



# **CITY OF PEORIA, ILLINOIS**

## **NOTICE and AGENDA**

### **SPECIAL CITY COUNCIL MEETING**

**City Hall, Council Chambers (Room 400)  
419 Fulton Street  
Peoria, Illinois**

**TUESDAY, APRIL 30, 2013**

**7:00 PM**

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#### **DISABILITY ACCESS STATEMENT**

City Council/Town Board Meetings are wheelchair accessible. Individuals with hearing difficulties can request to use available FM auxiliary aids before or during the meeting by visiting the City Clerk's Office, Room 401, City Hall Building, 419 Fulton Street, Peoria, Illinois. Requests to receive an Agenda in an alternate format or other types of auxiliary aids and services must, when possible, be submitted to the City Clerk's Office a minimum of 48 hours prior to the meeting. To contact the City Clerk's Office, call 309-494-8565 (V). TTY users, call the Illinois Relay Center at 1-800-526-0844 (TTY) or 1-800-526-0857 (V).

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#### **CITY COUNCIL/TOWN BOARD**

#### **AGENDAS AND PROCEEDINGS ISSUED BY:**

**BETH BALL, MMC, OFFICE OF THE CITY CLERK  
CITY HALL, ROOM 401  
(309) 494-8565**

**INTERNET ADDRESS: [www.peoriagov.org](http://www.peoriagov.org)  
(Go to Quick Links – Council Meeting Info)  
(Council Agendas/Council Minutes)**

**SPECIAL CITY COUNCIL MEETING**  
**CITY HALL, COUNCIL CHAMBERS**  
**7:00 PM**

**DATES SET:**

**TUESDAY, MAY 28, 2013, at 6:15 P.M. - PUBLIC HEARING Regarding PROPOSED ANNEXATION of 10023 N. KNOXVILLE (Temporary Address) - To be held at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, Illinois.**

**TUESDAY, MAY 28, 2013, at 6:15 P.M. - PUBLIC HEARING Regarding the PROPOSED RIVER TRAIL TAX INCREMENT FINANCING DISTRICT - To be held at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, Illinois.**

**TUESDAY, MAY 28, 2013, AT 6:15 P.M. - PUBLIC HEARING to Consider Revising the Boundaries of the REDEVELOPMENT PROJECT AREA for the PEORIA CENTRAL BUSINESS DISTRICT TAX INCREMENT FINANCING DISTRICT, and Amending the REDEVELOPMENT PLAN AND PROJECT for the PEORIA CENTRAL BUSINESS DISTRICT TAX INCREMENT FINANCING DISTRICT - To be held at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, Illinois.**

**TUESDAY, JUNE 11, 2013, at 6:15 P.M. - PUBLIC HEARING to Consider the DESIGNATION of a REDEVELOPMENT PROJECT AREA and the Approval of a REDEVELOPMENT PLAN AND PROJECT for the CITY OF PEORIA DOWNTOWN CONSERVATION TAX INCREMENT FINANCING DISTRICT - To be held at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, Illinois.**

**ROLL CALL**

**INVOCATION & PLEDGE OF ALLEGIANCE**

**PETITIONS, REMONSTRANCES & COMMUNICATIONS**

**ITEM NO. 1** REGULAR BUSINESS ITEMS, with Recommendations as Outlined:

- A. **Communication from the City Manager Requesting Approval of the FOURTH AMENDMENT to the CITY OF PEORIA/DOWNTOWN STADIUM REDEVELOPMENT AGREEMENT.**

**CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD**

**EXECUTIVE SESSION**

**ADJOURNMENT**

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All matters listed under CONSENT AGENDA are considered to be routine and non-controversial by the City Council/Town Board and will be enacted by one motion and one roll call vote. There will not be separate discussion on these items. If discussion is desired by a Citizen or Members of the City Council/Town Board, the item will be removed from the Consent Agenda and discussed immediately after approval of the Consent Agenda. Citizens desiring discussion on any item listed under the CONSENT AGENDA should contact a City Council/Town Board Member or the City Clerk prior to the meeting and request that the item be removed for discussion.

\*CITIZENS WISHING TO ADDRESS AN ITEM NOT ON THE CONSENT AGENDA SHOULD CONTACT A CITY COUNCIL/TOWN BOARD MEMBER PRIOR TO THE MEETING. ALL OTHER PUBLIC INPUT WILL BE HEARD UNDER CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD NEAR THE END OF THE MEETING.

NOTE: THE ORDER IN WHICH AGENDA ITEMS ARE CONSIDERED MAY BE MOVED FORWARD OR DELAYED BY AT LEAST 2/3 VOTE OF THE CITY COUNCIL/TOWN BOARD MEMBERS PRESENT.

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EFFECTIVE JULY 1, 2007, THE PEORIA CITY COUNCIL/TOWN BOARD WILL MEET IN REGULAR BUSINESS SESSIONS THE SECOND AND FOURTH TUESDAYS OF THE MONTH AT 6:15 P.M. AT CITY HALL COUNCIL CHAMBERS (Room 400), 419 FULTON STREET, PEORIA, ILLINOIS. TOWN BOARD MEETINGS ARE HELD JOINTLY WHEN CALLED. NOTICES OF ANY SPECIAL MEETINGS ARE POSTED AT LEAST 48 HOURS PRIOR.

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Attached documents for item TUESDAY, MAY 28, 2013, at 6:15 P.M. - PUBLIC HEARING Regarding PROPOSED ANNEXATION of 10023 N. KNOXVILLE (Temporary Address) - To be held at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, Illinois.

Attached documents for item TUESDAY, MAY 28, 2013, at 6:15 P.M. - PUBLIC HEARING Regarding the PROPOSED RIVER TRAIL TAX INCREMENT FINANCING DISTRICT - To be held at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, Illinois.

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## REQUEST FOR COUNCIL ACTION

**To: Honorable Mayor and Members of the City Council**  
**From: Patrick Urich, City Manager**

**AGENDA DATE REQUESTED:** April 30, 2013

**ACTION REQUESTED: APPROVE THE FOURTH AMENDMENT TO THE CITY OF PEORIA/ DOWNTOWN STADIUM REDEVELOPMENT AGREEMENT.**

**BACKGROUND:** The City and the Peoria Chiefs Community Baseball Club, LLC (Peoria Chiefs) entered into a City of Peoria/Downtown Stadium Redevelopment Agreement on September 5, 2000 (amended June 5, June 25, and July 17, 2001) for the construction of the Peoria Chiefs downtown stadium, commonly known as O'Brien Field. The Agreement specified the City's role in land acquisition, utility relocation, and reconstruction of Jefferson Street to allow for the placement of the stadium between Oak Street, Adams Street, Walnut Street, and Jefferson Street. The City's investment was capped at \$3.5 million. The Agreement specified that the Peoria Chiefs would receive all parking revenues and other financial benefits. However, for the Peoria Chiefs to receive any financial benefits under the Agreement, it required that a Class A minor league baseball team, or higher, play substantially all their home games at the field. The Agreement also required the Peoria Chiefs to operate and maintain the field in good condition, and the City was allowed the use of the stadium five days per year.

Land acquisition, utility relocation and street reconstruction costs totaled \$8.15 million. The Peoria Chiefs spent \$15.8 million on construction of the stadium (sources and uses of the construction are attached as Table 1). Under the original Agreement, the financial benefits conferred upon the team were designed to reimburse the team for the property taxes projected for the stadium's first 20 years of operation. Later to cover unanticipated land acquisition costs, the City agreed to issue General Obligation bonds in the amount of \$1.675 million. In exchange (per the June 25, 2001 amendment), the parties agreed that the debt service costs on the General Obligation bonds and an interest premium of \$32,000 would be deducted from the annual benefits paid to the team.

The Peoria Chiefs began operations in the new ball park in 2002. Attendance at the ball park has been over 2.5 million from 2002 to 2012, with an average annual attendance of 230,950. Due to the economic downturn, attendance has declined and the Peoria Chiefs current financial situation has become tenuous. For the last several years, the team has lost money and the banks holding the team's stadium loan have placed them into technical default of their loan.

Periodically over the last few years, the Peoria Chiefs approached City staff to discuss their financial situation. In January 2013, the Peoria Chiefs approached the City with a request for assistance in a restructuring package. Materially different from previous discussions with the team, the possibility of additional naming rights from Caterpillar was added. The initial proposal sought a purchase/lease back option in which the City would purchase the stadium from the Peoria Chiefs and lease back the stadium to the team. This proposal would have put the City in the position of owning the stadium, a fundamental shift from the deal as originally envisioned in 2001.

With input from the City Council, staff worked with the Peoria Chiefs, Caterpillar, the current bank group and Morton Community Bank to develop an *alternative proposal to public ownership of the stadium*. The restructuring consists of three key components:

- New equity investment from the ownership group of \$2.7 million. During the last few years, the ownership group has loaned the team funds to sustain operations. Under the proposed agreement, these loans and interest (\$2.4 million) will be converted to equity, and an additional \$300,000 of new equity will be injected into the club.

- New revenue of \$2.25 million. The Peoria Chiefs have secured \$2.25 million in new revenue over 10 years. Bradley University will increase their field usage fee by \$25,000 annually, and Caterpillar will acquire the naming rights to the field for \$2.0 million.
- Debt Forgiveness of \$2.4 million. The current bank group has agreed to a debt reduction of \$1.2 million, subject to all other pieces of the restructuring occurring as proposed. Morton Community Bank will repay the current banks and provide a new loan to the Peoria Chiefs. The final request is for the City to forgive the remaining \$1.2 million of payments on the General Obligation bond currently being paid by the Peoria Chiefs through their property taxes. *It is important to point out that if the Peoria Chiefs were to cease playing minor league baseball, the City would still be obligated to pay these bonds, and any additional tax revenue generated by the Peoria Chiefs would likely cease.*

The proposed Fourth Amendment to the City of Peoria/Downtown Stadium Redevelopment Agreement memorializes this request of the City as well as additional protections and community benefit that the City has negotiated:

- Paragraph 1 removes the requirements for repayment of the remaining debt. This amount totals \$1,231,375 over the next eight years. The forgiveness will occur on an annual basis only if Class A or higher baseball is being played in Peoria;
- Paragraph 2 increases the City's maximum contribution from \$3.5 million to \$4.5 million for the project;
- Paragraph 3 confirms that the financial benefits to the Peoria Chiefs are in effect as long as the minor league baseball team is Class A or higher, recognized by Major League Baseball, and plays substantially all of their home games at the stadium, and that the Peoria Chiefs are not in default of other provisions in the Agreement; and that the Peoria Chiefs will maintain the stadium in good condition and operate in a professional manner during the term of the Agreement ;
- Paragraph 4 establishes the payment obligation to the City should the Peoria Chiefs no longer play baseball at the stadium. The payment obligation equates to the debt service balance outstanding in each of the next eight years. The payment obligation would be paid out over the remaining calendar years within the repayment period with credit given for real estate taxes paid over \$35,000. The payment obligation would be secured by a mortgage on the stadium and a pledge of the proceeds of the sale of the minor league franchise in a third position behind Morton Community Bank and Caterpillar. The Mayor and City Manager would be authorized to execute the intercreditor agreement between the parties and to take all other steps to implement the mortgage and lien. The annual financial statements of the team would be available for review by the City Manager ; Paragraph 5 increases the number of community days that the City of Peoria may use the stadium from five to ten days per year;
- Paragraph 6 removes section 9.5 of the Agreement which asked the Peoria Chiefs and the City to seek alternative funding sources to be used in lieu of City Bond funding;
- Paragraph 7 confirms that the Peoria Chiefs may contest their property tax assessment, except for the five year period following the conclusion of the TIF (2024-2028);
- Paragraph 8 provides 5 days per year where residents of the City of Peoria may attend baseball games at half price of the daily ticket price; and
- Paragraph 9 confirms that all other terms and conditions remain in full force and effect.

**FINANCIAL IMPACT:** The annual financial impact to the City would be approximately \$150,000. The total financial impact of the Fourth Amendment over eight years would be \$1,231,375. Should the Council approve the Fourth Amendment, the City's total contribution will be 18.7% of the total project costs of \$24.0 million. The City's current and proposed contributions are attached as Table 2.

The Peoria Chiefs attract visitors from outside of the City of Peoria to the City and generate approximately \$180,000 of HRA and sales taxes annually. \$95,000 is paid to the City and the remainder is paid to the State and County. Should the Council approve the Agreement, these revenue streams would continue to be realized.

The General Obligation bond issued by the City in 2001 is an obligation not upon the Peoria Chiefs but the City of Peoria. The City will be required to make payments to the bond holders of approximately \$150,000 annually for the next 8 years. By forgiving the Peoria Chiefs of repaying the remaining bond payments, the City will be required to make the payments from the City's General Fund. *It is important to point out that if the Peoria Chiefs were to cease playing minor league baseball, the City would still be obligated to pay these bonds.*

**NEIGHBORHOOD CONCERNS:** N/A, although staff has not discussed the proposed plan with the Washington Street Advisory Group or any additional neighbors.

**IMPACT IF APPROVED:** If approved, the likelihood of minor league baseball remaining in Peoria improves considerably. The team will have reduced their debt load significantly and should be positioned for a long term sustainable future in Peoria. Further, this restructuring protects the significant investment made in the baseball stadium years ago and the ongoing investments by the City, business and individuals in Downtown and the Warehouse District. Approval would keep the field privately owned. While very few minor league stadiums are privately owned, the City of Peoria has always stated that it would not own this facility. This restructuring preserves that position.

As previously stated, the City of Peoria is currently in an unsecured position on the repayment of the debt service should the operations of the team cease. In exchange for the forgiveness of \$1.2 million, the City of Peoria would receive the following additional benefits:

- Five additional days to use the stadium;
- Five discounted admission days for Peoria residents in 2014 and 2015; and
- The additional security of a mortgage and lien on the sale of the stadium and franchise should baseball operations cease.

**IMPACT IF DENIED:** If denied, the new naming rights revenue proposal from Caterpillar would be rescinded. This loss of this \$2.0 million would adversely affect the chances that the team could continue to operate. This would also increase the likelihood that the Peoria Chiefs would file for bankruptcy. Should the team file for bankruptcy, the current bank group holding the stadium loan could force the ownership group to sell the franchise. There is no guarantee that the sale of the franchise would keep the Peoria Chiefs in Peoria.

**ALTERNATIVES:** The City could pursue the purchase/lease back option. The City would purchase the stadium from the Peoria Chiefs and lease back the stadium to the team. This proposal would put the City in the position of owning the stadium, and necessitate \$2.9 million of up front expenditures to acquire the stadium from the current bank group.

The second alternative would be to do nothing. This alternative scenario would see the loss of additional naming rights revenues from Caterpillar, and the likelihood that the Peoria Chiefs would file for bankruptcy. Should the team file for bankruptcy, the current bank group holding the stadium loan could force the ownership group to sell the franchise. There is no guarantee that the sale of the franchise would keep the Peoria Chiefs in Peoria.

The third option would be to ask the team to seek additional equity investors or to sell the stadium to a third party that would lease the stadium back to the team. The team has not contemplated selling the stadium to a third party.

**EEO CERTIFICATION NUMBER:** Not Applicable

**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2011 – 2026 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Lively Downtown/Warehouse District

**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

1. Reinvest in neighborhoods.

**DEPARTMENT:** City Manager's Office

Table 1 Sources and Uses

<b>Sources</b>	<b>City Sources</b>	
	Southtown General Obligation Bond	\$1,605,000.00
	TIF General Obligation Bond (Repaid by Peoria Chiefs)	\$1,675,000.00
	General Fund Contribution	\$1,660,074.00
	<b>Total City Sources</b>	<b>\$4,940,074.00</b>
	<b>State Offset Sources</b>	
	Transit Center Grant	\$1,000,000.00
	Washington Street Grant	\$1,750,000.00
	<b>Total State Offset Sources</b>	<b>\$2,750,000.00</b>
	<b>Other Sources</b>	
	Civic Center	\$250,000.00
	Ameritech	\$200,000.00
	Convention and Visitors Bureau	\$12,000.00
	<b>Total Other Sources</b>	<b>\$462,000.00</b>
	<b>Private Sources</b>	
Peoria Chiefs Baseball Club, LLC	\$15,800,000.00	
<b>Total Sources</b>	<b>\$23,952,074.00</b>	
<b>Uses</b>	<b>Public Improvements</b>	
	Land Acquisition	\$4,058,487.00
	Utility Relocation	\$2,875,779.00
	Jefferson Street Improvements	\$1,217,808.00
	<b>Total Public Improvements</b>	<b>\$8,152,074.00</b>
	<b>Private Improvements</b>	
	Stadium Construction	\$15,800,000.00
<b>Total Uses</b>	<b>\$23,952,074.00</b>	

Table 2 Current and Proposed City Contributions

<b>City Contribution (2001)</b>	
Southtown General Obligation Bond	\$1,605,000.00
TIF General Obligation Bond (Assuming Full Repayment)	\$0.00
General Fund Contribution	\$1,660,074.00
<b>Total City Contribution (2001)</b>	<b>\$3,265,074.00</b>
<b>Additional City Debt Forgiveness Request</b>	<b>\$1,231,375.00</b>
<b>Total City Contribution (2013)</b>	
Southtown General Obligation Bond	\$1,605,000.00
TIF General Obligation Bond (Based on Partial Repayment)	\$1,231,375.00
General Fund Contribution	\$1,660,074.00
<b>Requested Total City Contribution (2013)</b>	<b>\$4,496,449.00</b>

**JSE DRAFT: 04/26/13**

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**FOURTH AMENDMENT TO  
CITY OF PEORIA/DOWNTOWN STADIUM  
REDEVELOPMENT AGREEMENT**

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**THIS FOURTH AMENDMENT TO THE CITY OF PEORIA/DOWNTOWN STADIUM REDEVELOPMENT AGREEMENT** (“Fourth Amendment”) is entered into as of April 30, 2013, by and between the City of Peoria, Illinois, a municipal corporation, (hereinafter referred to as the “City”) and Downtown Stadium, Inc., an Illinois corporation, (as Assignee of Peoria Chiefs Community Baseball Club, L.L.C., an Illinois limited liability company) (hereinafter referred to as the “Redeveloper”).

**WHEREAS**, the City and the Redeveloper have entered into the City of Peoria/Downtown Stadium Redevelopment Agreement, dated September 5, 2000, as amended by the First Amendment to the City of Peoria/Downtown Stadium Redevelopment Agreement, dated June 5, 2001, the Second Amendment to the City of Peoria/Downtown Stadium Redevelopment Agreement, dated June 25, 2001, and the Third Amendment to the City of Peoria/Downtown Stadium Redevelopment Agreement, dated July 17, 2001 (collectively, the “Agreement”); and

**WHEREAS**, the City and Redeveloper are desirous of further amending the Agreement as set forth herein; and

**NOW, THEREFORE**, the parties agree to further amend the Agreement as follows:

**PARAGRAPH 1:** Commencing with calendar year 2013, Section 6.1, Section 6.4 and Section 6.5 of the Agreement (all as in effect immediately prior to this Fourth Amendment pursuant to the Second Amendment, dated June 25, 2001) are deleted in their entirety and the following are substituted in lieu thereof:

**“6.1 Reimbursement of Costs and Additional Payments.** Subject to all of the conditions set forth in this Agreement, with respect to each calendar year (hereinafter, a “Payment Year”), the City shall provide to the Redeveloper with the following reimbursements of costs and additional payments (all as defined in this Agreement and in the Act):

- “Redevelopment Project Costs (pursuant to Section 6.2)
- “An Interest Subsidy (pursuant to Section 6.3); and
- “Additional Inducement (pursuant to “Section 6.4)

“provided however that the total of the foregoing reimbursements of costs and additional payments pursuant to this Section 6.1 (and thus Sections 6.2, 6.2 and 6.4) in any one Payment Year shall not exceed the total amount of the Real Estate Taxes payable by the Redeveloper with respect to the Project and the Project Site in that same Payment Year less Thirty-Five Thousand Dollars (\$35,000) (hereinafter, the “Annual Maximum”).

**“6.4 Additional Inducement.** In addition to the annual reimbursements of costs payable by the City to the Redeveloper pursuant to Section 6.2 (Redevelopment Project Costs) and Section 6.3 (Interest Subsidy), the City shall in each Payment Year make an additional payment to the Redeveloper (the “Additional

Inducement”) in an amount equal to the difference between (x) the Annual Maximum for such Payment Year and (y) the total amount of reimbursements payable by the City to the Redeveloper in that same Payment Year pursuant to Section 6.2 (Redevelopment Project Costs) and Section 6.3 (Interest Subsidy).

“6.4.1 An example of the calculation of the Additional Inducement payable by the City to the Redeveloper in each Payment Year is as follows:

“(i) Assume that in a Payment Year, the amount of Real Estate Taxes payable by the Redeveloper with respect to the Project and Project Site is Three Hundred Fifty Thousand Dollars (\$350,000). The Annual Maximum for such Payment Year would therefore be Three Hundred Fifteen Thousand Dollars (\$315,000) [Real Estate Taxes of Three Hundred Fifty Thousand Dollars (\$350,000) *less* Thirty-Five Thousand Dollars (\$35,000)].

“(ii) Further assume that the City in such Payment Year owes the Redeveloper reimbursements of Ten Thousand (\$10,000) Dollars for Redevelopment Project Costs and One Hundred Thousand Dollars (\$100,000) for the Interest Subsidy.

“(iii) The amount of the Additional Inducement payable by the City to the Redeveloper in such Payment Year would therefore be Two Hundred and Five Thousand Dollars (\$205,000) [Annual Maximum of \$315,000 *less* the sum of Ten Thousand Dollars (\$10,000) for Redevelopment Project Costs and One Hundred Thousand Dollars (\$100,000) for the Interest Subsidy].

“6.4.2 The sum of the amounts payable by the City to the Redeveloper pursuant to Section 6.1 (and thus Sections 6.2, 6.3 and 6.4) for each Payment Year shall be equal to the Annual Maximum (as defined in Section 6.1) for the same Payment Year and it shall not be any greater or less.

“6.5 **Payment of Reimbursements of Costs and Additional Inducement.** In each Payment Year, the reimbursement of Redevelopment Project Costs and the Interest Subsidy shall be paid by the City to the Redeveloper within ten (10) business days after the Tax Increment Revenues become available in the Fund, but no later than September 15 of each Payment Year. The Additional Inducement shall be paid by the City to the Redeveloper within ten (10) business days after the Redeveloper pays the Real Estate Taxes with respect to the Project and Project Site for the respective Payment Year (if the Redeveloper pays the Real Estate Taxes in two installments, the City shall pay the Additional Inducement in two equal installments).

**PARAGRAPH 2:** Section 7.3 of the Agreement (Maximum Expenditure by City) is supplemented to provide that the City’s Dedicated Costs include the City Bonds (as defined in the Second Amendment, dated June 25, 2001).

**PARAGRAPH 3:** For the avoidance of doubt, the parties confirm that (i) Section 7.4 of the Agreement (Continuation of Ongoing City Benefits) and (ii) Section 8.1 (Operation and Maintenance of the Project) remain in full force and effect.

**PARAGRAPH 4:** After Section 7.4 of the Agreement, add the following Section 7.5:

**“7.5 Certain Payment Obligation of Redeveloper**

**“7.5.1** If Section 7.4.2 of the Agreement is not satisfied (and not waived by the City in writing) in any calendar year commencing with calendar year 2013 ending on or before December 31, 2020 (the “Payment Period”), the Redeveloper shall be obligated to pay to the City the following amount (in order to assist the City in repaying the remaining outstanding amount of the City Bond) (hereinafter, the “Payment Obligation”):

<b>“Calendar Year in Payment Period in which Section 7.4.2 Not Satisfied</b>	<b>Payment Obligation</b>
2013	\$1,231,375
2014	1,082,587
2015	932,100
2016	780,062
2017	626,625
2018	477,250
2019	317,250
2020	157,500
After 2020	0

**“7.5.2** The Payment Obligation shall be paid by the Redeveloper to the City in equal annual installments over the then remaining calendar years within the Payment Period, commencing on December 31 of the year in which Section 7.4.2 is not satisfied and continuing on December 31 of each of the remaining calendar years within the Payment Period. (For the avoidance of doubt, the total of such annual installments shall equal the amount of the Payment Obligation for the year in which Section 7.4.2 is not satisfied).

**“7.5.3** Notwithstanding anything to the contrary, the Redeveloper shall be entitled to a dollar for dollar credit against the Payment Obligation (and each annual installment payment with respect thereto) in an amount equal to the aggregate of all Real Estate Taxes in excess of \$35,000 per calendar year, payable by the Redeveloper with respect to the Project and Project Site in each and every calendar year commencing with calendar year 2013.

“7.5.4 The Payment Obligation shall be secured by a mortgage on the Stadium and pledge of the proceeds of the sale of the minor league baseball franchise, which mortgage/pledge shall be subordinate and junior in all respects to all mortgages/pledges given now or at any time in the future by the Redeveloper and/or Peoria Chiefs Community Baseball Club, L.L.C. (the “Club”) to its lenders from time to time (including Morton Community Bank) and to Caterpillar Inc. (with respect to reimbursement obligations of the Redeveloper and the Club to Caterpillar Inc., including without limitation those related to the proposed naming rights agreement (collectively, the “Senior Creditors”). The terms of the mortgage/pledge, and all amendments thereto granted to the City pursuant hereto shall be subject to the approval of the Senior Creditors and shall include without limitation a provision that the City cannot exercise its rights under such mortgage/pledge unless and until the Secured Creditors exercise their senior rights in the same collateral. To implement the provisions of this paragraph, the Mayor and/or City Manager are hereby authorized to (i) execute an inter creditor agreement and related agreements among the Senior Creditors, the City and the Redeveloper on terms and conditions reasonably acceptable to the parties thereto and (ii) take all other steps reasonably required in connection with the implementation of this paragraph (all without further act of the City Council).

“7.5.4 During the Payment Period, the Redeveloper will make the Redeveloper’s annual financial statement available to the City Manager each year for review, provided that that the City executes a confidentiality agreement reasonably acceptable to the Redeveloper which provides among other things that such financial statements and the information included therein are not available to any third parties including pursuant to the Freedom of Information Act.

“7.5.5 [Example of Section 7.5 to be included]”

**PARAGRAPH 5:** Section 8.2 of the Agreement (as set forth in the Third Amendment, dated July 17, 2001) is amended to increase the City’s use of the Project from five (5) days to ten (10) days per year with all other provisions of Section 8.2 remaining in full force and effect.

**PARAGRAPH 6:** Section 9.5 of the Agreement (as set forth in the Second Amendment, dated June 25, 2001) is deleted in its entirety.

**PARAGRAPH 7:** Notwithstanding anything to the contrary, except during the period commencing January 1, 2024 and ending December 31, 2028, the Redeveloper shall not be restricted in any manner or at any time from contesting, to the full extent provided under Illinois law, the valuation of the Project and Project Site for Real Estate Tax purposes and/or the amount of Real Estate Taxes assessed with respect to the Project and Project Site.

**PARAGRAPH 8:** In calendar years 2014 and 2015, the Redeveloper will designate five (5) days per year in which residents of the City of Peoria may attend baseball games at one-half (1/2) the price otherwise charged to patrons on those same days.

**PARAGRAPH 9:** All other terms and conditions of the Agreement shall remain in full force and effect. In the case of an inconsistency between the terms of this Fourth Amendment and the Agreement, this Fourth Amendment shall control.

[Signature Page to Follow]

**IN WITNESS WHEREOF**, the parties hereto have executed this Fourth Amendment as of the date first above written.

**CITY OF PEORIA:**

**REDEVELOPER:**

**DOWNTOWN STADIUM, INC.**  
(As Assignee of Peoria Community  
Baseball Club, L.L.C.)

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

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

By: \_\_\_\_\_  
Harold A. Vonachen, III, President