

Request For Board Action

REFERRED TO BOARD May 4, 2015

AGENDA ITEM NO: 5

ORIGINATING DEPARTMENT: Administration

SUBJECT: Consideration of a Resolution Authorizing The Execution Of Confidentiality Agreements Regarding Financial Aspects Of Proposed SSA Bond Refinancing.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

As you may recall, Troy Mertz, representing Antioch Land Trust and BMB Associates, came before the Board with a proposal to refinance the SSA Bonds. The Village attorney and staff have had several discussions with Mr. Mertz, in person and by telephone, to discuss the nature of the proposal. Subsequently, the Village has engaged the services of bond counsel and financial advisors.

All parties have agreed that the nature of the proposal is complicated. Attorney Long and staff have agreed that it is in the best interests of the Village to obtain the private, personal, and proprietary information of Mr. Mertz and the companies he represents. By approving the agreement, the Board is committing to protecting the personal and proprietary information from improper disclosure.

Also attached is a similar agreement with William Blair & Co. This is standard procedure for these types of transactions.

Staff recommends approval of the attached Confidentiality Agreements.

FINANCIAL IMPACT: None

DOCUMENTS ATTACHED:

1. Resolution
2. Exhibit A-Confidentiality Agreement with Antioch Land Trust LLC and BMB Associates I LLC
3. Exhibit B-Confidentiality Agreement with William Blair & Co.

RECOMMENDED MOTION:

Motion to approve Resolution Authorizing The Execution Of Confidentiality Agreements Regarding Financial Aspects Of Proposed SSA Bond Refinancing.

RESOLUTION 15-xx

**A RESOLUTION AUTHORIZING THE EXECUTION OF
CONFIDENTIALITY AGREEMENTS REGARDING
FINANCIAL ASPECTS OF PROPOSED SSA BOND REFINANCING**

WHEREAS, the Village has two Special Service Areas (SSA-1 and SSA-2) which were established to issue bonds payable from special taxes to provide funding for infrastructure development in the Deercrest and Clublands subdivisions more than 10 years ago, and

WHEREAS, the developer of those subdivisions failed and declared bankruptcy in 2007, and

WHEREAS, such bonds were intended to be paid from taxes on single family homes and townhouses to be built in those two subdivisions, and with the bankruptcy and subsequent national recession, much of the land in the two subdivisions remains vacant and unimproved, and

WHEREAS, a consortium of companies headed by Troy Mertz has come forward with a proposal to refund the SSA bonds, and to restart the stalled development in the two subdivisions; and,

WHEREAS, in connection with restarting the stalled developments, the Village will likely seek to refinance the existing SSA bond indebtedness currently encumbering the subdivisions through a refunding underwritten by William Blair & Co., and

WHEREAS, the Village Administrator and Village Attorney, as well as additional staff members have been called upon to do appropriate due diligence with respect to Mr. Mertz and the consortium companies, as well as any affiliates and consultants that he may need to assist in this proposal, and

WHEREAS, that due diligence requires the examination of information that is private, personal and proprietary to Mr. Mertz and the consortium companies, and

WHEREAS, the corporate authorities find that it is definitely in the best interests of the citizens of this Village to carefully examine information provided by Mr. Mertz and the consortium companies in conjunction with its proposed development of the undeveloped properties within the two subdivisions, and

WHEREAS, a confidentiality agreement that protects Mr. Mertz and the consortium companies from improper disclosure of the private, personal and proprietary information that the Village Staff needs to examine is essential to a full, complete and candid vetting of his abilities to complete the projects and to the Staff's being able to make a proper recommendation to the corporate authorities prior to their taking any definitive action on the proposal, and

WHEREAS, a separate confidentiality agreement that protects William Blair & Co. is required as a condition of this company continuing on with the proposed refunding of the bonds, and is a

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standard requirement of investment bankers and bond brokers operating within the general marketplace where these bonds would be placed for sale,

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

SECTION ONE: The Village Administrator is authorized to execute the Exhibit A confidentiality agreement with Mr. Mertz and his companies and to take all steps necessary to implement the same as expeditiously as possible.

SECTION TWO: The Village Administrator is authorized to execute the Exhibit B confidentiality agreement with William Blair & Co. and to take all steps necessary to implement the same as expeditiously as possible.

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