

**RESOLUTION 17 - 56**

**A RESOLUTION APPROVING A TERM SHEET  
FOR A MAJOR USER WITHIN THE IDI INDUSTRIAL PARK**

**WHEREAS**, a major corporation has entered into discussions with the Mayor and Village Staff pursuant to the directions and general oversight of the Village Board, and

**WHEREAS**, the corporation wishes to remain anonymous at this point in time, but wishes to secure the formal consent of the Village Board to the general terms of an incentive package that will be extended to it in consideration of the significant investment it intends to make in the IDI Industrial Park within the Village and in consideration of the jobs that will follow that investment, and

**WHEREAS**, the Village Board has reviewed the attached Term Sheet, which has been negotiated with the corporation, and has been reviewed by the Mayor, Staff and Village Attorney, all of whom recommend that the same be considered for adoption, and

**WHEREAS**, the Village Board wishes to extend appropriate incentives to companies wishing to make significant investments in the community in order to more fully secure the benefits of the financial security and economic development offered by the siting of a major corporation within the Village as well as the jobs that would also become available to citizens of the Village, and

**WHEREAS**, the Village Board, being fully informed in the premises finds that entering into the attached Term Sheet is an appropriate and wise use of the public funds entrusted to it and a sound economic incentive to offer in consideration of the benefits that will come from such an investment,

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

**SECTION ONE:** The Mayor and Clerk are directed and authorized to execute the attached Term Sheet, and to take all steps necessary to implement the program described therein, with final action to be taken later upon further approvals as required by law by the Village Board.

**SECTION TWO:** This resolution shall take effect immediately upon passage.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, ILLINOIS,  
ON THIS 11 DAY OF SEPTEMBER, 2017.

ATTEST:

  
LORI K. ROMINE, VILLAGE CLERK



  
LAWRENCE M. HANSON, MAYOR

**SUMMARY OF PROPOSED TERMS**

**\$15,000,000**  
**City of Antioch, Illinois**  
**Tax Increment Revenue Notes**  
**Parcel B – Antioch Corporate Center**

**September 11, 2017**

<b>Property</b>	Site known as “Antioch B” located in the Antioch Corporate Center.
<b>Project</b>	An approximate 28 acre site commonly referred to as “Parcel B” in the Antioch Corporate Center to be purchased by a Major User and/or its affiliates (“ <b>Major User</b> ”) and upon which Major User will cause to be constructed an approximate 558,000 square foot manufacturing facility (see Preliminary Site Plan attached hereto as <b>EXHIBIT A</b> ) and in which Major User will install new (and/or relocate from Major User’s other current manufacturing facilities) equipment and fixtures to manufacture, among other things, products for the home and food service industry (the “ <b>Project</b> ”). Total capital required for such purchase, construction, relocation and installation of such equipment for the Project, and other related costs, is estimated to be approximately \$82 million, all as more set forth on <b>EXHIBIT B</b> attached hereto (all of such required amounts being, collectively, “ <b>Required Project Capital</b> ”)
<b>Antioch Corporate Center TIF</b>	<p>TIF #__ (the “<b>TIF</b>”) enacted by the Village of Antioch, Illinois (“<b>Village</b>”) on February 2, 2009 in respect of the Antioch Corporate Center and pursuant to which, among other things,</p> <p>(i) Industrial Development International (being the predecessor to IDI Gazeley) (“<b>IDI</b>”) and the City entered into that certain Redevelopment Agreement, Village of Antioch, Antioch Corporate Center Tax Increment Finance District dated February 2, 2009;</p> <p>(ii) the Village issued in favor of IDI that certain \$2.5 million non-recourse tax revenue note (the “<b>IDI Note</b>”) bearing an annual rate of interest of 9.0% to reimburse IDI for certain TIF eligible redevelopment project costs incurred by IDI in connection with the development of the Antioch Corporate Center (such costs, together with accrued and unpaid interest thereon, being the “<b>IDI Amount</b>”). As of the date hereof, the outstanding IDI Amount is \$1,452,523.28; and</p> <p>(iii) repayment of the IDI Note is to be made from 50% of the Incremental Property Taxes in respect of the Antioch Corporate Center (such 50% being the “<b>Cap Amount</b>”). Incremental Taxes are the real property taxes attributable to the increase in the equalized assessed valuation over the base amount thereof as of <u>February 23, 2009</u> provided under the TIF within the redevelopment project area (being the property covered by the Antioch Corporate Center TIF).</p>
<b>TIF Amendment</b>	The Village, as reflected in its Resolution No. 17-51 adopted on August 14,



	<p>acknowledged that, Major User is not reasonably expected to proceed with the Project unless the Village agrees to pay or reimburse Major User for the payment by Major User of certain TIF eligible expenditures through tax increment allocation (the “<b>Major User TIF Costs</b>”). To such end, the Village will amend the TIF (the “<b>TIF Amendment</b>”) to, among other things:</p> <p>(i) issue to Major User the New Note (as hereinafter defined) for reimbursement or payment to Major User for certain of the Major User TIF Costs up to a maximum amount of \$15 million; and</p> <p>(ii) modify the Cap Amount to allow <b>100%</b> of the Incremental Property Taxes from the Antioch Corporate Center to be available to pay the IDI Note in full, and available to pay the New Note in full, with payment priority and preference, as between the IDI Note and the New Note, to be in accordance with the pro-forma payment schedule attached hereto as <b>EXHIBIT C</b> (the “<b>Pro-Forma Payment Schedule</b>”)</p> <p>Such amendment to the TIF will be deemed a “Minor” amendment under the Illinois TIF statutes, rules and regulations (Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4 et seq.).</p> <p>The Village, at its cost, will engage Kane McKenna &amp; Associates to act as the TIF consultant to the Village in connection with the TIF Amendment.</p>
<b>New Note</b>	<p>\$15 million non-recourse tax revenue note (the “<b>New Note</b>”) to be issued by the Village in favor of Major User bearing an annual rate of interest mutually acceptable to the parties (such rate to be in an approximate amount of Major User’s cost of capital) to reimburse and/or pay Major User for certain of the Major User TIF Costs, it being acknowledged, however, that the New Note shall be structured as a “pay as you go” note and further provided that the aggregate amount of all amounts payable under the New Note (inclusive of any such accrued interest) shall not, in any event, exceed \$15 million.</p>
<b>Maturity of New Note; Prepayment</b>	<p>Upon the earlier to occur of (i) expiration of the TIF, or (ii) the full repayment of all amounts due under the New Note (subject, however, to the foregoing \$15 million maximum amount payable by the Village under the New Note). At its option and at any time and from time to time prior to maturity, the Village may pre-pay, in whole or in part, the New Note.</p>
<b>Transferability</b>	<p>Major User, at its election and upon notice to the Village, may sell, assign, pledge and/or transfer the New Note.</p>
<b>Additional Matters</b>	<p>The Village will:</p> <p>(i) waive all fees for any and all Village permits necessary for the construction of the Project, all related improvements and initial occupancy of the Project;</p> <p>(ii) expedite issuance of all such permits following submission of complete applications therefor;</p>

	<p>(iii) support all efforts of Major User to cause Lake County, Illinois to waive all sanitary sewer connection fees for the Project;</p> <p>(iv) if and to the extent a zoning variance and/or special use is required to be granted such that the manufacturing activities of Major User are allowed within the M-1 zoning classification, the Village will, concurrent with the TIF Amendment, take all necessary steps to grant such variance and/or otherwise amend the zoning;</p> <p>(v) not object to the renaming of Gregory Drive and the roadway abutting the Project to the south to reflect and/or incorporate Major User's corporate name;</p> <p>(vi) allow Major User to place its name upon the Water Tower and/or upon the Antioch Corporate Center's business park monument sign in a manner mutually acceptable to both Major User and the Village (e.g., "Antioch Corporate Center Home of Major User"); and</p> <p>(vii) with respect to any additional contiguous land currently "outside" of the TIF (and/or land adjacent to any such adjacent land acquired by Major User) at any time purchased and/or leased by Major User, consider, upon proper application therefor by Major User, further amendment to the TIF to include such property and/or create a new TIF for such property so as, to allow Major User to recover of all (or if less than all, a substantial portion thereof) TIF eligible costs incurred by Major User by reason of the redevelopment of such additional property.</p>

**EXHIBIT A**

**SITE PLAN**

**EXHIBIT B****REQUIRED PROJECT CAPITAL**

**THE BELOW IS PRELIMINARY AND IS FOR ILLUSTRATION PURPOSES AND IS  
SUBJECT TO CHANGE**

<b>Item</b>	<b>Amount</b>	<b>TIF Eligible Expense *</b>
Land	\$6,100,000	\$6,100,000
Site Preparation/Grading	\$2,000,000	\$2,000,000
Soft Costs Site Preparation	\$200,000	\$200,000
Allocable Project Costs – Public Improvements	\$500,000	\$500,000
Additional Soft Costs allocable to TIF Eligible Costs	\$500,000	\$500,000
Construction (Hard and Soft Costs)	\$24,932,000	\$0
New Equipment	\$10,000,000	\$0
Used Equipment	\$25,000,000	\$0
Relocation Costs	\$5,000,000	\$5,000,000
Finance Costs (Construction Period)	\$2,400,000	\$2,400,000
OTJ Employee Training	\$5,000,000	\$5,000,000
PM – as relates to TIF eligible matters	\$150,000	\$150,000
Other TIF Eligible Professional Fees	\$125,000	\$125,000
<b>TOTALS</b>	<b>\$81,907,000</b>	<b>\$21,975,000</b>

\* Subject to Cap Amount of \$15,000,000

**EXHIBIT C**  
**PRO-FORMA PAYMENT SCHEDULE**