

ORDINANCE No. 16-10
A SPECIAL ORDINANCE AUTHORIZING THE CEDING
OF PRIVATE ACTIVITY
BONDING AUTHORITY

WHEREAS, the Internal Revenue Code of 1986 provides that the amount of private activity bonds which may be issued by the Village of East Dundee ("Village") as a constitutional home rule unit is equal to its population multiplied by \$ 100.00; and

WHEREAS, the Illinois Private Activity Bond Allocation Act (30 ILCS 345/1 et seq.) provides, among other things, that the corporate authorities of any home rule unit may reallocate to a state agency any portion of its unused allocation of volume cap; and

WHEREAS, the Village of East Dundee has available year 2016 volume cap and desires to utilize this cap in cooperation with the Upper Illinois River Valley Development Authority (UIRVDA) to support the projects that will create jobs and expand the Village's tax base;

NOW THEREFORE, be it ordained by the Village Council of the Village of East Dundee, Illinois:

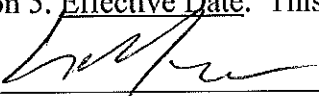
Section 1. Consent to Reallocate to UIRVDA. The Village hereby agrees to reallocate to the Upper Illinois River Valley Development Authority its 2016 private activity volume bonding cap in the amount of \$319,800. Said private activity volume bonding cap shall be used to support projects that will provide job opportunities and new investments.

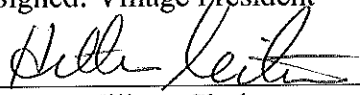
Section 2. Letter of Agreement. The Village Finance Director is hereby authorized to execute a letter of agreement with UIRVDA consenting to such allocation on behalf of the Village as authorized.

Section 3. Maintaining Records. The Village Finance Director is hereby authorized to maintain such record of the allocation for the term of the bonds issued pursuant to such allocation.

Section 4. Notice. The Village President shall provide notice of such allocation to the Office of the Governor.

Section 5. Effective Date. This ordinance shall be effective from and after its passage.


Signed: Village President


Attest: Village Clerk

Ayes - 5, Nays - 0, Absent - 1
Passed

March 28, 2016
Approved



The Upper Illinois
River Valley Development
Authority

UPPER ILLINOIS RIVER VALLEY DEVELOPMENT AUTHORITY

633 LaSalle Street - Suite 401 • Ottawa • Illinois 61350 • Tel: 866-325-7525 • Web: www.uirvda.com

March 15, 2016

The Honorable Lael Miller, Village President
Village of East Dundee
120 Barrington Avenue
East Dundee, IL 60118-1311

Dear Village President Miller:

The Upper Illinois River Valley Development Authority (UIRVDA) respectfully requests consideration for the transfer of your 2016 Home Rule Volume Cap to UIRVDA for economic development and housing projects. We have mutually benefited from working with other communities that have allowed UIRVDA to successfully issue over \$251,820,000 in bonds that have created over 2,841 jobs.

UIRVDA has developed relationships with home rule communities and other regional development authorities in working together to accommodate the Volume Cap needs of their projects. Some years, we have more projects than Volume Cap and other years we have more Volume Cap than projects. At the end of the calendar year, Volume Cap can be carried forward for three years, but once carried forward, it can no longer be transferred. We have developed a mutually beneficial relationship between communities, counties and other regional development authorities to graciously share this valuable resource for the benefit of the region. We feel it is fair to help a neighbor that has helped us in the past. The rising tide raises all of the boats.

As you may be aware, home rule communities receive a direct allocation in 2016 equal to their population times \$100. The 2016 State of Illinois Allocation guidelines identify East Dundee's population at 3,198, so your 2016 Volume Cap Allocation is \$319,800. You are required to obligate this allocation by May 1st of each calendar year or it automatically goes back to the State of Illinois for reallocation to other entities in June of each calendar year. If the Village of East Dundee would consider passing an ordinance transferring their 2016 allocation to UIRVDA prior to May 1st, then UIRVDA would be able to keep this cap until December 31st. This action would allow the Village to maintain control of their Volume Cap past May 1st.

UIRVDA is interested in serving in this capacity in order to develop a relationship with home rule communities to be able to trade cap in up and down years. We respectfully request if you have no need for the cap by September 1st that you allow us to use it to benefit the residents of UIRVDA. If the Village is interested, I have taken the liberty of enclosing a draft ordinance for you to review as well as a draft letter to the Governor's Office. I am available to meet with any Village official you wish regarding this matter. Please call me at 866-325-7525 if you have any questions. Please send a copy of the Ordinance/Resolution and notification letter to the Governor's Office of Management and Budget, as well as a copy to UIRVDA Chicago at 1032 S. Vine Ave, Park Ridge, IL 60068.

Sincerely,

Andrew Hamilton
Executive Director



120 Barrington Avenue, East Dundee Illinois 60118

Phone: (847) 426-2822

Fax: (847) 426-2956

March 28, 2016

Office of the Governor
Governor's Office of Management and Budget
603 Stratton Building
Springfield, IL 62706
Attention: Debt Management Unit

Re Issuer: Village of East Dundee

Total 2016 Volume Cap Allocation: \$319,800

Volume Cap Allocations granted, transferred, or reserved by Issuer resolution prior to May 1, 2016:

- | | |
|---|---|
| 1. Principal Amount of Issue: | 0 |
| Bond Description | N/A |
| 2. Total Allocation Granted or Reallocated: | \$319,800 |
| Reallocated to: | Upper Illinois River Valley Development Authority |

See attached ordinance.

Sincerely,