

Request For Board Action

REFERRED TO BOARD: January 27, 2021

AGENDA ITEM NO: 6

ORIGINATING DEPARTMENT: Finance

SUBJECT: Consideration of a Resolution authorizing the Mayor to execute the issuance of a \$15,000,000 Special Revenue Non-Recourse Note, Series 2021 in relation to the Handi-Foil Redevelopment Project

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

As the Village Board will recall, the Antioch Corporate Center Redevelopment Plan and Development Agreement came before the Village Board related the Handi-Foil development and their plans to locate in the Village of Antioch.

Resolution No. 17-51 adopted on August 14, 2017, acknowledged that the developer could not proceed with the project without reimbursement for the payment of certain TIF eligible expenses. As allowed by law, on April 9, 2018 the Village amended and adopted the TIF redevelopment plan to authorize a development agreement and to issue to the Developer a special revenue note for reimbursement of certain developer's TIF eligible Costs up to a maximum amount of \$15 million.

The non-recourse special revenue note is not a general obligation of the Village and is to be issued by the Village in favor of Developer bearing an annual interest rate of 6% to reimburse and/or pay from Pledged Revenue and/or Available Incremental Property Tax (IPT) the Developer Redevelopment Project Costs. The Note shall be structured as a "pay as you go" taxable note, and the aggregate amount of all amounts payable under the Note (either in principal or interest or any combination thereof) shall not, in any event, exceed \$15 million. The terms of the agreement stipulate a setting aside of \$250,000 annually to be used for actual administrative costs and allocating 100% of the Incremental Property Tax (IPT) to repay the Series 2017 Bond Debt Service amount. After these set-asides, 75% of the remaining IPT, up to \$15 million, will be available for reimbursement to the developer. As stipulated in the Terms of the Agreement the percentage is subject to adjustment if the number of FTE jobs is less than 400.

The Project is designed to provide at least 600 FTE jobs when fully operational. The Village may suspend the reimbursement to Developer by 0.1666% per such job below such 400 number until the Developer again meets the minimum 400 FTE job requirement. Should the developer meet the minimum job threshold for a minimum of three (3) months, the Suspended Amount shall be released to Developer at the Job Rate.

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FINANCIAL IMPACT: The Village along with their TIF consultant has previously provided the Village Board with an extensive analysis of the financial impact of amending this Redevelopment Plan for the Antioch Corporate Center. And the execution of the Development Agreement with Handi-Foil.

DOCUMENTS ATTACHED:

1. Special Revenue Non-Recourse Note, Series 2021.

RECOMMENDED MOTION:

Move to authorize the Mayor of the Village of Antioch to execute a Special Revenue Non-Recourse Note in the amount of \$15 million dollars pertaining to the Development and Redevelopment of the Handi-Foil Redevelopment Project.

RESOLUTION 2021 - _____

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A
\$15,000,000.00 NOTE AS REQUIRED BY THE TERMS
OF THE HANDI-FOIL DEVELOPMENT AGREEMENT**

WHEREAS, the Village and Handi North LLC (“HN”) entered into a Development Agreement (“DA”) on or about April 9, 2018, pursuant to authority extended by the Village Board in Ordinance No. 18-04-16, and

WHEREAS, HN is an affiliate of Handi-foil corporation (“HFC”), and these entities have constructed a large industrial facility in Antioch and have employed large numbers of people, all consistent with their obligations under the said DA, and

WHEREAS, the Village Board finds and declares that HN and HFC have invested and incurred not less than Fifteen Million (\$15,000,000.00) in expenses which are eligible for reimbursement under the terms of the DA and the Tax Increment Financing Act, and

WHEREAS, the Village Board finds and declares that HN and HFC have performed as required under the terms of the DA, and

WHEREAS, the Village is obligated under the terms of the DA to issue a Promissory Note (“Note”) in the base amount of \$15,000,000.00 to HN or its designee(s) at such time as certain “triggering” events have occurred in the context of such things as completion of the industrial building, hiring and operations, all of which have now occurred, and

WHEREAS, the Note is to be paid for from the tax increments accruing from the establishment of the TIF district in the area around the HFC facility rather than the general obligations of the Village or its residential taxpayers, and

WHEREAS, the form of the Note is dictated by the terms of the DA, and

WHEREAS, HN and HFC have represented to the Village, and by their signatures on this Resolution affirm, that they have irrevocably assigned the Note to another affiliate known as Handi Boca Corp. and as a result, HN and HFC have asked for the Note to be issued in the name of Handi Boca Corp.

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

SECTION ONE: The Administrator and Finance Director are authorized to issue the Promissory Note required by the terms of the Development Agreement with Handi North LLC dated April 9, 2018 to Handi Boca Corp., the assignee of Handi North LLC and its affiliate Handi-foil Corporation in the face amount of Fifteen Million (\$15,000,000.00) Dollars.

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

THE FOREGOING RESOLUTION IS APPROVED AS TO FORM AND SUBSTANCE, AND
THE ASSIGNMENT THEREIN REFERRED TO IS CORRECTLY STATED.

Peter Perkins, duly authorized agent
by and on behalf of:
 Handi-foil Corporation
 Handi North LLC
 Handi Boca Corp.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, ILLINOIS,
ON THIS 11th DAY OF JANUARY, 2021.

ATTEST:

LAWRENCE M. HANSON, MAYOR

LORI K. ROMINE, VILLAGE CLERK