



## **CITY OF WASHINGTON, ILLINOIS**

### **Committee of the Whole Agenda Communication**

**Meeting Date:** December 11, 2023

**Prepared By:** Jon Oliphant, AICP, Planning & Development Director

**Agenda Item:** WACC Use Agreement Amendment Discussion

**Explanation:** A presentation was made at the November 6 City Council meeting by Sherril West, President of the Washington Area Community Center (WACC) Board of Directors, regarding the impact that Five Points has had over its first 16 years and an outlook into the future of the facility. A follow-up presentation was made by Ms. West at the December 4 City Council meeting.

The City approved an IGA ordinance with WACC in 2010. Among the provisions was that WACC shall make an annual, lump sum payment of \$50,000 for each of ten consecutive years commencing in 2011 and shall make an annual, lump sum payment of \$75,000 for each of ten consecutive years commencing in 2021. The annual payments are to be made on or before March 31 of each respective year. The Council approved an amendment to the IGA in April 2021 that reduced the annual payments to \$50,000 for each of three fiscal years (FY 20-21, FY 21-22, and FY 22-23). An additional \$75,000 payment was added in FY 30-31 to ensure that the entire \$1,250,000 would be paid over the term of the agreement. To date, \$650,000 has been paid. Eight annual payments totaling \$600,000 remain.

**Fiscal Impact:** The City of Washington approved a 0.25% home rule sales tax increase in 2006 offset some of the City's debt service associated with a \$5 million bond issue. The revenue from the sales tax increase has been sufficient to cover the annual payments. The sales tax generates approximately \$550,000 annually, whereas the yearly bond payment is about \$365,000.

**Action Requested:** The Five Points Board has respectfully requested that the terms of the agreement be modified such that future annual WACC payments are based on any difference between the previous year's 0.25% home rule sales tax revenue and the bond payment. This would be capped up to the \$75,000 annual WACC payment. Such an amended agreement would be for ten years starting in 2024. Staff requests feedback on whether to amend the IGA between the City and WACC to provide financial relief on behalf of WACC.

ORDINANCE NO. 3454

**AN ORDINANCE APPROVING AND AUTHORIZING  
THE MAYOR AND CITY CLERK OF THE CITY OF  
WASHINGTON, TAZEWELL COUNTY, ILLINOIS, TO  
ENTER INTO AN AMENDMENT TO THE INTERGOVERNMENTAL USE AGREEMENT  
WITH THE WASHINGTON AREA COMMUNITY CENTER**

**WHEREAS**, on or about August 2, 2010, the City of Washington and Washington Area Community Center, Inc. ("WACC") entered into an Intergovernmental Use Agreement the purpose, among other things, of setting forth WACC's obligations to pay to the City specified amounts on a specified schedule for the City's repayment of its debt service costs; and

**WHEREAS**, as a result of the economic impact of the COVID-19 pandemic upon WACC's ability to host events, the City and WACC have determined it is in the best interest of the parties and the community to restructure the debt service repayment schedule to allow WACC to provide additional funding for hosting of events; and

**WHEREAS**, Section XIV of the parties' Intergovernmental Use Agreement allows the parties to amend that Agreement by mutual consent in writing signed by an authorized representative of each party:

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS**, as follows:

**Section 1.** That the Amendment to the Intergovernmental Use Agreement between the City of Washington, an Illinois home-rule municipality, and Washington Area Community Center, Inc., a copy of which is attached hereto as Exhibit "A," and by reference expressly made a part hereof, be, and the same is hereby approved.

**Section 2.** That the Mayor and the City Clerk of the City of Washington be, and hereby are authorized, empowered, and directed to enter into and execute said Amendment to the Intergovernmental Use Agreement on behalf of the City of Washington in substantially the form of the document attached hereto, marked "Exhibit A," and by reference expressly made a part hereof, and to make, execute, and deliver any and all documents necessary for the effectiveness thereof.

**Section 3.** That this ordinance shall be in full force and effect from and after its passage, approval, and publication as provided by law.

**Section 4.** That all ordinances, or parts thereof, in conflict herewith are hereby expressly repealed.

PASSED AND APPROVED this 19th day of April, 2021.

AYES: (8) Adams Blundy Brownfield, Butler, Cobb, Dingleline, Stevens, Yoder

NAYS: (0)

ATTEST:

Val W. L. Brode  
City Clerk

Mary W. Manier  
Mayor

## **EXHIBIT A**

### **AMENDMENT TO INTERGOVERNMENTAL USE AGREEMENT** **BETWEEN CITY OF WASHINGTON** **AND WASHINGTON AREA COMMUNITY CENTER**

This Amendment to Intergovernmental Use Agreement is made and entered into this \_\_\_\_\_ day of April 2021, by and between City of Washington and Washington Area Community Center, an Illinois not-for-profit corporation ("WACC"), for the purposes and on the terms and conditions described below.

#### **RECITALS**

**WHEREAS**, on or about August 2, 2010, the City of Washington and Washington Area Community Center, Inc. ("WACC") entered into an Intergovernmental Use Agreement the purpose, among other things, of setting forth WACC's obligations to pay to the City specified amounts on a specified schedule for the City's repayment of its debt service costs; and

**WHEREAS**, as a result of the economic impact of the COVID-19 pandemic upon WACC's ability to host events, the City and WACC have determined it is in the best interest of the parties and the community to restructure the debt service repayment schedule contained in the Intergovernmental Use Agreement so that a reduced amount of yearly repayments will allow WACC to provide additional funding for hosting of events; and

**WHEREAS**, Section XIV of the parties' Intergovernmental Use Agreement allows the parties to amend that Agreement by mutual consent in writing signed by an authorized representative of each party:

**NOW, THEREFORE**, for and in consideration of the mutual promises herein contained, the parties hereto covenant, consent, and agree to amend Section III of the Intergovernmental Use Agreement as follows:

#### **SECTION III** **TRANSACTIONS RELATED TO THE CITY BOND**

WACC shall, pursuant to this Use Agreement, repay some of the city's debt service cost associated with the above referenced \$5 million bond issue in accordance with the following provisions:

1. WACC shall make annual, lump sum payments pursuant to the schedule below. Said annual payments shall be made on or before March 31st of each respective year.

2011	\$50,000
2012	\$50,000
2013	\$50,000
2014	\$50,000

2015	\$50,000
2016	\$50,000
2017	\$50,000
2018	\$50,000
2019	\$50,000
2020	no payment (deferred due to COVID-19)
2021	\$100,000 (\$50,000 deferred payment made September 2020)
2022	\$50,000
2023	\$50,000
2024	\$75,000
2025	\$75,000
2026	\$75,000
2027	\$75,000
2028	\$75,000
2029	\$75,000
2030	\$75,000
2031	\$75,000

2. The above referenced annual payments shall receive higher funding priority than forgiveness of the initial annual construction debt service received from the Washington Park District in the amount of \$15,000.

3. The above referenced annual payments supplant and supersede all payment obligations described in the Intergovernmental Agreement dated April 3, 2003.

WASHINGTON AREA COMMUNITY  
CENTER, INC., an Illinois not-for-profit  
corporation

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

ATTEST

\_\_\_\_\_  
Its Secretary

CITY OF WASHINGTON

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

ATTEST

\_\_\_\_\_  
Its City Clerk