

**AN ORDINANCE APPROVING INTERGOVERNMENTAL AGREEMENTS
BETWEEN THE CITY OF MOUNT VERNON, ILLINOIS & MOUNT VERNON CITY
SCHOOLS DISTRICT 80; AND THE CITY OF MOUNT VERNON, ILLINOIS AND
MOUNT VERNON TOWNSHIP HIGH SCHOOL DISTRICT 201 REGARDING
SUPPORT FOR THE CITY'S NORTH 42ND STREET TIF DISTRICT AND
ALLOCATION OF CERTAIN SURPLUS INCREMENT**

WHEREAS, the City of Mount Vernon, Illinois ("City") is an Illinois Home Rule Municipal Corporation, duly existing under the laws of the State of Illinois, and embodied as a Home Rule entity with certain rights and powers pursuant to the Illinois Constitution, Article VII, Section 6, and hereby makes an express declaration as to the use of its Home Rule Authority in the enacting and adopting of this Ordinance; and

WHEREAS, Article VII, Section 10 of the Constitution of the State of Illinois (1970) and 5 ILCS 220/1, et seq., provides that units of local government may enter into intergovernmental agreements for any purpose not prohibited by law; and

WHEREAS, the City of Mount Vernon, Illinois, the Mount Vernon City Schools District 80, and the Mount Vernon Township High School District 201 are "units of local government" as for purposes of the Illinois Constitution and the Illinois Intergovernmental Cooperation Act, and therefore have the express legal authority to enter into this Agreement; and

WHEREAS, City is in the process of creating a new tax increment financing ("TIF") district to be known as the N. 42nd Street TIF District and in connection with same and following extensive conversations with the Mount Vernon City Schools District 80 and the Mount Vernon Township High School District 201, have prepared Intergovernmental Agreements between the City and each respective School District, true and accurate copies of which are attached hereto as Exhibits A & B; and

WHEREAS, after review of the Agreements, the City Council for Mt. Vernon, Illinois determines that entry into the attached Intergovernmental Agreements to be in the best interest of the City of Mt. Vernon.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MT. VERNON, ILLINOIS AS FOLLOWS:

Section 1: The above recitals are hereby adopted herein as express findings of legislative fact, intent, and discretion of the City of Mt. Vernon, Illinois.

ORDINANCE NO. 2026 - 07

Section 2: The Agreements attached hereto as Exhibits A & B are hereby approved by the City of Mt. Vernon.

Section 3: The City Manager is authorized and directed to execute the Agreements attached hereto as Exhibit A & B on behalf of the City, and the City is authorized to expend any funds contemplated under the Agreements required to carry out the spirit and intent of the Agreements, and to execute any and all such other documents as may be required.

Section 4: This Ordinance is hereby declared to be an exercise of the City's home rule authority pursuant to Illinois law.

Section 5: This Ordinance shall be in full force and effect from and after its passage by the City Council and approved in the matter provided by law.

PASSED by the City Council of the City of Mt. Vernon, Illinois on the 17th day of February 2026.



City Clerk – Rebecca Barbour

NAME	AYE	NAY	ABSTAIN	ABSENT	CONFLICT
Giosci	X				
Moore	X				
Tate	X				
Young				X	
Lewis	X				

APPROVED by the Mayor of the City of Mt. Vernon, Illinois on the 19th day of February 2026.

APPROVED: 

Mayor - John Lewis

ATTEST: 

City Clerk – Rebecca Barbour

(SEAL)

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement is entered into by and between Mt. Vernon City Schools District #80 ("Taxing Body") and the City of Mount Vernon, Illinois, a municipal corporation ("City").

WITNESSETH

WHEREAS, Article VII, Section 10 of the Constitution of the State of Illinois (1970) and 5 ILCS 220/1, *et seq* provides that units of local government may enter into intergovernmental agreements for any purpose not prohibited by law; and

WHEREAS, the Illinois Constitution also provides that local governments and school district may contract or otherwise associate themselves through Intergovernmental Agreements; and

WHEREAS, the City is a unit of local government and a public agency, and the Taxing Body is a public agency; and

WHEREAS, the Taxing Body recognizes the need for additional housing units in the City and the City recognizes that the Taxing Body has limited resources and as a result the City will pursue actions that result in financial assistance granted to the Taxing Body to offset the impacts of the City's Tax Increment Financing ("TIF") districts;

WHEREAS, the City is in the process of creating a new tax increment financing ("TIF") district pursuant to 65 ILCS 5/11-74.4 (the "TIF Act"), known as the N 42nd Street TIF District (the "New TIF District") that will contain predominantly new residential construction and may add to the enrollment of the Taxing Body; and

WHEREAS, the City and Taxing Body recognize the implementation of a TIF district will divert future property tax revenue from overlapping taxing bodies, provided it is also understood that if the Project does not advance, because of lack of TIF and other public financial incentives, that property tax revenue from the Project Area would be insignificant; and

WHEREAS, the continued provision of quality education by the overlapping school districts is important to the City and its citizens and is critical to advancing economic development in the City and that the existence of good public schools is an important factor in the selection of locations for industry, commercial development and residential development; and

WHEREAS, §11-74.4-3(q) of the TIF Act defines "redevelopment project costs" eligible for payment from real estate tax increment as all necessary or reasonable costs incurred or estimated to be incurred that are incidental to a redevelopment plan, without limitation. That includes capital costs incurred by a taxing body as long as the municipality accepts and approves the request and it aligns with the objectives of the redevelopment plan; and

WHEREAS, the City acknowledges the impact a large real estate development can have on all taxing bodies and wishes to provide financial assistance through the provisions of the TIF Act to help offset that impact; and

WHEREAS, the TIF Act contains provisions to reimburse school districts for the increased costs attributable to a TIF redevelopment project, but the language in the TIF Act reflects the General State Aid funding framework and not the current Evidence Based Funding framework; and

WHEREAS, The City and Taxing Body agree that a suitable and fair formula, consistent with the intent of the TIF Act, can be achieved that will allow the City to reduce the costs incurred by the Taxing Body as a result of the development of TIF-assisted housing within the New TIF District; and

WHEREAS, the City is in the process of extending the Route 15/I-57 TIF District for an additional 12 years; and

WHEREAS, the Taxing Body gives their support to the extension of the Route 15/I-57 TIF District, so long as the statutory requirements of the TIF Act are met, and shall submit a letter of support signifying their support; and

WHEREAS, the City recently created the Frontage Road TIF to encourage the redevelopment of property along Frontage Road near the I-57 and I-64 interchange; and

WHEREAS, the City proposes that all taxing bodies benefit from receiving a certain amount of tax increment revenue (as "surplus" provided for in the TIF Act) generated by the development within the Frontage Road TIF throughout the term of the TIF; and

WHEREAS, the City shall not seek the extension of the IPC TIF which will terminate pursuant to the TIF Act on or prior to its expiration on December 31, 2034; and

WHEREAS, the City shall not seek the extension of the Downtown TIF which will terminate pursuant to the TIF Act on or prior to its expiration on December 31, 2032; and

WHEREAS, under the provisions of the Property Tax Extension Limitation Law ("PTELL"), the addition of the incremental Equalized Assessed Value ("EAV") of the property within a newly terminated TIF district becomes part of the rate-setting EAV for the Taxing Body the following year as if it were new property, offering a taxing body subject to PTELL an opportunity to raise more revenue than they otherwise would be able to raise; and

WHEREAS, at the time of this Agreement, payments received by the Taxing Body pursuant to the provisions contained herein would not reduce the Taxing Body's ability to receive state aid and they would not limit the Taxing Body's ability to maximize revenue under PTELL; and

WHEREAS, the City shall continue to convene a meeting of the Joint Review Board annually, as required by the TIF Act, to allow the Taxing Body an opportunity to ask questions and learn about the progress being made in all of the City's TIF districts; and

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

1. Duties and Responsibilities of the Taxing Body. The Taxing Body shall submit a letter of support for the extension of the Route 15/I-57 TIF District, substantially in the form shown in Exhibit A, to the City as soon as possible following the approval of this Agreement.

2. Duties and Responsibilities of the Taxing Body and City. The City shall declare ten percent (10%) of the incremental revenue generated within the Frontage Road TIF as surplus during the term of the TIF. Starting in tax year 2026, payable 2027, 10% of incremental revenue collected in the Frontage Road TIF special allocation fund will be declared surplus, and if there are funds to distribute, distributed on a pro rata basis to all impacted taxing bodies annually, only after the City is repaid for the full cost of establishing the Frontage Road TIF.

The City will declare ten percent (10%) of the incremental revenue generated within the Route 15/I-57 as surplus to be distributed on a pro rata basis to all impacted taxing bodies during the term of the TIF. However, the surplus amount shall not include any funds encumbered by active redevelopment agreements or monies obligated to fund public infrastructure projects prior to this Intergovernmental Agreement.

The City will not seek the extension of the IPC or Downtown TIF Districts, which will terminate pursuant to the TIF Act. The Downtown TIF is set to expire on December 31, 2032 and the IPC TIF is set to expire on December 31, 2034. The City will supply notification prior to November 1st of the year in which a TIF is set to expire so that all impacted taxing bodies may adjust their levy request accordingly. If there are funds available in the TIF account when the TIF expires, those funds will be distributed on a pro rata basis to all of the impacted taxing bodies unless the funds are committed to reimbursing redevelopment project costs already approved by the City at the time of expiration.

Upon being fully reimbursed for the creation of the New TIF District, The City shall provide annual payments ("School Payment" or "School Payments") to Mount Vernon City Schools District 80 and Mount Vernon Township High School District 201 (the "School Districts") from revenue generated by the New TIF District. Twenty percent (20%) of the annual TIF incremental property taxes generated by residential properties within the New TIF District shall be paid annually to the School Districts on a pro rata basis for costs they incur that are incidental to the Project. Each year, the School Districts shall submit claims evidencing costs attributable to the residential properties in the New TIF Districts, and the annual payment of 20% of the annual TIF incremental property taxes shall be divided between the School Districts on a pro rata basis. The School Districts shall only be eligible to receive funds that are generated by properties within their taxing jurisdiction.

3. Payment/Distribution. The City shall ensure the annual payment/distribution of the Taxing Body's share of funds generated within the Frontage Road TIF, Route 15/I-57 TIF, and the New TIF District by May 30th of each year of this Intergovernmental Agreement, or as soon as the City receives their annual allocation of TIF increment from Jefferson County and the City receives pertinent information from the Taxing Body related to the Per Student Number.

4. Term. The term of this Intergovernmental Agreement shall be from the date of execution until the expiration of all of the TIF districts mentioned by name herein.

5. Indemnification and Hold Harmless. Each party shall indemnify and hold harmless the other from any claim or cause of action resulting from the act or omission of the other, its agents and/or employees. Both parties specifically represent that this Intergovernmental Agreement for indemnity does not waive any statutory immunity to which they, or either of them, may be entitled by law, nor does it create any rights of action in any third party.

6. Strict Compliance. No failure by either party to insist upon the strict performance of any covenant, term or condition of this Intergovernmental Agreement, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or any subsequent breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Intergovernmental Agreement, but each and every covenant, term and condition of this Intergovernmental Agreement shall continue in full force and effect.

7. Notice. All notices, requests, approvals, demands and other communications required or permitted to be given under this Intergovernmental Agreement shall be in writing and shall be deemed to have been duly given and to be effective when delivered personally (including delivery by express or courier service) or, if mailed, three (3) business days after being deposited in the United States mail as registered or certified matter, postage prepaid, return receipt requested, addressed as follows or to such other address as either party may designate by notice to the other party in accordance with this Paragraph 7:

If to the Taxing Body: Mt. Vernon City Schools District #80
 2710 North Street
 Mt. Vernon, IL 6286

If to the City: Mayor John Lewis
 City of Mount Vernon
 1100 Main Street
 Mount Vernon, Illinois 62864

8. Amendments. Neither this Intergovernmental Agreement nor any term or provision hereof may be changed, waived, discharged or terminated, except by an instrument in writing signed by both of the parties hereto.

9. Captions. The captions to this Intergovernmental Agreement are for convenience of reference only and in no way define or limit the scope or intent of this Intergovernmental Agreement.

10. Assignment. This Intergovernmental Agreement may not be assigned.

11. Construed Law. This Intergovernmental Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois.

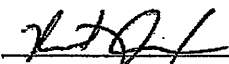
12. Severability. If, for any reason, any clause or provision of this Intergovernmental Agreement, or the application of any clause to a particular context or to a particular situation, circumstance or person, should be held unenforceable, invalid or in violation of law by any court or other tribunal, the application of such clause or provision in other contexts or to other situations, circumstances or persons shall not be affected thereby, and the remaining clauses and provisions hereof shall remain in full force and effect.

13. Entire Agreement. This Intergovernmental Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and any and all prior correspondence, conversations or memoranda are merged herein.

14. Nonexclusive Agreement. This Intergovernmental Agreement is independent of, and in addition to, any other contracts or mutual agreements between the parties and to any other contracts or agreements to which the City, the Taxing Body, or either of them is a party.

Executed this 12 day of February, 2026.

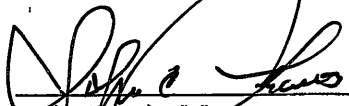
Mt. Vernon City Schools District #80

By: 
Kent Jackson, Board President


Attest:

By: 
Kerri Reidelberger, Board Secretary

CITY OF MOUNT VERNON

By: 
John Lewis, Mayor

Attest:

By: 
Becky Barbour, City Clerk

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement is entered into by and between Mt. Vernon Township High School District 201 ("Taxing Body") and the City of Mount Vernon, Illinois, a municipal corporation ("City").

WITNESSETH

WHEREAS, Article VII, Section 10 of the Constitution of the State of Illinois (1970) and 5 ILCS 220/1, *et seq* provides that units of local government may enter into intergovernmental agreements for any purpose not prohibited by law; and

WHEREAS, the Illinois Constitution also provides that local governments and school district may contract or otherwise associate themselves through Intergovernmental Agreements; and

WHEREAS, the City is a unit of local government and a public agency, and the Taxing Body is a public agency; and

WHEREAS, the Taxing Body recognizes the need for additional housing units in the City and the City recognizes that the Taxing Body has limited resources and as a result the City will pursue actions that result in financial assistance granted to the Taxing Body to offset the impacts of the City's Tax Increment Financing ("TIF") districts;

WHEREAS, the City is in the process of creating a new tax increment financing ("TIF") district pursuant to 65 ILCS 5/11-74.4 (the "TIF Act"), known as the N 42nd Street TIF District (the "New TIF District") that will contain predominantly new residential construction and may add to the enrollment of the Taxing Body; and

WHEREAS, the City and Taxing Body recognize the implementation of a TIF district will divert future property tax revenue from overlapping taxing bodies, provided it is also understood that if the Project does not advance, because of lack of TIF and other public financial incentives, that property tax revenue from the Project Area would be insignificant; and

WHEREAS, the continued provision of quality education by the overlapping school districts is important to the City and its citizens and is critical to advancing economic development in the City and that the existence of good public schools is an important factor in the selection of locations for industry, commercial development and residential development; and

WHEREAS, §11-74.4-3(q) of the TIF Act defines "redevelopment project costs" eligible for payment from real estate tax increment as all necessary or reasonable costs incurred or estimated to be incurred that are incidental to a redevelopment plan, without limitation. That includes capital costs incurred by a taxing body as long as the municipality accepts and approves the request and it aligns with the objectives of the redevelopment plan; and

WHEREAS, the City acknowledges the impact a large real estate development can have on all taxing bodies and wishes to provide financial assistance through the provisions of the TIF Act to help offset that impact; and

WHEREAS, the TIF Act contains provisions to reimburse school districts for the increased costs attributable to a TIF redevelopment project; but the language in the TIF Act reflects the General State Aid funding framework and not the current Evidence Based Funding framework; and

WHEREAS, The City and Taxing Body agree that a suitable and fair formula, consistent with the intent of the TIF Act, can be achieved that will allow the City to reduce the costs incurred by the Taxing Body as a result of the development of TIF-assisted housing within the New TIF District; and

WHEREAS, the City is in the process of extending the Route 15/I-57 TIF District for an additional 12 years; and

WHEREAS, the Taxing Body gives their support to the extension of the Route 15/I-57 TIF District, so long as the statutory requirements of the TIF Act are met, and shall submit a letter of support signifying their support; and

WHEREAS, the City recently created the Frontage Road TIF to encourage the redevelopment of property along Frontage Road near the I-57 and I-64 interchange; and

WHEREAS, the City proposes that all taxing bodies benefit from receiving a certain amount of tax increment revenue (as "surplus" provided for in the TIF Act) generated by the development within the Frontage Road TIF throughout the term of the TIF; and

WHEREAS, the City shall not seek the extension of the IPC TIF which will terminate pursuant to the TIF Act on or prior to its expiration on December 31, 2034; and

WHEREAS, the City shall not seek the extension of the Downtown TIF which will terminate pursuant to the TIF Act on or prior to its expiration on December 31, 2032; and

WHEREAS, under the provisions of the Property Tax Extension Limitation Law ("PTELL"), the addition of the incremental Equalized Assessed Value ("EAV") of the property within a newly terminated TIF district becomes part of the rate-setting EAV for the Taxing Body the following year as if it were new property, offering a taxing body subject to PTELL an opportunity to raise more revenue than they otherwise would be able to raise; and

WHEREAS, at the time of this Agreement, payments received by the Taxing Body pursuant to the provisions contained herein would not reduce the Taxing Body's ability to receive state aid and they would not limit the Taxing Body's ability to maximize revenue under PTELL; and

WHEREAS, the City shall continue to convene a meeting of the Joint Review Board annually, as required by the TIF Act, to allow the Taxing Body an opportunity to ask questions and learn about the progress being made in all of the City's TIF districts; and

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

1. Duties and Responsibilities of the Taxing Body. The Taxing Body shall submit a letter of support for the extension of the Route 15/I-57 TIF District, substantially in the form shown in Exhibit A, to the City as soon as possible following the approval of this Agreement.

2. Duties and Responsibilities of the Taxing Body and City. The City shall declare ten percent (10%) of the incremental revenue generated within the Frontage Road TIF as surplus during the term of the TIF. Starting in tax year 2026, payable 2027, 10% of incremental revenue collected in the Frontage Road TIF special allocation fund will be declared surplus, and if there are funds to distribute, distributed on a pro rata basis to all impacted taxing bodies annually, only after the City is repaid for the full cost of establishing the Frontage Road TIF.

The City will declare ten percent (10%) of the incremental revenue generated within the Route 15/I-57 as surplus to be distributed on a pro rata basis to all impacted taxing bodies during the term of the TIF. However, the surplus amount shall not include any funds encumbered by active redevelopment agreements or monies obligated to fund public infrastructure projects prior to this Intergovernmental Agreement.

The City will not seek the extension of the IPC or Downtown TIF Districts, which will terminate pursuant to the TIF Act. The Downtown TIF is set to expire on December 31, 2032 and the IPC TIF is set to expire on December 31, 2034. The City will supply notification prior to November 1st of the year in which a TIF is set to expire so that all impacted taxing bodies may adjust their levy request accordingly. If there are funds available in the TIF account when the TIF expires, those funds will be distributed on a pro rata basis to all of the impacted taxing bodies unless the funds are committed to reimbursing redevelopment project costs already approved by the City at the time of expiration.

Upon being fully reimbursed for the creation of the New TIF District, The City shall provide annual payments ("School Payment" or "School Payments") to Mount Vernon City Schools District 80 and Mount Vernon Township High School District 201 (the "School Districts") from revenue generated by the New TIF District. Twenty percent (20%) of the annual TIF incremental property taxes generated by residential properties within the New TIF District shall be paid annually to the School Districts on a pro rata basis for costs they incur that are incidental to the Project. Each year, the School Districts shall submit claims evidencing costs attributable to the residential properties in the New TIF Districts, and the annual payment of 20% of the annual TIF incremental property taxes shall be divided between the School Districts on a pro rata basis. The School Districts shall only be eligible to receive funds that are generated by properties within their taxing jurisdiction.

3. Payment/Distribution. The City shall ensure the annual payment/distribution of the Taxing Body's share of funds generated within the Frontage Road TIF, Route 15/I-57 TIF, and the New TIF District by May 30th of each year of this Intergovernmental Agreement, or as soon as the City receives their annual allocation of TIF increment from Jefferson County and the City receives pertinent information from the Taxing Body related to the Per Student Number.

4. Term. The term of this Intergovernmental Agreement shall be from the date of execution until the expiration of all of the TIF districts mentioned by name herein.

5. Indemnification and Hold Harmless. Each party shall indemnify and hold harmless the other from any claim or cause of action resulting from the act or omission of the other, its agents and/or employees. Both parties specifically represent that this Intergovernmental Agreement for indemnity does not waive any statutory immunity to which they, or either of them, may be entitled by law, nor does it create any rights of action in any third party.

6. Strict Compliance. No failure by either party to insist upon the strict performance of any covenant, term or condition of this Intergovernmental Agreement, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or any subsequent breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Intergovernmental Agreement, but each and every covenant, term and condition of this Intergovernmental Agreement shall continue in full force and effect.

7. Notice. All notices, requests, approvals, demands and other communications required or permitted to be given under this Intergovernmental Agreement shall be in writing and shall be deemed to have been duly given and to be effective when delivered personally (including delivery by express or courier service) or, if mailed, three (3) business days after being deposited in the United States mail as registered or certified matter, postage prepaid, return receipt requested, addressed as follows or to such other address as either party may designate by notice to the other party in accordance with this Paragraph 7:

If to the Taxing Body: Mt. Vernon Township High School District 201
11101 N. Wells Bypass
Mt. Vernon, IL 62864

If to the City: Mayor John Lewis
City of Mount Vernon
1100 Main Street
Mount Vernon, Illinois 62864

8. Amendments. Neither this Intergovernmental Agreement nor any term or provision hereof may be changed, waived, discharged or terminated, except by an instrument in writing signed by both of the parties hereto.

9. Captions. The captions to this Intergovernmental Agreement are for convenience of reference only and in no way define or limit the scope or intent of this Intergovernmental Agreement.

10. Assignment. This Intergovernmental Agreement may not be assigned.

11. Construed Law. This Intergovernmental Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois.

12. Severability. If, for any reason, any clause or provision of this Intergovernmental Agreement, or the application of any clause to a particular context or to a particular situation, circumstance or person, should be held unenforceable, invalid or in violation of law by any court or other tribunal, the application of such clause or provision in other contexts or to other situations, circumstances or persons shall not be affected thereby, and the remaining clauses and provisions hereof shall remain in full force and effect.

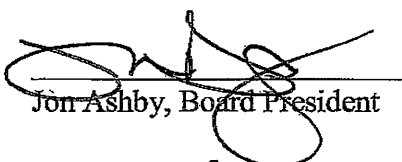
13. Entire Agreement. This Intergovernmental Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and any and all prior correspondence, conversations or memoranda are merged herein.

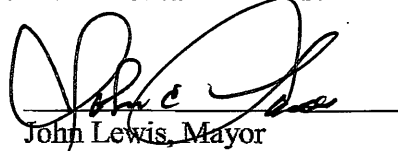
14. Nonexclusive Agreement. This Intergovernmental Agreement is independent of, and in addition to, any other contracts or mutual agreements between the parties and to any other contracts or agreements to which the City, the Taxing Body, or either of them is a party.


Executed this 17th day of February, 2026.

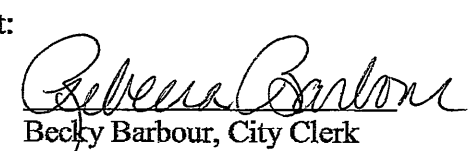
Mt. Vernon Township High School District 201

CITY OF MOUNT VERNON

By: 
Jon Ashby, Board President

By: 
John Lewis, Mayor

Attest:
By: 

Attest:
By: 
Becky Barbour, City Clerk