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AN ORDINANCE AUTHORIZING THE WRITE-OFF OF DEBTS RELATING TO THE MAIN STREET TRIANGLE TAX INCREMENT FINANCING DISTRICT.

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WHEREAS, the Village of Orland Park, Cook and Will Counties, Illinois (the “Village”) is an Illinois home rule municipality; and

WHEREAS, in 2004, the Village established the Main Street Triangle (MST) Tax Increment Financing (TIF) District; and

WHEREAS, since 2004, only a few parcels of the MST TIF District have been redeveloped; and

WHEREAS, in the last few years, the Village has made progress in obtaining new redevelopment means to fulfil the 2004 vision for Downtown Orland Park; and

WHEREAS, at the October 7, 2024, Village Board Meeting, the Village Board approved Redevelopment Agreement and corresponding TIF Ordinances for the redevelopment of the remaining 9.15 acres of Downtown Orland Park; and

WHEREAS, as part of the original MST TIF Development, the Village’s General Fund and Home Rule Sales Tax Fund made loans to the MST TIF District to pursue certain improvements within the MST TIF District; and

WHEREAS, as of January 1, 2022, the net outstanding balance of those loans is \$29,551,157; and

WHEREAS, as part of the original MST TIF Development, the Village’s Debt Service Fund made loans to the MST TIF District to pursue certain improvements within the MST TIF District; and

WHEREAS, as of January 1, 2022, the net outstanding balance of those loans is \$17,676,147; and

WHEREAS, the MST TIF District is set to expire in 2029, and between now and 2029 there is no reasonable way that the MST TIF Fund can repay the Village’s General Fund, Home Rule Sales Tax Fund, and Debt Service Fund this outstanding balance; and

WHEREAS, instead of maintaining this uncollectable amount on the Village's books, and as part of standard GASSB requirements, the Village's auditor is recommending that the Village write-off these outstanding balances as part of the 2022 audit; and

WHEREAS, the Village desires to write-off the debt as an accounting function in order to assist in balancing the Village's books and provide a more accurate picture of current accounts receivable; and

WHEREAS, the Village President and Board of Trustees have determined that continued maintenance of such debts on the books of the Village is not in the best interest of the Village.

NOW, THEREFORE, BE IT ORDAINED by the Village President and Board of Trustees of the Village of Orland Park, Cook and Will Counties, Illinois, as follows:

SECTION 1:

The above recitals are hereby incorporated into this Section as if fully set forth herein.

SECTION 2:

The Director of Finance of the Village of Orland Park is hereby directed to write-off those account balances, that have been determined after review to be uncollectable, in a total amount of \$29,551,157 in interfund liabilities due to the General Fund and Home Rules Sales Tax Fund from the MST TIF Fund.

SECTION 3:

The Director of Finance of the Village of Orland Park is hereby directed to write-off those account balances, that have been determined after review to be uncollectable, in a total amount of \$17,676,147 in interfund liabilities due to the Debt Service Fund from the MST TIF Fund.

SECTION 4:

Since the MST TIF will generate some property tax increment for the remainder of the MST TIF (expiring in 2029) along with lease revenue from the UCMC, the Director of Finance of the Village of Orland Park is hereby directed to transfer any remaining MST TIF increment to the existing MST TIF

Fund in order to pay for any existing MST TIF related expenses, including MST TIF Bond repayments, improvements to the MST TIF District, repayments of the debt owed to the General Fund and Home Rule Sales Tax Fund, and any other eligible expenses.

SECTION 5:

This Ordinance shall be in full force and effect upon its adoption as provided by law.