

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/18/2018

SUBJECT:	SUBMITTED BY:
Facilities Sustainability Plan	Mike Baker Deputy Village Manager

SYNOPSIS

A motion is requested that 1) Authorizes approval of key terms for a redevelopment agreement with Location Finders International (LFI); and 2) Directs staff to take actions necessary to comply with the key terms, including:

- Engage design and construction management consultants
- Prepare redevelopment agreement between the Village and LFI
- Proceed with Tax Increment Financing (TIF) qualification report
- Prepare ordinance to disconnect property from existing TIF
- Create a Special Service Area (SSA)
- Design the combined Police Station/Village Hall
- Evaluate options for temporary relocation of Village Hall
- Prepare for the issuance of bonds to fund the project
- Obtain zoning approvals

STRATEGIC PLAN ALIGNMENT

The goals for 2017-2019 include *Steward of Financial, Environmental and Neighborhood Sustainability* and *Exceptional Municipal Services*. *Creating a Facilities Sustainability Plan* has been a priority action item in previous Long Range Plans.

FISCAL IMPACT

The actions necessary to comply with the key terms are estimated to exceed \$1.0 million. These project costs will be incurred prior to Village Council approval of the redevelopment agreement, which is scheduled for consideration between May and June 2019. Funding is available in the Major Buildings Fund and Asset Forfeiture Fund for this work; however, budget amendments for fiscal year 2019 will be required.

UPDATE & RECOMMENDATION

This item was discussed at the December 11, 2018 Village Council meeting. Action at the discretion of the Village Council. Approval of the motion requires a majority vote of Council (at least 4 of 7 members). Approval of the redevelopment agreement, which will include the sale of Village-owned property and is scheduled for consideration in May or June 2019, requires 3/4 affirmative vote of the Village Council (at least 6 of 7 members), per section 2.36 of the Municipal Code.

BACKGROUND

The Village has had long-standing maintenance and operational challenges involving the Police Station (825 Burlington Avenue) and Village Hall (801 Burlington Avenue). A 2012 Facility Condition Assessment identified \$10.3 million of maintenance needs - \$3.6 million in the Police Station and \$6.7 million at Village Hall. The age and condition of both facilities have resulted in operational deficiencies that interfere with efficient service delivery and effective employee/customer interaction. Extensive historical and background information about Village Facilities Planning, a long-standing Village Council Priority Action Item, can be found here: <http://www.downers.us/govt/village-managers-office/facility-sustainability-plan>

On October 2, 2018, the Village Council directed staff to negotiate with LFI, which is seeking to develop a medical office building. The project involves the sale of a portion of the Civic Center site and provides sources of funding to support construction of a new Police Station/Village Hall combined facility on a remaining Village-owned portion of the site. The Council direction came in response to an unsolicited written offer submitted by LFI on September 26, 2018 to purchase approximately 3 acres of the property for \$8 million.

Based on Council direction, Village staff has engaged in negotiations with LFI, resulting in a set of key terms for a redevelopment agreement and a revised site plan (see attached). The financial analysis has been updated based on the revised development program. The Village's primary objectives used in developing the key terms and revised site plan included:

- 1) Minimize the net cost to the Village;
- 2) Reduce risk for the Village; and
- 3) Improve safety at the Washington Street railroad crossing.

Summary of Key Terms

In accordance with the key terms, LFI shall:

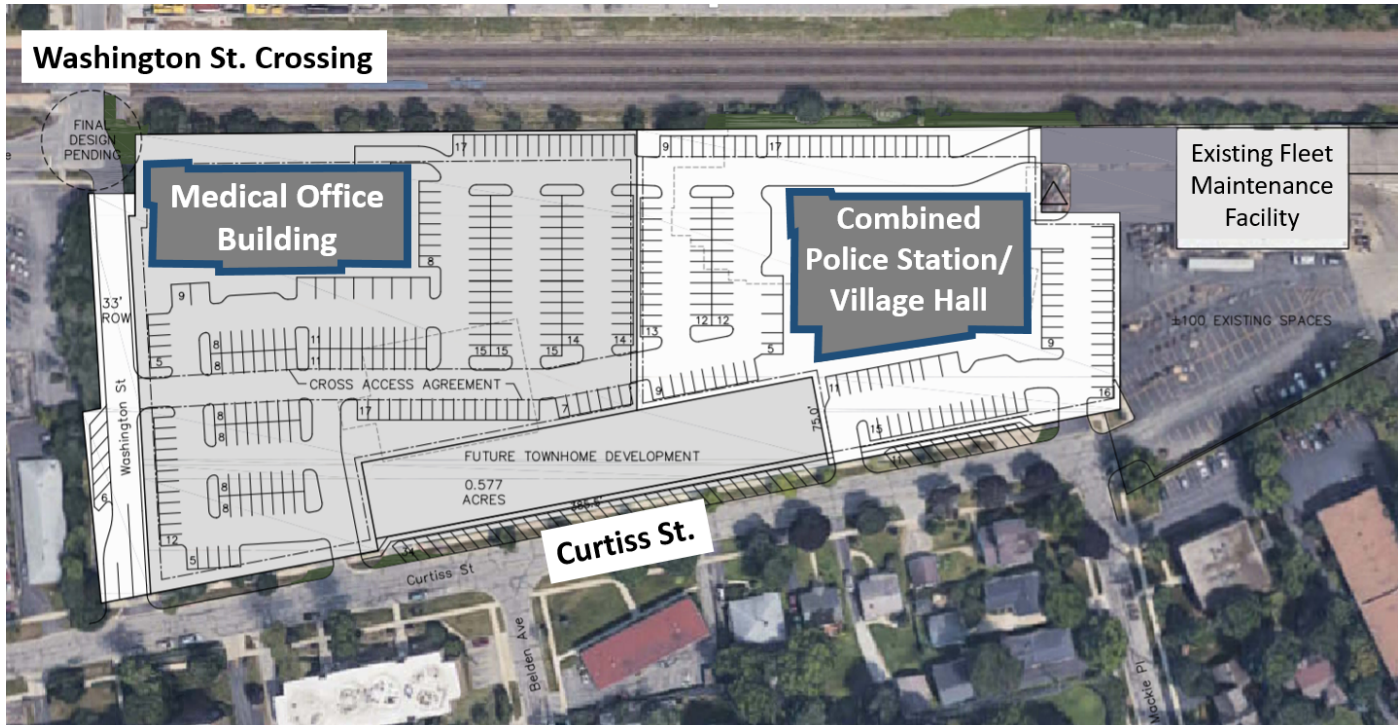
- Purchase approximately 2.974 acres of land for \$8,000,000, paid in full at closing
- Construct a 50,000 to 60,000 square foot medical office building
- Construct a parking lot with approximately 223 spaces for medical office building use
- Construct Washington Street from Curtiss Street to the railroad right-of-way
- Demolish all existing improvements on the LFI property
- Allow the Village to continue to use and operate the Police Station building and related temporary parking until the new Police Station/Village Hall is completed and ready to be occupied
- Work cooperatively with the Village to execute a reciprocal access and operating agreement for parking and traffic

The Village shall:

- Construct an approximately 72,000 sq. ft. Police Station & Village Hall building
- Construct a parking lot with approximately 128 spaces for use by the Village
- Reimburse LFI for the public improvements related to the extension of Washington St.
- Disconnect the Civic Center Property from the existing Downtown TIF District
- Create a TIF District and a Special Service Area to include the Civic Center Property
- Execute a license agreement allowing the Village to continue to use and operate the Police Station building and related temporary parking until the new Police Station and Village Hall is completed and ready to be occupied

The attached Redevelopment Agreement Key Terms document includes all negotiated terms. These key terms, if approved, will serve as the basis for a redevelopment agreement to be presented for Council consideration in May or June, 2019.

Summary of Development Program



The medical office building will be constructed in the northwest portion of the property with a parking lot located on the south and east sides of the building. The Police Station/Village Hall combined facility will be constructed on the east side of the site, in the location of the current Village Hall. Parking for this facility will surround the building, and also include the parking area south of the existing Fleet Maintenance Facility. The existing Police Station would remain operational during construction and be demolished after Police Department staff relocates into the combined facility.

The extension of Washington Street from Curtiss Street to the railroad right-of-way is depicted on the western side of the site. This roadway extension will allow for improved pedestrian and vehicular safety and reduce conflicts at the crossing and nearby intersections, especially during busy commuting periods. Final design of the Washington crossing will be completed as part of the zoning approval process.

The development program also allows for the sale of approximately 0.577 acres of land along Curtiss Street to be redeveloped with single-family attached townhomes. The townhome development would be controlled by the Village with developer interest sought through a competitive RFP process. On-street parking spaces will be constructed along Curtiss Street and Washington Street.

Summary of Village Combined Facility Construction Estimated Costs and Revenue Projections

The estimated total project cost for the combined facility and site improvements is \$35 to \$37 million. The following funding sources will be available to support the project:

• Available Village Funds (Major Buildings Fund/Asset Forfeiture Fund)	\$ 3.0 million
• Sale of land to LFI	\$ 8.0 million
• <u>Projected Sale of land for townhome development</u>	<u>\$ 0.5 million</u>
Total Equity	\$11.5 million

After deducting the total equity from the total project cost, the remaining amount is proposed to be funded through the issuance of approximately \$24.5 million in general obligation (GO) bonds. The annual payments for these bond will increase over time and match the revenues pledged to support debt service payments. The 25-year repayment schedule will be structured as follows:

- Year 1 through 3 - between \$790,000 and \$847,000 per year
- Year 2 through 10 - between \$1,156,000 and \$1,428,000 per year
- Year 11 through 25 - between \$2,097,000 and \$2,184,000 per year
- Total principal and interest payments over 25 years - \$43,602,205

The following revenue sources will be generated annually from property taxes paid by development projects. This revenue will be used to assist in making annual debt service payments and is expected to gradually increase over time.

• Property tax revenue from the medical office building	\$253,000-\$346,000
• Property tax revenue from the townhome development	\$ 96,000-\$129,000

The following existing annual revenue sources, which require no increase in tax rates, have been identified to repay the bonds:

• Revenue from the Gasoline Tax (Previously pledged to support the Fairview Avenue Roadway Bonds)	\$200,000
• Revenue from the Capital Project Fund (Previously pledged to support construction of new sidewalks)	\$300,000
• Revenue currently pledged to support Fire Station #2 debt service (available beginning in FY2029)	\$665,000
• Revenue paid to Dist. 58 through an intergovernmental agreement (available beginning in FY2026)	\$200,000

The remaining amount to be funded annually through new or existing sources: \$350,000

Project Schedule

The following schedule is anticipated for the design and construction phases of this project:

• LFI & Village Obtain Approval of the RDA Key Terms	Dec 2018
• LFI Obtains Approval of RDA and Zoning Entitlements	Jun 2019
• Village Creates TIF District and SSA	Jun 2019
• LFI Purchases the Property	July 2019
• LFI Commences Demolition Activities (Social Services Building & Related Parking Lot Improvements)	Aug 2019
• VoDG Commences Demolition Activities (Village Hall and Related Parking Lot Improvements)	Aug 2019
• LFI Commences Building Construction	Oct 2019
• Village Commences Building Construction	Oct 2019
• LFI Substantially Completes the Building	Oct 2020

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|--|----------|
| • LFI Completes the LFI Project | Dec 2020 |
| • VoDG Completes the VoDG Project | TBD |
| • Sale of Land for Townhomes and Redevelopment of Property | TBD |

Next Steps

If Village Council approves the motion directing staff to proceed, the following activities would continue or commence. Those marked with an asterisk will require Village Council action prior to approval of the redevelopment agreement and sale of land.

- Engage design and construction management consultants *
- Prepare redevelopment agreement between the Village and LFI
- Proceed with Tax Increment Financing (TIF) qualification report *
- Prepare ordinance to disconnect property from existing TIF
- Create a Special Service Area (SSA) *
- Design the combined Police Station/Village Hall *
- Evaluate options for temporary relocation of Village Hall *
- Prepare for the issuance of bonds to fund the project *
- Obtain zoning approvals

It is estimated that the cost of contractual services for work completed prior to Village Council consideration of the redevelopment agreement will exceed \$1.0 million.

ATTACHMENTS

Redevelopment Agreement Key Terms
Site Plan
Financial Summary

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Village Attorney DATE: December 18, 2018
(Name)

RECOMMENDATION FROM: _____ FILE REF: _____
(Board or Department)

NATURE OF ACTION:

STEPS NEEDED TO IMPLEMENT ACTION:

- Ordinance
- Resolution
- Motion
- Other

Motion to approve key terms for a redevelopment agreement with Location Finders International (LFI) and to direct staff to take such actions necessary to comply and implement certain key terms in relation to the Facilities Sustainability Plan.



SUMMARY OF ITEM:

Approval of this motion shall approve key terms for a redevelopment agreement with Location Finders International (LFI) and to direct staff to take such actions necessary to comply and implement certain key terms in relation to the Facilities Sustainability Plan.

RECORD OF ACTION TAKEN:

LFI Term Sheet

Purchase of Property

LFI shall purchase the "LFI Property," consisting of approximately 2.974 acres for \$8,000,000. The purchase price shall be paid in full at the closing

Conditions precedent to closing include:

- The parties have executed the Redevelopment Agreement
- LFI has obtained necessary and appropriate approvals and permits from VoDG for the development of the LFI Project.
- LFI has obtained necessary and appropriate approvals and permits from all applicable government jurisdictions.
- LFI has demonstrated to the satisfaction of the VoDG that it has secured financing sufficient to construct the LFI Project
- LFI has executed a contract with a firm to construct the LFI Project
- VoDG has created a Tax Increment Financing District and Special Service Area
- VoDG has obtained necessary and appropriate approvals and permits from all applicable government jurisdictions to construct the VoDG Project and all other associated improvements.

Subdivision of Land

The Civic Center property shall be subdivided as follows:

- Lot 1 - LFI Parcel, approximately 2.974 acres, known as the LFI Property
- Lot 2 - VoDG Parcel, approximately 2.167 acres, for the VoDG buildings and parking
- Lot 3 - VoDG Parcel, approximately 0.577 acres. The existing parking lot located on Lot 3 shall remain.
- Washington Street ROW - To be dedicated as part of the subdivision

The LFI Project

The LFI Project shall be located solely on Lot 1 and the Washington Street right of way and shall consist of:

- A 50,000 to 60,000 square foot medical office building
- A parking lot with approximately 223 spaces for use by the medical office building
- All public and private improvements as depicted on the development plans to be approved by VoDG including the extension of Washington Street from Curtiss Street to the railroad right-of-way. Washington Street shall be constructed according to the standard VoDG roadway specifications. The Village shall reimburse LFI for the public improvements related to the extension of Washington Street from Curtiss Street to the railroad right-of-way.

The LFI Project shall be constructed consistent with all VoDG building and development codes, ordinances and regulations, subject to such relief as the Village may approve as part of the development plans.

The VoDG Project

The VoDG Project shall be located on Lot 2 and shall consist of:

- An approximately 72,000 square foot Police Station & Village Hall building

- A parking lot with approximately 128 spaces for use by the Village
- All public and private improvements as depicted on the development plans

LFI Obligations

- LFI shall demolish all existing improvements located on the LFI Property which may include:
 - Social Services Building
 - Parking Lot and Related Improvements
 - Police Station Building
- LFI shall complete the LFI Project in substantial conformance with the Development Schedule, subject to delays caused by VoDG, Force Majeure, and rights to cure
- LFI shall construct the LFI Project and its obligations outlined in this Term Sheet at its sole cost and expense, except as may be specifically set forth herein or in the Redevelopment Agreement
- LFI shall pay all required fees and shall post a Public Improvement Letter of Credit for all public improvements that are part of the LFI Project
- LFI shall prepare and submit a complete petition for a Planned Unit Development and any other related required petitions
- LFI shall submit to the VoDG proof of project financing (financial resources necessary to complete the LFI Project) and an executed construction contract including a guaranteed maximum price. The construction contract shall include a completion guarantee.
- LFI shall submit a real estate tax Letter of Credit in the amount of \$250,000.00 to guarantee the completion of the LFI Project and the estimated payment of real estate taxes into the VoDG Tax Increment Financing fund. If the Village draws upon the LOC due to LFI's failure to complete the LFI Project in accordance with Development Schedule, then LFI shall continue to renew the LOC in the estimated amount of the tax increment due to the Village for the preceding year until the LFI Project is completed, for up to five years. If LFI's failure to adhere to the Development Schedule is directly caused by the VoDG, then VoDG shall not draw upon the real estate letter of credit.
- LFI shall execute a license agreement allowing the VoDG to continue to use and operate the Police Station building and related temporary parking until the new Police Station and Village Hall is completed and ready to be occupied. The VoDG shall not be charged any lease payments for the use of the Police Station for the period from the closing on Lot 1 until the deadline for the vacation of the Police Station as indicated in the Development Schedule. In the event that the VoDG fails to vacate the Police Station by the deadline, subject to Force Majeure, Notice of Default and rights to cure, then LFI may charge the VoDG lease payments in an amount not to exceed \$ 20,000.00 per week until the VoDG vacates the Police Station.
- LFI shall, if necessary, work cooperatively with the VoDG to execute a reciprocal access and operating agreement for parking and traffic

VoDG Obligations

- VoDG shall disconnect the Civic Center Property from the existing Downtown Tax Increment Financing District.
- VoDG will create a TIF District that will include the Civic Center Property. The term of the TIF District will be 23 years.

- VoDG will create a Special Service Area that will include the Civic Center Property. The SSA term will be 23 years from the date of the creation of the TIF District. The maximum rate for the SSA shall be 1.5 per \$1,000 of EAV
- VoDG shall, if necessary, work cooperatively with LFI to execute a reciprocal access and operating agreement for parking and traffic
- VoDG shall duly review and consider the petition for Planned Unit Development and any other related required petitions submitted by LFI in a timely manner
- VoDG shall execute a license agreement allowing the VoDG to continue to use and operate the Police Station building and related temporary parking until the new Police Station and Village Hall is completed and ready to be occupied. The VoDG shall not be charged any lease payments for the use of the Police Station for the period from the closing on Lot 1 until the deadline for the vacation of the Police Station as indicated in the Development Schedule. In the event that the VoDG fails to vacate the Police Station by the deadline, subject to Force Majeure, Notice of Default and rights to cure, then LFI may charge the VoDG lease payments in an amount not to exceed \$ 20,000.00 per week until the VoDG vacates the Police Station.
- VoDG shall complete the improvements on Lot 2 in substantial conformance with the Development Schedule, subject to delays caused by Force Majeure, and rights to cure.
- VoDG shall reimburse LFI for the cost of constructing the Washington Street improvements in an amount not to exceed \$ 500,000.00.
- VoDG shall submit to LFI proof of project financing (financial resources necessary to complete the Project) and an executed construction contract, which will include a completion guarantee.

Default

LFI Default

- In the event that LFI does not commence land development according to the date shown in the Development Schedule, subject to Force Majeure, Notice of Default and rights to cure, then LFI, at the request of the VoDG, shall sell the Property back to the VoDG for \$7,500,000. The Property shall be free of any and all financial encumbrances. Notwithstanding, LFI shall be granted 2 days to the Development Schedule for every day the LFI Project is delayed for any reason that is caused by VoDG.
- In the event that LFI commences land development and/or building construction and fails to adhere to the Development Schedule in a manner which causes the EAV and the amount of property taxes paid to be materially less than the EAV and the amount of property taxes to be paid in the property tax increment projection prepared by Kane, McKenna & Associates, subject to Force Majeure, Notice of Default and rights to cure, then VoDG shall draw on the real estate tax Letter of Credit in the amount equal to the amount of property taxes to be paid in the property tax increment projection for the year in question. If LFI's failure to adhere to the Development Schedule is directly caused by the VoDG, then VoDG shall not draw upon the real estate letter of credit. Notwithstanding, LFI shall be granted 2 days to the Development Schedule for every day the LFI Project is delayed for any reason that is caused by VoDG.

VoDG Default

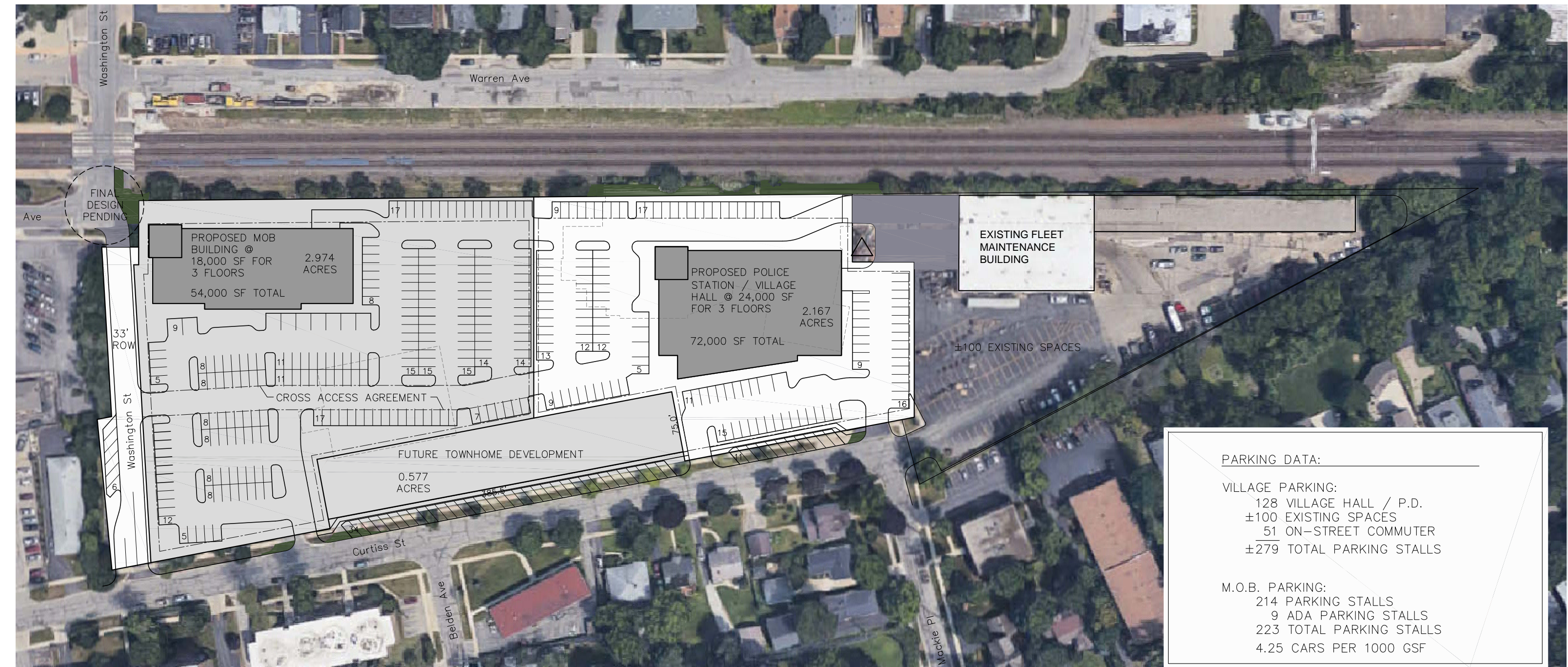
- In the event that the VoDG fails to vacate the existing Police Station according to the Development Schedule, subject to Force Majeure, Notice of Default and rights to cure,

LFI may charge the VoDG lease payments for the continued use of the Police Station in amount not to exceed \$ 20,000.00 per week, as provided in the License Agreement. Notwithstanding, VoDG shall be granted 2 days to the Development Schedule for every day the VoDG Project is delayed for any reason that is caused by LFI.

- In the event of a VoDG default other than as described above, LFI shall have the right to terminate the applicable agreements or continue with the agreements with the above corresponding extensions to the Development Schedule.

Tentative Development Schedule

Action	Completion Deadline
LFI & VoDG Obtain Approval of the RDA Key Terms	Dec 2018
LFI Obtains Approval of RDA and Zoning Entitlements	Jun 2019
VoDG Creates TIF District and SSA	Jun 2019
LFI & VoDG Submit Proof of Project Financing and Construction Contract for their respective projects	Jun 2019
LFI Purchases the Property	July 2019
LFI Commences Demolition Activities (Social Services Building & Related Parking Lot Improvements)	Aug 2019
VoDG Commences Demolition Activities (Village Hall and Related Parking Lot Improvements)	Aug 2019
LFI Commences Site Development Activities	Sep 2019
LFI Commences Building Construction	Oct 2019
VoDG Commences Building Construction	Oct 2019
LFI Completes Shell & Core	Jun 2020
LFI Substantially Completes the Building	Oct 2020
VoDG Vacates the Existing Police Station Building	TBD
LFI Commences Demolition of Police Station Building	TBD
LFI Completes the LFI Project	Dec. 31, 2020
VoDG Completes the VoDG Project	TBD



PARKING DATA:	
VILLAGE PARKING:	
128	VILLAGE HALL / P.D.
±100	EXISTING SPACES
51	ON-STREET COMMUTER
±279	TOTAL PARKING STALLS
M.O.B. PARKING:	
214	PARKING STALLS
9	ADA PARKING STALLS
223	TOTAL PARKING STALLS
4.25	CARS PER 1000 GSF

1 PROPOSED SITE PLAN

SCALE: 1" = 100'-0"



NORTH

PROPOSED SITE PLAN

ECKENHOFF SAUNDERS ARCHITECTS

PROPOSAL FOR CIVIC CENTER PROPERTY, DOWNERS GROVE

DECEMBER 6, 2018

Financial Model - LFI (MOB & Townhomes)

Assumptions		VoDG Annual Expenses		Funding Sources - Development			Funding Sources - VoDG					Total Revenue		
		Fiscal Year	Debt Service	TIF Revenue (MOB)	TIF Revenue (TH)	Total TIF	Gasoline Tax	Capital Revenue	FS#2 Ret. Debt Svc	Expired D58 IGA	Funding Source TBD	Total VoDG	Total Revenue	
Medical Office Building (MOB)														
Land Sale (MOB)	8,000,000	1	2019	847,150	0	0	200,000	300,000	-	-	345,776	845,776	845,776	
Development (sf)	54,000	2	2020	847,000	0	0	200,000	300,000	-	-	345,776	845,776	845,776	
Value (\$/sf)	188	3	2021	790,175	0	0	200,000	300,000	-	-	345,776	845,776	845,776	
Occ. Date	1/1/2021	4	2022	1,156,350	253,117	0	200,000	300,000	-	-	345,776	845,776	1,098,893	
SSA Rate	1.50%	5	2023	1,196,350	256,914	95,735	200,000	300,000	-	-	345,776	845,776	1,198,425	
		6	2024	1,204,750	260,768	97,171	200,000	300,000	-	-	345,776	845,776	1,203,715	
		7	2025	1,207,750	264,679	98,629	200,000	300,000	-	-	345,776	845,776	1,209,084	
Townhomes														
Land Sale (TH)	480,000	8	2026	1,415,000	268,649	100,108	200,000	300,000	-	200,000	345,776	1,045,776	1,414,534	
Dev't Units	12	9	2027	1,421,750	272,679	101,610	200,000	300,000	-	200,000	345,776	1,045,776	1,420,065	
Market Value/Unit	457,000	10	2028	1,427,500	276,769	103,134	200,000	300,000	-	200,000	345,776	1,045,776	1,425,679	
Occ. Date	1/1/2022	11	2029	2,097,250	280,921	104,681	200,000	300,000	665,000	200,000	345,776	1,710,776	2,096,378	
TIF Ed. Set Aside %	20.00%	12	2030	2,102,750	285,134	106,251	200,000	300,000	665,000	200,000	345,776	1,710,776	2,102,162	
SSA Rate	0.50%	13	2031	2,105,500	289,412	107,845	200,000	300,000	665,000	200,000	345,776	1,710,776	2,108,033	
		14	2032	2,115,500	293,753	109,463	200,000	300,000	665,000	200,000	345,776	1,710,776	2,113,991	
		15	2033	2,117,250	298,159	111,105	200,000	300,000	665,000	200,000	345,776	1,710,776	2,120,040	
Equity/Bond Issue Estimate														
Est. Project Cost	36,000,000	16	2034	2,126,000	302,631	112,771	200,000	300,000	665,000	200,000	345,776	1,710,776	2,126,179	
VoDG Equity	3,000,000	17	2035	2,131,250	307,171	114,463	200,000	300,000	665,000	200,000	345,776	1,710,776	2,132,410	
Land Sale	8,480,000	18	2036	2,138,000	311,778	116,180	200,000	300,000	665,000	200,000	345,776	1,710,776	2,138,734	
Bond Issue	24,520,000	19	2037	2,146,000	316,455	117,922	200,000	300,000	665,000	200,000	345,776	1,710,776	2,145,154	
		20	2038	2,150,000	321,202	119,691	200,000	300,000	665,000	200,000	345,776	1,710,776	2,151,669	
		21	2039	2,160,000	326,020	121,487	200,000	300,000	665,000	200,000	345,776	1,710,776	2,158,283	
General														
EAV Incr.	1.50%	22	2040	2,165,500	330,910	123,309	200,000	300,000	665,000	200,000	345,776	1,710,776	2,164,995	
Tax Rate	5.7611%	23	2041	2,171,500	335,874	125,158	200,000	300,000	665,000	200,000	345,776	1,710,776	2,171,808	
		24	2042	2,177,750	340,912	127,036	200,000	300,000	665,000	200,000	345,776	1,710,776	2,178,724	
		25	2043	2,184,000	346,026	128,941	200,000	300,000	665,000	200,000	345,776	1,710,776	2,185,743	
			TOTAL	43,602,025	6,539,932	2,342,690	8,882,622	5,000,000	7,500,000	9,975,000	3,600,000	8,644,403	34,719,403	43,602,025

Village of Downers Grove, Illinois

Hypothetical Illustration for General Obligation Bonds

Scenario 5: \$24,520,000 Project Deposit Based on Total Revenues

Collection Year Ending Dec 31	Bond Year Ending Jan 1	Projected Revenues ⁽¹⁾	Assumed Principal ^(1/1)	Assumed Rate	Assumed Yield	Assumed Interest ^(1/1 & 7/1)	Capitalized Interest ⁽²⁾	Total Debt Service	Revenue Overage / (Shortfall)	Additional Funding Source TBD	Revenue Overage / (Shortfall)
2019	2020	\$500,000	\$265,000	3.000%	2.190%	\$582,150		\$847,150	(\$347,150)	\$347,600	\$450
2020	2021	\$500,000				\$1,156,350	(\$309,350)	\$847,000	(\$347,000)	\$347,600	\$600
2021	2022	\$500,000				\$1,156,350	(\$366,175)	\$790,175	(\$290,175)	\$347,600	\$57,425 ⁽³⁾
2022	2023	\$753,117				\$1,156,350		\$1,156,350	(\$403,233)	\$347,600	(\$55,633)
2023	2024	\$852,649	\$40,000	4.000%	2.710%	\$1,156,350		\$1,196,350	(\$343,701)	\$347,600	\$3,899
2024	2025	\$857,939	\$50,000	4.000%	2.810%	\$1,154,750		\$1,204,750	(\$346,811)	\$347,600	\$789
2025	2026	\$863,308	\$55,000	5.000%	2.900%	\$1,152,750		\$1,207,750	(\$344,442)	\$347,600	\$3,158
2026	2027	\$1,068,757	\$265,000	5.000%	3.000%	\$1,150,000		\$1,415,000	(\$346,243)	\$347,600	\$1,357
2027	2028	\$1,074,289	\$285,000	5.000%	3.100%	\$1,136,750		\$1,421,750	(\$347,461)	\$347,600	\$139
2028	2029	\$1,079,903	\$305,000	5.000%	3.190%	\$1,122,500		\$1,427,500	(\$347,597)	\$347,600	\$3
2029	2030	\$1,750,602	\$990,000	5.000%	3.290%	\$1,107,250		\$2,097,250	(\$346,648)	\$347,600	\$952
2030	2031	\$1,756,386	\$1,045,000	5.000%	3.380%	\$1,057,750		\$2,102,750	(\$346,364)	\$347,600	\$1,236
2031	2032	\$1,762,256	\$1,100,000	5.000%	3.480%	\$1,005,500		\$2,105,500	(\$343,244)	\$347,600	\$4,356
2032	2033	\$1,768,215	\$1,165,000	5.000%	3.580%	\$950,500		\$2,115,500	(\$347,285)	\$347,600	\$315
2033	2034	\$1,774,264	\$1,225,000	5.000%	3.620%	\$892,250		\$2,117,250	(\$342,986)	\$347,600	\$4,614
2034	2035	\$1,780,403	\$1,295,000	5.000%	3.670%	\$831,000		\$2,126,000	(\$345,597)	\$347,600	\$2,003
2035	2036	\$1,786,634	\$1,365,000	5.000%	3.720%	\$766,250		\$2,131,250	(\$344,616)	\$347,600	\$2,984
2036	2037	\$1,792,958	\$1,440,000	5.000%	3.760%	\$698,000		\$2,138,000	(\$345,042)	\$347,600	\$2,558
2037	2038	\$1,799,377	\$1,520,000	5.000%	3.800%	\$626,000		\$2,146,000	(\$346,623)	\$347,600	\$977
2038	2039	\$1,805,893	\$1,600,000	5.000%	3.850%	\$550,000		\$2,150,000	(\$344,107)	\$347,600	\$3,493
2039	2040	\$1,812,506	\$1,690,000	5.000%	3.900%	\$470,000		\$2,160,000	(\$347,494)	\$347,600	\$106
2040	2041	\$1,819,219	\$1,780,000	5.000%	3.950%	\$385,500		\$2,165,500	(\$346,281)	\$347,600	\$1,319
2041	2042	\$1,826,032	\$1,875,000	5.000%	4.000%	\$296,500		\$2,171,500	(\$345,468)	\$347,600	\$2,132
2042	2043	\$1,832,948	\$1,975,000	5.000%	4.050%	\$202,750		\$2,177,750	(\$344,802)	\$347,600	\$2,798
2043	2044	\$1,839,967	\$2,080,000	5.000%	4.100%	\$104,000		\$2,184,000	(\$344,033)	\$347,600	\$3,567
		<u>\$34,957,622</u>	<u>\$23,410,000</u>			<u>\$20,867,550</u>	<u>(\$675,525)</u>	<u>\$43,602,025</u>	<u>(\$8,644,403)</u>		

Sources and Uses of Funds	
Sources of Funds	
Par Amount	\$23,410,000
Reoffering Premium	\$2,248,571
Total Sources of Funds	\$25,658,571
Uses of Funds	
Deposit to Project Fund	\$24,520,000
Deposit to Capitalized Interest Fund	\$675,525
Assumed Costs of Issuance ⁽⁴⁾	\$463,046
Total Uses of Funds	\$25,658,571
Potential True Interest Cost ⁽⁵⁾	4.278%

This illustration represents a mathematical calculation of potential interest cost, assuming hypothetical rates based on current non bank qualified rates for unlimited tax general obligation bonds rated "AAA" as of October 23, 2018. Actual rates may vary. If actual rates are higher than those assumed, the interest cost would be higher. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a financing or otherwise be considered as advice. Bonds are amortized uniform to projected revenues provided by the Village. Preliminary, subject to change.

- (1) Projected revenues provided by the Village.
- (2) Assumed partial capitalized interest through July 1, 2021. Subject to change.
- (3) Assumes excess revenues in FY 2021 from the "Additional Funding Source" are available and applied to the debt service payments in FY 2022. Subject to change.
- (4) Assumed total costs of issuance of \$18.00/\$1,000 of public offering price. Preliminary, subject to change.
- (5) True Interest Cost is the rate of interest, compounded semi-annually, required to discount the payments of principal and interest to bondholders to the original purchase price.

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