

Item #10:

Resolution Amending Resolution Expressing Intent Re: TIF District

VILLAGE OF LONG GROVE

RESOLUTION NO. 2010-R-__

**RESOLUTION AMENDING RESOLUTION NO. 2007-R-25
EXPRESSING OFFICIAL INTENT CONCERNING
THE ESTABLISHMENT OF A TAX INCREMENT FINANCING DISTRICT**

WHEREAS, on September 25, 2007, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as supplemented and amended, (the "**TIF Act**"), the Village President and Board of Trustees of the Village of Long Grove passed Resolution No. 2007-R-25, being a "Resolution Expressing Official Intent Concerning the Establishment of a Tax Increment Financing District" (the "**Intent Resolution**"), which Intent Resolution is attached hereto as Exhibit A; and

WHEREAS, following passage of the Intent Resolution, the Village did establish a Tax Increment Finance District, including the adoption, on February 26, 2009, of (i) Ordinance No. 2008-O-4, being "An Ordinance Approving a Tax Increment Redevelopment Plan and Project for the Downtown/Il Rte. 83 Redevelopment Project Area"; (ii) Ordinance No. 2008-O-5, being "An Ordinance Designating the Downtown/Il Rte. 83 Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (iii) Ordinance No. 2008-O-6, being "An Ordinance Adopting Tax Increment Allocation Financing for the Downtown/Il Rte. 83 Redevelopment Project Area" (collectively, the "**Original TIF Ordinances**"); and

WHEREAS, on March 25, 2008, pursuant to law and the ordinances approving the TIF District, the Corporate Authorities passed Resolution No. 2008-O-10, being "A Resolution Approving Redevelopment Agreement and Economic Incentive Agreement for Sunset Grove Project," to advance the objectives of the Redevelopment Plan and Project and to ensure that redevelopment activities proceed expeditiously within the Redevelopment Project Area, which

resolution approved the “Redevelopment Agreement between the Village of Long Grove and Sunset Grove Development Project Corp. (Sunset Grove Project)” dated March 25, 2008); and

WHEREAS, on April 14, 2009, the Village adopted (i) Ordinance No. 2009-O-16 being “An Ordinance Amending Ordinance No. 2008-O-04 to Include Revised Legal Description and Revised Map”; (ii) Ordinance No. 2009-O-17 being “An Ordinance Amending Ordinance No. 2008-O-5 to Include Revised Legal Description and Revised Map”; and (iii) Ordinance No. 2009-O-18 being “An Ordinance Amending Ordinance No. 2008-O-6 to Include Revised Legal Description and Revised Map” (collectively, the “**TIF Amending Ordinances**”) which ordinances amended the Original TIF Ordinances to correct minor boundary inconsistencies in the legal description and map included in the Original TIF Ordinances (the Original TIF Ordinances as amended by the TIF Amending Ordinances are hereinafter collectively referred to as the “**TIF Ordinances**”); and

WHEREAS, the Village wishes to design, acquire, construct and install certain public improvements, as contemplated by the Village of Long Grove Redevelopment Plan and Project approved by the TIF Ordinances, and the Village wishes to issue one or more series of tax increment allocation revenue bonds (the “**TIF Bonds**”) to finance such public improvements; and

WHEREAS, the Village President and Board of Trustees hereby find and determine that the financing of such public improvements by the Village will serve the public purposes of the Village;

WHEREAS, the Village President and Board of Trustees have determined that it is appropriate to further elaborate upon the matters set forth in the Intent Resolution in furtherance of issuance of the TIF Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, COUNTY OF LAKE, STATE OF ILLINOIS, as follows:

SECTION ONE: Recitals. The foregoing recitals are incorporated into and made a part of this Resolution as if fully set forth in this Section One.

SECTION TWO: Amendment of Resolution No. 2007-R-25. The Village President and Board of Trustees hereby declare that the matters set forth in Resolution No. 2007-R-25 were done in full contemplation of the issuance of TIF Bonds as authorized in the Original TIF Ordinances, and therefore the Board desires to elaborate on the terms of said Resolution No. 2007-R-25 *nunc pro tunc* by adding a new Section Three and renumbering the other sections accordingly, so that the new Section Three shall read as follows:

SECTION THREE: Intent to Issue Bonds.

A. The Village intends to issue one or more series of obligations (the “*Bonds*”) for the purpose of financing the design, acquisition, construction and installation of public improvements consisting of (i) streets, sidewalks, utilities, and parking, (ii) landscaping, (iii) stormwater management facilities, (iv) sewage treatment facilities, and (v) water system facilities (the “*Project*”). The total amount which the Village intends to borrow through the issuance of the Bonds for the Project will not exceed \$5,000,000.00.

B. Certain costs will be incurred by the Village in connection with the Project prior to the issuance of the Bonds. The Village reasonably expects to reimburse such costs with proceeds of the Bonds.

C. This Resolution constitutes a declaration of official intent under Treasury Regulation Section 1.150-2.

SECTION THREE: Continued Effect of Resolution No. 2007-R-25; Relation Back.

Except as otherwise provided in this Resolution, the terms and provisions of Resolution No. 2007-R-25 are hereby ratified and re-adopted by this reference as if fully set forth herein. The provisions of this Resolution are intended to relate back to the time of adoption of Resolution No. 2007-R-25.

SECTION FOUR: Effective Date. This Resolution will be in full force and effect upon its passage and approval in the manner provided by law.

PASSED THIS __ DAY OF _____, 2010

AYES: ()

NAYS: ()

ABSENT: ()

APPROVED THIS __ DAY OF _____, 2010.

Village President

ATTEST:

Village Clerk

EXHIBIT A
INTENT RESOLUTION

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VILLAGE OF LONG GROVE
RESOLUTION NO. 2007-R-25

**RESOLUTION EXPRESSING OFFICIAL INTENT CONCERNING
THE ESTABLISHMENT OF A TAX INCREMENT FINANCING DISTRICT**

WHEREAS, the downtown area of the Village of Long Grove, defined in the Long Grove Comprehensive Plan as the "B1 Area," is a valued part of Long Grove's unique identity and character; and

WHEREAS, the Village's commercial base, which is anchored by the downtown B1 Area, has been the chief source of the Village's tax base since the incorporation of the Village; and

WHEREAS, in order to maintain the fiscal integrity of the Village and the vitality of the Village's commercial base, the Village has undertaken careful planning to identify the B1 Area, as well as areas that will complement the commercial development in the B1 Area; and

WHEREAS, through such planning efforts, the Village has identified properties located on the east side of Illinois Route 83 as being appropriate for complementary commercial development, and the Long Grove Comprehensive Plan has identified such properties as being part of the "B1-A Area" of the Village; and

WHEREAS, the successful maintenance and development of the B1 and B1-A Areas of the Village (collectively, "***Redevelopment Project Area***") as commercial centers are essential for the long-term viability of the Village, including its fiscal health and maintenance of its unique character; and

WHEREAS, notwithstanding the centrality of the Redevelopment Project Area to the Village and its character, the prospects for continued commercial use and development have been limited and hampered by a variety of factors and circumstances, including:

- a. the buildings (or a majority of the buildings) in the B1 Area were built more than 35 years ago and are obsolete in their current condition;

- b. the B1 Area is overcrowded and there is an excessive land coverage of buildings related to sites;
- c. excessive vacancies and deterioration of both building and site improvements are evident throughout the B1 Area, leading to declining or lagging growth in equalized assessed valuation;
- d. the Redevelopment Project Area is not adequately served by utility facilities;
- e. certain areas of the B1-A Area, including the vacant land at Aptakisic and Illinois Route 83 and the vacant land south near Illinois Route 53, are impacted by wetlands and floodplains; and
- f. the B1-A Area is also impacted by obsolete platting and declining or lagging growth in equalized assessed valuation relative to the balance of the Village of Long Grove; and

WHEREAS, the deteriorating conditions in the Redevelopment Project Area cause general harm to the Village of Long Grove and negatively impact the Village's vitality, character, and ability to generate revenues; and

WHEREAS, the redevelopment of the Redevelopment Project Area is critical to the Village's growth prospects and important to the Village's zoning and planning goals and regulations; and

WHEREAS, for many years, the Village has explored various options for redeveloping the Redevelopment Project Area but the lack of, or deteriorating, infrastructure in this Area has hindered the Village's efforts to attract developers interested in redeveloping the Redevelopment Project Area; and

WHEREAS, over the past few years, the Village has been studying the need to reinvest in necessary infrastructure improvements to encourage redevelopment in the Redevelopment Project Area and has been exploring options to finance these improvements; and

WHEREAS, the Village has identified a number of potential sources for financing these infrastructure improvements, including special service areas, business districts, special assessments, utility and other user fees, sales tax incentive agreements, and tax increment financing; and

WHEREAS, in furtherance of the Village's study of the various options for financing infrastructure improvements to serve the Redevelopment Project Area, the Village retained a public finance consultant, Ehlers & Associates, Inc. ("**Ehlers**") in 2006; and

WHEREAS, Ehlers studied the current conditions in the Redevelopment Project Area and concluded that there were a number of options available to the Village in financing the infrastructure improvements in the Redevelopment Project Area, including the establishment of a business district, special service area, and a tax increment financing district over the Redevelopment Project Area; and

WHEREAS, Ehlers' report concludes that the Redevelopment Project Area qualifies as a combination conservation area and a vacant blighted area under the Illinois Tax Increment Allocation Redevelopment Act ("**TIF Act**") and is, therefore, eligible for designation as a tax increment financing redevelopment project area; and

WHEREAS, recently the Village engaged in preliminary discussions with potential developers of a portion of the Redevelopment Project Area, including Mid-America Development Partners LLC ("**Midamerica**") and Sunset Foods Mart, Inc. ("**Sunset Foods**"); and

WHEREAS, both Midamerica and Sunset Foods have reviewed available development sites within the Redevelopment Project Area and determined that the estimated costs for the infrastructure improvements that will be necessary for their proposed redevelopment are substantially in excess of the commercially reasonable investment expectations for their proposed development within the Redevelopment Project Area; and

WHEREAS, in order to allow the Midamerica and Sunset Foods development proposals to proceed, it is necessary that the Village provide financial assistance for the necessary infrastructure improvements in the form of tax increment financing and other financial incentives; and

WHEREAS, upon review, and in consideration of the Ehler's report, the Village has determined that the Redevelopment Project Area is not reasonably anticipated to be redeveloped without substantial investment in infrastructure improvements in the Redevelopment Project Area financed through the establishment of a tax increment financing district; and

WHEREAS, in light of this determination, Midamerica and Sunset Foods have informed the Village that they would proceed with their proposed development in the Redevelopment Project Area in reliance on the Village's efforts to provide financing for the necessary infrastructure improvements, including proceeds from a tax increment financing district and other public financing sources; and

WHEREAS, Village investment in infrastructure improvements within the Redevelopment Project Area, particularly the proposed construction of a public water system, will provide significant benefits not only to the Redevelopment Project Area but throughout other areas of the Village, and such water system will provide the backbone for future extensions of public water service throughout other portions of the Village; and

WHEREAS, the redevelopment of the Redevelopment Project Area will provide substantial long-term financial benefits to the Village as a whole; and

WHEREAS, consequently, the Village of Long Grove intends to move forward with the process for establishing a tax increment financing district over the Redevelopment Project Area, among other financing options, to induce the redevelopment of the Redevelopment Project Area; and

WHEREAS, during the process of considering the establishment of a tax increment financing district, the Village intends to process zoning and other development applications from those developers that have expressed an interest in redeveloping property within the Redevelopment Project Area in reliance on the establishment of a tax increment financing district; and

WHEREAS, the Village of Long Grove has determined that the redevelopment of the Redevelopment Project Area should proceed expeditiously and that these developers are proceeding with the planning and design of, and submission of development applications for approval of, their proposed redevelopment of the Redevelopment Project Area in reliance on the establishment of the tax increment financing district; and

WHEREAS, the Village of Long Grove acknowledges that certain expenditures have recently been incurred and paid within 60 days before the adoption of this Resolution (or will be incurred and paid on or after the date of the adoption of this Resolution), which expenses the Village reasonably expects to be reimbursed through proceeds (including without limitation bond proceeds) from the tax increment financing district;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, COUNTY OF LAKE, STATE OF ILLINOIS,
as follows:

SECTION ONE: Recitals. The foregoing recitals are incorporated into and made a part of this Resolution as if fully set forth in this Section One.

SECTION TWO: Intent to Establish Tax Increment Financing District.

A. The Village reasonably expects to establish a tax increment financing district over all or a portion of the Redevelopment Project Area and to reimburse certain "redevelopment project costs" (as defined in the TIF Act), including expenditures for infrastructure improvements in the Redevelopment Project Area, from the proceeds (including without limitation bond proceeds) of the tax increment financing district.

B. The Village acknowledges that potential developers of the Redevelopment Project Area are proceeding with the planning and design for, and the submission of development applications for approval of, the redevelopment of the Redevelopment Project Area, or portions thereof, in reliance on the Village's establishment of a tax increment financing district over all or a portion of the Redevelopment Project Area and the expenditure or

reimbursement from the proceeds from such district for infrastructure improvements in the Redevelopment Project Area.

C. All actions of the officers, agents, and employees of the Village in furtherance or otherwise in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption of this Resolution, are hereby ratified, confirmed, and adopted.

SECTION THREE: Effective Date. This Resolution will be in full force and effect upon its passage and approval in the manner provided by law.

PASSED THIS 25th DAY OF SEPTEMBER, 2007

AYES: (4) Trustees Barry, Hannon, Schmitt, and Wachs

NAYS: (0)

ABSENT: (2) Trustees Acuna and Lazakis

APPROVED THIS 25th DAY OF SEPTEMBER, 2007.

ATTEST:

Village President

Village Clerk

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