

Resolution No. 07-05-02-30

WHEREAS, the City of Le Roy has established a Tax Increment Financing District (TIF) within the city limits to encourage revitalization of the City's business and industry, and;

WHEREAS, certain tax incentives can be given to those individual(s) who establish a new business within the TIF District, and;

WHEREAS, Holiday Inn Express, a business wanting to establish itself within the TIF District for the City of Le Roy is desirous of applying for the TIF District benefits; and;

WHEREAS, the City is desirous of allowing Holiday Inn Express to establish its business in the TIF District subject to the terms and conditions set forth by the City pursuant to this Resolution and as further set out in the TIF District Redevelopment Agreement, Promissory Note, Mortgage, and Agreement for Cash Advance as each one individually or all together may apply to this situation.

NOW THEREFORE BE IT RESOLVED:

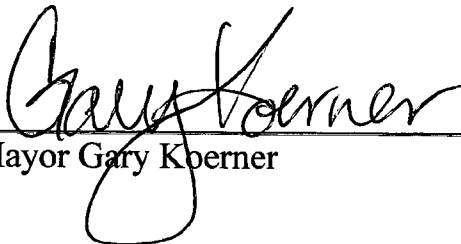
1. That the City of Le Roy allow up to \$580,000 in Tax Increment Financing Funds (TIF Funds) for the purpose of acquiring property located in the Le Roy Plaza Subdivision to construct a motel. These TIF Funds will be based upon an initial investment in acquisition and building costs of at least \$2,500,000 by Nick and Neel Patel (Developer).
2. If the acquisition and building costs are less than \$2,500,000, the City will reimburse based upon a rate of 23% of the eligible project costs not to exceed \$580,000.
3. The distribution of funds will be paid as follows:

95% return on property taxes paid by developer for years 1-5
Annual Cap \$80,000 Overall Cap \$380,000

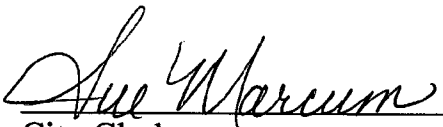
50% return on property taxes paid by developer for years 6-10
Annual Cap \$40,000 Overall Cap \$200,000

4. The TIF Funds will be considered a loan to the Developer and as a condition precedent to receiving the funds, the Developer must sign all necessary documents associated with the proposed development project; including but not limited to a Redevelopment Agreement, Promissory Note and Mortgage.
5. The total cap for the TIF Fund project is \$580,000.
6. Failure to maintain the business once opened in accordance with the Redevelopment Agreement will require full repayment of the TIF Funds that have not yet been canceled to be secured with the Developer's property and a Promissory Note.
7. In the event there are insufficient TIF Funds in the City's TIF account to pay Developer's proposed TIF Fund loan along with all other TIF Fund Loan projects to the City, then payment will be made from the City TIF Fund account prorated in accordance with the investment and acquisition cost of the Developer's project.

Dated, this 21ST day of May, 2007.



Mayor Gary Koerner



City Clerk