

Request For Board Action

REFERRED TO BOARD September 11, 2017

AGENDA ITEM NO: 16

ORIGINATING DEPARTMENT: Administration

SUBJECT: Approval of a resolution ratifying the retainer of Miller Canfield as Special TIF Counsel

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

In February 2009, the Village designated the Antioch Corporate Center Redevelopment Project as a Tax Increment Financing Area. Additionally, the Village issued a Non-Recourse Redevelopment Note for \$2,500,000 with an interest rate of 9% to Industrial Developments International, Inc. (IDI). The Village pledged 50% of the tax increment to reimburse IDI for costs to install a water tower and to extend the watermain from Route 173 to the industrial park.

Staff has been working with key personnel from Robert W. Baird as underwriters and Chapman & Cutler as bond and disclosure counsel to issue alternate revenue bonds to pay off the current interest and principal balance of \$3,952,523 to realize interest savings of \$3,208,014. The tax increment, which is sufficient to cover principal and interest payments, will be pledged as the revenue source for the repayment of the bonds. Sales Taxes will be pledged to meet the required coverage of 1.25%. The bonds will pose no financial impact to residents; the Village will levy and abate the taxes as we do for the MFT bonds.

In order to entice a major user in the Antioch Corporate center, an amendment to the TIF to release the other 50% is necessary.

To ensure the highest probability of success, staff, the Mayor and Village Attorney have conducted significant due diligence and have concluded that we need to be represented by independent, competent TIF counsel in this matter. We have already engaged our usual bond attorney at Chapman and Cutler in the capacity of bond counsel and his advice has been quite valuable, but he cannot also serve as TIF counsel. Upon his recommendation, staff and the Village Attorney have interviewed Darryl Davidson, a highly experienced bond attorney at Miller-Canfield and they strongly recommend that he be retained to serve in this capacity.

Attached is Mr. Davidson's engagement letter. This is intended to formalize the engagement, but additional material terms, including the exact fee formula will need to be clarified at a later date when more of the details involving the size and scope of the refinancing become clear. Mr. Davidson's fee for these services will, in any event, be paid from the bond issuance and not from the General Fund.

FINANCIAL IMPACT: To be determined

DOCUMENTS ATTACHED:

1. Resolution
2. Contract

RECOMMENDED MOTION:

Motion to approve a Resolution Authorizing Execution of an Engagement Letter Retaining Bond Counsel for a Proposed Refunding of SSA #1

RESOLUTION 17 - _____

**A RESOLUTION RATIFYING THE RETAINER
OF MILLER CANFIELD AS SPECIAL TIF COUNSEL**

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 generally speaking has negotiated toward an incentive package to 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 terms of the negotiations, pending formal approval of the Village Board, include modification of an existing fairly complex TIF district and that requires special counsel with particular knowledge of TIF laws, bonds and related laws, and

WHEREAS, the Village Attorney, in conjunction with the Administrator, negotiated a retainer agreement with the Miller Canfield firm for this task, which firm has previously represented the Village in bond financing matters, and

WHEREAS, the Village Board, being fully informed in the premises finds that ratifying the retainer agreement is an appropriate and wise choice, particularly given that the fees of TIF counsel can properly be charged to the TIF district and ultimately paid for through bonds or other TIF receipts,

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

SECTION ONE: The attached retainer agreement, previously executed on behalf of the Village by the Village Attorney, is hereby ratified.

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

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, ILLINOIS,
ON THIS ____ DAY OF _____, 2017.

ATTEST:

LAWRENCE M. HANSON, MAYOR

LORI K. ROMINE, VILLAGE CLERK