

AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE VILLAGE OF OLYMPIA FIELDS AND MATTESON SCHOOL DISTRICT NO. 162 REGARDING THE GOVERNORS HIGHWAY/VOLLMER ROAD TAX INCREMENT FINANCING DISTRICT, COMMONLY REFERRED TO AS “TIF 2”

This INTERGOVERNMENTAL AGREEMENT (the “Agreement”) is between the Village of Olympia Fields (the “Village”) and Matteson School District No. 162 (the “School District”). Individually, the Village and the School District shall be referred to in this Agreement as a “Party” and collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Village is pursuing and intends to further pursue, private and public investment, development, and redevelopment of properties within the boundaries of the Village and is currently focusing on the redevelopment of an area along Governor’s Highway and Vollmer Road; and

WHEREAS, the Village, to further such investment, development and redevelopment, may approve and create a tax increment redevelopment plan and project (the “Redevelopment Plan”), designate the tax increment redevelopment project area, and adopt tax increment financing relative to the Village’s proposed Governor’s Highway/Vollmer Road Tax Increment Financing District, commonly referred to as TIF 2 (“TIF 2”), which includes the property depicted in Exhibit A and the parcel numbers listed on Exhibit B, respectively, attached hereto and made a part hereof, in accordance with the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.* (“TIF Act”); and

WHEREAS, the School District has closely examined the establishment of TIF 2 and the use of tax increment financing by the Village within TIF 2 and has expressed views regarding the eligibility and feasibility of the use of tax increment financing, while the Village believes there is

no legitimate basis for the School District to withhold support and/or contest TIF 2, and hence the Village and School District have resolved any differing perspectives between them; and

WHEREAS, the School District has agreed to fully support the establishment of the TIF District and the Village's use of tax increment financing within TIF 2 provided the Parties enter into this Agreement and perform their respective obligations hereunder, and as such will refrain from withholding their support and/or contesting the establishment of TIF 2 and the Village's use of tax increment financing within TIF 2; and

WHEREAS, the Constitution of the State of Illinois, 1970, Article VII, Section 10, authorizes units of local government and school districts to contract or otherwise associate among themselves in any manner not prohibited by law or by ordinance; and

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1, *et seq.*, provides that any power or powers, privileges or authority exercised or which may be exercised by a unit of local government or school district may be exercised and enjoyed jointly with any other units of local government or school districts; and

WHEREAS, Section 4(b) of the TIF Act, 65 ILCS 5/11-74.4-4(b), authorizes municipalities to enter into agreements with overlapping taxing bodies necessary or incidental to implementing or maintaining a tax increment financing redevelopment plan and/or project; and

WHEREAS, the Parties desire to resolve the issues presented by the establishment of the TIF District pursuant to the terms of this Agreement; and

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. **RECITALS.** The recitals set forth above are hereby incorporated herein by reference as

though fully set forth herein.

2. **DEFINITIONS.** The following words and phrases in this Agreement have the following meanings, whether the words and phrases are used in the singular or plural:

- a. “Incremental Property Taxes” means that portion of the *ad valorem* real estate taxes, if any, arising from the taxes levied upon equalized assessed valuation (“EAV”) within TIF 2, which taxes are actually collected and paid to the Village, and which are attributable to the increase in the EAV in question over and above the EAV in question at the time of the formation of TIF 2, all as reported by the Cook County Clerk, pursuant to and in accordance with the TIF Act and the ordinances creating TIF 2.
- b. “Intends” means a Party shall use its reasonable good faith efforts to comply with the obligation or covenant to which the word “intends” relates.
- c. “Shall” means a Party is required to comply with the obligation or covenant to which the word “shall” relates.

3. **VILLAGE OBLIGATIONS.** Provided the Village establishes TIF 2 the Village shall:

- a. Each year pay to the School District an amount equal to the School District’s then-current per capita tuition charge for each student residing within any residential development within TIF 2 and attending a school of the School District, so that the School District is able to pay all or a portion of its increased capital costs resulting from the development of such residential development under Section 3(q)(7) of the TIF Act, 65 ILCS 5/11-74.4-3(q)(7), and in full satisfaction of the student tuition assistance to the School District owed under Section 3(q)(7.5) of the TIF Act, 65 ILCS 5/11-74.4-3(q)(7.5). To initiate such payment, the School District shall

annually, on or before September 30th, provide to the Village reasonable evidence of the enrollment of any student living within a residence within the TIF District. Within thirty (30) days thereafter, the Village shall pay to the School District the School District's then-current per capita tuition charge for each such student;

b. During years three (3) through twenty-three (23) of the term of TIF 2, the Village shall:

i. annually analyze non-committed Incremental Property Taxes generated within TIF 2 and consider whether to declare some or all of such Incremental Property Taxes as surplus revenue pursuant to Section 7 of the TIF Act, 65 ILCS 5/11-74.4-7; and

ii. consider the early termination of TIF 2 after payment of all amounts owed under any contractual obligations related to TIF 2, and intended Village funded infrastructure and public improvements are made, after payment of all eligible redevelopment project costs per the Redevelopment Plan and fulfillment of the goals of the Redevelopment Plan for TIF 2, and after payment of all administrative costs of TIF 2.

4. **SCHOOL DISTRICT OBLIGATIONS AND COVENANTS.** Regarding TIF 2, the School District shall not file litigation to challenge, or otherwise challenge, contest or dispute, the validity or enforceability of ordinances adopted by the Village in furtherance of the establishment and implementation of TIF 2, or the Village's actions related to the eligibility of TIF 2, other than in connection with a breach of this Agreement.

5. **MUTUAL OBLIGATIONS.** After the Effective Date (as hereinafter defined):

a. The Parties shall meet and confer at the request of any Party regarding this

Agreement and any matter related to this Agreement.

- b. No Party shall initiate legal action in court against another Party regarding this Agreement or any matter related to this Agreement without first engaging in good faith negotiations regarding the dispute.
6. **SUCCESSORS.** This Agreement shall be binding upon the Parties and their successors (including, without limitation, successor corporate authorities of the Village and the School District).
7. **INTEGRATION.** This Agreement represents the entire agreement between the Village and the School District regarding the subject matters hereof. No amendment, waiver or modification of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and adopted by each of the Parties as required by law.
8. **RELEASES AND WAIVERS.**
 - a. Except for obligations arising under this Agreement, the School District, and its successors, assigns, insurers and representatives of any kind and all other persons, firms, or corporations that may claim a right on behalf of the School District unconditionally release and forever discharge the Village, and its respective agents, employees, partners, members, elected and appointed officials, and attorneys, who are liable or who might be claimed to be liable, from any and all claims, demands, damages, attorney's fees, expenses, costs, actions, causes of action or suits of any kind or nature whatsoever that could have been alleged by the School District with regard to the actions of a Party under this Agreement that are consistent with the terms of this Agreement.

b. Except for obligations arising under this Agreement, the Village, and its successors, assigns, insurers and representatives of any kind and all other persons, firms, or corporations that may claim a right on behalf of the Village unconditionally release and forever discharge the School District, and its agents, employees, elected and appointed officials, and attorneys, who are liable or who might be claimed to be liable, from any and all claims, demands, damages, attorney's fees, expenses, costs, actions, causes of action or suits of any kind or nature whatsoever that could have been alleged by the Village with regard to the actions of a Party under this Agreement that are consistent with the terms of this Agreement.

9. **SEVERABILITY AND NO WAIVER.** If for any reason any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed to be severed and this Agreement shall remain in full force and effect with that provision severed or as modified by court order provided that said provision determined invalid does not substantially impair the intent or substance of this Agreement so that the purposes of this Agreement are not fulfilled and the benefits to the Parties are not realized. If said provision does substantially impair the intent or substance, the Parties shall attempt to agree on an amendment to this Agreement to address the changes necessary because of the court determination. If the Parties are unsuccessful in negotiating an amendment, this Agreement shall terminate. The failure of any Party to enforce any provision in this Agreement shall not be construed as a waiver of any such provision or prevent such Party thereafter from enforcing such provision or any other provision of this Agreement.

10. **EFFECTIVE DATE.** This Agreement shall be effective after approval by the Village Council and the Board of Education of the School District, and on the date the last of the

Parties executes this Agreement (the "Effective Date").

- 11. **TERM.** This Agreement shall remain in effect until the dissolution of TIF 2 or until such other time as the Parties may mutually agree in writing.
- 12. **COUNTERPARTS.** This Agreement may be executed by the Parties in multiple counterparts which, when taken together, shall be deemed on and the same instrument.
- 13. **DEFENSE BY VILLAGE.** In the event the Agreement, or any provision thereof, is challenged by a party other than the School District, and the School District is named as a party to the litigation, the Village shall provide representation in such litigation, and in the event of a judgment against the School District, shall pay the amount of the judgment for the School District.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized officials.

**VILLAGE OF OLYMPIA FIELDS, Cook
County, Illinois**

**BOARD OF EDUCATION,
MATTESON SCHOOL DISTRICT NO.
162, Cook County, Illinois**

By: _____
President

By: _____
President

Attest: _____
Clerk

Attest: _____
Secretary

Date: _____

Date: _____