Item #5:
Historic Downtown Capital Improvements & Financing Options
June 1, 2015 Downtown CIP Task Force

06/01/15

PUBLIC FINANCE CONSULTANTS SINCE 1954

SPEER FINANCIAL, INC.

60 Years of Service

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VILLAGE OF LONG GROVE

TIF Related Capital Improvements Funding

The Village has the need for downtown capital improvement funding with repayment partially tied to new development. It is expected that TIF revenues as well as SSA revenues will fund the debt repayment.

As a non-home rule government, the Village has several types of debt it can issue pledging its credit. As previously discussed, the likely debt instrument to be used, offering the greatest flexibility, is known as debt certificates. These do not have a levy, instead being a general promise to pay by the Village. Another type of debt instrument is a special service area (SSA) bond. These are restricted to defined areas that are benefitting from improvements with the property tax paid solely from the included parcels. Due to the limited area of the dowtown, the bonds are of low credit worthiness and therefore more expensive than debt certificates, if at all marketable. Security for a SSA bond is limited to the tax levies on the properties. The size and assessed equalized values for the area are believed to be relatively low, compared to the water capital needed. The vacancy level of the properties is also a concern. Issuing a debt certificate to be paid, at least in part, by SSA levies would have good market access and a low interest rate.

Estimated need is as follows:

Water System	$3,200,000
Bridge Repair	800,000
Streetscape	1,000,000
Subtotal	$5,000,000
Cost of Issuance	100,000
Total	$5,100,000

Attached as Exhibit A is a debt schedule for $5,100,000 compared to the projected TIF revenues that assume one new project but no inflationary growth in taxes. Note that this understates the revenues as it ignores any SSA levies, which have yet to be determined.

The issuance process for debt certificates is as follows. Once the financial need is quantified, an offering document for the debt will be prepared, describing the Village as to finances, government, debt, socioeconomics and census data. A bond rating will be undertaken, probably including a driving tour. The offering document will be sent out to financial institutions for bids, to be received the morning of a Board meeting. That evening the Board will vote on a debt ordinance detailing all terms of the debt. The receipt of funds will occur several weeks later. A reasonable period for this entire process is 90 days. SSA related debt requires 60-90 days additional to create the SSA.

Debt Schedule

A. $5,100,000 for initial phase

KWM/pls
6-3-15

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VILLAGE OF LONG GROVE, ILLINOIS

$5,100,000 Series 2017 Debt Certificates

Assorted Projects

Back Weighted--Assumes One New Development

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2017	-	-	180,354.17	180,354.17
12/01/2018	-	-	196,750.00	196,750.00
12/01/2019	100,000.00	3.000%	196,750.00	296,750.00
12/01/2020	150,000.00	3.000%	193,750.00	343,750.00
12/01/2021	200,000.00	3.000%	189,250.00	389,250.00
12/01/2022	250,000.00	3.500%	183,250.00	433,250.00
12/01/2023	300,000.00	3.500%	174,500.00	474,500.00
12/01/2024	400,000.00	4.000%	164,000.00	564,000.00
12/01/2025	400,000.00	4.000%	148,000.00	548,000.00
12/01/2026	450,000.00	4.000%	132,000.00	582,000.00
12/01/2027	450,000.00	4.000%	114,000.00	564,000.00
12/01/2028	500,000.00	4.000%	96,000.00	596,000.00
12/01/2029	500,000.00	4.000%	76,000.00	576,000.00
12/01/2030	500,000.00	4.000%	56,000.00	556,000.00
12/01/2031	900,000.00	4.000%	36,000.00	936,000.00
Total	**$5,100,000.00**	-	**$2,136,604.17**	**$7,236,604.17**

Yield Statistics

Bond Year Dollars	$54,325.00
Average Life	10.652 Years
Average Coupon	3.9330035%
Net Interest Cost (NIC)	3.9330035%
True Interest Cost (TIC)	3.9215464%
Bond Yield for Arbitrage Purposes	3.9215464%
All Inclusive Cost (AIC)	3.9215464%

IRS Form 8038

Net Interest Cost	3.9330035%
Weighted Average Maturity	10.652 Years

VILLAGE OF LONG GROVE, ILLINOIS

$5,100,000 Series 2017 Debt Certificates

Assorted Projects

Back Weighted--Assumes One New Development

Coverage Ratio

Date	Total Revenues	Total D/S	Coverage
12/01/2017	461,000.00	180,354.17	2.5560817x
12/01/2018	488,000.00	196,750.00	2.4803050x
12/01/2019	507,000.00	296,750.00	1.7085088x
12/01/2020	523,000.00	343,750.00	1.5214545x
12/01/2021	542,000.00	389,250.00	1.3924213x
12/01/2022	560,000.00	433,250.00	1.2925563x
12/01/2023	585,000.00	474,500.00	1.2328767x
12/01/2024	676,000.00	564,000.00	1.1985816x
12/01/2025	669,000.00	548,000.00	1.2208029x
12/01/2026	660,000.00	582,000.00	1.1340206x
12/01/2027	670,000.00	564,000.00	1.1879433x
12/01/2028	678,000.00	596,000.00	1.1375839x
12/01/2029	673,000.00	576,000.00	1.1684028x
12/01/2030	653,000.00	556,000.00	1.1744604x
12/01/2031	1,263,000.00	936,000.00	1.3493590x
Total	**$9,608,000.00**	**$7,236,604.17**	-

Village of Long Grove
Projected Summary of TIF Calculations Using Current Interest Rate (4%) on General Fund & Open Spaces Fund Advances
Actual 2008-2014 and Projected for Years 2015-2031

	Year	Year	New Development (EAV)	3% Annual Property Tax Increase No New Development Fund Balance (Deficit)	*0% Annual Property Tax Increase No New Development Fund Balance (Deficit)*	3% Annual Property Tax Increase Harbor Chase Only Development Fund Balance (Deficit)	*0% Annual Property Tax Increase Harbor Chase Only Development Fund Balance (Deficit)*	3% Annual Property Tax Increase Harbor Chase & Archer Lots Development Fund Balance (Deficit)	*0% Annual Property Tax Increase Harbor Chase & Archer Lots Development Fund Balance (Deficit)*	3% Annual Property Tax Increase All Development Fund Balance (Deficit)	*0% Annual Property Tax Increase All Development Fund Balance (Deficit)*
Actual	2008	1		(177,678)	*(177,678)*	(177,678)	*(177,678)*	(177,678)	*(177,678)*	(177,678)	*(177,678)*
	2009	2		(1,563,516)	*(1,563,516)*	(1,563,516)	*(1,563,516)*	(1,563,516)	*(1,563,516)*	(1,563,516)	*(1,563,516)*
	2010	3		(3,271,014)	*(3,271,014)*	(3,271,014)	*(3,271,014)*	(3,271,014)	*(3,271,014)*	(3,271,014)	*(3,271,014)*
	2011	4		(786,666)	*(786,666)*	(786,666)	*(786,666)*	(786,666)	*(786,666)*	(786,666)	*(786,666)*
	2012	5		(1,757,904)	*(1,757,904)*	(1,757,904)	*(1,757,904)*	(1,757,904)	*(1,757,904)*	(1,757,904)	*(1,757,904)*
	2013	6		(2,009,656)	*(2,009,656)*	(2,009,656)	*(2,009,656)*	(2,009,656)	*(2,009,656)*	(2,009,656)	*(2,009,656)*
	2014	7		(3,361,803)	*(3,361,803)*	(3,361,803)	*(3,361,803)*	(3,361,803)	*(3,361,803)*	(3,361,803)	*(3,361,803)*
Forecast	2015	8		(3,514,095)	*(3,514,095)*	(3,514,095)	*(3,514,095)*	(3,514,095)	*(3,514,095)*	(3,514,095)	*(3,514,095)*
	2016	9		(3,689,026)	*(3,695,458)*	(3,689,026)	*(3,695,458)*	(3,689,026)	*(3,695,458)*	(3,689,026)	*(3,695,458)*
	2017	10	Harbor Chase (600K)	(3,814,045)	*(3,833,791)*	(3,214,045)	*(3,233,791)*	(3,214,045)	*(3,227,359)*	(3,214,045)	*(3,233,791)*
	2018	11		(3,928,936)	*(3,969,353)*	(2,686,936)	*(2,745,353)*	(2,686,936)	*(2,607,607)*	(2,686,936)	*(2,645,353)*
	2019	12	Archer Lots (200K)	(4,042,060)	*(4,111,003)*	(2,113,840)	*(2,238,043)*	(1,913,840)	*(1,963,730)*	(1,913,840)	*(1,834,043)*
	2020	13	Triangle (400K)	(4,156,348)	*(4,262,197)*	(1,495,363)	*(1,714,319)*	(1,081,363)	*(1,297,976)*	(681,363)	*(594,159)*
	2021	14		(4,269,458)	*(4,421,146)*	(826,728)	*(1,171,353)*	(183,988)	*(607,299)*	644,012	*693,614*
	2022	15		(4,383,939)	*(4,590,981)*	(107,936)	*(611,195)*	779,059	*106,478*	2,064,539	*2,028,370*
	2023	16	Executive House (100K)	(4,492,052)	*(4,764,571)*	671,423	*(25,594)*	1,818,999	*851,843*	3,692,989	*3,519,553*
	2024	17		(4,349,963)	*(4,687,826)*	1,551,436	*651,150*	2,930,867	*1,659,644*	5,358,061	*4,996,298*
	2025	18		(4,206,663)	*(4,618,263)*	2,454,798	*1,320,714*	4,073,040	*2,460,265*	7,070,033	*6,465,862*
	2026	19	South 15 (600K)	(4,063,557)	*(4,557,536)*	3,380,768	*1,981,440*	5,244,985	*3,252,048*	9,428,872	*8,526,588*
	2027	20		(3,901,656)	*(4,486,919)*	4,349,019	*2,652,057*	6,466,590	*4,053,722*	11,872,977	*10,597,205*
	2028	21		(3,723,079)	*(4,408,797)*	5,358,136	*3,330,180*	7,736,661	*4,862,902*	14,402,224	*12,675,327*
	2029	22		(3,539,551)	*(4,335,169)*	6,397,120	*4,003,807*	9,044,429	*5,667,586*	17,006,942	*14,748,955*
	2030	23		(3,366,653)	*(4,281,900)*	7,451,139	*4,657,077*	10,375,294	*6,451,913*	19,673,667	*16,802,224*
	2031	24		(2,573,444)	*(3,618,341)*	9,151,902	*5,920,636*	12,361,210	*7,846,529*	23,035,517	*19,465,784*
Totals				**(2,573,444)**	***(3,618,341)***	**9,151,902**	***5,920,636***	**12,361,210**	***7,846,529***	**23,035,517**	***19,465,784***