

**PROFESSIONAL SERVICES AGREEMENT**

for the

**ESTABLISHMENT OF  
SW WASHINGTON ST INDUSTRIAL  
TAX INCREMENT FINANCING (TIF) DISTRICT**

by and between

**THE CITY OF PEORIA, PEORIA COUNTY, ILLINOIS**

and

**JACOB & KLEIN, LTD.**

and

**THE ECONOMIC DEVELOPMENT GROUP, LTD.**

**MARCH 14, 2023**

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and  
**JACOB & KLEIN, LTD.**  
and  
**THE ECONOMIC DEVELOPMENT GROUP, LTD.**

**THIS AGREEMENT** is entered into this 14<sup>th</sup> day of March, 2023, by and between the **CITY OF PEORIA, ILLINOIS**, an Illinois Home Rule Municipal Corporation (the “City”); and **JACOB & KLEIN, LTD.**, Bloomington, Illinois, an Illinois Professional Service Corporation (“J&K”); and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois, an Illinois Corporation (“EDG”). The City, J&K and EDG may hereinafter be referred to as the “Parties” to this Agreement.

**WHEREAS**, the City wishes to establish a Tax Increment Financing (TIF) District within the City pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et. seq.*; and

**WHEREAS**, the City desires to engage the professional services of J&K to render legal advice and EDG to render technical advice to assist the City in Establishing a Tax Increment Financing Redevelopment Plan, Area and Projects to be known as the **SW WASHINGTON ST INDUSTRIAL TIF DISTRICT**, or to be otherwise named in the future by the City, (the “TIF District”).

**NOW, THEREFORE**, the Parties agree as follows:

1. **City to Engage J&K and EDG.** The City agrees hereby to engage the services of J&K and EDG for the purposes set forth herein and J&K agrees to provide all legal advice to EDG and the City to prepare or coordinate the preparation of Reports, the TIF District Redevelopment Plan, Notices and Documentation (including those reports prepared by other professionals) necessary to complete the establishment of the TIF District Redevelopment Plan, Area and Projects as required pursuant to State of Illinois statutes and as outlined in ***Exhibit “1” Professional Services Relating to the Establishment of the TIF District.***
  - a. The Parties agree that J&K, as Attorneys, will undertake those responsibilities that require legal advice or preparation under this Agreement on behalf of the City or EDG. EDG is a separate corporate entity established by Thomas N. Jacob (of counsel) and is owned in whole by Herbert J. Klein. Mr. Klein is also the principal owner of Jacob & Klein, Ltd. (J&K). The City is entering into this Agreement voluntarily and with informed consent after the opportunity to consult with independent counsel as to the ownership of both entities by Herbert J. Klein.
  - b. J&K may, in addition, be retained by the City as its special attorney to perform other professional services outside the Scope of Services set forth herein, including

representation of the City before State agencies or the Illinois Legislature. Such representation shall be at the Attorney's then current hourly rate for similar services or as otherwise agreed. Any such representation shall be pursuant to a written agreement between the Parties.

- i. Legal services provided by J&K and/or consulting services provided by EDG relating to financing, including the issuance of Bonds involving the TIF District, will be billed separately from this Agreement and subject to the terms of any agreements related to such financing or Bonds.
  - ii. If retained as a Registered Municipal Advisor through a separate Letter of Engagement, EDG will analyze the potential use of TIF Revenue Bonds, Developer Notes and other financing alternatives, as well as arrange for Bond Counsel when required by the City.
  - iii. This Agreement does not include representation in any Court case resulting from the establishment of the TIF District Redevelopment Plan, Area or Projects or the Annual Administration of the TIF District.
- c. The total Fees and Reimbursable Costs to be paid hereunder by the City to J&K and EDG, when billed by each of the separate entities, will not be duplicated and will not exceed the total Fees and Reimbursable Costs provided for herein.
  - d. The Parties agree that pursuant to *Section 5/11-74.4-3(q)(1)* of the Act, all Professional Fees and related Costs incurred by the City for establishing the TIF District are TIF eligible project costs and are fully reimbursable to the City from the real estate tax increment generated by the TIF District.
  - e. The City hereby acknowledges that J&K and EDG are not responsible for monitoring and documenting matters relating to compliance with the Illinois Prevailing Wage Act, the Illinois Procurement Code, and any other wage and/or employment laws, to the extent such are applicable to any public or private project undertaken within the TIF District Redevelopment Project Area or the Area as may be amended in the future.
  - f. J&K and EDG are Equal Employment Opportunity ("EEO") employers and shall during the term of this Agreement conform to and comply with the City of Peoria's EEO requirements as described in *Exhibit A* of the City's RFP.

## **2. Establishment of the TIF District.**

- a. **Services.** J&K and EDG will provide services as outlined in *Exhibit "1"* to Establish the TIF District.
- b. **Term.** This Professional Services Agreement for the establishment the TIF District shall commence immediately and shall continue until the presentation of the TIF District Redevelopment Plan and appropriate ordinances to the City Council for the establishment of the TIF District. It is anticipated that the TIF District will be

established on or before June 27, 2023, barring unexpected complications or further direction from the City.

- c. **Payment of Fees and Reimbursable Costs.** The total Base Professional Fee to be paid to J&K and EDG for the establishment of the TIF District shall be **Thirty-Seven Thousand Eight Hundred and 00/100 Dollars (\$37,800.00)**, plus reimbursable costs and a Per Parcel Surcharge as described in *Section 2(c)(vii)* below, if applicable, and are to be paid by the City as follows:
- i. J&K and EDG shall be paid a total sum of **Twelve Thousand Six Hundred and 00/100 Dollars (\$12,600)** upon execution of this Agreement.
  - ii. J&K and EDG shall be paid an additional total sum of **Twelve Thousand Six Hundred and 00/100 Dollars (\$12,600)** and reimbursable costs incurred to date, upon delivery of the proposed TIF Redevelopment Plan to the City.
  - iii. The balance of the Professional Fee, of **Twelve Thousand Six Hundred and 00/100 Dollars (\$12,600)**, and the remaining reimbursable costs incurred by J&K-EDG for the establishment of the TIF District, shall be paid when the Plan and final Ordinances to establish the TIF District are presented to the City Council for passage.
  - iv. **Reimbursable Costs:** All Reimbursable Costs incurred by J&K and EDG as part of the establishment of the TIF District shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. For purposes of this Agreement, staff costs do not include the time of Attorneys Thomas N. Jacob, Nic Nelson or Herb Klein (J&K), or the time of Steven Kline (EDG) while performing said Professional Services described in *Exhibit "1"* subject to the following conditions:
    1. All travel costs will be reimbursed to J&K-EDG for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service.
    2. All other costs incurred by J&K-EDG which are incidental to the establishment of the TIF District, including photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the then rates charged by J&K and EDG.
    3. For purposes of this Agreement, staff costs requiring clerical work (e.g., data entry, filing, mailings, etc.) shall be billed at \$50.00 per hour. Other staff costs, if any, incurred by J&K-EDG professional staff relating to the establishment of the TIF District shall not exceed \$150.00 per hour. The total reimbursable costs incurred by J&K and EDG as part of the establishment of the TIF District which relate to reimbursable staff costs shall not exceed **Two Thousand and 00/100**

**Dollars (\$2,000.00)** without written consent of the City in advance of such additional services being performed.

4. The City understands and acknowledges that J&K and EDG will rely on the work of other professionals, including the City's Engineers and Attorney, to prepare reports and documentation needed for the TIF District Redevelopment Plan, Projects and Reports and other necessary documents; and that J&K and EDG shall rely on their professional expertise to prepare the TIF District Redevelopment Plan and present material and information necessary to the establishment of the District. The City further understands that it may directly incur additional fees and costs for the establishment of the TIF District which result from the involvement of other (i.e., non-J&K/EDG) professionals.
- v. **Per Parcel Surcharge:** In addition to the Base Professional Fee described above, a \$15.00 per parcel surcharge in excess of the first **one hundred thirty (130) parcels** included in the TIF District shall be paid by the City to J&K and EDG for the establishment of the TIF District. The per parcel surcharge shall be paid as follows:
  1. The per parcel surcharge for parcels in excess of the **first 130 parcels** included in the TIF District, less a five percent (5%) early payment discount, shall be billed to the City and paid to J&K and EDG when the final TIF Plan and Ordinances are presented to the City Council for passage; or
  2. Payment of the total per parcel surcharge may be deferred until which time the City has received sufficient real estate tax increment in the TIF District Special Tax Allocation Fund and paid prior to reimbursing any other TIF eligible public and private project costs.
3. **Drafting Ambiguities.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether, or not, to seek advice of counsel with respect to the Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of this Agreement. Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
4. **Titles of Paragraphs.** Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provisions hereof.
5. **Amendments to this Agreement.** J&K/EDG and the City agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may be reasonably required by the Parties hereto for carrying out the intention of or facilitating the performance

of this Agreement. The Parties hereto may therefore amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the Parties.

6. **Entire Agreement.** The Terms and Conditions set forth in this Agreement supersede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.
7. **Binding Upon Successors in Interest.** This Agreement shall be binding upon all the Parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest.
8. **Notices.** Notices or demands hereunder shall be in writing and shall be served by (a) personal delivery, or (b) certified mail, return receipt requested to the following addresses, or to the last known address of either party or to the address provided by any assignee if such address has been given in writing. In the event said notice is mailed, the date of service of such notice shall be deemed to be three (3) business days after the date of delivery of said notice to the United States Post Office.

City of Peoria  
% Legal Department  
419 Fulton Street – Rm 200  
Peoria, IL 61602  
Ph: (309) 494-8590

Jacob & Klein, Ltd. and  
The Economic Development Group, Ltd.  
1701 Clearwater Avenue  
Bloomington, IL 61704  
Ph: (309) 664-7777

9. **Severability.** If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.
10. **Choice of Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court of McLean County, Illinois.
11. **Warranty of Signatories.** The signatories of this Agreement warrant that they have full authority to execute this Agreement and to bind the entity for which they are signing and agree to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.
12. **Counterparts.** This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.

*(The remainder of this page is intentionally blank.)*

**IN WITNESS WHEREOF**, the City, J&K, and EDG have executed this Professional Services Agreement on the day and year above written.

**THE CITY OF PEORIA**, an Illinois Home Rule Municipal Corporation:

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Clerk

**JACOB & KLEIN, LTD.**, an Illinois Professional Service Corporation:

By: \_\_\_\_\_  
President

**THE ECONOMIC DEVELOPMENT GROUP, LTD.**, an Illinois Corporation:

By: \_\_\_\_\_  
President

**Attached:**

**Exhibit 1.** Professional Services Relating to the Establishment of the TIF District

## EXHIBIT 1

### **PROFESSIONAL SERVICES RELATING TO THE ESTABLISHMENT OF THE TIF DISTRICT**

Services to be provided to the City by J&K and EDG relating to the establishment of the TIF District are set forth as follows:

1. J&K shall provide City with legal advice regarding the establishment of the TIF District on an on-call, as needed basis.
2. EDG shall provide City with technical consulting regarding the establishment of the TIF District on an on-call, as needed basis.
3. Create and manage estimated schedules and timelines for completing the required procedure to establish the TIF District.
4. Work with local elected officials, City staff, engineers, and other persons as may be designated by the City to define the Redevelopment Project Area (TIF District Boundary) and assign responsibilities to establish the TIF District in a timely manner.
5. Consult on TIF-related Annexation Agreement(s), if any, with City Attorney and Private Developer(s).
6. Prepare the TIF District Redevelopment Plan pursuant to the TIF Act. EDG will collect a variety of information from the City and, with J&K, draft the TIF Redevelopment Plan. Local officials will provide historical information, access to legal descriptions, street maps/aerial tax maps, engineering opinion letters, descriptions and estimated costs of potential public and private projects, potential private development build-out rates, property tax bills, assessment data, land use, and identification of officials' properties and other City records as necessary to establish the TIF District.
  - a. J&K and EDG will conduct the required fieldwork document TIF qualification characteristics, as well as evaluate the statutory and financial feasibility of creating the TIF District and incorporate such findings in the Redevelopment Plan. The proposed Area does not include 75 or more inhabited residential units, and the City has indicated it does not intend to displace ten (10) or more inhabited residential units for any redevelopment projects occurring within the TIF District. Therefore, the professional services relating to the establishment of the TIF District as described herein do not provide for the preparation of a separate Feasibility Study and Housing Impact Study. If conditions change, thereby requiring a separate Feasibility Study and/or Housing Impact Study, such services shall be provided by J&K and EDG pursuant to mutually acceptable terms which may be amended to this Agreement pursuant to *Section 5*.
7. Organize and conduct required meeting(s) of the Joint Review Board as necessary for the TIF District establishment procedure.



8. If requested by the City: consult with the School District(s) to determine and analyze the potential impact of the TIF District, if any; evaluate alternative approaches for assisting the School District or other taxing bodies; and prepare necessary Intergovernmental Agreements, if required.
9. Assist the City with negotiating Private Redevelopment Agreements with potential Developers, including the preparation and review of Private Project Inducement Resolutions and Predevelopment Agreements as may become necessary in advance of the establishment of the TIF District.
10. Assist the City with creating Interested Parties Registries as required by the TIF Act.
11. Prepare and send all Notices to taxing bodies, taxpayers, residences within 750 feet of the proposed TIF District, and to those individuals or organizations listed on the Interested Parties Registries.
12. Prepare and arrange for the City Clerk all publications required of the City.
13. Moderate Public Meeting(s) as required or necessary (J&K-EDG is prepared to offer and manage online options for public attendance when needed).
14. Conduct the Public Hearing to review the proposed TIF District with the public.
15. Prepare and present to the City all required Ordinances and legal documentation to establish the TIF District.
16. Request and review on behalf of the City a certification of initial equalized assessed valuation (TIF Base EAV) from the Peoria County Clerk for the TIF District Redevelopment Project Area.

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