



AGENDA ITEM # 14B

AGENDA ITEM EXECUTIVE SUMMARY

Village Board Meeting

April 25, 2022

Item Title: General Obligation Bonds (Alternate Revenue Source) Authorization

Contact: Tom Dahl, Finance Director

VILLAGE BOARD ACTION

Pass an Ordinance authorizing the issuance of not to exceed \$14,750,000 General Obligation Bonds (Alternate Revenue Source) of the Village of Roselle, DuPage and Cook Counties, Illinois, for the purpose of financing eligible redevelopment projects within said Village’s East Irving Park Road Redevelopment Project Area (said bonds being general obligation bonds for which real property taxes, unlimited as to rate or amount, may be levied, but which are expected to be paid from incremental property taxes derived from said Village’s East Irving Park Road and Irving-Central Tax Increment Financing Districts).

Executive Summary:

The Village Board approved various agreements and documents on April 11, 2022 related to the Metro 19 Redevelopment Project. The redevelopment agreement with the developer of the parking garage and other offsite public improvements, 400 Garage LLC, calls for a maximum of \$14,500,000 in tax increment financing assistance. The assistance is up to \$11,000,000 to build the parking garage and \$3,500,000 for the installation of a new sanitary sewer force main and improvements to Rose Drive East. The Village is expected to make payments of \$3,500,000 by the end of this year. Payments for the garage are expected to be made in 2023. In order to pay the tax increment financing assistance, the Village must issue general obligation bonds in an amount not to exceed \$14,750,000. The bonds would be repaid through incremental property taxes collected in the East Irving Park Road TIF. Approval of the attached ordinance is the first step in the issuance of the bonds as it authorizes the issuance of the bonds and announces the Village Board’s intent to issue the bonds.

Implications:

Is this item budgeted? N/A. Future budgets will include the principal and interest payments in the TIF #4 East Irving Park Rd debt service fund.

Any other implications to be considered? A notice of public hearing will be published after this meeting. The public hearing will be held on May 9, 2022. Finance staff will attend a bond rating call and receive a bond rating and put together a public offering statement (POS) with the assistance of SPEER Financial, the Village's bond advisor.

Attachments:

Ordinance

ORDINANCE NO. _____

AN ORDINANCE authorizing the issuance of not to exceed \$14,750,000 General Obligation Bonds (Alternate Revenue Source) of the Village of Roselle, DuPage and Cook Counties, Illinois, for the purpose of financing eligible redevelopment projects within said Village's East Irving Park Road Redevelopment Project Area (said bonds being general obligation bonds for which real property taxes, unlimited as to rate or amount, may be levied, but which are expected to be paid from incremental property taxes derived from said Village's East Irving Park Road and Irving-Central Tax Increment Financing Districts).

* * *

WHEREAS, the Village of Roselle, DuPage and Cook Counties, Illinois (the "*Village*"), is a duly organized and existing municipality incorporated and existing under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as amended (the "*Code*"); and

WHEREAS, the President and Board of Trustees of the Village (the "*Board*") has determined that it is advisable, necessary and in the best interests of the Village to finance eligible redevelopment projects within the Village's East Irving Park Road Redevelopment Project Area, established pursuant to the Tax Increment Allocation Redevelopment Act, as amended (collectively, the "*Project*"), in accordance with the preliminary estimate of costs heretofore approved by the Board and now on file in the office of the Village Clerk; and

WHEREAS, the estimated costs of the Project, including legal, financial, bond discount, printing and publication costs, and other expenses, will not exceed \$14,750,000 and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, it is necessary and for the best interests of the Village that the Project be undertaken and in order to finance the costs therefor it will be necessary for the Village to issue up to \$14,750,000 alternate bonds, being general obligation bonds payable from incremental property taxes derived from the Village's East Irving Park Road and Irving-Central Tax Increment

Financing Districts (the “*Alternate Bonds*”), as authorized to be issued at this time pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended; and

WHEREAS, if the above-mentioned revenue source is insufficient to pay the Alternate Bonds, ad valorem property taxes upon all taxable property in the Village without limitation as to rate or amount are authorized to be extended to pay the principal of and interest on the Alternate Bonds:

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Roselle, DuPage and Cook Counties, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 2. Determination to Issue Bonds. It is necessary and in the best interests of the Village to proceed with the Project for the public health, safety and welfare, in accordance with the estimate of costs as hereinabove described, and that for such purpose, there are hereby authorized to be issued and sold the Alternate Bonds in an aggregate principal amount not to exceed \$14,750,000.

Section 3. Publication. This Ordinance, together with a notice in the statutory form (the “*Notice*”), shall be published once within ten (10) days after passage hereof by the Board in the *Daily Herald*, the same being a newspaper of general circulation in the Village, and if no petition, signed by 1,191 electors of the Village (being equal to 7.5% of the registered voters in the Village) asking that the issuance of the Alternate Bonds be submitted to referendum is filed with the Village Clerk within thirty (30) days after the date of the publication of this Ordinance and the Notice, then the Alternate Bonds shall be authorized to be issued.

Section 4. Additional Ordinances. If no petition meeting the requirements of applicable law is filed during the petition period hereinabove referred to, then the Board may adopt additional ordinances or proceedings supplementing or amending this Ordinance providing for the issuance and sale of the Alternate Bonds and prescribing all the details of the Alternate Bonds, so long as the maximum amount of the Alternate Bonds, as set forth in this Ordinance, is not exceeded and there is no material change in the Project or purposes described herein. Such additional ordinances or proceedings shall in all instances become effective in accordance with applicable law. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for the issuance of the Alternate Bonds, under applicable law.

Section 5. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

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Section 6. Repealer and Effective Date. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

ADOPTED by the Board on April 25, 2022.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED on April 25, 2022

Mayor, Village of Roselle, DuPage
and Cook Counties, Illinois

ATTEST:

Village Clerk, Village of Roselle,
DuPage and Cook Counties, Illinois