

TOWN COUNCIL ACTION REPORT

September 15, 2016

Resolution Authorizing the Execution of a Redevelopment Agreement with Mr. Nicolas Africano for the Demolition of the Former ISSCS Administration Building and the Renovation of the Former ISSCS Infirmary Building within the One Normal Plaza Planned Unit Development

PREPARED BY: Mark R. Peterson, City Manager

REVIEWED BY: Brian Day, Corporation Counsel

BUDGET IMPACT: The estimated cost of the demolition is \$500,000. Funds to cover this expense have been included in the FY2016-17 Operating Budget in Line Item 001-1030-413.40-30.

STAFF RECOMMENDATION: Approval

ATTACHMENTS: Proposed Resolution, Proposed Redevelopment Agreement and Locator Map, 2009 Request for Proposals for the Purchase and Redevelopment of the Administration and Infirmary Buildings

BACKGROUND

Originally known as the Civil War Orphan's Home, the Illinois Soldiers and Sailors Children's School (ISSCS) was established in 1865 by an act of the Illinois State Legislature as a home for the indigent children of Civil War veterans. Jesse Fell and David Davis, along with other prominent residents of Bloomington-Normal, were instrumental in convincing the Illinois State Legislature to select Normal as the site for this military orphanage. ISSCS continued to be operated until 1979 when the facility was closed by the State of Illinois. After closing the facility, the individual buildings and land parcels within the campus of ISSCS were sold off to private entities. In 1983, the Town approved a proposal to include the entire ISSCS campus in a Planned Unit Development (PUD) subdivision with a C-1 (office district) zoning. The area is now the One Normal Plaza PUD.

In the early 1990's, Mr. Nicolas Africano purchased 11 buildings within the ISSCS development. He has completed substantial renovation of 9 of the 11 buildings. Some of those structures he continues to own while others have been sold off to private entities for both residential and commercial purposes. Two of the buildings purchased by Mr. Africano in 1982, located at 1100 North Beech Street and commonly referred to as the Administration Building and the Infirmary Building, have not yet been renovated. Both buildings have been vacant for over three decades and both are in poor physical condition. It should be noted that even though the properties have continued to deteriorate over the years, both buildings were in marginal condition when they were purchased by Mr. Africano as they had both been vacant for over a decade.

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The existing Administration building at 1100 North Beech Street sits parallel to Beech Street and is actually the second such building constructed on the campus of ISSCS. The original Administration Building was located just south of what is now the existing Normal Activity Center. However, that building was torn down in 1961. The existing Administration Building, which is the subject of this redevelopment agreement, was constructed in 1938 and was originally used as a child receiving office and an isolation hospital. Essentially, it was the first place at ISSCS that new children were taken to be monitored and be given a physical examination. Sometime in the 1950's, the building was turned in to ISSCS staff offices and living quarters. It was that time that the building began to be referred to as the Administration Building. This building is 20,000 square feet and three stories tall. It is also attached to the Infirmary Building which sits perpendicular to the Administration Building, by an east/west vestibule.

The Infirmary Building was built in 1924 and served as the main hospital at ISSCS until the orphanage was closed in 1979. The Infirmary Building is two stories in height and has a slightly smaller footprint than does the adjacent Administration Building.

When Mr. Africano acquired these two buildings, along with the nine other buildings that have already been renovated and reoccupied, it was his intent to redevelop both of those buildings. Unfortunately, given the physical deterioration that had taken place in those buildings in the years prior to them being acquired by Mr. Africano, along with the manner in which those buildings were constructed, Mr. Africano quickly learned that to restore and adapt those buildings to some other type of use was going to be very difficult and quite expensive.

The Administration Building consists of numerous small rooms. Unfortunately, the way the building was constructed, many of the interior walls are load bearing and, therefore, it is nearly impossible to create larger spaces that would be desirable for an adaptive reuse for commercial purposes or even residential uses.

Despite those complications, Mr. Africano sought development partners for those buildings over a number of years. After being unsuccessful in finding redevelopment solutions on his own, he turned to the Town of Normal for assistance in 2008. In an attempt to help make both buildings more attractive for redevelopment, the Town of Normal created a Tax Increment Financing District in early 2009. It was the Town's hope that the potential availability of TIF funds would make both of these buildings more attractive to potential redevelopers.

At the same time, the Town drafted and distributed state wide, a "request for proposals" for the purchase and redevelopment of both the Administration and Infirmary Buildings (that RFP is attached). Despite a wide distribution of the RFP, no responses were received. Three or four potential developers expressed an interest to the point of touring the buildings. However, after close inspection of both buildings and an analysis of potential renovation costs and revenue projections, none of those interested parties chose to submit a formal proposal.

As part of the proposed redevelopment agreement, Mr. Africano has committed to undertaking the rehabilitation and restoration of the Infirmary Building. When finished, Mr. Africano plans to use that building for one of his art studios. He has also pledged to undertake the restoration in such a way to render the building as flexible as possible for future owners. Therefore, at some point when he is no longer interested in using the building for an art studio, that building could be transferred to some other owner who could use the space for residential or some other commercial purpose. Given the substantial financial commitment that will be required to restore the Infirmary Building, Mr. Africano is not in a position to fund the demolition of the Administration Building as was stated previously in this report, estimated to cost approximately \$500,000 including removal of asbestos and other hazardous materials.

In response to direction from the Town Council in 2015, the staff began to engage the current property owner Nicolas Africano, in discussions regarding these two dilapidated properties. After considerable discussion, it was determined that the Administration building had deteriorated beyond a point that there

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was a practical opportunity to rehabilitate and restore the building. Therefore, staff has concluded, as has the property owner, that the building should be torn down.

The Infirmary Building, on the other hand, is in somewhat better condition and the property owner is interested in restoring that building as an art studio. Mr. Africano has a very robust art business and feels that that building would be well suited for his business use. He further has indicated that he would want to restore the building in such a way that it could be adapted to a different kind of use, even residential in nature, if he eventually decides to sell the property.

DISCUSSION/ANALYSIS

As was mentioned above, Town staff entered into negotiations with Mr. Africano approximately two years ago to resolve the situation involving these two dilapidated buildings. The Town acknowledges the large financial outlay required to undertake the restoration of the Infirmary Building. That investment will not allow Mr. Africano to personally finance the demolition of the Administration Building. Consequently, the Town staff is proposing, as part of this redevelopment agreement, an arrangement whereby Mr. Africano will contract for and undertake the demolition of the Administration Building. The Town will then, using General Fund resources, reimburse Mr. Africano the cost of that demolition project. In exchange, Mr. Africano will perform the following:

- 1) Undertake the restoration of the Infirmary Building and will do so in accordance with a schedule that is specifically outlined within the agreement.
- 2) Deed over to the Town a parcel of land that incorporates the footprint of the General Administration Building but also contains additional land both to the north and to the south of the building. (see attached exhibit)

Once the Administration Building is removed, it would then be the Town's plan to solicit interest from developers to undertake a real estate development project on that underlying ground. It is understood that such a project would have to go through a public review process as is required of any development activity within a planned unit development such as One Normal Plaza. However, given the current zoning, the land could be used for a variety of residential and/or commercial purposes. Once developed, the property will create real estate tax obligations which will be captured by the Tax Increment Finance fund that is set up for the One Normal Plaza PUD. It is the Town's expectation that, over the course of the life of the TIF, there will be enough additional real estate revenue captured by the TIF to repay the Town for its up front commitment to demolish the Administration Building.

There is one caveat in the agreement that was requested by Mr. Africano. The agreement does provide that for a period of two years the Town will not proceed with the redevelopment of the site which will provide Mr. Africano a window in which he will attempt to raise the funds necessary to purchase back the property from the Town of Normal. In other words, for a period of two years, Mr. Africano will have the right to make a cash offer to the Town to purchase the property. It will be up to the sole discretion of the Town Council to either accept or reject any offer that Mr. Africano would put forth. A specific amount is not included in the redevelopment agreement but it has been communicated to Mr. Africano that the Town would likely seek to receive a reimbursement for 100% of the outlay that was committed to the demolition of the building in order to transfer the property back to Mr. Africano. Mr. Africano has indicated that his purpose in purchasing the property would not be for development purposes but he would rather leave the property as green space.

This is clearly a long standing problem that is going to require a public/private partnership in order to solve. The Town staff appreciates the efforts that Mr. Africano has expended over the last many years in attempting to find a viable redevelopment solution for both the Administration Building and the Infirmary Building. Town staff has also made attempts to find a redevelopment solution. Unfortunately, all such attempts have failed. It is simply unreasonable to allow the Administration Building to continue to stand in

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that location as its physical condition continues to deteriorate and it is creating an ever increasing blighting influence on all of the surrounding properties. Fortunately, the Infirmary, which of the two buildings is generally considered to be the most architecturally significant, will be restored in accordance with the agreement with Mr. Africano.

If this agreement is approved, Mr. Africano has pledged to move as quickly as possible with the asbestos removal project as well as the demolition project. It is our hope that the building will be completely removed by the end of the year. At such time then Mr. Africano will focus all of his energy, attention and financial resources on the restoration of the Infirmary Building.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF A REDEVELOPMENT AGREEMENT WITH NICOLAS AFRICANO FOR THE DEMOLITION OF THE FORMER ISSCS ADMINISTRATION BUILDING AND THE RENOVATION OF THE FORMER ISSCS INFIRMARY

WHEREAS, the Town of Normal is a home rule unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, in, 2009, the Town established the “One Normal Plaza Redevelopment Project Area” as a TIF District and it adopted tax increment financing for that project area; and

WHEREAS, Nicolas Africano owns two parcels of real property in that TIF District, and those parcels include the Administration Building and the Infirmary Building associated with the former Illinois Soldiers’ and Sailors’ Children’s School; and

WHEREAS, those buildings are in disrepair and in need of demolition or renovation and they constitute “blight” as defined in the Tax Increment Allocation Redevelopment Act; and

WHEREAS, Africano proposes to demolish the former Administration Building and repair, renovate and retrofit the former Infirmary Building into an art studio or other private use approved by the Town; and

WHEREAS, in order to eliminate the blighting conditions upon the Property, to help arrest and prevent blighting conditions outside the Property in the redevelopment project area, to enhance the quality of life in the Town, to provide an economic stimulus to this area of the Town, to attract other private development that will enhance the tax base of the Town, and to further the objectives of the Redevelopment Plan, the Town, under its Home Rule Powers under Article 7 of the Constitution of the State of Illinois and the powers granted to the Town pursuant

to the Act, intends to provide financial assistance to Africano to help recover certain redevelopment project costs in connection with Project; and

WHEREAS, The Town intends to reimburse itself for the cost of the financial assistance through the tax increment generated in the redevelopment project area; and

WHEREAS, Without the Town's assistance, the Developer would not undertake the project; and

WHEREAS, The Town believes that the development of the project is in the best interests of the health, safety, and welfare of Town residents and is in accordance with applicable laws.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES FOR THE TOWN OF NORMAL, ILLINOIS:

SECTION ONE: That the President is hereby authorized to execute for and on behalf of the Town of Normal a Redevelopment Agreement with Nicolas Africano for the redevelopment of the Administration Building and the Infirmary Building associated with the former Illinois Soldiers' and Sailors' Children's School. A copy of the Redevelopment Agreement is attached as "Exhibit A" and incorporated in this resolution.

SECTION TWO: That the Town Clerk is authorized and directed to attest the signature of the President on the document and keep a fully executed original in her office for public inspection.

ADOPTED this ____ day of _____, 2016.

APPROVED:

President of the Board of Trustees of the Town of Normal,
Illinois

ATTEST:

Town Clerk

(Seal)

DEVELOPMENT AGREEMENT

ISSCS ADMINISTRATION AND INFIRMARY BUILDINGS

TOWN OF NORMAL, ILLINOIS

NICOLAS AFRICANO

SEPTEMBER 10, 2016

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Parties

1. The TOWN OF NORMAL, ILLINOIS is an Illinois home rule municipal corporation, located at 11 Uptown Station, Normal, IL 61761 ("Town").
2. NICOLAS AFRICANO is an individual, residing at 601 Oglesby Avenue, Normal, IL 61761 ("Africano").

Recitals

1. The Town has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety, and welfare of the Town and its inhabitants, to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to increase employment, and to enter into contractual agreements with third parties to achieve these purposes.
2. The Town has the authority under the provisions of the Tax Increment Allocation Redevelopment Act to finance redevelopment in accordance with the conditions and requirements set forth in that Act.
3. On October 19, 2009, the Town approved a Tax Increment Redevelopment Plan for a redevelopment project area; it designated a redevelopment project area identified as the "One Normal Plaza Redevelopment Project Area;" and it adopted tax increment financing for that project area.
4. Nicolas Africano is the fee simple title holder of two parcels of real property, the boundaries of which are included in the redevelopment project area.
5. Africano proposes to demolish the former Administration Building and repair, renovate and retrofit the former Infirmary Building associated with the former Illinois Soldiers' and Sailors' Children's School ("ISSCS") into an art studio or other private re-use approved by the Town.
6. In order to eliminate the blighting conditions upon the Property, to help arrest and prevent blighting conditions outside the Property in the redevelopment project area, to enhance the quality of life in the Town, to provide an economic stimulus to this area of the Town, to attract other private development that will enhance the tax base of the Town, and to further the objectives of the Redevelopment Plan, the Town, under its Home Rule Powers under Article 7 of the Constitution of the State of Illinois and the powers granted to the Town pursuant to the Act, intends to provide financial

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assistance to Africano to help recover certain redevelopment project costs in connection with Project.

7. The Town intends to reimburse itself for the cost of the financial assistance through the tax increment generated in the redevelopment project area.
8. Without the Town's assistance, the Developer would not undertake the project.
9. The Town believes that the development of the project is in the best interests of the health, safety, and welfare of Town residents and is in accordance with applicable laws.

The Parties agree as follows:

1. Project description

1-1. Project Site. The Project Site consists of Lots 6 and 7 in the One Normal Plaza PUD Subdivision (PINs 14-22-327-010 and 14-22-327-011), portions of which are included within the "One Normal Plaza Redevelopment Project Area". The Project Site is set forth in Exhibit A.

1-2. Project. The Project consists of two separate phases for the demolition of the former ISSCS Administration Building and the renovation of the former ISSCS Infirmary.

1-3. Phase I.

(a) Phase I consists of all of the following:

(1) the demolition and proper disposal of former Administration Building in accordance with all applicable law, the re-grading of the site, and the placement of grass seed and mulch on the disturbed portion of the site; and

(2) the completion of lead based paint and asbestos abatement to the former Infirmary Building in accordance with all applicable law.

(b) Phase I is substantially complete when the Town Engineer issues a certification of completion stating the work has been performed in a satisfactory manner.

1-4. Phase 2.

(a) Phase 2 consists of the completion of the renovation and occupancy of the former Infirmary Building for use as an art studio or other private use in conformance with the attached construction plans attached as Exhibit B, which have been approved by the Town.

(b) Phase 2 is substantially complete upon the issuance of an occupancy permit by the Town for use of the former Infirmary Building as an art studio or other private use that has been approved by the Town.

1-5. Project timeline.

(a) Africano shall proceed with Phase 1 of the Project in a manner consistent with this Agreement and all applicable law and must be substantially complete not later than 6 months after the date of execution of this Agreement.

(b) Africano shall proceed with Phase 2 of the Project in a manner consistent with this Agreement and applicable law and shall be substantially complete not later than 24 months after the date of execution of this Agreement.

2. Subdivision of Project Site

2-1. Transfer Property A. Transfer Property A is the portion of the Project Site to be conveyed by Africano to the Town and is substantially in conformance with the boundaries shown on Exhibit C.

2-2. Transfer Property B. Transfer Property B is the portion of the Project Site in conformance with the boundaries shown on Exhibit D that Africano must convey to the Town in the event of his Default that is not remedied pursuant to Section 7-2 of this Agreement.

2-3. Subdivision. Upon the execution of this Agreement, the Town shall prepare a plat of subdivision to divide the Project Site to create lots for Transfer Property A and Transfer Property B and the remainder of the Project Site. Each party agrees to execute all documents and take all actions that are necessary for the approval and recording of the subdivision of the Project Site in accordance with all applicable laws.

3. Africano's Project Obligations

3-1. Construction quality. All work on the Project must conform to all applicable law. Africano must cause the Project to be commenced and prosecuted with due diligence and in good faith in accordance with the terms of this Agreement and without delay. Africano must cause the Project to be performed in a good and workmanlike manner and in accordance with all applicable plans.

3-2. Insurance.

(a) Before commencing construction, Africano shall, at its own expense, procure and deliver to the Town a policy or policies of comprehensive liability insurance and, during

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any period of construction, contractor's liability insurance, structural work act insurance, and workmen's compensation insurance, with liability coverage under the comprehensive liability insurance to be not less than \$1,000,000 for each occurrence and \$5,000,000 total.

(b) All insurance policies required under this Section must be in such form and issued by such companies as are reasonably acceptable to the Town. Each policy shall name the Town and its officers and employees as coinsureds and shall contain an affirmative statement by the issuer that it will give written notice to the Town at least 30 days prior to any cancellation or amendment of its policy.

(c) The comprehensive liability policy shall maintain, in full force and effect, until each and every obligation of Africano under this Agreement has been fully paid, or performed.

3-3. Indemnification of Town.

(a) Africano agrees to indemnify and defend the Town and its officers, agents, and employees against all claims by or on behalf of any person, firm or corporation arising from (i) Africano 's operation or management of the Project, or from any work or thing done by Africano on the Project, or any work or activity of Africano connected to the construction of the Project; (ii) Africano 's construction of the Public Improvements; (iii) any breach or default on the part of Africano in the performance of any of his obligations under or in respect of this Agreement; (iv) any act of negligence or willful or wanton misconduct of Africano or any of his agents, contractors, servants or employees; (v) any violation by Africano of any easements, conditions, restrictions, building regulations, zoning ordinances, environmental regulations or land use regulations affecting the Project); (vi) any violation of Applicable Law or (vii) any violation by Africano of state or federal securities law in connection with the offer and sale of interests in the Owner, its affiliates or any part of the Project.

(b) Africano agrees to indemnify and defend the Town and its officers, agents, and employees from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon. In case any such claim shall be made or action brought based upon any such claim in respect of which indemnity may be sought against Africano, upon receipt of notice in writing from the Town setting forth the particulars of such claim or action, Africano shall assume the defense thereof including the employment of counsel and the payment of all costs and expenses. The Town shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Town.

(c) Africano is not be liable to indemnify or defend the Town and its officers, agents, and employees from any portion of any such loss, liability, cost or expense which results from the negligence or willful misconduct of the Town, its officials, agents, or employees.

(d) In no way limiting the foregoing, Africano shall also indemnify and defend the Town, its agents, officers and employees against all damages, claims, suits, liabilities, judgments, fines, penalties, costs and expenses (including reasonable attorneys' fees)

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which may arise directly or indirectly from any violation of the Illinois Prevailing Wage Act (820 ILCS 130/) in connection with the Project.

3-4. Prevailing wages. In the construction of the Project, Africano agrees to comply with the Prevailing Wage Act of the State of Illinois (820 ILCS 130/) and with the Prevailing Wage ordinance of the Town, including, without limitation, all of the following:

(1) Payment of prevailing wage in accordance with the listing of the current prevailing wage rates available from the State of Illinois Department of Labor website (www.state.il.us/agency/idol).

(2) Compliance with the provisions of Public Act 93-38, which requires certain language pertaining to prevailing wage be inserted into subcontracts.

(3) Listing of prevailing wages in effect posted at the Project Site.

(4) Monthly submission of certified payrolls. This requirement applies to all contractors and subcontractors working on the Project. Certified payrolls must be submitted to Andrew Huhn, Director of Finance, 11 Uptown Circle, Normal, Illinois 61761 by U.S. Mail, overnight courier, or email at ahuhn@normal.org. The Town reserves the right to interview contractors' or subcontractors' employees on the job to ascertain compliance with this requirement.

3-5. Lien waivers. Each contract for Project work must provide that (i) all contractors and subcontractors are required to furnish contractor's affidavits in the form provided by State statute and (ii) waiver of liens are required for all payments made.

3-6. Town's right of inspection. During the Project, the Town or its designee has the right, at any time and from time to time, to enter upon the Project Site for the purposes of inspection. The Town's inspection is not a representation by the Town that there is compliance with any plans or applicable laws or that the Project is or will be free of faulty materials or faulty workmanship. The Town's inspection is not a waiver of any right of the Town or any other party for noncompliance with any plans, applicable laws, or this agreement.

3-7. No legal relationship; non-exclusive remedy; no waiver.

(a) This Agreement does not create any legal relationship between Africano and the Town (such as a joint venture or partnership) with regard to the construction or operation of the Project. Nor does the Town undertake, by virtue of this agreement, any responsibility or liability for compliance with any law, rule, or regulation relating to the Project or the Project Site.

(b) Any rights or remedies set forth under this Article do not constitute the exclusive rights or remedies of the Town in respect of the matters indemnified under this Article. In addition, any defense and indemnity provided in this Article is independent of and is not limited by reason of the enumeration of any insurance coverage that the Developer has obtained.

(d) Nothing in this Agreement may be construed as a waiver of any common law or statutory immunity the Town may have to any liability. In addition, neither party intends anything in this agreement to waive its rights to limited liability under the Illinois Worker's Compensation Act or the *Kotecki* line of cases (146 Ill 2d 155 (1991)).

4. Conveyance of Transfer Property A.

4-1. Conveyance to Town. Upon Substantial Completion of Phase 1 of the Project, Africano shall convey, via general warranty deed, the Transfer Property A to the Town for a sum total of \$1.

4-2. Title commitment.

(a) Africano agrees to furnish to the Town a written commitment from a title insurance company, duly authorized to do business in Illinois, showing title to Transfer Property A to be subject only to (i) matters to which the transfers are subject by the terms hereof and (ii) the customary exceptions contained in owner's policies issued by that company.

(b) Within 20 days after receiving the title commitment, the Town may furnish to Africano written objection to any defect in title of record set forth in the title commitment. If the Town does not give the written objection within this 20-day period, then the Town is deemed to have accepted all matters affecting title set forth in the title commitment. If the Town gives the written objection within the 20-day period, then the Town is deemed to have accepted all matters set forth in the title commitment that are not set forth in the objection. After receipt of the written objection, Africano has the right to endeavor to cure the defects set forth in the written objection and must notify the Town of its election within 5 days after receiving the written objection. If Africano elects to endeavor to cure the defects, he shall promptly commence and diligently pursue efforts to cure the defects. If Africano fails to cure or elects not to cure the defects within 20 days after receiving the written objection, the Town may either waive the defects and proceed with closing or terminate this Agreement. If the Town terminates the agreement under this Section, then the parties have no further rights or liabilities under this agreement.

(c) At closing, Africano shall cause the title insurer to issue an Owners Policy in the amount of \$245,000 showing merchantable record title to the Transfer Property A in accordance with the title commitment and subject only to the permitted objections under this Section.

4-3. Closing.

(a) The closing for Transfer Property A must be after the Substantial Completion of Phase 1 and after the subdivision for the property has been recorded and approved by

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McLean County and on or before the reimbursement by the Town under Article 5 at a date agreed to by the parties but in no event later than 8 months after the execution of this Agreement.

(b) At the closing, Africano shall deliver to the Town (i) an executed warranty deed to the parcel; and (ii) the title policy required under Section 4.2.

(c) At the closing, the parties shall jointly deliver to each other: (i) an agreed upon closing statement; and (ii) executed documents complying with the provisions of all federal, state, county, and local law applicable to the determination of transfer taxes.

4-4. Property taxes. Africano is responsible for the payment of all real property taxes with respect to the parcel that are incurred on or before the closing date. The Town is responsible for the payment of all real property taxes with respect to the parcel that are incurred after the closing date.

4-5. Closing costs. Africano is responsible for the payment of the following closing costs: (i) his's attorneys' fees; and (ii) the premium for the title insurance. The Town is responsible for the payment of the following closing costs: (i) the Town's attorneys' fees; and (ii) fees for recording the deed.

4-6. Brokerage commissions. Africano represents that he has not engaged a real estate broker with regard to this transaction. The Town represents that it has not engaged a real estate broker with regard to this transaction. Each party agrees to indemnify the other against any brokerage commissions due to any real estate broker claiming to have been engaged by the indemnifying party with regard to this transaction.

4-7. Reconveyance by Contract for Deed.

(a) Except as otherwise provided in this Section, the Town agrees not to convey Transfer Property A for a period of 24 months after it is conveyed to the Town.

(b) On or before the end of that 24-month period, Africano may opt to acquire the Transfer Property A from the Town through a contract for deed, as set forth in Exhibit F.

(c) In lieu of the contract for deed under subsection (b), Africano may purchase the Transfer Property A from the Town for an amount agreed between the parties.

(d) Africano must give notice of the intent to acquire Transfer Property A by written notice to the Town on or before the end of the 24th month after the closing date under Section 4-3.

5. Phase 1 Reimbursement Grant.

5-1. Phase 1 Grant.

(a) The Town agrees to provide a grant to Africano for the Eligible Expensed incurred in the performance of Phase 1 of the Project ("Phase 1 Grant").

(b) The amount of the Phase 1 Grant is the lesser of \$496,000 or the actual costs incurred in the completion of Phase 1.

(c) The Phase 1 Grant may be awarded after the Transfer Property A is conveyed to the Town under Article 4.

5-2. Grant disbursement.

(a) In order to receive the Phase 1 Grant, Africano must submit to the Finance Director a written Certificate of Expenditure, in the form and manner reasonably required by the Finance Director setting forth the amount of reimbursement requested and the specific redevelopment project costs for which reimbursement is being sought. The Certificate of Expenditure must be accompanied by such bills, invoices, lien waivers, or other evidence as the Town reasonably requires documenting Africano's right to be reimbursed under this Agreement.

(b) As soon as reasonably practical after receiving the Certificate of Expenditure, the Finance Director must forward it to the City Manager for his or her approval. Within 60 days of receipt of the Certificate of Expenditure, the City Manager or his or her designee must either approve or disapprove the documented Eligible Expenses accompanying the Certificate. If the entire request in its entirety or specific expenditures are disapproved, then the City Manager shall provide Africano with an explanation, in writing, as to why the request was disapproved. The only reason for the disapproval of any expenditure is that such expenditure is not considered to be eligible because such expenditure does not relate to Phase I.

5-3. Conditions precedent to the Town's grant obligation. The Town's obligations to provide the Phase 1 Grant are subject to all of the following conditions:

(1) Proof that the policies of insurance of the types and coverages specified in Section 3-2 have been obtained and are in force with regard to the Project.

(2) The execution and recording of a Declarations of Covenants, Uses and Restrictions by the Owner in the form attached as Exhibit E with respect to each parcel on the Project Site located in whole or in part in the One Normal Plaza Redevelopment Project Area.

(3) Evidence of equity or debt financing for the Project in an amount sufficient to complete the Project.

(4) Africano's compliance with the terms of this Agreement and with all plans in connection with the Project.

6. Representations and warranties.

6-1. Africano's warranties. Africano represents, warrants, and covenants all of the following as of the date of this Agreement:

(1) Africano has the right, power, and authority to enter into, execute, deliver, and perform this Agreement.

(2) All of the property, together with all appliances and mechanical systems built into the premises, are free from security interests or liens.

(3) There are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending which materially affect the Owner or which would impair its ability to perform under this Agreement.

6-2. Town's warranties. The Town represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder, subject to applicable laws.

6-3. No conflict of interest. Africano represents and warrants that he will not offer any compensation, ownership interest in the Project Site or the Project, or other financial benefit to any member, official, or employee of the Town, or any consultant hired by the Town.

7. Default and Remedy.

7-1. Default events. Any or all of the following are default events:

(1) Breach by either party of any material covenant, warranty, or obligation set forth in this Agreement;

(2) Any untrue or incorrect material representation made by either party in this Agreement or in any certificate, notice, demand, or request may by either party;

(3) The commencement of any proceedings in bankruptcy by or against Africano or for the liquidation or reorganization of Africano, or for the readjustment or arrangement of the Africano's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Africano; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute a default event unless those proceedings are not dismissed within 60 days after they are commenced;

(4) The appointment of a receiver or trustee for Africano, for any substantial part of the his assets or the institution of any proceedings for the dissolution, or the full or partial liquidation of Africano, provided, however, that if such appointment or

Date: 10 September 2016

commencement of proceedings is involuntary, such action shall not constitute a default event unless that appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof;

(5) The entry of any judgment or order against Africano that remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution and such judgment or order materially impairs prosecution of the Project; or

(6) Africano fails to comply with applicable governmental codes and regulations in relation to the construction of the Project in any material respect.

7-2. Curative period. In the case of a default event by either party, the defaulting party shall, upon written notice from the non-defaulting party, cure the default event within 60 days after receipt of such notice. If the default event cannot reasonably be cured with that 60-day period, then the defaulting party must take immediate action and diligently pursue the cure for the default and the default must be cured within a reasonable time.

7-3. General remedies.

(a) Upon the expiration of the curative period under Section 7-2, the non-defaulting party may terminate this Agreement upon 10 days' written notice to the defaulting party or may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default event, including but not limited to, proceedings to compel specific performance or other proceedings in law or in equity.

(b) If either party proceeds to enforce its rights under this Agreement and those proceedings are discontinued or abandoned for any reason other than a good-faith settlement or have been determined adversely to the party initiating those proceedings, then the parties shall be restored respectively to their several positions and rights, and all rights, remedies, and powers of the parties shall continue as though no such proceeding had been taken.

7-4. Special remedy for failure to complete Phase 2.

(a) If Phase 2 of the Project is not Substantially Complete by the deadline stated in Section 1-5, constituting a default event under this Agreement, and that default is not remedied by the expiration of the curative period, then Africano shall convey, via general warranty deed, the Transfer Property B to the Town for consideration of \$1.

(b) The conveyance of Transfer Property B shall be in the same form and manner as the conveyance of Transfer Property A under Sections 4-2, 4-3, 4-4, 4-5, and 4-6.

(c) The closing for the conveyance under this Section must occur no later than 45 days after the expiration of the curative period.

7-5. Waivers.

(a) The parties may waive any provision in this Agreement only by a writing executed by the party against whom the waiver is sought to be enforced.

(b) No failure or delay in exercising any right or remedy or in requiring the satisfaction of any condition under this Agreement, and no act, omission, or course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition.

(c) A waiver made in writing on one occasion is effective only in that instance and only for the purpose stated. A waiver, once given, is not to be construed as a waiver on any future occasion or against any other person.

7-6. Rights and remedies cumulative. The enumeration of remedies expressly conferred upon a party by this Agreement are cumulative with and not exclusive of any other remedy conferred by this Agreement or by law on that party, and the exercise of any one remedy does not preclude the exercise of any other.

8. General provisions

8-1. Choice of law; jurisdiction.

(a) This Agreement is to be governed by and construed in accordance with the laws of the State of Illinois. This Agreement shall be construed without the aid of any rule of law requiring or permitting construction against the drafter of the contract.

(b) Any litigation filed by Africano or the Town against the other party and involving this Agreement must be filed in the Circuit Court of McLean County, Illinois.

8-2. Notice. All notices, demands, requests, consents, approvals or other instruments required or permitted by this Agreement must be in writing and must 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 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 the Developer:	With copies to:
Nicolas Africano 601 Oglesby Avenue Normal, IL 61761	
To the Town:	With copies to:
Town Clerk City Hall 11 Uptown Station Normal, IL 61761	Corporation Counsel City Hall 11 Uptown Station Normal, IL 61761

Date: 10 September 2016

8-3. Town representative. The City Manager, or his or her designee, is authorized to execute any written request, demand, approval, waiver, notice or other writing authorized under this Agreement. Any amendment to this Agreement must be approved by the Town Council.

8-4. No personal liability of Town official. No member, official, or employee of the Town is personally liable to Africano for any amount which may become due to Africano from the Town or any obligation under the terms of this Agreement.

8-5. Amendments. This Agreement may be amended only by a written agreement of the parties that identifies itself as an amendment to this Agreement.

8-6. Further assistance and corrective instruments. The parties agree that they will, from time to time, execute, acknowledge, and deliver, such supplements to this Agreement and any further instruments that may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement.

8-7. Assignment. This Agreement may not be assigned by Africano without prior written approval of the Town

8-7. Captions. Captions of the Articles and Sections of this Agreement are for convenience or reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

8-8. Third parties. Nothing in this Agreement is intended to confer any right or remedy on any person other than the Town and Africano, and their respective successors and permitted assigns, nor is anything in this Agreement intended to affect or discharge any obligation or liability of any third persons to the Town or to the Developer, nor to give any such third person any right of action or subrogation against the Town or the Developer.

8-9. Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, then the remaining provisions remain in full force if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

8-10. Merger. This Agreement constitutes the final agreement between the parties. It is the complete and exclusive expression of the parties' agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. The provisions of this Agreement may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. In entering into this Agreement, neither party has

Date: 10 September 2016

relied upon any statement, representation, warranty, or agreement of the other party except for those expressly contained in this Agreement. There are no conditions precedent to the effectiveness of this Agreement other than those expressly stated in this Agreement.

8-11. Term. The term of this Agreement begins on the date set forth in the introductory clause and expires on September 21, 2019.

8-12. Surviving provisions. Any term of this Agreement that, by its nature, extends after the end of the Agreement, whether by expiration or termination, remains in effect until fulfilled.

[Remainder of Page Intentionally Blank]

Date: 10 September 2016

Execution Page

The parties are signing this agreement on the date stated in the introductory clause.

Nicolas Africano	Town of Normal
<p>_____</p> <p>Nicolas Africano</p>	<p>By: _____</p> <p>Christopher Koos Mayor</p> <p>Attest:</p> <p>_____</p> <p>Wendellyn J. Briggs City Clerk</p>

Index of Exhibits

Exhibit A. Description of the Project Site

Exhibit B. Phase 2 Construction Plans

Exhibit C. Description of Transfer Property A

Exhibit D. Description of Transfer Property B

Exhibit E. Declarations of Covenants, Uses, & Restrictions

Exhibit F. Contract for Deed

[Insert “Exhibit A”—Description of the Project Site]

[Insert “Exhibit B” —Phase 2 Construction Plans]

[Insert “Exhibit C” —Description of Transfer Property A]

[Insert “Exhibit D” —Description of Transfer Property B]

EXHIBIT E

PIN:

14-22-327-010

14-22-327-011

ADDRESS:

601 OGLESBY AVE., NORMAL, IL 61761

1100 BEECH ST., NORMAL, IL 61761

PREPARED BY:

TOWN OF NORMAL

LEGAL DEPARTMENT

309/454-9507

RETURN TO:

TOWN OF NORMAL

TOWN CLERK

11 UPTOWN STATION

NORMAL, IL 61761

DECLARATION OF COVENANTS, USES, AND RESTRICTIONS

Nicolas Africano ("Declarant"), is the owner of certain real property located in the Town of Normal, the County of McLean, the State of Illinois, more fully described in the Agreement described below ("Property").

The Declarant has entered into a Redevelopment Agreement ("Agreement") dated September 10, 2016, with the Town of Normal ("Town"). The Agreement provides that the Declarant shall develop a project as described in the Agreement ("Project") on the Property, which will further the objectives of the One Normal Plaza Redevelopment Plan adopted by the Town on October 19, 2009 ("Plan"). For the purpose of enhancing and protecting the value, the attractiveness and the desirability of the Project, of protecting the rights of the Town under the Agreement, ; and of of enhancing and protecting the purposes of the Plan, the Declarant hereby declares that all of the Project and Property, and each part thereof, shall be held, sold, and conveyed only subject to the following covenants, uses, and restrictions, which shall constitute covenants running with the land and shall be binding on all parties having any rights, title or interest in said property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

1. The Property and the Project are subject to the terms and conditions of the Agreement and must be consistent with the Plan.

2. The Declarant agrees that the Declarant will not discriminate, in violation of any applicable federal, State or local law or regulation, upon the basis of race, color, religion, sex, age, national origin,

or other applicable factors in the construction, sale, lease, or rental or in the use or occupancy of the Property or Project or any part thereof.

3. The Declarant covenants that it will pay all real estate taxes with respect to the Property when due; and shall first giving the Town 15 days' prior written notice of its intent to contest the assessment or collection of the any property taxes. Nothing herein shall be construed so to prevent Declarant from contesting the assessment or collection of any taxes under statutory procedures set forth in the Illinois Compiled Statutes.

GENERAL PROVISIONS

4. It is intended and agreed that the covenants provided in Sections 1 and 3 of this Declaration shall remain in effect until the earlier of (i) termination of the Plan or (ii) October 19, 2032; and the covenants provided in Sections 1 and 3 shall remain effective; provided, that all such covenants shall be binding on the Declarant only for such period as the Declarant maintains a direct ownership interest in the Property or Project or part thereof (excluding, for example, an interest therein solely as a creditor or mortgagee), and only with respect to such direct ownership interest in the Property or Project or part thereof. The termination of the covenants in Sections 1 and 3 shall be effective upon the happening of the events described in this Section 4 without any further action by either Declarant or the Town and without the recording of any release or other document.

5. Subject to Section 4, it is intended and agreed that the covenants set forth in Sections 1 through 3 are covenants running with the land, and that they are, in any event and without regard to technical classification or designation as legal or otherwise, binding, to the fullest extent permitted by law and equity, for the benefit and in favor of and enforceable by the Town and, with regard to Section 2 above, the Town, the State of Illinois, and the United States of America.

6. Failure by the Town or as the case may be, by the State of Illinois or the United States of America to enforce any covenant or restriction herein contained, shall in no event be deemed a waiver of the right to do so thereafter.

7. Invalidation of any one of these covenants or restrictions by judgment or court order shall, in no way affect any other provisions, which shall remain in full force and effect.

8. Covenants and restrictions of this Declaration may be amended by the Declarant only by duly recording an instrument, executed and acknowledged by the Town.

Executed at Normal, Illinois, on the date first above written.

By: _____
Nicholas Africano

Signed and sworn (or affirmed) to before me on this _____ day of _____, 2016 by
Nicholas Africano.

Notary Public

My Commission expires: _____

EXHIBIT F

Contract for Deed

This Contract is made on _____, between the Town of Normal, Illinois ("Town") and Nicolas Africano ("Buyer").

The parties entered into a *Development Agreement—ISSCS Administration and Infirmary Buildings* ("Development Agreement") in 2016, under which the Town agreed to provide Buyer with a monetary grant to pay for costs associated with the demolition and rehabilitation of certain buildings located on property owned by Buyer.

Under the Development Agreement, Buyer is required to convey a parcel of property to the Town and, within 24 months after that conveyance, Buyer may opt to acquire that property back from the Town under a contract for deed.

Buyer desires to enter into a contract for deed to acquire that property back from the Town.

The parties agree as follows:

1. Property. The Property conveyed under this contract is:

[INSERT PROPERTY DESCRIPTION HERE]

2. Price. Buyer agrees to purchase the Property for the Price of _____.

3. Term. The Term of this sale is 10 years.

4. No interest. The balance bears Interest from date of this contract on the unpaid balance at the annual rate of 0.00%.

5. Payment schedule. The Buyer will pay the balance to the Town in equal annual payments of 1/10th of the amount of the Price set forth under Section 2. The annual payments will begin on [INSERT DATE] and continue until [INSERT DATE].

6. Late payment charges. If the Buyer fails to pay, within 15 days after due date, any installment due, then the Buyer is required to pay an additional charge of 5% of the late installment. This charge must be paid to the Town at the time of payment of the past-due installment.

7. Prepayment. The Buyer has the right to prepay, without penalty, the whole or any part of the balance remaining unpaid on this contract at any time before the due date.

8. Possession. Buyer shall be given possession of the Property upon the execution of this contract, or as otherwise agreed between the parties, and shall thereafter have and hold the same, subject to the provisions for default under this contract.

9. Condition of Property.

(a) Buyer agrees not to install any building, structure, or other improvement on the Property without the written consent of the Town.

(b) Buyer Promises to keep Property in good condition and repair; to comply with all laws affecting the Property or requiring any alterations or improvements to be made; not to commit or permit waste; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the property may be reasonably necessary.

10. Taxes. Buyer promises to pay all taxes and assessments affecting the property at least 10 days before delinquency; all encumbrances, charges and liens, with interest, on the property when due, which are not the responsibility of the Town and are or appear to be senior to this contract; and all expenses of this contract.

11. Insurance. For the Term of the Agreement, Buyer shall maintain liability insurance covering the Property in the amount of \$1,000,000 and name the Town as an insured under the policy.

12. Buyer's Failure to Pay - the Town's rights.

(a) If Buyer fails to perform any act provided for in this contract, then the Town may, at the option of the Town and without notice, and without releasing Buyer from any obligation under this contract:

(1) Make any payment necessary to protect the Town's interest or rights in the Property, and do any work necessary to protect the Town's interest or rights in the Property, the Town being authorized to enter upon the property to do so;

(2) Appear in or commence any action or proceeding purporting to affect the Property, the Town's interest or rights in the Property;

(3) Pay, purchase, contest or settle any encumbrance, charge or lien that appears to be senior to this contract.

(b) In exercising the power of this Section, the Town may incur necessary expenses and reasonable attorney fees. Buyer agrees to pay immediately all sums expended by the Town provided for in this contract, with interest from date of expenditure at the rate of 5% per annum.

13. Assignment of damages. Buyer assigns to the Town any award of damages made in connection with:

(1) Condemnation for use of or injury to the property by the public, or conveyance in lieu of condemnation; or

(2) Injury to the property by any third party.

14. Waiver by the Town. By accepting payment of any amount due after its due date, the Town does not waive the Town's right to either require prompt payment when due of all other sums or to declare default for failure to pay. the Town may waive a default of any provision of this contract, by consent or acquiescence, without waiving any prior or subsequent default.

15. Delivery of deed. The Town shall execute and deliver a Warranty Deed to the Buyer when the terms of this contract have been met and the full amount due and owing are paid in full.

16. Buyer's resale. The Buyer may not sell, assign, or pledge its interest in the Property or this contract without the Town's written consent. If Buyer sells, transfers, or conveys any interest in the Property, legal or equitable, either voluntarily or by operation of law, the Town may, at its option, declare all sums owed under this contract immediately due and payable.

17. Default.

(a) Any or all of the following constitute a Default by the Buyer:

(1) Breach by Buyer of any material covenant, warranty, or obligation set forth in this contract;

(2) Any untrue or incorrect material representation made by the Buyer in this contract or in any certificate, notice, demand, or request made by either party or in a response thereto;

(3) The commencement of any proceedings in bankruptcy by or against the Buyer or for the liquidation or reorganization of the Buyer, or for the readjustment or arrangement of the Buyer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Buyer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute a default event unless those proceedings are not dismissed within 60 days after they are commenced;

(4) The appointment of a receiver or trustee for the Buyer, for any substantial part of the his assets or the institution of any proceedings for the dissolution, or the full or partial liquidation of the Buyer, provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute a default event unless that appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof; and

(5) The entry of any judgment or order against the Buyer that remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution and such judgment or order materially impairs prosecution of the Project; or

(b) If a Default occurs, then the Town may deliver to the Buyer a Notice of Default, stating that the Buyer is allowed 14 days from the date of the Notice to cure the Default.

(c) If the Buyer fails to cure the Default with the 14-day time period, then the Town has, in its sole discretion, either of the following remedies:

(1) give the Buyer a written notice specifying the failure to cure the default and informing the Buyer that, if the Default continues for a period of an additional 15 days after the service of the notice of the failure to cure, without further notice, this contract is terminated and the Town may regain possession of the Property; or

(2) give the Buyer a written notice specifying the failure to cure the default and informing the Buyer that, if the Default continues for a period of an additional 15 days after the service of the notice of the failure to cure, without further notice the entire principal balance is immediately due and payable and the Town may take appropriate action against the Buyer for the collection of the same according to the laws of the State of Illinois.

(d) If the Town elects the remedy under item (1) of subsection (c), then the Town is entitled to the immediate possession of the Property. If the Buyer fails to vacate the Property, the Town has the right to obtain possession by appropriate court action.

(e) If a Default is not cured within the time period set forth under subsection (c), the Buyer forfeits any and all payments made under the terms of this contract. The Town is entitled to recover any other damages caused by the Buyer's Default.

(f) The parties acknowledge that the Property is not "residential property" under Section 15-1106 of the Code of Civil Procedure.

18. Successors and assigns. This contract is for the benefit of, and binds only the Buyer and the Town, their heirs, legatees, devisees, administrators, executors, and successors.

19. No conveyance of Town's interest. The Town promises not sell, pledge, or assign any interest or right in the Property without the written consent of the Buyer.

20. Attorney fees and expenses. In the event of a Default, the Buyer shall pay to the Town, the Town's reasonable and actual attorneys' fees and expenses incurred by the Town in the enforcement of any of the Town's rights. All attorneys' fees and expenses are payable prior to Buyer being deemed to have corrected any such default.

21. Notice. All notices, demands, requests, consents, approvals or other instruments required or permitted by this contract must be in writing and must 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 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 the Developer: Nicolas Africano 601 Oglesby Avenue Normal, IL 61761	With copies to:
To the Town: Town Clerk City Hall 11 Uptown Station Normal, IL 61761	With copies to: Corporation Counsel City Hall 11 Uptown Station Normal, IL 61761

22. Amendments. This contract may be amended only by a written agreement of the parties that identifies itself as an amendment to this contract.

23. Choice of law; jurisdiction.

(a) This contract is to be governed by and construed in accordance with the laws of the State of Illinois. This contract shall be construed without the aid of any rule of law requiring or permitting construction against the drafter of the contract.

(b) Any litigation involving this contract must be filed in the Circuit Court of McLean County, Illinois.

24. Waivers.

(a) The parties may waive any provision in this contract only by a writing executed by the party against whom the waiver is sought to be enforced.

(b) No failure or delay in exercising any right or remedy or in requiring the satisfaction of any condition under this contract, and no act, omission, or course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition.

(c) A waiver made in writing on one occasion is effective only in that instance and only for the purpose stated. A waiver, once given, is not to be construed as a waiver on any future occasion or against any other person.

25. Rights and remedies cumulative. The enumeration of remedies expressly conferred upon a party by this contract are cumulative with and not exclusive of any other remedy conferred by this contract or by law on that party, and the exercise of any one remedy does not preclude the exercise of any other.

26. Surviving provisions. Any term of this contract that, by its nature, extends after the end of the Agreement, whether by expiration or termination, remains in effect until fulfilled.

27. Severability. If any provision of this contract is determined to be invalid, illegal, or unenforceable, then the remaining provisions remain in full force if the essential terms and conditions of this contract for each party remain valid, binding, and enforceable.

The parties are signing this agreement on the date stated in the introductory clause.

Nicolas Africano	Town of Normal
<p>_____</p> <p>Nicolas Africano</p>	<p>By: _____</p> <p>Attest:</p> <p>_____</p> <p>Town Clerk</p>



Beech St

Tilden Pl

**Land to Be
Deeded to
Town of Normal**



Beech St

Administration Building

Infirmary

Bright Dr

Request for Proposals
Purchase and Use/Redevelopment
1100 N. Beech Street, Normal, IL 61761



1. History of Property

For 114 years the Illinois Soldiers and Sailors Children's School (ISSCS) was home to thousands of children who were either orphaned or wards of the State. ISSCS opened in 1869 in an effort to house orphans of civil war veterans, but was later opened to orphans of veterans from all wars, including the Spanish-American War and World War I & II. In the 1960s its mission changed to that of assisting troubled children and teens. ISSCS finally was closed by the State in 1979. Today the ISSCS site is approximately 67 acres and contains around 37 buildings.

In 1983, after several years of rehabilitation estimates and offers to local school district Unit 5, the Town, ISU, and others, the State auctioned the site to One Normal Plaza, a private investment group. That same year, the site was rezoned to C-1 and established as a Planned Unit Development (PUD). Over the next eight years, One Normal Plaza sold several buildings, some of which were restored. The buildings remaining under One Normal Plaza ownership fell into a state of severe disrepair.

In the early 1990s, Mr. Nicolas Africano bought eleven buildings. He has completed substantial renovation of nine of the buildings. Two of the buildings at 1100 N. Beech Street, commonly known as the Administration Building and the Infirmary, have not yet been renovated. Both buildings remain largely neglected, but provide a solid building shell and foundation for major redevelopment.

2. Project Site Description

The existing Administration Building sits parallel to Beech Street and is the second such building built at ISSCS. The original neo-Romanesque Administration Building was located just south of the existing Normal Activity Center, but was razed in 1961. The existing Administration Building was constructed in 1938 as a child receiving office and an isolation hospital. Essentially, it was the first place at ISSCS that new children were taken to to be monitored and given a physical examination. The building was later turned into ISSCS staff offices and living quarters in the late 1950s.

The Administration building is 20,000 square feet and three stories tall. While not designed in a particular high style, the building embodies some characteristics of the Colonial Revival style, including its original symmetrical façade, side gabled roof, decorative quoining, and the broken triangular pediment above the south entrance.

The Administration Building is attached to the Infirmary Building by an east-west vestibule. The Infirmary Building



ISSCS Aerial 2007



Administration Building circa 1960

was built in 1924 and served as the main hospital at ISSCS until it closed in 1979. Mr. Africano plans to redevelop the Infirmary Building into his personal studio. However, given the proximity and condition of the Administration Building, the Town and Mr. Africano are cooperatively seeking an interested party to redevelop all or part of the Administration Building.

Development Objectives

- a. **Appropriate use.** Currently, the site is surrounded on the north, west, and east by residential uses. The building to the south houses an art studio and private elementary school. Mr. Africano would like to use the Infirmary building as a private art studio, which he would continue to own. Appropriate uses for the Administration building include residential or office space. (See Sec. 15.9-17 of the Zoning Code for a complete list of uses specifically permitted by code.) Any non-residential use would need to be compatible with the surrounding single family uses; thus, a high-intensity, high-traffic use may not be appropriate regardless of what code permits.
- b. **High quality workmanship and design.** Substantial time and care have been put into the surrounding properties, including the boys' dorms, the Normandy Village cottages, the Baby Fold structure, and Mr. Africano's residence. Thus, a similarly high level of design and workmanship would be required for Administration building.
- c. **Historic preservation.** Although this site is not designated as historic, modifications to the exterior façade will be reviewed by the Town's Historic Preservation Commission to ensure sensitivity to the historic features of the Administration building and surrounding buildings. It is possible that the building would be eligible for Federal Historic Preservation Tax Credits. Please see the appendix for qualifying information.
- d. **Complete rehabilitation.** Preservation of the entire building is preferred, although the Town and Mr. Africano will entertain alternatives proposing the demolition of some portion of the structure.
- e. **Ownership.** Mr. Africano will maintain ownership of the Infirmary, while the Administration building may be owned by others.
- f. **Parking.** The regulations for parking in a C-1 Planned Unit Development are flexible; however, the redevelopment should include a parking plan. Any parking structures must be compatible with the adjacent architecture (on the ISSCS site). Surface parking, if any, must be appropriately screened with landscaping.



Infirmary Building - 2008



Infirmary Building



Administration Building
South Entrance - 2008

3. Town Participation

The Town has begun the process to establish a Tax Increment Finance (TIF) District that includes the Administration Building. The TIF is expected to be finalized in February 2009. The following costs *may* be eligible under the TIF act::

- Environmental remediation costs, including asbestos abatement and issues pertaining to the old steam tunnels.
- Infrastructure costs, such as water and sanitary sewer.
- Demolition of part or all of the building.
- Architectural and engineering fees
- Rehabilitation of existing structures
- Financing costs

4. Submission Requirements

The proposal submission must include the following items (if available):

- Contact information for all project team members (name, address, phone and email)
- Detailed narrative description of the redevelopment plan
- A listing of any anticipated code waivers
- Project drawings (site plan and building elevation)
- Detailed project schedule
- Project financing plan (property acquisition terms, private financing mechanisms, etc)
- If public assistance is needed, an explanation of why and how much.

All proposals must be submitted by Friday, January 9, 2009 at 5:00 p.m. to the Town of Normal City Clerk's office at 100 E. Phoenix Avenue, Normal, IL 61761. Respondents must submit five (5) bound copies and one unbound copy to:

City Clerk
Normal City Hall
100 E. Phoenix Avenue
Normal, Illinois 61761

The outside of the package containing the submittal must be clearly marked "RFP Response – Administration Building".

5. Evaluation Process & Selection Criteria

A committee of Town Staff members, a representative of the Town Council, a Historic Preservation Commission member, and Mr. Africano will review each submission and may conduct interviews of the respondents. It is expected that this review committee will then recommend a single



Administration Building - 2008



Administration Building Entryway
Decorative Scroll - 2008

proposal to the Normal Town Council for formal acceptance. This ultimately will result in a detailed redevelopment agreement between the Town and the selected respondent. Proposals will be evaluated based upon conformance to the development objectives with consideration given to each of the required components of the submission as listed in Section 4 of this document. The Town reserves the right to reject any and all proposals.

6. Further Information

Questions regarding this Request for Proposals may be directed to Lauren Sunkel, Associate Planner, who can be reached at (309) 454-9623 or via email at lsunkel@normal.org.

There will only be two property inspection dates in which the building owner and Town staff will be available at the site to answer questions. Those dates are Thursday, December 4, 2008 and Wednesday, December 10, 2008 both at 2:00 p.m.

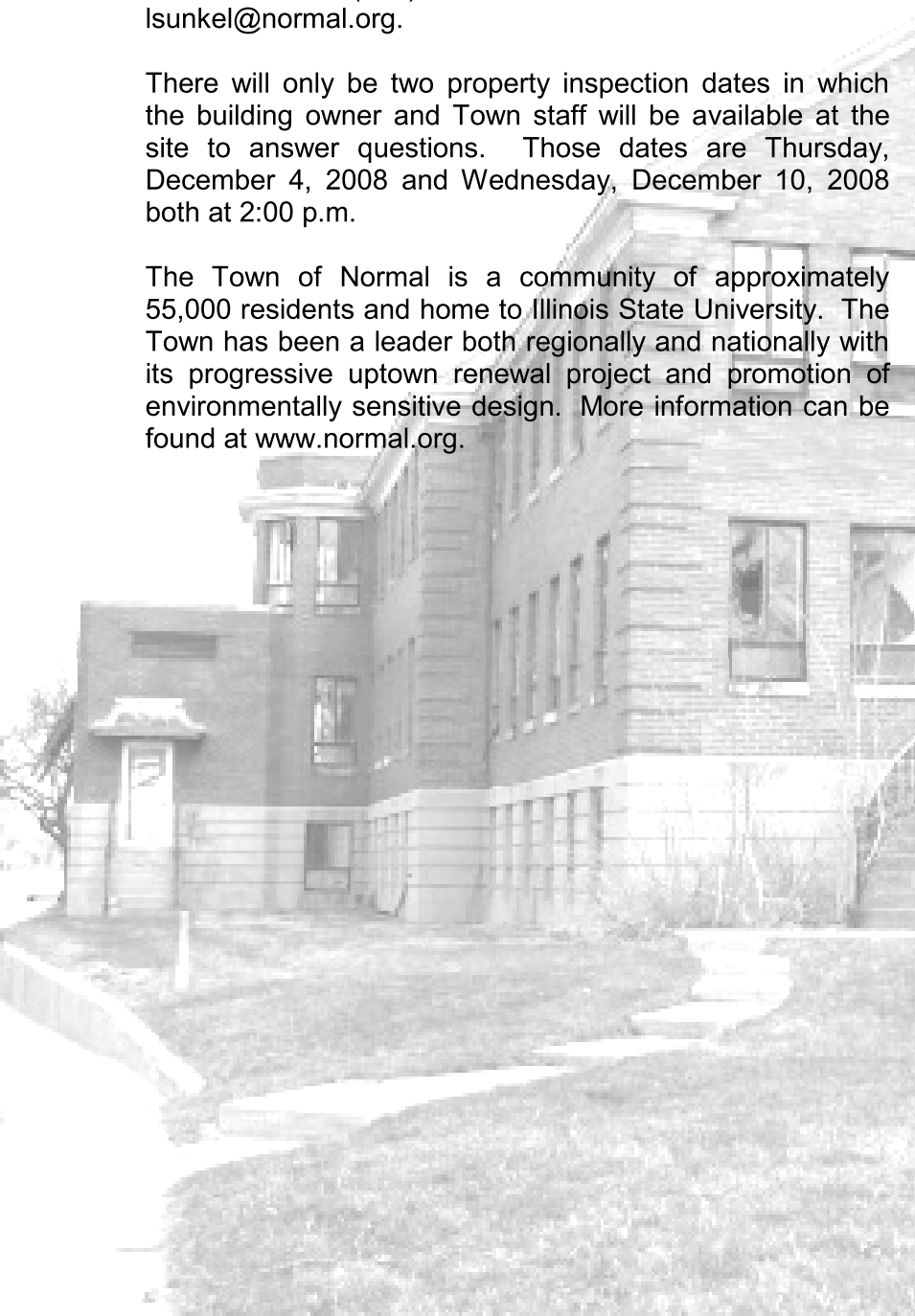
The Town of Normal is a community of approximately 55,000 residents and home to Illinois State University. The Town has been a leader both regionally and nationally with its progressive uptown renewal project and promotion of environmentally sensitive design. More information can be found at www.normal.org.



Infirmary Building - 2008



Administration Building - 2008



Federal Historic Preservation Tax Credit Information

The Federal Historic Preservation Tax Credit Program provides federal income-tax incentives for the rehabilitation of historic income-producing properties. The Illinois Historic Preservation Agency, Preservation Services division, administers it for Illinois properties.

Under the provisions of the Tax Reform Act of 1986, a 20% tax credit is available for the substantial rehabilitation of commercial, agricultural, industrial, or rental residential buildings that are certified as historic. The credit may be subtracted directly from federal income taxes owed by the owner. (Note: The U.S. Internal Revenue Service is the final judge of economic matters relative to certified rehabilitations. Therefore, it is advisable that you consult with a tax accountant or lawyer before completing your tax return.)

Benefits

The Historic Preservation Tax Credit Program benefits the owner, the occupants, and the community by:

- Encouraging protection of landmarks through the promotion, recognition, and designation of historic structures
- Increasing the value of the rehabilitated property and returning underutilized structures to the tax rolls
- Upgrading downtowns and neighborhoods and often increasing the amount of available housing within the community.

Provisions

To qualify for the Investment Tax Credit, a property owner must:

- Have a certified historic structure. To be certified, the building must be listed individually on the National Register of Historic Places or be a contributing part of a historic district that is either listed on the National Register or certified as eligible for the National Register
- Use the building for an income-producing purpose such as rental-residential, commercial, agricultural, or industrial
- Rehabilitate the building in accordance with the Secretary of the Interior's "Standard's for Rehabilitation" and "Guidelines for Rehabilitating Historic Buildings." The National Park Service (NPS), with advice from our office (State Historic Preservation Office), determines whether a project meets the standards.
- Spend an amount greater than the building's adjusted basis (roughly the current depreciated value of the building not including land value) on the approved rehabilitation project
- Complete the work in a timely manner. Projects must meet the minimum expenditure test within a two-year measuring period, but applicants may take up to five years to complete a phased project if the plans and specs are approved in advance of construction.
- Pay a fee to the NPS; the fee shall be no less than \$250 and no greater than \$2,500 and shall be based upon the qualifying rehabilitation expenditures.

Certification Procedure

Step 1: Contact the Preservation Services Division of the Illinois Historic Preservation Agency, is the State Historic Preservation Office (SHPO) for Illinois.

- Determine the adjusted basis of your building, and decide whether rehabilitation costs will exceed that amount.
- Ask the SHPO if your property qualifies as a certified historic structure. Individual properties within a National Register or certified local historic district will be certified as historic structures by the NPS with the recommendation of the SHPO if they contribute to the district's historical significance.
- The SHPO will provide you with application forms, guidelines, and instructions. You may obtain all of the printed materials necessary through their web site <http://www.illinoishistory.gov/PS/taxcreditsap.htm>

Step 2: Obtain Conditional Approval of Rehabilitation Plans from SHPO and NPS.

- Provide the SHPO with the proposed rehabilitation plans and photographs showing the condition of the building prior to initiating work. The SHPO will advise the applicant whether or not the interior and exterior rehabilitation plans comply with the Secretary of the Interior's "Standard's for Rehabilitation." The design review not only includes all exterior work, such as window alterations or masonry work, but also interior alterations.
- The SHPO will submit the tax-credit application to the NPS for the required federal certification and make formal recommendations about the project status. Upon receipt of the application from the SHPO, the NPS will bill the owner for the initial fee, which must be received for the project to be reviewed.
- Once your preliminary plans are approved by the NPS, you can begin the rehabilitation project. Contact the SHPO if there are changes or if questions arise during the course of the rehabilitation.

Step 3: Obtain Final Approval

- When the project is completed, forward to the SHPO the Request for Certification of Completed Work (contained in the application) and photographs showing the completed project.
- The SHPO will perform a site inspection of the completed project.
- The SHPO will submit the Request for Certification of Completed work to the NPS. The NPS will bill the owner for the fee based upon the final project cost, with a maximum fee of \$2,500. The NPS, with the recommendation of the SHPO, will issue a Certificate of Rehabilitation for successfully completed projects. This certificate is submitted to the Internal Revenue Service (IRS) with the owner's tax forms to claim credit.

Special Conditions

Owners are strongly advised to contact the SHPO prior to any construction. Although approval is not required before a project begins, it is highly recommended. Any work undertaken prior to approval is completely at the owner's risk and could disqualify a claim to a tax credit if it does not meet the "Standards for Rehabilitation." If, during a five-year period following the credit the property is sold, its use changes from income-producing, or the property is altered in a manner not following the Secretary of the Interior's "Standard's for Rehabilitation." The Certification may be revoked and all or part of the tax credit recaptured by the IRS.