



City of Pekin

REGULAR COUNCIL MEETING MONDAY, OCTOBER 27, 2008
5:30 P.M.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

Mayor Tebben

III. ROLL CALL

Clerk to Call the Roll

IV. APPROVAL OF AGENDA

ACTION: *Motion to approve the meeting agenda.*

VOTE REQUIRED

V. APPROVAL OF MINUTES

ACTION: *Motion to approve minutes of Regular Council Meeting of October 14, 2008 and Budget Work Session of October 21, 2008.*

VOTE REQUIRED

VI. PUBLIC INPUT ON AGENDA ITEMS

Speakers to state name, address, and spell last name. Questions unrelated to agenda items are accepted during "Public Questions" near the end of the meeting.

VII. CONSENT AGENDA

- 1. Receive and File Monthly Reports and Minutes:** Police Department September Report,
- 2. Receive and File** Pekin Fire Department 2% Foreign Fire Insurance Fund – Annual Audit
- 3. Receive and File Financial Statements prepared by Willock Warning & Co., P.C. April 30, 2008**
Tax Increment Financing-Central Business District Fund
Tazewell/Pekin Consolidated Communications Center

ACTION: *Motion to approve all items listed on the Consent Agenda by Omnibus Vote.*

VOTE REQUIRED TO APPROVE CONSENT AGENDA

VIII. COMMUNICATIONS, PETITIONS, REPORTS

- 1. Seizure and Impoundment of Vehicles**

DESCRIPTION: *A general explanation of the ordinance, amendments and content of the towing ordinance.*

PRESENTATION: *Police Department representatives.*

ACTION: *No Action to be taken.*

IX. NEW BUSINESS

1. Resolution No. 58-08/09 - Permanent Easement

(JW)

DESCRIPTION: An approval of an easement from Canadian National Railroad for rail crossing and authorization for the Mayor to execute the agreement in the amount of \$1,500.00. This step is necessary in the process for the extension of Hanna Drive and meeting construction start by the end of the year.

ACTION: Motion to adopt the resolution.

VOTE REQUIRED

2. Ordinance No. 2569-08/09 - Ordinance Providing for the Execution of an Agreement to to Purchase and the Purchase of Real Property by the City of Pekin

(DK)

DESCRIPTION: Acquisition of 29.40 Acres south of Route 98 from Evans / Smith for future development of a business park. The price of \$299,880.00 is from TIF II Close Out Dollars. Agreement provides for seller to petition to annex property adjacent to City boundaries and to allow current farm tenant.

ACTION: Motion to adopt the ordinance.

VOTE REQUIRED

3. Ordinance No. 2570-08/09 – Ordinance Providing for the Execution of an Agreement to to Purchase and the Purchase of Real Property by the City of Pekin

(DK)

DESCRIPTION: Acquisition of 29.84 Acres south of Route 98 from Herget Trust for future development of a business park. The price of \$305,388.00 is from TIF II Close Out Dollars. Agreement provides for seller to petition to annex property adjacent to City boundaries and to allow current farm tenant.

ACTION: Motion to adopt ordinance.

VOTE REQUIRED

4. Extreme Makeover Permit Fees

(DT)

DESCRIPTION: Request to waive building, sewer, electrical, HVAC, plumbing, demolition, and Special Event for blocking streets, totaling \$1,475.00.

ACTION: Motion to waive permit fees.

VOTE REQUIRED

X. ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Council Members
Staff
Public Questions
Press Time

XI. ADJOURNMENT

With no further action to come before the Council the Mayor declares meeting closed in open session.

NO VOTE REQUIRED

**PROCEEDINGS OF THE REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 SOUTH CAPITOL STREET
ON TUESDAY, OCTOBER 14, 2008 AT 5:30 O'CLOCK P.M.
R. DAVID TEBBEN * MAYOR * PRESIDING**

**PRESENT: COUNCIL MEMBERS, ABEL, BLANCHARD, STRAND, JONES, KORTKAMP,
AND DUNN**

ABSENT: NONE

The **Pledge of Allegiance** was led by Mayor R. David Tebben.

Roll was called and all Council Members were present for roll call. Council Member Jones asked to be excused from the meeting at 6:10. p.m.

Agenda

Motion by Council Member Strand, seconded by Council Member Kortkamp that the **agenda be approved as presented**. On roll call vote, all present voted Aye.

Motion by Council Member Blanchard, seconded by Council Member Abel that the **minutes of the Regular City Council Meeting of S September 22, 2008 and Special Budget Work Session of October 7, 2008, be approved as written**. On roll call vote, all present voted Aye.

Consent Agenda

Motion by Council Member Blanchard, seconded by Council Member Dunn, that the Consent Agenda be approved as presented. Mayor Tebben read and presented the following for consideration of the Consent Agenda items by Omnibus Vote.

1. **Receive and File Monthly Reports and Minutes:** Liquor Commission Minutes dated July 24, 2008, Traffic Safety Committee Minutes Dated October 3, 2008, and September Building Report
2. **Proclamation:** "International Alpha Delta Kappa Month" October 2008
"YWCA Week Without Violence" October 19-25, 2008
"National Fire Prevention Month" October 2008
3. **Receive and File** Resignation of Angel Gibson from the Pekin Planning Commission
4. **Resolution No. 57-08/09** – Mayor's Appointment Scott Plotner to the Planning Commission to fill the unexpired term of Angel Gibson until May 15, 2011
5. **Receive and File** Illinois Department of Transportation Audit MFT Report #65 year 1999
6. **Receive and File** Illinois Department of Transportation Audit MFT Report #66 year 2000

On roll call vote, all present voted Aye.

Mayor Tebben presented the document proclaiming International Alpha Delta Kappa Month to Marge Melchers. Mrs. Melchers addressed Council and extended appreciation for the honoring of the teachers sorority.

COMMUNICATIONS, PETITIONS, REPORTS

Jim Wolf Treasurer in his **Financial Report Update** gave a general explanation of revenues, expenditures, and fund balances. He began with the Investment Earnings to which he added figures for Actual Difference and Actual Compared to Budget columns. Since his last July 31 report he indicated interest rates had not improved citing the money market in Springfield 1 year differential from 4.75% to 1.1%. In reporting 5 months ended September 30, he indicated revenues were cautiously hanging in

there and that the report showed a smoothing as the City gets into the fiscal year. He advised that MFT funds would be down as people drive less based on gas prices, grants were not coming in that were budgeted for Veterans Drive, yet sales tax show a pocket of prosperity.

PUBLIC HEARING was opened by Mayor Tebben at 5:48 p.m. for the purpose of discussing an ordinance authorizing the vacation of Front Street from St. Mary to Cynthiana Street. The notice was properly published for comments from interested parties in the *Pekin Daily Times* on September 27, 2008. City Manager Dennis Kief asked Council to consider vacating the public Right of Way in order for the recommended portion to become part of the overall City owned property for river front development. He indicated that there was no immanent developer plans and that the City street would continue to operate. The Hearing was closed at 5:58 p.m.

NEW BUSINESS

ORDINANCE NO. 2567-08/09

ORDINANCE TO VACATE ALL OF THAT PART OF FRONT STREET LYING BETWEEN ST. MARY STREET AND CYNTHIANA STREET

Motion by Council Member Abel, seconded by Council Member Strand, that Ordinance No. 2567-08/09 be adopted. On roll call vote, all present voted Aye.

Motion by Council Member Jones, seconded by Council Member Kortkamp, that the **SEWER CONNECTION FEE AGREEMENT WITH MIDWEST HOLDINGS** be approved. City Manager Kief advised Council that the agreement set the developer's sewer tap-on fee for the assisted living structure developing on the east side of South Fourteenth Street. The agreement provided a compromise for money owed by the City on a participation of Windstar Lane and the payment due for increased fees. The preliminary plans had straddled the time-frame of the new provisions for increased fees. On roll call vote, all present voted Aye.

Motion by Council Member Kortkamp, seconded by Council Member Blanchard, that the **TRANSFER OF PROPERTY TO JOSEPH AND CAROLE BUSSONE** in exchange for right-of-way needed for Broadway Widening Project, be approved. The action provided for the exchange of legal documentation for property and right-of-way in acquisition process. The request was accommodated through work with the County. On roll call vote, all present voted Aye.

Motion by Council Member Dunn, seconded by Council Member Abel, that the **AMENDMENT WITH STS / AECOM FOR THE PARKWAY DRAINAGE IMPROVEMENT PROJECT** in the amount of \$9,400.00, be approved. Council was informed that the conditions had changed from the time of designing the original improvement to reduce flooding during heavy rains. When an individual easement could not be obtained, the alignment had to be shifted to avoid the play area of the adjoining church. It was suggested in the future that scope of work language include contingencies for far less "change order" dollars spent. On roll call vote, all present voted Aye.

FARM LEASES

Motion by Council Member Strand, seconded by Council Member Blanchard, that the following farm leases be approved:

Michael Hoefft for Riverway Business Park 2nd Addition at 5th and Koch Street in the amount of \$25,024.00; and Mark Weyhrich for Municipal Airport property in the amount of \$6,110.00; and Mark Berg for Riverway Business Park 3rd Addition South 5th Street in the amount of \$24,875.25.

Contracts for farmed acres of municipally owned property on S. 5th Street and Koch, 150 acres on South 5th Street, and the original Riverway Business Park
On roll call vote, all present voted Aye.

Council Member Jones left the meeting.

ORDINANCE NO. 2568-08/09
AMENDING TITLE 3, CHAPTER 2 OF THE CODE OF THE CITY OF PEKIN 1995
REGARDING MOTOR FUEL TAX AND CHAPTER 2, ARTICLE 3
REGARDING HOTEL MOTEL TAX

Motion by Council Member Kortkamp, seconded by Council Member Dunn, that Ordinance No. 2568-08/09 be adopted. Corporation Counsel advised that the language provided “teeth” to the provisions of collection and enforceability of paying the tax. On roll call vote, all present voted Aye.

ORDINANCE NO. 1462-A283-08/09
AMENDING TITLE 8, CHAPTER 4, SECTION 1 D
OF THE CODE OF THE CITY OF PEKIN 1995
REGARDING NO PARKING SCHEDULE EAST SIDE SOUTH 10TH STREET FROM OXFORD
STREET TO CHARLES STREET

Motion by Council Member Blanchard, seconded by Council Member Strand, that Ordinance No. 1462-A283-08/09 be adopted. Recommendation of the Traffic Safety Committee to improve safety Committee to improve safety concerns on the curved residential section of South 10th Street. On roll call vote, all present voted Aye.

ORDINANCE NO. 1462-A284-08/09
AMENDING TITLE 8, CHAPTER 2, SECTION 9
OF THE CODE OF THE CITY OF PEKIN 1995
REGARDING AUTHORIZED STOP SIGNS ON ANN ELIZA AT NORTH 12TH STREET

Motion by Council Member Dunn, seconded by Council Member Blanchard, that Ordinance No. 1462-A284-08/09 be adopted. Recommendation of the Traffic Safety Committee for safety precautions at the T-intersection. On roll call vote, all present voted Aye.

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Council Member Blanchard asked that staff review the ordinance regarding seizure and impoundment of vehicles for flaws and the ramifications in that it takes the police officer’s discretion out of the arrest.

Council Member Abel congratulated the Fire Department for a successful Open House at the East Side Fire Station.

Council Member Strand encouraged attendance in the YWCA Week Without Violence activities.

Mayor Tebben encouraged citizens to exercise their right to vote and to consider the early vote option. He also indicated he and the Manager had productive discussions with Advanced Medical Transport (AMT) representatives in furthering a possible franchise.

Motion by Council Member Abel, seconded by Council Member Dunn, that **Council move to Executive Session** at 6:45 P.M. to discuss 5 ILCS 120/2 (c.) 2. Collective negotiation matters between the Public Body and it employees or their representatives, or deliberation concerning salary schedules for one or more classes of employees. On roll call vote, all present voted Aye.

No further business to come before the Council, in open session, Mayor Tebben called the meeting closed.

COUNCIL ADJOURNED AT 7:40 P.M.

Sue E. McMillan
City Clerk

**PROCEEDINGS OF A SPECIAL WORK SESSION
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE CITY HALL COUNCIL CHAMBERS
111 SOUTH CAPITOL STREET
ON TUESDAY, OCTOBER 21, 2008 AT 5:30 O'CLOCK P.M.
R. DAVID TEBBEN * MAYOR * PRESIDING**

**PRESENT: COUNCIL MEMBERS: ABEL, STRAND, BLANCHARD, DUNN, KORTKAMP,
AND JONES,**

ABSENT: NONE

Council set a third work session to continue discussion with staff of the FY 2010 Budget. Notice was properly posted and Council received notice of a special meeting on Friday, October 17, 2008.

The **Pledge of Allegiance** was led by Mayor R. David Tebben.

Roll was called. All Council Members were present.

Mayor Tebben opened the meeting noting the purpose was to continue discussing changes to the preliminary figures for the FY 2010 Budget based on revenue and expenses projections. Question was posed as to time needed for the discussion of the night. By right of personal privilege Council Member Jones called for 6:30 p.m. and a motion was then made by Council Member Kortkamp and seconded by Council Member Strand to set a time certain of 6:30 p.m. All present voted Aye.

City Manager Dennis Kief distributed a memo as a follow-up to the comments received at the October 7th Budget Meeting. He indicated that what was heard at that work session neither the Library nor Fire Station Relocation had the support to remain in the FY 2010 Budget. By removing the projected bond payments for the projects and using fund specific reserves from TIF and MFT the deficit was presented at \$1,991,322.00 from an estimated 3 million dollars plus. Figures utilizing levy increased EAV, cuts of street vehicles, loan payoff, and insurance plan changes, left a differential of \$837,114.00 expenses over revenues.

Council then heard a garbage fee and stormwater utility fee would eliminate supplements by use of the general fund. Mr. Kief recommended Council consider a Food & Beverage Tax and a Package Liquor Tax at least from the suggested revenue sources. A reminder was given that history clearly showed that the City's revenues were not keeping up with expenses and the differential would likely broaden.

Discussion followed. It was suggested dollars from the sewer enterprise fund be used to reduce the deficit for FY2010 for the expansion of the treatment plant project. An observation was made that the savings for the estimated insurance benefit changes of \$350,000.00 was an unpredictable figure in using as a reduction to the FY2010 budget difference. Not replacing personnel when a vacancy was left was discussed. With little expectations of the Library capital project, a binding referendum was suggested.

It was agreed to seek public input on the revenue / expense history and the proposed FY2010 Budget at two Town Hall meetings, Monday, November 3 @ Pekin Park Pavillion and Monday, November 17, @ Moose Lodge. Additional Budget Work Session would follow.

Mayor Tebben called for the orders of the day and the meeting was adjourned.

COUNCIL ADJOURNED AT 6:30 P.M.

Sue E. McMillan
City Clerk

City of Pekin

Police Department

PEKIN POLICE DEPARTMENT END OF MONTH REPORT FOR SEPTEMBER 2008

	SEPTEMBER 2007	AUGUST 2008	SEPTEMBER 2008
TRAFFIC TICKETS	306	415	356
WARNING TICKETS	366	435	307
OFFENSES	558	572	512
ARRESTS	281	282	273
PARKING TICKETS	369	213	274
STOPS	796	815	635

Breakdown of Parking Tickets

Abandoned Vehicle	1	0	4
Fire Lane	1	2	0
Handicapped	5	1	0
Improper Parking	17	2	10
Restricted Parking	305	197	206
No Parking Zone	30	8	50
Fire Hydrant	0	2	0
Meter Violation	8	0	4
Prohibited Parking	2	0	0
TOTAL	369	213	274

PEKIN FIRE DEPARTMENT

2% FOREIGN FIRE INSURANCE FUND

September 26, 2007 - SEPTEMBER 22, 2008

ANNUAL AUDIT



Pekin Fire Department
2% Foreign Fire Insurance Fund
Statement of Activities
Cash Basis
Checking Account

Illinois Department of Revenue Foreign Fire Insurance Company Fees	<u>Revenues Collected</u>
Miscellaneous Revenue	\$23,561.01
Total Revenue Collected:	<u>\$ 40.00</u>
	\$23,601.01
Conferences	<u>Expenditures Paid</u>
Equipment/Supplies	\$ -0-
Health & Fitness	\$ 6,630.31
Honor Guard	\$ 4,971.80
Insurance	\$ 3,448.19
Repairs & Maintenance	\$ 1,290.40
Subscriptions	\$ -0-
Total Expenditures Paid:	<u>\$ 1,951.92</u>
	\$ 18,292.62

Excess of Revenues Collected Over Expenditures	\$ 5,308.39
Net Assets Beginning of Year September 26, 2007	\$20,219.48
Net Assets End of Year September 22, 2008	\$25,527.87

2% Audit Committee

1. *Robert Crestaro*

Date: *10-7-2008*

2. *Fish Peterson*

Date: *10-7-08*

3. *John Turner*

Date: *10-7-08*

			<i>Pekin Fire Department</i>			
			2% Foreign Fire Insurance Fund			
			Cash Disbursements Journal			
			September 25, 2006	September 12, 2007		
Date		Check #		Account		Amount
9/26/07		1468		Insurance		\$1,080.00
10/2/07		1469		Supplies/Equipment		\$323.98
10/2/07		1470		Supplies/Equipment		\$32.30
10/3/07		1471		Supplies/Equipment		\$250.00
10/3/07		1472		Health/Fitness		\$21.80
10/18/07		1473		Supplies/Equipment		\$104.00
10/18/07		1474		Honor Guard		\$205.50
10/27/07		1475		Supplies/Equipment		\$47.09
10/30/07		1476		Insurance		\$25.00
11/18/07		1477		Subscriptions		\$442.00
11/28/07		1479		Supplies/Equipment		\$51.58
11/30/07		1478		Honor Guard		\$104.00
12/2/07		1480		Subscriptions		\$221.00
12/2/07		1481		Subscriptions		\$394.00
12/4/07		1482		Supplies/Equipment		\$6.39
12/10/07		1483		Supplies/Equipment		\$104.00
12/10/07		1484		Honor Guard		\$125.60
12/10/07		1485		Supplies/Equipment		\$18.80
12/10/07		1486		Supplies/Equipment		\$525.50
12/13/07		1487		Honor Guard		\$1,365.00
12/31/07		1488		Supplies/Equipment		\$27.94
12/31/07		1489		Insurance		\$91.80
1/14/08		1490		Honor Guard		\$85.32
1/14/08		1491		Health/Fitness		4,950.00
1/19/08		1492		Supplies/Equipment		\$104.00
1/19/08		1493		Honor Guard		\$804.35
2/6/08		1494		Honor Guard		\$74.52
2/27/08		1495		Supplies/Equipment		\$495.71
2/29/08		1496		Supplies/Equipment		\$49.39
3/31/08		1497		Honor Guard		\$73.00
3/31/08		1498		Honor Guard		\$610.90
4/1/08		1499		Supplies/Equipment		\$250.00
4/2/08		1500		Subscriptions		108.68
4/2/08		1501		Supplies/Equipment		\$72.93
4/10/08		1502		Supplies/Equipment		\$118.78
4/18/08		1503		Supplies/Equipment		\$48.00
4/18/08		1504		Supplies/Equipment		\$513.00
5/7/08		1505		Subscriptions		\$786.24
5/30/08		1506		Supplies/Equipment		\$102.58
6/4/08		1507		Supplies/Equipment		\$2,500.00
6/6/08		1508		Insurance		\$93.60
6/6/08		1509		Supplies/Equipment		\$16.00
7/23/08		1510		VOID		\$0.00
7/23/08		1511		Supplies/Equipment		\$19.90

8/5/08		1512			Supplies/Equipment		\$772.93
8/6/08		1513			Supplies/Equipment		\$23.51
9/11/08		1514			Supplies/Equipment		\$52.00
						TOTAL	\$18,292.62

*Pekin Fire Department
2% Foreign Fire Insurance Fund
Statement of Activities
Savings Account*

Revenue

Account Balance	\$ 45.03
Interest Income	\$.37
Miscellaneous Income	\$ -0-
(Equipment Sold) Petty Cash	
Total	\$ 45.40

Cash Expenditures

Equipment/Supplies	\$ -0-
Total	\$ -0-

Net Assets End of Year September 22, 2008	\$ 45.40
--	-----------------

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING -
CENTRAL BUSINESS DISTRICT FUND

FINANCIAL STATEMENTS

APRIL 30, 2008

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-CENTRAL BUSINESS DISTRICT FUND

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	<u>PAGE</u> 1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Revenues, Expenditures, and Changes in Fund Balance	3
NOTES TO THE FINANCIAL STATEMENTS	4-6
SUPPLEMENTARY DATA	
Schedule A - Cash Analysis of the Fund	7
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE	8

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the Tax Increment Financing-Central Business District Fund of the City of Pekin, Illinois as of and for the year ended April 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the City of Pekin, Illinois management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Tax Increment Financing-Central Business District Fund and do not purport to, and do not present fairly the financial position of the City of Pekin, Illinois as of April 30, 2008 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tax Increment Financing-Central Business District Fund of the City of Pekin, Illinois as of April 30, 2008, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Willock Warning & Co, PC

WILLOCK WARNING & CO., P.C.
October 8, 2008

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-CENTRAL BUSINESS DISTRICT FUND

BALANCE SHEET

APRIL 30, 2008

ASSETS

Cash and cash equivalents	\$ 1,787,129
Receivables	46,508
Due from other funds	<u>12,108</u>
Total assets	<u>\$ 1,845,745</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Due to other funds	\$ 17,471
Fund balance:	
Reserved for debt service	<u>1,828,274</u>
Total liabilities and fund balance	<u>\$ 1,845,745</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-CENTRAL BUSINESS DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2008

Revenues:	
Sales tax increments-state	\$ 194,858
Sales tax increments-city	240,694
Real estate tax increments	506,467
Investment earnings	<u>45,301</u>
Total revenues	<u>987,320</u>
Expenditures:	
Administration	26,009
Redevelopment	56,316
Debt service:	
Interest	79,135
Principal	<u>349,212</u>
Total expenditures	<u>510,672</u>
Excess of revenues over expenditures	476,648
Fund balance, beginning of year	<u>1,351,626</u>
Fund balance, end of year	<u>\$ 1,828,274</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-CENTRAL BUSINESS DISTRICT FUND
NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

The Tax Increment Financing-Central Business District Fund (the TIF-CBD Fund) is a separate fund of the City of Pekin, Illinois. It is included in the governmental activities in the Statement of Net Assets and Statement of Activities of the City of Pekin's financial statements. These financial statements present only the TIF-CBD Fund and are not intended to present fairly the financial position and results of operations of the City of Pekin in conformity with accounting principles generally accepted in the United States of America.

The City of Pekin established the TIF-CBD Fund by Ordinances dated November 11, 1986 pursuant to the Illinois Tax Allocation Redevelopment Act. The purpose of the fund is to account for resources and expenditures arising in connection with redevelopment of a certain designated project area pursuant to a plan for redevelopment. The Fund was due to expire in 2009. In 2005 the State of Illinois, through the legislative process, extended the real estate tax exemption to the year 2021. On June 28, 2004 the City of Pekin passed an ordinance extending the sales tax provisions through the year 2013. The additional time is needed to complete the redevelopment project and retire the debt obligations used to finance the project costs.

b) Basis of Accounting

The modified accrual basis of accounting, under which expenditures are recorded when the liability is incurred and revenues are recorded when received in cash unless susceptible to accrual or of a material amount and not received at the normal time of receipts, is followed.

NOTE 2 - RECEIVABLES/DUE FROM OTHER FUNDS

At April 30, 2008 the TIF-CBD Fund was owed \$46,508 by the State of Illinois for state incremental sales taxes earned in the quarter ending March 31, 2008.

The TIF/CBD Fund was owed \$8,807 by the City's General Fund and \$3,301 by the City's Sanitation Fund as a result of an incorrect allocation of principal and interest payments on the 2004 General Obligation Bonds.

The TIF/CBD Fund owed the City's General Fund \$17,471 as a result of interest payments on the Refunding Series 2004 General Obligation Bonds being paid from the General Fund rather than the TIF/CBD Fund.

NOTE 3 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended April 30, 2008:

	Balance <u>4/30/07</u>	Bond <u>Additions</u>	Bond <u>Retirements</u>	Balance <u>4/30/08</u>
General Obligation Bonds:				
Refunding Series 2004	\$ 1,095,000	\$ -	\$ (170,000)	\$ 925,000
Series 2004	<u>1,220,952</u>	<u>-</u>	<u>(179,212)</u>	<u>1,041,740</u>
	<u>\$ 2,315,952</u>	<u>\$ -</u>	<u>\$ (349,212)</u>	<u>\$ 1,966,740</u>

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-CENTRAL BUSINESS DISTRICT FUND

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2008

NOTE 3 - continued

A brief description of the above long-term debt obligations is as follows:

General Obligation Refunding Bonds, Series 2004

These bonds were issued to refund the outstanding bonds of the Series 1993-A issue. The bonds are dated October 15, 2004 and are due in annual installments ranging from \$175,000 to \$195,000. Interest rates range from 2.3 percent to 3.65 percent.

\$ 925,000

General Obligation Bond, Series 2004

On October 19, 2004, the City issued a general obligation bond in the amount of \$2,950,000 for the purpose of financing equipment and vehicle purchases, infrastructure work, and riverfront park improvements within the TIF-CBD area. At April 30, 2008, the City had drawn down \$2,891,347 of the total bond issue. The amount of funds used for the TIF-CBD project at April 30, 2008 totaled \$1,405,327. The repayment of debt obligations by the TIF-CBD Fund is proportional to the amount of funds used for the TIF-CBD project. Annual principal payments for the entire outstanding bond balance is \$368,750. The interest rate is 3.894 percent.

1,041,740

Total \$ 1,966,740

Debt Service

The anticipated annual debt service requirements applicable to the TIF-CBD Fund for the principal and interest on the bonds outstanding at April 30, 2008 are as follows:

Year Ended	Principal	Interest	Total
2009	\$ 354,212	\$ 67,794	\$ 422,006
2010	359,213	55,741	414,954
2011	364,212	43,092	407,304
2012	369,213	30,009	399,222
2013	374,213	16,475	390,688
2014	145,677	2,836	148,513
	<u>\$ 1,966,740</u>	<u>\$ 215,947</u>	<u>\$ 2,182,687</u>

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-CENTRAL BUSINESS DISTRICT FUND
NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2008

NOTE 3 - continued

Bond Defeasance

In August, 1992, the City provided for the defeasance of a portion of its General Obligation Corporate Purpose Bonds, Series 1990, by placing funds in an irrevocable trust with an escrow agent to provide for future debt service payments. The funds have been invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future debt service payments of interest and principal on the issue which totaled in principal \$640,000 at the date of defeasance. As a result, these bonds are considered to be defeased and the liability for the bonds has been removed from the noncurrent liabilities on the City's Statement of Net Assets at April 30, 2008.

CITY OF PEKIN, ILLINOIS
TAX INCREMENT FINANCING-CENTRAL BUSINESS DISTRICT FUND

CASH ANALYSIS

YEAR ENDED APRIL 30, 2008

Operating cash balance, beginning of year		\$ 250,974
---	--	------------

Deposits:

Sales tax increments-state and city	\$ 433,188	
Real estate tax increments	506,467	
Receipt of funds owed from General Fund	208,223	1,147,878

Expenditures:

Administrative and redevelopment expenses	82,325	
Debt service payments	428,347	
Payment of funds owed to General Fund	166,898	677,570

Operating cash balance, end of year		\$ 721,282
-------------------------------------	--	------------

Ending operating cash balance by source:

Sales tax increments	\$ 389,044	
Real estate tax increments	332,238	
Total		\$ 721,282

Note:

Cash and cash equivalents as shown on the balance sheet on page 2 is comprised of the following:

Cash in operating account	\$ 721,282	
Cash in IPTIP money market account	1,065,847	
Total		\$ 1,787,129

The notes to the financial statements are an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

We have audited the financial statements of the City of Pekin, Illinois for the year ended April 30, 2008, and have issued our report thereon dated October 8, 2008.

We have also audited the City of Pekin's compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) as it relates to the eligibility of expenditures for costs incurred incidental to the implementation of the City of Pekin/Central Business District Amended Area Tax Increment Redevelopment Plan and Project. The management of the City of Pekin, Illinois is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Pekin, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Pekin, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) as it relates to the eligibility of expenditures for costs incurred incidental to the implementation of the City of Pekin/Central Business District Amended Area Tax Increment Redevelopment Plan and Project.

Willock Warning & Co, PC

WILLOCK WARNING & CO., P.C.
October 8, 2008

TAZEWELL/PEKIN CONSOLIDATED
COMMUNICATIONS CENTER

FINANCIAL STATEMENTS

APRIL 30, 2008

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

STATEMENT

STATEMENT OF NET ASSETS

1

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN NET ASSETS

2

STATEMENT OF CASH FLOWS

3

NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

A

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL

B

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tazewell/Pekin Consolidated
Communications Center

We have audited the accompanying financial statements of the Tazewell/Pekin Consolidated Communications Center, a component unit of the City of Pekin, Illinois, as of and for the year ended April 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tazewell/Pekin Consolidated Communications Center as of April 30, 2008, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of revenues and expenditures listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Tazewell/Pekin Consolidated Communications Center. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Willock Warning & Co., P.C.

WILLOCK WARNING & CO., P.C.
October 8, 2008

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

STATEMENT OF NET ASSETS

APRIL 30, 2008**ASSETS**

Current assets:

Cash	\$ 77,696
Accounts receivable	<u>1,206</u>
Total current assets	<u>\$ 78,902</u>

Non-current assets:

Capital assets:

Leasehold improvements	44,357
Office equipment	63,057
Communications center	119,279
Communications equipment	1,392,073
Less accumulated depreciation	<u>(1,190,719)</u>
Total capital assets (net of accumulated depreciation)	<u>428,047</u>
Total assets	<u>\$ 506,949</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 7,371
Accrued wages	26,354
Payments received in advance	163,930
Loan payable-City of Pekin	10,136
Loan payable-Tazewell County	<u>6,573</u>
Total current liabilities	214,364

NET ASSETS

Unrestricted	<u>292,585</u>
Total liabilities and net assets	<u>\$ 506,949</u>

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
YEAR ENDED APRIL 30, 2008

REVENUES:	
City of Pekin	\$ 630,500
Tazewell County	351,276
Other governmental entities	245,776
Private businesses	37,300
Other revenues	<u>3,812</u>
Total operating revenues	<u>1,268,664</u>
OPERATING EXPENSES:	
Salaries and employees benefits	1,080,561
Administrative and equipment costs	161,195
Depreciation	<u>101,551</u>
Total operating expenses	<u>1,343,307</u>
Operating loss	<u>(74,643)</u>
NON-OPERATING REVENUE (EXPENSE):	
Intergovernmental grant	122,430
Interest earnings	3,633
Interest expense	<u>(3,909)</u>
Net non-operating revenue	<u>122,154</u>
Change in net assets	47,511
Total net assets, beginning of year	<u>245,074</u>
Total net assets, end of year	<u>\$ 292,585</u>

The notes to the financial statements are an integral part of this statement.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2008

Cash flows from operating activities:	
Receipts from services	\$ 1,273,763
Payments for personal services	(770,857)
Payments to vendors and suppliers	(477,325)
Net cash provided by operating activities	<u>25,581</u>
Cash flows from noncapital financing activities:	
Receipt of intergovernmental grant	<u>122,430</u>
Cash flows from capital and related activities:	
Purchase of capital assets	(110,965)
Principal payments on loans payable	(78,902)
Interest paid on loans payable	(3,909)
Net cash used by capital and related financing activities	<u>(193,776)</u>
Cash flows from investing activities:	
Interest received	<u>3,633</u>
Net decrease in cash	(42,132)
Cash, beginning of year	<u>119,828</u>
Cash, end of year	<u>\$ 77,696</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (74,643)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	101,551
Increase in accounts receivable	(1,206)
Decrease in accounts payable	(10,827)
Increase in accrued wages	4,401
Increase in advanced payments	6,305
Net cash provided by operating activities	<u>\$ 25,581</u>

The notes to the financial statements are an integral part of this statement.

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2008

NOTE 1 - NATURE AND PURPOSE OF ORGANIZATION

Tazewell/Pekin Consolidated Communications Center (the "Center") is a non-profit corporation formed under the General Not-for-Profit Corporation Act of the State of Illinois and primarily organized for the purpose of providing a centralized public safety communications system for the mutual benefit of the County of Tazewell and the City of Pekin, Illinois. For financial statement reporting purposes, the City of Pekin considers the Center a discrete component unit and is reported on the City's combined financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The accrual basis of accounting, under which expenditures are recorded when the liability is incurred and revenues are recorded when received or when measurable and available to finance the Center's operations is followed.

b) Fixed Assets

All fixed assets are valued at historical cost. Communications equipment is being depreciated over an estimated useful life of ten years. Office equipment is being depreciated over an estimated useful life of twenty years. Leasehold improvements are being depreciated over an estimated life of thirty years.

c) Budget

The Center's budget is prepared on the modified accrual basis as required by generally accepted accounting principles. Therefore, the schedules of revenues and expenditures budget and actual (Schedule A and B) have been prepared on a basis consistent with and comparable to the legally adopted budget.

NOTE 3 - CHANGES IN FIXED ASSETS

The following is a summary of the changes in general fixed assets during the current year:

	Balance <u>4/30/07</u>	<u>Additions</u>	Balance <u>4/30/08</u>
Communications equipment	\$ 1,281,108	\$ 110,965	\$ 1,392,073
Office equipment	63,057	-	63,057
Communications center	119,279	-	119,279
Leasehold improvements	44,357	-	44,357
Total	<u>\$ 1,507,801</u>	<u>\$ 110,965</u>	<u>\$ 1,618,766</u>

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2008

NOTE 4 - LONG-TERM LIABILITIES

In 2002 the Center moved its operations from the old City Hall to another building owned by the City of Pekin. The cost of building remodeling and upgrading equipment was financed through two loans from the City of Pekin and Tazewell County. The loans are payable over a five year period with monthly payments of \$3,467.50 on each loan. Interest accrues at 4.75%. Details of each loan is as follows:

	<u>City of Pekin</u>	<u>Tazewell County</u>
Original loan amount (2002)	\$ 185,000	\$ 185,023
Additional loan amount (2006)	\$ 30,000	\$ 30,000
Loan balance at 4/30/08	\$ 10,136	\$ 6,573

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

SCHEDULE OF REVENUES-BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2008

	<u>Budget</u>	<u>Actual</u>
City of Pekin	\$ 632,508	\$ 630,500
Tazewell County	343,954	351,276
Other governmental entities	246,855	245,776
Private businesses	37,700	37,300
Interest earnings	1,500	3,633
Other revenues	1,000	3,812
Intergovernmental	<u>-</u>	<u>122,430</u>
Total revenues	<u>\$ 1,263,517</u>	<u>\$ 1,394,727</u>

TAZEWELL/PEKIN CONSOLIDATED COMMUNICATIONS CENTER

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2008

	<u>Budget</u>	<u>Actual</u>
Salaries and employees benefits:		
Salaries	\$ 736,060	\$ 775,258
Payroll taxes and unemployment benefits	109,100	118,500
Group and workers compensation insurance	198,000	186,401
Medical costs	600	402
Total salaries and employee benefits	<u>1,043,760</u>	<u>1,080,561</u>
Administrative costs:		
Liability insurance	10,186	657
Training and education	6,500	9,113
Small tools, supplies and postage	4,220	4,690
Maintenance and repairs	8,700	2,643
Telephone	46,000	80,617
Utilities	13,000	11,056
Equipment and facilities rental	1,200	9,627
Dues and subscriptions	2,200	1,957
Travel	2,200	1,528
Professional fees/contractual services	20,500	30,938
Public relations	1,000	887
Computer expenses	2,600	599
Miscellaneous	500	1,013
Total administrative costs	<u>118,806</u>	<u>155,325</u>
Fixed assets expenditures:		
Communications equipment	<u>9,000</u>	<u>5,870</u>
Financing costs:		
Loan payments-principal and interest	<u>87,000</u>	<u>82,811</u>
Total expenditures	<u>\$ 1,258,566</u>	<u>\$ 1,324,567</u>

The notes to the financial statements are an integral part of this statement.



REQUEST FOR COUNCIL ACTION

To: Council Members

CC: Dennis Kief, Sue McMillan, Angie Evans, & City Attorney

From: Joe Wuellner

AGENDA ITEM: Permanent Easement with Canadian National Railroad – Hanna Drive

AGENDA DATE REQUESTED: October 27, 2008

ACTION REQUESTED: Approve easement and resolution

BACKGROUND: The process of getting the rail crossing for the extension of Hanna Drive has been a long arduous task. We went through the Illinois Commerce Commission to get the permission for the crossing and are now in the process of getting the easement and agreement approved. This easement is the first step. Once this is signed and paid for, they will get us the agreement. The project is under a very tight timeline as we are expected to have construction started by the end of the year but before we can go out for bids the EDA needs all these documents. Approval of this easement and associated resolution is a critical piece.

FINANCIAL IMPACT: \$1,500

NEIGHBORHOOD CONCERNS: None

IMPACT IF APPROVED: Will allow the project to continue moving forward.

IMPACT IF DENIED: Will stop the project and cause the potential loss of the EDA grant money.

ALTERNATIVES: None

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Strong Foundation

REQUIRED SIGNATURES

Department Director

Joseph Wallner 10/23/08
Date

Finance Department

Angela Evans 10-23-08
(Certification of Availability of Funds) Date

Corporation Counsel

(Certification of Review) Date

City Manager

Don Kif 10/23/08
Date

RESOLUTION No. 58-08/09

PEKIN, ILLINOIS, October 27, 2008 19

RESOLUTION BY COMMISSIONER _____

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PEKIN, ILLINOIS, THAT:

1. That the City of Pekin, Illinois accept the terms and conditions of an agreement from the Illinois Central Railroad Company, a Delaware corporation in order to obtain a grant of a permanent easement for the purpose of operation of new highway crossing known as Hanna Drive.
2. That R. David Tebben, Mayor of the City of Pekin for the Pekin City Council, is hereby authorized and directed to execute the Permanent Easement on behalf of the City of Pekin.
3. That R. David Tebben, Mayor of the City of Pekin is hereby authorized to provide such information and to file such documents as may be required to perform the agreement.

SIGNED BY _____

MAYOR.

Illinois Central Railroad Company
Route: Hanna Drive
Vicinity: Milepost B-11,
In/Near: Pekin, IL
County: Tazwell

PERMANENT EASEMENT

THIS INDENTURE WITNESSETH that the ILLINOIS CENTRAL RAILROAD COMPANY, a Delaware corporation, hereinafter referred to as "Grantor", for and in consideration of the sum of ONE THOUSAND FIVE HUNDRED DOLLARS AND NO/100ths (\$1,500.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, so far as it lawfully may, unto CITY OF PEKIN, ILLINOIS, hereinafter referred to as "CITY", a permanent easement for the purpose of operation of new highway crossing known as Hanna Drive, hereinafter referred to as "Structure", over, across and upon the right of way and property of Grantor, in the vicinity of Grantor's Peoria Subdivision Mile Post B-11+/- at/near Pekin, in Tazwell County, in the State of Illinois, as shown on the print attached hereto and made a part hereof and more particularly described as follows:

See attached Exhibit A

The grants aforesaid are made solely upon the conditions and limitations hereinafter contained, and the CITY, by its acceptance of the said grants, accepts such conditions and limitations and agrees to the full, strict and prompt observance and performance thereof.

1. The easements granted in this indenture are limited to the uses and purposes hereinbefore expressed and for no other purpose whatever. A separate construction and maintenance agreement will be negotiated and executed by the parties. No work shall start until the construction and maintenance agreement is executed.

2. The Grantor reserves to itself, its grantees (other than the CITY), licensees, lessees, successors and assigns, the right not only to continue to keep and use or operate all tracks and other facilities or structures now upon or beneath the surface of, or above, the said described premises, but also the right to install and use or operate additional tracks, facilities and structures upon and beneath the surface of, or above, the said described premises and the Grantor reserves also the right to grant to others permission to install and use or operate other facilities and structures, including, but not limited to, underground pipes and conduits, upon and beneath the surface of the said premises, and overhead wires, cables, and poles or other structures for the support of such facilities and structures which may now or hereafter be on the said premises, provided that said installations can be made without interference with the use of the said premises as provided in this indenture, impair the highway or interfere with the free and safe flow of traffic thereon.

3. The CITY shall, without charge or assessment therefore against the Grantor or the Grantor's property, and in accordance with plans which have been approved by Grantor's Division Engineer or his duly authorized representative, perform all work and furnish any material necessary for the construction, maintenance or reconstruction of the Structure, and make or cause to be made any changes or alterations in the location or construction of the Grantor's facilities that may be made necessary by this grant or by the location, construction, use or operation of the Structure. The CITY shall also assume and pay all expense incurred by the Grantor incident to, or as a result of, the exercise of this grant.

4. Neither the Grantor, nor its property, shall be subjected to any charge, assessment or expense, arising from, growing out of, or in any way attributable to, the construction, maintenance, use or operation of the Structure, whether within or without the confines of Grantor's property, nor for any crossing protection thereat, nor for any highway improvement thereon if these easements are for roadway purposes. If the Grantor or its property is legally subjected to any such charge, assessment or expense, the CITY shall pay Grantor, as additional compensation for the rights granted in this indenture, an amount of money equal to any such charge, assessment or expense paid by Grantor.

5. The Grantor does not warrant title to the said described premises in which the foregoing easements are granted and does not undertake to defend the CITY in the peaceable enjoyment thereof, but the grants of easement aforesaid shall be subject to the continuing lien of all lawful outstanding existing liens and superior rights, if any, in and to said premises.

6. If any future work to be performed by or for the CITY is let by contract, the CITY shall require each contractor before coming upon the Grantor's tracks or waylands, to obtain from the Grantor's authorized representative permission for occupancy and use of the premises and to ascertain and comply with the Grantor's requirements for clearances, operation, and its general safety regulations. The Grantor may furnish each contractor, at such contractor's sole cost and expense, protective services and devices, including, but not limited to, switchtenders, flagmen, or watchmen as the Grantor may deem desirable for the safety and continuity of railroad traffic during the work. Each contractor shall be required by the CITY to reimburse the Grantor promptly upon receipt of bill(s) for such protective services and devices furnished to the contractor.

The CITY shall withhold final payment to its contractor or contractors until the Grantor has notified the CITY that all such bills have been settled. The CITY shall reimburse the Grantor upon receipt of bill(s) for any work performed for the CITY by the Grantor.

Cost and expense for work performed by Grantor, as referred to in this indenture, shall consist of the actual cost of labor and materials plus Grantor's standard additives in effect at the time the work is performed.

7. For any work let by contract, the CITY shall require each of its contractors to furnish evidence of Workmen's Compensation coverage and to maintain at all times during any work: (A) Contractors' Public Liability and Property Damage Liability Insurance, including automobile coverage, with a combined single limit of \$5,000,000 per occurrence with an aggregate limit of \$10,000,000 for the term of the policy; (B) if subcontractors are involved, Contractors' Protective Public Liability and Property Damage Liability Insurance with the limits prescribed in (A) above; and (C) Railroad Protective Public Liability and Property Damage Liability Insurance with the limits prescribed in (A) above. The Railroad Protective policy shall name the ILLINOIS CENTRAL RAILROAD COMPANY and its Parents as the insured, shall be in a form acceptable to the Grantor and said insurance shall be primary as it relates to the this contract. The CITY shall require each contractor to furnish to the Grantor the original Railroad Protective policy and certificates evidencing the other insurance coverage required in this Section. The Railroad Protective policy and all other insurance certificates shall be subject to the Grantor's approval before any work may be started on the Grantor's property by any contractor.

8. If the public use of the permanent easement on the premises described in this indenture for the purposes expressed in it shall be abandoned or discontinued, the said easement shall thereupon cease and determine and the CITY shall surrender or cause to be surrendered to the Grantor, or Grantor's successors or assigns, the peaceable possession of the said described premises, and title to the said premises shall remain in the Grantor, or its successors or assigns, free and clear of all rights and claims of the CITY and of the public for use and occupancy of the said premises. Full and complete title, ownership and use of the Grantor's premises and of the portions thereof herein involved are reserved to Grantor, and its successors or assigns, subject to the right, permission and authority expressly granted in this indenture. Upon termination of the easement for any reason, the CITY shall restore the Grantor's premises to a like condition as at present, insofar as such restoration may in the opinion of Grantor's duly authorized representative be practicable.

9. Subject to the provisions of the foregoing Section 8, this indenture and the conditions contained in it shall run with the land and be binding upon the respective grantees, licensees, lessees, successors and assigns of the parties.

10. Grantor hereby acknowledges the aforesaid consideration for the easement rights granted in this indenture represents payment in full for the realty interests herein conveyed, including any decrease in value to Grantor's remaining properties resulting therefrom, but Grantor does not waive or release any claim for trespass or negligence against the CITY, or any agent or contractor of the CITY, for any physical damage which may be caused to the Grantor's remaining properties or facilities.

(Signature page follows)

IN WITNESS WHEREOF, the Grantor has caused this indenture to be signed and its corporate seal affixed by its proper duly authorized officers as of the 13th day of June, 2008.

Witness:

ILLINOIS CENTRAL RAILROAD COMPANY

Title:

By

Michael Deegan
Regional Manager Business Development & Real
Estate

ACCEPTED:

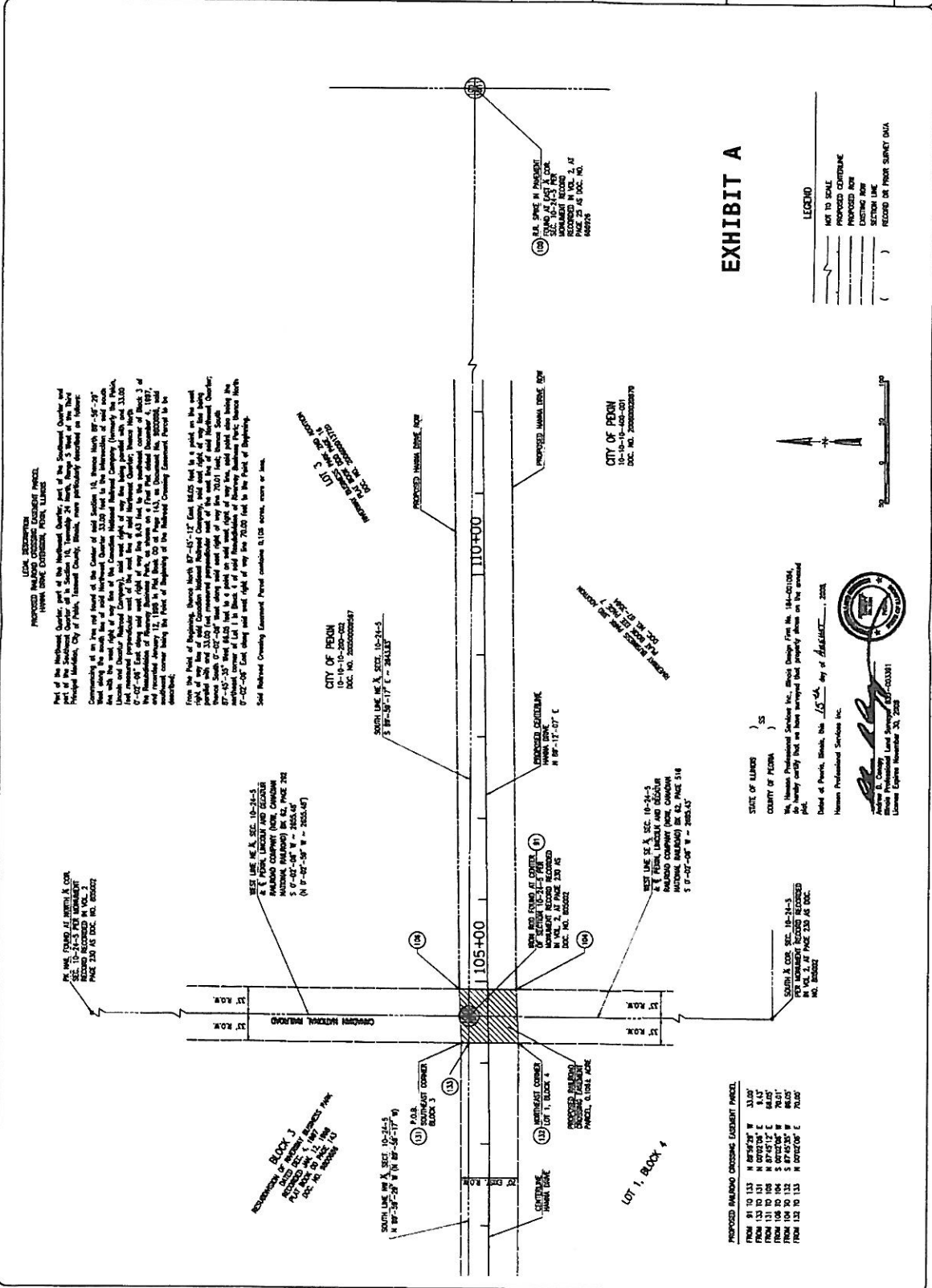
CITY OF PEKIN, ILLINOIS

By

Print Name:

Title:

PLAT OF SURVEY RAILROAD CROSSING EASEMENT PROPOSED HANNA DRIVE EXTENSION PART OF SECTION 10, 12 & 14, R5W 3RD P.M. TAZEWELL COUNTY, IL		HANSON Surveying & Mapping 2000 N. Federal Road Peoria, Illinois 61614-1129 Phone: (309) 691-1327 Fax: (309) 691-0262	DATE: 6/15/98 DRAWN BY: RLA CHECKED BY: JAC 8/11/98 Office: Madisonville	CITY OF PEKIN	DATE: _____ DRAWN BY: _____ CHECKED BY: _____ 8/16/98	DATE: _____ REVISION: _____
--	--	---	--	---------------	--	--------------------------------





REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and Members of the City Council

CC: Sue McMillan, City Clerk

From: Dennis Kief

AGENDA ITEM: 29.40 Acre (referred to as J. Evans) South of Route 98 Acquisition

AGENDA DATE REQUESTED: October 27, 2008

ACTION REQUESTED: Authorization of the Ordinance and Contract to Purchase as well as the Annexation

BACKGROUND: Approximately 20 years ago this property was part of an area that was touted as "Lick Creek Industrial Park". Shortly after that, the City focused on the development of Riverway Business Park. Since that time, TIF 2 was closed out early (ahead of 2009 expiration) and the City ended up with uncommitted funding the result of the Pekin Lake project being delayed. Those funds can be expended within the boundaries of TIF 2 or the areas contiguous to it.

This property is currently outside the City of Pekin, but adjacent to our boundaries (continuity on the east side). This is an area of likely development, adjacent to Theatre complex. The possible development of this area gives the City options in marketing Pekin for additional development not dissimilar from Riverway Business Park. The agreed upon purchase price for the property did not exceed the threshold amount that we established on earlier purchases, specifically Riverway Business Park expansion area.

FINANCIAL IMPACT: \$299,880 from the TIF 2 Close Out Dollars

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Payment made at closing

IMPACT IF DENIED: Property stays privately owned and likely outside the City.

ALTERNATIVES: Future development occurs outside the City of Pekin

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Consistent with Effective Government theme

REQUIRED SIGNATURES

Department Director

Date

Finance Department

(Certification of Availability of Funds)

Date

Corporation Counsel

(Certification of Review)

Date

City Manager

Date

ORDINANCE NO. _____

**AN ORDINANCE PROVIDING FOR EXECUTION OF AN
AGREEMENT TO PURCHASE AND THE PURCHASE
OF REAL PROPERTY BY THE
CITY OF PEKIN, ILLINOIS**

WHEREAS, the City of Pekin has established Riverway Business Park to be used for the purpose of business expansion in the community and economic development; and

WHEREAS, it is beneficial to the City of Pekin to develop a similar business park on the north side of Pekin; and

WHEREAS, the owner of property immediately adjacent to the northern City limits is desirous of selling the following described real estate:

The East 30 acres of even width off of the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian lying West of and adjoining the G.M. & O. Railroad Right of Way; situated in the County of Tazewell, in the State of Illinois; Alternately described as the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, EXCEPTING THEREFROM the right of way of the Chicago and Alton Railroad Company, and FURTHER EXCEPTING THEREFROM the West 12.57 chains of Said East Half of the Southeast Quarter of said Section 23, Township 25 North, Range 5 West of the Third Principal Meridian; FURTHER EXCEPTING THEREFROM that part conveyed to the State of Illinois Department of Transportation by Warranty Deed recorded as Document No. 9721663, described as follows: A part of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois, described as follows:

Beginning at the Northeast Corner of the Southeast Quarter of said Section 23, said corner being 2.574 meters (8.44 feet) normally distant Southerly from the existing Centerline of F.A.U. Route 6769 (Illinois marked Route 98); thence South 2 degrees 07 minutes 09 seconds East along the West line of the G.M. & O. Railroad, 12.987 meters (42.61 feet) to a point being 15.557 meters (51.04 feet) normally distant Southerly from said Centerline; thence South 87 degrees 32 minutes 53 seconds West, 104.882 meters (344.10 feet) to a point 19.000 meters (62.34 feet) normally distant Southerly from said Centerline; thence South 79 degrees 58 minutes 02 seconds West,

27.372 meters (89.80 feet) to a point being 23.500 meters (77.10) feet) normally distant Southerly from said Centerline; thence North 87 degrees 59 minutes 46 seconds West, 13.568 meters (44.51 feet) to the East line of the West 12.57 chains of the East Half of the Southeast Quarter of said Section 23, said point being 22.891 meters (75.10 feet) normally distant Southerly from said Centerline; thence North 0 degrees 48 minutes 22 seconds West along said East line, 21.948 meters (72.01 feet) to the North line of said Southeast Quarter, said point being 0.943 meter (3.09 feet) normally distant Southerly from said Centerline; thence South 89 degrees 55 minutes 35 seconds East along the North line of said Southeast Quarter, 145.128 meters (476.14 feet) to the Point of Beginning, situated in Tazewell County and State of Illinois.

For information purposes only, no common address.

PIN: 04-04-23-400-006

AND WHEREAS, it is deemed in the best interests of the City of Pekin to acquire said property for the creation of a north side Business Park; and

WHEREAS, the City Council deems it in the best interests of the economic development of the community to develop said property; and

WHEREAS, the City Council deems it in the best interests of the general public's health, safety and welfare for the City to acquire said real estate; and

WHEREAS, the City of Pekin is a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS:

SECTION I. That the recitals set forth above are part a material part of this Ordinance.

SECTION II. That the City of Pekin purchase from Joseph E. Evans and Juanita F. Evans and Jeffrey D. Smith and Susanne M. Smith, the following described real estate, to-wit:

The East 30 acres of even width off of the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian lying West of and

adjoining the G.M. & O. Railroad Right of Way; situated in the County of Tazewell, in the State of Illinois; Alternately described as the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, EXCEPTING THEREFROM the right of way of the Chicago and Alton Railroad Company, and FURTHER EXCEPTING THEREFROM the West 12.57 chains of Said East Half of the Southeast Quarter of said Section 23, Township 25 North, Range 5 West of the Third Principal Meridian; FURTHER EXCEPTING THEREFROM that part conveyed to the State of Illinois Department of Transportation by Warranty Deed recorded as Document No. 9721663, described as follows: A part of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois, described as follows:

Beginning at the Northeast Corner of the Southeast Quarter of said Section 23, said corner being 2.574 meters (8.44 feet) normally distant Southerly from the existing Centerline of F.A.U. Route 6769 (Illinois marked Route 98); thence South 2 degrees 07 minutes 09 seconds East along the West line of the G.M. & O. Railroad, 12.987 meters (42.61 feet) to a point being 15.557 meters (51.04 feet) normally distant Southerly from said Centerline; thence South 87 degrees 32 minutes 53 seconds West, 104.882 meters (344.10 feet) to a point 19.000 meters (62.34 feet) normally distant Southerly from said Centerline; thence South 79 degrees 58 minutes 02 seconds West, 27.372 meters (89.80 feet) to a point being 23.500 meters (77.10) feet) normally distant Southerly from said Centerline; thence North 87 degrees 59 minutes 46 seconds West, 13.568 meters (44.51 feet) to the East line of the West 12.57 chains of the East Half of the Southeast Quarter of said Section 23, said point being 22.891 meters (75.10 feet) normally distant Southerly from said Centerline; thence North 0 degrees 48 minutes 22 seconds West along said East line, 21.948 meters (72.01 feet) to the North line of said Southeast Quarter, said point being 0.943 meter (3.09 feet) normally distant Southerly from said Centerline; thence South 89 degrees 55 minutes 35 seconds East along the North line of said Southeast Quarter, 145.128 meters (476.14 feet) to the Point of Beginning, situated in Tazewell County and State of Illinois.

For information purposes only, no common address.

PIN: 04-04-23-400-006

SECTION III. That the purchase price for said property shall not exceed \$299,880.00, and shall be on such terms and conditions as set forth in the Agreement to Purchase.

SECTION IV. That the City of Pekin, Tazewell County, Illinois, is a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

SECTION V. That said property shall be purchased for city purposes, to be used for

development purposes, or any other needed use of the City of Pekin.

SECTION VI. That the consideration for said conveyance shall be paid by the City upon the approval of the conveyance papers by the Corporation Counsel of the City of Pekin.

SECTION VII. That the Mayor and City Clerk be and they are hereby empowered to execute the originals of the Agreement to Purchase attached hereto as Exhibit "A" and such other appropriate documents upon approval of same by the Corporation Counsel of the City of Pekin.

SECTION VIII. All Ordinances or portions thereof in conflict with this Ordinance are hereby repealed.

SECTION IX. That this Ordinance shall be in full force and effect upon its passage and approval.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Pekin, this _____ day of _____, 2008; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 2008.

MAYOR

ATTEST:

CITY CLERK

AGREEMENT TO PURCHASE

THIS AGREEMENT made this 19th day of August, 2008, by and between JOSEPH E. EVANS, JUANITA F. EVANS, JEFFERY D. SMITH and SUSANNE M. SMITH, each as to an undivided one-fourth interest, hereinafter collectively referred to as "Seller", and CITY OF PEKIN, an Illinois municipal corporation, hereinafter referred to as "Buyer";
WITNESSETH:

The Seller agrees to sell to the Buyer, and the Buyer agrees to buy from the Seller, on the following terms and conditions, the following described real estate:

The East 29.40 acres of even width off of the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian lying West of and adjoining the G.M. & O. Railroad Right of Way; situated in the County of Tazewell, in the State of Illinois; Alternately described as the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, EXCEPTING THEREFROM the right of way of the Chicago and Alton Railroad Company, and FURTHER EXCEPTING THEREFROM the West 12.57 chains of said East Half of the Southeast Quarter of said Section 23, Township 25 North, Range 5 West of the Third Principal Meridian; situated in the County of Tazewell, in the State of Illinois - containing approximately 29.40 acres, more or less.

PTN: 04-04-23-400-006

1. The sale price for the real estate is \$10,200.00 per acre, for a total sale price of \$299,880.00, to be paid as follows:

A. The sum of \$1,000.00 upon the signing of this Agreement, the receipt of which is hereby acknowledged by the Seller.

B. The balance of the sale price shall be paid at closing.

C. Closing shall occur on or before October 31, 2008, or such other time as mutually agreed upon between the Buyer and Seller in writing.

2. The Seller shall pay the general real estate taxes for the year 2008, payable in 2009. The Buyer shall pay the general real estate taxes for the year 2009, payable in 2010. Seller shall be entitled to the proceeds from the crops for the farm year 2008.

3. Buyer shall be entitled to possession of said property upon payment of the purchase price and delivery of deed as herein provided, subject to the rights of any farm tenant.

4. On full payment of the purchase price and compliance with the other terms of this Agreement by the Buyer, the Seller shall convey said property to the Buyer by warranty deed free and clear of all encumbrances, except as heretofore or hereafter provided, and subject to any easements, covenants and restrictions of record, and subject to any acts of the Buyer.

The cost for preparation of the warranty deed and real estate tax declaration shall be borne by Seller.

5. Unless otherwise herein provided, said property shall be conveyed subject to all restrictions, reservations and easements of record and zoning laws, and free of all other liens, special assessments and encumbrances (unless otherwise specified).

6. Seller shall promptly furnish at its expense an abstract of title or a commitment of title insurance in the amount of the purchase price issued by a recognized title company showing good and merchantable title in Seller, subject only to the following:

A. The lien of general taxes not yet due;

B. Building, use and occupancy restrictions, conditions and covenants of record, if any.

C. Easements of record, if any.

D. Matters which can be corrected by disbursement from the selling price at closing.

7. Buyer shall, within fifteen days after receiving such abstract or commitment of title insurance, deliver to Seller or its attorney any objections to the title in writing. If valid objections be so reported and the same be not corrected or provided for within fifteen days, then Buyer shall have the option to declare this contract null and void and receive back its earnest money or to perform this contract and deduct from the purchase price the amounts of any liens, encumbrances, or defects which are definitely ascertainable.

8. Each party agrees to pay its own expenses of sale, including any brokerage or real estate agent fees, and including but not limited to each party's own attorney fees.

9. Seller does hereby warrant that no notice from any city, village, or any governmental authority of a dwelling code violation which existed on the dwelling structure located on the premises herein before the contract was executed has been issued and received by Seller or any agent of Seller within ten years prior to the date of this Agreement.

10. In the event of failure of Buyer to perform any of the covenants or agreements hereinabove provided, Seller may, by election evidenced by written notice to Buyer, declare this Agreement at an end and the rights and interests of Buyer hereunder forfeited; and in such case the down payment shall be retained by the Seller as agreed-upon liquidated damages, or the Seller may elect any other remedy which it has, including the right of specific performance. Any election made hereunder shall be done in writing and shall be done within thirty days of such failure by the Buyer to perform any of the covenants or agreements herein provided.

11. This transaction is believed to be exempt from payment of revenue stamps as the Buyer is the City of Pekin. In the event revenue stamps are required, it shall be the responsibility of the Seller, as is customary.

12. The Buyer shall not transfer or assign its interests hereunder without the prior written consent of the Seller.

13. Buyer warrants that Buyer within forty-five (45) days from date of execution of this agreement, Buyer shall have inspected the real property or had the opportunity to conduct a complete and thorough inspection to determine the condition of the real property for any and all defects, whether known, unknown or hidden, including, but not limited to, any such defects relating to soil conditions and toxic or other hazardous materials. If the findings and conclusions of such investigation disclose any conditions which are reasonably unacceptable to Buyer in good faith exercise of its discretion, Buyer may terminate this agreement without liability to either party, and if Buyer terminates this agreement, Seller shall immediately return to Buyer the earnest money. If Buyer does not notify Seller that said inspection has not been satisfied at the expiration of said forty-five (45) day period, such inspection contingency shall be deemed satisfied, and Buyer shall waive the right to terminate this agreement based on the failure to satisfy such inspection.

14. Seller's Representations and Warranties. Without performing any investigation or inquiry and without any duty or obligation to perform or conduct any investigation or inquiry, Seller represents to Buyer that all of the following are now and shall be true as of the closing:

(a) Seller has full right, power and authority to execute and deliver this contract and take such actions as may be necessary to effectuate the transaction contemplated herein and close pursuant hereof.

(b) There is no pending, and to the best knowledge of Seller, no threatened litigation with respect to the premises, and in the event Seller receives notice of any litigation or has reason to believe that any litigation is threatened with respect to the premises, Seller shall notify Buyer promptly of such pending or threatened litigation.

(c) Prior to closing, Seller shall maintain the premises and shall commit no waste, damage or destruction of the premises. Seller agrees to deliver possession of the premises in the same condition as it is as of the date of this contract, ordinary wear and tear accepted.

(d) To the best of Seller's knowledge and belief, there are no violations of any health, safety, pollution, environmental, zoning or other laws, ordinances, rules or regulations with respect to the premises, which have not been heretofore entirely corrected.

(e) To the best of Seller's knowledge and belief, there is no existing, pending or contemplated threatened or anticipated (i) condemnation of any part of the premises, (ii) widening, change of grade or limitation on any use of streets, roads or highways abutting the real estate, (iii) special tax or assessment to be levied against the premises, (iv) change in the zoning classification of the premises, or (v) change in the tax assessment of the premises, except as may be undertaken by Buyer pursuant to this contract.

(f) To the best of Seller's knowledge and belief, the premises does not contain any hazardous substance or waste, nor has the Seller received any notice of any threatened or actual presence, release, threat of release, placement on or in the premises, or the generation, transportation, storage, treatment or disposal at the premises of any hazardous substance. For purposes of this representation, "hazardous substance" means any matter giving rise to liability under the Resources Conservation Recovery Act ("RCRA"), 42 U.S.C. Section 6901 et. seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Sections 9601 et. seq., the Illinois Environmental Protection Act ("IEPA"), Illinois Compiled Statutes, Chapter 514, Section 5/9 et. seq., or other applicable local, state or federal laws or regulations or any common law theory based on nuisance or strict liability.

(g) At closing, the premises shall be unoccupied and free of any lease or other right of possession or claim of right of possession by any person or entity other than Buyer as of the closing, except for the rights of the farm tenant currently farming said premises for the crop year 2008.

(h) Seller agrees at closing to deliver a certificate that all of the representations and warranties are true and in effect as of the date of closing.

15. The purchase of the Property in this agreement is subject to approval by the City

Council of the City of Pekin, authorizing the Mayor and City Clerk to execute the agreement.

16. Seller agrees to allow the current farm tenant, Rob Clark, to farm the Property on a normal and customary 50/50 crop share basis, the term of which is March 1st through February 28th of each farm year. Said farm tenancy shall be renewable annually, unless terminated by written notice by either party. A copy of a proposed farm lease is attached hereto as Exhibit "A".

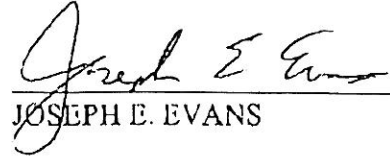
17. Seller herein desires to exchange property of like kind and qualifying use within the meaning of Section 1031 of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder, for fee title to the property which is the subject of this contract. Seller shall have the right to assign his right, but not his obligations, hereunder to a Qualified Intermediary as provided in IRC Reg. 1.1031(k)-1(g)(4) on or before the closing date. Buyer shall reasonably cooperate and execute such documents as are reasonably requested for Seller to effectuate said like-kind exchange.

18. Annexation Seller agrees that, upon request of Buyer, to petition to annex all of Seller's property into the City of Pekin. All costs and expenses incurred with respect to the annexation process will be borne by Buyer. Buyer further agrees that if for some reason this transaction has not closed on or before October 31, 2008 that Buyer will allow Seller to detach said premises from the City of Pekin at Buyer's expense. Buyer's obligation to purchase is conditioned upon successful de-annexation of the property from the Village of North Pekin, which the parties are undertaking to accomplish.

19. This Agreement may be executed in any number of counterparts, each of which shall be deemed as original and all of which shall constitute one and the same instrument.

20. This Agreement shall be binding upon the heirs, devisees, legatees, personal representatives, successors or assigns of the parties hereto.

SELLER:


JOSEPH E. EVANS


JUANITA F. EVANS

JEFFERY D. SMITH

SUSANNE M. SMITH

BUYER:

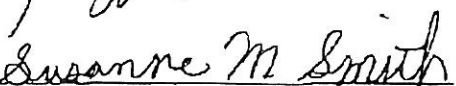
By _____
Its: Mayor

ATTEST:

Its: City Clerk

By _____
Its: City Manager


JEFFERY D. SMITH


SUSANNE M. SMITH

By _____
Its: City Manager

FARM LEASE

THIS LEASE is entered into this ____ day of _____, 2006, by and between CITY OF PEKIN, an Illinois municipal corporation, hereinafter collectively referred to as "LANDLORD", and MARK BERG, hereinafter referred to as "TENANT", for the lease of the following described premises:

The Southeast Quarter of Section 10, Township 24 North, Range 5 West of the 3rd Principal Meridian, Tazewell County, Illinois, EXCEPTING THEREFROM the North 50 feet of even width thereof - containing 157.65 acres, more or less.

PIN: 10-10-10-400-001

for grain farming purposes, upon the following terms and conditions:

1. The term of this lease shall be from the 1st day of March, 2006, and shall end on the 28th day of February, 2007, and continuing annually thereafter unless notice to terminate is given as hereinafter set forth. TENANT agrees to surrender possession at the end of the term of this lease or any extension thereof. Both parties agree that upon failure to give at least six (6) months written notice to the other party before the end of the current term or any extension thereof, that this lease shall automatically renew for an additional one (1) year period.

2. Notwithstanding the tenancy herein created, the Landlord shall at any time during the term hereof or any extension hereof, have the right to sell all or part of the premises herein provided that: (a) the purchaser of all or part of said premises accepts the same subject to the rights of the Tenant hereunder; or (b) Tenant is reimbursed for the ordinary profit he would have realized from the tillable premises so sold. Such profit shall be based on what would have been earned therefrom had said premises been farmed for the term of this lease, and if the parties hereto cannot agree upon said sum, each of the parties shall select an arbitrator who shall be a person farming like ground within a radius of 5 miles of the premises sold, and the two arbitrators shall choose a third arbitrator with like qualification. The three arbitrators shall proceed to forthwith decide such profit and the decision thereof shall be binding on all parties. Said amount shall be determined after the crops

therefrom would have ordinarily been harvested and paid within 60 days after such decision had been rendered in writing by said arbitrators and delivered to the parties hereto.

3. No livestock shall be kept on the premises nor any crop raised on the premises other than corn and/or beans without the written consent of all parties hereto.

4. Tenant shall furnish 100% of the machinery, equipment, power and man labor necessary to properly prepare the soil, plant and care for the crops on said farm, except as set forth in Paragraph 5, including the proper mowing of any pasture land.

5. The following expenses shall be shared by the parties to this lease in the shares designated in the respective columns hereafter. All expenses not set forth hereafter shall be paid in full by Tenant.

	<u>LANDLORD'S</u> <u>PER CENT</u>	<u>TENANT'S</u> <u>PER CENT</u>
a. Seed for:		
1. Grain Crops	50	50
2. Legumes & Grasses	50	50
3. Waterways & Buffer Strips	50	50
4. Treatment & Inoculation	50	50
b. Fuel and Electricity for Corn Drying	(each to pay own's expense on their share of crop)	
c. Materials necessary for repairs and improvements on farm, including tiling	100	0
d. Machine Work Hired	0	100
e. Labor	0	100
f. Fertilizer, including application thereof. Tenant and Landlord shall each pay one-half of the cost of application.	50	50
g. All Farm Chemicals	50	50
h. Labor for any New Tiling	100	0
i. Labor for Repair, Replacement and Maintenance of Existing Tile	0	100

6. As rent for said farm and in consideration of the covenants herein, Landlord shall receive one-half of all crops or other income from the premises herein, including proceeds from any

government programs. Landlord shall have the right to require Tenant to deliver Landlord's share of such crops to _____, with all delivery costs paid by Tenant.

7. Tenant shall have the following duties in operating the farm:

A. To keep the farm neat and orderly, and to prevent any unnecessary waste, loss or damage to the property, including the maintenance of waterways and field tile.

B. To investigate and repair any broken tile or breaks in open ditches, and to properly care for all grass waterways and terraces and to do all possible to prevent erosion.

C. Not to burn corn stalks, straw or other residue grown on the farm nor to remove any hay or straw without consent of Landlord.

D. To clip small grain stubble, except sweet clover seedlings, between August 1st and September 1st, unless otherwise directed by the Landlord.

E. The Tenant agrees to follow such crop rotation, tillage practices and arrangements as are worked out by the Landlord for the best interests of the farm, including cooperation with acreage controls.

F. Not to assign this lease to any person or persons or sublet any part of the premises.

G. To furnish Landlord a simple map of the farm by or before planting time if last minute changes are made. After harvest, a record map showing total bushels of each crop, and to what point(s) crops were delivered and how much to each.

H. To faithfully cultivate the farm and harvest the crops and otherwise operate the farm in a timely, thorough and businesslike manner.

I. Keep all fences on the premises in a good state of repair when requested by Landlord. The cost of any materials shall be paid by Landlord.

8. Additional Agreements:

A. Tenant is not to erect or permit to be erected upon said premises any structure, building, fence or sign of any kind whatsoever, except by the written consent of the Landlord, and

will not make a claim for labor at any time unless Landlord has given written permission at a previous date.

B. Nothing in this lease shall confer upon the Tenant any right to minerals underlying said land or any part thereof, but the same are hereby expressly reserved by the Landlord together with the full right to enter upon the premises and to bore, search and excavate for same, to work and remove the same, and to deposit excavated rubbish, and with full liberty to pass over said premises with vehicles and lay down and work any such railroad track or tracks, tanks, pipelines, powers and structures as may be necessary or convenient for the above purposes. Said Landlord agrees to reimburse the said Tenant for any actual damage it may suffer for crops destroyed where such land is in grain and to release Tenant from obligation to continue farming this property when development of resources interferes materially with Tenant's ability to make a satisfactory return.

C. Landlord shall in no way be liable in damages for failure of water supply or for any damage by the elements or otherwise, to any improvements on the premises, nor for any loss or damage while any such improvements are under construction or repair nor for failure to repair or alter or replace any buildings or improvements.

D. To haul to the premises any material which the Landlord furnishes as herein provided.

E. The parties acknowledge that there is an irrigation system on part of the farmland, and Landlord and Tenant agree to share equally in the maintenance, repair and upkeep of the irrigation system and shall also share equally in the insurance and utility expenses for said irrigation system.

9. The Landlord reserves the right of themselves, their employees, assigns or prospective buyers to enter upon said premises at any time for the purpose of viewing the same or making the repairs or improvements thereon, or of seeding or applying fertilizers, or for the care and disposition of the Landlord's share of the crop, the same not to interfere with the occupancy of the Tenant.

LANDLORD:

CITY OF PEKIN,

By _____
Its Mayor

ATTEST:

Its City Clerk

TENANT:

MARK BERG



REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and Members of the City Council

CC: Sue McMillan, City Clerk

From: Dennis Kief

AGENDA ITEM: 29.84 Acre (referred to as Herget Trust) South of Route 98 Acquisition

AGENDA DATE REQUESTED: October 27, 2008

ACTION REQUESTED: Authorization of the Ordinance and Contract to Purchase as well as the Annexation

BACKGROUND: Approximately 20 years ago this property was part of an area that was touted as "Lick Creek Industrial Park". Shortly after that, the City focused on the development of Riverway Business Park. Since that time, TIF 2 was closed out early (ahead of 2009 expiration) and the City ended up with uncommitted funding the result of the Pekin Lake project being delayed. Those funds can be expended within the boundaries of TIF 2 or the areas contiguous to it.

This property is currently outside the City of Pekin, but adjacent to our boundaries (continuity on the west side). This is an area of likely development, adjacent to Theatre complex. The possible development of this area gives the City options in marketing Pekin for additional development not dissimilar from Riverway Business Park. The agreed upon purchase price for the property did not exceed the threshold amount that we established on earlier purchases, specifically Riverway Business Park expansion area.

FINANCIAL IMPACT: \$305,388 from the TIF 2 Close Out Dollars

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Payment made at closing

IMPACT IF DENIED: Property stays privately owned and likely outside the City.

ALTERNATIVES: Future development occurs outside the City of Pekin

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Consistent with Effective Government theme

REQUIRED SIGNATURES

Department Director		Date
Finance Department		Date
	(Certification of Availability of Funds)	
Corporation Counsel		Date
	(Certification of Review)	
City Manager		Date

ORDINANCE NO. _____

**AN ORDINANCE PROVIDING FOR EXECUTION OF AN
AGREEMENT TO PURCHASE AND THE PURCHASE
OF REAL PROPERTY BY THE
CITY OF PEKIN, ILLINOIS**

WHEREAS, the City of Pekin has established Riverway Business Park to be used for the purpose of business expansion in the community and economic development; and

WHEREAS, it is beneficial to the City of Pekin to develop a similar business park on the north side of Pekin; and

WHEREAS, the owner of property immediately adjacent to the northern City limits is desirous of selling the following described real estate

Tract 1:

The West 50 acres of the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois, except for the premises conveyed in deeds recorded in Volume 579, page 217, Volume 609, page 310 and Volume 630, page 153, all recorded in the Office of the Recorder of Deeds of Tazewell County, Illinois, containing 22.4 acres, more or less, situated in the County of Tazewell, in the State of Illinois.

EXCEPT that part commencing at the Northeast Corner of the Southeast Quarter of said Section 23; thence North 89 degrees 55 minutes 35 seconds West on the North line of said Southeast Quarter, 379.709 meters (1245.76 feet) to the East Line of the West 60 feet to the West 50 acres of the East Half of the Southeast Quarter of said Section 23, said point being 1.694 meters (5.65 feet) normally distant Northerly from the existing Centerline of F.A.U. Route 6769 (Illinois marked Route 98), said point also being the Point of Beginning; thence South 0 degrees 48 minutes 22 seconds East on said East line, 14.036 meters (46.05 feet) to a point being 12.324 meters (40.49 feet) normally distant Southerly from said Centerline; thence North 87 degrees 59 minutes 46 seconds West, 18.308 meters (60.07 feet) to the West line of the East Half of said Southeast Quarter, said point being 11.520 meters (37.80 feet) normally distant Southerly from said Centerline; thence

North 0 degrees 48 minutes 22 seconds West along said West Line, 13.419 meters (44.03 feet) to the North Line of said Southeast Quarter, said point being 1.899 meters (6.23 feet) normally distant Northerly from said Centerline; thence South 89 degrees 55 minutes 35 seconds East along said North Line, 18.288 meters (60.00 feet) to the Point of Beginning, containing 251 square meters, more or less, or 0.0251 hectare, more or less, of which 200 square meters, more or less, or 0.0200 hectare, more or less, is in existing public road right of way (containing 2,702 square feet, more or less, or 0.062 acre more or less, of which 2,153 square feet, more or less, or 0.049 acre, more or less, is in existing public road right of way).

Tract 2:

Part of the Southeast Quarter of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, more particularly described as follows: Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 23, running thence East along the South line of said Section 23, 829.62 feet; thence North 0 degrees 08 minutes 34 seconds West, 400 feet; thence West parallel to said South line to the West line of said Southeast Quarter of the Southeast Quarter of Section 23; thence South along said West line to the place of beginning, containing 7.6 acres, more or less, situated in the County of Tazewell, in the State of Illinois.

PIN: 04-04-23-400-004 & 04-04-2-400-225

AND WHEREAS, it is deemed in the best interests of the City of Pekin to acquire said property for the creation of a north side Business Park; and

WHEREAS, the City Council deems it in the best interests of the economic development of the community to develop said property; and

WHEREAS, the City Council deems it in the best interests of the general public's health, safety and welfare for the City to acquire said real estate; and

WHEREAS, the City of Pekin is a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS:

SECTION I. That the recitals set forth above are part a material part of this Ordinance.

SECTION II. That the City of Pekin purchase from The Herget National Bank of Pekin, as Trustee under a Trust Agreement dated November 27, 1978, and known as The Tim G. Soldwedel and Associates Land Trust/Partnership Agreement, the following described real estate, to-wit:

Tract 1:

The West 50 acres of the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois, except for the premises conveyed in deeds recorded in Volume 579, page 217, Volume 609, page 310 and Volume 630, page 153, all recorded in the Office of the Recorder of Deeds of Tazewell County, Illinois, containing 22.4 acres, more or less, situated in the County of Tazewell, in the State of Illinois.

EXCEPT that part commencing at the Northeast Corner of the Southeast Quarter of said Section 23; thence North 89 degrees 55 minutes 35 seconds West on the North line of said Southeast Quarter, 379.709 meters (1245.76 feet) to the East Line of the West 60 feet to the West 50 acres of the East Half of the Southeast Quarter of said Section 23, said point being 1.694 meters (5.65 feet) normally distant Northerly from the existing Centerline of F.A.U. Route 6769 (Illinois marked Route 98), said point also being the Point of Beginning; thence South 0 degrees 48 minutes 22 seconds East on said East line, 14.036 meters (46.05 feet) to a point being 12.324 meters (40.49 feet) normally distant Southerly from said Centerline; thence North 87 degrees 59 minutes 46 seconds West, 18.308 meters (60.07 feet) to the West line of the East Half of said Southeast Quarter, said point being 11.520 meters (37.80 feet) normally distant Southerly from said Centerline; thence North 0 degrees 48 minutes 22 seconds West along said West Line, 13.419 meters (44.03 feet) to the North Line of said Southeast Quarter, said point being 1.899 meters (6.23 feet) normally distant Northerly from said Centerline; thence South 89 degrees 55 minutes 35 seconds East along said North Line, 18.288 meters (60.00 feet) to the Point of Beginning, containing 251 square meters, more or less, or 0.0251 hectare, more or less, of which 200 square meters, more or less, or 0.0200 hectare, more or less, is in existing public road right of way (containing 2,702 square feet, more or less, or 0.062 acre more or less, of which 2,153 square feet, more or less, or 0.049 acre, more or less, is in existing public road right of way).

Tract 2:

Part of the Southeast Quarter of the Southeast Quarter of Section 23, Township 25 North,

Range 5 West of the Third Principal Meridian, more particularly described as follows: Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 23, running thence East along the South line of said Section 23, 829.62 feet; thence North 0 degrees 08 minutes 34 seconds West, 400 feet; thence West parallel to said South line to the West line of said Southeast Quarter of the Southeast Quarter of Section 23; thence South along said West line to the place of beginning, containing 7.6 acres, more or less, situated in the County of Tazewell, in the State of Illinois.

PIN: 04-04-23-400-004 & 04-04-2-400-225

SECTION III. That the purchase price for said property shall not exceed \$305,388.00, and shall be on such terms and conditions as set forth in the Agreement to Purchase attached hereto as Exhibit “A” and incorporated herein by reference thereto.

SECTION IV. That the City of Pekin, Tazewell County, Illinois, is a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

SECTION V. That said property shall be purchased for city purposes, to be used for development purposes, or any other needed use of the City of Pekin.

SECTION VI. That the consideration for said conveyance shall be paid by the City upon the approval of the conveyance papers by the Corporation Counsel of the City of Pekin.

SECTION VII. That the Mayor and City Clerk be and they are hereby empowered to execute the originals of the Agreement to Purchase attached hereto as Exhibit “A” and such other appropriate documents upon approval of same by the Corporation Counsel of the City of Pekin.

SECTION VIII. All Ordinances or portions thereof in conflict with this Ordinance are hereby repealed.

SECTION IX. That this Ordinance shall be in full force and effect upon its passage and approval.

PASSED AND APPROVED at a regular meeting of the City Council of the City of
Pekin, this _____ day of _____, 2008; and upon roll call the vote was as
follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

APPROVED this _____ day of _____, 2008.

MAYOR

ATTEST:

CITY CLERK

EXHIBIT "A"

Farm Lease

DIRECTIVE

TO: HERGET BANK, N.A., TRUSTEE
UNDER TRUST AGREEMENT
NO. 900-1956

The undersigned, being all of the beneficiaries of the above trust, do hereby authorize and direct you to execute the original Agreement to Purchase with the City of Pekin, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference thereto.

DATED: _____, 2008

CONRAD C. IBER

ALBERT J. MARTENS, M.D.

TIM G. SOLDWEDEL & ASSOCIATES

AGREEMENT TO PURCHASE

THIS AGREEMENT made this 9th day of October, 2008, by and between HERGET BANK, N.A., TRUSTEE UNDER TRUST NO. 900-1956, hereinafter referred to as "Seller," and CITY OF PEKIN, an Illinois municipal corporation, hereinafter referred to as "Buyer"; WITNESSETH:

1. PROPERTY: The Seller agrees to sell to the Buyer, and the Buyer agrees to buy from the Seller, on the following terms and conditions, Seller's unimproved real estate, including 30 acres, more or less, in Pekin Township, described as follows:

The West 50 acres of the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois, EXCEPT for the premises conveyed in deeds recorded in Volume 579, page 217, Volume 609, page 310, and Volume 630, page 153, all recorded in the Office of the Recorder of Deeds of Tazewell County, Illinois, containing 22.4 acres, more or less, situated in the County of Tazewell in the State of Illinois.

Part of the Southeast Quarter of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, more particularly described as follows: Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 23, running thence East along the South line of said Section 23, 829.62 feet; thence North 0° 08' 34" West, 400 feet; thence West parallel to said South line to the West line of said Southeast Quarter of the Southeast Quarter of said Section 23; thence South along said West line to the place of beginning, containing 7.6 acres, more or less, situated in the County of Tazewell in the State of Illinois.

Tax ID No. 04-04-23-400-004 &
Tax ID No. 04-04-23-400-005

2. PRICE: In consideration therefor, Buyer agrees to pay Seller, in gross, the sum of THREE HUNDRED FIVE THOUSAND THREE HUNDRED EIGHTY-EIGHT DOLLARS (\$305,388.00), payable as follows:

- (a) Earnest money paid down to Seller upon signing this Agreement, receipt of which is hereby acknowledged by Seller

\$1,000.00

(b) The balance of the purchase price by cashier's check,
certified funds, or the equivalent thereof at the time of
closing \$304,388.00

TOTAL: \$305,388.00

3. DATE OF CLOSING: Closing shall occur on or before November 30, 2008, or such other time as mutually agreed upon between the Buyer and Seller in writing.

4. REAL ESTATE TAX: The Seller shall pay the general real estate taxes for the year 2008, payable in 2009. In the event the 2008 real estate tax is not ascertainable at the time of closing, the amount of said tax shall be estimated on the basis of the most current available information, and Buyer shall be given credit on the purchase price at the time of closing for the estimated amount of the 2008 real estate taxes. The Buyer shall pay the general real estate taxes for the year 2009, payable in 2010, and any subsequent taxes. Seller shall be entitled to collect from tenant and retain all farm lease payments for the 2008 crop year, and Buyer shall be entitled to the landlord's share of any farm lease payments for the 2009 crop year.

5. POSSESSION: Buyer shall be entitled to possession of said property upon payment of the purchase price and delivery of the deed as herein provided at the time of closing subject to the rights of the farm tenant who is in possession pursuant to a year-to-year cash farm lease.

6. DEED: On full payment of the purchase price and compliance with the other terms of this Agreement by the Buyer, the Seller shall convey merchantable title to said property to the Buyer by Trustee's Deed subject to any easements and other matters as provided in this Agreement, and subject to any acts of the Buyer. The cost for preparation of the Trustee's Deed and Real Estate Transfer Tax Declaration shall be borne by Seller.

7. EASEMENTS AND RESTRICTIONS: Unless otherwise provided herein, the property shall be conveyed subject to all restrictions, reservations, and easements of record, zoning

laws, and any unrecorded easements for existing drainage ditches, drain tile, feeders, laterals, and underground pipes, if any, but free and clear of all other liens, special assessments and encumbrances (unless otherwise specified).

8. TITLE: Seller shall promptly furnish at its expense a commitment from a title insurance company in the amount of the purchase price issued by a recognized title company showing good and merchantable title in Seller, subject only to the following:

- (a) The lien of general taxes not yet due;
- (b) Building, use and occupancy restrictions, conditions and covenants of record, if any.
- (c) Easements of record, if any.
- (d) Matters which can be corrected by disbursement from the selling price at closing.
- (e) Rights of the farm tenant who has possession pursuant to a year-to-year cash farm lease.

9. EXAMINATION OF TITLE: Buyer shall, within fifteen days after receiving such title commitment, deliver to Seller or its attorneys any objections to the title in writing. If valid objections be so reported and the same be not corrected or provided for within fifteen days, then Buyer shall have the option to declare this contract null and void and receive back its earnest money or to perform this contract and deduct from the purchase price the amount of any liens, encumbrances, or defects which are definitely ascertainable.

10. BROKERAGE FEES: Seller represents that no brokerage or real estate agent other than Devonshire Real Estate has been employed by Seller concerning this transaction, and that no commission fee is due to any other broker or real estate agent. Each party agrees to pay its own expenses of sale, including but not limited to, each party's own attorneys' fees.

11. DEFAULT: In the event of Buyer's failure to perform any of the covenants or

agreements hereinabove provided, Seller may, by election evidenced by written notice to Buyer, declare this Agreement at an end and the rights and interests of Buyer hereunder forfeited; and in such case, the down payment shall be retained by the Seller as agreed-upon liquidated damages.

12. TRANSFER TAX: This transaction is believed to be exempt from payment of revenue stamps as the Buyer is the City of Pekin. In the event revenue stamps are required, it shall be the responsibility of Seller, as is customary.

13. ASSIGNMENT: The Buyer shall not transfer or assign its interest hereunder without the prior written consent of Seller.

14. BUYER INSPECTION: Buyer warrants that Buyer, within 30 days from the date of execution of this Agreement, shall have inspected the real property or had the opportunity to conduct a complete and thorough inspection to determine the condition of the real property for any and all defects, whether known, unknown or hidden, including, but not limited to, any such defects relating to soil conditions and toxic or other hazardous materials. If the findings and conclusions of the investigation disclose any conditions which are reasonably unacceptable to Buyer in good faith exercise of its discretion, Buyer may terminate this Agreement without liability to Seller. If Buyer terminates this Agreement, Seller shall immediately return to Buyer the earnest money. If Buyer does not notify Seller of unacceptable conditions by the expiration of said 30-day period, such inspection contingency shall be deemed satisfied and Buyer shall waive the right to terminate this Agreement based upon the failure to satisfy such inspection.

15. SELLER'S REPRESENTATIONS AND WARRANTIES: HERGET BANK, N.A., Trustee under Trust No. 900-1956, makes no representations as Seller, but it is acknowledged that this transaction is subject to appropriate representations of Tim G. Soldwedel & Associates, as beneficiary of Land Trust No. 900-1956, or such other trust beneficiary as may have an interest

therein, that all of the following are now and shall be true as of the date of closing:

- (a) Seller has full right, power and authority to execute and deliver this contract and take such actions as may be necessary to effectuate the transaction contemplated herein and close pursuant hereof.
- (b) There is no pending, and to the best knowledge of Tim G. Soldwedel & Associates, no threatened litigation with respect to the premises; and in the event Seller receives notice of any litigation or has reason to believe that any litigation is threatened with respect to the premises, Buyer shall promptly be notified of such pending or threatened litigation.
- (c) Prior to closing, the premises shall be maintained to allow no waste, damage or destruction of the premises. Delivery of possession of the premises shall be made in the same condition as it is as of the date of this contract, ordinary wear and tear excepted.
- (d) To the best of Tim G. Soldwedel & Associates' knowledge and belief, there are no violations of any health, safety, pollution, environmental zoning or other laws, ordinances, rules or regulations with respect to the premises, which have not been heretofore entirely corrected.
- (e) To the best of Tim G. Soldwedel & Associates' knowledge and belief, there is no existing, pending or contemplated, threatened or anticipated (i) condemnation of any part of the premises, (ii) widening, change of grade or limitation on any use of streets, roads or highways abutting the real estate, (iii) special tax or assessment to be levied against the premises, (iv) change in the zoning classification of the premises, or (v) change in the tax assessment of the premises, except as may be undertaken by Buyer pursuant to this contract.
- (f) To the best of Tim G. Soldwedel & Associates' knowledge and belief, the premises does not contain any hazardous substance or waste, nor has the Seller received any notice of any threatened or actual presence, release, threat of release, placement on or in the premises, or the generation, transportation, storage, treatment or disposal at the premises of any hazardous substance. For purposes of this representation "hazardous substance" means any matter giving rise to liability under the Resources Conservation Recovery Act ("RCRA"), 42 U.S.C. Section 6901 et. seq., the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601 et. seq., the Illinois Environmental Protection Act ("IEPA"), Illinois Compiled Statutes, Chapter 514, Section 5/9 et seq., or other applicable local, state or federal laws or regulations or any common law theory based on nuisance or strict liability.
- (g) At closing, the premises shall be unoccupied and free of any lease or other right of possession or claim of right of possession by any person or entity other than Buyer as of the closing, except for the rights of the farm tenant currently farming said

premises for the crop year 2008 pursuant to a year-to-year cash farm lease.

(h) Tim G. Soldwedel & Associates agrees at closing to deliver a certificate that all of the representations and warranties are true and in effect as of the date of closing.

16. CITY COUNCIL APPROVAL: Purchase of the property is subject to the approval by the City Council of the City of Pekin authorizing the Mayor and City Clerk to execute the Agreement.

17. FARM TENANT: Seller agrees to allow the current farm tenant, STEVE L. EITENMILLER, to farm the property on the basis of the existing Cash Farm Lease, the term of which is March 1st through February 28th of each farm year. Said farm tenancy shall be renewable annually, unless terminated by written notice by either party. Copies of the existing Cash Farm Lease and Addendum are attached hereto as Exhibits "1" and "2."

18. EXCHANGE: Seller herein may desire to exchange property of like-kind and qualifying use within the meaning of Section 1031 of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder, for fee title to the property which is the subject of this contract. Seller shall have the right to assign his right, but not his obligations, hereunder to a Qualified Intermediary as provided in IRC Reg. 1.1031(k)-1(g)(4) on or before the closing date. Buyer shall reasonably cooperate and execute such documents as are reasonably requested for Seller to effectuate said like-kind exchange.

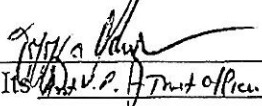
19. ANNEXATION: Seller agrees that, upon request of Buyer, to petition to annex all of Seller's property into the City of Pekin. All costs and expenses incurred with respect to the annexation process will be borne by Buyer. Buyer further agrees that if for some reason this transaction has not close on or before October 31, 2008 that Buyer will allow Seller to detach said premises from the City of Pekin at Buyer's expense.

20. EXECUTION: This Agreement may be executed in any number of counterparts, each of which shall be deemed as original and all of which shall constitute one and the same instrument.

21. OBLIGATION OF THE PARTIES: This Agreement shall be binding upon the parties, their agents, successors or assigns.

SELLER:

HERGET BANK, N.A., TRUSTEE
UNDER TRUST NO. 900-1956

By: 
Its Trust Officer

BUYER:

CITY OF PEKIN

By: _____
Its: Mayor

ATTEST:

Its: City Clerk

By: _____
Its: City Manager

n:\had\soldwe-4\agreement

CASH FARM LEASE

THIS LEASE AGREEMENT made and entered into by and between TIM G. SOLDWEDEL & ASSOCIATES of 700 Country Club Lane, Pekin, Illinois 61554, (hereinafter referred to as "Landlord"), STEVE L. EITENMILLER OF 4321 Sheridan Road, Pekin, Illinois 61554, (hereinafter referred to as "Tenant"), WITNESSETH:

1. PROPERTY DESCRIPTION: Landlord leases to Tenant for agricultural purposes 30 acres, more or less, of farm real estate, including approximately 28.5 tillable acres, legally described as follows:

30 acres of unimproved real estate in Pekin Township, described as follows:

The West 50 acres of the East Half of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, Tazewell County, Illinois, EXCEPT for the premises conveyed in deeds recorded in Volume 579, page 217, Volume 609, page 310, and Volume 630, page 153, all recorded in the Office of the Recorder of Deeds of Tazewell County, Illinois, containing 22.4 acres, more or less, situated in the County of Tazewell in the State of Illinois.

Part of the Southeast Quarter of the Southeast Quarter of Section 23, Township 25 North, Range 5 West of the Third Principal Meridian, more particularly described as follows: Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 23, running thence East along the South line of said Section 23, 829.62 feet; thence North 0° 08' 34" West, 400 feet; thence West parallel to said South line to the West line of said Southeast Quarter of the Southeast Quarter of said Section 23; thence South along said West line to the place of beginning, containing 7.6 acres, more or less, situated in the County of Tazewell in the State of Illinois.

Tax ID No. 04-04-23-400-004 &
Tax ID No. 04-04-23-400-005.

2. TERM: The real estate is leased for the 2005 crop year beginning March 1, 2005, and ending February 28, 2006.

3. CASH RENT: Tenant agrees to pay Landlord cash rent on 28.5 tillable acres at the rate of \$90.00 per acre for total cash rent of \$2565.00, which rent shall be paid in full on or before

November 30, 2005.

4. TENANT'S UNDERTAKINGS: Tenant agrees to carry out the following covenants with respect to the leased property:

- (a) To exercise good husbandry in cultivating the farm and to refrain from any conduct which would cause any unnecessary waste, loss, or damage to the land.
- (b) To control noxious weeds and preserve established water courses, tile drains, tile outlets, and waterways.
- (c) To maintain and install fences required to be kept on the property under Illinois Fence Laws; and
- (d) Not to remove or sell any standing timber, and not to make any excavations, or removal of any dirt, sand gravel or minerals.

5. CONTROL OF FARMING OPERATIONS: Tenant is entitled to all growing crops on the leased property, and Tenant shall have full authority and control over the planting, cultivation and harvesting of crops. Tenant shall be responsible for all fertilizer, lime, herbicide, insecticide, machinery, labor and other expense incurred in production of crops.

6. GOVERNMENT PROGRAMS: Tenant shall be authorized to sign up for such government programs as may be deemed appropriate for the lease term and for any program extending beyond the lease term provided Landlord consents thereto, and Tenant shall be entitled to receive any farm program payment allocable to the 2005 crop year.

7. REAL ESTATE TAXES: Landlord shall pay all real estate taxes which become due and payable with respect to the leased property.

8. LEASE RENEWAL: At the expiration of the lease period, this lease shall continue

on from year to year on the same terms as herein specified unless either party gives written notice of termination or modification of the lease terms to the other party at least four months prior to expiration of the lease period.

9. DEFAULT: If Tenant defaults in compliance with any term or covenant Tenant is to perform, Landlord may give the Tenant ten days' written notice by U.S. Mail to cure said default. In the event said default is not cured within the time specified in said notice, the Landlord may, at Landlord's election, declare the lease term ended and enter into possession of said premises, retain all rents paid, and sue for all damages arising out of any violation thereof, or Landlord may sue to recover without declaring this lease terminated and enter into possession of the premises. Landlord shall have a security interest in all growing and harvested crops with respect to the property until such time as the obligations of Tenant have been fully satisfied. If Landlord incurs attorneys' fees in connection with enforcement of the terms of this lease or for breach of any covenant or condition, Tenant shall pay Landlord reasonable attorneys' fees for services of Landlord's attorney, and all court costs with respect thereto.

10. ASSIGNMENT: Tenant may not assign this lease or sublet the property, or any portion thereof, without the prior written consent of Landlord.

11. PRIOR TENANT: It is acknowledged by the parties that said premises had been leased to Walter Eisele as the farm Tenant for the 2004 crop year; however, said farm Tenant failed to harvest the 2004 crop prior to expiration of the leased term and the farm Tenant apparently abandoned the lease. Due to the prior Tenant's failure to harvest the 2004 crop, Landlord authorized the current tenant to harvest the 2004 soybean crop and to deliver the beans to Tremont Cooperative Grain Company. The prior Tenant's failure to make timely harvest of the crop resulted in substantial detriment to both the Tenant's and the Landlord's share of the 2004 crop. Harvesting and delivering

the crop to the Tremont Cooperative Grain Company is a Tenant's responsibility under the crop share lease and Landlord proposes to pay for custom harvesting and delivering the 2004 crop to Tremont Cooperative Grain Company from the Tenant's share of the 2004 crop and to remit any remaining proceeds realized from the Tenant's one-half share of the 2004 crop to the prior farm Tenant. It is acknowledged that this Lease shall be entered into subject to any rights which the prior farm Tenant may have with respect to the property.

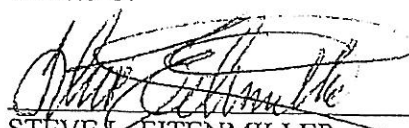
DATED this 31 day of March, 2005.

LANDLORD:

TIM G. SOLDWEDEL & ASSOCIATES

By:  _____

TENANT:


STEVE L. EITENMILLER

ADDENDUM TO CASH FARM LEASE

WHEREAS, TIM G. SOLDWEDEL & ASSOCIATES, as Landlord, entered into a Cash Farm Lease with STEVE L. EITENMILLER, as Tenant, dated March 31, 2005; AND

WHEREAS, Landlord intends to continue to make the real estate available for sale to developers and in the event a sale is consummated, the parties wish to confirm procedures for early termination of the lease and terms for protection of the interests of the respective parties with respect to any early termination.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, it is hereby agreed as follows:

1. Landlord shall be authorized to offer subject real estate for sale to prospective buyers, post notice of sale, list property for sale with a real estate agency, and to allow prospective buyers reasonable access to examine the property during the term of this lease.
2. In the event Landlord consummates sale of the property and tenders possession to the prospective buyer after harvest of the current year's crop, Tenant agrees to release possession to the buyer and release any rights with respect to extension of the Cash Farm Lease for the subsequent year.
3. In the event Landlord consummates sale of the property and tenders possession to a prospective buyer prior to harvest of the current year's crop, Tenant agrees to terminate the lease and release Tenant's possessory rights to the prospective buyer, provided Tenant's cash rent obligation is abated for the year and Tenant is reimbursed for all crop expense including seed, fertilizer, insurance and tillage costs

incurred by Tenant prior to receiving notice of mid-year lease termination. Any planting, tillage or other machinery expense shall be calculated on the basis of the University of Illinois custom rate schedules. In the event the buyer permits the Tenant to retain possession through harvest, then no rent abatement shall apply and no reimbursement shall be due from Landlord to Tenant for Tenant's crop expense incurred prior to date of closing the sale. In the event early termination causes Tenant to become obligated to refund any USDA farm program payments for the crop year or to otherwise lose farm program benefits, then such reimbursement or loss shall be included as a recoverable expense due to Tenant from Landlord.

DATED THIS ADDENDUM: June 35, 2005.

TIM G. SOLDWEDEL & ASSOCIATES.
LANDLORD

BY: _____

A handwritten signature in black ink, appearing to read "Steve Eitenmiller", is written over a horizontal line.

STEVE L. EITENMILLER, TENANT

City Of Pekin
111 S. Capitol St.
Pekin, IL 61554



Receipt Record

Receipt Number: RCPT2008-1628

Page: 1

Date Printed: 10/21/2008

Received From: Anonymous

Date: 10/21/2008

Reference #: NH2008-28

Received By: Ron

Amount: \$1,450.00

Comments: 1011 S. 14th/ Demo of existing house/ New House for Extreme Makeover home edition

Fees:

FEE2008-2030	Building Permit (Auto)	\$1,091.00
FEE2008-2031	S-Sewer Permit Residenti	\$55.00
FEE2008-2032	ER-Elec Residential Inspe	\$43.00
FEE2008-2033	HR-HVAC Residential Bot	\$40.00
FEE2008-2034	P-Plumbing Permit	\$10.00
FEE2008-2035	P-Plumbing Inspection Wz	\$15.00
FEE2008-2036	P-Plumbing Inspections (A	\$30.00
FEE2008-2037	P-Plumbing Openings (Au	\$126.00
FEE2008-2038	Demolition House	\$40.00
		\$1,450.00

Accounts:

Special Event #25

\$1475.00

\$0.00

Other Fields:

As purchaser of this permit I attest to the fact that I am the current residing owner and/or a Registered Licensed Contractor to perform said changes. If said property is sold within one year, this is a warning that a Notice to Appear will be issued.

Sign: *Melanie L...*

Date: *10-21-08*

Deejei Burt Thomas CP