



Item Cover Page

Subject	A RESOLUTION DECLARING THE VILLAGE OF MOUNT PROSPECT'S OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR THE PROPOSED SOUTH MOUNT PROSPECT TAX INCREMENT FINANCING DISTRICT
Meeting	December 14, 2021 - REGULAR MEETING OF THE MOUNT PROSPECT VILLAGE BOARD -
Fiscal Impact	false
Dollar Amount	
Budget Source	
Category	CONSENT AGENDA
Type	Consent

Information

Adoption of a reimbursement resolution like the one enclosed is a common step taken by municipalities that are in the process of creating a TIF district. As the Village pursues the proposed South Mount Prospect Tax Increment Financing District, it is in its best interest to adopt the Reimbursement Resolution.

The Reimbursement Resolution has two purposes:

1. To allow the Village to reimburse itself for costs expended in creating the South Mount Prospect TIF District from revenues generated by the TIF District, should it be created, such the expenses of the Village's TIF consultant and Village Attorney; and
2. To allow the Village to reimburse the "Developer," as defined in the Reimbursement Resolution, for expenses it incurs relative to the "Project," as defined in the Reimbursement Resolution, prior to negotiation and execution of a redevelopment agreement, should the Village and the Developer eventually negotiate for and enter into a redevelopment agreement.

The Reimbursement Resolution does not create any obligations on the Village with

regard to the Developer or the Project, and the Village retains the sole discretion to decide whether, and on what terms, to enter into a redevelopment agreement with the Developer for the Project. Therefore staff recommends that the Village Board adopt the resolution at the Special Meeting on December 14th.

Alternatives

1. Adopt the resolution declaring the Village of Mount Prospect's official intent to reimburse expenditures for the proposed South Mount Prospect Tax Increment Financing District.
2. Discretion of the Village Board.

Staff Recommendation

Staff recommends that the Village Board adopt the resolution declaring the Village of Mount Prospect's official intent to reimburse expenditures for the proposed South Mount Prospect Tax Increment Financing District.

ATTACHMENTS:

Cover memo from KTJ.pdf

Mount_Prospect_-_South_Mount_Prospect_TIF_District_-_Reimbursement_Resolution.pdf



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December 9, 2021

VIA E-MAIL

William Cooney, Director of Community Development
Village of Mount Prospect
50 South Emerson Street
Mount Prospect, Illinois 60056

Re: Resolution Declaring the Village of Mount Prospect's Official Intent to Reimburse Expenditures (Proposed South Mount Prospect Tax Increment Financing District) ("Reimbursement Resolution")

Mr. Cooney:

The enclosed Reimbursement Resolution was prepared at the request of Village staff. Adoption of a reimbursement resolution like the one enclosed is a common step taken by municipalities that are in the process of creating a TIF district.

The Reimbursement Resolution is has two purposes: 1. to allow the Village to reimburse itself for costs expended in creating the South Mount Prospect TIF District from revenues generated by the TIF District, should it be created, such the expenses of the Village's TIF consultant and Village Attorney; and 2. to allow the Village to reimburse the "Developer," as defined in the Reimbursement Resolution, for expenses it incurs relative to the "Project," as defined in the Reimbursement Resolution, prior to negotiation and execution of a redevelopment agreement, should the Village and the Developer eventually negotiate for and enter into a redevelopment agreement.

The Reimbursement Resolution does not create any obligations on the Village with regard to the Developer or the Project, and the Village retains the sole discretion to decide whether, and on what terms, to enter into a redevelopment agreement with the Developer for the Project.

Very truly yours,

KLEIN, THORPE & JENKINS, LTD.



Gregory T. Smith

cc: Village President Lee and Board of Trustees
Lance C. Malina, Village Attorney

RESOLUTION NO. _____

**A RESOLUTION DECLARING THE VILLAGE OF MOUNT PROSPECT'S OFFICIAL
INTENT TO REIMBURSE EXPENDITURES
(PROPOSED SOUTH MOUNT PROSPECT TAX INCREMENT FINANCING DISTRICT)**

WHEREAS, the Village of Mount Prospect ("Village") is authorized, under the Constitution of the State of Illinois, Section 8-1-2.5 of the Illinois Municipal Code, 65 ILCS 5/8-1-2.5 ("Economic Development Statute"), and the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.* ("TIF Act"), to promote and incentivize economic development and redevelopment projects, and under the TIF Act, to finance redevelopment project costs, as defined in Section 3(q) of the TIF Act, 65 ILCS 5/11-74.4-3(q) ("TIF Project Costs"), in connection with redevelopment project areas established in accordance with the requirements set forth in the TIF Act; and

WHEREAS, on October 5, 2021, the Village President and Board of Trustees of the Village authorized moving forward with a feasibility study under the TIF Act ("Feasibility Study"), to determine if the area set forth on EXHIBIT A, attached hereto and made part hereof ("Study Area"), may be designated as a redevelopment project area under the TIF Act; and

WHEREAS, as a result of the authorization of the Feasibility Study, the Village will be expending funds for TIF Project Costs which, if the Study Area is established as a TIF district pursuant to the TIF Act, would be reimbursable from TIF incremental revenues generated from properties within the Study Area ("TIF-eligible Expenditures"); and

WHEREAS, the Village reasonably expects to reimburse itself for TIF-eligible Expenditures from incremental property taxes generated by properties within the Study Area ("TIF Revenues") in relation to its TIF-eligible Expenditures, if a TIF district is

established in the Study Area; and

WHEREAS, on September 3, 2021 Cloud HQ, LLC (“Developer”), submitted an initial proposal for the redevelopment of property within the Study Area located generally at 1200 E Algonquin Rd, consisting of approximately sixty (60) acres (“Project”); and

WHEREAS, the Developer has requested that the Village consider assisting the Project with economic incentives under the Economic Development Statute, the TIF Act and/or through support of a Cook County property tax assessment classification incentive (collectively the “Incentives”); and

WHEREAS, if the Project is approved by the Village, the Village and the Developer may negotiate a redevelopment agreement containing such terms as are necessary for the completion of the Project by the Developer, including, potentially, some of the Incentives (“Redevelopment Agreement”); and

WHEREAS, if the Redevelopment Agreement is approved by the Village, the Village may provide the Developer with the Incentives on the terms set forth therein; and

WHEREAS, the Developer has stated that without and but for the Incentives, it cannot complete the Project; and

WHEREAS, the Developer reasonably expects that it will pay or incur Project costs prior to formal approval and execution of the Redevelopment Agreement, and Developer desires reimbursement for the use of some of its capital expenses in connection with the Project with the Incentives; and

WHEREAS, a purpose of this Resolution is to induce the Developer to pay or incur certain Project costs in connection with the Project prior to creation of a TIF district within the Study Area and prior to formal approval and execution of the Redevelopment

Agreement, thereby advancing the purposes of the Economic Development Statute and the TIF Act;

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Mount Prospect, Illinois, as follows:

SECTION 1: That the recitals set forth above are hereby incorporated herein by reference and made a part hereof.

SECTION 2: That, subject to the Village approving the Project, and the Village and the Developer agreeing on the terms of the Incentives and a Redevelopment Agreement, the Village declares its intention to negotiate and enter into the Redevelopment Agreement with the Developer which may provide for some of the Incentives. The Village acknowledges that, in order to keep the Project moving forward on an acceptable schedule, it will be necessary for the Developer to incur some Project costs prior to creation of a TIF district within the Study Area and prior to negotiation, approval and execution of the Redevelopment Agreement.

SECTION 3: That neither the Developer nor any other party is entitled to rely on this Resolution as a commitment by the Village to approve the Project, to provide any of the Incentives, to enter into the Redevelopment Agreement, or to create a TIF district within the Study Area, and the Village reserves the right in its sole and absolute discretion to not approve the Project, to not enter into the Redevelopment Agreement or to not create a TIF district within the Study Area, and in such event the Village shall not be subject to any liability or damages of any nature. Neither the Developer nor anyone claiming by or through the Developer shall have any claim against the Village as a result

of any decision by the Village not to approve the Project, to not provide any of the Incentives, to not enter into the Redevelopment Agreement or to not create a TIF district within the Study Area.

SECTION 4: That subject to the terms of this Resolution, the Village hereby declares its official intent to use the TIF Revenues for the purpose of paying, or reimbursing the Village, and/or the Developer under the terms of the Redevelopment Agreement with some of the Incentives, for certain TIF-eligible Expenditures.

SECTION 5: That the Village reasonably expects to reimburse itself, and/or the Developer under the terms of the Redevelopment Agreement, from the TIF Revenues for costs of the TIF-eligible Expenditures paid prior to the receipt of TIF Revenues, including TIF-eligible Expenditures incurred within sixty (60) days prior to adoption of this Resolution.

SECTION 6: That this Resolution shall be in full force and effect from and after its adoption and approval as provided by law.

SECTION 7: That if any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity thereof shall not affect any of the other provisions of this Resolution.

SECTION 8: That all resolutions or parts of resolutions in conflict herewith are, to the extent of such conflict, hereby repealed.

AYES:

NAYS:

ABSENT:

PASSED and APPROVED this ____ day of December, 2021

ATTEST:

Paul Wm. Hoefert, Mayor

Karen M. Agoranos
Village Clerk

EXHIBIT A

DEPICTION OF THE BOUNDARY OF THE STUDY AREA

