

CITY OF SALEM, ILLINOIS

ORDINANCE NO. 2023-_____

**PROPOSED SALEM
TAX INCREMENT FINANCING DISTRICT 4**

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A TAX INCREMENT FINANCING
(TIF) DISTRICT PREDEVELOPMENT AGREEMENT**

by and between

THE CITY OF SALEM, MARION COUNTY, ILLINOIS

and

**SCOTT CONANT
D.B.A. CONANT DEVELOPMENT**

**ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF SALEM, MARION COUNTY, ILLINOIS
ON THE 4TH DAY OF DECEMBER, 2023.**

PROPOSED SALEM TIF DISTRICT 4

**AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF A TAX INCREMENT FINANCING
(TIF) DISTRICT PREDEVELOPMENT AGREEMENT**

by and between

THE CITY OF SALEM

and

SCOTT CONANT D.B.A. CONANT DEVELOPMENT

The Mayor and City Council of the City of Salem, Marion County, Illinois (the “City”), have determined that this Predevelopment Agreement is in the best interest of the citizens of the City of Salem.

THEREFORE, be it ordained by the Mayor and City Council of Salem, Illinois, in the County of Marion, as follows:

1. The TIF Predevelopment Agreement with Scott Contant d.b.a. Conant Development (the “Developer”) attached hereto as ***Exhibit A*** is hereby approved.
2. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Predevelopment Agreement and the City Clerk of the City of Salem is hereby authorized and directed to attest such execution.
3. The Predevelopment Agreement shall be effective the date of its approval on the 4th day of December, 2023.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

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PASSED APPROVED AND ADOPTED by the Mayor and City Council of the City of Salem this 4th day of December, 2023.

MAYOR AND CITY COUNCIL	AYE VOTE	NAY VOTE	ABSTAIN	ABSENT
Jim Koehler				
Craig Morton				
Tracy Crouch				
Royce Bringwald				
Nicolas Farley, Mayor				
TOTALS				

APPROVED: _____, Date ____/ ____ / 2023
Mayor

ATTEST: _____, Date: ____/ ____ / 2023
City Clerk

Attachment: **EXHIBIT A.** Predevelopment Agreement by and between the City of Salem and Scott Conant d.b.a. Conant Development.

**TAX INCREMENT FINANCING DISTRICT
PREDEVELOPMENT AGREEMENT**

by and between

CITY OF SALEM, MARION COUNTY, ILLINOIS

and

**SCOTT CONTANT
D.B.A. CONANT DEVELOPMENT**

**PROPOSED SALEM
TAX INCREMENT FINANCING DISTRICT 4**

DECEMBER 4, 2023

PREDEVELOPMENT AGREEMENT
by and between
CITY OF SALEM
and
SCOTT CONANT
D.B.A. CONANT DEVELOPMENT
PROPOSED SALEM TIF DISTRICT 4

THIS PREDEVELOPMENT AGREEMENT (including Exhibits) is entered into this 4th day of December, 2023, by and between the City of Salem (the “City”), an Illinois Municipal Corporation, Marion County, Illinois, and Scott Conant d.b.a Conant Development (the “Developer”).

PREAMBLE

WHEREAS, the City 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 and inadequate public facilities, including sanitary sewer, by promoting the development of private investment in the marketability of property thereby increasing the 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, the making of grants 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 redevelop, rehabilitate and/or upgrade such property by reimbursing the owner for certain costs from resulting increases in real estate tax revenues (“real estate tax increment”) or from other City revenues; and

WHEREAS, recognizing the need to foster the development, expansion and revitalization of certain properties which are vacant, underutilized or obsolete or a combination thereof, the City is intending, subject to the requirements of the Act, to establish a Tax Increment Financing District to be known as Salem TIF District 4 (the “TIF District”); and

WHEREAS, included in the proposed Salem TIF District 4 is property to be acquired by the Developer, located on Miller Street, Salem, Illinois, real estate tax property identification number 11-00-022-630 (the “Property”); and

WHEREAS, the Developer will acquire said Property and is proceeding with plans to construct a 72-unit apartment complex located thereon (the “Project”), and is doing so based on the availability of TIF incentives offered by the City provided the Property is included in a TIF District; and

WHEREAS, it is the intent of the City to encourage economic development which will increase the real estate tax revenue of the City, which increased incremental taxes will be used, in part, to finance incentives to assist development within the Tax Increment Financing District; and

WHEREAS, the Developer’s proposed Project will be consistent with the proposed TIF District Redevelopment Plan and Projects for the proposed Redevelopment Project Area and further conforms

to the land uses of the City as adopted; and

WHEREAS, pursuant to Section 5/11-74.4-4(b) of the Act, the City may 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 the proposed Redevelopment Plan; and

WHEREAS, pursuant to Section 5/11-74.4-4(j) of the Act, the City may incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a Redevelopment agreement and further defined in Section 5/11-74.4-3(q) of the Act, including those Estimated TIF Eligible Project Costs as herein listed in the attached ***Exhibit 1*** of this Predevelopment Agreement; and

WHEREAS, the Developer requested that incentives for the development be provided by the City from incremental increases in real estate taxes of the City generated from its Project and the City agrees to such incentives provided the Project is included within a TIF District and the Developer fulfills its obligations contained herein; and

WHEREAS, the City has determined that this Project requires the incentives requested as set forth herein and that said Project will, as a part of the intended Plan, promote the health, safety and welfare of the City and its citizens by attracting private investment to prevent blight and deterioration and to generally enhance the economy of the City; and

WHEREAS, the City has reviewed the conditions of the Property and has reason to believe that the costs of the necessary public and private improvements to be incurred by the Developer in furtherance of the Project are eligible project costs under the Act and are consistent with the proposed Redevelopment Plan of the City; and

WHEREAS, the Parties have agreed that the City shall reimburse the Developer as provided in *Section C* below, provided a TIF District is established, this Project is included within such TIF District, and the Developer is in compliance with this Agreement, and

WHEREAS, this Agreement is subject to and contingent in its entirety on the City's successful establishment of the TIF District which includes the Developer's Property; and

WHEREAS, in consideration of the execution of this Agreement, the Developer agrees to completing the Project as set forth in ***Exhibit 1***; and

WHEREAS, the City is entering into this Agreement having encouraged and induced the Developer to proceed with the Project located on the Property.

AGREEMENTS

NOW, THEREFORE, the Parties, for good and valuable consideration, the receipt of which is acknowledged, agree as follows:

A. PRELIMINARY STATEMENTS

1. The Parties agree that the matters set forth in the recitals above are true and correct and form a part of this Agreement.

2. Any terms which are not defined in this Agreement shall have the same meaning as they do in the Act, unless indicated to the contrary.
3. The Developer shall remain in compliance with all municipal ordinances relating to property development, property condition, zoning, subdivision and building codes. Failure to cure the violation of any such ordinance within thirty (30) days upon being provided written notice of the same by the City shall be cause for the City to declare the Developer in Default and unilaterally terminate this Agreement, except where such failure is not reasonably susceptible to cure within such 30-day period, in which case the Developer shall have such additional time to cure as is reasonably necessary, provided that the Developer has commenced such cure within such 30-day period and continues to diligently prosecute the same to completion.
4. The Developer agrees to complete the Project according to the attached Site Plan (*Exhibit 2*), including the construction and occupancy availability of seventy two (72) market rate apartments, on or before December 31, 2029, subject to extension due to Force Majeure (defined below).
5. The City agrees to use its best efforts, but cannot guarantee adoption of the TIF District, to create Salem TIF District 4 for a period of 23 years in length and include the Developer's Property.
6. The City further agrees to enter into a Redevelopment Agreement with the Developer containing the same essential terms and conditions of this Predevelopment Agreement within sixty (60) days after the creation of Salem TIF District 4, provided such Redevelopment Agreement is in compliance with the Act.
5. Each of the Parties represents that it has taken all actions necessary to authorize its representatives to execute this Agreement.

B. ADOPTION OF TAX INCREMENT FINANCING

The City intends to create a Tax Increment Financing District known as "Salem TIF District 4" which will include the Developer's Property. The City has approved certain Redevelopment Project Costs, including the types described in *Exhibit 1* for the Developer's Project which shall be hereafter known as the "**Conant Development Apartment Project**".

C. INCENTIVES

In consideration for the Developer purchasing the Property and completing the Project as set forth herein, the City agrees to extend to the Developer the following incentives to assist the Developer's Project:

1. Commencing with the real estate tax increment derived from the real estate taxes assessed in year 2025 and paid in 2026 through tax year 2029 payable 2030, the City shall reimburse the Developer **Fifty Percent (50%)** of the annual "net" incremental increase in real estate tax generated over the base year by the Developer's Project for the reimbursement of the Developer's Eligible Project Costs as set forth in *Exhibit 1*.
2. Commencing with the real estate tax increment derived from the real estate taxes assessed in year 2030 and paid in 2031 through tax year 2032 payable 2033, the City shall reimburse the

Developer **Twenty-Five Percent (25%)** of the annual “net” incremental increase in real estate tax generated over the base year by the Developer’s Project for the reimbursement of the Developer’s Eligible Project Costs as set forth in *Exhibit 1*.

3. On or before December 31, 2034, if the cumulative total reimbursements paid to the Developer under *Sections C(1) and C(2)* above is less than \$405,000, the City agrees to reimburse the Developer the difference between \$405,000 and the total cumulative reimbursements paid to the Developer by the City, provided Developer has sufficient eligible project costs and the Developer is in compliance with the terms of this Agreement.
4. Included as part of Developer’s Project is the Developer’s construction of a private roadway and related improvements to serve the Project. The cost of such roadway and related improvements that are eligible for reimbursement under the TIF Act will be counted towards the reimbursement cap stated in C.5 below. Upon mutual agreement of the parties, an addendum to this Agreement may be entered regarding the costs and reimbursement of utilities installed related to the Project.
5. Notwithstanding anything contained herein to the contrary, the total reimbursements paid to the Developer during the term of this Agreement shall not exceed **One Million Dollars and No Cents (\$1,000,000.00)**.
6. These funds are to be allocated to and when collected shall be paid to the City Treasurer for deposit in a separate account within the Special Tax Allocation Fund for Salem TIF District 4 designated as the “**Contant Development Apartment Project Special Account**” (the “Special Account”). All monies deposited into the Special Account shall be used exclusively by the City for the purposes set forth in this Agreement.
7. “Net” real estate tax increment is defined as increases in annual real estate tax increment derived from the Developer’s Project after payment of the proportionate amount of administrative fees and costs incurred by the City and payments pursuant to TIF District Intergovernmental Agreements, if any. The Developer’s proportionate amount is calculated by dividing the increment generated by the Developer’s Project by the total TIF District increment.

D. LIMITATION OF INCENTIVES TO DEVELOPER

1. The Developer shall be reimbursed by the City for all TIF Eligible Project Costs permitted by the Act (subject to a limitation of **\$1,000,000.00**) and as set forth in *Exhibit 1* from the real estate tax increment generated by this Project located on the Property and deposited into the Special Account, but only for the term of the Agreement and only from the Property included in this Project and currently owned by the Developer at that location. The parties may add additional phases and eligible project in excess of the amount authorized by this Agreement upon mutual agreement.
2. It is not contemplated nor is the City obligated to use any of its proportionate share of the monies for any of the Developer’s Eligible Project Costs but, rather, the City shall use its sums for any purpose under the Act as it may in its sole discretion determine.
3. The Developer agrees to timely complete the project, subject to Force Majeure, as defined below.

E. PAYMENT OF ELIGIBLE PROJECT COSTS

1. Payment to the Developer for TIF Eligible Project Costs as set forth by the Act, shall be made by a Requisition for Payment of Private Development Redevelopment Costs (*Exhibit 3*, "Requisition") submitted from time to time by the Developer to the City's TIF Administrator Jacob & Klein, Ltd., with copy to The Economic Development Group, Ltd. (collectively, the "Administrator"), and subject to the Administrator's approval of the costs and to the availability of funds in the Special Account.
2. All Requisitions must be accompanied by verified bills or statements of suppliers, contractors or professionals together with mechanic's lien waivers (whether partial or full) from each of the parties entitled to a payment that is the subject of the Requisition as required by the City.
3. In order for the Developer to receive reimbursement of Eligible Project Costs for costs it has incurred in any year as set forth in *Paragraphs 1 and 2* above, the Developer must submit such proposed eligible costs to the City by March 1 of the following year. If there are no accumulated outstanding costs previously submitted and approved by the City and if the Developer does not submit such proposed eligible costs by this deadline, the Developer will forfeit reimbursement of such costs from the prior year's real estate tax increment to be paid in the current year. Any approved eligible costs submitted after this deadline will be eligible for reimbursement from the next year's real estate increment receipts.
4. Any real estate increment not required to be paid to the Developer under the terms of *Paragraph 3* above shall be available to the City for any purpose set forth in the TIF Plan and allowed by the Act.
5. The Developer shall use such sums as reimbursement for Eligible Project Costs only to the extent permitted by law and the Act and may allocate such funds for any purpose for the terms of this Agreement or the term of the TIF District whichever is longer.
6. The Administrator shall approve or disapprove a Requisition by written receipt to the Developer within thirty (30) business days after receipt of the Requisition. Approval of the Requisition will not be unreasonably withheld. If a Requisition is disapproved by the Administrator the reasons for disallowance will be set forth in writing and the Developer may resubmit the Requisition with such additional information as may be required and the same procedures set forth herein shall apply to such re-submittals.
7. All TIF Eligible Project Costs approved shall then be paid by the City from the Special Account to the Developer, or to others as directed by the Developer, pursuant to the Redevelopment Plan and as allowed by Illinois Law. The City shall pay such approved eligible Costs annually, provided the Developer has satisfied the terms of this Agreement and costs which exceed the amount available to pay the Developer shall carry forward, until paid, without further action of the Developer. Payment shall be made within forty-five (45) days after approval subject to the terms of this Agreement and after receipt of the increment generated by the Developer's Redevelopment Project from the County.
8. The Parties acknowledge that the determination of Eligible Project Costs, and, therefore, qualification for reimbursement hereunder are subject to changes or interpretation made by amendments to the Act, administrative rules or judicial interpretation during the term of this

Agreement. The City has no obligation to the Developer to attempt to modify those decisions but will assist the Developer in every respect as to obtaining approval of Eligible Project Costs.

F. VERIFICATION OF TAX INCREMENT

1. It shall be the sole responsibility of the Developer or its designee to provide to the City, as requested in writing, copies of all PAID real estate tax bills, annually, for the Property.
2. The failure of Developer to provide any information required herein after written notice from the City, and the continued failure to provide such information within (30) days after such notice, shall be considered a breach of this Agreement and shall be cause for the City to deny payments hereunder to the Developer, which payments are conditional upon receipt of the foregoing information.

G. REIMBURSEMENT OF THE DEVELOPER'S SHARE OF TAX OBJECTION REFUNDS

If a refund of tax increment (including any accrued statutory interest thereon) is potentially due from the City's TIF Fund as the result of any tax objection, assessment challenge or formal appeal to the Illinois Property Tax Appeal Board (PTAB), issuance of a certificate of error or other such action, including any appeals therefrom, concerning the potential reduction of assessed value of the Property, the City may at its sole discretion withhold the Developer's share of any such possible refund (including any accrued statutory interest thereon) from future reimbursements calculated to be paid to the Developer under this Agreement. Furthermore, the Developer is hereby obligated to provide written notice to the City within five (5) days of filing any such objection, assessment challenge or formal appeal to the PTAB or other such action, including any appeals therefrom, that could potentially reduce the assessed value of the Property. Failure to provide such notice shall be considered a breach of this Agreement and shall be cause for the City to deny payments hereunder to the Developer.

Any funds withheld by the City under this *Section G* shall be deposited by it into a separate interest bearing bank account. Upon final determination of the assessed value of the Property, the City shall pay to the Developer the principal amount due under this Agreement as recalculated. The City shall be entitled to retain any interest earned on the account as partial payment for the administration of the account due to the delay of the determination of the final evaluation and recalculation of the benefits due the Developer under this Agreement.

If it appears to the City that it will be unable to recover the Developer's share of any such refund (including any accrued statutory interest thereon) from the remaining future reimbursements due the Developer under this Agreement, the Developer shall reimburse the City for the Developer's remaining unpaid share of such refund within thirty (30) days upon receiving written demand of the same from the City.

Notwithstanding anything contained in this Agreement to the contrary, the obligations contained in this *Section G* shall remain in effect for the remaining life of the TIF District, whether the TIF District expires upon the current anticipated expiration of the proposed Redevelopment Plan and Projects adopted by the City (tax year 2047 payable 2048); at an earlier time if the City passes an ordinance terminating the TIF District; or at a later time if the TIF District is legislatively extended. Furthermore, the obligations set forth in this *Section G* shall survive the expiration of the TIF District if a tax objection or other such action taken by the Developer is pending prior to the expiration of the TIF District and

shall continue until final disposition of such action.

H. LIMITED OBLIGATION

The City's obligation hereunder to pay the Developer for Eligible Project Costs is a limited obligation to be paid solely from the Special Account. Said obligation does not now and shall never constitute an indebtedness of the City within the meaning of any State of Illinois constitutional or statutory provision and shall not constitute or give rise to a pecuniary liability of the City or a charge or lien against any City fund or require the City to utilize its taxing authority to fulfill the terms of this Agreement.

I. CITY PUBLIC PROJECTS

The City intends to use part or all of its share of the Project's real estate increment for other public projects within the TIF District or within contiguous TIF Districts as allowed by law. The City shall be eligible for reimbursement of the cost of doing so, as well as other eligible costs incurred by the City in the TIF District.

J. LIMITED LIABILITY OF CITY TO OTHERS FOR DEVELOPER'S EXPENSES

There shall be no obligation by the City to make any payments to any person other than the Developer, nor shall the City be obligated to make direct payments to any other contractor, subcontractor, mechanic or materialman providing services or materials to the Developer for the Developer's Project.

K. COOPERATION OF THE PARTIES

1. The City and the Developer agree to cooperate fully with each other when requested to do so concerning the development of the Developer's Redevelopment Project. This includes without limitation the City assisting or sponsoring the Developer, or agreeing to jointly apply with the Developer, for any grant, award, subsidy or additional funding which may be available from other governmental sources as the result of the Developer's or City's activities. This also includes without limitation the Developer assisting or sponsoring the City, or agreeing to jointly apply with the City, for any grant, award, or subsidy which may be available as the result of the City's or the Developer's activities.
2. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions, and certifications (and, in the City's case, the adoption of such ordinances and resolutions), as may be necessary or appropriate, from time to time, to carry out the terms, provisions, and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions, and intent.
3. The Parties shall cooperate fully with each other in seeking from any or all appropriate governmental bodies all approvals (whether federal, state, county or local) required or useful for the construction or improvement of property and facilities in and on the Property or for the provision of services to the Property, including, without limitation, wetland mitigation, gas, telephone, and electric utility services, roads, highways, rights-of-way, water and sanitary sewage facilities, and storm water disposal facilities.

L. DEFAULT; CURE; REMEDIES

In the event of a default under this Predevelopment Agreement by any party hereto (the “Defaulting Party”), which default is not cured within the cure period provided for below, then the other Party (the “Non-defaulting Party”), may have an action for damages, or, in the event damages would not fairly compensate the Non-defaulting Parties for the Defaulting Party’s breach of this Predevelopment Agreement, the Non-defaulting Party shall have such other equity rights and remedies as are available to them at law or in equity. Any damages payable by the City hereunder shall be limited to the real estate tax increment payable to the Developer under the terms of this Agreement.

In the event a Defaulting Party shall fail to perform a monetary covenant which it is required to perform under this Predevelopment Agreement, it shall not be deemed to be in default under this Predevelopment Agreement unless it shall have failed to perform such monetary covenant within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying that it has failed to perform such monetary covenant. In the event a Defaulting Party fails to perform any nonmonetary covenant as and when it is required to under this Predevelopment Agreement, it shall not be deemed to be in default if it shall have cured such default within thirty (30) days of its receipt of a notice from a Non-defaulting Party specifying the nature of the default, provided, however, with respect to those nonmonetary defaults which are not capable of being cured within such thirty (30) day period, it shall not be deemed to be in default if it commences curing within such thirty (30) day period, and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

M. TIME; FORCE MAJEURE

For this Agreement, time is of the essence. The Developer agrees to complete this Project on or before December 31, 2029. Failure to do so shall be cause for the City to declare the Developer in default and unilaterally terminate this Agreement. However, the Developer and the City shall not be deemed in default with respect to any obligations of this Agreement on its part to be performed if the Developer or City fails to timely perform the same and such failure is due in whole, or in part, to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, weather conditions wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnation, riots, insurrections, war, fuel shortages, accidents, casualties, Acts of God, acts caused directly or indirectly by the City (or the City’s agents, employees or invitees) when applicable to Developer or third parties, or any other cause beyond the reasonable control of Developer or the City.

N. ASSIGNMENT

The rights and obligations of the Developer under this Agreement shall be assignable by the Developer provided written notice is provided to the City and the City’s consent is obtained prior to such assignment. The City’s consent shall not be unreasonably withheld provided that the nature of the Project is not substantially changed, and that the assignee is financially capable of fulfilling the obligation of the assignor. Any such assignment shall be subject to all the terms and conditions contained in this Agreement. Further, no such assignment shall be deemed to release the assignor of its obligations to the City under this Agreement unless the consent of the City to the release of the assignor’s obligations is first obtained.

O. PREPAYMENTS

Should the annual incremental tax revenue generated by the Project be sufficient to pay all cost eligible expenses prior to the expiration of the term of the Agreement, the City may, in its sole discretion, elect to pay all then remaining payments in a single lump sum payment.

P. WAIVER

Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right of remedy does so in writing. No such waiver shall obligate such party to waive any right of remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

Q. SEVERABILITY

If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Agreement or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

R. NOTICES

All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3rd) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

TO CITY:

City Clerk, City of Salem
101 S Broadway St.
Salem, IL 62881
Telephone: (618) 548-2222

With Copy to:

Jacob & Klein, Ltd.
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704
Telephone: (309) 664-7777
Fax: (309) 664-7878

TO DEVELOPER:

Scott Conant
15608 N Blue Point Trail
Effingham, IL 62401
Telephone: (217) 994-4337

With Copy to:

S. SUCCESSORS IN INTEREST

Subject to the provisions of *Section N*, above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

T. NO JOINT VENTURE, AGENCY, OR PARTNERSHIP CREATED

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

U. INDEMNIFICATION OF CITY

It is the understanding of the Parties that the position of the Illinois Department of Labor is that the Illinois Prevailing Wage Act does not apply to TIF increment received by developers as reimbursement for private TIF Eligible Project Costs. This position of the Department of Labor is stated as an answer to a FAQ on its website. The Developer agrees to indemnify and hold harmless the City for any claim asserted against the City arising from the Developer's Project and/or this Agreement or any challenge to the eligibility of project costs reimbursed to the Developer hereunder.

V. ENTIRE AGREEMENT

The terms and conditions set forth in this Agreement and exhibits attached hereto supersede all prior oral and written understandings and constitute the entire agreement between the City and the Developer with respect to the subject matter hereof.

W. TITLES OF PARAGRAPHS

Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any provisions hereof.

X. WARRANTY OF SIGNATORIES

The signatories of Developer warrant full authority to both execute this Agreement and to bind the entity in which they are signing on behalf of.

Y. TERM OF THE AGREEMENT

Notwithstanding anything contained herein to the contrary, this Agreement shall expire upon the first to occur of December 31, 2034 or the Developer receiving all incentives included herein. The Agreement shall expire sooner if the Developer files for bankruptcy or otherwise becomes insolvent, the Property becomes the subject of foreclosure proceedings, or upon default by the Developer of this Agreement.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Salem, Illinois.

CITY
SALEM, ILLINOIS, a Municipal Corporation

BY: _____
Mayor, City of Salem

ATTEST:

City Clerk, City of Salem

DEVELOPER
SCOTT CONANT
d.b.a Conant Development

BY: _____
Scott Conant

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EXHIBIT 1

SUMMARY OF ESTIMATED TIF ELIGIBLE PROJECT COSTS

Scott Conant / Conant Development Apartment Project
Salem TIF District 4 in the City of Salem, Marion County, Illinois

Project Description: The Developer is acquiring the Property and proceeding with plans to construct a 72-unit apartment complex located thereon.

Street Location: Miller Street, Salem, Illinois

PIN#: 11-00-022-630

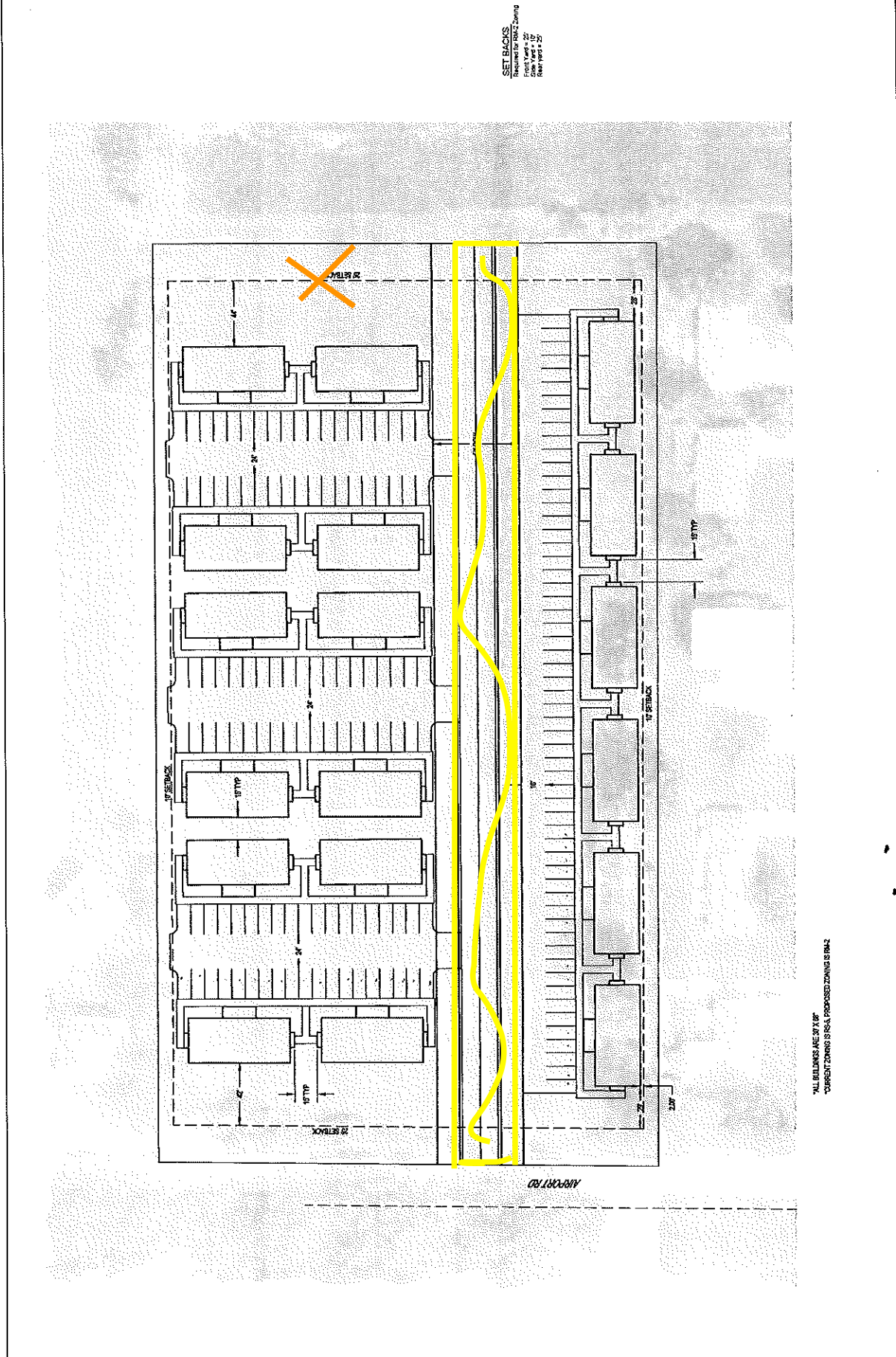
***Estimated* TIF Eligible Project Costs:**

Land Acquisition	\$60,000
Site Preparation, Clearing & Grading	\$110,000
Professional Fees (Engineering, Accounting, Legal, Architectural, etc.)	\$84,000
Public Infrastructure Improvements	\$300,000
Utilities Extension	\$220,000
Interest Buy-Down (30% of Interest Expense)	\$400,000
Total <i>Estimated</i> TIF Eligible Project Costs*	\$1,174,000

*The City's reimbursement of TIF Eligible Project Costs to the Developer shall not exceed **\$1,000,000.00**, as set forth in this Predevelopment Agreement.

EXHIBIT 2

SITE PLAN



SET BACKS
Required for Roadway Casing
Front Yard = 20'
Side Yard = 20'
Rear Yard = 20'

ALL BUILDINGS ARE 10' X 18'
CURRENT ZONING IS R1A2, PROPOSED ZONING IS RM12

*infrastructure /
drainage /
studies /
permitting
top fees
road
utilities
4x build
72 units*

EXHIBIT 3
CITY OF SALEM, ILLINOIS
SALEM TAX INCREMENT FINANCING DISTRICT 4

PRIVATE PROJECT
REQUEST FOR REIMBURSEMENT
BY
SCOTT CONANT D.B.A. CONANT DEVELOPMENT

Date _____

Attention: City TIF Administrator, City of Salem, Illinois

Re: TIF Predevelopment Agreement, dated December 4, 2023
 by and between the City of Salem, Illinois, and
 Scott Conant d.b.a. Conant Development (the “Developer”)

The City of Salem is hereby requested to disburse funds from the Special Tax Allocation Fund pursuant to the Predevelopment Agreement described above in the following amount(s), to the Developer and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Predevelopment Agreement.

1. REQUEST FOR REIMBURSEMENT NO. _____
2. PAYMENT DUE TO: Scott Conant d.b.a. Conant Development
3. AMOUNTS REQUESTED TO BE DISBURSED:

Description of TIF Eligible Project Cost	Amount
Total	

4. The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to reimburse the Developer for Redevelopment Project Costs for the Project detailed in ***Exhibit 1*** of the Predevelopment Agreement.

5. The undersigned certifies and swears under oath that the following statements are true and correct:
- (I) the amounts included in (3) above were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect; and
 - (ii) the amounts paid or to be paid, as set forth in this Request for Reimbursement, represent a part of the funds due and payable for TIF Eligible Redevelopment Project Costs; and
 - (iii) the expenditures for which amounts are requested represent proper Redevelopment Project Costs as identified in the "Limitation of Incentives to Developer" described in *Section D* of the Predevelopment Agreement: have not been included in any previous Request for Reimbursement; have been properly recorded on the Developer's books; are set forth with invoices attached for all sums for which reimbursement is requested; and proof of payment of the invoices; and
 - (iv) the amounts requested are not greater than those necessary to meet obligations due and payable or to reimburse the Developer for its funds actually advanced for Redevelopment Project Costs; and
 - (v) the Developer is not in default under the Predevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Predevelopment Agreement.
 - (vi) Any violation of this oath shall constitute a default of the Predevelopment Agreement and shall be cause for the City to unilaterally terminate the Predevelopment Agreement.
6. Attached to this Request for Reimbursement is ***Exhibit 1*** of the Predevelopment Agreement, together with copies of invoices, proof of payment of the invoices, and Mechanic's Lien Waivers relating to all items for which reimbursement is being requested.

BY: _____(Developer)

TITLE: _____

APPROVED BY CITY OF SALEM, ILLINOIS

BY: _____

TITLE: _____ DATE: _____

REVIEWED BY JACOB & KLEIN, LTD. & THE ECONOMIC DEVELOPMENT GROUP, LTD.

BY: _____

TITLE: _____ DATE: _____