

# Request For Board Action

**REFERRED TO BOARD:** September 19, 2016

**AGENDA ITEM NO:** 4

**ORIGINATING DEPARTMENT:** Administration

**SUBJECT:** Consideration of an Ordinance Repealing the Motion Picture Tax

**SUMMARY AND BACKGROUND OF SUBJECT MATTER:**

In 2013, Mr. Tim Downey appeared before the Board at a Village Committee of the Whole regarding the redevelopment of the Antioch Movie Theater. Mr. Downey further asked the Board to assist in financing the restoration of the theater.

In preparation of offering financial assistance, at the June 2, 2014 and the July 21, 2014 meetings, the Village Board approved Ordinances Nos. 14-06-12 and 14-07-14 imposing a tax on motion picture ticket sales at \$0.75 per ticket to repay the debt incurred by the Village on behalf of Mr. Downey.

Resolution 14-64, passed by the Board at the September 15, 2014 meeting, directed staff to enter into a loan agreement up to \$200,000 to assist Mr. Downey in financing the redevelopment of the theater, and assuring Mr. Downey that the theater ticket tax will be repealed once the loan is repaid. General Obligation Promissory Note, Series 2014 in the amount of \$200,000 was issued in November 2014.

Mr. Downey has expressed his intent to retire the Note prior to the January 15, 2025 retirement date. The Ordinance attached will repeal the theater tax when the financial institutions have released the Village from any associated obligations.

**FINANCIAL IMPACT:** Loss of future theater tax revenue - amount undetermined.

**DOCUMENTS ATTACHED:**

1. Ordinance

**RECOMMENDED MOTION:**

Move to Approve an Ordinance Repealing the Motion Picture Tax

**ORDINANCE 16 - \_\_\_\_\_**

**AN ORDINANCE REPEALING THE MOTION PICTURE TAX**

**WHEREAS**, the corporate authorities previously adopted a motion picture tax, codified as Chapter 5 of Title 3 of the Antioch Municipal Code, and

**WHEREAS**, the purpose of imposing that tax was to provide security-backed funding to be used in restoring and modernizing the Antioch Theater on Lake Street, thereby ensuring the continued vitality of an important regional attraction and enhancing the entertainment opportunities existing within downtown Antioch, and

**WHEREAS**, the developer of the Antioch Theater, Tim Downey, has agreed to retire the debt secured by the tax, thereby freeing the Village of the obligations on said debt, and removing the sole reason for the imposition of the tax, and

**WHEREAS**, the Village Board applauds Mr. Downey for bringing the theater restoration project to completion, and for honoring the spirit and intent of the tax-incentivized redevelopment project by retiring the debt far in advance of its technical due date,

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

**SECTION ONE:** Title 3 of the Antioch Municipal Code is hereby amended by the repeal of Chapter 5, titled "Motion Picture Tax".

**SECTION TWO:** This repeal shall become effective at such time as the loan secured by the motion picture tax is paid in full and the financial institutions have released the Village on the obligations imposed thereunder.

**SECTION THREE:** This Ordinance shall be in full force and effect from and after its passage, approval and publication as required by law.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, ILLINOIS,  
ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.

ATTEST:

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LAWRENCE M. HANSON, MAYOR

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LORI K. ROMINE, VILLAGE CLERK