

AGENDA
SPECIAL FINANCE COMMITTEE
Village of Hoffman Estates
September 8, 2008

Immediately following Special Public Works and Utilities meeting

Members: Cary Collins, Chairperson
Jacquelyn Green, Vice Chairperson
Anna Newell, Trustee Vice Chairperson

I. Roll Call

II. Approval of Minutes – None

NEW BUSINESS

1. Recommend adoption of an ordinance to cede \$4,460,715 private activity volume cap to Upper Illinois River Valley Development Authority for an industrial expansion project in Richmond, Illinois.

III. President's Report

IV. Other

V. Adjournment

COMMITTEE AGENDA ITEM

VILLAGE OF HOFFMAN ESTATES

SUBJECT: Private Activity Bond (IRB)

MEETING DATE: September 8, 2008

COMMITTEE: Special Finance

FROM: James H. Norris, Village Manager



PURPOSE: To consider the transfer of a portion of private activity bond (IRB) volume cap.

BACKGROUND: The Village is given a private activity bond cap each year by the State. This year, the amount is \$4,460,715. Each year, this sum is granted or transferred as it cedes to the State on May 1.

DISCUSSION: This year, the Village passed Ordinance No. 4017-2008 reserving such grant to December 31. The Village's priorities are: 1) a Village project; 2) an adjacent municipality project; 3) a regional project. Efforts were made to grant funding to Prairie Stone projects, but no one applied.

The Upper Illinois River Valley Development Authority has offered .5% for the Village's entire volume cap of \$4,460,715.

RECOMMENDATION: Recommend adoption of an ordinance to cede \$4,460,715 private activity volume cap to Upper Illinois River Valley Development Authority for an industrial expansion project in Richmond, Illinois.

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE APPROVING THE
TRANSFER OF VOLUME CAP
IN CONNECTION WITH PRIVATE ACTIVITY
BOND ISSUES AND RELATED MATTERS

WHEREAS, the Village of Hoffman Estates, Cook and Kane Counties, Illinois (the "VILLAGE") is a municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the Municipality has volume cap equal to \$85 per resident of the Village in each calendar year, which volume cap may be allocated to certain tax-exempt private activity bonds; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 ILCS 2006, 345/1 et. seq. as supplemented and amended (the "Act"), provides that a home rule unit of government may transfer its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

WHEREAS, it is now deemed necessary and desirable by the Village to transfer from its \$4,460,715 reserved volume cap allocation for calendar year 2008, the sum of \$4,460,715 to be transferred to the Upper Illinois River Valley Development Authority (the "Authority") for the issuance by the Authority of private activity bonds (the "Bonds"), as provided in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

Section 1: That, pursuant to Section 146 of the Code and the Act, the volume cap of \$4,460,715 allocated to the Village for calendar year 2008 is hereby transferred by the Village to the Authority, without any further action required on the part of the Village, and applied to the issuance of the bonds provided that upon the issuance of the bonds, there shall be paid to the Village a fee by the obligor of the bonds of 0.50% of the volume cap so transferred.

Section 2: That the Village shall maintain a written record of this Ordinance in its records during the term that the Bonds to which such volume cap is allocated remain outstanding.

Section 3: That the President, the Village Clerk and all other proper officers, officials, agents and employees of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Ordinance.

Section 4: That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision of this Ordinance shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases and provisions of this Ordinance.

Section 5: That the Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 6: That this Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS _____ day of _____, 2008

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen Mills	_____	_____	_____	_____
Trustee Cary Collins	_____	_____	_____	_____
Trustee Raymond Kincaid	_____	_____	_____	_____
Trustee Jacquelyn Green	_____	_____	_____	_____
Trustee Anna Newell	_____	_____	_____	_____
Trustee Gary Pilafas	_____	_____	_____	_____
Mayor William McLeod	_____	_____	_____	_____

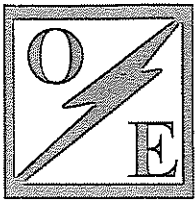
APPROVED THIS _____ DAY OF _____, 2008

Village President

ATTEST:

Village Clerk

Published in pamphlet form this _____ day of _____, 2008.



OLSUN ELECTRICS CORPORATION

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RICHMOND, ILLINOIS 60071-0001

PHONE (815) 678-2421
FAX (815) 678-4909

Mr. James H. Norris
Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, IL 60195-2302

Re: Request for transfer of unused private activity bond (IRB) volume cap.

Dear Mr. Norris:

Cathy Asta Enterprises LLC and its operating affiliate, Olsun Electrics Corporation, (collectively the "Company") currently plan to construct and equip an expansion of its manufacturing facility located in Richmond, Illinois (the "Project") which is used in the manufacture of custom dry-type transformers, reactors, motor starters and load interrupter switches. The Company plans to in part finance the Project through the issuance of Variable Rate Demand Industrial Development Revenue Bonds, Series 2008-A (the "Bonds") to be issued by the Upper Illinois River Valley Development Authority ("UIRVDA").

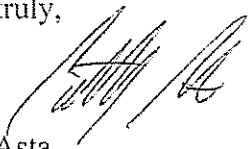
In order to complete this financing and issue the Bonds, UIRVDA needs to obtain additional private activity bond volume cap. We understand the Village has unused volume cap of approximately \$4.4 million.

We request that the Village transfer this unused volume cap to UIRVDA for our Project.

In consideration of this transfer, the Company offers to make a contribution to the Village or a program designated by the Village of 0.5% of \$4,460,715.

We appreciate your assistance in helping us successfully complete this important Project.

Yours truly,


Cathy Asta