

ORDINANCE NO. CO-2014-47

**AN ORDINANCE AUTHORIZING THE ESTABLISHMENT AND USE OF
CONSTRUCTION ESCROWS FOR EXPENDITURES FROM
THE ST. CHARLES ROAD TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA FUND
FOR VARIOUS ELIGIBLE TIF IMPROVEMENT PROJECTS
APPROVED UNDER ORDINANCE CO-2013-47
AND OTHER NECESSARY COSTS RELATIVE TO THE CLOSE OUT OF
THE ST. CHARLES ROAD TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA FUND**

WHEREAS, pursuant to Ordinance No. PRO905, adopted on August 23, 1990, the President and Board of Trustees (the "Corporate Authorities") of the Village of Maywood, Cook County, Illinois (the "Village"), in an effort to revitalize the Village's local economy and provide for the comprehensive and coordinated development of an underutilized and blighted area within the Village, adopted a redevelopment plan and project, designated a redevelopment project area, and adopted the use of tax increment financing relative to a designated area tax increment financing district known as the "St. Charles Road TIF District" (the "TIF District") in accordance with the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "Act") for the St. Charles Road Tax Increment Financing Redevelopment Project Area (the "Project Area"). A copy of the Project Area Boundary Map is on file with the Village Clerk's Office and is incorporated by reference into this Ordinance; and

WHEREAS, pursuant to the Act, the Village established the St. Charles Road Special Tax Allocation Fund (the "TIF Fund") into which annual tax increment revenue from the Project Area have been deposited (the "TIF Funds") and from which expenditures have been and will continue to be made for eligible TIF redevelopment project costs, as authorized by the Act and in accordance with the Village-approved Redevelopment Plan and Budget for the Project Area (the "Plan"). The Corporate Authorities have determined that, in order to encourage private investment and restore and enhance the tax base of the Village and the affected taxing districts, certain blighting and adverse conditions within the Project Area must be removed, certain infrastructure improvements must be made, and the Project Area must be redeveloped. A copy of the Plan is on file with the Village Clerk's Office and is incorporated by reference into this Ordinance; and

WHEREAS, under Ordinance No. CO-2013-20, approved at a public meeting on March 13, 2013, the Corporate Authorities extended the estimated date of completion of the Plan, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined by the Plan, to December 31, 2013, subject to receipt and expenditure of 2013 incremental real estate tax revenues during calendar year 2014; and

WHEREAS, under Ordinance No. CO-2013-47, approved at a public meeting on December 17, 2013, the Corporate Authorities approved the use of TIF Funds during calendar years 2013 and 2014 to complete certain infrastructure improvement projects in order to stimulate reinvestment in the Project Area, subject to receipt and expenditure of 2013 incremental real estate tax revenues during calendar year 2014; and

WHEREAS, within Ordinance No. CO-2013-47, the Corporate Authorities identified and approved the completion of certain TIF improvement projects and TIF District related

expenditures within the Project Area (collectively, the "TIF Improvement Projects") that are identified in the chart in Section 3(b) below, which is entitled "Updated St. Charles TIF Administration and Projects Sheet for 2013 and 2014 / Remaining TIF District Projects and Close Out Expenditures." The total estimated TIF Funds that were expected to be available to be contributed to the TIF Improvement Projects for calendar year 2014 was **Six Million Eight Hundred Ten Thousand Three Hundred Twenty-Eight and No/100 Dollars (\$6,810,328.00)**; and

WHEREAS, at this time, certain of the TIF Improvement Projects have been completed and others have not been completed. In order to complete all of the approved TIF Improvement Projects and to reserve adequate TIF Funds to close out the St. Charles TIF District and satisfy all of its known and future obligations, such as pending real estate tax appeals and future tax appeals that will pertain to the years in which the St. Charles TIF District was in existence and the Village's required share for already approved projects funded with federal or State grant funds, the Corporate Authorities find it necessary to escrow adequate TIF Funds to ensure the completion of these Projects and to pay all St. Charles TIF District obligations. Accordingly, the Corporate Authorities approve the establishment of construction escrows for purposes of depositing TIF Funds to be used to pay for portions of the remaining TIF Improvement Projects, in whole or in part, that are deemed to be TIF-eligible expenses by the Corporate Authorities and other costs associated with the close out of the St. Charles TIF District and any related obligations ("Remaining TIF District Projects and Close Out Expenditures"), subject to the provisions of this Ordinance and the provisions of reimbursement agreements that are entered into by the Village with each of the private parties, organizations and other governmental taxing bodies who have a project or economic incentive request that falls within the approved TIF Improvement Projects; and

WHEREAS, based on the recommendation of Village staff and the Village Engineer, the Corporate Authorities further approve an amount of the Remaining TIF District Projects and Close Out Expenditures that will be deposited into one or more construction escrows at Chicago Title Insurance Company equal to **Seven Million Six Hundred Eighty-Nine Thousand Five Hundred Four and No/100 Dollars (\$7,689,504.00)**. A summary of the Remaining TIF District Projects and Close Out Expenditures is included in Section 3(b) below, entitled "Updated St. Charles TIF Administration and Projects Sheet for 2013 and 2014 / Remaining TIF District Projects and Close Out Expenditures"; and

WHEREAS, the Corporate Authorities authorize and direct the Village Treasurer, the Village Manager, the Finance Director, the Village's Project Architect, the Village Engineer and the Village Attorney, or their designees, to establish and use construction escrows at Chicago Title Insurance Company to manage the issuance of Village-approved progress payments in regard to Remaining TIF District Projects and Close Out Expenditures, and further authorize and direct the Village Treasurer or the Village Finance Director, or their designees, to take the necessary actions to deposit the above referenced Remaining TIF District Projects and Close Out Expenditures in an amount equal to **Seven Million Six Hundred Eighty-Nine Thousand Five Hundred Four and No/100 Dollars (\$7,689,504.00)** before December 31, 2014, into construction escrows established at Chicago Title Insurance Company; and

WHEREAS, the Corporate Authorities anticipate that the Remaining TIF District Projects and Close Out Expenditures will be expended by the Village within twenty-four (24) months of December 31, 2014, except for certain known and future obligations, such as pending real estate tax appeals and future tax appeals that will pertain to the years in which the St. Charles TIF District was in existence and the Village's required share for projects funded with federal or

State grant funds, which are expected to be expended within thirty-six (36) months of December 31, 2014. Once the Village's obligations are fully satisfied, the balance of the escrowed funds to pay for the Remaining TIF District Projects and Close Out Expenditures shall be declared "surplus" TIF Funds by adoption of an ordinance by the Corporate Authorities, and such surplus TIF Funds shall be promptly delivered to the Cook County Treasurer for payment to the taxing districts impacted by the St. Charles Road TIF District Redevelopment Project Area, in the same manner and proportion as the most recent distribution by the Cook County Treasurer to those taxing districts of real property taxes from real property in the St. Charles Road TIF District Redevelopment Project Area in accordance with Section 5/11-74.4-8 of the Act (65 ILCS 5/11-74.4-8); and

WHEREAS, in regard to processing all progress payments for approval by the Corporate Authorities for the Remaining TIF District Projects and Close Out Expenditures, the Corporate Authorities of the Village direct the Village Treasurer, the Village Manager, the Finance Director, the Village's Project Architect, the Village Engineer and the Village Attorney, or their designees, to comply with the reimbursement process requirements found in the Village's current template "TIF Reimbursement Agreement Regarding TIF-Eligible Project Expenses," which has been prepared by the Village Attorney; and

WHEREAS, it is desirable and in the best interests of the residents, businesses and property owners of the Village for the Corporate Authorities to authorize and cause the expenditure of TIF Funds for the completion of the Remaining TIF District Projects and Close Out Expenditures within the Project Area, subject to the provisions of this Ordinance.

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MAYWOOD, COOK COUNTY, ILLINOIS, THAT:

SECTION 1: Recitals. Each whereas statement set forth in the preambles of this Ordinance is incorporated into this Ordinance as material provisions.

SECTION 2: Authority.

(a) The Village is a duly constituted and organized home rule municipality, as described in Division 6 of Article VII of the Illinois Constitution of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to tax and incur debt.

(b) This Ordinance is adopted in connection with implementing the Plan in accordance with the Act.

(c) This Ordinance is a declaration of official intent under Treasury Regulation Section 1.150-2.

SECTION 3: Approval of Remaining TIF District Projects and Close Out Expenditures, Use and Funding of Construction Escrows, and Priority for Village TIF Improvement Projects and Phasing and Reimbursement of Only TIF-Eligible Work.

(a) **Authorization of Expenditures.** The expenditure of TIF Funds is authorized to pay for the projects and TIF-eligible costs contained within the Remaining TIF District Projects and Close Out Expenditures set forth below. However, the Corporate Authorities, in their sole discretion, may direct that certain below-listed projects are to be completed or not to be

completed for any reason, including but not limited to a lack of availability of TIF Funds or a need to re-allocate available, unspent TIF Funds to complete Village-related TIF Improvements Projects or pay for incurred Expenditures that have higher priority status.

(b) **Amount of Expenditures.** The Village intends to expend the Remaining TIF District Projects and Close Out Expenditures in an amount equal to **Seven Million Six Hundred Eighty-Nine Thousand Five Hundred Four and No/100 Dollars (\$7,689,504.00)** in connection with the approved TIF Improvement Projects within the Plan and Project Area, as set forth below, in the chart entitled "Updated St. Charles TIF Administration and Projects Sheet for 2013 and 2014 / Remaining TIF District Projects and Close Out Expenditures." While the individual line item dollar amounts are generally "not to exceed" Project cost and/or expenditure dollar amounts for that line item, such individual line item dollar amounts are subject to adjustment by ordinance passed by the Corporate Authorities in recognition that any available, unspent escrowed TIF Funds from any line item, shall not be automatically declared surplus and may be transferred to another line item to allow the Village to fully pay for all Project costs and/or expenditures incurred in the completion any of the below listed Projects and to fulfill all of the Village's obligations in regard to any incurred Expenditures.

Summary of Updated St. Charles TIF Administration and Projects Sheet for 2013 and 2014 / Remaining TIF District Projects and Close Out Expenditures:

Projects, Budgeted and Estimated Revenues, Carryover Revenues for the 2013 TIF Budget, the 2013 TIF Projected Revenues, and the 2014 Ongoing and New Project Budget Data:

2013 Estimated Carryover TIF Funds:	\$2,910,328.00
2014 Estimated TIF Revenues:	\$3,900,000.00
Total Estimated TIF Funds for Calendar Year 2014:	\$6,810,328.00

Remaining TIF District Projects and Close Out Expenditures to be Escrowed To Complete Projects and Pay Expenditures:

Updated St. Charles TIF Administration and Projects Sheet for 2013 and 2014 / Remaining TIF District Projects and Close Out Expenditures	
Description of Projects and Obligations	Estimated / Budget Escrowed Funds To Complete Projects / Obligations
2013 "Carryover" Projects and Obligations	
Village Employee Salary and Administration Costs Incurred or to be Incurred Relating to Remaining TIF District Projects and Close Out Expenditures	\$306,253
Train Station Project	\$759,000
Train Station Project – Engineering and Architectural Services	\$290,000

Financial Consultant Fees – Annual TIF Reports for Years 2011, 2012, 2013 and 2014 (*adjusted budget from \$40,000 to \$60,000 to include ATRs for year 2014)	\$60,000*
Financial Audit Report Fees for Years 2011, 2012, 2013 and 2014 (*adjusted budget from \$10,800 to \$30,000 to include Audit Fees for years 2013 and 2014)	\$30,000*
Engineering / Architectural Services for St. Charles TIF Activities and Projects	\$218,173
Marketing Village Properties	\$3,000
Obligations Incurred or Approved Pre-2014: Economic Incentives for Village Matching Share of Grants for Approved TIF-related Projects; Return of Property Tax Payments to Cook County per Tax Appeals; New Businesses, Site Preparation Incentives and Environmental Remediation Costs Associated with Development of Village-Owned Parcels	\$500,000
Fire Station #1 Rehab Improvements (Mechanical Upgrades / New Siding / Code Compliance Work)	\$1,500,000
Fire Station #1 Rehab Improvements - Architectural Services	\$181,000
Police Department Roof Replacement	\$250,000
Police Department Roof Replacement - Architectural Services	\$37,500
Completion of St. Charles / 5 th Avenue Street Project	\$240,401
Lake Street ITEP Grant Share	\$197,177
1 st and Lake Environmental Remediation Work	\$200,000
Façade Improvement Program	\$50,000
Bank Fees / Escrow Fee	\$10,000
SUBTOTAL OF CARRYOVER PROJECTS:	\$4,832,504
2014 Approved (New) Projects and Obligations	
Bataan Day – Memorial Park Landscape Improvements	\$75,000
Maywood Library Drainage Improvements	\$65,000
Operation Uplift Building Improvements	\$200,000
Police Station Elevator Improvements	\$100,000
Police Station Lift Station Repair Work	\$50,000
Engineering Services for Police Station Lift Station Repair Work	\$10,000
Public Alley Improvements: Alley #136 (between 4 th and 5 th Avenues, Main Street to Lake Street) Alley #132 (between 8 th and 9 th Avenues, Main Street to Lake Street) Alley #135 (between 5 th and 6 th Avenues, Main Street to Lake Street)	\$440,000
Engineering Services for Public Alley Improvements	\$76,000
Job Creation Training	\$250,000
1 st and Ohio Environmental Remediation Work	\$200,000
5 th Avenue Parking Lot Pavement Work	\$85,000
Engineering Services for 5 th Avenue Parking Lot Pavement Work	\$10,000
Widows Home – Repair and Restoration Work (Portico Improvements)	\$100,000
Exterior and Interior Repairs of 11-13 South 5 th Avenue (Village-owned building and lot)	\$17,000
Façade Improvement Program – Mariella's	\$10,000
Façade Improvement Program – Try Our Pallets	\$25,000

Façade Improvement Program – 600 Lake Street	\$25,000
Façade Improvement Program – 1110 St. Charles	\$50,000
Façade Improvement Program – 1000 St. Charles	\$25,000
Railroad Avenue Water Main and Street Improvements	\$934,000
Engineering Services for Railroad Avenue Water Main and Street Improvements	\$110,000
SUBTOTAL OF NEW PROJECTS:	\$2,857,000
TOTAL OF ESCROWED FUNDS:	\$7,689,504

(c) **Approval of Use and Funding of Construction Escrows.** The Village Manager, the Finance Director, the Village’s Project Architect, the Village Engineer and the Village Attorney, or their designees, are authorized and directed to establish and use construction escrows at Chicago Title Insurance Company to manage the issuance of Village-approved progress payments in regard to Updated St. Charles TIF Administration and Projects Sheet for 2013 and 2014 / Remaining TIF District Projects and Close Out Expenditures, and to process all progress payments for approval by the Corporate Authorities in accordance with the reimbursement process requirements found in the Village’s current template “TIF Reimbursement Agreement Regarding TIF-Eligible Project Expenses.” The Village Treasurer or the Finance Director, or their designees, is authorized and directed to take the necessary actions to deposit into the construction escrows, once established, the Remaining TIF District Projects and Close Out Expenditures in an amount estimated to equal to **Seven Million Six Hundred Eighty-Nine Thousand Five Hundred Four and No/100 Dollars (\$7,689,504.00)** on or before the December 31, 2014. The TIF Funds shall be deposited into the following construction escrows established at Chicago Title Insurance Company with the funding of the escrows in the order of priority as ranked below:

1. Escrow for Fire Station #1 Project (Project Costs and Professional Fees)
2. Escrow for Train Station Project (Project Costs and Professional Fees)
3. Escrow for Railroad Avenue Water Main and Street Improvements Project (Project Costs and Professional Fees)
4. Escrow for Village Projects (Project Costs and Architectural, Engineering and Other Professional Fees for Police Station Roof Repair; St. Charles / 5th Avenue Street Project; Lake Street ITEP Grant Share; 1st and Lake Environmental Remediation Work; Bataan Day – Memorial Park Landscape Improvements; Police Station Elevator Improvements; Police Station Lift Station Repair Work; Public Alley Improvements: Alley #136 (between 4th and 5th Avenues, Main Street to Lake Street), Alley #132 (between 8th and 9th Avenues, Main Street to Lake Street), Alley #135 (between 5th and 6th Avenues, Main Street to Lake Street); 1st and Ohio Environmental Remediation Work; 5th Avenue Parking Lot Pavement Work; Widows Home – Repair and Restoration Work (Portico Improvements); and Restoration of 11-13 South 5th Avenue)
5. Escrow for Village Administration Costs / Audit Fees / Escrow Fees / Professional Fees Relating to Remaining TIF District Projects and Close Out Expenditures
6. Escrow for Economic Incentives and Projects (Village Matching Share of Grants for Approved TIF-related Projects; Return of Property Tax Payments to Cook County per Tax Appeals; New Businesses, Site Preparation Incentives and Environmental

Remediation Costs Associated with Development of Village-Owned Parcels; Job Training; Maywood Library Drainage Improvements and Operation Uplift Building Improvements)

7. Escrow for Façade Program Projects (Façade Improvement Program - generally; Mariella's; Try Our Pallets; 600 Lake Street; 1110 St. Charles and 1000 St. Charles)

If there are not sufficient TIF Funds to fully fund each above escrow and to satisfy each of the Remaining TIF District Projects and Close Out Expenditures, the Village TIF Projects and obligations (and their related escrows) shall have funding priority over any non-Village TIF Projects and expenses (and their related escrows). Under Escrow #6 (Escrow for Economic Incentives and Projects), adequate escrow funds shall be maintained at all times to pay the Village Matching Share of Grants for Approved TIF-related Projects and Property Tax Payments to Cook County per Tax Appeals before any remaining funds are spent on other projects within Escrow #6.

(d) **Reimbursement of Only TIF-Eligible Work.** In regard to the above line item budgets of the Updated St. Charles TIF Administration and Projects Sheet for 2013 and 2014 / Remaining TIF District Projects and Close Out Expenditures, some of these line item budgets may contain certain work and expenses that are not TIF-eligible expenses, and, therefore, the Project may not receive 100% reimbursement from the Village for the full line item budget amount. Any person who seeks reimbursement of TIF Funds under a Village-approved Reimbursement Agreement shall be obligated to use his/her/its own funds to complete any project work that is not a TIF-eligible expense. The Corporate Authorities retain sole discretion to decide which Project costs are TIF-eligible for reimbursement in accordance with the Act and the recommendations from the Village Staff, the Village Engineer and the Village Attorney.

(e) **Priority for Village TIF Improvement Projects; Phasing.** In order to ensure that adequate TIF Funds are available to complete all of the above-referenced Village-related TIF Improvement Projects and TIF obligations, the Village's obligation to approve and reimburse any TIF-eligible expenses that relate to the non-Village TIF Improvement Projects are subject to: (i) the availability of adequate TIF Funds to first pay in full all of the Village-related TIF Improvement Projects which have priority over the non-Village TIF Improvement Projects for which TIF reimbursement agreements have been authorized, and (ii) the sole authority and discretion of the Village to implement a phasing program for the non-Village TIF Improvement Projects, to allocate the TIF-eligible work of TIF Improvement Projects into phases and to authorize reimbursement of such work on a phase-by-phase basis in order to preserve adequate TIF Funds to first ensure completion of the Village-related TIF Improvement Projects. If a phasing program is implemented, the Corporate Authorities, in their sole discretion, will allocate available TIF Funds to the non-Village TIF Improvement Projects, on a phase-by-phase basis, at dollar amounts set by the Corporate Authorities. In the event the Village determines that there will be a shortfall of TIF Funds, the Village will provide written notice to all persons with non-Village TIF Improvement Projects of such fact and will inform such persons of the Village's ability to make additional reimbursements of TIF-eligible expenses under the reimbursement agreements or shall notify them of the implementation of a phasing schedule that will limit the amount of reimbursement based on available TIF Funds or shall notify such persons that the reimbursement agreement(s) shall terminate due to a lack of available TIF Funds.

(f) **Illinois Prevailing Wage Act.** Because the TIF Improvement Projects involve the expenditure of TIF Funds in the procurement of certain goods, supplies and materials, and the construction of certain public improvements that benefit the Village residents and the public,

the contractors and their respective subcontractors, who work on Village TIF Improvement Projects and non-Village TIF Improvement Projects, are required to comply with the Illinois Prevailing Wage Act, as applicable.

(g) **Approval of Reimbursement Agreements.** The Corporate Authorities of the Village will approve entering into the template Reimbursement Agreement on a case-by-case basis for each of the above-listed Projects.

SECTION 4: Public Inspection. This Ordinance shall be immediately available for inspection by the public at the office of the Village Clerk.

SECTION 5: Repealer. All ordinances, or parts of ordinances, in conflict with the provisions of this Ordinance, to the extent of such conflict, are repealed.

SECTION 6: Severability. Each section, paragraph, clause and provision of this Ordinance is separable, and if any provision is held unconstitutional or invalid for any reason, such decision shall not affect the remainder of this Ordinance, nor any part thereof, other than that part affected by such decision.

SECTION 7: Ratification. All actions of the Corporate Authorities, agents and employees of the Village that are in conformity with the purpose and intent of this Ordinance, whether taken before or after the adoption of this Ordinance, are ratified, confirmed and approved.

SECTION 8: Effective Date. This Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as required by law.

ADOPTED this 16th day of December, 2014, pursuant to a roll call vote as follows:

AYES: Mayor Perkins, Trustee(s) C. Ealey-Cross, A. Jaycox, A. Dorris, M. Rogers, M. Lightford and R. Rivers.

NAYS: None

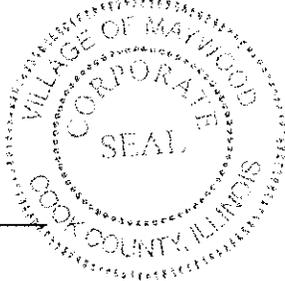
ABSENT: None

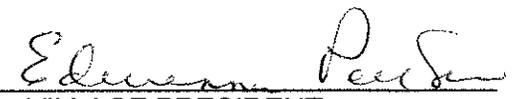
APPROVED by me as Village President, and attested to by the Village Clerk, on the 17th day of December, 2014.

ATTEST:



VILLAGE CLERK





VILLAGE PRESIDENT

Published by me in pamphlet form this 17th day of December, 2014.



VILLAGE CLERK

