

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE: April 5, 2005 (COW)(B of T) April 7, 2005

TITLE: Resolution Approving a Tax Rebate Agreement and a Letter of Credit Agreement in
Regard to the Development of a Convention Hall and Hotel in the Village of
Lombard, DuPage County, Illinois

SUBMITTED BY: Leonard J. Flood, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

On October 21, 2004, the Village Board passed Resolution 65-05 approving a Tax Rebate Agreement and a Letter of Credit Agreement for the Convention Hall and Hotel Project and repealing Resolution 31-05. The attached resolution repeals Resolution 65-05. The changes to the exhibits attached to the new resolution before the Village Board are as follows.

1. The Tax Rebate Agreement has been changed to reflect (a) the increase in the Village’s supplemental reserve from \$900,000 to \$2,000,000; (b) the increase in the coverage ratio requirement from 1.40:1.00 to 1.50:1.00 (c) the change from two years to three years that the new coverage ratio would need to be achieved before this reserve requirement would cease (d) and the obligation of LPFC to obtain a surety bond to cover the increase of \$1,100,000 million in the Village’s supplemental reserve substantially in the form as attached in Exhibit E. This policy would be called upon in the event that project revenues were insufficient to pay the debt service expense on the Series A Bonds, all other reserves (other than the Series A Debt Service Reserve Fund) had been exhausted and the Village’s supplemental reserve was called upon in an amount in excess of \$900,000.
2. The Letter of Credit Agreement contains minor changes that track the changes made in the Tax Rebate Agreement.

Please place this item on the Village Board’s agenda for approval at the April 7, 2005 meeting.

Review (as necessary):

Village Attorney X _____	Date _____
Finance Director X _____	Date _____
Village Manager X _____	Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.