

**RESOLUTION AUTHORIZING STAFF TO EXPLORE, IDENTIFY, AND
EVALUATE VARIOUS FUNDING OPTIONS OF THE MAIN STREET PHASE I
REDEVELOPMENT AGREEMENT WITH FLAHERTY & COLLINS THAT
ENABLES THE VILLAGE TO REDUCE ITS DEBT AND EQUITY
PARTICIPATION IN THE *NINETY 7 FIFTY ON THE PARK* PROJECT**

WHEREAS, the Village of Orland Park established the Main Street Tax Increment Financing District in 2004, and further amended said District in 2007; and

WHEREAS, the Village has completed many of the public improvements within the Main Street TIF District and has acquired, or is under agreement to acquire, all of the land in the redevelopment area; and

WHEREAS, the Village has recognized that redevelopment of the TIF District into a downtown, transit-oriented, mixed-use development is a strategic redevelopment objective of the community; and

WHEREAS, the Village has been working for over ten years in assembling the properties and constructing the public improvements necessary to achieve the redevelopment; and

WHEREAS, the Village has invested approximately \$45 million to date in the TIF District for land acquisition, public infrastructure improvements, train station construction, and related costs; and

WHEREAS, in a challenging lending and project financing environment after the market collapse of 2008-09, the pursuit of a public-private partnership represents the best opportunity in developing the first phase of the Main Street redevelopment; and

WHEREAS, the Village established Guiding Principles that any partnership project must (1) be of high functional and aesthetic quality; (2) serve as a catalyst for future phases of redevelopment; and (3) maximize the community's ability to recover its investment; and

WHEREAS, the Village solicited proposals from numerous developers in 2008-09 and Flaherty & Collins Properties was selected as the best qualified partner to execute the first phase of the Main Street redevelopment in the form of a 295-unit luxury apartment complex, commonly known as *Ninety 7 Fifty On The Park*; and

WHEREAS, negotiations with Flaherty & Collins have continued over the last two years, enabling the Village to craft a public-private partnership that mitigates risk to the community and provides for maximum ability to recover community investment, in keeping with the Guiding Principles; and

WHEREAS, the Village enjoys a very strong financial position and carries one of the highest credit ratings of Illinois municipalities (AA+ by S&P and Aa1 by Moody's); and

WHEREAS, the Village's general obligation debt level as a percentage of overall Equalized Assessed Valuation (EAV) in 2010 is 2.89%, nearly the same as in 1992 when it was 2.93%; and

WHEREAS, the Village's per capita debt, at \$1,811 per capita, is significantly lower than the average for Southwest Cook County at \$5,244 per capita; and

WHEREAS, this strong financial position allows the Village to leverage its financial strength in ensuring the execution and success of the project, while securing the Village's investment and assets within the Main Street TIF District, and by pledging project revenues and/or existing revenue sources as repayment of any borrowing related to the development; and

WHEREAS, the adopted redevelopment agreement commits Flaherty & Collins to approximately \$40 million participation of the estimated \$63 million total development costs, and the Village to provide the remainder in gap financing; and

WHEREAS, while the Village is willing to leverage and utilize its financial position to facilitate the execution of the Ninety 7 Fifty project, the Village and the developer agree to pursue opportunities that allow for additional investment partners or alternative financing sources that further lessens the Village's risk;

NOW, BE IT RESOLVED, that the Village Board advises staff to collaborate with the developer in exploring, identifying, and evaluating future financing opportunities that allow the Village to reduce its risk participation in the project; and that the redevelopment agreement with Flaherty & Collins be amended to include language that provides the opportunity for the Village to reduce its debt and gap financing participation during the term of said agreement, and that said language is a condition of final execution of said agreement.