROJECT INFORMATION**

TIF District Name Monmouth City Monmouth

Project Name LMP Agency

Anticipated Start Date 1/15/2021 Anticipated Completion Date 9/1/2021

Project Description Purchase of property, update interior, electrical, plumbing, make ADA compliant, add 656sq. ft of office space, add 3 offices, conference room, update exterior, add landscaping, redo retaining wall along sidewalk that is failing, redo parking lot

Project is classified as:  Industrial;  Commercial;  Residential

Project Street Address 721 N. Main St.

Parcel(s) Relating to the above described project:

1. Property Identification Number (PIN) 09-210-034-00  
 Is this property within the TIF District Boundary (or proposed boundary)?  Yes  No  
 Date property was acquired: Estimated acquisition 1/15/2021
2. Property Identification Number (PIN) \_\_\_\_\_  
 Is this property within the TIF District Boundary (or proposed boundary)?  Yes  No  
 Date property was acquired: \_\_\_\_\_
3. Property Identification Number (PIN) \_\_\_\_\_  
 Is this property within the TIF District Boundary (or proposed boundary)?  Yes  No  
 Date property was acquired: \_\_\_\_\_  
*(Please list any additional parcels on separate sheet and attach)*

**IF RESIDENTIAL:** what is the expected absorption rate or "build-out" for the project?

PHASE I: Number of lots = _____ @ \$ _____ per lot			PHASE II: Number of lots = _____ @ \$ _____ per lot		
Calendar Year	Number of Homes or Units	Avg. Fair Market Value (House and Lot)	Calendar Year	Number of Homes or Units	Avg. Fair Market Value (House and Lot)

*(Please describe additional phases on separate sheet and attach)*

**FOR ENTIRE PROJECT:**

Total Projected Investment \$ 323500 *(Land and Real Estate Improvements Only)*

Total Number of Jobs Created: 3

Number of Jobs FTE (full-time equivalent): 2

Current annual retail sales (if applicable - commercial projects only) . . . . . \$ 1300000

Projected (new) annual retail sales generated by this project . . . . . \$ 150000

**PART III. ESTIMATED TIF ELIGIBLE PROJECT COSTS**

Property Assembly Costs:	<i>Phase I:</i>	<i>Phase II:</i>
1. Property Acquisition . . . . .	\$ <u>95000</u>	\$ _____
2. Site preparation, clearing and grading . . . . .	\$ <u>7500</u>	\$ _____
3. Demolition . . . . .	\$ <u>0</u>	\$ _____

Professional Fees:		
1. Planning, engineering, architectural . . . . .	\$ <u>3500</u>	\$ _____
2. Legal . . . . .	\$ <u>1500</u>	\$ _____
3. Accounting/financial . . . . .	\$ _____	\$ _____
4. Marketing (land only) . . . . .	\$ _____	\$ _____
5. Other professional fees . . . . .	\$ _____	\$ _____
Job training and retraining services . . . . .	\$ _____	\$ _____
Rehabilitation or renovation (existing buildings) . . . . .	\$ <u>201000</u>	\$ _____
Public infrastructure improvements . . . . . (Water, sewer, drainage, sidewalks, curb, etc.)	\$ <u>12000</u>	\$ _____
Utilities extension . . . . .	\$ <u>3000</u>	\$ _____

Interest Buy-Down:		
Principal <u>265500</u> @ <u>4</u> % per annum		
for <u>30</u> years = Estimated Interest Expense		
190940.85 X 30% . . . . .	\$ <u>57282.26</u>	\$ _____

Miscellaneous/Other (please specify):		
1. _____ . . . . .	\$ _____	\$ _____
2. _____ . . . . .	\$ _____	\$ _____
3. _____ . . . . .	\$ _____	\$ _____

<b>TOTAL ESTIMATED ELIGIBLE COSTS . . . . .</b>	<b>\$ <u>380782.26</u></b>	<b>\$ <u>0</u></b>
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Additional Notes/Comments: See attached document

*(Please describe estimated eligible project costs for additional phases on separate sheet and attach)*







ECONOMIC DEVELOPMENT CONSULTING & LAW

## Description of Eligible Project Costs for a Tax Increment Financing District in Illinois

### Categories of permissible redevelopment costs included in the Illinois TIF Act:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan. For example, professional service costs: architectural, engineering, legal, financial, planning; and administrative costs related to implementation of the redevelopment plan. *(Private & Public)*
2. Cost of marketing sites. *(Private & Public)*
3. Property assembly costs. For example, acquisition of land and other property, real or personal, or rights or interests therein; demolition of buildings; and site preparation. *(Private & Public)*
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings. *(Private & Public)*
5. Costs of construction of public works or improvements. For example, streets, sidewalks, water, sanitary and storm sewer, etc.; and new public buildings (with some limitations). *(Private & Public)*
6. Costs of eliminating or removing contaminants and other impediments such as site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including parking lots and other concrete or asphalt barriers; and the clearing/grading of land. *(Private & Public)*
7. Costs of job training and retraining projects. *(Private & Public)*
8. Financing costs – up to 30% of interest expense. *(Private & Public)*
9. Obligations secured by the special tax allocation fund... may be issued to provide for redevelopment costs. *(Public)*
10. Approved Capital Costs of taxing districts. For example, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district (including the municipality) in furtherance of the objectives of the redevelopment plan and project when approved by the municipality. *(Public)*
11. Relocation costs. *(Private & Public)*
12. Payment in lieu of taxes. *(Public)*
13. Up to 50% of cost of construction of low income and very low income new housing, owner occupied or rental. *(Private)*