

Request For Board Action

REFERRED TO BOARD April 20, 2015

AGENDA ITEM NO: 13

ORIGINATING DEPARTMENT: Administration

SUBJECT: Approval of a resolution Authorizing Execution a Financial Advisory Services Agreement for a Proposed Refunding of SSA #1

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

At the March 16th Board meeting, the Village Board approved a resolution authorizing the Administrator to enter into an agreement with bond counsel to represent the Village in the proposed refunding of SSA #1 bonds.

As the nature of the proposed deal is complex, staff strongly recommends representation by an independent Financial Advisor. Staff has worked with Stephan Roberts of Robert W. Baird & Co. Inc. in the past for general advice and the refunding of the 2002A MFT Bonds. Mr. Roberts was also instrumental in working with staff to prepare for bond rating agency interviews.

Attached is a Financial Advisory Services agreement. Mr. Robert's fee for these services will be paid from the bond issuance and not from the General Fund.

FINANCIAL IMPACT: Not to exceed \$25,000.

DOCUMENTS ATTACHED:

1. Resolution
2. Agreement

RECOMMENDED MOTION:

Motion to approve a Resolution Authorizing Execution of a Financial Services Advisory Agreement for a Proposed Refunding of SSA #1.

RESOLUTION 15-xx

A RESOLUTION AUTHORIZING EXECUTION OF A FINANCIAL ADVISORY SERVICES AGREEMENT, RETAINING A FINANCIAL ADVISOR FOR A PROPOSED REFUNDING OF SSA-1

WHEREAS, Special Service Area 1 (SSA-1) was established approximately 15 years ago to provide funding for certain infrastructure and related projects in the Deercrest Subdivision, and

WHEREAS, due to the Neumann bankruptcy and the economic recession that followed quickly thereafter, there were a number of properties that were left vacant and unimproved in Deercrest, and

WHEREAS, those vacant properties were tied up in the bankruptcy proceedings, and subsequently were conveyed through several banks until ultimately falling in arrears in general *ad valorem* taxes, and

WHEREAS, SSA-1 itself has fallen into a state of declining financial viability for the foregoing reasons, and because the unimproved properties have not recently contributed toward the payments due to the bondholders, and

WHEREAS, those vacant properties were later purchased by Antioch Land Trust, LLC (“Antioch Land Trust”) whose representatives have come before the Village Board and met with staff, and who proposes to refund the current bonds secured by SSA-1, and to establish a new bond that is represented to be insurable, and carry a smaller burden on the existing improved properties, without lengthening the term of the currently remaining bonds, and

WHEREAS, the Village Board finds that it is in the best interest of the Village and in particular the residents of Deercrest to secure a competent financial advisor to represent the Village in this proposed transaction, and thereby ensure that the bond documents reflect the foregoing goals and provide as much protection as possible to the existing residents and landholders, as well as the Village and its residents generally, and

WHEREAS, the Administrator has conducted an appropriate investigation of available, seasoned and a well-regarded financial advisor and have recommended that Stephan Roberts of Robert W. Baird & Co. Inc. (“**Baird**”) be retained, and

WHEREAS, attached hereto as Exhibit A is an agreement requested by Mr. Roberts and his firm to secure their services for a fee of .05% of the public offering price of the financing capped at \$25,000.

WHEREAS, the Village Board finds, based on the recommendation of the Village Attorney, that the form of this agreement is acceptable and proper under the unique circumstances of this matter and that the same should be executed, and

Village of Antioch, Illinois

NOW THEREFORE, BE IT RESOLVED by the Village of Antioch, Lake County, Illinois, as follows:

SECTION ONE: The Village Administrator is directed and authorized to execute the Exhibit A agreement and thereby retain Stephan Roberts and the Robert W. Baird & Co. Inc. to serve as financial advisor in the proposed transaction with Mr. Mertz.

SECTION TWO: The corporate authorities specifically waive any potential conflicts of interest involving the retaining of the financial advisor, including specifically those matters addressed in section 5 of the Exhibit A retainer letter.

SECTION THREE: This resolution shall take effect immediately upon passage.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, ILLINOIS,
ON THIS ____ DAY OF _____, 2015.

ATTEST:

LAWRENCE M. HANSON, MAYOR

LORI K. FOLBRICK, VILLAGE CLERK