

**2023 Intergovernmental Agreement
Between the City of Peoria and
The Peoria Civic Center Authority**

This Intergovernmental Agreement is made and entered into as of July __, 2023, 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 the 2016 Intergovernmental Agreement; and a 2022 intergovernmental agreement; 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 to meet the timing needs associated with the capital – improvements; 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; and

Whereas, the City and Authority entered into an additional agreement in order to

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provide for adequate bridge-loan funding to the Authority for certain capital improvements of the Peoria Civic Center; those capital improvements to be paid for by a reimbursement grant in the amount of \$25,000,000 million issued by the State of Illinois through the Department of Commerce and Economic Opportunity (the "Grant") in Grant No. 22-203005; and

Whereas, the Authority identified capital funding needs in excess of over \$40,000,000 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, Attached as Exhibit A is Ordinance 23-086 directing City staff to prepare the issuance of General Obligation Bonds in an Aggregate Amount not to exceed \$20,500,000 for the purpose of utilizing the proceeds to fund improvements to the Peoria Civic Center; and

Whereas, The City has successfully placed the Bonds in the Amount of \$20,500,000 and such bond proceeds are being held for the City's benefit by PMA Financial Network, LLC and PMA Securities, LLC, collectively ("PMA"); and

Whereas, The Authority has entered into a relationship with PMA; and

Whereas, The Peoria Civic Center original construction bonds and the 2007 Civic Center expansion were funded with HRA-backed bonds. Currently, there are six years remaining on the 2007 expansion bonds. That debt service is as follows:

| | |
|--------|----------------|
| 1/1/24 | \$6,504,050.00 |
| 1/1/25 | \$7,020,200.00 |
| 1/1/26 | \$6,489,400.00 |
| 1/1/27 | \$6,046,250.00 |
| 1/1/28 | \$7,012,250.00 |
| 1/1/29 | \$7,711,750.00 |

Whereas, in general, the Authority receives HRA taxes from the City of Peoria pursuant to an Intergovernmental Agreement. The cascade of funds for HRA tax dollars is generally distributed is as follows:

1. Debt Service for the Civic Center Expansion bonds (approximately \$6-\$7 million annually); and
2. One-third of the 3% Amusement Tax proceeds distributed back to the City to fund operations (approximately \$430,000 per year); and
3. Debt Service on the Pere Marquette Hotel (approximately \$111,000 per year); and
4. One-fourth of the 8% Hotel Tax proceeds distributed back to the City to fund road construction (approximately \$700,000 per year); and
5. Distributions to the Convention and Visitors Bureau (\$542,500); and

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6. Distributions to the Tourism Reserve Fund (approximately \$345,000 annually);and
7. Riverfront Marketing (\$50,000);and
8. Arts Partners (\$100,000);and
9. City financial administration costs (\$62,500); and
10. Distributions to the Peoria Civic Center Authority (the remainder of the funds).

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

(1). The City shall transfer to the Authority, to be held by and through its PMA accounts, the Bond proceeds in the Amount of \$20,500,000; and

(2). The City and Authority shall work together with PMA to provide reporting to the City of Peoria on bond proceeds and investment management; and herein the Parties respective management and financial officers are authorized to establish administrative accounts for reporting and to meet Bond obligations; and

(3). The City shall utilize the HRA tax revenue receipts to service debt associated with the \$20,500,000; and

(4). The Parties agree that the Authority relies upon HRA revenues to address, by way of example, maintenance, repairs, and utility expenses and, therefore, agrees that notwithstanding the HRA cascade described above, the City of Peoria guarantees a minimum of \$1,200,0000 in revenue to be distributed to the Authority each fiscal year through 2028 (whether from HRA taxes or otherwise).

(5). Commencing with fiscal year 2029, HRA distributions to the Civic Center shall be limited to \$1,200,000 in order to reimburse the City for any distribution of the annual guaranteed amount in excess of HRA receipts. Additional annual funding to the Civic Center shall be subject to the approval of the Peoria City Council.

Dated:_____

Dated:_____

City of Peoria, a municipal corporation

Peoria Civic Center Authority

Mayor

Chairperson

Attest:_____

Attest:_____

City Clerk

Secretary

Approved as to Form:

Approved as to Form:

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Corporation Counsel

Its Attorney