



City Council
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City of Belvidere, Illinois

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Alderman George Crawford	4 th Ward	Public Safety Chairman
Alderman Mark Sanderson,	5 th Ward	BPZ Vice Chairman
Alderman Marsha Freeman	5 th Ward	City-County Coordinating Committee

AGENDA

July 24, 2017

6:00 p.m.

**City Council Chambers
401 Whitney Boulevard
Belvidere, Illinois**

Call to Order – Mayor Mike Chamberlain:

Roll Call: Present: Absent:

Public Comment:

Public Forum:

Reports of Officers, Boards, and Special Committees:

1. Public Safety, Unfinished Business: None.
2. Public Safety, New Business:
 - (A) Firefighter Chad Cunningham – MDA
 - (B) Fire – TRT Rope and Harnesses.
 - (C) Police – Replacement of K-9 Ralphy.
 - (D) Police – Grant Awards.
 - (E) Belvidere Municipal Code – Section 18-3 – Dangerous animals.

3. Finance & Personnel, Unfinished Business: None.
4. Finance & Personnel, New Business:
 - (A) Presentation and Appraisal Report of Former National Sewing Machine Building.
5. Other:
 - (A) WWTP Blower Settlement Agreement – Blower Building Modifications.
6. Adjournment:



**BELVIDERE
FIRE
DEPARTMENT**

123 S. State St.
Belvidere, IL 61008

Fire Chief and Administration Offices

Phone: (815)544-2242

Fax: (815)544-2278

Memo...

From:	Chief Hyser	Today's Date:	July 20, 2017
To:	Shauna Arco	Effective Date:	July 24, 2017
Subject:	Agenda Items:	Technical Rescue Equipment Replacement	

The Belvidere Fire Department is a member of MABAS Division 8 Technical Rescue Team. The Fire Department has a responsibility to maintain equipment as the useful life of the equipment ends. As a result our rope and harnesses need to be replaced this Fall.

Rope:

The Fire Department's current supply of rope needs to be replaced as per manufacturer recommendations and NFPA 1983. The manufacturer states that the rope is to be replaced, at a minimum of 10 years for lightly used rope. NFPA 1983 Chapter 4 states that manufacturer recommendations should be followed in the care and maintenance of the rope. Currently it will cost approximately \$2,000.

Safety Harnesses:

One of the critical components of rope systems are the safety harnesses that the rescuers need to wear. These harnesses are also covered under NFPA 1983. NFPA 1983 refers to manufacturers specifications for replacement. The manufacture cannot guarantee the integrity of the harnesses past ten years. Currently it will cost approximately \$3,000 to replace.

After ten years the nylon degrades enough that it cannot meet the testing strengths as per NFPA 1983.

The total cost of the rope and harnesses would come out of the budgeted Equipment line #220-8200.

Chief Al Hyser

Belvidere Police Department

Jan W. Noble - Chief of Police

Shane Woody - Deputy Chief, Operations

Matthew Wallace - Deputy Chief, Administration



615 N. Main Street • Belvidere, IL 61008 • Phone 815-544-9626 • Fax 815-544-9603 • www.ci.belvidere.il.us

TO: Mayor Chamberlain and City Council

FROM: Chief Jan W. Noble *JWN.*

DATE: July 19, 2017

RE: Motion to Authorize Replacement of K-9 Ralphy

Please be advised that K-9 Ralphy will be retired shortly due to health and age issues and the Belvidere Police Department respectfully requests authorization to replace K-9 Ralphy.

We have received private donations from the public to continue our K-9 program, and through these donations have acquired a replacement K-9. Please see the attached memo from Deputy Chief Wallace which details the donors (some of whom wish to remain anonymous).

Motion: To authorize the replacement of K-9 Ralphy at a cost not to exceed \$6,500.00 from FM K-9 (Faus-McHenry K9) in Berrien Center, MI with monies coming from donations as detailed in the attached memo from Deputy Chief Wallace dated July 6, 2017.

JWN/sd

Attachment

Belvidere Police Department

Jan W. Noble - Chief of Police

Shane Woody - Deputy Chief, Operations

Matthew Wallace - Deputy Chief, Administration



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TO: Mayor Chamberlain and City Council

FROM: Chief Jan W. Noble *JWN.*

DATE: July 19, 2017

RE: Notice of Grant Awards

Please be advised that the Belvidere Police Department recently was awarded two separate grants which are as follows:

- Enbridge Energy Company grant award for \$1,000.00 to be used for traffic safety and crowd control
- Boone County Soil and Water Conservation District grant for \$500.00 for the collection and incineration of medications turned in during the 2017 Medication Collection day

Motion: To accept the grant award monies from Enbridge Energy Company and Boone County Soil and Water Conservation District for the purchase of traffic safety and crowd control emergency equipment at a cost not to exceed \$1500.00.

JWN/sd

Attachments

ARTICLE I. IN GENERAL

Sec. 18-1. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Animal includes reptiles and all animals whether wild or domesticated.

(Code 1982, § 90.01)

Cross reference—Definitions generally, § 1-2.

Sec. 18-2. Cruelty to animals.

No person shall cruelly treat any animal in the city in any way. Any person who inhumanely beats, overloads, underfeeds or abandons any animal shall be deemed guilty of a violation of this chapter.

(Code 1982, § 90.02)

State law reference—Cruelty to animals, 510 ILCS 70/3.01.

Sec. 18-3. Dangerous animals.

It shall be unlawful to permit any dangerous or vicious animals of any kind to run at large in the city. Exhibitions or parades of animals which are *ferae naturae* in the eyes of the law may be conducted only on securing a permit from the city council.

(Code 1982, § 90.03)

Sec. 18-4. Removal of excreta; owner's responsibility.

No owner shall fail to remove excrement deposited by his pet upon the public ways or within the public places of the city or upon the premises of any person other than the owner's without that person's consent. This section shall not apply to a blind person while walking his guide dog.

(Ord. No. 986F, § 1(90.12), 9-18-95)

Sec. 18-5. Disturbing the peace.

It shall be unlawful to harbor or keep any animal that disturbs the peace by loud noises at any time of the day or night.

(Code 1982, § 90.04)

Sec. 18-6. Penalty.

Violations of this chapter shall be punishable as provided in section 1-9. This penalty shall be in addition to any other remedies available to the city. For violations of a continuing nature, each day's violation shall constitute a separate violation.

(Code 1982, § 90.99)

Secs. 18-7—18-35. Reserved.

ARTICLE II. DOGS

Sec. 18-36. Nuisance.

Any dangerous, fierce or vicious dog running at large in any place within the city, whether on private premises or not, and any dog which unduly disturbs the quiet and peace of any person or neighborhood within the city, or any dog that shall bite any person or injure any person is declared a public nuisance.

(Code 1982, § 90.10)

Sec. 18-37. Failure to control dog.

(a) It shall be unlawful for the owner or keeper of any dog to allow the dog:

- (1) To enter or remain on private property without the consent of the owner or lawful occupant thereof; or
- (2) To enter or remain on any public street, sidewalk, alley, right-of-way or other public place within the city except when restrained by a leash and under the actual physical control of some person.

(b) Liability under this section shall be absolute. It shall not be a defense to an alleged violation of this section that the owner or keeper of the dog was unaware of the violation, was not present at the time of violation, or took steps to prevent such a violation.

(Code 1982, § 90.11)

**APPRAISAL REPORT
OF**



**Shell Building
Former National Sewing Machine Building
400 Meadow Street
Belvidere, Illinois 61008**

File # C17E4RA06

**PREPARED FOR:
City of Belvidere
401 Whitney Blvd
Belvidere, IL 61008**

Attn: Ms. Becky Tobin

**AS OF:
July 6, 2017**

**PREPARED BY:
RALLY APPRAISAL, LLC**

**COURTNEY R. PRENTICE
CERTIFIED GENERAL REAL ESTATE APPRAISER**

**431 S PHELPS AVE, SUITE 601
ROCKFORD, ILLINOIS 61108
PHONE: (815) 229-3331**

Aerial GIS Photo



COMMENTS AND CONCLUSIONS:

Shell Building

The subject is a large multi-story industrial building with 115,719 total square feet on four levels. The subject has no basement and is on a concrete, reinforced slab. The subject has been vacant for over a decade.

The original four story section of the factory building was built in 1890. The one story additions on the southwest end were added over the years. The four story addition (approximately 81ft x 81ft) that connects the factory with the steel warehouse on the northeast end of the property was built in 1944.

The main portion of the factory building was built in 1890 and is brick exterior with wood floors and wood support structure. Its roof is a wood truss system. An addition to the factory building in 1944 connects it to the steel structure is brick exterior with concrete floors and a concrete support structure. The roof is membrane with gravel in fair to poor condition.

The property currently has structural damage due to roof caving in causing water damage that is dripping down through all the floors. Per discussion with Becky Tobin from the City of Belvidere, this issue was in the early stages two years ago and since then the damage has intensified. The property was an old, average quality structure before the deferred maintenance caused the structural damage.

The main utilities are housed in the northeast end of the factory building on the main level of the 1944 addition. This is the utility hub for the entire factory building and steel warehouse addition.

The property is an average quality structure with masonry framing and exterior walls plus a combination of an asphalt roof on the original four story portion and a membrane and gravel roof on the 1944 addition portion of the four story building. There is minimal finish inside, and the little there is, is in marginal condition. There is no known working plumbing.

Steel Warehouse Addition

The warehouse was an addition in 1973 and is 40,500 sq ft. It is a pre engineered steel structure and a gravel and membrane roof covering. It appears to be un-insulated based on observations during the inspection. The heating is a few ceiling hung gas heaters. They do not appear adequate enough if this were to be an occupied space on a regular basis rather than used for warehouse and storage. Two acres is allocated this building.

Block Storage Building

The storage building was built in 1960 and is 5,480 sq ft. It is a concrete block structure with a combination of wood and steel supporting the roof covering. It is detached and located on another parcel on the west side of the property. Its primary access is from South Main Street but it could be accessible from the factory parking area and/or vacant lot if necessary.

***Appraiser notes an interior walk-through of the block storage building was not possible as it was locked and nobody had keys. Appraiser makes the extraordinary assumption it is in at least average condition based off the exterior inspection.*

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”⁴

The competitive market forces where the subject property is located determine whether or not the current use is the highest and best use of the subject property, not the appraiser, developer, or property owner.

If the property is improved it is possible that the highest and best use may be different from the current use for which the property is currently improved. If the value of the land less the cost to raze the existing improvements is greater than the value of the subject property as it is currently improved then the current use is not considered to be the highest and best use of the subject property.

Other factors such as whether or not the existing or an alternative use is legally allowed by zoning or other legal circumstances has to be considered in determining the highest and best use.

A use of a property may be physically possible, legally permissible, but not economically feasible due to cost or other external factors such as an oversupply in the market. In order for the highest and best use of a property to be achieved the use must be economically feasible.

In an analysis of the highest and best use the use that maximizes the value of the subject property represents the highest and best use of the subject property.

The highest and best use of the land as though vacant and/or property as improved must meet the following four criteria:

Physically Possible:

The subject property is designed for commercial use. The current improvements have a design and location that could accommodate a variety of potential tenants. The current shell use of the subject property is physically possible.

Legally Permissible:

The subject property is zoned CB, Central Business District. The current use is an allowed use in this zoning district.

⁴ *The Appraisal of Real Estate, Fourteenth Edition*
Rally Appraisal, L.L.C.

Financially Feasible:

The current use of the subject as shell space is financially feasible as it would cost more to remove the structure than what the land is worth.

The subject will most likely be purchased for its re-development potential. The City of Belvidere has courted potential investors looking to convert the property into residential or commercial. The potential buyer would need to use Historic Tax Credit monies and TIF monies to assist in the redevelopment of the subject property. These incentives help off-set the high costs of renovations which help make these projects financially feasible. It is unlikely a project of this nature would be feasible without some sort of assistance.

Maximally Productive:

Of the financially feasible uses, the use that produces the highest price, or value, consistent with the rate of return warranted by the market for that use is the highest and best use.

AS IF VACANT:

The subject property is zoned CB, Central Business District. The other properties in this area consist of established commercial, industrial, single-family and multi-family uses but most likely a mixed use property. The highest and best use of the subject property as vacant would most likely be something that conforms to these neighborhood standards.

AS IMPROVED:

The existing improvements represent the current highest and best use of the subject property. They are considered to be average quality for the market, and are consistent with the design and quality of the other special purpose and multi-story industrial buildings in the region. Since it is not feasible to demolish, the structure would need to be purchased for redevelopment but only after historical and TIF money was approved for a redevelopment project.

Factory Portion of Property

COMPARABLE SALES SUMMARY TABLE					
No.	Location	Sale Date	Price	Building Size (SF)	Price/ SF
1	3040 Jackson St Dubuque, IA	6/1/2017	\$825,000	74,986	\$11.00
2	3000 Jackson St Dubuque, IA	3/15/2017	\$40,000	99,397	\$0.40
3	2816 N Main St Rockford, IL	10/21/2014	\$339,972	308,990	\$1.10

Data Collection

The appraiser searched for comparable sales within the immediate Belvidere market area and then expanded to the Rockford metro area with similar uses as the subject. Given its shell condition and the complete lack of data available in Belvidere and even Rockford, appraiser was forced to expand search on a regional basis. The sales selected for final analysis are the sales the appraiser believes are most reflective of the cross section of the market. Comparables 1 and 2 were included from Dubuque, Iowa as they are very similar properties and good comparables.

Unit of Comparison

The most influential unit of comparison to determine value for the subject is price per square foot. The figures shown under Price/SF are determined by dividing the total sale price by the total square feet of the site. This common factor after application of various adjustments (see sales grid) is then used as the basis for comparison. It is important to note that the adjustments derived from the market data are generally (%) percentage adjustments of the sale price of each comparable property. These percentage adjustments reflect reasonable adjustments made by prudent, knowledgeable and typical buyers and sellers as they negotiate their transaction. These percentage adjustments are then converted to, and shown as, (\$) dollar adjustments on the grid for illustrative purposes.

Market data indicated adjustments necessary for:

Property Rights

The subject and all comparables are Fee Simple. No adjustment necessary.

Conditions of Sale

The subject and all comparables are Arm's Length. No adjustment necessary.

Market Conditions / Date of Sale

All comparables are recent enough sales no market conditions adjustment was necessary.

Site Size

Any differences in site size were accounted for in the Land to Building Ratio section of the sales grid if measurable. ***Appraiser notes that 2 acres (87,120 sq ft) was removed from the site area and allocated for the warehouse building as discussed later in this report. Appraiser also removed the 1.6723 acres where the block storage building sits and allocated it as discussed later in this report. Therefore, the 333,513 sq ft shown in the grid is the adjusted site size for only the industrial building portion and land to its rear.*

Building Size

The economy of scale theory indicates that smaller properties sell for more and cost more to build on a dollar per square foot basis than larger properties. However, this tends to be less of a factor above 50,000 sq ft. No building size adjustments are measurable.

Age / Physical Condition

All comparables are shell buildings. The subject is in fair condition with structural damage. Both Comparables 1 and 2 were part of the former Dubuque Malt and Brewing Factory. They are similar age and the best comparables available on a regional basis. Comparable 1 is in average condition with no structural damage and portions of it are leased out to a few tenants on a monthly basis. Comparable 1 is in vastly superior condition and requires a \$7.00 downward adjustment. Comparable 2 is in shell condition that is also fair with structural damage similar to the subject property. Comparable 3 is in shell condition that is also fair. Portions of this structure were immediately demolished after purchase and the rest is to be used for redevelopment.

Location and Access and Quality

All comparables are similar and no measurable differences noted. No adjustment necessary.

Land to Building Ratio

A higher land to building ratio allows for future expansion of the improvements and more parking spaces. The subject offers the vacant parcel along the river that can be used for parking or future expansion. It is typical in CBD buildings of this era to have land to building ratios of 1.00 to 2.00 so Comparables 1 and 3 offer typical ratios and no adjustment necessary. Comparable 2 offers a much lower land to building ratio that would greatly inhibit potential uses for this property with redevelopment. Comparable 2 adjusts \$1.00 upward for its vastly lower land to building ratio.

General Comments Sales Comparison Approach

The sales discovered are similar use and are the best sales data as of the current date. Research data was discovered from Loopnet, Costar, several different multiple listing services and several brokers were contacted. The comparables used in this analysis adequately represent buyer and seller motivations and are a good representation of market value for the subject.

After adjustments, these sales are a reasonable indication of the market value of the subject property. The comparable sales are indicating a range of value from \$1.10/SF to \$4.00/SF. Comparable 2 is most influential due to the most similar reported condition. Market value is reconciled near the lower range due to the greater influence of Comparable 2. The fee simple market value for the subject is reconciled to \$1.50/SF or \$175,000 rounded.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3			
ADDRESS	400 Meadow St	3040 Jackson St	3000 Jackson St	2816 N Main St			
CITY	Belvidere, IL	Dubuque, IA	Dubuque, IA	Rockford, IL			
SALE PRICE		\$825,000	\$40,000	\$339,972			
SALE PRICE / SF		\$11.00 / SF	\$0.40 / SF	\$1.10 / SF			
FINANCING		Cash	--	Cash	--		
PROPERTY RIGHTS	Fee Simple	Fee Simple	--	Fee Simple	--		
CONDITIONS OF SALE		Arm's-Length	--	Arm's-Length	--		
BUYER EXPENDITURES	None \$0	None	--	None	--		
MARKET CONDITIONS / DATE	Jul-17	Jun-17	--	Mar-17	--		
ADJ SALE PRICE		\$825,000	\$40,000	\$339,972			
ADJ SALE PRICE / SF		\$11.00 / SF	\$0.40 / SF	\$1.10 / SF			
ADJUSTMENTS	PERCENTAGE ADJUSTMENTS SHOWN IN DOLLARS						
SITE SIZE (adjusted)	333,513 SF	87,991 SF	No adj.	34,848 SF	No adj.	854,115 SF	No adj.
BUILDING SIZE	115,719 SF	74,988 SF	No adj.	99,397 SF	No adj.	308,990 SF	No adj.
AGE / PHYSICAL CONDITION	Fair 1890 / eff age 50	1893 / Avg	-\$7.00	1893 / Fair	--	1943 / Fair	--
LOCATION	Average	Average	--	Average	--	Average	--
ACCESS	Average	Average	--	Average	--	Average	--
QUALITY	Brick / average	Brick / avg	--	Brick / avg	--	MetallBlock / avg	--
LAND/BUILDING RATIO	2.88	1.17	No adj.	0.35	+\$1.00	2.12	No adj.
OVERALL RATE	N/A		N/A		N/A		N/A
NET ADJUSTMENT			-\$7.00		+\$1.00		+\$0.00
ADJUSTED PRICE / SF			\$4.00		\$1.40		\$1.10
Low:	115,719 SF	X	\$1.10 / SF	=		\$127,322	
High:	115,719 SF	X	\$4.00 / SF	=		\$463,114	
FINAL VALUE OPINION:	115,719 SF	X	\$1.50 / SF	=		\$173,579	
				Rounded =		\$175,000	

Value Indication From Sales Approach

The indicated market value of the factory portion of the subject property, As-Is, by the Sales Comparison Approach, as of July 6, 2017 is:

ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS
\$175,000

Warehouse Portion of Building

#	Address	City	Sale Date	Sale \$	Sq Ft	\$/Sq Ft	Eave Height	Comparison
1	5004 27th Ave	Rockford	Nov-16	\$320,000	16,293	\$19.64	Inferior	Similar - Industrial
2	10400 N 2nd St	Machesney Park	Oct-16	\$730,000	33,750	\$21.63	Inferior	Superior - Industrial
3	4982 27th Ave	Rockford	Jan-14	\$695,000	27,566	\$25.21	Inferior	Superior - More Office Space
4	2800 Falund St	Rockford	May-17	\$190,000	15,504	\$12.25	Inferior	Inferior - Industrial Storage
5	2806 22nd St	Rockford	Jul-15	\$473,900	36,198	\$13.09	Inferior	Similar - Industrial
6	960 Gardner St	South Beloit	Jan-15	\$220,000	13,431	\$16.38	Inferior	Similar - Industrial
Subject	400 Meadow St	Belvidere		\$607,500	40,500	\$15.00	32ft	Subject

Theory on Separate Value

Given the steel warehouse addition was built in 1973, it has a different rate of value than the factory addition. Appraiser allocated 2 acres of land to go with the building giving it parking area. An aerial of the approximate site area is included below.



The appraiser searched for industrial properties that had similar potential uses as the subject warehouse. Adequate data was found for comparison. The sales selected for final analysis are the sales the appraiser believes are most reflective of the cross section of the market that allow for a bracketing technique used in determining value.

Discussion of Comparable Sales

Comparable 1 is a newer building in an industrial park so it would have greater appeal than the subject property. Comparable 2 is a newer building in superior condition. Comparable 3 is a newer building in an industrial park that has a great deal office space versus the subject having no office space. Comparable 4 is an inferior building in an inferior location. Comparable 5 is an REO sale with a building that could have multiple uses similar to the subject. Comparable 6 is a building that could have similar uses like the subject.

General Comments and Conclusions

The six comparable sales in the table above support a range of \$12.25 to \$25.21 per square foot. The 32ft eave height in the warehouse is a positive for warehouse but a negative for many industrial users as it is wasted space that requires heating and cooling. The warehouse has minimal heat and electric. If the warehouse were converted to a more industrial user, it would require more HVAC and electrical work to be completed and likely insulation. Its age also means it has support poles in the building and it does not offer a clear span like a newer building.

The final value of the subject is ranked near the lower range based on the above information limiting potential uses of the warehouse as a separate entity. The most probable value is rounded to be \$607,500 or \$15.00 per square foot. This is being rounded to \$600,000 for its final value.

Value Indication From Sales Approach

The indicated market value of the warehouse portion of the subject property, As-Is, by the Sales Comparison Approach, as of July 6, 2017 is:

**SIX HUNDRED THOUSAND DOLLARS
\$600,000**

Block Storage Building

Appraiser surveyed the market for similar small detached buildings to the 5,480 sq ft block storage building. These buildings sell in the \$3 to \$8 per square foot range. Based on the age of the subject, appraiser is estimating it at approximately \$5.00 per square foot or \$27,400. This is being rounded to \$25,000 for its final value.

The indicated market value of the storage building on the subject property, As-Is, by the Sales Comparison Approach, as of July 6, 2017 is:

**TWENTY FIVE THOUSAND DOLLARS
\$25,000**

Sales Comparison Summary

As discussed previously in this report, the subject property has several different building types in differing conditions. The most accurate way to achieve a total value for the subject property is to adequately value the components. Each portion was valued separately above in the sales comparison approach to best illustrate the contributing value of the different portions of the subject property.

Below is the summary of the components.

\$175,000	Factory Portion of Property
\$ 25,000	Block Storage Building
<u>\$600,000</u>	<u>Steel Warehouse Portion of Property</u>
\$800,000**	Total Value from Sales Comparison Approach

***Sum of the parts is assumed to equal the whole, thus no discount is necessary.*

Total Value Indication From Sales Approach

**The indicated market value of the entire subject property, As-Is,
by the Sales Comparison Approach, as of July 6, 2017 is:**

**EIGHT HUNDRED THOUSAND DOLLARS
\$800,000**

AS IF Vacant Value Discussion

The client asked appraiser if any value would be left to the property if the building were demolished. The subject property has multiple components and could be demolished as a whole or just demolish the original factory portion (shell building) of the site. Below is an explanation.

Based on appraiser research, the following assumptions are present in the below scenarios:

- Values for developmental site acreage range from \$20,000 to \$40,000 per acre.
- Cost of demolition ranges from \$3 to \$5 per foot and this does not include costs associated with moving and/or removing utilities or asbestos abatement.
- After allocating 2 acres of site to the steel warehouse and 1.6723 acres to the storage building, the remaining site area is 333,513 sq ft (7.66 acres).

The City of Belvidere obtained a bid 2 years ago with a cost to demolish the factory portion of the property and remove its concrete slab at nearly \$370,000 (\$3.20/SF). This excludes any abatement costs and moving of utilities and falls within the lower range of the demolition survey costs by appraiser. Today, the City of Belvidere is estimating and rounding up the total cost to \$500,000 (\$4.32/SF) for budgeting purposes. They are including some abatement costs and utility issues in their budget number.

The after demolish land value would range from \$153,200 to \$306,400 (\$20K to \$40K multiplied by 7.66 acres). Appraiser would estimate the lower half of this range is more realistic as the higher range is typically development ground near major roadways in superior locations. Appraiser will use the midpoint of the range and estimate land value at \$30K per acre for a rounded number of \$225,000. Therefore, if demolition costs were \$500,000, the City would be in a negative cash position of \$275,000 on the factory portion of the property.

The City would then need to decide if they were going to keep the remaining steel warehouse building and block storage building or try to sell them off to recover some of their costs. The City uses these two buildings for storage currently.

In summary, the answer is not definitive as the City needs to analyze whether or not they need these two structures or if they could be sold to try to recover some of the negative cash position on the rest of the property. Regardless, an AS IF vacant value would lead to a negative cash position and it is not financially feasible at this time.

Memo

To: Mayor and City Council
From: Brent Anderson, Director of Public Works
Date: 7/18/2017
Re: WWTP Blower Settlement Agreement – Blower Building Modifications

The settlement agreement with Atlas-Copco requires them to replace our existing blowers with new ones. In order to install the new blowers, modifications to the existing electrical and piping systems in the blower building need to be made. Atlas-Copco has agreed to pay for the modifications, but as a manufacturer, they are not in a position to act as general contractor. The City has agreed to be the general contractor for the building modifications and Baxter & Woodman will provide the construction engineering services required at no cost to the City as part of the settlement agreement.

We have received the following proposals to complete the required modifications to the blower building:

- | | |
|--|--------------|
| 1. Ceroni Piping/Engel Electric
7770 Ceroni Road
Cherry Valley, IL 61016 | \$98,754.00 |
| 2. Mechanical Inc/Wilson Electric
P.O. Box 690
Freeport, IL 61032 | \$119,790.00 |
| 3. Dahme Mechanical/Wilson Electric
610 S Arthur Ave
Arlington Heights, IL 60005 | \$172,337.00 |

I would recommend approval of the proposal from Ceroni Piping/Engel Electric, in the amount of \$98,754.00, to complete the blower building modifications at the WWTP. This work will be paid for by Atlas-Copco.

MASTER POWER SUPPLY AGREEMENT

FOR INFORMATION ONLY

AGREEMENT BY AND BETWEEN THE CITY OF BELVIDERE AND DYNEGY ENERGY SERVICES, LLC TO PROVIDE FULL-REQUIREMENTS ELECTRICITY SUPPLY AND RELATED SERVICES FOR THE CITY'S ELECTRIC AGGREGATION PROGRAM

This Agreement ("Agreement"), is entered into as of this 8th day of June, 2017 ("Effective Date") between the City of Belvidere, an Illinois municipal corporation ("Municipality") and DYNEGY ENERGY SERVICES, LLC ("Supplier") (each a "Party" and collectively, the "Parties").

RECITALS

A. The Municipality has established an Electricity Aggregation Program ("Program") pursuant to the Aggregation Ordinance and the Aggregation Statute, and will conduct the Program as an opt-out program pursuant to the Aggregation Ordinance and the Aggregation Statute.

B. In order to identify qualified suppliers of electricity for the Program, the Northern Illinois Municipal Electric Collaborative ("NIMEC") conducted a Request for Qualifications and Joint Power Supply Bid process.

C. The purpose of this Agreement is for Supplier to provide the Full-Requirements Electricity Supply Services and the Program Implementation Services as defined herein (collectively, the "Services") to all Eligible Customers who choose not to opt out of the Program throughout the Term of this Agreement at the Price established in this Agreement.

D. Supplier acknowledges and agrees that it has all certifications, authorizations, qualifications, and approvals necessary pursuant to the Requirements of Law to sell Full-Requirements Electricity Supply to Eligible Customers pursuant to this Agreement, including without limitation that:

- a. Supplier is certified by the Illinois Commerce Commission as a Retail Electric Supplier and is authorized to sell Full-Requirements Electricity Supply to customers in the State of Illinois utilizing the existing transmission and distribution systems of ComEd within the service areas of ComEd;
- b. Supplier is currently registered with ComEd to serve residential and small commercial customers under Rate RESS - Retail Electric Supplier Service with Rider PORCB - Purchase of Receivables and Consolidated Billing; and
- c. Supplier has at least three years continuous experience as a Retail Electric Supplier and has provided Full-Requirements Electricity Supply to at least 25,000 residential or commercial customers.
- d. Supplier acknowledges and agrees that it will provide the Services, including without limitation Full-Requirements Electricity Supply to all Participating Customers, pursuant to the Bid Package, the Bid Response, this Agreement, and the Requirements of Law.

e. The Municipality desires to enter into this Agreement with Supplier for the provision by Supplier of Full-Requirements Electricity Supply to all Eligible Customers pursuant to the Program.

AGREEMENT

In consideration of the mutual covenants and agreements contained herein, the Municipality and Supplier agree as follows:

ARTICLE 1 RECITALS

1.1 The foregoing recitals are, by this reference, fully incorporated into and made part of this Agreement for all purposes.

ARTICLE 2 DEFINITIONS

The following terms shall have the meanings ascribed to them in this section:

- 2.1. "Aggregate" means the total number of Eligible Customers that are within the jurisdictional boundaries of the Municipality.
- 2.2. "Aggregation Ordinance" means that certain ordinance adopted by the Municipality authorizing the Program.
- 2.3. "Aggregation Statute" means Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92 and applicable rules and regulations of the Illinois Commerce Commission.
- 2.4. "Bid Package" means the bid documents provided to the pre-qualified bidders pursuant to the Power Supply Bid and attached to this Agreement as Exhibit A.
- 2.5. "Bid Response" means the response submitted by Supplier to the Bid Package, which is attached to this Agreement as Exhibit B.
- 2.6. "Billing Services" means those services described in Section 4.4 of this Agreement, including all subsections of Section 4.4.
- 2.7. "ComEd" means Commonwealth Edison, an Exelon Company.
- 2.8. "Compliance Services" means those services identified in Section 4.5 of this Agreement, including all subsections of Section 4.5.
- 2.9. "Confidential Information" means the information defined in Section 9 of this Agreement.
- 2.10. "Customer Information" means that certain information that the Electric Utility is required to provide to the corporate authorities of the Municipality pursuant to the Aggregation Statute, including without limitation those names and addresses and Electric

Utility account numbers of residential and small commercial retail customers in the Aggregate area that are reflected in the Electric Utility's records at the time of the request.

2.11. "Data" means the data defined in Section 9 of this Agreement.

2.12. "Electric Utility" means ComEd.

2.13. "Eligible Customers" means residential and small commercial electricity customers receiving Full-Requirements Electricity Supply within the Municipality who are eligible to participate in the Program pursuant to the Aggregation Statute and the Requirements of Law.

2.14. "Energy" means generated electricity.

2.15. "Enrollment Services" means those services described in Section 4.3 of this Agreement, including all subsections of Section 4.3.

2.16. "Extended Term" means the term defined in Section 5.1 of this Agreement.

2.17. "Force Majeure Event" means the circumstances defined in Section 7.1 of this Agreement.

2.18. "Full-Requirements Electricity Supply" means all services or charges necessary to provide the continuous supply of electricity to all Participating Customers, including, without limitation, Energy, capacity, losses, renewable portfolio standard (RPS) charges, imbalances, load factor adjustments, transmission costs, congestion charges, marginal losses, ancillary services, Purchase of Receivables and Consolidated Billing (PORCB), taxes applicable only to Supplier, and any additional necessary services or charges.

2.19. "Full-Requirements Electricity Supply Services" means those portions of the Services described in Section 4.1 of this Agreement, including all subsections of Section 4.1.

2.20. "ICC" means the Illinois Commerce Commission

2.21. "Independent System Operator" or "ISO" means that certain independent system operator for the Electric Utility established pursuant to Section 16-126 of the Public Utilities Act, 220 ILCS 5/16-626.

2.22. "Joint Power Supply Bid" means the bidding process conducted by NIMEC on behalf of the Municipality to identify Supplier.

2.23. "New Customers" means the customers defined in Section 4.3.9 of this Agreement.

2.24. "Opt-Out Notice" means the notices described in Section 4.2.1.1 of this Agreement and provided to Eligible Customers informing them of their ability to opt-out of the Program pursuant to the Requirements of Law:

2.25. "Opt-Out Period" means the time prior to the implementation of the Program during which Eligible Customers may choose not to participate in the Program pursuant to the Requirements of Law.

- 2.26. "Opt-Out Process" means the process defined in Section 4.2.1 of this Agreement.
- 2.27. "Participating Customers" means those Eligible Customers who do not opt out of the Program and are not Special Billing Customers, and New Customers.
- 2.28. "Plan of Governance" or "POG" means that certain Plan of Operation and Governance approved by the Municipality in May, 2012, pursuant to the Aggregation Statute.
- 2.29. "Point of Delivery" means the point specified by the Electric Utility at which the Supplier must deliver the Full-Requirements Electricity Supply to the Electric Utility for distribution to Participating Customers.
- 2.30. "Price" means the fixed price expressed in cents per kilowatt hour at which the Supplier will provide the Services as set forth in Exhibit C to this Agreement.
- 2.31. "Program" means the electricity aggregation program operated by the Municipality in accordance with the Aggregation Statute and authorized by the Aggregation Ordinance, to aggregate residential and small commercial retail electrical loads located within the corporate limits of the Municipality for the purpose of soliciting and entering into service agreements to facilitate for those loads the sale and purchase of Full-Requirements Electricity Supply and related Services.
- 2.32. "Program Implementation Services" means those portions of the Services described in Section 4.2 of this Agreement, including all subsections of Section 4.2.
- 2.33. "Requirements of Law" means the Aggregation Ordinance, the Aggregation Statute, the Plan of Governance, the rules and regulations of the ICC and Illinois Power Agency (including the ICC Order in Case No. 11-0434 issued on April 4, 2012), the rules, regulations and tariffs applicable to the Electric Utility and the Independent System Operator, and all other applicable federal, state, and local laws, orders, rules, and regulations, all as may be hereinafter duly amended.
- 2.34. "Retail Electric Supplier" or "RES" means an "alternative retail electric supplier" as that term is defined in Section 16-102 of the Public Utilities Act, 220 ILCS 5/16-102.
- 2.35. "Services" means the Full-Requirements Electricity Supply Services, Program Implementation Services, Enrollment Services, Billing Services, and Compliance Services provided in Article 4 of this Agreement.
- 2.36. "Special Billing Customers" means the customers defined in Section 4.3.8 of this Agreement.
- 2.37. "Supplier" means Dynegy Energy Services, LLC and the lawful successor, transferee, designee, or assignee thereof.
- 2.38. "Tariffed Service" means the applicable tariffed services provided by the Electric Utility as required by 220 ILCS 5/16-103, which includes ComEd's electricity supply charge plus ComEd's transmission services charge, plus ComEd's purchased electricity adjustment.

2.39. "Term" means the period of time defined in Section 5.1 of this Agreement.

2.40. "Municipality" means the City of Belvidere.

2.41. "Withdrawing Customer" means a customer defined in Section 4.3.6 of this Agreement.

ARTICLE 3 PROGRAM RESPONSIBILITIES

3.1 Municipality Responsibilities.

3.1.1 Customer Information. The Municipality shall, with the assistance of Supplier, pursuant to the Requirements of Law, obtain the Customer Information from ComEd.

3.1.2 Notices and Customer Information from ComEd. The Municipality shall promptly forward to Supplier the Customer Information received from ComEd and each Party will promptly provide to the other Party any notices received by that Party from ComEd concerning the accounts of Eligible or Participating Customers relevant to the Services provided pursuant to this Agreement.

3.1.3 Submittals to ComEd. The Municipality shall, with the assistance of Supplier, submit to ComEd (a) the "Government Authority Aggregation Form", (b) a list of Eligible Customers who are not Participating Customers because they have elected to opt out of the Program, and (c) a list of all Participating Customers.

3.1.4 No Municipality Obligations to Provide Services. The Parties acknowledge and agree this Agreement shall not, and shall not be construed, to create any responsibility for Municipality to provide the Services to any person or entity, including without limitation Supplier, the Electric Utility, the ISO, Eligible Customers, Special Billing Customers, New Customers or Participating Customers.

3.1.5 No Municipality Financial Responsibility. The Parties acknowledge and agree that this Agreement does not impose or create, and shall not be construed to create, any financial obligation of the Municipality to any other person or entity, including without limitation Supplier, the Electric Utility, the ISO, Eligible Customers, Special Billing Customers, or Participating Customers.

3.1.6 Compliance with the Requirements of Law. The Municipality shall comply with all Requirements of Law.

3.2 Supplier Obligations.

3.2.1 Provision of Services. Supplier will provide all of the Services described in Article 4 of this Agreement throughout the Term, including but not limited to the provision of sufficient Full-Requirements Electricity Supply to allow the Electric Utility to deliver and distribute uninterrupted electric service to all Participating Customers. Supplier acknowledges and agrees that the Municipality is not responsible to provide, and shall not be

liable to Supplier or any Eligible Customer for any failure to provide, any Services pursuant to this Agreement.

3.2.2 Compliance with the Requirements of Law. Supplier shall comply with all Requirements of Law.

3.2.3 Supplier Press Releases. Supplier may issue press releases concerning the Program that are approved in advance by the Municipality prior to issuance.

3.2.4 That all information provided by Supplier to the Municipality or any of its agents relating to this Agreement in any way shall be true and accurate in all material respects at all times.

ARTICLE 4 SUPPLIER SERVICES

4.1 Full Requirements Electricity Supply: Supplier must supply the following Full-Requirements Electricity Supply Services as provided in this Section 4.1.

4.1.1 Scheduling, Transmission and Delivery of Full-Requirements Electricity Supply.

4.1.1.1 Generally. Supplier shall take all actions necessary to arrange for the scheduling, transmission, and delivery of Full-Requirements Electricity Supply to the Electric Utility for distribution to all Participating Customers.

4.1.1.2 Scheduling. Supplier shall schedule the Full-Requirements Electricity Supply for distribution as required by the ISO and the Electric Utility.

4.1.1.3 Distribution and Transmission Rights. Supplier will arrange for any distribution and transmission rights necessary for the Supplier's delivery of the Full-Requirements Electricity Supply to the Electric Utility hereunder.

4.1.1.4 Transmission and Delivery to Electric Utility.

4.1.1.4.1 Transmission and Delivery. Supplier will cause to be transmitted and delivered to the Electric Utility at the Delivery Point sufficient Energy to provide continuous Full-Requirements Electricity Supply to all Participating Customers. The Municipality acknowledges that the Electric Utility, and not Supplier, is responsible for the distribution of the Full-Requirements Electricity Supply to the Participating Customers after delivery by Supplier to the Delivery Point, and that Supplier does not take responsibility for the distribution of the Full-Requirements Electricity Supply to Participating Customers after Supplier provides Full-Requirements Electricity Supply to the Point of Delivery.

4.1.1.4.2 Failure of Delivery. Supplier acknowledges and agrees that if Supplier fails to comply with any requirement related to the Full-Requirements Electricity Supply to the Participating Customers pursuant to this Agreement, including without limitation if Supplier fails to schedule all or

part of the Full-Requirements Electricity Supply for any Participating Customer, Supplier shall be solely responsible for any additional costs, charges, or fees incurred because of such failure, and shall not pass through any such additional costs, charges, or fees to Participating Customers.

4.1.2 Pricing. Supplier shall receive the Price in full payment for all Services, and shall not be entitled to any additional costs, adjustments, charges, fees, or any other payments or compensation, except that Supplier may impose an early termination fee on Withdrawing Customers pursuant to Section 4.3.6 of this Agreement. The Municipality acknowledges that the Price does not include sales or other consumer-based taxes applicable to Participating Customers or other taxes that are not applicable to Supplier and that Supplier has no responsibility or obligation with respect to such taxes.

4.2 Program Implementation Services. Supplier must supply the following Program Implementation Services as provided in this Section 4.2:

4.2.1 Opt-Out Process. Supplier, at its sole cost and expense, shall, with the assistance of the Municipality, administer the process by which Eligible Customers are provided with the opportunity to opt-out of the Program prior to its implementation (the "Opt-Out Process"), including, but not limited to, the following:

4.2.1.1 Opt-Out Notices. Supplier, at its own expense, shall be fully responsible to prepare and mail form Opt-Out Notices to all Eligible Customers as required pursuant to the Requirements of Law. Opt-Out Notices must include all information required pursuant to the Requirements of Law, including without limitation including the terms and conditions of participation in the Program, the cost to the Customer of Full-Requirements Electricity Supply under the Program, the methods by which Customers may opt out of the Program, and the length of the Opt-Out Period. The Opt-Out Notices must prominently include the toll-free telephone number. The form and content of the Opt-Out Notices must be approved by the Municipality prior to mailing by Supplier. In addition to the Opt-Out Notices, Supplier will provide Participating Customers with terms and conditions for the provision of Full Requirements Electric Supply to those Participating Customers, which terms and conditions shall comply with and accurately reflect all of the requirements of this Agreement and the Requirements of Law.

4.2.1.2 Notices to Special Billing Customers. The Municipality acknowledges that Supplier may provide notices to Special Billing Customers concerning the Program, the Price, the rates charged to Special Billing Customers under their existing service, and the opportunity for Special Billing Customers to opt in to the Program as provided in Section 4.3.9 of this Agreement.

4.2.1.3 Toll-Free Number. In addition to receiving completed Opt-Out Notices from Eligible Customers by mail, Supplier shall, at its own expense, provide, operate, and maintain a toll-free number for the use of Eligible Customers to opt out of the Program. The toll-free number must be operational during normal business hours during the Opt-Out Period. The Opt-Out Notices must prominently include the toll-free number. Supplier will be required to support Spanish-speaking residents and customers with disabilities.

4.2.1.4 Reporting. During the Opt-Out Period, Supplier is responsible for receipt of all Opt-Out Notices. Supplier must assemble, track, and report to the Municipality concerning the delivery and receipt of all Opt-Out Notices to and from Eligible Customers, including without limitation, providing the Municipality with complete information concerning all Eligible Customers who choose to opt-out of the Program whether by mail or telephone.

4.2.2 Required Disclosures. Supplier shall provide Eligible Customers with all information required to be disclosed to Eligible Customers concerning Full-Requirements Electricity Supply and the Program pursuant to the Requirements of Law, including without limitation, all information required to be included in the Opt-Out Notices.

4.3 Enrollment Services. Supplier must supply the following Enrollment Services as provided in this Section 4.3:

4.3.1 Record of Participating Customers. Following the completion of the Opt-Out Period, Supplier shall be responsible to compile a complete list of all Participating Customers and those Eligible Customers who have opted out of the Program, and shall take reasonable measures to ensure that no Eligible Customers who have opted out are enrolled in the Program.

4.3.2 Enrollment. Upon completion of the Opt-Out Process and the identification of all Eligible Customers who have opted out of the Program, Supplier shall, at its sole cost and expense, take all actions necessary to enroll Participating Customers in the Program pursuant to the Requirements of Law.

4.3.3 Term of Enrollment. Participating Customers who do not opt out of the Program shall be enrolled in the Program by Supplier and shall remain enrolled in the Program until the end of the Term, unless the Agreement is terminated pursuant to its terms or the Participating Customer withdraws from the Program pursuant to Section 4.3.6 of this Agreement

4.3.4 Direct Access Service Request. Supplier shall submit a direct access service request to ComEd for each Participating Customer in compliance with the "standard switching" subsection of Rate RDS - Retail Delivery Service, in order to allow Full-Requirements Electricity Supply to commence.

4.3.5 Payment of Switching Fees. Supplier shall reimburse Participating Customers for any switching fee imposed by the Electric Utility related to the enrollment of a Participating Customer in the Program within 30 days of receiving notice of such switching fee. Supplier shall not be responsible to pay any switching fees imposed on Participating Customers who switch service from an alternate retail electric supplier.

4.3.6 Withdrawal by a Participating Customer. For Participating Customers who notify Supplier after the completion of the Opt-Out Period that the Participating Customer desires to withdraw from the Program ("Withdrawing Customer"), Supplier must, at the direction of the Participating Customer, drop the Participating Customer from Supplier's Full-Requirements Electricity Supply on the next available meter read, which will result in restoring the Participating Customer to Tariffed Service. Supplier will not assess an early termination fee to Withdrawing Customers.

4.3.7 Customer Service Inquiries. After completion of the Opt-Out Period, Supplier must maintain and operate a toll-free telephone number and internet website for the purpose of receiving questions and comments from Participating Customers concerning the Full-Requirements Electricity Supply. Supplier may inform Participating Customers that questions about the delivery and billing of the Full-Requirements Electricity Supply should be directed to ComEd. Supplier must promptly and courteously address customer service inquiries in a manner that meets or exceeds the ICC requirements for the operation of call centers.

4.3.8 Special Billing Customers. Subject to the Requirements of Law and due to the minimal and/or fixed nature of their existing billing rates, the following Eligible Customers shall not be automatically enrolled in the Program, but may subsequently elect to enroll in the Program as New Customers pursuant to Section 4.3.9 of this Agreement:

4.3.8.1. Any Eligible Customer in the residential customer class, as described in Section 4.4.2 of this Agreement, that is taking service under the following ComEd rates:

- Rate BESH – Basic Electric Service Hourly Pricing
- Rate RDS – Retail Delivery Service; and

(collectively, the "Special Billing Customers").

4.3.9 New Customers. After the commencement of the Program and the enrollment of Participating Customers, Supplier shall, at the request of a New Customer, as defined in this Section 4.3.9, immediately enroll the following customers (collectively, the "New Customers") in the Program and provide Full-Requirements Electricity Supply to those customers at the Price:

- 4.3.9.1. Any Eligible Customer within the Municipality that moves to a new location within Municipality;
- 4.3.9.2. Any Eligible Customer that moves into an existing location within Municipality;
- 4.3.9.3 Any Eligible Customer that previously opted out of the Program during the Opt-Out Period; and
- 4.3.9.4 Any Eligible Customer that was inadvertently omitted from the list of Participating Customers and not enrolled in the Program.

4.4 Billing Services. Supplier must supply the following Billing Services as provided in this Section 4.4:

4.4.1 Billing Generally. Supplier shall confirm that billing to Eligible Customers will be provided by ComEd under a consolidated billing format pursuant to "Rider PORCB – Purchase of Receivables and Consolidated Billing," and pursuant to the Requirements of Law. Municipality acknowledges and agrees that ComEd will bill Participating Customers for the Price of the Full-Requirements Electricity Supply as part of its billing for the distribution of such supply, and that Supplier shall not be responsible for billing Participating Customers.

4.4.2 Customer Classes. Eligible Customers shall be categorized within either the residential or commercial customer classes according to the applicable rates under which they received electricity supply from ComEd prior to participating in the Program.

4.4.2.1 Residential Customer Class. The residential customer class shall include Participating Customers taking service from ComEd under the following rates:

- Residential Single Family Without Electric Space Heat Delivery Class
- Residential Single Family With Electric Space Heat Delivery Class
- Residential Multi Family Without Electric Space Heat Delivery Class
- Residential Multi Family With Electric Space Heat Delivery Class

4.4.2.1 Commercial Customer Class. The commercial customer class shall include those Participating Customers taking service from ComEd under the following rates:

- 15,000 kWh's or less Delivery Class

4.5 Compliance Services. Supplier shall assist the Municipality in complying with any current or future Requirements of Law concerning the operation of the Program, including without limitation, the provision of reports or other information as the Municipality may reasonably request from time to time.

4.6 Following the completion of the Opt-Out Period, Supplier shall be responsible to compile a complete list of all Participating Customers in the Program. Supplier will update this list as new customers are added and deleted. Supplier will make this list available to the Municipality at any time the Municipality requests the list. Additionally, within 120 days of the end of this agreement, Supplier will make the Program's load data by rate class available to the Municipality. Load data shall include:

- Historical Usage Data
- Capacity Peak Load Contribution (PLC) values and effective start and end dates.
- Network Service Peak Load Contribution (PLC) values and effective start and end dates.
- Meter Bill Group Number.
- Rate Code.

4.7 Supplier will conduct supplemental opt out mailings every six months to those residents that have moved into the Municipality since the last renewal, offering electric service at the Price. Supplier will be responsible for all costs associated with the mailing. Should a six-month period coincide with the Municipality's renewal, no supplemental mailing will be required.

4.8 At each renewal of the program, Supplier will conduct an opt in mailing to those residents who have individually selected an electric supplier other than Supplier, informing them of the pricing of the aggregation program.

ARTICLE 5 TERM

5.1 Term. This Agreement commences as of the Effective Date and is for a term of thirteen (13) consecutive monthly billing periods starting from the initial meter read date designated by the Municipality in consultation with Supplier in September, 2017, and expires at the end of the last day of the 13th billing cycle for the Participating Customer(s) with the latest billing cycle (the "Term"). The Municipality and Supplier may extend the Term for additional periods of time up to three years for each extension, by written agreement approved and executed by each Party (each an "Extended Term"). Nothing in this Article 5 related to the Term or the possibility of agreement to an Extended Term may be construed or applied in any manner to create any expectation that any right or authority related to this Agreement granted by the Municipality to Supplier will continue beyond the Term or an approved Extended Term.

5.2 In the event this agreement is not renewed or terminated for any reason, including expiration according to its terms, the Municipality may choose another RES or Retail Electric Supplier and Supplier shall allow all Participating Customers to be switched to the selected RES, or all Participating Customers shall be switched by Supplier to service with ComEd in accord with the standard switching rules and applicable notices or as otherwise required by any applicable law or regulation.

ARTICLE 6 REMEDIES AND TERMINATION

6.1 Municipality's General Remedies. In addition to every other right or remedy provided to the Municipality under this Agreement, if Supplier fails to comply with any of the provisions of this Agreement (for reason other than a Force Majeure Event pursuant to Section 7.1 of this Agreement or a Regulatory Event pursuant to Section 7.2 of this Agreement, then the Municipality may give notice to Supplier specifying that failure. Supplier will have 15 calendar days after the date of that notice to take all necessary steps to comply fully with this Agreement, unless (a) this Agreement specifically provides for a shorter cure period or (b) an imminent threat to the public health, safety, or welfare arises that requires a shorter cure period, in which case the notice must specify the cure period, or (c) compliance cannot reasonably be achieved within 15 calendar days but Supplier promptly commences a cure and diligently pursues the cure to completion. If Supplier fails to comply within that 15-day period, or the shorter period if an imminent threat, or if Supplier fails to promptly commence a cure and diligently pursue the cure to completion, then the Municipality, subject to the limits of applicable federal or State of Illinois law, may take any one or more of the following actions:

- 6.1.1 Seek specific performance of any provision of this Agreement or seek other equitable relief, and institute a lawsuit against Supplier for those purposes.
- 6.1.2 Institute a lawsuit against Supplier for breach of this Agreement and, except as provided in Section 6.3 of this Agreement, seek remedies and damages as the court may award.
- 6.1.3 In the case of non-compliance with a material provision of this Agreement, declare this Agreement to be terminated in accordance with the following:

6.1.3.1 The Municipality will give written notice to Supplier of the Municipality's intent to terminate this Agreement ("Termination Notice"). The notice will set forth with specificity the nature of the non-compliance. Supplier will have 30 calendar days after receipt of the notice to object in writing to termination, to state its reasons for that objection, and to propose a remedy for the circumstances. If the Municipality has not received a response from Supplier,

or if the Municipality does not agree with Supplier's response or any remedy proposed by Supplier, then the Municipality will conduct a hearing on the proposed termination. The Municipality will serve notice of that hearing on Supplier at least 10 business days prior to the hearing, specifying the time and place of the hearing and stating Municipality's intent to terminate this Agreement.

6.1.3.2 At the hearing, Supplier will have the opportunity to state its position on the matter, present evidence, and question witnesses. Thereafter, the Municipality will determine whether or not this Agreement will be terminated. The hearing must be public and held on record.

6.1.3.3 The decision of the Municipality must be in writing and delivered to Supplier by certified mail.

If the rights and privileges granted to Supplier under this Agreement are terminated, then Supplier, within 14 calendar days after the Municipality's demand, must reimburse the Municipality for all costs and expenses incurred by the Municipality, including, without limitation, reasonable attorneys' fees, in connection with that termination of rights or with any other enforcement action undertaken by the Municipality.

6.2 Actions on Termination or Expiration of this Agreement. This Agreement shall terminate upon the expiration of the Term or an Extended Term, as applicable (with the understanding that the expiration of service for any particular Participating Customer will be tied to that customer's billing cycle), or the Municipality's termination of the Agreement pursuant to Section 6.1.. Upon termination as a result of expiration of the Term (absent agreement upon an Extended Term), or upon termination as a result of expiration of an Extended Term, as applicable, Supplier shall return Participating Customers to Tariffed Service upon expiration of the Term or Extended Term, as applicable, on the first available meter read. In the event of the Municipality's termination of the Agreement prior to the end of the Term or Extended Term pursuant to Section 6.1.c, as applicable, Supplier shall return Participating Customers to Tariffed Service on the second available meter read in order to provide the opportunity for Participating Customers to identify alternate sources of electrical supply prior to returning to Tariffed Service. Participating Customers shall not be liable for any termination fees as a result of such termination or expiration in accordance with the preceding sentences of this Section 6.2. Supplier shall not be responsible to any Participating Customer for any damages or penalties resulting from the return to Tariffed Service, including claims relating to the Tariffed Service price being higher than the Price herein.

6.3 Limitation of Liability. Except for Supplier's failure to provide Full-Requirements Electricity Supply to Participating Customers or the disclosure of Customer Information in violation of the Requirements of Law, or as otherwise specifically provided herein, in no event will either Party be liable to the other Party under this Agreement for incidental, indirect, special, or consequential damages connected with or resulting from performance or non-performance of this Agreement, irrespective of whether such claims are based upon breach of warranty, tort (including negligence of any degree), strict liability, contract, operation of law or otherwise.

ARTICLE 7 FORCE MAJEURE EVENTS AND REGULATORY EVENTS

7.1 Force Majeure Events. Supplier shall not be held in default under, or in non-compliance with, the provisions of the Agreement, nor suffer any enforcement or penalty relating to non-compliance or default (including termination, cancellation or revocation of the Franchise), where such non-compliance or alleged defaults occurred or were caused by a "Force Majeure Event," defined as a strike, riot, war, earthquake, flood, tidal wave, unusually severe rain or snow storm, hurricane, tornado or other catastrophic act of nature, labor disputes, or other event that is reasonably beyond the Supplier's ability to anticipate or control. Non-compliance or default attributable to a Force Majeure Event shall be corrected within a reasonable amount of time after the Force Majeure Event has ceased.

7.2 Regulatory Event. The following shall constitute a "Regulatory Event":

- a. Illegality. It becomes unlawful for a Party to perform any obligation under this Agreement due to the adoption of, or change in the interpretation of, any applicable law by any judicial or government authority with competent jurisdiction.
- b. Adverse Government Action. A regulatory, legislative or judicial body (A) requires a material change to the terms of this Agreement that materially and adversely affects a Party or (B) takes action that adversely and materially impacts a Party's ability to perform, or requires a delay in the performance of this Agreement that either Party determines to be unreasonable or (C) orders a change or modification that affects the Program such that either Party's obligations hereunder are materially changed, and the change is not deemed a Force Majeure Event.
- c. New Charges. Any material increase in generation, energy, or utility taxes or charges enacted and effective after the Effective Date of this Agreement. These charges would not be unique to Supplier's customers, but would apply to all customers in ComEd's rate classifications. The imposition of such tax or charge after the Effective Date of this Agreement is not subject to automatic pass-through in Price, but would only constitute a Regulatory Event if the imposition of the charge materially and adversely affects Supplier's ability to perform.
- d. Occurrence of Regulatory Event. Within ten (10) days of the occurrence of a Regulatory Event, the adversely affected Party shall give notice to the other Party that such event has occurred. Within thirty (30) days, or such other period as the Parties may agree in writing, the Parties shall enter into good faith negotiations to amend or replace this Agreement, so that the adversely affected Party is restored as nearly as possible to the economic position it would have been in but for the occurrence of the Regulatory Event. If the Parties are unable to agree upon an amendment to this Agreement, within thirty (30) days or such other period as the Parties may agree in writing, the adversely affected Party shall have the right, upon ten (10) days prior written notice, to terminate and close out its obligations under this Agreement.

ARTICLE 8 INDEMNIFICATION AND INSURANCE

8.1 Indemnification. Supplier shall indemnify and hold harmless the Municipality, its officers, employees, agents, and attorneys, from and against any third party injuries, claims, demands, judgments, damages, losses and expenses, including reasonable attorney's fees and costs of suit or defense, arising from Supplier's provision of the Services, except to the extent caused by the sole negligence of the Municipality. Nothing herein shall be construed to limit Supplier's duty to indemnify the Municipality by reference to the limits of insurance coverage described in this Agreement.

8.2 Insurance. Contemporaneous with Supplier's execution of this Agreement, Supplier shall provide certificates of insurance, all with coverages and limits as set forth in Exhibit D to this Agreement. For good cause shown, the Municipality Manager, Municipality Administrator, or his or her designee may extend the time for submission of the required certificates of insurance upon such terms, and with such assurances of complete and prompt performance, as the Municipality Manager, Municipality Administrator, or his or her designee may impose in the exercise of his sole discretion. Such policies shall have a general rating of A minus, and a financial size category of Class VII or better, in Best's Insurance Guide. Supplier shall endeavor to notify the Municipality of any notice received or knowledge acquired by Supplier of any cancellation or threat of cancellation of any policy applicable to this Section 8.2. Supplier shall, at all times during the term of this Agreement, maintain and keep in force, at Supplier's expense, the insurance coverages provided above.

ARTICLE 9 CONFIDENTIAL INFORMATION

9.1 Confidential and Proprietary Information. Notwithstanding anything to the contrary set forth herein, the Parties are not required to disclose information which they reasonably deem to be proprietary or confidential in nature. The Parties agree that any information disclosed by a Party and designated as proprietary and confidential shall only be disclosed to those officials, employees, representatives, and agents of the other Party that have a need to know in order to administer and enforce this Agreement. For purposes of this Section, the terms "proprietary or confidential" include, but are not limited to, information relating to a Party's corporate structure and affiliates, marketing plans, financial information unrelated to the calculation of the Price or rates pursuant to the Requirements of Law, or other information that is reasonably determined by a Party to be competitively sensitive. A Party may make proprietary or confidential information available for inspection but not copying or removal by the other Party's representatives. Compliance by the Municipality with the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq. ("Illinois FOIA"), including compliance with an opinion or directive from the Illinois Public Access Counselor or the Illinois Attorney General under the Illinois FOIA, or with a decision or order of a court with jurisdiction over the Municipality, shall not be a violation of this Section.

9.2 Ownership of Data and Documents. All data and information, regardless of its format, developed or obtained under this Agreement ("Data"), other than Supplier's confidential information, will be and remain the sole property of the Municipality. Supplier must promptly deliver all Data to the Municipality at the Municipality's request. Supplier is responsible for the care and protection of the Data until that delivery. Supplier may retain one copy of the Data for Supplier's records subject to Supplier's continued compliance with the provisions of this Agreement.

9.3 Limitations on Customer Information. Both Parties acknowledge and agree that the Customer Information is subject to, and must be maintained in compliance with, the limitations on disclosure of the Customer Information established by the Requirements of Law, including without limitation

the Aggregation Statute, Section 16-122 of the Public Utilities Act, 220 ILCS 5/16-102, and Section 2HH of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2HH.

9.4 Limitations on Customer Information. Both Parties acknowledge and agree that the Customer Information is subject to, and must be maintained in compliance with, the limitations on disclosure of the Customer Information established by the Requirements of Law, including without limitation, the Aggregation Statute, Section 16-122 of the Public Utilities Act, 220 ILCS 5/16-102, Section 2HH of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2HH, the ICC Order in Case No. 11-0434 issued April 4, 2012, and the provisions of ComEd's Tariff Rate GAP. The Municipality shall warrant to ComEd that customer-specific information provided to the Municipality in accordance with the provisions of ComEd's Tariff Rate GAP shall be treated as confidential. To protect the confidentiality of Customer Information:

9.4.1 Supplier access to Customer Information is limited to those authorized representatives of Supplier, or any third party, who have a need to know the information for purposes of this Agreement.

9.4.2 Supplier warrants that it will not disclose, use, sell, or provide Customer Information to any person, firm or entity for any purpose outside of the aggregation program.

9.4.3 Supplier and the Municipality acknowledge that Customer Information remains the property of the Municipality and that material breaches of confidentiality will prohibit Supplier from placing any new bids to the Municipality's subsequent Request(s) for Qualifications for a period of one year after termination of this Agreement.

9.4.4 Supplier warrants that it will delete and/or destroy the Customer Information described in Items 18 through 23 of the Company Obligations Section of ComEd's Tariff Rate GAP, and provided by the Municipality, within 60 days after ComEd provides the information to Municipality. The Municipality will offer its assistance to ensure that Supplier meets these requirements and deadlines.

9.5 Proprietary Rights, Survival. Each Party acknowledges the proprietary rights of the other Party in and to the Confidential Information. The obligations under this Article Nine shall survive the conclusion or termination of this Agreement for two (2) years.

ARTICLE 10 MISCELLANEOUS

10.1 Notices. Any notices, requests or demands regarding the services provided under this Agreement and the Attachments shall be deemed to be properly given or made (i) if by hand delivery, on the day and at the time on which delivered to the intended recipient at its address set forth in this Agreement; (ii) if sent by U.S. Postal Service mail certified or registered mail, postage prepaid, return receipt requested, addressed to the intended recipient at its address shown below; or (iii) if by Federal Express or other reputable express mail service, on the next Business Day after delivery to such express service, addressed to the intended recipient at its address set forth in this Agreement. The address of a Party to which notices or other communications shall be mailed may be changed from time to time by giving written notice to the other Party.

To Municipality

City of Belvidere
401 Whitney Blvd.
Belvidere, IL 61008
Phone: 815-544-3612

To Supplier

Dynegy Energy Services, LLC
Marketing & Customer Care
Mark Fanning, Managing Director
1500 Eastport Plaza Drive
Collinsville, IL 62234
Phone (618) 343-7734
Email: Mark.Fanning@Dynegy.com

With a copy to:

With a copy to:

Dynegy, Inc.
Judith Kim
601 Travis St., Suite 1400
Houston, TX 70002

10.2 Mutual Representations and Warranties. Each Party represents and warrants to the other Party, as of the date of this Agreement, that:

- a. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation, and if relevant under such laws, in good standing;
- b. It has the corporate, governmental and/or other legal capacity, authority and power to execute, deliver and enter into this Agreement and any other related documents, and perform its obligations under this Agreement, and has taken all necessary actions and made all necessary determinations and findings to authorize such execution, delivery and performance;
- c. The execution, delivery and performance of this Agreement does not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; and
- d. It has reviewed and understands this Agreement; and
- e. It, to the extent applicable, shall comply with all the Requirements of Law.

10.3 Supplier agrees that all information presented in its Response to Qualifications for Municipal Aggregated Electricity Supply For Member Communities of the Northern Illinois Municipal Electric Collaborate, dated May 12, 2017, is accurate and there have been no material changes to that information. Any exceptions are noted on attached exhibit and made part of this Agreement.

10.4 Entire Agreement. This Agreement and the response to qualifications referenced in 10.3, including all Attachments hereto, contains all of the terms and conditions of this Agreement reached by the Parties, and supersedes all prior oral or written agreements with respect to this Agreement. This Agreement may not be modified, amended, altered or supplemented, except by written agreement signed by both Parties hereto. No waiver of any term, provision, or conditions of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or shall constitute a waiver of any other provision hereof, whether or not similar, nor shall such waiver constitute a continuing waiver, and no waiver shall be binding unless executed in writing by the Party making the waiver.

10.5 Exhibits. Exhibits A through D attached to this Agreement are, by this reference, incorporated into and made part of this Agreement.

10.6 Waivers. The failure of either Party to insist upon strict performance of such requirements or provisions or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment of such requirements, provisions or rights.

10.7 Applicable Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Illinois without regard for the conflicts of law provisions thereof.

10.8 Controlling Provisions. In the event of any inconsistency between the terms herein and the terms of the Exhibits hereto, the provisions of the Agreement shall control.

10.9 Severability. Any provision in this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction. The non-enforcement of any provision by either Party shall not constitute a waiver of that provision nor shall it affect the enforceability of that provision or the remainder of this Agreement.

10.10 Venue. Except as to any matter within the jurisdiction of the ICC, all judicial actions relating to any interpretation, enforcement, dispute resolution or any other aspect of this Agreement shall be brought in the Circuit Court of the State of Illinois, Boone County, Illinois. Any matter brought pursuant to the jurisdiction of the federal court shall be brought in the United States District Court for the Western District of Illinois.

10.11 No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer third-party beneficiary status on any person, individual, corporation or member of the public to enforce the terms of this Agreement.

10.12 No Waiver of Rights. Nothing in this Agreement shall be construed as a waiver of any rights, substantive or procedural, that the Municipality may have under Federal or State law unless such waiver is expressly stated herein.

10.13 Validity of Agreement. The Parties acknowledge and agree in good faith on the validity of the provisions, terms and conditions of this Agreement, in their entirety, and that the Parties have the power and authority to enter into the provisions, terms, and conditions of this Agreement.

10.14 Authority to Sign Agreement. Each Party warrants to the other Party that it is authorized to execute, deliver and perform this Agreement. The individual signing this Agreement on behalf of each Party warrants to the other Party that he/she is authorized to execute this Agreement in the name of the Party for which he/she is signing.

10.15 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Municipality and Supplier and their respective successors, grantees, lessees, and assigns throughout the Term of this Agreement.

10.16 Non-Assignability. This Agreement shall not be transferred or assigned by Supplier without the express written authorization of the Municipality.

10.17 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one instrument.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement to be effective on the date first written above.

Dynegy Energy Services, LLC

Municipality: City of Belvidere

Signed: _____

Signed:  _____

Printed/Typed Name: _____

Printed/Typed Name: MAIRE CHAMBERLAIN

Title: _____

Title: MAYOR

Date: _____

Date: 9 JUNE 2017

Attest: _____

Attest:  _____

EXHIBIT A
BID PACKAGE

EXHIBIT B
BID RESPONSE

EXHIBIT C:

PRICE

Opt-Out Program:

Residential and Commercial Customer Classes

09/2017 – 10/2018 Price: \$0.07000 per KWh

The above pricing includes 0% additional renewable power, the Retail Power Price indicated above for the traditional power option will be applicable for all Aggregation Members, unless an Aggregation Member elects to participate in the Renewable Power Option, if applicable.

Opt-In Program:

Residential and Commercial Customer Classes

09/2017 – 10/2018 Price: \$0.07193 per KWh

The above pricing includes 100% renewable power, the Retail Power Price shall be associated with the generation of electricity from a renewable energy resource, through purchases of RECs on Aggregation Members' behalf, such that the percentage shall equal 100%. The Retail Power Price indicated above reflects energy that is procured from 100% renewable resources and will be made available to Aggregation Members upon request.

Term: 13 months

Supplier will not make a civic contribution.

Termination Fees:

Residential - \$0.00

Commercial - \$0.00

EXHIBIT D
INSURANCE COVERAGES

A. Worker's Compensation and Employer's Liability including occupational disease coverage, in accordance with the benefits afforded by the statutory worker's compensation acts applicable to the state, territory or district of hire, supervision or place of accident.

(1) Worker's Compensation: Statutory;

(2) Employer's Liability:

\$1,000,000 injury-per occurrence

\$1,000,000 disease-per employee

\$1,000,000 disease-policy limit

Such insurance shall evidence that coverage applies in the State of Illinois.

B. Comprehensive Motor Vehicle Liability with a combined single limit of liability for bodily injury and property damage of not less than \$1,000,000 for vehicles owned, non-owned, or rented.

C. Comprehensive General Liability with coverage written on an "occurrence" basis with limits no less than: \$1,000,000 Bodily Injury and Property Damage Combined Single Limit. Coverages shall include:

(1) Broad Form Property Damage Endorsement
Blanket Contractual Liability (must expressly cover the indemnity provisions of the Contract)

(2) Coverage shall be written on a "claims made" basis..

D. Umbrella/Excess Policy. The required coverages may be in any combination of primary, excess, and umbrella policies. Any excess or umbrella policy must provide excess coverage over underlying insurance on a following-form basis such that when any loss covered by the primary policy exceeds the limits under the primary policy, the excess or umbrella policy becomes effective to cover such loss.

F. Except where prohibited by law, Vendor may self-insure as to any of the insurance coverages required by this Exhibit, and in such case shall administer any claims in the same manner as would be adjusted and administered under an industry standard form policy meeting the above coverage requirements.