



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: January 5, 2012
RE: Economic Development Program Agreement with the Illinois Department of Transportation – Cunningham Avenue (US Rte. 45) Improvements at Advantage Recycling

INTRODUCTION

Mervis Industries, a large scrap recycling company, is planning a new recycling facility at 3008 North Cunningham Avenue (US Route 45) in north Urbana, to be operated as Advantage Recycling. Mervis has a long and successful history in the Midwest and their continued growth and success with the construction of the proposed facility will benefit the economic stability of the City of Urbana. The proposed facility will be clean and customer friendly location that will allow local citizens to increase their recycling efforts in a safe and efficient manner. The investment in this project will be in excess of \$1.5 million and is expected to create 20-25 temporary construction jobs as well as 10 permanent new employment opportunities. The construction will also include the investment of an estimated \$370,737 in roadway improvements to US Route 45 to access the proposed facility. In a November 23, 2011 letter from the Illinois Department of Transportation, the project was awarded an Economic Development Project Grant in the amount of \$326,080 for 75% of the Preliminary Engineering, Construction Engineering and Construction Costs of the project.

The estimate construction cost of the reconstruction, including engineering fees, is \$434,774. The maximum grant amount is 75% of the total project cost. The City was notified by IDOT that the grant had been awarded in the amount of \$326,080 on November 23, 2011. As a condition of the Grant, Mervis Industries 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, Mervis Industries will be required to enter into a Local Agency/Developer Agreement with the City to ensure that these reporting requirements are fulfilled. The Local Agency/Developer Agreement is referenced in the Local Agency/IDOT Agreement and was brought before the Council for consideration earlier in this evening's agenda by Community Development.

FISCAL IMPACTS

As outlined in the Local Agency Agreement, the City of Urbana’s share would be 25% of the estimated \$434,734 project cost or \$108,686. The funds for the City’s share of the project are to be reimbursed by Mervis Industries in accordance with the aforementioned Local Agency/Developer Agreement. There is no net cost to the City.

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 LOCAL AGENCY AGREEMENT WITH THE ILLINOIS DEPARTMENT OF TRANSPORTATION (Cunningham Avenue (US Rte. 45) Improvements at Advantage Recycling)

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. 2012-01-002R

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

(Cunningham Avenue (US Rte. 45) Improvements at Advantage Recycling)

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 _____, 2012.

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2012.

Laurel Lunt Prussing, Mayor

Local Agency	 Illinois Department of Transportation Economic Development Program Agreement	Job Number - Construction
Urbana, City of		C-95-320-12
Section 12-00515-00-PV		Job Number - Engineering P-95-319-12

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 US 45 Route FAP 800 Length 0.2 mile

Termini Between Station 80+51 and Station 84+00 northbound and Station 79+83 and Station 87+43 southbound

Current Jurisdiction State of Illinois

Project Description

Construction of turn lanes and commercial entrance for Advantage Recycling

Division of Cost

Type of Work	EDP (1)	LA (2)	Total
Participating Construction	278,053	92,685	370,738
Non-Participating Construction			0
Preliminary Engineering	8,821	2,940	11,761
Construction Engineering	39,206	13,069	52,275
			0
			0
			0
TOTAL	\$326,080	\$108,694	\$434,774

Note

- 1/ The STATE will reimburse the LA for eligible construction and engineering costs of the project subject to a maximum of \$326080.
- 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 June 30, 2013.
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 Mervis Industries Incorporated 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 Urbana, City of	Section 12-00515-00-PV
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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
376000524 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 Urbana, City of	Section 12-00515-00-PV
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