

## **2016 Intergovernmental Agreement Between the City of Peoria and The Peoria Civic Center Authority**

**This Intergovernmental Agreement** is made and entered into as of May 26, 2016, by and between the City of Peoria, a municipal corporation of the State of Illinois, herein known as the "City", and the Peoria Civic Center Authority, a municipal corporation of the State of Illinois, herein known as the "Authority":

WITNESSETH:

**Whereas**, the City of Peoria is a unit of local government as defined by Article VII, Section 1, of the Constitution of the State of Illinois and is also a home rule municipality as provided for in Article VII, Section 6, of the Constitution of the State of Illinois; and

**Whereas**, the Peoria Civic Center Authority, which has been established and empowered pursuant to the Peoria Civic Center Act, 70 ILCS 315/1 et seq. is a unit of local government as defined by Article VII, Section 1 of the Constitution of the State of Illinois; and

**Whereas**, units of local government are enabled by Article VII, Section 10 of the Constitution of the State of Illinois and the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq. to enter into agreements among themselves for the purposes of jointly exercising with each other any power or powers, privileges or authority exercised by any of the governmental bodies themselves including the transfer of revenues; and

**Whereas**, the City and the Authority have heretofore entered into an Amended Agreement for Funding and Development of Civic Center dated December 23, 1976, which dealt with the construction of the Peoria Civic Center, and an intergovernmental cooperation agreement known as the 1990 Civic Center Agreement, and an intergovernmental cooperation agreement known as the 1996 Civic Center Agreement; and an intergovernmental cooperation agreement known as the 2013 Civic Center Agreement; and

**Whereas**, the City and Authority wish to consolidate, revise and enter into a new agreement in order to provide for adequate funding for the operation and capital improvements of the Peoria Civic Center and distribution of a certain tax enacted by the City known as the Hotel, Restaurant and Amusement Tax (hereinafter "HRA Tax") and to replace the 2013 Civic Center Agreement in its entirety; and

**Whereas**, the City and Authority believe that it is desirable and important to the citizens of the City of Peoria that the Authority maintain adequate facilities for the presentation of fairs, industrial, cultural, educational, trade and scientific exhibits, shows and sporting events in the Metropolitan area of the City of Peoria, as fully described in the Peoria Civic Center Act; and

**Whereas**, the City issued certain general obligation bonds for the acquisition and construction of the Peoria Civic Center, certain bonds for capital improvements to the Peoria Civic Center, and contemplates the issuance of additional bonds to retire previous bond debt and provide funds for additional capital improvements to the Peoria Civic Center, all of which bonds are hereinafter referred to as "the Bonds"; and

**Whereas**, the City has enacted the HRA Taxes, the proceeds of which are utilized to retire the principal and interest on the Bonds issued for the construction and improvement of the Peoria

Civic Center and for the purpose of providing adequate monetary support for the Peoria Civic Center operations and the Peoria Area Convention and Visitors Bureau (hereinafter "Bureau") operations; and

**Whereas**, the Authority has no means of its own other than revenues from operations to provide funds for the expansion, operations and capital improvements to the Peoria Civic Center; and

**Whereas**, the City is desirous of continuing the funding of the operations of the Peoria Civic Center and the capital improvements thereto as well as the support of the operations of the Bureau; and

**Whereas**, as in any business operation, the Authority and the Bureau need the ability to plan their activities on a long-term basis; and

**Whereas**, it is critical to the successful operation of the Peoria Civic Center that adequate funds be made available for operation, annual capital expenditures, adequate working capital funding and major capital expenditures for the Peoria Civic Center; and

**Whereas**, the Authority has previously presented to the City a thirty year plan that outlines the long range goals and plans of the Peoria Civic Center, establishes a defined flow of funds for support of the Bureau, and identifies a potential excess of HRA Tax funds which will accrue to the benefit of the City, and said thirty year plan is in need of updating; and

**Whereas**, the objectives of the City, Authority, and Bureau can best be accomplished by establishing a consistent mechanism of a flow of funds for operations and capital improvements which can utilize the HRA taxes after the payment of any debt service on the Bonds as they may presently exist or as they may be increased in the future by additional bonds issued for the purpose of capital improvements to the Peoria Civic Center.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

## **1. DEFINITIONS**

1.01 The following words and terms, as used in this Agreement and the preambles hereto, shall have the following meaning unless the context or use indicates another or different meaning or intent.

**"Amended Agreement"** means the Amended Agreement for Funding and Development of Civic Center dated January 1, 1996 (and subsequently amended: July 25, 2000; June 27, 2001; July 9, 2002; August 17, 2004; December 23, 2008; December 15, 2010; and March 1, 2013), between the City of Peoria and the Peoria Civic Center Authority.

**"Annual Capital Expenditures"** means those expenditures which are part of the annual budget for the Peoria Civic Center and excludes capital items of a major nature.

**"Bonds"** means all general obligation bonds, revenue bonds and other notes, bonds and obligations heretofore or hereafter issued by the City to support the acquisition, improvement and repair of the facilities of the Peoria Civic Center and to support the operations of the Peoria Civic Center.

**"Capital Fund"** means that money to be used for major capital expenditures at the Peoria Civic Center as the same are generally understood in accordance with generally accepted accounting principles for governmental bodies.

"Civic Center Site" means the site of all Civic Center facilities or operations as the same may now or hereafter exist.

"Debt Service" means the payment of principal and interest on the Bonds and payments into any required debt service reserves.

"Event Cost" means expenses directly attributable to the use of the Peoria Civic Center for specific events.

"Gross Revenue" means all sources of revenue other than Public Support.

"HRA Taxes" means certain taxes levied by the City of Peoria upon the use and privilege of renting a hotel or motel room, upon the privilege of purchasing food or alcoholic beverages served at a restaurant or tavern, and upon the witnessing or participating in an amusement, as the same may now or hereafter exist; all as more fully set forth in appendix "J" of the Peoria City Code and as said taxes may be amended from time to time.

"Net Operating Revenue" means all Gross Revenue received by the Authority with regard to the operation of the Peoria Civic Center after excluding: i) ticket revenue paid to promoters; ii) taxes included in or on said revenue; and iii) Public Support.

"Operating Income/Deficit" means with respect to a 12 month fiscal year of the Authority the amount that is the Net Revenue less Total Cost of Operation (but before any addition for Public Support) as determined in accordance with generally accepted accounting principles for governmental bodies.

"Operating Overhead" means annual expenses of the Authority in managing and operating the Peoria Civic Center excluding costs directly attributable to specific events.

"Public Support" means revenue from public bodies such as the City of Peoria or State of Illinois which are not payment for use of the Civic Center facility.

"Total Cost of Operation" means the sum of Operating Overhead and Event Cost excluding any provisions for depreciation and amortization.

"Working Capital" means current assets of the Authority minus current liabilities.

## **2. AUTHORITY'S DUTIES**

2.01 Operate and maintain the Civic Center in accordance with the duties of the Authority under this Agreement, the Amended Agreement, the laws, rules and regulations of the State of Illinois, and in the best interest of the citizens of the City of Peoria.

2.02 Operate and maintain the Civic Center to maximize utilization of the available space at the Civic Center on a daily basis. The Authority shall be responsible for all sales of the Civic Center space.

2.03 If feasible, operate all facilities of the Authority in such a manner that, collectively, they shall earn sufficient revenues for the Authority to pay all operating expenses for the Authority.

2.04 Use funds received from the City under this Agreement solely for the purposes set forth in this Agreement.

2.05 Deliver to the City, at least quarterly, such information regarding the operation of the Authority as the City may reasonably require.

2.06 So long as Bonds issued by the City for support of the Authority are outstanding:

(a) Prepare, execute and file all certificates as and when required by any applicable bond ordinance;

(b) Maintain and operate the Authority in conformity with all requirements of governmental authorities having jurisdiction thereof;

(c) Comply with all arbitrage covenants of any applicable bond ordinance.

2.07 Pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect to the Authority or upon any part thereof or upon any revenue therefrom, when the same shall become due.

2.08 Pay or cause to be discharged, or make adequate provision to pay, satisfy or discharge, all lawful claims and demands for labor, materials, supplies, or other objects, which, if unpaid, might by law become a lien upon the Civic Center or Authority or any part thereof or the revenues therefrom; provided, however, that nothing in this Section shall require the Authority to pay, satisfy or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

### **3. CITY'S DUTIES**

3.01 Take all such action as may be necessary to comply with all applicable bond covenants for the Bonds, including timely payment of all principal and interest thereon.

3.02 Provide pursuant to the terms of Section 4 hereof, the revenue derived from the HRA Taxes to the Authority, the Bureau and the Tourism Reserve Fund.

3.03 Provide such assistance as may be necessary and required by the Authority for the timely and efficient accomplishment of the thirty year plan heretofore approved by the City, as such may from time to time be amended or modified and approved by the City.

### **4. HRA TAX REVENUE**

4.01 The Authority has no power to levy any tax for its support and is dependent upon the City for financial support. The City is obligated to provide for the economic support of the Authority through this Agreement and has enacted an ordinance levying the HRA Taxes to generate revenues for payment of Debt Service and the Authority's needs for subsidy of any Operating Deficit, Annual Capital Expenditures, funding of the Bureau, Working Capital, Capital Fund, and such other items as may be appropriate uses of HRA Taxes. The City and Authority have projected that receipts from the HRA Taxes will, in the future, yield an amount of money in excess of that necessary for Debt Service. The City and Authority agree that it is in the best interest of both to provide a formula for the distribution of HRA Taxes that will allow the Authority to operate in the best interest of the Peoria Community and provide the level of service that is consistent with its purpose.

4.02 The City shall retain each month from the proceeds of HRA Taxes amounts determined by the City to be necessary and appropriate to repay principal and interest on all of the Bonds outstanding from time to time, including all amounts necessary to fund all reserve requirements as set forth in the ordinance applicable to such bond(s) and a fractional amount (not less than 1/10) of the interest becoming due on the next succeeding interest payment date and a fractional amount (not less than 1/10) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal maturity date, until there has been accumulated and held by the City (including any interest earnings on amounts withheld) a sum sufficient to pay such next due principal or interest, or both. Such retention shall be suspended in any year at such time as there shall be sufficient funds held to meet the principal and interest requirements for the

balance of such year and such retention shall continue on a year to year basis thereafter in the same manner as set forth in this section.

4.03 Subject to the first call on HRA Tax receipts as described in Sections 4.02, the distribution of excess receipts described in Section 4.06, and the funding for the Tourism Reserve Fund described in Section 4.05 the City shall retain an amount equal to Six Hundred Fifty Thousand Dollars (\$650,000.00) , for support of the Bureau's operations as further set forth in a separate agreement between the City and Bureau.

4.04 Subject to the amounts described in Section 4.02 and 4.03, the city shall retain from HRA Tax receipts Two Hundred Twenty Five Thousand Dollars (\$225,000.00) for administrative fees, Arts Partners, and to support Riverfront marketing activities.

4.05 The City and the Bureau shall jointly administer a Tourism Reserve Fund. The Tourism Reserve Fund previously consisted of five separate funds: the 90% Civic Center Fund; the 10% Non-Civic Center Fund; the Local Community Events Fund; the Peoria Marketing Fund; and the Joint Marketing Fund. Beginning with this Agreement, the 90% Civic Center Fund shall be eliminated. Previously unspent balances in the 90% Civic Center Fund shall be distributed upon execution of this Agreement to the Authority for future funding commitments and to increase the Civic Center operating subsidy. Future distributions shall be allocated to the Civic Center operating subsidy. Beginning with this Agreement, the Joint Marketing Fund shall be eliminated. Previously unspent balances in the Joint Marketing Fund shall be held by the Tourism Reserve Fund for future marketing efforts. Future distributions shall be allocated to the Civic Center operating subsidy. The Tourism Reserve Fund shall be held by the City and used by the Committee for the following purposes:

a. Seventy Thousand Dollars (\$70,000) plus any unspent prior balance, may be used by the Tourism Reserve Fund Committee for support of the 10% Non-Civic Center Fund to attract convention/tourism business to Peoria, thereby increasing overnight stays, and subsequently, increasing the economic impact to the community.

b. Ninety Thousand Dollars (\$90,000), plus any unspent prior balance, may be used by the Tourism Reserve Fund Committee for support of the Local Community Events Fund to assist Peoria based organizations with special events funding to enhance the quality of life for the citizens and visitors of the City of Peoria.

c. 36.67% of the annual Hotel tax in excess of \$650,000, after application of the Hotel Pere Marquette Hotel Tax Exclusion and the Hotel tax increase effective January 1, 2016 described below, may be used by the Bureau each year for the Peoria Marketing Fund.

Any balance remaining in the Fund shall roll over from year to year. Attachment C is attached hereto as an example of how the cascading of funds will occur.

The Tourism Reserve Fund shall be operated by a committee comprised of five voting members: two members of the Peoria City Council appointed by the Mayor and approved by the Council; two members appointed by the Mayor and approved by the Council; and one member of the Convention and Visitor's Bureau Board of Directors. The Peoria City Manager and the President of the Peoria Area Convention and Visitors Bureau shall be non-voting members of the committee, but may vote in the absence of a member of their respective entities. The operations of the committee and the uses of its funding shall be subject to and governed by a separate set of criteria for use of the TRF funds which were restated in April 2013 and which may from time to time be amended or restated by the Committee as necessary to accomplish the intended purpose of the Tourism Reserve Fund.

4.06 The remaining collected balance of HRA Tax receipts shall be paid by the City to the Authority for support of its operations, except that for any year in which the collected Hotel Tax, Restaurant Tax or Amusement Tax exceeds the average growth rate of the collected Hotel Tax, Restaurant Tax or Amusement Tax receipts over the preceding five calendar years (using 2012 as the most recent year of collection for the first year of this Agreement), one half of such increase, net of any payment to the Bureau, shall be retained by the City for its use. Any adjustments to payments for any year as a result of this Section shall be made as soon as practicable after the close of each calendar year.

4.07 The HRA Tax receipts transferred pursuant to Section 4.06 shall be used by the Authority in the following order: first, for the subsidy of any Operating Deficit in the current fiscal year, second, for Annual Capital Expenditures, third, for the replenishment of Working Capital, and fourth, for a Capital Fund.

4.08 Working Capital shall be created by amounts transferred under Section 4.06 after subsidy of any Operating Deficit and Annual Capital Expenditures until such time as it is equal to fifty percent (50%) of the actual Operating Overhead of the Authority for the prior fiscal year. Working Capital shall be held by the Authority in such cash investments as may be prudent.

4.09 The Capital Fund shall be created by amounts transferred under Section 4.06 after subsidy of any Operating Deficit, Annual Capital Expenditures, and Working Capital requirements until such time as the Fund's principal and accumulated interest equals one hundred percent (100%) of the Gross Revenues of the Authority for the fiscal year. Such Capital Fund shall be held by the Authority which may use the accumulated interest therefrom for subsidy of any Operating Deficit, Annual Capital Expenditures, Working Capital and major capital expenditures, but any use of the principal shall be made only after approval thereof by the City as provided for in the budget submitted to the City pursuant to the Amended Agreement and Section 4.10.

4.10 The Authority shall submit a status report on the thirty year plan and its annual budget, which shall identify the amounts to be used for each purpose listed in Section 4.07, to the City for its review and approval, which approval shall be a condition precedent to the transfer of HRA tax revenues to the Authority. It is the obligation of the Authority to implement the budget approved by the City and manage the use of budgeted funds, The City shall act within 45 days on any budget submitted to it by the Authority and the Authority shall provide to the City such documentation of its budget as the City may from time to time require. The Authority shall furnish during its fiscal year timely monthly reports of its activities and financial performance to the City. The Authority shall promptly transmit the report of its annual audit to the City.

4.11 The City Council entered into a Redevelopment Agreement for the block bounded by Fulton, Madison, Main and Monroe Streets in downtown Peoria to redevelop the Hotel Pere Marquette and to construct a new Marriott Courtyard Hotel. Part of the financing of the project is intended to come from increased hotel and restaurant taxes on the block, and the City has issued bonds for the project. In 2013, and thereafter until the aforementioned bonds are paid, the City may utilize hotel and restaurant taxes in excess of the hotel and restaurant taxes realized from the Hotel Pere Marquette in 2008 to repay the bonds issued by the City. The HRA taxes collected by the Hotel Pere Marquette in 2008 were Three Hundred Twenty Seven Thousand Two Hundred and Seventy Five Dollars (\$327,275.00). The Bureau and the Authority shall have no claim on the aforementioned incremental hotel and restaurant taxes.

4.12 The City Council approved a 2016-2017 operating and capital budget on December 8, 2015, that included a 2% increase in the Hotel tax, effective January 1, 2016. This increase was designated for road improvements throughout Peoria. Effective January 1, 2016 and until the

tax is rescinded, an amount equivalent to 25% of the Hotel tax collected will be transferred from the Restaurant tax collections to the City Road fund to be used for City infrastructure projects within City right-of-ways.

## **5. THIRTY YEAR PLAN/ ANNUAL BUSINESS AND MARKETING PLAN**

5.01 The distribution of HRA Tax receipts set forth in the Amended Agreement was predicated upon a thirty year plan (Appendix A) prepared by the Authority and presented to the City for its review and which was accepted in principle by the City in 1995. Both parties recognize that a new thirty year plan is required, and shall collaborate to develop a new plan during the first year of this Agreement. Both parties shall use their best efforts to effectuate the goals of the Authority as expressed in the new thirty year plan, subject to the flow of HRA Tax revenues as projected.

5.02 The Authority will be responsible for sales at the Peoria Civic Center. If requested, the Bureau will provide sales support, housing services and marketing services to events booked at the Peoria Civic Center by the Authority. The Bureau and the Authority will collaborate to provide unified bid packages to potential clients. The Bureau and the Authority will share unified bid packages with one another, with the consent of the participating hotels, and agree upon a method to share potential leads and define a procedure for client relations. If requested, the Bureau will provide additional services to events at the Civic Center and other venues using more than one hotel. The Bureau will collaborate with the City and the Authority to bring additional events to Peoria.

5.03 The Authority will annually develop a sales and marketing plan with the goal of increasing the utilization of the Peoria Civic Center. Each annual sales and marketing plan shall be presented annually to the City Council. The Authority shall meet at least semi-annually with the City Manager to update the City on the progress of the sales and marketing efforts.

## **6. MUTUAL COOPERATION**

6.01 The Authority shall efficiently operate the Peoria Civic Center according to sound business principles, according to and in compliance with all laws, and in the best interest of public service to the greater Peoria community. The Authority may employ its own staff and employees or enter into such agreement and contracts as may be advisable to accomplish the same. To the extent that the Authority shall employ its own personnel it shall establish personnel rules, compensation and other policies that are in harmony, wherever possible, with the City's personnel rules, giving due consideration to the peculiar differences between the respective operations. Administration of all such rules and policies shall be the responsibility of the Authority. The Authority and the City shall keep each other advised of personnel rules, compensation and other policies.

6.02 The City and Authority may deal in collective bargaining with certain groups who represent both City and Authority employees. In order to maintain efficient collective bargaining procedures the Authority shall advise the City of all negotiations with any unit of employees and allow a City representative, upon request by the City Manager, to attend collective bargaining sessions with regard to Authority employees. The Authority shall conduct its own collective bargaining negotiations, and approve agreements arising from collective bargaining and the City shall have no obligations in regard thereto. All collective bargaining agreements of either the City or Authority shall be provided to the other.

6.03 The Authority shall coordinate its activities with those of the Bureau so as to promote the use of the Peoria Civic Center and the lodging and tourism industry in the greater

Peoria community.

**7. GENERAL TERMS**

7.01 If any provision of this Agreement shall be declared invalid for any reason, such invalidity shall not affect any other provision which can be given its effect without the invalid provision and to this extent and no other the provisions of this Agreement are severable.

7.02 This Agreement is not intended as an amendment to the Amended Agreement and if any provision herein shall be so declared then such provision shall be declared null and void, provided that such invalidity shall not affect any other provision which can be given its effect without the invalid provision and to this extent and no other the provisions of this Agreement are severable.

7.03 This Agreement shall be construed according to the laws of the State of Illinois.

7.04 This Agreement shall be effective on the date first above written, after authorized signature hereon by the City and Authority, and upon its adoption the 2013 Civic Center Agreement shall be null and void.

7.05 This Agreement may be terminated as of the start of the next fiscal year of the Authority by either party hereto by giving written notice to the other party at least ninety (90) days prior to the commencement of said fiscal year; however, if the City terminates the Agreement the City shall provide appropriate funding for any capital project theretofore approved through the budgeting process if the Authority is legally obligated to proceed with the project.

**IN WITNESS WHEREOF**, the parties have executed this 2016 Intergovernmental Agreement between the City of Peoria and the Peoria Civic Center Authority.

City of Peoria

Peoria Civic Center Authority

By \_\_\_\_\_ By \_\_\_\_\_  
Mayor Chairman

Attest \_\_\_\_\_ Attest \_\_\_\_\_  
City Clerk Secretary



Appendix A

**Peoria Civic Center Authority  
Hotel, Amusement and Restaurant  
Thirty Year Plan**

**TO BE COMPLETED BY THE PARTIES IN 2016**

Objective

The Civic Center Authority has developed a 30 year plan which is presented to the Peoria City Council for review and approval. It is anticipated that this plan will become part of a revised Intergovernmental Agreement between the City of Peoria and the Peoria Civic Center Authority. This agreement was last revised on July 10, 1990 and needs to be updated to reflect the 30 year plan and other operation changes which have taken place in the last six years.

Background

Over the past five years, the Peoria Civic Center Authority has focused its attention on financial improvements in the operation of the Peoria Civic Center which has resulted in the first annual operating profit of the Civic Center in its history. It is time to turn our attention to developing a long-term financial plan for continued growth and financial success for both the Civic Center and the community. To that end, we have developed a 30 Year Plan for the use of Hotel, Amusement and Restaurant (HRA) taxes collected in the City of Peoria. This plan incorporated the existing uses of the tax with future event and development projects. The benefactors of this plan are not only the Peoria Civic Center, but the Peoria Area Convention & Visitors Bureau (PACVB) with planned additional event subsidy funds, and the Riverfront Development Project.

For the purpose of this presentation, we have prepared two HRA projections. Exhibit I is an anticipated projection based on moderate growth rates. Exhibit II projects a more conservative outlook. The components of these projects are as follows:

**1. Tax Base/Tax Rate/Growth Rate**

Sales generated by Hotel, Amusement and Restaurant establishments in the City of Peoria at the current tax rates (Hotel/Motel 5.5%, Restaurant 2.0% and Amusement 2.0%) We have assumed that the tax rate will remain constant and have used the following growth rates:

	<u>Anticipated</u>	<u>Conservative</u>
	Exhibit I	Exhibit II
Amusement	3.50%	2.00%
Hotel/Motel	4.00%	3.00%
Restaurant	3.50%	2.00%

**2. Tax Collections**

Amount of money collected by the City of Peoria for HRA taxes.

### 3. Bond Payments

#### Existing Bonds

Currently HRA funds are used to make payments of the outstanding debt for the original construction, renovation and expansion of the Civic Center. The current bonds and maturity dates are listed below:

1978	Civic Center Construction	2007
1990	Civic Center Renovations	2008
1992	Civic Center Expansion	2000
1993	Refinancing 1979 Civic Center Completion	2012

#### Proposed Bonds

The need for future bonding has been divided into four phases. These phases have been prioritized by need and funding availability. This presentation shows additional bonding in the year we expect to implement each phase of the plan.

		Amounts	Anticipated	Conservative
Phase I	Parking Expansion	3.5 mil.	1997	1998
Phase II	Exhibit Hall	20 mil.	2005	2007
	Expansion			
Phase III	Parking Deck	20 mil.	2009	2010
	& Banquet Facility			
Phase IV	Downtown	40 mil.	2014	2022
	Hospitality			
	Development			

### 4. Event Subsidy Funds

#### Existing Funds

In addition to funding the debt service, current HRA taxes are used to fund two existing event subsidy funds: 1) A Tourism Reserve Fund that is based on 9% of Hotel/Motel Tax (25% of these are administered by the City of Peoria and 75% by PACVB; and 2) the Bassmasters Tournament Fund which is a flat fee of \$47,500 paid by the PCCA.

Proposed Funds The marketing of the City of Peoria is becoming more important in our efforts to draw large convention groups to the City. These large convention groups such as Bassmasters and IHSA have a positive economic impact on the whole community. It is proposed that two new funds be created for the purpose of marketing the City of Peoria to groups such as these and to assist in the expense of bringing large conventions to the City. In addition it is proposed that a fund be created to assist Riverfront Development.

Marketing Fund	\$50,000
Riverfront Fund	\$50,000
Tourism Fund	Based on a varying % of the increase in HRA taxes collected compared to the base year (1995)

## **5. Other Uses of BRA Funds**

The other uses of HRA funds that currently exist are the funding of the Peoria Area Convention & Visitors Bureau with 40% (currently at 36%) of the Hotel/Motel Tax and the City of Peoria Collection Fee of 6% of the budgets for the City Audit, Accounts Receivable and Treasurer's Departments.

## **6. Uses of PCCA Subsidy**

Any HRA tax collection that remains after deduction of the debt service, the event subsidy funds and the other uses of HRA funds flows through to the PCCA as their HRA subsidy. These subsidies are used to fund the activities of the Peoria Civic Center Authority. These activities include the funding of the capital budget, the operating deficit, and the operating expenses of the Authority.

## **7. Cash Balance**

The cash balance is made up of Civic Center operating funds, advance ticket escrow funds (approximately \$1,000,000), and PCCA HRA capital reserves. The current intergovernmental agreement allows for a reserve fund of \$11,500,000 to be established by the PCCA. Based on anticipated operating capital needs, we feel a target balance of approximately 1,500,000 should be maintained in the Civic Center Operating Fund.

Appendix B

**Cascade of Funds**