

VILLAGE OF LONG GROVE

ORDINANCE NO. 2009-O-42

**AN ORDINANCE AUTHORIZING THE INVESTMENT OF GENERAL FUND AND
DEPOSITORY IV MONEYS**

**Adopted by the President and Board of Trustees
of the Village of Long Grove
this 8th day of December, 2009**

**Published in pamphlet form by direction
and authority of the Village of Long Grove,
Lake County, Illinois
this 9th day of December 2009**

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FUND AND DEPOSITORY IV MONEYS**

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE
VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Recitals.

A. The Village of Long Grove, Lake County, Illinois (the "**Village**") has heretofore adopted a Redevelopment Plan and Project and designated a portion of the Village as a "redevelopment project area" (the "**TIF District**") pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "**Act**"), and has otherwise complied with all other conditions precedent required by the Act. The Village has heretofore adopted tax increment allocation financing pursuant to the Act with respect to such Redevelopment Plan and Project and TIF District.

B. Consistent with the Redevelopment Plan and Project for the TIF District, certain vacant property legally described in Exhibit A to this Ordinance (the "**Sunset Grove Property**") is being redeveloped for retail and commercial purposes (the "**Sunset Grove Development**"). The Village has committed a portion of the Incremental Taxes from the TIF District to repay certain tax increment allocation revenue bonds or notes to be issued in connection with the Sunset Grove Development within the TIF District (the "**Sunset Grove Bonds**"), which shall be in an amount necessary to produce net proceeds of \$3,000,000. The Sunset Grove Bonds are to be repaid from, and shall have a first priority and a superior claim to, that portion of the Incremental Taxes generated from the Sunset Grove Property (the "**Sunset Grove Incremental Taxes**").

C. In conjunction with the TIF District and in furtherance of the Redevelopment Plan and Project, the Village has also established a special service area to finance a deep well water system (the "**Water System**"), which special service area is comprised of properties within the TIF District having frontage along Illinois Route 83 (the "**Water SSA**"). The Village intends to, and has commenced efforts to market and sell certain tax increment allocation revenue bonds in an amount not to exceed an aggregate amount of \$3,250,000 to finance the Water System (the "**Water Bonds**"), which Water Bonds are to be paid from taxes and other revenues generated by the Water SSA as well as (to the extent necessary) the Incremental Taxes from the TIF District other than the Sunset Grove Incremental Taxes (the "**Remaining Incremental Taxes**"). To the extent necessary and subject to the terms of the ordinance to be approved in conjunction with the sale of Water Bonds (the "**Water Bond Ordinance**"), the Water Bonds shall have first priority and a superior claim to the Remaining Incremental Taxes.

D. In furtherance of the Redevelopment Plan and Project for the TIF District, the Village has undertaken certain capital improvements (the "**Downtown Improvements**") and has incurred costs for the Downtown Improvements and other Project Costs relating to the TIF District.

E. The President and Board of Trustees have determined that it is necessary and in the best interests of the Village that the Village issue two series of tax increment allocation revenue bonds: (i) the Series 2009A Bonds in the aggregate principal amount of \$1,500,000 as

authorized pursuant to Ordinance No. 2009-O-_____ (the "**Series 2009A Ordinance**"), and (ii) the Series 2009B Bonds in the aggregate principal amount of \$3,000,000 as authorized pursuant to Ordinance No. 2009-O-_____ (the "**Series 2009B Ordinance**"). The Series 2009A Bonds and Series 2009B Bonds are issued to borrow funds to pay Project Costs in furtherance of the Redevelopment Plan and Project for the TIF District.

F. The Village is authorized to invest its Depository IV (Open Space) Fund and General Fund moneys in the Series 2009A Bonds and Series 2009B Bonds, respectively, pursuant to 50 ILCS 340/1 *et seq.*

G. It is hereby found and determined that the best interests of the Village and its residents will be served by (i) investing \$1,500,000 of the Depository IV (Open Space) Fund moneys in the Series 2009A Bonds, and (b) investing \$3,000,000 of the General Fund moneys in the Series 2009B Bonds.

H. It is further found and determined that such investments of the Depository IV (Open Space) Fund and General Fund moneys shall be further subject to the terms and conditions of this Ordinance.

Section 2. Authorization to Invest in the Series 2009A Bonds. Subject to the terms and conditions of this Ordinance (which terms and conditions shall affect the future actions of the Village and will not affect the validity of the authorization herein granted), the President and Board of Trustees hereby authorize and approve the investment of \$1,500,000 of the Depository IV (Open Space) Fund moneys in the Series 2009A Bonds.

Section 3. Authorization to Invest in the Series 2009B Bonds. Subject to the terms and conditions of this Ordinance (which terms and conditions shall affect the future actions of the Village and will not affect the validity of the authorization herein granted), the President and Board of Trustees hereby authorize and approve the investment of \$3,000,000 of the General Fund moneys in the Series 2009B Bonds.

Section 4. Future Transfers of Series 2009A Bonds to the General Fund. Subject to the terms and conditions of the Series 2009A Ordinance, the President and Board of Trustees authorize and direct the Village Manager, in consultation with the Village Attorney, to present to the Village Board the necessary or appropriate ordinances and other documents to cause the transfer from Depository IV (Open Space) Fund to the General Fund such amount of Series 2009A Bonds as herein provided:

- (a) Within 30 days after the closing on the sale of each of the Archer Lots within the TIF District, the Village's General Fund shall deliver to the Depository IV (Open Space) Fund **[one-half]** of the proceeds from such sale in exchange for an equal amount of Series 2009A Bonds based on the face value of such Series 2009A Bonds.
- (b) Within 60 days after the Village Manager determines that the fund balance in the General Fund exceeds more than 150% of the annual General Fund budget of the Village (based on the most recently approved Village budget), then such excess amount shall be used to purchase an equivalent amount of Series 2009A Bonds (based on the face value of such Series 2009A Bonds) by the General Fund from the Depository IV (Open Space) Fund.

- (c) Whenever the General Fund purchases Series 2009A Bonds from the Depository IV (Open Space) Fund (the "**Transferred Series 2009A Bonds**"), the Transferred Series 2009A Bonds shall be those Series 2009A Bond with the latest Maturity Date(s) as set forth in the Series 2009A Ordinance.
- (d) Proceeds from the transfer of any Transferred Series 2009A Bonds shall be deposited in the Depository IV (Open Space) Fund.
- (e) Upon the Maturity Date or other redemption of the Transferred Series 2009A Bonds, the principal amount of such Transferred Series 2009A Bonds shall be deposited in the General Fund, and the interest on such Transferred Series 2009A Bonds shall be deposited in an account to be established in the General Fund for the maintenance of open space and the development and maintenance of open space facilities (the "**Open Space Account**").

Section 5. Direction and Authorization. The Village President, Village Clerk, Village Treasurer, Village Manager, and Village Attorney are hereby authorized and directed to perform all acts reasonably necessary or convenient to effect this matters set forth in this Ordinance.

Section 6. Effective Date. This Ordinance shall be in full force and effect upon passage and publication as required by law.

PASSED THIS 10TH DAY OF DECEMBER, 2009.

AYES: (5) Acuna, Barry, Marshall, Schmitt, Wachs, Weber

NAYS: (0)

ABSENT: (0)

APPROVED THIS 10TH DAY OF DECEMBER, 2009.

Village President, Maria Rodriguez

ATTEST:

Village Clerk, Karen Schultheis

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