



## MEMORANDUM

**TO:** Mayor Laurel L. Prussing and Members of the City Council  
**FROM:** Gale L. Jamison, Assistant City Engineer  
William R. Gray, Public Works Director  
**DATE:** July 6, 2011  
**RE:** Economic Development Program Agreement with the Illinois Department of Transportation – Willow Road Reconstruction at Creative Thermal Solutions

### INTRODUCTION

In September 2010 the City of Urbana entered into a Redevelopment Agreement with Archeorent LLC to develop a property along Willow Road north of Anthony Drive for the purpose of expanding the operations of Creative Thermal Solutions, Inc. from its existing operations at the northwest quadrant of the Anthony Drive and Willow Road intersection. As a part of that Agreement the City would apply to the Illinois Department of Transportation (IDOT) for an Economic Development Grant to enable the City to reconstruct 425 feet of Willow Road pavement adjacent to the proposed development. In order to be eligible for the grant the Developer agreed to cooperate with the City in applying for the grant, including but not limited to, supplying any such commitments or certifications as might be required by the terms of the Grant to evidence the creation of jobs in connection with the anticipated completion date of the initial phase of the project. Reconstruction of Willow Road by the City was contingent on receipt of the Grant.

The estimate construction cost of the reconstruction, including engineering fees, is \$280,860. The maximum grant amount is 50% of the total project cost. The City applied for the Grant in the amount of \$140,430 in January 2011 and was notified by IDOT that the grant had been awarded in the amount of \$140,430 on February 23, 2011. As a condition of the Grant, Creative Thermal Solutions, Inc. will be required to fill out an annual Reporting Form for five full calendar years after the execution date of the Local Agency/IDOT Intergovernmental Agreement. For the purposes of the Economic Development Program, Creative Thermal Solutions, Inc will be required to enter into an agreement with the City to ensure that these reporting requirements are fulfilled. That agreement is referenced in the Local Agency/IDOT agreement and was brought to Council for consideration earlier in this evening's agenda by Community Development.

## **FISCAL IMPACTS**

As outlined in the Agreement, City of Urbana's share would be 50% of the estimated \$280,860 project cost or \$140,430. The funds for the City's share of the project are included in the TIF 4 FY 2011-2012 Budget.

## **ISSUES AND DISCUSSION**

The attached City-State Economic Development Program Agreement requires the following resolution be passed by the City Council:

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH THE ILLINOIS DEPARTMENT OF TRANSPORTATION (Willow Road reconstruction at Creative Thermal Solutions Company)

This Resolution authorizes the Mayor and City Clerk to execute and deliver the agreement (attached) on behalf of the City of Urbana.

## **RECOMMENDATION**

It is recommended that the City Council approve and authorize the execution of the attached Agreement by resolution as presented herein.

RESOLUTION NO. 2011-07-023R

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH THE ILLINOIS DEPARTMENT OF TRANSPORTATION

(Willow Road reconstruction at Creative Thermal Solutions Company)

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That an agreement by and between the City of Urbana, Illinois and the Illinois Department of Transportation in substantially the form of the copy of said agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver, and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

|                           |  |   |
|---------------------------|--|---|
| Local Agency              |  <b>Illinois Department of Transportation</b><br><b>Economic Development Program Agreement</b> | Job Number - Construction               |
| Urbana, City of           |  | C-95-326-11                             |
| Section<br>11-00502-00-PV |  | Job Number - Engineering<br>P-95-325-11 |

This Agreement is made and entered into between the above local agency hereinafter referred to as "LA", and the State of Illinois, acting by and through its Department of Transportation, hereinafter referred to as "STATE". The STATE and LA jointly propose to improve the designated location as shown below.

**Location**

Local Name Willow Road Route \_\_\_\_\_ Length 425 feet

Termini Pavement adjacent to the Creative Thermal Solutions Co. development to approximately 585' north of the centerline of Anthony Drive

Current Jurisdiction City of Urbana

**Project Description**

Reconstruction of pavement

**Division of Cost**

| <b>Type of Work</b>            | <b>EDP (1)</b>   | <b>LA (2)</b>    | <b>Total</b>     |
|--------------------------------|------------------|------------------|------------------|
| Participating Construction     | 119,745          | 119,745          | 239,490          |
| Non-Participating Construction |                  |                  | 0                |
| Preliminary Engineering        | 9,798            | 9,798            | 19,596           |
| Construction Engineering       | 10,887           | 10,887           | 21,774           |
|                                |                  |                  | 0                |
|                                |                  |                  | 0                |
|                                |                  |                  | 0                |
| <b>TOTAL</b>                   | <b>\$140,430</b> | <b>\$140,430</b> | <b>\$280,860</b> |

Note

- 1/ The STATE will reimburse the LA for eligible construction and engineering costs of the project subject to a maximum of \$140430.
- 2/ Any remaining balance shall be the responsibility of the LA in the event the Economic Development funds are not sufficient to cover the project costs.

The STATE will pay the LA, 95% of its share of the construction costs upon the award of the construction contract and receipt of billing from the LA. The remaining 5% will be paid to the LA upon receipt of the final invoice. The STATE will reimburse the LA for the STATE's share of the Preliminary and Construction Engineering on the basis of periodic billings provided said billings contain sufficient cost information and include orders of payment by the LA. The final invoice will reflect the incurred cost of the improvement, less previous payments, no later than one year from the date of completion of the improvement. If a final invoice is not received within one year of completion of the improvement the most recent invoice will be considered the final invoice and the obligation of funds will be closed.

## Agreement Provisions

1. It is mutually agreed that the PROJECT will be processed, let and constructed in accordance with Motor Fuel Tax standards, policies and procedures.
2. Construction of the PROJECT will utilize domestic steel as required by Section 106.01 of the current edition of the Standard Specifications for Road and Bridge Construction.
3. The LA will certify to the STATE that all necessary right-of-way, temporary and permanent easements, and temporary use permits have been obtained or are not required, prior to the LA advertising for bids for the PROJECT.
4. The PROJECT will be let and awarded by the LA upon approval of the plans and specifications by the STATE.
5. The LA agrees to retain jurisdiction and to maintain or cause to be maintained in a manner satisfactory to the STATE, the completed PROJECT.
6. Upon approval of the final plans and specifications by the STATE and the LA, the LA agrees to accept bids and award the contract for construction of the proposed improvements after receipt of a satisfactory bid and after concurrence in the award has been received from the STATE and provide, or cause to be provided, all of the initial funding necessary to complete the project subject to partial reimbursement by the STATE.
7. This Agreement and the covenants contained herein shall be null and void in the event the initial contract covering the construction work contemplated herein is not awarded by July 1, 2012.
8. The LA shall maintain, for a minimum of 3 years after the completion of the project, adequate books, records, and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with this Agreement. All books, records, and supporting documents related to the project shall be available for review and audit by the Auditor General and the Department. The LA agrees to cooperate fully with any audit conducted by the Auditor General and the Department and to provide full access to all relevant materials. Failure to maintain the books, records and supporting documents required by this section shall establish a presumption in favor of the STATE for the recovery of any funds paid by the STATE under the contract of which adequate books, records, and supporting documentation are not available to support their purported disbursement.
9. Obligations of the STATE shall cease immediately without penalty or further payment being required if, in any fiscal year, the Illinois General Assembly fails to appropriate or otherwise make available funds for the work contemplated herein.
10. All projects for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) unless the provisions of that Act exempt its application.
11. The LA has entered into an economic development agreement with Creative Thermal Solutions, Inc. herein referred to as the "COMPANY". As required by Public Act 93-552, the COMPANY agrees to annually submit to the STATE for a period of five complete calendar years from the execution of this Agreement, a progress report of employment. All annual progress reports will be completed on-line through the Department of Commerce and Economic Opportunity. The initial Employee Reporting Form should be attached as "Exhibit B". The agreement between the LA and the COMPANY delineating the reporting requirements is attached as "Exhibit C".
12. It is mutually agreed that in the event of a default by the COMPANY on their commitment to create and/or retain jobs, the STATE will seek reimbursement of the Economic Development funds provided for this PROJECT from the LA. This determination to seek reimbursement will be based on an evaluation of the information reported in the annual progress report of employment (Exhibit "B") required in item 12 of this Agreement. Failure to submit the required employment report will be considered default on the COMPANY's commitment.
13. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

|                                 |                           |
|---------------------------------|---------------------------|
| Local Agency<br>Urbana, City of | Section<br>11-00502-00-PV |
|---------------------------------|---------------------------|

**EXHIBITS**

Additional information and/or stipulations are hereby attached and identified below as being a part of this Agreement.

Exhibit A - Location Map

Exhibit B – Employee Reporting Form

Exhibit C - Local Agency/Company Agreement

The LA further agrees, as a condition of payment, that it accepts and will comply with the applicable provisions set forth in this Agreement and all exhibits indicated above.

**APPROVED**

Local Agency

Laurel Lunt Prussing

\_\_\_\_\_  
Name of Official (Print or Type Name)

Mayor

\_\_\_\_\_  
Title (County Board Chairperson/Mayor/Village President/etc.)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

The above signature certifies the agency's TIN number is  
37-6000524 conducting business as a Governmental  
Entity.

**NOTE:** If signature is by an APPOINTED official, a resolution  
authorizing said appointed official to execute this agreement is  
required.

**APPROVED**

State of Illinois  
Department of Transportation

\_\_\_\_\_  
Gary Hannig, Secretary of Transportation

\_\_\_\_\_  
Date

By:

\_\_\_\_\_  
(Delegate's Signature)

\_\_\_\_\_  
(Delegate's Name - Printed)

\_\_\_\_\_  
Christine M. Reed, Director of Highways/Chief Engineer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ellen J. Schanzle-Haskins, Chief Counsel

\_\_\_\_\_  
Date

\_\_\_\_\_  
Matthew R. Hughes, Acting Director of Finance and Administration

\_\_\_\_\_  
Date

|                                 |                           |
|---------------------------------|---------------------------|
| Local Agency<br>Urbana, City of | Section<br>11-00502-00-PV |
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