



AGENDA ITEM EXECUTIVE SUMMARY

Title:	Consideration of a Resolution Authorizing the City Administrator to Execute and Deliver a Notice of Default regarding City of St. Charles Tax Increment Financial Redevelopment Agreement (First Street Project) By and Between the City of St. Charles and First Street Development, L.L.C.
Presenter:	Rita Tungare

Please check appropriate box:

<input type="checkbox"/>	Government Operations	<input type="checkbox"/>	Government Services
<input type="checkbox"/>	Planning & Development	<input checked="" type="checkbox"/>	City Council – New Business (4/21/14)

Estimated Cost:	N/A	Budgeted:	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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If NO, please explain how item will be funded:

Executive Summary:

On April 7, 2014, the City Council considered an Ordinance to grant a tenth extension of the date for construction to commence within the First St. Development LLC site of the First Street Phase 3 property, which includes Buildings 1, 2, 3 the Phase 3 parking deck, east plaza and the riverwalk. The extension under consideration related only to the Zoning Ordinance timing provisions for all PUDs citywide and had no direct relation to the timing provisions of the Redevelopment Agreement with First St. Development LLC.

No extension to begin construction was granted and as a result, approval of the PUD Preliminary Plan for Phase 3 lapsed on April 8, 2014. (The Special Use for PUD Ordinance, which established the Zoning Standards for the site, remains in place).

The City and First Street Development LLC are parties to a Redevelopment Agreement regarding the First Street Redevelopment Project.

A Resolution is being presented for the City Council to consider directing the City Administrator to execute and deliver a written notice of default. Per the agreement, the developer will have a 60 day period from the receipt of such notice to cure the default. The notice will state the City’s election to terminate the Agreement if the defaults are not cured within 60 days from the date of the notice.

Attachments: *(please list)*

Resolution

Recommendation / Suggested Action *(briefly explain):*

A Resolution Authorizing the City Administrator to Execute and Deliver a Notice of Default regarding City of St. Charles Tax Increment Financial Redevelopment Agreement (First Street Project) By and Between the City of St. Charles and First Street Development, L.L.C.

For office use only

Agenda Item Number: IH

City of St. Charles, Illinois
Resolution No. _____

**A Resolution Authorizing the City Administrator to Execute and Deliver a
Notice of Default regarding City of St. Charles Tax Increment Financial
Redevelopment Agreement (First Street Project) By and Between the City of
St. Charles and First Street Development, L.L.C.**

**Presented & Passed by the
City Council on _____**

WHEREAS, the City of St. Charles, Kane and DuPage Counties, Illinois (the “City”) entered into a certain City of St. Charles Tax Increment Financial Redevelopment Agreement, dated as of December 15, 2006; First Amendment to City of St. Charles Tax Increment Financial Redevelopment Agreement dated June 16, 2008; Second Amendment to City of St. Charles Tax Increment Financial Redevelopment Agreement dated June 15, 2009; Third Amendment to St. Charles Tax Increment Financial Redevelopment Agreement dated October 5, 2009; and Fourth Amendment to St. Charles Tax Increment Financial Redevelopment Agreement dated August 19, 2013; (collectively referred to as the “Agreement”) with First Street Development L.L.C., an Illinois limited liability company (the “Developer”) for purposes of redevelopment of a portion of the First Street Redevelopment Project Area (the “Redevelopment Area); and

WHEREAS, the Corporate Authorities of the City find that First Street Development L.L.C. has failed to perform the obligations required in the Agreement.

NOW THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that Mark Koenen, City Administrator, is hereby authorized to execute a Notice of Default and deliver said Notice of Default to First Street Development L.L.C..

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois this 21st day of April, 2014.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois this 21st of April, 2014.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois this 21st day of April, 2014.

Raymond P. Rogina, Mayor

Attest:

Resolution No.: _____

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Nancy Garrison, City Clerk

Vote:

Ayes:

Nays:

Absent:

Abstain:

Date: _____