

**VILLAGE OF VERNON HILLS
RESOLUTION NO. 2017-043**

**A RESOLUTION OF THE VILLAGE OF VERNON HILLS, ILLINOIS REALLOCATING 2017
VOLUME CAP TO THE VILLAGE OF BUFFALO GROVE, ILLINOIS**

WHEREAS, the Village of Vernon Hills, Lake County, Illinois the (“Vernon Hills”), is a municipality and a home rule unit of government duly organized and validly existing under Section 6(a) of Article VII of the 1970 Constitution and laws of the State of Illinois; and

WHEREAS, certain tax exempt private activity bonds may be issued only if sufficient volume cap pursuant to Section 146 of the Internal Revenue Code of 1986, as amended (the “Code”), is available for the bonds; and

WHEREAS, pursuant to the Code, Vernon Hills has been allocated volume cap equal to \$100.00 per resident of Vernon Hills in calendar year 2017, or \$2,631,400 for the issuance of such tax exempt private activity bonds; and

WHEREAS, pursuant to Section 6 and Section 6.1 of the Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1 *et seq.* (the “Bond Allocation Act”), and the Guidelines and Procedures promulgated thereunder, Vernon Hills may, prior to May 1, 2017, reallocate to other home rule units of government the volume cap allocated to Vernon Hills by the Code for their issuance of such tax exempt private activity bonds or for subsequent transfer or reallocation; and

WHEREAS, Vernon Hills has not used any of its 2017 volume cap and has no present intention to use the same; and

WHEREAS, the Lake County Partnership for Economic Development, Inc. has offered Lake County home rule communities the opportunity to participate in a program to combine their respective volume cap allocations and create a Private Activity Bond Clearinghouse Pool (the “Pool”) to facilitate the issuance of tax-exempt private activity bonds to finance manufacturing and multi-family housing commercial projects in Lake County, Illinois, for economic development purposes (“Eligible Projects”); and

WHEREAS, the Village of Buffalo Grove, a home rule unit of government (“Buffalo Grove”), pursuant to its Resolution No. 2001-51 adopted December 17, 2001, agreed to host the Pool and to reserve its own volume cap, and accept volume cap reallocated to Buffalo Grove by other home rule units of government, for the issuance of tax-exempt private activity bonds placed through the Pool to finance Eligible Projects; and

WHEREAS, Buffalo Grove has requested that Vernon Hills reallocate all of its 2017 volume cap to Buffalo Grove to be used for the issuance of tax-exempt private activity bonds placed through the Pool to finance Eligible Projects.

NOW THEREFORE BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS, as follows:

SECTION ONE: RECITALS. The foregoing recitals are incorporated in and made a part of this Resolution by this reference as findings of the Village of Vernon Hills.

SECTION TWO: TRANSFER AND REALLOCATION OF 2017 VOLUME CAP.

Pursuant to Section 6 and Section 6.1 of the Bond Allocation Act and the Guidelines and Procedures promulgated thereunder, Vernon Hills irrevocably agrees to, and does hereby, transfer and reallocate all of its 2017 volume cap to Buffalo Grove to be used for the issuance of tax-exempt private activity bonds placed through the Pool to finance Eligible Projects as directed by the Advisory Committee created pursuant to Buffalo Grove Resolution No. 2001-51.

SECTION THREE: AGREEMENT. This Resolution shall constitute the agreement of Vernon Hills to a different allocation under Section 146(e) (3) of the Code and the writing required under Section 6 of the Bond Allocation Act.

SECTION FOUR: WARRANTY. Vernon Hills covenants and warrants that it has taken no action or issued bonds that would abrogate, diminish, or impair its ability to fulfill the written agreement, covenants, and undertakings on its part under this Resolution.

SECTION FIVE: AUTHORIZATION. As required by the Bond Allocation Act and the Guidelines and Procedures promulgated thereunder, a certified copy of this Resolution shall be transmitted to the Office of the Governor of the State of Illinois. Any and all appropriate and proper officers, officials, agents, and employees of Vernon Hills are hereby authorized, empowered, and directed to take all necessary and advisable actions, and to execute all such documents and certificates, as may be necessary to further the purposes and intent of this Resolution.

SECTION SIX: MAINTAIN RECORD. Vernon Hills shall maintain a written record of this Resolution in its records for so long as the bonds to which the volume cap transferred by this Resolution is reallocated remain outstanding.

SECTION SEVEN: EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage and approval as required by law and is enacted by Vernon Hills pursuant to its powers under the laws of the State of Illinois and the Illinois Constitution of 1970 and its home rule powers.

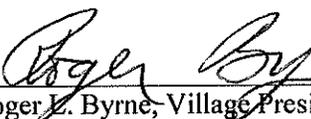
Dated the 18th of April, 2017

Adopted by roll call votes as follows:

AYES: 6 – Koch, Grieb, Williams, Hebda, Schultz, Marquardt

NAYS: 0 – None

ABSENT AND NOT VOTING: 0 – None



Roger L. Byrne, Village President

PASSED: 4/18/2017
APPROVED: 4/18/2017
ATTEST: 4/19/2017



John M. Kama, Village Clerk



INTRODUCTION

The Federal Tax Reform Act of 1986 (the "Code") as amended, imposes a limit on the aggregate amount of "tax exempt private activity" bonds (also known as "Volume Cap") that can be issued by a state.. While the Code provides an allocation scheme for specific issuing authorities, it also provides that a state may, by law, provide a different formula for allocating the State ceiling among the governmental units in the State having authority to issue such bonds. The State of Illinois ("the State") has adopted procedures for the allocation of Volume Cap pursuant to the Illinois Private Activity Bond Allocation Act, 30ILCS 345 (the "Illinois Allocation Act").

The Governor's Office is the entity charged with authority to allocate Volume Cap among the political subdivisions within the State. In the event of conflict between the Code and Illinois Allocation Act and these "2017 Guidelines and Procedures" (the "Guidelines"), the Code and the Illinois Allocation Act shall control. Any matters not covered by the Code or the Illinois Allocation Act or the Guidelines shall be decided by the Governor's Office, and the Governor's Office reserves the right to amend the Guidelines at any time.

These Guidelines are provided by the Governor's Office to assist issuers in understanding how the allocation formula will be administered. They do not represent a binding legal interpretation of either the Code or the Illinois Allocation Act. The Governor's Office will not make a legal determination of the applicability of the Code to an issuer nor will it determine an issuer's compliance under the Code. Issuers should consult their own legal counsel to make these determinations.

The Guidelines require certain issuers to submit requests to the Governor's Office for allocations of Volume cap. In addition, they require issuers within the State to report on reallocations and their use of Volume Cap.

PLEASE NOTE – ALL REQUESTS AND REPORTING SUBMISSIONS, AS DESCRIBED HEREIN, MUST BE SUBMITTED IN BOTH (i) HARD AND (ii) ELECTRONIC FORMATS (ADOBE ACROBAT "PDF") TO THE FOLLOWING ADDRESSES:

HARD COPY SUBMISSIONS TO:

Governor's Office of Management and Budget
Debt Management Unit – Volume Cap Submission
JRTC, 100 W Randolph Street – Suite 15-100
Chicago, IL 60601
Attn: Sophia Ronis

*mailed 4/21/17
fd*

ELECTRONIC (PDF) SUBMISSIONS TO:

OMB.VolumeCapRequest2017@illinois.gov

Please indicate the (i) name, (ii) status of your organization (Home Rule, Non-Home Rule or State Agency) and (iii) type of submission (either a "REPORT" or a "REQUEST") in the "SUBJECT" line of your submission e-mail. Please include the following information for a primary and secondary contact person in the body of each electronic submission (email):

Name
Title
Department/Division
Phone Number
Email address

IMPORTANT NOTE – The time and date stamp of the email will be used for the purpose of determining the order in which the submissions are received unless otherwise noted herein.



DeAnda, Lynn <lynnd@vhills.org>

(i) VILLAGE OF VERNON HILLS; (ii) HOME RULE; (iii) REPORT

2 messages

DeAnda, Lynn <lynnd@vhills.org>

Fri, Apr 21, 2017 at 3:49 PM

To: OMB.VolumeCapRequest2017@illinois.gov

Bcc: Nikki Larson <nikkil@vhills.org>, "Bourdeau, Brian" <brianb@vhills.org>

Primary

Name: Nikki Larson

Title: Finance Director

Department/Division: Finance Department

Phone Number: 847-918-3552

Email address: nikkil@vhills.org

Secondary

Name: Brian Bourdeau

Title: Assistant to the Finance Director

Department/Division: Finance Department

Phone Number: 847-918-3554

Email address: brianb@vhills.org

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Lynn DeAnda
Executive Secretary
to the Village Manager
847-918-3546
847-367-0880

 **Resolution 2017-043 Vernon Hills Reallocating 2017 Volume Cap to Buffalo Grove.pdf**
154K

Ronis, Sophia <Sophia.Ronis@illinois.gov>

Fri, Apr 21, 2017 at 3:51 PM

To: "DeAnda, Lynn" <lynnd@vhills.org>

Thank you.

Sophia Ronis

GOMB Administrative Assistant and

Administrative Assistant to Kelly Hutchinson, Director of Capital Markets

Governor's Office of Management and Budget

James R. Thompson Center

100 W. Randolph - Suite 15-100

Chicago, IL 60601

(312) 814-0023

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Necessary
Green
Government

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From: DeAnda, Lynn [mailto:lynnd@vhills.org]

Sent: Friday, April 21, 2017 3:49 PM

To: OMB.VolumeCapRequest2017

Subject: [External] (i) VILLAGE OF VERNON HILLS; (ii) HOME RULE; (iii) REPORT

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