

TOM JACOB

Laying the Groundwork for Economic Development Law

by Allison Petty

BLOOMINGTON—Most people who walk into a Super Walmart or drive by a food processing plant don't think about how it got there, but Thomas N. Jacob is in the business of thinking about exactly that.

The 70-year-old chairman and senior counsel at **Jacob & Klein LTD** has built a successful and rapidly expanding practice around helping Illinois communities develop Tax Increment Financing (TIF) Districts to draw businesses into the area. While the national economic picture grew bleak and Illinois gained a reputation as politically unstable during the past few years, Jacob's work has continued to flourish.

In just the past three years, Jacob estimates his firm has helped bring more than \$200 million into communities across the state.

"That's really what we view ourselves as doing, is solving problems. The big problem

be able to use. At least on the city side of it, we have taken full advantage of that."

Community-Oriented Foundation

Jacob understood the importance of communities from a young age. His mother was a teacher and his father was an alderman for 28 years in the small northern Illinois town of Mendota.

"He was always helping neighbors and constituents with their problems, so I grew up with that legacy," Jacob says of his father. "He advised me that you should always give something back to your community."

Jacob was also a gifted athlete, becoming a "walk-on" for the University of Nebraska football team and winning scholarships to boot. After his first varsity season, Jacob sustained several injuries and turned into a

A lifelong Republican, Jacob was heavily involved in the McLean County party when he got a phone call from then-Gov. Jim Thompson in 1977. The call led to a job as Thompson's campaign manager, for which Jacob took a year's leave of absence from his practice. "Who would ever turn down a request from the governor of his or her state?"

After he left the campaign trail, Jacob decided he wanted to start his own firm and did so in July 1979.

Finding a Niche

Almost immediately, Jacob began working on economic development projects. He helped develop one of the first TIF districts in downstate Illinois when working with the former mayor of Normal, Richard Godfrey, to bring Jumer Hotels to the Bloomington area.

Jacob was also heavily involved in developing the TIF Reform Act passed by the Illinois Legislature in 1999.

His business has grown exponentially, expanding to more than 70 communities of every size and region of the state.

"I decided I would start out pretty much like Walmart did, in small towns. Having grown up in a small town, and having added others in the office who all came from smaller communities, we all understood how they worked and understood how important schools were to them," Jacob says. "And the best advertising in the world has been word of mouth and success of our towns. As they've succeeded, we've succeeded."

In 2009, Jacob's firm merged with that of Herbert J. Klein in Peru.

"I worked with Herb for at least 10 years prior to that when he was with a law firm that represented school districts, so we were typically across the table from one another," Jacob says.

When it came time to expand, Klein's practice was a good fit: "A lot of our work is in northern Illinois, and this puts us pretty much in the heart of northern Illinois."

Steven E. Kline, president of The Economic Development Group, says Jacob has worked to assemble passionate, dedicated people on his team.

"To my knowledge, no one other than Tom has really taken this concept of combining the legal expertise with the technical assistance for economic development that's needed, and put a group together like this to be able to provide cities with such a comprehensive list



now is the job market in Illinois," he says. "We have very high unemployment, about 10 percent, which exceeds the national average, so we're doing all we can to reduce that."

The law firm works hand-in-glove with The Economic Development Group Ltd., which Jacob formed in 1999. It includes business and economic development consultants who help cities and developers with the non-legal aspects of creating, expanding or extending a TIF district.

Clients appreciate the ease and efficiency of having both firms working together on different aspects of the project.

"They just make so much sense to be together," says Mayor Richard Kopczick of Morris, a city that has been a longtime client. "To have it all in-house is tremendous for us to

"full-time, serious student." He graduated with an undergraduate degree in English in 1962, then attended Northwestern University Law School on the advice of a family friend.

Of course, when he earned his juris doctor in 1965, the area of law Jacob now practices did not exist. He worked as a probate attorney with Harris Bank & Trust from 1965 to 1968. After moving downstate, Jacob began practicing business law at Dunn Law Firm in Bloomington in 1968.

He became a full partner there in 1973, around the time he was concluding a two-year stint on the Bloomington City Council. The council subsequently hired him to work with the city on urban renewal, which introduced Jacob to an area of law that has proven so successful.

of services,” Kline says. “There’s no other firm like it.”

Mayor Robert Butler of Marion describes Jacob as “very reserved, very calm, very confident and always upbeat.” He says Jacob has been instrumental in helping the city set up 15 different TIF districts since their relationship began in 1987.

“Any time anyone inquires of us about tax increment financing and how to go about setting up tax increment financing, we will always refer them to Tom Jacob,” Butler says.

Recently, Jacob’s business has expanded into the Chicago suburbs to help with failing subdivisions in Will and DeKalb counties.

“These are typically failed projects involving subdivisions of 100 or more improved lots,” Jacob says. “They’re now owned by a few remaining developers and a number of banks. We are working to structure new incentives and unique approaches for lowering the lot prices, which would then lower the new home cost. That will be a major project for 2012.”

‘A Full and Busy Life’

Jacob’s interests extend far beyond his practice. He enjoys traveling with his wife of 48 years, Sally. They have two children: Dr. Caroline Jacob, a dermatological surgeon with her own practice in Chicago, and Tom Jacob Jr., who works at State Farm in Bloomington. His wife, Kelly Jacob, works as the comptroller for The Economic Development Group. They have two children, 15-year-old Morgan and 12-year-old Ryan.

In addition to his legal and political activities, Jacob has extended his success to the field of higher education. He served as president of the Illinois State University Foundation for 14 years, and its assets have grown from \$120,000 to more than \$100 million in part because of his leadership. Jacob taught for several years at the university and remains an emeritus board member.

While he hopes to expand his writing for scholarly publications, Jacob also gets plenty of teaching experience through his clients. He put 45,000 miles on his car in the past two years alone, traveling around the state and educating cities and school superintendents about the finer points of TIF districts and enterprise zones.

He wouldn’t have it any other way. Jacob has no plans to retire.

“Our lives are full and busy and I enjoy working,” he says. “I’m enjoying what I’m doing; our cities have been very successful, and I enjoy their success.” ■