

Request for Board Action

REFERRED TO BOARD: December 14, 2020

AGENDA ITEM NO: 5

ORIGINATING DEPARTMENT: Administration

SUBJECT: Resolution Expressing Official Intent Regarding Certain Capital Expenditures

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

As discussed at the Committee of the Whole meeting on November 25, 2020, this resolution is the first of many statutorily required steps in a process to issue alternate revenue source bonds to be used for the capital expenditures within and adjacent to the East Business District and the Central Business District. This bond will be serviced by the revenues produced primarily by the East Business District and the Central Business District. Bond proceeds are expected to be approximately \$17,395,000.00 to be used for Capital Projects as described in the title of the resolution but more specifically for improvements related to the realignment of Grimm Road and improvements to repair and enhance the Sequoit Creek under what is known as the Pittman property among other improvement projects that may be approved by the corporate authorities within or adjacent to the business districts.

FINANCIAL IMPACT: none

DOCUMENTS ATTACHED:

1. Resolution

RECOMMENDED MOTION:

Move to approve a Resolution expressing official intent regarding certain capital expenditures.

EXTRACT OF MINUTES of a regular public meeting of the President and Board of Trustees of the Village of Antioch, Lake County, Illinois, held at the Antioch Village Hall located at 874 Main Street, Antioch, Illinois 60002, in said Village, at 7:00 p.m., on the 14th day of December, 2020.

* * *

The Village President called the meeting to order and directed the Village Clerk to call the roll.

Upon the roll being called, the Village President and the following Trustees answered present: _____

The following were absent from the meeting: _____

The President and Board of Trustees then discussed and considered a resolution expressing official intent regarding certain capital expenditures to be reimbursed from proceeds of an obligation to be issued by the Village of Antioch, Lake County, Illinois.

Thereupon, Trustee _____ presented, the Village Attorney explained, and there was read into the record in full the following resolution.

RESOLUTION expressing official intent regarding certain capital expenditures including (i) the costs of the redevelopment plan and project in connection with the Village’s Route 83 Redevelopment Project Area, (ii) the costs of the business district plan and project in connection with the Village’s East Business District and, (iii) the costs of the business district plan and project in connection with the Village’s Central Business District namely, the costs of land acquisition and the construction of public works and improvements, being municipal public buildings, public roadway, water, sanitary sewer, storm sewer, sidewalk, parking, park, recreation, flood mitigation and drainage and utilities improvements, together with related appurtenances, all electrical, professional, financial, bond registrar, legal, mechanical and other services necessary, useful or advisable to such acquisition and development and, incidental to said improvements, to pay bond discount, bond interest, financing, and administrative expense to be reimbursed from the proceeds of an obligation to be issued by the Village of Antioch, Lake County, Illinois.

* * *

WHEREAS, the President and Board of Trustees (the “**Corporate Authorities**”) of the Village of Antioch, Lake County, Illinois (the “**Village**”) have considered in detail the feasibility and necessity of financing capital expenditures including (i) the costs of the redevelopment plan and project in connection with the Village’s Route 83 Redevelopment Project Area, (ii) the costs of the business district plan and project in connection with the Village’s East Business District and, (iii) the costs of the business district plan and project in connection with the Village’s Central Business District namely, the costs of land acquisition and the construction of public works and improvements, being municipal public buildings, public roadway, water, sanitary sewer, storm sewer, sidewalk, parking, park, recreation, flood mitigation and drainage and utilities improvements, together with related appurtenances, all electrical, professional, financial, bond registrar, legal, mechanical and other services necessary, useful or advisable to such acquisition

and development and, incidental to said improvements, to pay bond discount, bond interest, financing, and administrative expense (the “**Project**”); and

WHEREAS, the Corporate Authorities intend to cause to be issued and sold bonds, in one or more series, in amounts not to exceed Seventeen Million Three Hundred Ninety-Five Thousand Dollars (\$17,395,000) for the purpose of paying the costs of the Project; and

WHEREAS, the Village intends at this time to state its intentions to be reimbursed from proceeds of the bonds for any expenditures undertaken by the Village for the Project prior to issuance of the bonds.

NOW, THEREFORE, Be and It Is Hereby Resolved by the President and Board of Trustees of the Village of Antioch, Lake County, Illinois, as follows:

Section 1. The Village makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. §1.150-2 pursuant to the Internal Revenue Code of 1986, as amended.

- (a) As of the date hereof, the Village reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the Village on behalf of the Village.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project together with any appurtenances and attachments thereto to serve the Village which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$17,395,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than eighteen (18) months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project are placed in service, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Village’s use of the proceeds of the debt to be issued for the Project to reimburse the Village for a capital expenditure made pursuant to this Resolution.

(e) The expenditures described in (b) above are capital expenditures as defined in Treas. Reg. §1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. §1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).

(f) No proceeds of the borrowing paid to the Village in reimbursement pursuant to this Resolution will be used in a manner described in Treas. Reg. §1.150-2(b) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. §1.148-1) within one (1) year of the reimbursement allocation described in (d) above.

(g) Expenditures for the Project to be reimbursed for the proceeds of the borrowing for purposes of this Resolution do not include costs for the issuance of the debt or an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the borrowing, or preliminary expenditure not exceeding twenty percent (20%) of the issue price of the borrowing, within the meaning of Treas. Reg. §1.150-2(f) (such preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to construction of the Project, but do not include land acquisition, site preparation, and similar costs incident to commencement of construction).

Section 2. That all resolutions and parts of resolutions in conflict herewith be and the same are hereby repealed and that this resolution be in full force and effect forthwith upon its adoption.

PASSED by the President and Board of Trustees on December 14, 2020.

APPROVED December 14, 2020.

Village President

AYES:

NAYS

ABSENT:

RECORDED in the Village Records on December 15, 2020.

ATTEST:

Village Clerk

(SEAL)

Trustee _____ moved and Trustee _____ seconded the motion that the resolution as presented and read be adopted.

After discussion thereof, which discussion included a public recital by the Village Attorney as to the nature of the matter set forth in the resolution, including a reading of the title, and a brief explanation of the terms of the resolution, the Village President directed that the roll be called for a vote upon the motion to adopt the resolution.

Upon the roll being called, the following Trustees voted

AYE: _____

and the following Trustees voted

NAY: _____

Whereupon, the Village President declared the motion carried and the resolution adopted, and henceforth did approve and sign the same in open meeting, and did direct the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of Antioch, Lake County, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Antioch, Lake County, Illinois (the “**Village**”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the Village and of the President and Board of Trustees (the “**Corporate Authorities**”) thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 14th day of December, 2020, insofar as the same relates to the adoption of a resolution entitled:

RESOLUTION expressing official intent regarding certain capital expenditures including (i) the costs of the redevelopment plan and project in connection with the Village’s Route 83 Redevelopment Project Area, (ii) the costs of the business district plan and project in connection with the Village’s East Business District and, (iii) the costs of the business district plan and project in connection with the Village’s Central Business District namely, the costs of land acquisition and the construction of public works and improvements, being municipal public buildings, public roadway, water, sanitary sewer, storm sewer, sidewalk, parking, park, recreation, flood mitigation and drainage and utilities improvements, together with related appurtenances, all electrical, professional, financial, bond registrar, legal, mechanical and other services necessary, useful or advisable to such acquisition and development and, incidental to said improvements, to pay bond discount, bond interest, financing, and administrative expense to be reimbursed from the proceeds of an obligation to be issued by the Village of Antioch, Lake County, Illinois.

A true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said resolution were taken openly; that the vote on the adoption of said resolution was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio and television stations and other news media requesting such notice on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and not less than 48 hours prior to such meeting; that the agenda for said meeting was posted at the principal office of the Corporate Authorities and at the location where said meeting was held at least 48 hours in advance of the holding of said meeting; that at least one copy of said agenda was continuously available for public review during the entire 48-hour period preceding said meeting; that said agenda described or made specific reference to said ordinance; that a true, correct and complete copy of said agenda as so posted is attached hereto; that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended; and that the Corporate Authorities complied with all of the provision of said Act and said Code, and with all of the procedural rules of the Corporate Authorities in the conduct of said meeting.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village this 15th day of December, 2020.

Village Clerk

(SEAL)

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