

**VILLAGE OF MACKINAW, ILLINOIS**

**ORDINANCE NO. 1007**

**AN ORDINANCE APPROVING AND AUTHORIZING THE  
EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT**

**for the**

**ESTABLISHMENT AND ANNUAL ADMINISTRATION  
OF THE MACKINAW TIF DISTRICT**

**by and between**

**JACOB & KLEIN, LTD.**

**and**

**THE ECONOMIC DEVELOPMENT GROUP, LTD.**

**and**

**THE VILLAGE OF MACKINAW,  
TAZEWELL COUNTY, ILLINOIS**

**ADOPTED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES  
OF THE VILLAGE OF MACKINAW, TAZEWELL COUNTY, ILLINOIS,  
ON THE 14<sup>TH</sup> DAY OF JUNE, 2021.**

ORDINANCE NO. 1007

VILLAGE OF MACKINAW, ILLINOIS

AN ORDINANCE APPROVING AND AUTHORIZING  
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT  
for  
ESTABLISHMENT AND ANNUAL ADMINISTRATION OF  
THE MACKINAW TIF DISTRICT

by and between  
VILLAGE OF MACKINAW, TAZEWELL COUNTY, ILLINOIS  
and  
JACOB & KLEIN, LTD.  
and  
THE ECONOMIC DEVELOPMENT GROUP, LTD.

PREAMBLE

**WHEREAS**, the Village of Mackinaw, Tazewell County, Illinois (the "Village"), an Illinois municipality in accordance with the Constitution and law of the State of Illinois, wishes to determine the qualifications for and establish a Tax Increment Financing District within the Village to be known as the Mackinaw TIF District (the "TIF District") pursuant to the Tax Increment Allocation Redevelopment Act (the "Act"), 65 ILCS 5/11-74.4-1 *et seq.*; and

**WHEREAS**, the Village desires to engage the professional services of Jacob & Klein, Ltd. to establish the TIF District and render administrative services and legal advice and engage the Economic Development Group, Ltd. to render technical advice to assist the Village in establishing and administering the TIF District.


**THEREFORE, BE IT ORDAINED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MACKINAW THAT:**

1. The Professional Services Agreement by and between the Village of Mackinaw, Jacob & Klein, Ltd. and The Economic Development Group, Ltd. (*Exhibit A* attached) is hereby approved.
2. The Village President is hereby authorized and directed to enter into and execute on behalf of the Village said Professional Services Agreement and the Village Clerk of the Village of Mackinaw is hereby authorized and directed to attest such execution.
3. The Professional Services Agreement shall be effective on the date of its approval, 14<sup>th</sup> day of June, 2021.
4. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

**PASSED, APPROVED AND ADOPTED** by the Village President and Board of Trustees of the Village of Mackinaw this 14<sup>th</sup> day of June, 2021.

VILLAGE PRESIDENT & TRUSTEES	AYES	NAYS	ABSTAIN	ABSENT
Carolyn Elmore	X			
Candy Haynes	X			
Kraig Kamp				X
Mark Morman				X
Jerry Peterson	X			
Timothy Severt	X			
Josh Schmidgall, Village President				
TOTALS:				

**APPROVE:**

  
Josh Schmidgall, Village President

6/14/21

**ATTEST:**

  
Village Clerk

6/14/21

**EXHIBIT A ATTACHED:** Professional Services Agreement

**EXHIBIT A**

**PROFESSIONAL SERVICES AGREEMENT**

**PROFESSIONAL SERVICES AGREEMENT**

for the

**ESTABLISHMENT AND ANNUAL ADMINISTRATION OF THE  
MACKINAW TIF DISTRICT**

by and between

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

and

**THE VILLAGE OF MACKINAW, ILLINOIS**

**JUNE 14, 2021**

**PROFESSIONAL SERVICES AGREEMENT**  
for the  
**ESTABLISHMENT AND ANNUAL ADMINISTRATION OF THE**  
**MACKINAW TIF DISTRICT**  
by and between  
**JACOB & KLEIN, LTD. AND**  
**THE ECONOMIC DEVELOPMENT GROUP, LTD.**  
and  
**THE VILLAGE OF MACKINAW, ILLINOIS**

**THIS AGREEMENT** is entered into this 14<sup>th</sup> day of June, 2021, by and between the **VILLAGE OF MACKINAW, ILLINOIS**, an Illinois Municipality ( the "Village"); and **JACOB & KLEIN, LTD.**, Bloomington, Illinois ("J&K"); and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois ("EDG").

**WHEREAS**, the Village wishes to establish a Tax Increment Financing (TIF) District pursuant to the Tax Increment Allocation Redevelopment Act (the "Act"), 65 ILCS 5/11-74.4-1 *et seq.* to be located in the Village; and

**WHEREAS**, the Village desires to engage the professional services of J&K to render legal advice and EDG to render technical advice to assist the Village in Establishing and Annually Administering a Tax Increment Financing Redevelopment Plan, Area and Projects to be known as the **MACKINAW TIF DISTRICT** (the "TIF District");

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

**§1. Village to Engage J&K and EDG.** The Village 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 Village 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 and the Annual Administration of the TIF District Redevelopment Plan, Area and Projects as required pursuant to State Statutes and as outlined below in *Section 2, Scope of Professional Services*.

1.1. 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 Village or EDG. EDG is a separate corporate entity owned in whole or in part by Herbert J. Klein. He is also the principal owner of Jacob & Klein, Ltd. (J&K). The Village 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.

- 1.1-1. J&K may, in addition, be retained by the Village as its special attorney to perform other professional services outside the Scope of Services set forth herein, including representation of the Village 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.
  - A. Legal services provided by J&K and/or consulting services provided by EDG with regard 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.
  - B. 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.
- 1.2. The total Fees and Reimbursable Costs to be paid hereunder by the Village 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.
- 1.3. Pursuant to *Section 5/11-74.4-3(q)(1)* of the Act, all Professional Fees and related Costs incurred by the Village for Establishing and Annually Administering the TIF District are TIF eligible project costs and are fully reimbursable to the Village from the real estate tax increment generated by the TIF District.
- 1.4. The Village 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.

*[the remainder of this page is intentionally blank]*

## §2. Scope of Professional Services.

### 2.1. Establishment of TIF District.

- 2.1-1. **Services.** J&K and EDG will provide services as outlined in *Exhibit 1* to Establish the TIF District.
- 2.1-2. **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 Village Board for the Establishment of the TIF District. It is anticipated that the TIF District will be established on or before December 31, 2021 barring unexpected complications.
- 2.1-3. **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-Five Thousand Dollars (\$35,000.00), plus Costs, and are to be paid by the Village as follows:
- A. J&K and EDG shall be paid a total sum of Ten Thousand Dollars (\$10,000) upon execution of this Agreement; and
  - B. J&K and EDG shall be paid an additional total sum of Ten Thousand Dollars (\$10,000) and Costs incurred to date upon delivery of the proposed TIF Redevelopment Plan to the Village; and
  - C. The balance of the Professional Fee, Ten Thousand Dollars (\$15,000), and remaining Costs for the establishment of the TIF District, shall be paid when the Plan and final Ordinances are presented to the Village Board for passage; and
  - D. 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 Village, including all reasonable travel and subsistence expenses while away from Bloomington, Illinois, all photocopying, report binding, mailings, postage, and staff costs. For purposes of this Agreement, staff costs do not include the time of Attorneys Herbert J. Klein or Nic Nelson (J&K), or the time of Steven Kline or Gwen Crawford (EDG) while performing said Professional Services described in *Exhibit 1* subject to the following conditions:



- (i) All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the establishment of the TIF District, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
- F. The Village understands and acknowledges that J&K and EDG will rely on the work of other professionals, including the Village'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 Village 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.

## **2.2 Annual Administration of TIF District.**

**2.2-1. Services.** J&K and EDG will provide services as outlined in *Exhibit 2* to annually administer the TIF District.

- A. On an annual basis, all of the legal review of documents and matters relating to the statutory compliance of public and private development activities occurring within the TIF District are provided by J&K in the Annual Administrative Fee. Other administrative functions will be provided by EDG. EDG will also provide financial feasibility analyses for new proposed private developments. J&K will provide legal services required in the preparation of new Redevelopment Agreements and other legal documents and legal opinions.
- B. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees, Annual Costs and other fees to those Private Developments on a pro-rata basis determined by the increment generated by those Developments which have Redevelopment Agreements.

**2.2-2. Term.** The term of the Annual Administrative Services provided in this Agreement shall be for three (3) years and shall commence upon the establishment of the TIF District.

Thereafter, this Agreement shall automatically renew at the end of each three-year period during the life of the District as a roll-over, for a new period of three years, absent notice of non-renewal as provided herein. This Agreement as it relates to annual administrative services may be terminated by written notice of non-renewal from the Village to J&K and EDG no later than one (1) year prior to the end of each contract period. Upon receiving written notice of non-renewal, J&K and EDG is to provide to the Village a final invoice for professional fees and costs incurred as of the date of the termination.

**2.2-3. Payment of Annual Administrative Fee and Reimbursable Costs.**

- A. The Annual Administrative Fee to be paid by the Village to J&K and EDG for the Annual Administration of the TIF District shall be paid as set forth in **Table 1** in **Exhibit 3**. This Annual Fee shall be adjusted annually for the Consumer Price Index - All Urban Consumers IL-IN-WI, using 2021 as the base year.
- B. In addition to the Annual Administrative Fee, all Reimbursable Costs incurred by J&K and EDG as part of the establishment and/or annual administration of the TIF District shall be reimbursed to J&K and EDG by the Village, including all reasonable travel and subsistence expenses while away from Bloomington, Illinois, all photocopying, report binding, mailings, postage, and staff costs. Such are to be reimbursed at customary rates charged by J&K or EDG. For purposes of this Agreement, staff costs do not include the time of Attorneys Herb Klein or Nic Nelson (J&K), or Steven Kline or Gwen Crawford (EDG) while performing said Professional Services described in **Exhibit 2** and subject to the following conditions:
  - (i) All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the administration of the TIF District, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
  - (ii) During the course of providing administrative services, J&K and EDG will enlist the aid of their Staff for support services in order to properly perform the duties and obligations required under this Agreement. The cost to J&K and EDG for said services shall be charged to the Village on a cost-reimbursement basis.
- C. For Annual Professional Administrative Oversight J&K and EDG Base Fees, and

Annual Administrative Costs, J&K and EDG shall bill the Village on a quarterly basis.

(i) For purposes of this Agreement, quarterly billings shall occur as follows:

January-March. ....	Billed in April
April-June ....	Billed in July
July-September ....	Billed in October
October-December. ....	Billed in December

(ii) Annual Administrative Fees shall be adjusted annually for the Consumer Price Index - All Urban Consumers IL-IN-WI, using 2021 as the base year and prorated in equal installments for purposes of determining quarterly billings.

D. The Village understands that J&K and EDG shall rely on the work of others, including the Village's Administration, Village Engineer, Clerk, Auditors and Attorney; the Tazewell County Assessor and County Clerk; the Illinois Department of Revenue (IDOR); the Illinois Department of Commerce and Economic Opportunity (DCEO); the Illinois Comptroller's Office and the Illinois State Board of Education for information and documentation necessary for the Annual Administration of the TIF District. The Village further understands that it may directly incur additional fees and costs for the Annual Administration of the TIF District which result from the involvement of other (non-J&K/EDG) professionals.

E. To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees and Annual Costs to those Private Developments on a pro-rata basis determined by the increment generated by those Developments which have Redevelopment Agreements.

**§3. Amendments to this Agreement.** The Parties hereto may amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the Parties.

**§4. Entire Agreement.** The Terms and conditions set forth in this Agreement supercede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.

**§5. 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.

**§6. Notices.** Notices or demands hereunder shall be in writing and shall be served (a) by personal delivery, or (b) certified mail, return receipt requested to:

**Village of Mackinaw**  
% Mackinaw Village Clerk  
Village of Mackinaw  
100 E. East Ave.  
PO Box 500  
Mackinaw, IL 61755

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

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.

**§7. Severability.** If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.

**§8. 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.

*[the remainder of this page is intentionally blank]*

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

**THE VILLAGE OF MACKINAW**, an  
Illinois Municipal Corporation:

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

Village President

Attest: \_\_\_\_\_

Village Clerk

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

1701 Clearwater Avenue  
Bloomington, IL 61704  
Phone: (309) 664-7777  
Fax: (309) 664-7878

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

President

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

1701 Clearwater Avenue  
Bloomington, IL 61704  
Phone: (309) 664-7777  
Fax: (309) 664-7878

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

President

H:\MACKINAW\Agreements\PSA\Mackinaw TIF\_PSA\_11 June 2021.wpd

## **EXHIBIT 1**

### **ESTABLISHMENT OF THE MACKINAW TIF DISTRICT**

Services to be provided to the Village by J&K and EDG relating to the **Establishment of the Mackinaw TIF District** are set forth as follows:

1. Create estimated TIF District Time Line.
2. Work with local elected officials, Village staff and engineers to define the Redevelopment Project Area (TIF District Boundary).
3. Evaluate the statutory and financial feasibility of creating the TIF District.
4. Consult on any necessary Annexation Agreement(s) with Developer and Village Attorney.
5. Prepare and send all Notices and conduct a Public Meeting, if required, for the Village to advise the public, taxing districts and taxpayers of its possible intent to prepare a redevelopment plan, designate a redevelopment project area and receive public comment.
6. Create the TIF District Redevelopment Plan. EDG will collect a variety of information from the Village and, with J&K, draft the TIF Redevelopment Plan. Local officials will provide historical information, access to legal descriptions, street maps/Sidwell 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, and identification of officials' properties and other Village records as necessary to establish the TIF District.
7. Organize and conduct the first meeting of the Joint Review Board.
8. Consult with the School District to determine and analyze the potential impact, evaluate alternative approaches for assisting the school district and prepare necessary Intergovernmental Agreements, if required.
9. Assist the Village to negotiate Redevelopment Agreements with potential Developers.
10. Establish an Interested Parties Registry.
11. Prepare and send all Notices to taxing bodies, taxpayers, residences within 750 feet of proposed TIF District, and to those individuals or organizations listed on the Interested Parties Registry.
12. Prepare and arrange for the Village Clerk all publications required of the Village.
13. Conduct Public Hearing to review the proposed TIF District with the public.
14. Draft and present to the Village all required Ordinances to establish the Mackinaw TIF District.

**EXHIBIT 2**  
**ANNUAL ADMINISTRATION OF THE MACKINAW TIF DISTRICT**

Services to be provided to the Village by J&K and EDG relating to the **Annual Administration of the Mackinaw TIF District** are set forth as follows:

1. Provide the Village with on-call legal and consulting services on matters relating to the TIF District as needed.
2. Consult with and coordinate administrative activities with Village's Administrator, Village Clerk, Village Engineer, CPA, President and other officials as required.
3. Track and monitor the growth of annual Real Estate and Sales Tax (if appropriate) Increments within the TIF District.
4. Negotiate terms of TIF Reimbursements and prepare Redevelopment Agreements with Developers.
5. Consult with Developers regarding TIF Redevelopment Agreements and Reimbursements.
6. Communicate with Developers and the County Supervisor of Assessments to review improvements, paid tax bills and changes in Equalized Assessed Valuations.
7. Advise Village on matters relating to Developer Reimbursements (e.g., verify paid property tax bills and eligible project costs, and advise the municipality to make payments).
8. Provide Village with a Requisition/Payment Approval process.
9. Advise Village on matters relating to payments to other taxing bodies under Intergovernmental Agreements.
10. Prepare TIF District Annual Reports for submission to Village and other taxing districts.
11. Prepare, certify, and submit Annual TIF District Reports to the Office of the Illinois Comptroller.
12. Provide legal opinion (J&K) on matters relating to Annual Reports to State Comptroller as required by the TIF Act.
13. Conduct Village's Annual Joint Review Board Meetings with Taxing Bodies as required by the TIF Act.
14. Work with the School District to determine and analyze potential financial impacts, evaluate alternative approaches for assisting the school district and prepare necessary Intergovernmental Agreements.
15. Prepare TIF Increment Projections for Village and Reimbursement Estimates for Developers.
16. Provide information as required to analyze the potential use of TIF Revenue Bonds, Developer Notes and other financing alternatives. Arrange for Bond Counsel when required by Village or Developers. All professional services related to the issuance of Bonds will be additional, subject to separate agreements and billed at the then applicable rates.

### EXHIBIT 3 ANNUAL ADMINISTRATIVE FEES

On an annual basis, the total Annual Administrative Fees paid to J&K and EDG by the Village for all services described in *Exhibit 2*, shall be as set forth in *Table 1* below:

<b>Table 1. Annual Administrative Fee Schedule</b> <i>(Does Not Include Costs)</i>	
<b>Estimated Increased Real Estate Assessed Valuation within the TIF District</b>	<b>Annual J&amp;K/EDG Professional Fee (plus CPI<sup>1</sup>)</b>
\$0 - \$299,999	\$3,500
\$300,000 - \$599,999	\$4,500
\$600,000 - \$899,999	\$5,500
\$900,000 - \$1,199,999	\$6,500
\$1,200,000 - \$1,499,999	\$7,500
\$1,500,000 - \$1,799,999	\$9,000
\$1,800,000 - \$2,099,999	\$10,500
\$2,100,000 - \$2,399,999	\$12,000
\$2,400,000 - \$2,699,999	\$13,500
\$2,700,000 - \$2,999,999	\$15,000
\$3,000,000 - \$3,299,999	\$16,500
\$3,300,000 - \$3,599,999	\$18,000
\$3,600,000 - \$3,899,999	\$19,500
\$3,900,000 - \$4,199,999	\$21,000
\$4,200,000 - \$4,499,999	\$22,500
\$4,500,000 +	\$24,000

**NOTES:**

<sup>1</sup> On an annual basis, the Annual Fee (the aggregated amount of Professional Administrative J&K Attorney Fees and EDG Consulting Fees) provided in *Table 1* of *Exhibit 3* shall be annually increased by the Consumer Price Index - All Urban Consumers IL-IN-WI, using 2021 as the base year. For Annual Administrative J&K (Attorney) and EDG (Consulting) Fees, and Annual Administrative Costs, J&K and EDG shall bill the Village quarterly on a fiscal year basis commencing immediately following the establishment of the TIF District.