

# FILIPPINI LAW FIRM

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[victor.filippini@filippinilawfirm.com](mailto:victor.filippini@filippinilawfirm.com)

4 June 2021

**Via Certified Mail**

See Attached Distribution List

Re: Village of Long Grove Joint Review Board Meeting  
Downtown/IL Rt. 83 Tax Increment Finance District (FY20)

Dear Joint Review Board Member:

As you know, the Joint Review Board (“**JRB**”) has convened on multiple occasions regarding the Redevelopment Plan and Project for the Village of Long Grove Downtown/ IL Rt. 83 Tax Increment Finance (TIF) District. This notice is to inform you that a meeting of the JRB has been scheduled for Monday, 21 June 2021 at 7:00 a.m., pursuant to the applicable provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*

In light of Governor Pritzker’s disaster proclamation relating to the ongoing COVID-19 pandemic, the Village President of the Village of Long Grove has determined that, due to conditions relating to such pandemic, it is not feasible to make the Village Hall accessible to the JRB or the public for this meeting. Accordingly, access shall only be available as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/4575598732?pwd=dzVocUZ5UIZhQWtjajVqSXQvOHBoZz09>

Meeting ID: 457 559 8732

Passcode: 132435

One tap mobile

+13126266799,,4575598732#,,,,\*132435# US (Chicago)

+13017158592,,4575598732#,,,,\*132435# US (Washington DC)

Dial by your location

+1 312 626 6799 US (Chicago)

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+1 929 436 2866 US (New York)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

Meeting ID: 457 559 8732

Passcode: 132435

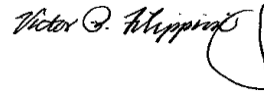
Find your local number: <https://us02web.zoom.us/j/4575598732?pwd=dzVocUZ5UIZhQWtjajVqSXQvOHBoZz09>

Enclosed please find a copy of the following materials relating to the 21 June 2021 JRB Annual Meeting:

- JRB Annual Meeting Agenda
- Draft Minutes from 3/13/2020 JRB Annual Meeting
- Village of Long Grove FY2020 TIF Report
- Distribution List

If you have any questions or concerns, please do not hesitate to contact me at (312) 300-6549.

Sincerely,



Victor P. Filippini, Jr.

Enclosures

Cc (via e-mail):

Mr. Bill Balling, Interim Village Manager  
Ms. Denise Rosenquist, Director of Operations

**JOINT REVIEW BOARD MEETING**

**DOWNTOWN/IL RT. 83 TIF  
VILLAGE OF LONG GROVE  
(FY 2020 Review)**

**Meeting Notice and Agenda**

**June 21, 2021 - 7:00 a.m.**

***In light of Governor Pritzker's disaster proclamation relating to the ongoing COVID-19 pandemic, the Village President of the Village of Long Grove has determined that, due to conditions relating to such pandemic, it is not feasible to make the Village Hall accessible to the JRB or the public for this meeting. Accordingly, access shall only be available as follows:***

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1. Call to Order
2. Introduction of Representatives of Taxing Districts and Public Member
3. Selection of Chairperson
4. Review Status of TIF (FY 2020 Annual Report)
5. Review Effectiveness of TIF

6. Approval of Minutes for March 13, 2020 Joint Review Board meeting for FY2019
7. Public Comment
8. Other Business
9. Adjournment

**Minutes of the  
JOINT REVIEW BOARD MEETING  
DOWNTOWN/IL RT. 83 TIF  
VILLAGE OF LONG GROVE  
(FY 2019 Review)**

**Village Hall, Long Grove, Illinois  
3110 Old McHenry Road  
Long Grove IL 60047**

**March 13, 2020**

**1. Call to Order.**

Village of Long Grove representative Trustee Anne Kritzmire called the meeting to order at 7:02 a.m.

**2. Introduction of Representatives of Taxing Districts and Public Member**

The following members of the Joint Review Board (“JRB”) were in attendance:

- Village of Long Grove: Trustee Anne Kritzmire
- Public Member: Rick Terrett (telephonic attendance)
- Vernon Area Public Library District: Cynthia Fuerst, Library Director

Other persons in attendance were: Village President for the Village of Long Grove Bill Jacob, Village Manager for the Village of Long Grove David Lothspeich, and counsel for the Village of Long Grove Victor Filippini (telephonically).

**3. Selection of Chairperson.** Member Fuerst moved, seconded by Member Kritzmire, to appoint Member Kritzmire as Chairperson. On a voice vote, all ayes. Member Kritzmire thereafter oversaw the meeting as Chair.

**4. Review Status of TIF (FY 2019)**

Chairperson Kritzmire reviewed the status of the TIF District. Chairperson Kritzmire reported that in FY19 infrastructure improvements continued to enhance the downtown, including water improvements, street lighting, and other streetscape work.

**5. Review Effectiveness of TIF**

Chairperson Kritzmire offered her perspective that the TIF seemed to be performing as intended, albeit not quite on schedule due to economic conditions that affected the TIF when it was first established in 2008. JRB Members and President Jacob all noted that the streetscape improvements in the historic downtown have been transformative. Chairperson Kritzmire also noted that businesses are re-investing in their properties. Village President Jacob stated that the vacancy rate still needs to be lowered, and Chairperson Kritzmire

observed that the Village now has an Economic Development Commission to assist in efforts to bring new businesses to the TIF and the Village generally.

Member Fuerst also added that pathways into the historic downtown would be desirable. Chairperson Kritzmire stated that those activities are on the horizon, including pathway extensions that will be supported in part by a State grant.

6. **Approval of Minutes for April 17, 2019 Joint Review Board meeting for FY2016, FY2017, and FY2018**

Chairperson Kritzmire moved, seconded by Member Terrett, to approve the minutes of the April 17, 2019 Joint Review Board meeting for FY2016, FY2017, and FY2018. On a voice vote, all ayes.

7. **Public Comment:** Village President Jacob thanked the JRB members. There were no additional public comments.

8. **Other Business:** Member Fuerst stated that the Historic Downtown looked great, and she stated that the Library had no concerns other than desiring to be informed. Member Fuerst and President Jacob discussed the desirability and utilization of a drop-box that the Library had placed at Sunset Grove. There was no other business.

9. **Adjournment:** At 7:12 a.m., Member Fuerst moved, seconded by Member Terrett, to adjourn the meeting. On a voice vote, the motion passed, and the meeting adjourned.

**VILLAGE OF LONG GROVE  
DOWNTOWN/IL RT. 83 TAX INCREMENT FINANCE DISTRICT  
TAXING DISTRICT DISTRIBUTION LIST (2021)**

**(ALL NOTICES MAILED VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED)**

Lake County* Attn: County Clerk 18 N. County St., Room 101 Waukegan, IL 60085	Village of Long Grove* Attn: Trustee Anne Kritzmire 3110 Old McHenry Road Long Grove, IL 60047
Lake County Forest Preserve District* Director of Finance 1899 West Winchester Road Libertyville, IL 60048	Long Grove Fire Protection District* Attn: President, Board of Trustees 1165 Old McHenry Road Long Grove, IL 60047
Vernon Township* Attn: Township Supervisor 3050 N. Main Street Buffalo Grove, IL 60089	Long Grove Park District* Attn: President 3849 Old McHenry Rd. Long Grove, IL 60047
Lake County College District* Attn: President Office of the President Location A207 19351 W. Washington Street Grayslake, IL 60030-1198	Vernon Area Public Library District* Attn: Library Director 300 Olde Half Day Road Lincolnshire, IL 60069
School District 125* Attn: Superintendent Administrative Offices Two Stevenson Drive Lincolnshire, IL 60069	School District 96* Attn: Superintendent 1050 Ivy Hall Lane Buffalo Grove, IL 60089
Illinois Department of Commerce and Economic Opportunity Attn: Director 620 East Adams Street Springfield, IL 62701	Richard Terrett, Public Member* 8098 RFD Long Grove, IL 60047

\* Designates Joint Review Board Member

**VILLAGE OF LONG GROVE  
DOWNTOWN/IL RT. 83 TAX INCREMENT FINANCE DISTRICT  
INTERESTED PARTIES DISTRIBUTION LIST (2021)**

**(ALL NOTICES MAILED VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED)**

Scott Bauer 5881 RFD Long Grove, IL 60047	Haig & Monica Bedrosian 5129 RFD Long Grove, IL 60047
Chris Covington 4140 RFD Long Grove, IL 60047	Michael D. Smith 4142 RFD Long Grove, IL 60047
Don & Penny Silich 4408 RFD Long Grove, IL 60047	Nina Happ 4827 RFD Long Grove, IL 60047
Patrice Jones 4120 RFD Long Grove, IL 60047	Jeff Kazmer 1131 RFD Long Grove, IL 60047
Michele Marek 5658 RFD Long Grove, IL 60047	



**FY 2020  
ANNUAL TAX INCREMENT FINANCE  
REPORT**



**STATE OF ILLINOIS  
COMPTROLLER  
SUSANA A. MENDOZA**

Name of Municipality: Long Grove Reporting Fiscal Year: 2020  
 County: Lake Fiscal Year End: 04 / 30 /2020  
 Unit Code: 049/120/032

FY 2020 TIF Administrator Contact Information			
First Name:	<u>William</u>	Last Name:	<u>Balling</u>
Address:	<u>3110 Old McHenry Road</u>	Title:	<u>Interim hVillage Manager</u>
Telephone:	<u>(847)634-9440</u>	City:	<u>Long Grove</u> Zip: <u>60047</u>
E-mail-required	<u>bballing@longgroveil.gov</u>		

I attest to the best of my knowledge, that this FY 2020 report of the redevelopment project area(s)  
 in the City/Village of: Long Grove  
 is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and  
 or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

William Balling 12/23/20  
 Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated MM/DD/YYYY	Date Terminated MM/DD/YYYY
Long Grove Downtown/Rte. 83 TIF District	2/26/2008	

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]**

**FY 2020**

<b>Name of Redevelopment Project Area (below):</b>  <p style="text-align: center;">Long Grove Downtown/Rte. 83 TIF District</p>	
<b>Primary Use of Redevelopment Project Area*: Combination/Mixed</b>	

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

<b>If "Combination/Mixed" List Component Types: Business District/Retail</b>	
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
Tax Increment Allocation Redevelopment Act	<input checked="" type="checkbox"/>
Industrial Jobs Recovery Law	<input type="checkbox"/>

**Please utilize the information below to properly label the Attachments.**

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment (labeled Attachment A).</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification (labeled Attachment B).</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion (labeled Attachment C).</b>		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement (labeled Attachment D).</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) (labeled Attachment E).</b>	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information (labeled Attachment F).</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).</b>	X	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report (labeled Attachment H).</b>		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).</b>		X
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If attachment I is yes, then Analysis <u>MUST</u> be attached and (labeled Attachment J).</b>		X
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).</b>		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).</b>		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose the list only, not actual agreements (labeled Attachment M).</b>	X	

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))**  
**Provide an analysis of the special tax allocation fund.**

FY 2020

Long Grove Downtown/Rte. 83 TIF District

Special Tax Allocation Fund Balance at Beginning of Reporting Period     \$ (8,370,885)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 383,549	\$ 2,473,326	14%
State Sales Tax Increment	\$ 199,684	\$ 1,852,926	11%
Local Sales Tax Increment	\$ 114,835	\$ 601,983	3%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 12,259	\$ 46,949	0%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ 523,944	\$ 10,880,847	62%
Transfers from Municipal Sources	\$ 38,355	\$ 775,366	4%
Private Sources	\$ -	\$ -	0%
Other (identify source MISC/PUBLIC CHARGES FOR SERVICES; if multiple other sources, attach schedule)	\$ 534,085	\$ 943,085	5%

All Amount Deposited in Special Tax Allocation Fund     \$ 1,806,711

Cumulative Total Revenues/Cash Receipts     \$ 17,574,482     100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)     \$ 1,559,918

Transfers to Municipal Sources     \$ -

Distribution of Surplus     \$ -

Total Expenditures/Disbursements     \$ 1,559,918

Net/Income/Cash Receipts Over/(Under) Cash Disbursements     \$ 246,793

Previous Year Adjustment (Explain Below)     \$ 21,777

FUND BALANCE, END OF REPORTING PERIOD\*     \$ (8,102,315)

\* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

**Previous Year Explanation:**

The Beginning Balance for the reporting period was adjusted by \$21,777 to correct the recognition of revenues related to sales tax. The prior auditors didn't accrual 3 months of sales tax, only 2 months.





SECTION 3.2 A

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -

<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 1,559,918</b>
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SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FY 2020

TIF NAME:

Long Grove Downtown/Rte. 83 TIF District

FUND BALANCE BY SOURCE

\$ (8,102,315)

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
2010 Limited Obligation TIF Revenue Bonds	\$ 4,450,000	\$ -
Series 2009A TIF Bonds	\$ 1,500,000	\$ 1,500,000
Series 2009B TIF Bonds	\$ 3,000,000	\$ 3,000,000
Series 2011A TIF Bonds	\$ 950,000	\$ 950,000
Series 2016A TIF Bonds	\$ 400,000	\$ 175,215
Series 2016B TIF Bonds	\$ 400,000	\$ 400,000
Series 2018B TIF Bonds	\$ 1,500,000	\$ 718,018
Series 2020 Refunding Bonds	\$ 3,600,000	\$ 3,550,000

<b>Total Amount Designated for Obligations</b>	\$ 15,800,000	\$ 10,293,233
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**2. Description of Project Costs to be Paid**

Municipal Advances		

<b>Total Amount Designated for Project Costs</b>	\$ -
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<b>TOTAL AMOUNT DESIGNATED</b>	\$ 10,293,233
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<b>SURPLUS/(DEFICIT)</b>	\$ (18,395,548)
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**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

FY 2020

**TIF NAME:**

**Long Grove Downtown/Rte. 83 TIF District**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X

**Check here if no property was acquired by the Municipality within the Redevelopment Project Area.**

**Property Acquired by the Municipality Within the Redevelopment Project Area.**

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (8):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

**SECTION 5 - 20 ILCS 620/4.7 (7)(F)**  
**PAGE 1**

FY 2020

**TIF Name:** Long Grove Downtown/Rte. 83 TIF District

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.

**Select ONE of the following by indicating an 'X':**

1. <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
--	--

2. The Municipality <b>DID</b> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	
---	--

2a. The total number of <b>ALL</b> activities undertaken in furtherance of the objectives of the redevelopment plan:	
--	--

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:			
	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
<b>TOTAL:</b>			
Private Investment Undertaken (See Instructions)	\$ 34,966,999	\$ 9,528,201	\$ 44,495,200
Public Investment Undertaken	\$ 11,461,718	\$ 5,716,739	\$ 17,178,397
Ratio of Private/Public Investment	3 3/59		2 36/61

\*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

**Project 1\*: Sunset Grove Capital Improvements**

Private Investment Undertaken (See Instructions)	\$ 30,000,000	\$ 500,000	\$ 30,500,000
Public Investment Undertaken	\$ 3,042,780		\$ 3,042,780
Ratio of Private/Public Investment	9 55/64		10 1/42

**Project 2\*: Covered Bridge Repair**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 523,934	\$ 661,882	\$ 1,185,756
Ratio of Private/Public Investment	0		0

**Project 3\*: Old McHenry Road Modern Roundabout**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 93,120		\$ 93,120
Ratio of Private/Public Investment	0		0

**Project 4\*: Streetscapes**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 174,076	\$ 1,140,958	\$ 1,315,034
Ratio of Private/Public Investment	0		0

**Project 5\*: IL Rte. 83 Public Water System**

Private Investment Undertaken (See Instructions)	\$ 3,000,000	-	\$ 3,000,000
Public Investment Undertaken	\$ 1,357,397	-	\$ 1,357,397
Ratio of Private/Public Investment	2 4/19		2 4/19

**Project 6\*: Robert Parker Coffin Road Paving**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 231,794	\$ 1,000,000	\$ 1,231,794
Ratio of Private/Public Investment	0		0

**Project 7\*: Downtown Wayfinding Signs**

Private Investment Undertaken (See Instructions)		\$ 50,000	\$ 50,000
Public Investment Undertaken	\$ 9,351		\$ 9,351
Ratio of Private/Public Investment	0		5 17/49

**Project 8\*: Stempel Parking Lot**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 12,000	\$ 988,000	\$ 1,000,000
Ratio of Private/Public Investment	0		0

**Project 9\*: Burial of ComEd Lines**

Private Investment Undertaken (See Instructions)	\$ 85,000		\$ 85,000
Public Investment Undertaken	\$ 15,000		\$ 15,000
Ratio of Private/Public Investment	5 2/3		5 2/3

**Project 10\*: Archer Parking Lot**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 3,330,278		\$ 3,330,278
Ratio of Private/Public Investment	0		0

**Project 11\*: Archer Lot Site Development**

Private Investment Undertaken (See Instructions)		\$ 6,500,000	\$ 6,500,000
Public Investment Undertaken	\$ 501,341		\$ 501,341
Ratio of Private/Public Investment	0		12 28/29

**Project 12\*: Water System Extension (Archer Road)**

Private Investment Undertaken (See Instructions)	\$ 1,625,000		\$ 1,625,000
Public Investment Undertaken	\$ 1,155,345		\$ 1,155,345
Ratio of Private/Public Investment	1 37/91		1 37/91

**Project 13\*: Additional Downtown Water Extension**

Private Investment Undertaken (See Instructions)	\$ 256,999	\$ 2,478,201	\$ 2,735,200
Public Investment Undertaken	\$ 701,986	\$ 1,639,215	\$ 2,341,201
Ratio of Private/Public Investment	26/71		1 1/6

**Project 14\*: Old McHenry Road Lighting**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 313,316	\$ 286,684	\$ 600,000
Ratio of Private/Public Investment	0		0

**Project 15\*:**

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0



**ATTACHMENT B**  
**CEO CERTIFICATION**



December 23, 2020

RE: Village of Long Grove Certificate of Compliance  
Village of Long Grove Downtown/Il. Rt. 83 Tax Increment Finance District  
For Fiscal Year Ending April 30, 2019

I, Bill Jacob, the duly elected chief executive officer of the Village of Long Grove, County of Lake, State of Illinois, do hereby certify that to the best of my knowledge, the Village of Long Grove has substantially complied with all requirements pertaining to the Illinois Tax Increment Allocation Redevelopment Act during the municipal fiscal year that ended on April 30, 2020, except as noted in Attachment H of the Village's annual report.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Jacob", written over a faint, larger version of the signature.

Bill Jacob  
President  
Village of Long Grove

**ATTACHMENT C**  
**LEGAL COUNSEL CERTIFICATION**

# **FILIPPINI**

---

# **LAW FIRM**

Tel 312.300.6554  
Fax 312.324.0668

Filippini Law Firm, LLP  
990 Grove Street  
Suite 220  
Evanston, IL 60201  
[www.filippinilawfirm.com](http://www.filippinilawfirm.com)

**Victor P. Filippini, Jr.**  
312.300.6549  
[Victor.Filippini@filippinilawfirm.com](mailto:Victor.Filippini@filippinilawfirm.com)

23 December 2020

Village President Jacob and the Board of Trustees  
Village of Long Grove  
3110 RFD  
Long Grove, Illinois 60047

Re: The Village of Long Grove  
Village of Long Grove Downtown/II. Rt. 83 Tax Increment Finance District  
Annual Report for Fiscal Year Ending April 30, 2020

Dear President Jacob and Trustees:

This letter confirms that, as the Village Attorney for the Village of Long Grove, Illinois, I have reviewed all information provided to me by the Village administration, staff and consultants regarding the Village's Annual Tax Increment Finance Report for the fiscal year ending 30 April 2020. Based on such information, and to the best of my knowledge and belief, it is my opinion that the Village of Long Grove has substantially conformed to all applicable requirements of the Illinois Tax Increment Allocation Redevelopment Act for the fiscal year ending 30 April 2020, except for the timely convening of the Joint Review Board.

Very truly yours,



Victor P. Filippini, Jr.  
Village Attorney

cc: William Balling, Interim Village Manager



## ATTACHMENT D

### ACTIVITIES IN FURTHERANCE OF THE REDEVELOPMENT PLAN

The *Village of Long Grove Downtown/Il. Rt. 83 Redevelopment Plan and Project* (the "Redevelopment Plan") was approved in February, 2008. Goals and objectives of the Redevelopment Plan include, *inter alia*, the following:

- Encourage economic development in the Redevelopment Project Area that is consistent with the comprehensive plan of for the development of the Village as a whole.
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
- Strengthen the economic well-being of the Redevelopment Project Area and the Village by increasing business activity, tax base, and job opportunities.
- Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Redevelopment Plan and contemporary development needs and standards.
- Provide needed public improvements or facilities.
- Provide new retail options for the Village.

During Fiscal Year 2020, the Village has focused on having individual properties in the historic Downtown connect to the newly installed water system and coordinating with the Lake County Division of Transportation in completing improvements to Old McHenry Road. Substantial work on the Robert Parker Coffin Bridge were also undertaken, which was funded in significant part by insurance proceeds from vehicular damage to the bridge.

**ATTACHMENT H**  
**Joint Review Board Materials**

# **FILIPPINI LAW FIRM**

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312.300.6549  
[victor.filippini@filippinilawfirm.com](mailto:victor.filippini@filippinilawfirm.com)

27 February 2020

**Via Certified Mail**

See Attached Distribution List

Re: Village of Long Grove Joint Review Board Meeting  
Downtown/IL Rt. 83 Tax Increment Finance District (FY19)

Dear Joint Review Board Member:

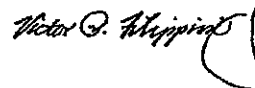
As you know, the Joint Review Board has convened on multiple occasions regarding the Redevelopment Plan and Project for the Village of Long Grove Downtown/ IL Rt. 83 Tax Increment Finance (TIF) District. This notice is to inform you that a meeting of the Joint Review Board has been scheduled for Friday, 13 March 2020 at 7:00 a.m., pursuant to the applicable provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* The 13 March 2020 meeting will take place at the Long Grove Village Hall, 3110 Old McHenry Road, Long Grove, Illinois 60047.

Enclosed please find a copy of the following materials relating to the 13 March 2020 Joint Review Board Annual Meeting:

- Joint Review Board Annual Meeting Agenda
- Draft Minutes from 4/17/2019 Joint Review Board Annual Meeting
- Village of Long Grove FY2019 TIF Report
- Distribution List

If you have any questions or concerns, please do not hesitate to contact me at (312) 300-6549.

Sincerely,



Victor P. Filippini, Jr.

Enclosures

Cc: David Lothspeich, Village Manager

**JOINT REVIEW BOARD MEETING**

**DOWNTOWN/IL RT. 83 TIF  
VILLAGE OF LONG GROVE  
(FY 2019 Review)**

**Village Hall, Long Grove, Illinois  
3110 Old McHenry Road  
Long Grove IL 60047**

**Meeting Notice and Agenda**

**March 13, 2020 - 7:00 a.m.**

1. Call to Order
2. Introduction of Representatives of Taxing Districts and Public Member
3. Selection of Chairperson
4. Review Status of TIF (FY 2019 Annual Report)
5. Review Effectiveness of TIF
6. Approval of Minutes for April 17, 2019 Joint Review Board meeting for FY2016, FY2017, and FY2018
7. Public Comment
8. Other Business
9. Adjournment

**Minutes of the  
JOINT REVIEW BOARD MEETING  
DOWNTOWN/IL RT. 83 TIF  
VILLAGE OF LONG GROVE  
(FY 2016-2018 Review)**

Village Hall, Long Grove, Illinois  
3110 Old McHenry Road  
Long Grove IL 60047

April 17, 2019

**1. Call to Order.**

Village of Long Grove representative Trustee Anne Kritzmire called the meeting to order at 7:03 a.m. by leading those assembled in the pledge of allegiance.

**2. Introduction of Representatives of Taxing Districts and Public Member**

The following members of the Joint Review Board ("JRB") were in attendance:

- Village of Long Grove: Trustee Anne Kritzmire
- Public Member: Rick Terrett
- Lake County College District: Ken Gotsch

Other persons in attendance were: Village President for the Village of Long Grove Bill Jacob, Village Manager for the Village of Long Grove David Lothspeich, and counsel for the Village of Long Grove Victor Filippini.

**3. Selection of Chairperson.** Member Terrett moved, seconded by Member Kritzmire, to appoint Member Kritzmire as Chairperson. On a voice vote, all ayes. Member Kritzmire thereafter oversaw the meeting as Chair.

**4-6. Review Status of TIF (FY 2016-2018)**

Chairperson Kritzmire requested Long Grove Village Counsel Filippini to review the status of the TIF District. Mr. Filippini reviewed the revenue stream from the TIF, status of TIF ongoing projects, public and private investments in TIF projects, financing of TIF projects, performance of bonds secured by TIF revenues, and the Village's own investment in the TIF. Mr. Filippini noted the trends among FY2016, FY2017, and FY2018. He also noted that this particular session of the Joint Review Board was to address three distinct fiscal years, noting that scheduling difficulties inhibited earlier sessions for FY2016 and FY2017.

Chairperson Kritzmire reviewed the overall improvements undertaken and/or completed in connection with the TIF District, including Sunset Grove, the Archer parking lot, the creation of the new Archer lots in the Historic Downtown District, the Archer Road connection, and the establishment and extension of the Village's water system.

In addition, Chairperson Kritzmire noted that the Village had recently created an Economic development Commission to help spur additional development within and outside the TIF District.

Mr. Filippini noted the status of the bonds supported by the TIF District. He also identified sites within the TIF District that are now primed for development, including without limitation the "South 15 acres" along Route 83, the Archer lots, a portion of the Executive House site, and the so-called Triangle area along Old McHenry Road south of the downtown.

Member Gotsch noted that the College has a job-training focus that could be coordinated with the economic development activities that may be stimulated by the TIF District.

**7. Review Effectiveness of TIF**

The members of the JRB and the public had no further comments regarding the effectiveness of the TIF District. Member Gotsch did discuss some of the College's activities and how they might be incorporated into activities within the Village of Long Grove, including non-TIF District sites such as the former CF Industries property.

- 8. Approval of Minutes for November 3, 2016 Joint Review Board meeting for FY2015.** Member Gotsch moved, seconded by Member Terrett, to approve the minutes of the November 3, 2016 Joint Review Board Meeting for FY 2015. On a voice vote, all ayes.
- 9. Public Comment:** Village President Jacob thanked the JRB members. There were no additional public comments.
- 10. Other Business:** None.
- 11. Adjournment:** At 7:15 a.m., Member Terrett moved, seconded by Member Gotsch, to adjourn the meeting. On a voice vote, the motion passed and the meeting adjourned.

**Minutes of the  
JOINT REVIEW BOARD MEETING  
DOWNTOWN/IL RT. 83 TIF  
VILLAGE OF LONG GROVE  
(FY 2019 Review)**

Village Hall, Long Grove, Illinois  
3110 Old McHenry Road  
Long Grove IL 60047

**March 13, 2020**

**1. Call to Order.**

Village of Long Grove representative Trustee Anne Kritzmire called the meeting to order at 7:02 a.m.

**2. Introduction of Representatives of Taxing Districts and Public Member**

The following members of the Joint Review Board ("JRB") were in attendance:

- Village of Long Grove: Trustee Anne Kritzmire
- Public Member: Rick Terrett (telephonic attendance)
- Vernon Area Public Library District: Cynthia Fuerst, Library Director

Other persons in attendance were: Village President for the Village of Long Grove Bill Jacob, Village Manager for the Village of Long Grove David Lothspeich, and counsel for the Village of Long Grove Victor Filippini (telephonically).

**3. Selection of Chairperson.** Member Fuerst moved, seconded by Member Kritzmire, to appoint Member Kritzmire as Chairperson. On a voice vote, all ayes. Member Kritzmire thereafter oversaw the meeting as Chair.

**4. Review Status of TIF (FY 2019)**

Chairperson Kritzmire reviewed the status of the TIF District. Chairperson Kritzmire reported that in FY19 infrastructure improvements continued to enhance the downtown, including water improvements, street lighting, and other streetscape work.

**5. Review Effectiveness of TIF**

Chairperson Kritzmire offered her perspective that the TIF seemed to be performing as intended, albeit not quite on schedule due to economic conditions that affected the TIF when it was first established in 2008. JRB Members and President Jacob all noted that the streetscape improvements in the historic downtown have been transformative. Chairperson Kritzmire also noted that businesses are re-investing in their properties. Village President Jacob stated that the vacancy rate still needs to be lowered, and Chairperson Kritzmire

observed that the Village now has an Economic Development Commission to assist in efforts to bring new businesses to the TIF and the Village generally.

Member Fuerst also added that pathways into the historic downtown would be desirable. Chairperson Kritzmire stated that those activities are on the horizon, including pathway extensions that will be supported in part by a State grant.

6. **Approval of Minutes for April 17, 2019 Joint Review Board meeting for FY2016, FY2017, and FY2018**

Chairperson Kritzmire moved, seconded by Member Terrett, to approve the minutes of the April 17, 2019 Joint Review Board meeting for FY2016, FY2017, and FY2018. On a voice vote, all ayes.

7. **Public Comment:** Village President Jacob thanked the JRB members. There were no additional public comments.

8. **Other Business:** Member Fuerst stated that the Historic Downtown looked great, and she stated that the Library had no concerns other than desiring to be informed. Member Fuerst and President Jacob discussed the desirability and utilization of a drop-box that the Library had placed at Sunset Grove. There was no other business.

9. **Adjournment:** At 7:12 a.m., Member Fuerst moved, seconded by Member Terrett, to adjourn the meeting. On a voice vote, the motion passed and the meeting adjourned.

DRAFT



**ATTACHMENT I**

**Limited Offering Memorandum for Series 2020 Refunding Bonds**  
**(Sans Appendices)**

**New Issue  
Book-Entry Only**

**Non-Rated**

*In the opinion of Foley & Lardner LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income taxes purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, interest on the Bonds, is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein. Bond Counsel expresses no opinion regarding any other federal or other tax consequences. The Village has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.*

**\$3,600,000**  
**Village of Long Grove**  
**Lake County, Illinois**  
**Tax Increment Revenue Refunding Bonds,**  
**Series 2020 (Sunset Grove Project)**

**Dated: Date of Issuance**

**Bank Qualified**

**Due: January 1 as shown on inside cover**

This Limited Offering Memorandum is being furnished solely for consideration by prospective sophisticated purchasers of the Tax Increment Revenue Bonds, Series 2020 (Sunset Grove Project), Series 2020 (the "Bonds"), with substantial financial resources and the experience and financial expertise to understand and evaluate the degree of risk inherent in this investment. The Bonds are limited obligations of the Village of Long Grove, Lake County, Illinois (the "Village") and are payable solely from (i) Pledged Revenues (as defined herein), (ii) the amounts on deposit in and to the credit of certain funds and accounts of the Village, all in the priority of lien and as provided in the Indenture (as herein defined), and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee (as defined herein) under the terms of the Indenture and specifically pledged for the payment of the Bonds. See "SECURITY FOR THE BONDS" and "RISK FACTORS" herein.

Each Bond shall bear interest from the later of the date of issuance (the "Dated Date") or from the most recent Interest Payment Date on which interest has been paid or duly provided for, such interest (computed upon a 360-day year of twelve 30-day months) being payable semiannually on each January 1 and July 1, commencing July 1, 2020.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Bonds. Purchases will be made in book-entry form through DTC participants only in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof and no physical delivery of the Bonds will be made to purchasers. See "BOOK-ENTRY ONLY SYSTEM." Amalgamated Bank of Chicago will serve as trustee, bond registrar and paying agent for the Bonds.

**The Bonds are subject to optional and extraordinary mandatory redemption prior to maturity as described herein under "THE BONDS".**

**THE BONDS ARE SUBJECT TO A HIGH DEGREE OF RISK. SEE "RISK FACTORS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.**

**THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO HOLDER OF THE BONDS SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, THEREON.**

*The Bonds are being offered when, as and if issued subject to prior sale, withdrawal or modification of the offer without notice, subject to the approval of legality by Foley & Lardner LLP, Chicago, Illinois, Bond Counsel. Certain legal matters are being passed upon by Filippini Law Firm LLP, counsel to the Village. Certain legal matters will be passed upon for the Underwriter by Foley & Lardner LLP, Chicago, Illinois. The Bonds are expected to be available for delivery in definitive form through the facilities of DTC on or about January 23, 2020.*



**D.A. DAVIDSON**  
FIXED INCOME CAPITAL MARKETS

January 9, 2020

**MATURITIES AND PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS  
AND CUSIPS**

**\$3,600,000  
VILLAGE OF LONG GROVE  
LAKE COUNTY, ILLINOIS  
TAX INCREMENT REVENUE REFUNDING BONDS,  
SERIES 2020 (SUNSET GROVE PROJECT)**

Maturity (January 1)	Amount	Interest Rates	Yield	CUSIP <sup>1</sup>
2021	\$230,000	2.350%	2.330%	54265XAB0
2022	240,000	2.500	2.360	54265XAC8
2023	245,000	2.500	2.430	54265XAD6
2024	255,000	2.750	2.560	54265XAE4
2025	270,000	2.850	2.690	54265XAF1
2026	280,000	3.000	2.890	54265XAG9
2027	290,000	3.100	3.100	54265XAH7
2028 <sup>†</sup>	305,000	3.250	3.230	54265XAJ3
2029	320,000	3.350	3.370	54265XAK0
2030	330,000	3.500	3.520	54265XAL8
2031	345,000	3.600	3.660	54265XAM6
2032	490,000	3.700	3.710	54265XAN4

<sup>†</sup>Yield to the first call date of January 1, 2027.

<sup>1</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed are being provided solely for the convenience of the Bondholders only at the time of sale of the Bonds and the Village does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the sale of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

## REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum is being furnished by the Village of Long Grove, Lake County, Illinois (the "Village") to a limited number (35 or less) of sophisticated investors or registered investment companies under the Investment Company Act of 1940 solely for the purpose of each investor's consideration of the purchase of the Bonds described herein, and is not to be used for any other purpose or made available to anyone not directly concerned with the decision regarding such purchase. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. Interested investors are being provided the opportunity to ask such questions and examine such documents and records as they may desire, and are advised to contact the Underwriter to secure further information concerning the Bonds.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations in connection with the offering of the Bonds, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized. In accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, the Underwriter has reviewed the information in this Limited Offering Memorandum, but does not guarantee the accuracy or completeness of such information. Neither the delivery of this Limited Offering Memorandum nor the sale of any of the Bonds shall imply that the information herein is correct as of any time subsequent to the date hereof.

This Limited Offering Memorandum should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Limited Offering Memorandum. Where statutes, resolutions, ordinances, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, ordinances, reports or other documents for more complete information regarding the rights and obligations of the parties thereto, the facts and opinions contained therein and the subject matter thereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR RESPECTIVE AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE BONDS HAVE RISK CHARACTERISTICS WHICH REQUIRE CAREFUL ANALYSIS AND CONSIDERATION BEFORE A DECISION TO PURCHASE IS MADE. THE BONDS SHOULD BE PURCHASED BY INVESTORS WHO HAVE ADEQUATE EXPERIENCE TO EVALUATE THE MERITS AND RISKS OF THE BONDS. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS LIMITED OFFERING MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE UNDERWRITER, ITS AFFILIATES, OFFICERS AND EMPLOYEES OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS INVESTMENT OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO FINANCIAL, LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN.

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING  
STATEMENTS IN THIS LIMITED OFFERING MEMORANDUM**

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Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "believe," "expect," "estimate," "anticipate," "intend," "projected," "budget," "could," or other similar words. Additionally, all statements in this Limited Offering Memorandum, including forward-looking statements, speak only as of the date they are made, and neither the Village nor the Underwriter undertakes any obligation to update any statement in light of new information or future events.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE VILLAGE, THE OWNER, THE UNDERWRITER NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

**VILLAGE OF LONG GROVE**  
**LAKE COUNTY, ILLINOIS**  
3110 Old McHenry Road  
Long Grove, Illinois 60047-5286

**VILLAGE PRESIDENT**  
Bill Jacob, Village President

**VILLAGE TRUSTEES**  
Chris Borawski  
Ann Kritzmire  
Jenny Michaud  
Chuck Nora  
Rita O'Connor  
Bobbie O'Reilly

**VILLAGE CLERK**  
Amy Johns Gayton

**VILLAGE MANAGER**  
David A. Lothspeich

**VILLAGE ATTORNEY**  
Filippini Law Firm LLP  
Evanston, Illinois

**BOND COUNSEL**  
Foley & Lardner LLP  
Chicago, Illinois

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## TABLE OF CONTENTS

INTRODUCTION.....	1
THE BONDS.....	2
Authorization.....	2
Description.....	2
Extraordinary Mandatory Redemption.....	3
Optional Redemption.....	3
Redemption Procedure.....	3
BOOK-ENTRY ONLY SYSTEM.....	4
ESTIMATED SOURCES AND USES OF FUNDS.....	7
SECURITY FOR THE BONDS.....	8
PLAN OF FINANCE AND FLOW OF FUNDS.....	9
Flow of Funds.....	9
REFUNDING PLAN.....	12
ESTIMATED DEBT SERVICE COVERAGE.....	12
THE REDEVELOPMENT PROJECT AREA.....	14
Summary of the Project.....	14
Retail Tenants.....	14
Project Site.....	16
THE REDEVELOPMENT AGREEMENT.....	17
THE VILLAGE.....	17
General Description.....	17
Village Organization and Administration.....	18
Selected Socio-Economic and Demographic Characteristics.....	18
Business.....	18
Employment.....	19
Current Economic Development Programs.....	19
Property Taxes.....	20
Historical Tax Rates for Sunset Grove Property.....	20
Equalized Assessed Valuation.....	20
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION.....	21
Tax Levy and Collection Procedures.....	21
Exemptions.....	21
Property Tax Extension Limitation Law.....	23
Truth in Taxation Law.....	23
DESCRIPTION OF PLEDGED REVENUES.....	23
Tax Increment Financing in Illinois.....	24
The Business District Taxes.....	25
Sales Tax Levy and Collection Procedures.....	25
RISK FACTORS.....	26
Limited Source of Funds.....	27
Information Not Verified.....	27
Risk of Natural Disaster.....	27
Risk of Failure to Maintain Levels of Assessed Valuations.....	27
Risks Associated with Generation of Incremental Property Taxes.....	28
Reliance on Sunset Foods.....	28
Risk of Changes in Market Conditions, Changes in General Economic Conditions and Future Competition.....	28
Risks Associated with Generation and Receipt of Pledged Sales Taxes.....	28
Risks to Collection of Pledged Sales Taxes Associated with Failure to Fund Pensions.....	29
Risk of Legislative and Judicial Changes.....	30



Bankruptcy .....	30
Limitation on Remedies; No Acceleration .....	30
Risk of Change in Incremental Property Taxes.....	30
Risk of Occupancy .....	31
Risk of Changes in Market Conditions, Changes in General Economic Conditions and Future Competition .....	31
Risk of Discontinued Operations.....	31
TAX EXEMPTION .....	31
Original Issue Discount .....	33
Premium .....	33
Qualified Tax-Exempt Obligations .....	33
LITIGATION .....	33
General .....	33
The Bonds.....	34
CONTINUING DISCLOSURE .....	34
NO RATING .....	35
CERTAIN LEGAL MATTERS .....	35
UNDERWRITING .....	35
MUNICIPAL ADVISOR .....	35
MISCELLANEOUS.....	35
AUTHORIZATION .....	37

- APPENDIX A – FORM OF OPINION OF BOND COUNSEL
- APPENDIX B – FORM OF BOND ORDINANCE
- APPENDIX C – FORM OF TRUST INDENTURE
- APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT

**\$3,600,000**  
**Village of Long Grove**  
**Lake County, Illinois**  
**Tax Increment Revenue Refunding Bonds**  
**Series 2020 (Sunset Grove Project)**

**INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page and the Appendices hereto and made a part hereof, is to set forth information in connection with the offering by the Village of Long Grove, Lake County, Illinois (the "*Village*"), of its \$3,600,000 Tax Increment Revenue Refunding Bonds, Series 2020 (Sunset Grove Project) (the "*Bonds*").

The Bonds are limited obligations of the Village payable from (i) Pledged Revenues (as defined herein), (ii) the amounts on deposit in and to the credit of certain funds and accounts of the Village, all in the priority of lien and as provided in the Trust Indenture dated as of January 1, 2020 (the "*Indenture*"), by and between the Village and Amalgamated Bank of Chicago (the "*Trustee*"), and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee under the terms of the Indenture and specifically pledged for the payment of the Bonds. See "SECURITY FOR THE BONDS."

Capitalized terms used herein without definition shall have the meanings accorded such terms in the Bond Ordinance and the Indenture (together, the "*Bond Documents*"), copies of which are attached hereto as APPENDICES B and C, respectively.

The Village is a non-home rule unit of government under the Constitution and subject to the laws of the State of Illinois. The Village occupies approximately 18 square miles located in Vernon, Ela and Fremont Townships in Lake County, Illinois, (the "*County*"), and is located approximately 35 miles northwest of downtown Chicago. See "THE VILLAGE."

The proceeds of the Bonds will be used to (i) refund the Village's outstanding Limited Obligation Tax Increment Revenue Bonds, Series 2010 (Sunset Grove Project) (the "*Prior Bonds*") for the Downtown/IL Rte. 83 Redevelopment Project Area (the "*Redevelopment Project Area*") by the Village; (ii) fund necessary reserves; and (iii) pay costs of issuance. See "REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Bond Documents. Copies of the Bond Documents are attached hereto as APPENDICES B and C, and are available for inspection at the office of the Village Clerk, Long Grove, Illinois. All statements, information and statistics herein are believed to be correct but are not guaranteed by D.A. Davidson & Co. (the "*Underwriter*") or the Village, and all expressions of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. The information contained herein is provided as of the date hereof and is subject to change.

**THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION OR LIMITATION. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, THEREON.**

Included as Appendices to this Limited Offering Memorandum is the form of the opinion of Bond Counsel to be delivered with respect to the Bonds and forms of the Bond Ordinance, Trust Indenture and Continuing Disclosure Agreement.

## THE BONDS

### Authorization

The Bonds are being issued pursuant to the provisions of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "*Act*"), and all laws amendatory and supplemental to the Act, the Local Government Debt Reform Act, as amended, the Indenture and a bond ordinance (the "*Bond Ordinance*") adopted by the President and Board of Trustees of the Village (the "*Board*") on December 10, 2019.

### Description

The Bonds will be dated as of the date of issuance (the "*Dated Date*") and will mature as set forth on the inside cover page hereof. The Bonds will bear interest from the Dated Date, payable semiannually on each January 1 and July 1, commencing on July 1, 2020, at the rates set forth on the inside cover page hereof. Each Bond will bear interest from the later of its Dated Date or the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Trustee will serve as bond registrar and paying agent for the Bonds as well as Trustee under the Indenture.

The Bonds will be issued only as fully registered bonds in denominations of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The Bonds will be initially registered through a book-entry only system operated by The Depository Trust Company, New York, New York ("*DTC*"), which will act as securities depository for the Bonds. The Bonds will be initially registered in the name of Cede & Co., as registered owner and nominee of DTC. Purchasers of the Bonds will not receive physical delivery of the bond certificates representing their beneficial ownership interests. Details of payments of the Bonds and the book-entry only system are described below under "BOOK-ENTRY ONLY SYSTEM."

As provided in the Bond Documents and subject to certain limitations and payment of certain taxes or other governmental charges set forth in the Bond Documents, the Bonds are transferable or exchangeable by the registered owner at the principal office maintained for the purpose by the Trustee for a like aggregate principal amount of Bond or Bonds of the same maturity of other Authorized Denominations. The Trustee shall not be required to transfer or exchange any Bond during a period of 15 days next preceding the mailing of a notice of redemption nor during the period of 15 days next preceding any Interest Payment Date nor to transfer or exchange after notice calling such Bond for redemption has been mailed.

Principal of and redemption premium, if any, on the Bonds will be payable only upon presentation and surrender when due at the principal office maintained for the purpose by the Trustee. Interest on each Bond will be payable on each Interest Payment Date to the person in whose name the Bond is registered in the Bond Register, at the close of business on the 15th day of the month preceding any regularly scheduled interest payment date. Interest will be paid by check or draft mailed to such registered owner at such registered owner's address as it appears in the Bond Register.

### **Extraordinary Mandatory Redemption**

The Bonds are subject to extraordinary mandatory redemption, on any date, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, at the direction of the Village, in whole or in part, from available moneys from the proceeds of any condemnation of the improvements funded with the proceeds of the Bonds by any governmental entity.

Any such extraordinary mandatory redemption of the Bonds will be applied, to the extent possible, to reduce pro rata the amount of the Bonds maturing in each year so as to maintain the proportion of principal maturing in each year to the total original principal amount of the Bonds and if such prepayment amount is insufficient to apply pro rata, then in such order and among maturities or sinking fund installments as directed by the Village.

### **Optional Redemption**

The Bonds maturing on or after January 1, 2028 are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, from any available moneys, and if in part by lot, on January 1, 2027, and any date thereafter, at the redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the date fixed for redemption.

### **Redemption Procedure**

The Village shall, at least 45 days prior to the redemption date (unless a shorter time shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the principal amount of Bonds to be redeemed. In the event that less than all of the Bonds are called for redemption as aforesaid, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 30 days prior to the redemption date by the Trustee for the Bonds by such method of lottery as the Trustee shall deem fair and appropriate; provided that in the event of a redemption of less than all of the Bonds, the aggregate principal amount thereof to be redeemed shall be an integral multiple of \$5,000. Such lottery shall further provide for the selection for redemption of Bonds or portions thereof so that any Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such Bond or \$5,000 portion.

The Trustee shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by the owner of Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owners to the Trustee.

Prior to any redemption date, the Village shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond shall affect the

sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Interest due on or prior to the redemption date shall be payable as provided in the Indenture for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal, and premium, if any, shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

### **BOOK-ENTRY ONLY SYSTEM**

THE INFORMATION PROVIDED IMMEDIATELY BELOW CONCERNING DTC AND THE BOOK-ENTRY-ONLY SYSTEM, AS IT CURRENTLY EXISTS, IS BASED SOLELY ON INFORMATION PROVIDED BY DTC AND IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITER OR THE VILLAGE.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "1934 Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct

Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is

to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Village or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Village or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered as described in the Indenture.

For every transfer and exchange of the Bonds, the Trustee and DTC and the Direct and Indirect Participants may charge the Beneficial Owner a sum sufficient to cover any tax, fee or other charge that may be imposed in relation thereto.

NEITHER THE VILLAGE, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM ON THE BONDS; (3) THE DELIVERY BY ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

## ESTIMATED SOURCES AND USES OF FUNDS

### *Sources*

Bond Proceeds:	
Par Amount	\$3,600,000.00
Original Issue Premium/Discount	3,577.25
Prior Trustee Held Funds	<u>618,093.49</u>
<b>Total Sources</b>	<b>\$4,221,670.74</b>

### *Uses*

Refunding of Prior Bonds	\$3,648,412.50
Debt Service Reserve Fund	360,000.00
2020 Principal & Interest Account	49,313.56
Program Expense Account	27,000.00
Costs of Issuance <sup>(1)</sup>	<u>136,944.68</u>
<b>Total Uses</b>	<b>\$4,221,670.74</b>

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<sup>(1)</sup> Costs of Issuance include the Underwriter's discount, bond counsel fees, and other costs associated with the issuance of the Bonds.



## SECURITY FOR THE BONDS

The Bonds represent limited obligations of the Village, and the principal of, premium, if any, and interest on the Bonds are payable solely and only from (i) the Pledged Revenues (as hereinafter defined), (ii) the amounts on deposit in and pledged to certain of the funds and accounts created pursuant to the Indenture (excluding the Program Expenses Account, the Rebate Fund and the General Account), and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee by the Village or on behalf of the Village or by any other Persons to be held by the Trustee under the terms of the Indenture and specifically pledged for such purpose.

The "Pledged Revenues" under the Indenture include (i) the "Sunset Grove Incremental Property Taxes" received by the Village in each Calendar Year, (ii) the "Sunset Grove Business District Taxes" received by the Village in each Calendar Year, (iii) the "Sunset Grove Sales Taxes" received by the Village in each Calendar Year, and (iv) the "Sunset Grove Public Infrastructure Sales Taxes" received by the Village in each Calendar year, together with any other revenues from any other source whatsoever designated to pay principal of, premium, if any, or interest on the Bonds, together with earnings on such moneys and including any Pledged Revenues transferred from the Revenue Fund held under the Indenture for the Prior Bonds.

The Sunset Grove Incremental Property Taxes consist of 100% of the ad valorem taxes, if any, arising from the taxes levied upon the taxable real property in the Redevelopment Project Area from the Sunset Grove Property (as hereinafter defined) and by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area from the Sunset Grove Property over and above the total Initial Equalized Assessed Value of each such piece of property constituting the Sunset Grove Property. See "THE REDEVELOPMENT PROJECT AREA". The "Sunset Grove Property" consists of those parcels of real property within the IL Rte. 83 Business District and the Redevelopment Project Area that are identified as eight Property Identification Numbers ("PINs"), that are located within the Redevelopment Project Area and the IL Rte. 83 Business District.

**It should be noted that the Village has not previously levied and extended an ad valorem tax on taxable real property within the Village. As a result, the Act requires the Village to annually deposit to the Special Tax Allocation Fund an amount equal to 10% of the total contributions to such Fund from all other taxing districts in that year. The Village has covenanted in the Indenture to make such annual contributions to the Special Tax Allocation Fund to satisfy the requirements of the Act.**

The Sunset Grove Business District Taxes consist of 100% of the Business District Taxes (as hereinafter defined) collected from sales originating from businesses located within the Sunset Grove Property. The Business District Taxes consist of the one percent (1.00%) retailers' occupation tax and one percent (1.00%) service occupation tax imposed by the Village and to be collected by the Village on retail sales that occur within the IL Rte. 83 Business District.

The Sunset Grove Sales Taxes consist of (i) 60% of the Sales Tax Revenues (as hereinafter defined) received by the Village each year from sales arising from businesses located within the Sunset Grove Property, except those sales arising from the Sunset Foods retail grocery store located on the Sunset Grove Property (hereinafter referred to as "Sunset Foods"), and (ii) 100% of the Sales Tax Revenues arising from the first \$1,000,000.00 in Sales Tax Revenues attributable to the Sunset Foods since its opening and thereafter 60% of the Sales Tax Revenues from sales attributable to Sunset Foods. "Sales Tax Revenues" are all revenues that the Village receives from the 1.0% sales tax levied by the State of Illinois and allocated

to the Village by the Department of Revenue pursuant to the Illinois Retailers Occupation Tax Act and the Illinois Service Occupation Tax Act, and such other authority as shall be applicable pursuant to any successor statutes that result from retail sales of all businesses located within the Sunset Grove Property within the Redevelopment Project Area.

The Sunset Grove Public Infrastructure Sales Taxes consist of 60% of the revenues that the Village receives from the one percent (1.0%) sales tax imposed by the Village for expenditures on "Public Infrastructure" as defined in the Illinois Municipal Code and pursuant to the Non-Home Rule Municipal Retailers Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act that result from taxes imposed to pay Public Infrastructure on retail sales of all businesses located within the Sunset Grove Property.

**THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION OR LIMITATION. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST OR PREMIUM, IF ANY, THEREON.**

#### **PLAN OF FINANCE AND FLOW OF FUNDS**

##### **Flow of Funds**

The Indenture details the flow of funds for the Pledged Revenues. The form of the Indenture is attached hereto as APPENDIX C. The following is a summary of the flow of funds for the Pledged Revenues as set forth in the Indenture. The Village had previously established a Special Tax Allocation Fund which has been expressly continued as a special fund of the Village and the Village Treasurer will collect or receive the Incremental Taxes which will be deposited to the Special Tax Allocation Fund. On or prior to December 1 of each year the Village Treasurer will determine the amount of the Sunset Grove Incremental Property Taxes received by the Village for such year and will transfer 100% of such taxes from the Special Tax Allocation Fund to the Trustee for deposit to the Sunset Grove Incremental Tax Account of the Revenue Fund to be applied as set forth in the Indenture.

In addition to the Sunset Grove Incremental Tax Account of the Revenue Fund, the Revenue Fund established by the Village also contains a the Sunset Grove Sales Tax Account, and a Sunset Grove Business District Tax Account. The Sunset Grove Sales Tax Account was established to collect the Sunset Grove Public Infrastructure Sales Tax and the Sunset Grove Sales Taxes. On each February 1, May 1, August 1 and November 1 of each calendar year, the Village Treasurer will determine the amount of such taxes that are attributable to sales arising from businesses located within the Sunset Grove Property and will immediately transfer the Sunset Grove Sales Taxes and the Sunset Grove Public Infrastructure Sales Taxes to the Trustee for deposit to the Sunset Grove Sales Tax Account. The Trustee will apply such amounts in accordance with the Indenture. Any amounts remaining in such Account after December 10 in each year will be applied as follows: (i) first an amount necessary to provide for payment of amounts owed on any subordinated developer note will be paid by the Trustee to the Village in such amount as is communicated to the Trustee by an Authorized Officer of the Village in writing on or prior to December 10 and (ii) second any other use determined by the Village for which such funds may be lawfully applied.

The Village has established a Business District Tax Allocation Fund. The Business District Tax Allocation Fund was previously established to collect the Business District Taxes. On each February 1, May 1, August 1 and November 1 of each calendar year the Village Treasurer will determine the amount of such taxes that are attributable to sales arising from businesses located on the Sunset Grove Property and will immediately transfer the Sunset Grove Business District Taxes to the Trustee for deposit to the Sunset

Grove Business District Tax Account of the Revenue Fund. The Trustee will apply such amounts in accordance with the Indenture. Any amounts remaining in such Account after December 10 in each year shall be returned to the Village to be applied as follows: (i) first an amount necessary to provide for the payment of any subordinated developer note and (ii) second for any other use determined by the Village.

Moneys deposited by the Village with the Trustee into the Sunset Grove Incremental Sales Taxes Account, the Sunset Grove Business District Tax Account and the Sunset Grove Sales Tax Account will be credited by the Trustee and the Village on or before December 1 of each year first from all available moneys on deposit in the Sunset Grove Business District Tax Account until such amounts are depleted second to the extent required from all available moneys in the Sunset Grove Incremental Tax Account, until such amounts are depleted, and third to the extent required from all available moneys on deposit in the Sunset Grove Sales Tax Account until such amounts are depleted to be applied as follows in the order of priority set forth below:

(a) *Program Expenses Account.* The Trustee will credit to and will deposit into the Program Expenses Account an amount of Pledged Revenues sufficient to pay Program Expenses, if any, for the next succeeding calendar year in an amount not to exceed \$10,000. The Village will, no later than November 1 of each year, provide to the Trustee information, calculations or estimates of Program Expenses for the next succeeding calendar year, and the Trustee may reasonably rely upon such information, calculations or estimates of such Program Expenses as necessary to determine the proper amount of such deposit into the Program Expenses Account. Amounts on deposit in the Program Expenses Account are not pledged to payment of the Bonds.

(b) *Principal and Interest Account;* The Trustee will next transfer the Pledged Revenues into the Principal and Interest Account of the Bond Fund in an amount sufficient to pay the principal of and interest on all Outstanding Bonds coming due during the next succeeding calendar year, which amount will be set aside in the Principal and Interest Account for such purpose. Such moneys will be used solely and only for the purpose of paying principal of, redemption premium, if any, and interest on the Bonds, as the same become due whether at maturity or upon mandatory redemption.

(c) *Reserve Fund.* The Trustee will next transfer the Pledged Revenues into the Reserve Fund until such account aggregates the Debt Service Reserve Requirement for the Bonds, and thereafter no such payments will be made into that Fund, except that when any money is paid out of that Fund payments will be resumed and continued until that Fund has been restored to an aggregate amount equal to the Debt Service Reserve Requirement. The Trustee will value the investments in the Reserve Fund, if any, on or before December 1 and June 1 of each year, commencing December 1, 2020 and will transfer any amount in excess of the Debt Service Reserve Requirement to the Principal and Interest Account of the Bond Fund. In determining the value of the investments in the Reserve Fund such investments will be valued at their fair market value or as otherwise provided in this Indenture. On the final maturity date of the Bonds, all amounts on deposit in the Reserve Fund will be used and applied by the Trustee to pay principal of and interest on the Bonds. Whenever a transfer is made from the Reserve Fund to the Principal and Interest Account, the Trustee will promptly give written notice of such transfer to the Village and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA").

(d) *Rebate Fund.* The Trustee will next transfer the Pledged Revenues into the Rebate Fund to the extent necessary to ensure that there are on deposit in the Rebate Fund sufficient moneys to make, at the required times, all rebate payments to the United States of America required to be made by Section 148 of the Code and applicable provisions of the Income Tax Regulations owed with respect to the Bonds. The Village will provide to the Trustee information, calculations or estimates of amounts to be deposited in the Rebate Fund for the next succeeding calendar year. The Trustee may reasonably rely upon such information, calculations or estimates to determine the proper amount to be deposited into the Rebate Fund

and will not be required to make transfers of the Pledged Revenues into the Rebate Fund under this subsection if it has not been provided with such information, calculations and estimates. The Trustee will make any necessary rebate payments to the United States of America that are required by the Code and Regulations from moneys on deposit in the Rebate Fund at the written direction of the Village or a rebate analyst appointed by the Village. Amounts on deposit in the Rebate Fund are not pledged to payment of the Bonds, to the extent of the moneys on deposit in that Fund.

(e) *Transfer of Surplus to Village.* Any excess amounts on deposit in the Sunset Grove Incremental Tax Account of the Revenue Fund after application of such amounts as described in clauses (a) through (d) above, shall be transferred to the Village for deposit to the General Account of the Special Tax Allocation Fund. Excess amounts on deposit in the Sunset Grove Sales Tax Account of the Revenue Fund shall be applied first to the payment of any amounts owed on any subordinated developer note and second for any other eligible use determined by the Village.

(f) *Special Redemption Account.* There shall be deposited to the Special Redemption Account any condemnation proceeds received by the Village in the event of a condemnation of the improvements financed with proceeds of the Prior Bonds. Such amounts shall be used to redeem Bonds in accordance with Section 2.5(c) of the Indenture.

(f) *The General Account.* After the Bonds have been paid or defeased in full, the Trustee will transfer the balance of any Sunset Grove Incremental Property Taxes on deposit in the Sunset Grove Incremental Tax Account of the Revenue Fund, to the Treasurer to be credited to the General Account of the Special Tax Allocation Fund held by the Village. Moneys on deposit in the General Account will be used for any one or more of the following purposes as directed by the Authorized Officer, and (unless, and to the extent, otherwise provided in any Supplemental Indenture) without any priority among them:

(i) for the purpose of paying any Costs of Public Improvements or to pay any additional Program Expenses; or

(ii) for the purpose of paying principal of or interest on or redeeming Bonds whether issued pursuant to the Indenture or another Indenture; or

(iii) for the purpose of purchasing Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(iv) for the purpose of paying principal of or interest on any indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds; or

(v) for the purpose of redeeming any indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds; or

(vi) for the purpose of purchasing indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(vii) for the purpose of distribution of such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with the Act.

Except as may be otherwise provided in a Supplemental Indenture, moneys on deposit in the General Account of the Bond Fund are not pledged to the payment of the Bonds and are not Pledged Revenues.

### REFUNDING PLAN

On the date of issuance of the Bonds, the Village will deposit with Amalgamated Bank of Chicago (the "Escrow Agent") a portion of the proceeds of the Bonds to be used to redeem the Prior Bonds on February 22, 2020 (the "Redemption Date") in accordance with an Escrow Agreement dated as of January 1, 2020 between the Village and the Escrow Agent. The Prior Bonds were issued to fund certain TIF-eligible improvements to the Property within the TIF District as a part of the redevelopment project approved for the TIF District by the Village. The Prior Bonds are subject to redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after January 1, 2020 at the price equal to 102% of par (if redeemed during calendar year 2020), plus accrued interest thereon. A portion of the proceeds the Bonds, together with funds currently held by the Trustee under the Prior Indenture (as herein defined), will be used to refund the Prior Bonds on the Redemption Date. See "ESTIMATED SOURCES AND USES OF FUNDS".

The Prior Bonds to be refunded by a portion of the proceeds of the Bonds, together with funds currently held by the Trustee under the Prior Indenture, are listed below:

<u>JANUARY 1 OF THE YEAR</u>	<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL REDEMPTION</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>	<u>REDEMPTION DATE</u>
2030	\$4,450,000	\$3,540,000	7.50%	54265X AA2	2/22/2020

### ESTIMATED DEBT SERVICE COVERAGE

The information set forth in the table on the following page under the columns entitled "Incremental Property Taxes," "Incremental Sales Taxes," and "Incremental Business District Taxes" is based on projections used by the Underwriter. The projections are based on historical collections of Pledged Taxes.

The following table shows projected debt service coverage based on the projected amounts of Limited Incremental Taxes and estimated earnings under the Indenture. The projections include assumptions which may not materialize. See "RISK FACTORS".

THE LIMITED INCREMENTAL TAX PROJECTION SERVES AS A BASIS FOR ESTIMATING THE AMOUNT OF INCREMENTAL PROPERTY TAXES, INCREMENTAL SALES TAXES, AND INCREMENTAL BUSINESS DISTRICT TAXES WHICH, PURSUANT TO THE INDENTURE, COULD BE AVAILABLE TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.

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**Table I**  
**ESTIMATED DEBT SERVICE COVERAGE TABLE**

Revenue Year Ending	Bond Year Ending	Available Revenues					Debt Service					
		Pledged Incremental Property	Pledged Sales	Pledged Business District	Trustee/Admin.	Total Projected Revenues	Principal	Interest	Total Debt Service	Debt Service Reserve <sup>5</sup>	Net Debt Service	Net Debt Service Coverage
<u>12/31</u>	<u>7/1</u>	<u>Taxes<sup>1</sup></u>	<u>Taxes<sup>2</sup></u>	<u>Taxes<sup>3</sup></u>	<u>Fees<sup>4</sup></u>	<u>Revenues</u>						
2019	2020	\$322,878	\$209,846	\$52,714	(\$10,000)	\$575,438	-	\$49,314	\$49,314	-	\$49,314	N/A
2020	2021	329,336	211,944	74,343	(10,200)	605,423	\$230,000	109,658	339,658	-	339,658	1.78
2021	2022	335,922	214,064	75,086	(10,404)	614,668	240,000	103,955	343,955	-	343,955	1.79
2022	2023	342,641	216,205	75,837	(10,612)	624,070	245,000	97,893	342,893	-	342,893	1.82
2023	2024	349,494	218,367	76,595	(10,824)	633,631	255,000	91,324	346,324	-	346,324	1.83
2024	2025	356,483	220,550	77,361	(11,041)	643,354	270,000	83,970	353,970	-	353,970	1.82
2025	2026	363,613	222,756	78,135	(11,262)	653,242	280,000	75,923	355,923	-	355,923	1.84
2026	2027	370,885	224,983	78,916	(11,487)	663,298	290,000	67,228	357,228	-	357,228	1.86
2027	2028	378,303	227,233	79,705	(11,717)	673,525	305,000	57,776	362,776	-	362,776	1.86
2028	2029	385,869	229,505	80,503	(11,951)	683,926	320,000	47,460	367,460	-	367,460	1.86
2029	2030	393,586	231,801	81,308	(12,190)	694,505	330,000	36,325	366,325	-	366,325	1.90
2030	2031	401,458	234,119	82,121	(12,434)	705,264	345,000	24,340	369,340	-	369,340	1.91
2031	2032	409,487	236,460	82,942	(12,682)	716,207	490,000	9,065	499,065	(\$360,000)	139,065	5.15
							<u>\$3,600,000</u>	<u>\$854,229</u>	<u>\$4,454,229</u>			

1. Based on 2018 levy collected in 2019 and assumes 2.0% increase annually

2. Assumes 1.0% annual growth rate from actual 2019 Revenue Year collection.

3. Revenue Year 2019 is actual collection with 60% of Business District Taxes pledged. Thereafter, 100% of the Business District Taxes are pledged with a 1.0% growth rate

4. Trustee and administrative fees assume 1.50% growth annually

5. Debt Service Reserve Fund is used to make final debt service payment

## THE REDEVELOPMENT PROJECT AREA

### Summary of the Project

Sunset Grove Shopping Center is a 15.6-acre site at Route 83 and Aptakisic Road in the Village of Long Grove with approximately 110,000 square-foot retail space consisting of seven buildings (the "Project"). The Project is anchored by Sunset Foods, an upscale, full-service grocer originally based on the north shore area of suburban Chicago. Sunset Foods has been in business for over 70 years, and has other Illinois locations, including in Lake Forest, Libertyville, Highland Park and Northbrook.

The Project is anchored by a 48,000 square foot full service Sunset Foods grocery store and other tenants include CVS Pharmacy, Sherwin-Williams Paint Store, Chase Bank, Bentley's Pet Stuff, Sports Clips Haircuts, and Burn Boot Camp, among others.

### Retail Tenants

The following information regarding the retail tenants within the retail portion of the Property has been provided by developer of the Project, Sunset Grove, LLC (the "Developer"). The total leased space as of November 12, 2019 is 110,394 square feet.

Neither the Village nor the Underwriter make any representations herein regarding the list of Sunset Grove Project retail tenants or regarding any of the following information relating to the retail tenants.

<i>Tenant</i>	<i>Square Feet</i>	<i>Lease Expiration</i>	<i>Options</i>
Sunset Foods	47,000	01/01/2031	
CVS Pharmacy	14,392	01/31/2036	Six 5-year options ending 1/23/2066
Chase Bank	4,250	07/31/2031	Four 5-year options ending 7/31/2051
Team Rehabilitation	3,043	05/13/2022	
ML Finance	4,017	10/24/2026	One 5-year option ending 10/24/2031
Coldwell Banker	5,575	11/30/2021	
Burn Boot Camp	4,657	12/14/2027	One 5-year option ending 12/14/2032
Starbucks	1,802	08/09/2027	Four 5-year options ending 08/09/2047
Haku Sushi	1,465	11/30/2024	
Domino's Pizza	1,640	03/31/2023	
Bentley's Pet Stuff	2,813	11/13/2025	One 5-year option ending 12/11/2030
Rosin Eyecare	2,525	02/05/2023	
Appell Dental	2,688	01/01/2028	
Code Ninjas	1,873	10/03/2024	Two 5-year options ending 10/04/2034
Zengeler Cleaners	3,092	04/30/2021	Four 5-year options ending 04/30/2041
Spa O Long Grove	1,617	09/30/2021	
Sport Clips	1,305	09/30/2021	
Sherwin Williams	3,579	11/30/2024	Three 5-year options ending 11/30/2039
Mind The Gap	1,674	09/30/2023	
Synergy Mobile	1,387	04/16/2022	One 3-year option ending 04/16/2025

The following table shows the historical Pledged Taxes collections in connection with the Project for the prior four years. There can be no assurance that the Project will continue to generate the Pledged Taxes in the amounts of the historical collections of Pledged Taxes set forth below.

Revenue Year ending 12/10	Collected Limited Incremental Property Taxes	Collected Pledged Sales Taxes	Collected Pledged Business District Taxes <sup>1</sup>	Total Collected Pledged Taxes
2019	\$322,878	\$209,846	\$52,714	\$585,438
2018	311,021	205,385	44,165	560,571
2017	292,313	203,054	35,069	530,436
2016	302,610	263,410	34,426	600,446

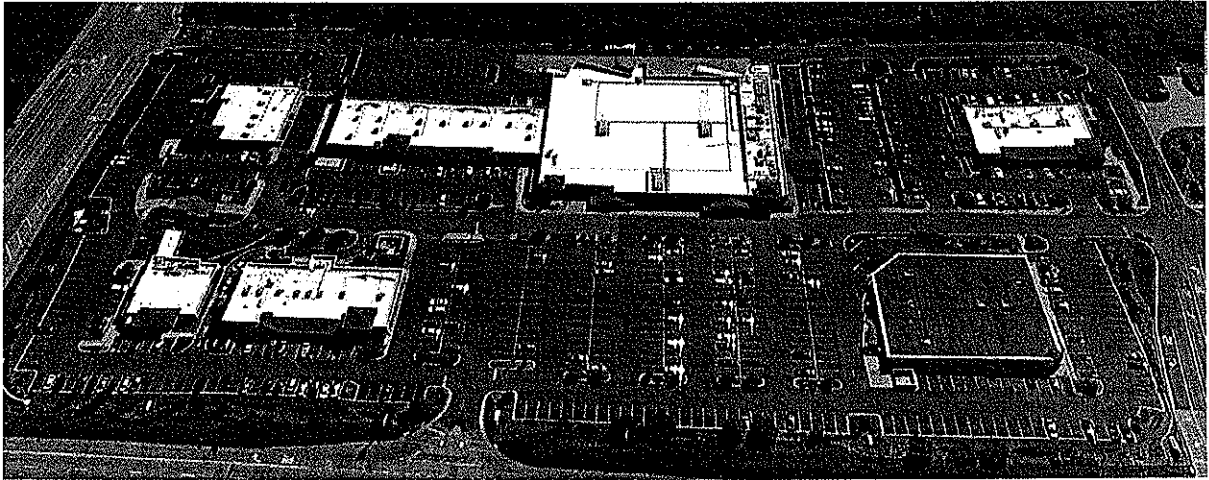
1. Reflects the 60% pledge on the Prior Bonds. The 2020 Bonds have a 100% pledge of Business District Taxes.

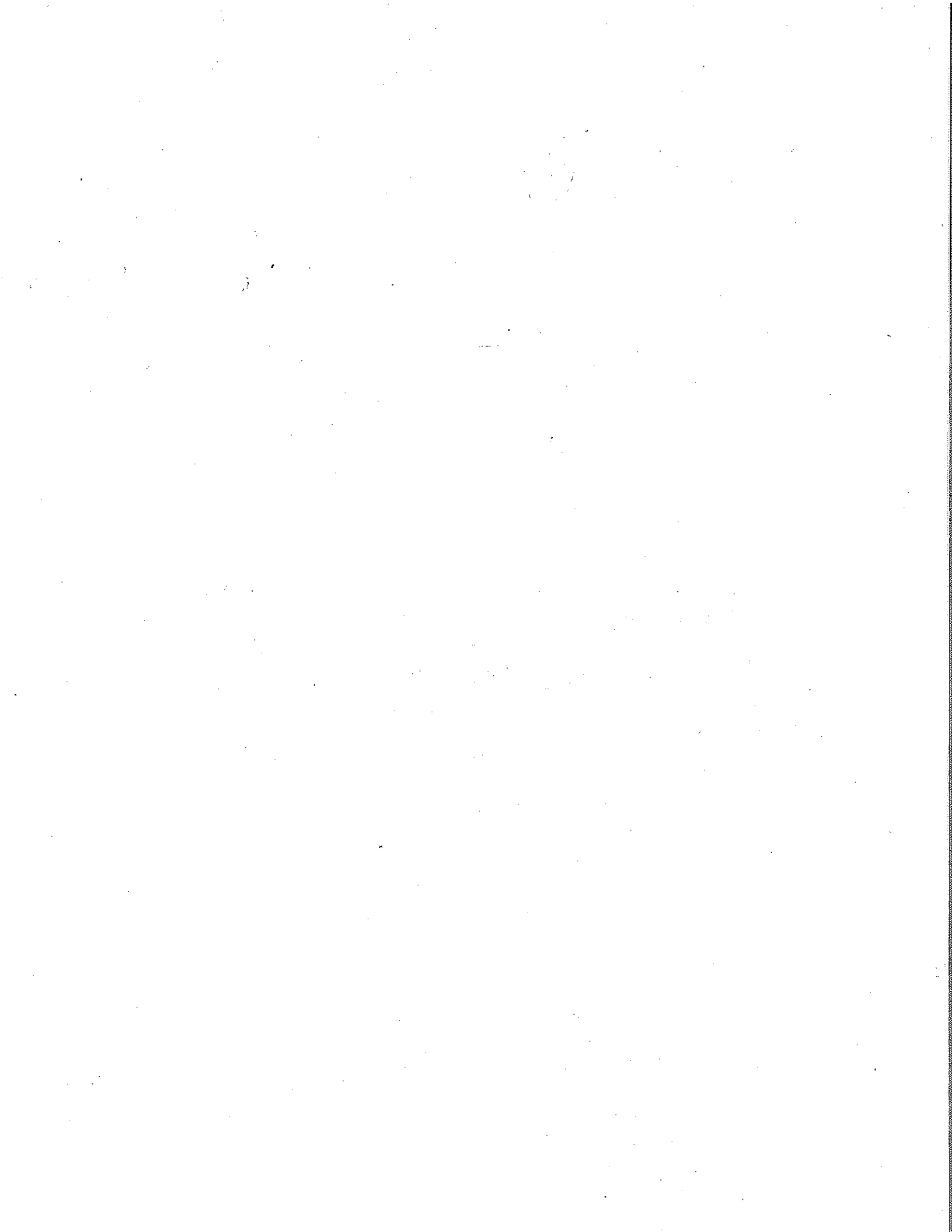
Source: Lake County Clerk and Village of Long Grove Deposits with Prior Bond Trustee

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Project Site





## **THE REDEVELOPMENT AGREEMENT**

The Village entered into a Redevelopment Agreement with Sunset Grove, LLC and Sunset Grove Pinnacle Development Corporation (successor to Sunset Grove Development Corp.) dated March 25, 2008 and amended on July 27, 2010 (the "Agreement") in connection with the development of the Project.

According to the Agreement, the Village, after due and careful consideration, concluded that the zoning, subdivision, development, and use of the Sunset Grove Property pursuant to and in accordance with the Agreement would (i) eliminate blight within the Village, (ii) strengthen the tax base of the Village, (iii) further enable the Village to control the development of the Sunset Grove Property in a manner consistent with the zoning patterns and character of the Village, and (iv) serve the best interests of the Village.

The Agreement required various restrictions and conditions to the approved uses, including: grocery store, retail lots, detention basin, and access drives as depicted on the approved site plan. The Developer also agreed to provide various performance surety guarantees for the completion of the Project.

The Developer acknowledged and agreed not to object to the Village establishing one or more business districts which have been established in connection with the Sunset Grove Property. The taxes assessed in connection with the business district cannot exceed 1% sales tax or business tax per district.

The Village and Developer acknowledged that the Sunset Grove Shopping Center will have paid extraordinary costs relating to the development of public improvements on or around the Property that qualify as redevelopment project costs. The Village agreed under the Agreement to reimburse a portion of these costs in the amount of \$3,000,000 through tax increment financing bonds and notes.

## **THE VILLAGE**

### **General Description**

The Village of Long Grove, a non-home rule municipality under the Illinois Constitution, is located approximately 35 miles northwest of downtown Chicago and encompasses approximately 18 square miles. Incorporated areas surrounding Long Grove include the Village of Vernon Hills on the north and the east, the Village of Mundelein on the north and west, the Village of Buffalo Grove on the east and the Village of Arlington Heights on the south. The Village is located in Vernon, Ela and Fremont Townships, Lake County. Village population was recorded at 8,043 at the time of the 2010 Census, an increase from 6,735 at the 2000 U.S. Census.

The name Long Grove is taken from the large grove of oak and hickory trees which once extended southwest from Gilmer Road and Route 83, along Buffalo and other creeks and through the area of Old Route 53 and Robert Parker Coffin Road and beyond, including the Deer Grove Forest Preserve. The residents of Long Grove are serviced by METRA, a division of the Regional Transportation Authority via the North Central Service line. Both the Prairie View Station and the Buffalo Grove Station are approximately 3 miles from the center of Long Grove. The train can be taken directly to Union Station in downtown Chicago.

Utilities servicing the Village include NICOR, Peoples Energy and Commonwealth Edison Company. Cable service is provided by Comcast. Some areas are served by Lake County sanitary sewers. Not all areas are served by sanitary sewers because on-site waste disposal systems (septic) are adequate and efficient on lots of the size allowed in the Village. Water service is also available to some areas, either directly from the Village, or through Lake County, Illinois via an intergovernmental agreement with the

Village. Fire protection service for the Village is provided by the Countryside Fire Protection District and the Long Grove Fire Protection District. Police services are provided by the Lake County sheriff's office.

The Long Grove Park District ("Park District") was incorporated in 1973, and is separate from the Village. The purpose of the Park District was, and is, to protect and control vital open space and natural areas. The Park District also creates recreational programs for the community. The Park District does not levy any form of taxes, and relies heavily on volunteers. Residents in the far northwest corner of the Village are served by the Mundelein Park District, which is a taxing district. Most of Long Grove is served by Vernon Area Library. A small section of Long Grove falls within Ela Area Library. Long Grove's elementary children are served by three districts: District 76, 79 and 96. High School children attend either District 120 or 125.

### Village Organization and Administration

The Village of Long Grove is governed by a president and six trustees, all of whom are elected at-large and serve four-year terms. The Village board establishes policy and is responsible for the quality of life and the investments residents have in their land and homes. The Village is also served by a Village Clerk, who is an elected official and also serves a four-year term. All elected officials, board and commission members volunteer their time and receive no monetary compensation.

### Selected Socio-Economic and Demographic Characteristics

The following tables compare the population and selected socio-economic demographic characteristics, from information compiled by the U.S. Census Bureau, for persons living within the Village, the County and the State.

	<b>Median Home Value</b>	<b>Per Capita Income</b>	<b>Median Household Income</b>	<b>% Owner Occupied Housing</b>
Village of Long Grove	\$ 654,200	\$ 70,645	\$ 187,212	98.8%
Lake County	251,400	42,388	82,613	73.4%
State of Illinois	179,700	32,924	61,229	66.1%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

	<b>2018 Population (est.)</b>	<b>2010 Population</b>	<b>% Change</b>
Village of Long Grove	7,956	6,735	18.1%
Lake County	700,832	644,356	8.8%
State of Illinois	12,741,800	12,419,293	2.6%

Source: U.S. Census Bureau.

### Business

Long Grove is well known for its specialty shops and special dining. Visitors travel long distances by car and chartered bus to spend a day in the Village's Historic Business District. Downtown Long Grove contains some 120 businesses. With few exceptions, all are open seven days a week, all year long.

## Employment

Residents of the Village generally work in the northern and northwest suburbs of Chicago. The following table lists some of the largest employers located in the Village.

<u>Business</u>	<u>Industry</u>	<u>Employees</u>
MAT Holdings, Inc.	Corporate headquarters – (cloths, brushes, fencing, and tools)	200
Coldwell Banker	Real estate agency	90
McGinty Bros, Inc.	Professional lawn and tree care (tree removal, trimming, mulch blowing)	65
TZA	Warehouse labor management systems software	40
Poul's Landscaping	Landscape contractor and maintenance and wholesale nursery	32
Willard Bishop, LLC	Marketing consultants	20
Waveland Press	College textbook publishing	15
Broken Earth Winery, LLC	Winery	10
Buffalo Creek Brewing, LLC	Brewery	5

Source: 2019 Illinois Manufacturer's Directory. 2019 Illinois Services Directory.

## UNEMPLOYMENT

The following table shows the trend in average annual unemployment rates for the Village, the County, the State, and the United States.

<u>Year<sup>(1)</sup></u>	<u>The Village</u>	<u>Lake County</u>	<u>The State</u>	<u>United States</u>
2012	5.9%	8.1%	9.0%	8.1%
2013	6.1%	7.9%	9.0%	7.4%
2014	4.7%	6.4%	7.1%	6.2%
2015	4.3%	5.4%	6.0%	5.3%
2016	4.2%	5.2%	5.8%	4.9%
2017	3.6%	4.6%	4.9%	4.4%
2018	3.5%	4.5%	4.3%	3.9%

(1) Yearly averages.

Source: Illinois Department of Employment Security

## Current Economic Development Programs

The Village has identified a need to increase its sale tax revenues that have declined over the years as its historic downtown shopping district has seen a decrease in overall traffic from tourist and other sources. In 2008, the Village adopted a Downtown Master Plan with several initiatives to renovate and revive the downtown shopping district and increase sale tax revenues associated with the downtown area.

The Redevelopment Project Area is north and east of the downtown area and the execution of the Downtown Master Plan is not expected to create direct competition for the Project. As of the date of this Limited Offering Memorandum, there are no other upscale retail developments such as the Project being planned within the Village.

### Property Taxes

The Village does not levy a general property tax.

### Historical Tax Rates for Sunset Grove Property

The following table reflects the tax rates for the PINs that constitute the Sunset Grove Property.

	<b>Tax Rates (Tax Levy Year)</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
College of Lake County #532	0.282	0.281	0.285	0.299	0.306
County of Lake	0.612	0.622	0.632	0.663	0.683
Forest Preserve	0.182	0.187	0.193	0.208	0.210
Kildeer Countryside CSD #96	3.717	3.655	3.690	3.870	4.040
Long Grove Fire Dist.	0.777	0.750	0.770	0.798	0.830
Road & Bridge - Vernon Twp	0.041	0.043	0.043	0.046	0.047
Stevenson High School Dist. #125	2.888	2.862	2.858	3.004	3.049
Township of Vernon	0.055	0.056	0.061	0.064	0.066
Vernon Area Public Library Dist.	0.293	0.291	0.293	0.308	0.317
<b>Total Representative Tax Rate</b>	<b>8.847</b>	<b>8.747</b>	<b>8.825</b>	<b>9.260</b>	<b>9.548</b>

Source: Lake County, Illinois Assessor's Office

### Equalized Assessed Valuation

The following table sets forth the amount of equalized assessed valuation of the Village by category for the tax levy years 2018 through 2015.

	<b>2018</b>		<b>2017</b>		<b>2016</b>		<b>2015</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Residential	\$572,274,826	93.8%	\$575,888,499	94.1%	\$560,635,663	94.6%	\$529,640,695	94.2%
Farm	7,081,700	1.2%	6,885,228	1.1%	6,237,878	1.1%	6,247,516	1.1%
Commercial	<u>30,552,731</u>	<u>5.0%</u>	<u>29,112,105</u>	<u>4.8%</u>	<u>25,449,610</u>	<u>4.3%</u>	<u>26,340,524</u>	<u>4.7%</u>
<b>Total</b>	<b>609,909,257</b>	<b>100.0%</b>	<b>611,885,832</b>	<b>100.0%</b>	<b>592,449,610</b>	<b>100.0%</b>	<b>562,228,735</b>	<b>100.0%</b>

Source: Lake County Clerk

## **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION**

### **Tax Levy and Collection Procedures**

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

### **Exemptions**

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below as applicable to counties with fewer than 3,000,000 inhabitants.

An annual General Homestead Exemption (the "General Homestead Exemption") provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home. Beginning with tax year 2013, the maximum exemption is \$5,000.

A Senior Citizens Assessment Freeze Homestead Exemption ("Senior Citizens Assessment Freeze Homestead Exemption") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income

limitation is \$35,000 for years prior to 1999, \$40,000 for years 1999 through 2003, \$45,000 for years 2004 and 2005, \$50,000 for years 2006 and 2007 and for year 2008 through 2017, the maximum income limitation was \$55,000. Beginning in tax year 2018, the maximum income limitation is \$65,000.

This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior the year in which he or she first qualifies and applies for the exemption, plus the EAV of the improvements since such year.

Beginning January 1, 2015, purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible, the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted for CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 20, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two year after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.



Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

### **Property Tax Extension Limitation Law**

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units, including the Village. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The Village has the authority to levy taxes for many different purposes. The ceiling at any particular time on the rate at which these taxes may be extended for the Village is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the Village) will have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the Village's limiting rate computed in accordance with the provisions of the Limitation Law.

Public Act 89-365 permits local governments subject to the Limitation Law, including the Village, to issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The Village cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the Village predict the effect of any such change on the Redevelopment Project Area.

### **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

## **DESCRIPTION OF PLEDGED REVENUES**

The Bonds are payable solely from the Pledged Revenues and other amounts on deposit in the various funds and accounts created under the Indenture (See "SECURITY FOR THE BONDS"). The

Pledged Revenues include (i) the Sunset Grove Incremental Property Taxes which are the incremental real property taxes received by the Village pursuant to the ordinances adopted by the Village pursuant to the Tax Increment Allocation Act (65 ILCS 5/11-74.4-1) (defined in this Limited Offering Memorandum as the "Act" or the "TIF Act") on that portion of the property comprising the "Sunset Grove Property", (ii) the Sunset Grove Business District Taxes which are the business district taxes received by the Village pursuant to the ordinances adopted by the Village pursuant to the Illinois Business District Development and Redevelopment Act (65 ILCS 5/11-74.3-1) (the "Business District Act") that created the IL Rte. 83 Business District – Phase I (the "Business District"), from which the Village will collect a one percent (1.0%) retailers' occupation tax and a one percent (1.0%) service occupation tax on businesses located within the Business District on that portion of the property comprising the "Sunset Grove Property", (iii) the Sunset Grove Sales Taxes which include the revenues the Village receives from the one percent (1.0%) local portion of the State sales tax pursuant to the Illinois Retailers Occupation Tax Act (35 ILCS 120/1) and the Illinois Service Occupation Tax Act (35 ILCS 115/1) from the Sunset Grove Property, and (iv) the Sunset Grove Public Infrastructure Sales Taxes received by the Village pursuant to the Non-Home Rule Municipal Retailers Occupation Tax Act (65 ILCS 5/8-11-1.3) and the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) from the Sunset Grove Property. The Indenture provides a priority for the application of the Pledged Revenues to the payment of the Bonds which come first from the Sunset Grove Business District Taxes, second from the Sunset Grove Incremental Property Taxes, and third from amounts received by the Village from the Sunset Grove Sales Taxes and the Sunset Grove Public Infrastructure Sales Taxes. Summaries of the nature of the Pledged Revenue sources follow below.

## **Tax Increment Financing in Illinois**

### General

Tax increment financing ("TIF") in Illinois provides a means for municipalities, after the approval of a "Redevelopment Plan and Project," to redevelop blighted, conservation, or industrial park conservation areas by pledging the anticipated increase in tax revenues resulting from the tax increment area and using these new tax revenues generated by private redevelopment to pay for certain public and private costs incurred. Tax increment financing is authorized in Illinois by the TIF Act.

The Village designated the Redevelopment Project Area pursuant to the TIF Act on February 26, 2008, as amended by the Village on April 11, 2009. Designation of the Redevelopment Project Area allows the Village to use incremental property taxes in the Redevelopment Project Area to fund a broad range of improvements to leverage private development within the Redevelopment Project Area.

### Incremental Property Tax

All property tax receipts which are the result of increases in the equalized assessed valuation of each parcel located within the Redevelopment Project Area above their respective 2007 tax year levels are available to be used for eligible projects under the Act within the Redevelopment Project Area and will not be available for general operations of the Village or any underlying or overlapping taxing districts until after 2031. The equalized assessed valuation of the Redevelopment Project Area at the time of designation of the Redevelopment Project Area was based on the then applicable 2007 tax year and was calculated at \$369,193.

## **The Business District Taxes**

### The Business District Act

The Illinois Business District Act, 65 ILCS 5/11-74.3-1 et seq., permits an Illinois municipality to create and maintain business districts to provide opportunities for development or redevelopment and to attract sound and stable commercial development. The corporate authorities of a municipality may designate an area of the municipality as a business district. In carrying out a business district development or redevelopment plan, the corporate authorities of a municipality have the power, among other things, to impose a tax, borrow funds as it may be deemed necessary for the purpose of business district development and redevelopment, and issue obligations or revenue bonds as it deems necessary, subject to applicable statutory limitations. A municipality may issue obligations secured by the business district tax allocation fund created under the Business District Act for the business district to provide for the payment of business district project costs. The business district may impose a sales tax of up to 1% on the same general merchandise base as state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, trailers, and mobile homes) and qualifying food, drugs and medical supplies.

When business district costs have been paid, any surplus funds then remaining in the Business District Tax Allocation Fund shall be distributed to the municipal treasurer for deposit into the municipal general corporate fund.

### Designation of the Business District

Pursuant to Ordinance No. 2010-O-05 adopted by the Village on March 9, 2010 and Ordinance No. 2010-O-06 adopted by the Village on March 9, 2010 and in accordance with the Illinois Business District Development and Redevelopment Act, the Village designated the IL. Rte. 83 Business District – Phase I consisting of a portion of the property included within the Redevelopment Project Area; approved a development plan and project for such Business District, and imposed a one percent (1.0%) retailers' occupation tax and one percent (1.0%) service occupation tax on businesses located within the Business District which will be collected by the Village and enforced by Illinois Department of Revenue.

## **Sales Tax Levy and Collection Procedures**

### The Local Portion

A portion of the Pledged Revenues consists of the distribution by the State of Illinois to the Village of sales taxes levied pursuant to the Illinois Service Occupation Tax Act and the Illinois Retailer's Occupation Tax Act. Only the 1% local government share generated from the Sunset Grove Property is pledged by the Village to the payment of debt service on the Bonds and represents available Pledged Revenues. The Village will receive the sales taxes without annual appropriation by the Illinois General Assembly. Any change in the tax rate or amount of net tax receipts allocated to the Village constituting the sales taxes would require the enactment of legislation by the Illinois General Assembly.

The Retailer's Occupation Tax Act imposes a 6.25% tax ("ROT") on the occupation of making retail sales in Illinois of tangible personal property for use or consumption. The ROT is measured as a percentage of gross receipts, or the total selling price, and must be submitted by the retailer to the Department of Revenue. The Service Occupation Tax Act imposes a 6.25% tax ("SOT") on service occupations in Illinois. The SOT is imposed whenever servicemen purchase tangible personal property they intend to transfer at a later time as an incident to a sale of service and is measured by the retail selling price of the property transferred, which selling price cannot be less than the cost price of the property to the serviceman. A serviceman must pay the SOT to the Department of Revenue.

The sales taxes, and all civil penalties that may be assessed as an incident thereof, are collected and enforced by the Illinois Department of Revenue. The Department of Revenue has full power to collect all sales taxes and penalties due within the Sunset Grove Property. The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all sales taxes, penalties, and interest collected within the Sunset Grove Property for deposit into the Sunset Grove Sales Tax Account. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities from the Local Government Tax Fund, the municipalities to be those from which retailers have paid sales taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected during the second preceding calendar month by the Department. The proceeds of the sales taxes paid to municipalities shall be deposited into funds maintained by or on behalf of the municipality.

#### Non-Home Rule Sales Taxes

The Pledged Revenues also consist of the Sunset Grove Public Infrastructure Sales Taxes which are derived from the Non-Home Rule Municipal Retailers Occupation Tax Act and the Non-Home Rule Municipal Service Occupation Tax Act from the Sunset Grove Property. Pursuant to these laws, the Village has imposed a 1.0% retailers occupation tax ("Municipal ROT") and a 1.0% service occupation tax ("Municipal SOT") on businesses located within the Village.

The Municipal ROT may be imposed on all persons engaged in the sale of tangible personal property at retail in the municipality for expenditure on public infrastructure. The Municipal ROT cannot be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold and prescription and nonprescription medicines, drugs, medical appliances and insulin urine testing materials, syringes and needles used by diabetics.

The tax imposed and all civil penalties that may be assessed are collected and enforced by the Illinois Department of Revenue.

The Municipal SOT may be imposed on all persons engaged in the business of making sales of service for expenditure on public infrastructure. As provided above, the tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold and prescription and nonprescription medicines, drugs, medical appliances and insulin urine testing materials, syringes and needles used by diabetics.

#### **RISK FACTORS**

Investment in the Bonds involves risks which may not be appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth in this Limited Offering Memorandum, in evaluating the Bonds which are not rated by a recognized rating agency. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability to generate sufficient Pledged Revenues to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Redevelopment Project Area.

THERE CAN BE NO ASSURANCE THAT THE OWNERS OR LESSEES OF REAL ESTATE WITHIN THE SUNSET GROVE PROPERTY WILL GENERATE A SUFFICIENT AMOUNT OF PLEDGED TAXES SUCH THAT THERE WILL BE SUFFICIENT MONEYS TO PAY PRINCIPAL AND INTEREST ON THE BONDS WHEN DUE. THE ABILITY OF SUCH PROPERTY OWNERS

AND TENANTS TO GENERATE INCREMENTAL PROPERTY TAXES AND INCREMENTAL SALES TAXES FOR THE SUNSET GROVE INCREMENTAL SALES TAX ACCOUNT IS DEPENDENT ON AND SUBJECT TO FUTURE EVENTS AND CIRCUMSTANCES WHICH CANNOT BE FORESEEN OR PREDICTED WITH CERTAINTY. THERE CAN BE NO ASSURANCE THAT THE PROJECTIONS AND ASSUMPTIONS SET FORTH HEREIN.

#### **Limited Source of Funds**

The Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the Pledged Taxes and the amounts on deposit in certain of the funds and accounts established and maintained under the Indenture. In any year the Pledged Taxes may not be sufficient to provide for the payment of debt service on the Bonds.

The Bonds are not general obligations of the Village and do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation. No holder of the Bonds shall have the right to compel the exercise of any taxing power of the Village for payment of principal thereof or interest or premium, if any, thereon. See "SECURITY FOR THE BONDS."

#### **Information Not Verified**

Certain information concerning the Project has been obtained from the Developer and other sources believed to be reliable, but much of that information involves predictions of future events, such as projected increment, assessments and ability to generate sales taxes; such information is, by its nature, not subject to verification.

#### **Risk of Natural Disaster**

In the event of a natural disaster severely damaging the facilities in the Sunset Grove Property Area, there can be no assurance that such facilities will be rebuilt. In such case, generation of Pledged Revenues would be adversely affected. There can be no assurance that comprehensive insurance will be properly maintained or that the proceeds therefrom will be sufficient or even available to repair or rebuild the improvements within the Sunset Grove Property or that the owners or tenants will choose to repair or rebuild such improvements. In addition, certain types of losses may not be covered by existing insurance policies. Furthermore, any insurance proceeds will not be assigned as security for the payment of real estate or to secure payment of the Bonds. The restoration of the Sunset Grove Property may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances. Any of the foregoing circumstances could result in the assessed valuation of property in the Sunset Grove Property remaining low for an indefinite period of time and decrease the amount of Pledged Revenues available to pay debt service on the Bonds.

#### **Risk of Failure to Maintain Levels of Assessed Valuations**

The assessed value of property located in Vernon Township, Lake County, where the Redevelopment Project Area is located, was last determined in tax levy year 2018 and will be determined annually thereafter by the Vernon Township Assessor. There can be no assurance that the current assessed value and equalized assessed value will increase or will be maintained at the past or the current level throughout the term of the Bonds. If at any time during the term of the Bonds the actual assessed value is less than projected, the generation of Pledged Revenues could be significantly impaired.

### **Risks Associated with Generation of Incremental Property Taxes**

Lake County's method used to assess properties in the Redevelopment Project Area may be altered for land value, resulting in a potentially reduced or altered valuation in a particular year. The State of Illinois multiplier is also subject to change annually. Additionally, the County could fail to remit property taxes to the Village on a timely basis. Any reduction in assessed valuation or the State multiplier or any failure by the County to remit property taxes to the Village on a timely basis could have a material adverse effect on the Pledged Revenues.

Property tax rates are established by a number of different taxing bodies. Any lowering of tax rates by any taxing bodies in the Redevelopment Project Area could have a material adverse effect on the Pledged Revenues. Changes in County formulas for determining property taxes could also result in a decline in Pledged Revenue. See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION — Tax Levy and Collection Procedures."

In addition, there are numerous taxpayers from which Sunset Grove Incremental Property Taxes are generated, the identity and creditworthiness of which is subject to change. Failure to remit property taxes when due by the owner of any property in the Redevelopment Project Area for any reason could result in delays in receipt of Sunset Grove Incremental Property Taxes.

### **Reliance on Sunset Foods**

Sunset Foods generates a substantial amount of the Sunset Grove Incremental Taxes in the Redevelopment Project Area. If it discontinues operations within the Redevelopment Project Area for any reason and is not succeeded by a comparable retailer with comparable sales, the generation of Pledged Revenues could be significantly adversely affected.

### **Risk of Changes in Market Conditions, Changes in General Economic Conditions and Future Competition**

Leasing of retail space and the subsequent generation of Pledged Revenues could be significantly impaired as a result of changes in market conditions, changes in general economic conditions and competition from existing facilities or facilities developed in the future. There can be no assurance that any such change will not adversely affect the leasing of retail space in the Redevelopment Project Area and the generation of Pledged Revenues.

### **Risks Associated with Generation and Receipt of Pledged Sales Taxes**

There are certain risks associated with the generation and ultimate receipt of Pledged Sales Taxes. These risks include, but are not limited to, the following:

- Sales tax rates and the portion distributed to local governments are determined by the State. A reduction in the sales tax rates or the portion distributed to the local governments by the State may have an adverse effect on Pledged Sales Taxes. If sales tax rates or the portion distributed to local governments were to decrease below projected rates, there could be a significant adverse effect on the Pledged Sales Taxes.
- Further changes may be made in the sales tax system by the State. Such changes could include various changes to the method of distributing sales taxes, abatements, exemptions or additional relief measures or other measures that would limit the tax levy amount that could be required with respect to retail sales within the Project and, consequently, the projected Pledged Sales Taxes

generated; *e.g.*, if Illinois adopted a method of distributing sales taxes based on the point of delivery and not at the point of sale.

- Errors by the State in calculating sales taxes could result in delays or future corrections in the receipt of Pledged Sales Taxes could have a significant adverse effect upon the Pledged Sales Taxes received.
- The failure to operate any particular retail space in the Project or declines in occupancy of the Project as provided herein and at any time thereafter could result in Pledged Sales Taxes actually received being substantially lower than projected.
- Failure by the State to remit the Pledged Sales Taxes to the Village on a timely basis could result in insufficient Pledged Sales Taxes being available to pay principal of or interest on the Bonds when due.
- Failure to remit the Pledged Sales Taxes to the State when due by any retailer within the Project or the failure to timely report the Pledged Sales Taxes paid to the State by any retailer within the Project could result in delays in receipt of Pledged Sales Taxes.
- Failure of performance by the Village to administer the TIF District as provided in the Indenture or to deposit Pledged Sales Taxes as provided in the Indenture could result in a reduction in the projected amount of Pledged Sales Taxes herein.
- Any increase of the percentage charged by the Department of Revenue for the IDOR Fee would lower the amount of Pledged Sales Taxes remitted by the Department of Revenue to the Village.

#### **Risks to Collection of Pledged Sales Taxes Associated with Failure to Fund Pensions**

The Illinois Pension Code (the "Pension Code") requires municipalities (other than the City of Chicago) to make certain annual payments into the Illinois Municipal Retirement Fund ("IMRF"). If a municipality fails to transmit to the IMRF the required contributions for more than 60 days after the date on which payment of such contributions is due under the Pension Code, the IMRF, after giving notice to the municipality, may certify to the Comptroller the amounts of such delinquent payments. The Comptroller shall then deduct the amounts so certified or any part thereof from any payments of State funds to the municipality (including any Pledged Sales Taxes to be remitted by the Comptroller to the municipality) and shall remit the amount so deducted to the IMRF. If State funds from which such deductions may be made are not available, the IMRF may proceed against the municipality to recover the amounts of such delinquent payments in the appropriate circuit court.

There can be no assurance that the Village will never fail to make the required contributions into the IMRF, nor can there be any assurance that, in the event the Village fails to make any such required contribution, the IMRF will not certify the amount of such delinquent payment to the Comptroller. Furthermore, there can be no assurance that, in such event, the Comptroller will not remit all or any portion of the Pledged Sales Taxes to the IMRF instead of remitting any such Pledged Sales Taxes to the Village. There can also be no assurance that the claims of either pension fund or the IMRF would not be deemed by an Illinois court to be liens on all or a portion of the Pledged Sales Taxes which are superior to those of the Village's bondholders.

### **Risk of Legislative and Judicial Changes**

Future legislation, regulations, governmental or judicial interpretation of regulations or legislation or practices and procedures related to sales tax assessment, application, collections, reporting or distribution could have a material effect on the calculation or availability of the various taxes making up the Pledge Revenues. There is no assurance that legislation will not be considered or enacted in the future that may repeal or otherwise adversely affect the various taxes making up the Pledge Revenues received by the Village, and unless provision is made in such legislation, the generation of the Pledged Revenues could be materially adversely affected. There can be no assurance that the current system of reporting, collection and distribution of the various taxes will not be changed by any competent authority having jurisdiction to do so, including, without limitation, the State, the Village, the courts or the voters.

### **Bankruptcy**

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency, fraudulent transfer or conveyance, or other similar laws affecting the rights of creditors generally.

### **Limitation on Remedies; No Acceleration**

Remedies available to holders of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds, or to preserve the tax-exempt status of the Bonds. Bond Counsel has limited its opinions to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency, fraudulent transfer and conveyance, or other similar laws affecting the rights of creditors generally. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Trust Indenture, including payment default. Lack of remedies may entail risks of delay, limitation, or modification of the rights of the holders of the Bonds. Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion.

**FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION OR ON SALES TAX ASSESSMENTS, COLLECTIONS OR DISTRIBUTIONS COULD HAVE A MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF PLEDGED TAXES COLLECTED OR DISTRIBUTED. THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH SUCH MATTERS OF TAX ASSESSMENT AND COLLECTION**

### **Risk of Change in Incremental Property Taxes**

County methodology and procedures used to assess the value of property may be altered resulting in a potentially reduced or altered valuation in a particular year or succession of years. The State equalization factor or multiplier for Lake County is subject to change annually by the Illinois Department of Revenue.

**FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION OR ON SALES TAX ASSESSMENTS, COLLECTIONS OR DISTRIBUTIONS COULD HAVE A**



MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF INCREMENTAL PROPERTY TAXES COLLECTED OR DISTRIBUTED. THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH THIS TRANSACTION.

#### **Risk of Occupancy**

There are numerous tenants in the Project with various lease terms and various provisions in their leases, and there can be no assurance that, when a lease expires or is terminated for any reason, the lease will be extended or that the tenant's space will be re-leased. A failure to re-lease space could adversely affect the Pledged Taxes generated from the Project.

#### **Risk of Changes in Market Conditions, Changes in General Economic Conditions and Future Competition**

Occupancy of the stores in the Project and the subsequent generation of Pledged Revenues, could be significantly impaired as a result of changes in market conditions, changes in general economic conditions and competition from existing facilities or facilities developed in the future. There can be no assurance that any such change will not adversely affect occupancy at the Project and the generation of Pledged Revenues.

#### **Risk of Discontinued Operations**

No assurance can be given that the Sunset Foods along with other tenants will continue to be viable businesses in the Sunset Grove Property. In such case, the availability of Pledged Revenues could be negatively affected. Most retailers are involved in various ventures, and may become subject to claims of creditors for liabilities unrelated to the Project, in amounts which could force them into bankruptcy or receivership and which could adversely affect their operations within the Sunset Grove Property and the generation of Pledged Revenues

### **TAX EXEMPTION**

In the opinion of Foley & Lardner LLP, Bond Counsel, based on existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, as described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A copy of the proposed form of the opinion of Foley & Lardner LLP, as Bond Counsel, is set forth in APPENDIX A.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Village has covenanted to comply with certain restrictions and requirements designed to assure that the interest on the Bonds will not be included in gross income for federal income tax purposes and that interest on the Bonds will not be treated as a specific preference item for purposes of the federal alternative minimum tax. Failure to comply with these covenants may result in such interest being included in gross income for federal income tax purposes, possibly from the original issuance date of the Bonds. The opinion of Foley & Lardner LLP, as Bond Counsel, assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the issuance of the Bonds may adversely affect the tax status of the interest on the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not be relied upon in connection with any such actions, events, or matters.

The opinion of Bond Counsel relies on factual representations made by the Village and other persons. Bond Counsel has not verified these representations by independent investigation. Bond Counsel does not purport to be an expert in asset valuation and appraisal, financial analysis, financial projections or similar disciplines. Failure of any of these factual representations to be correct may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the original issuance date of the Bonds.

Certain requirements and procedures contained or referred to in the Bond Ordinance, the Trust Indenture, the Tax Certificate relating to the Bonds and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Foley & Lardner LLP.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent the owners from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The opinion of Bond Counsel speaks only as of its date and is based on current legal authorities, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment regarding the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts, and it is not a guarantee of result. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Village or about the effect of changes to the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Village has covenanted, however, to comply with the applicable requirements of the Code.

Bond Counsel is not obligated to defend the Village regarding the tax-exempt status of the Bonds in the event of an examination by the IRS. Under current IRS procedures, the owners and other parties other than the Village would have little, if any, right to participate in an IRS examination of the Bonds. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt obligations is difficult, obtaining independent review of IRS positions with which the Village legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for examination, or the course or result of such an examination, or an examination of Bonds presenting similar tax issues may affect the market price, or the marketability, of the Bonds, and may cause the Village or the owners to incur significant expense.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS information reporting requirements. If a Beneficial Owner of a Bond is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

## **Original Issue Discount**

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant rate compounded on periodic compounding (with straight-line interpolations between compounding dates). In general, the length of the interval between periodic compounding dates cannot exceed the interval between debt service payments on such Bonds and must begin or end on the date of such payments. The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult with their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds are sold to the public.

## **Premium**

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax exempt interest received, and an owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

## **Qualified Tax-Exempt Obligations**

Pursuant to the Bond Ordinance, the Village has designated the Bonds as "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

Bond Counsel is also of the opinion that interest on the Bonds is not exempt from present Illinois income taxes. Bond Counsel expresses no opinion regarding any other state or local tax consequences with respect to the ownership or transfer of the Bonds. Bond Counsel express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

## **LITIGATION**

### **General**

There is no controversy or litigation of any nature pending or, to the knowledge of the Village, threatened which, in the opinion of the Village Attorney, may present material financial liability to the Village.

## The Bonds

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof.

### CONTINUING DISCLOSURE

The Bonds are being initially issued in authorized denominations of \$100,000 or integral multiples of \$5,000 in excess thereof and are being offered to less than thirty-five (35) institutional investors. Accordingly, the Bonds will be exempt from the continuing disclosure requirements of Rule 15c2-12 adopted by the Commission under the 1934 Act (the "Rule"). Notwithstanding the foregoing, the Village and Amalgamated Bank of Chicago, as dissemination agent (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), pursuant to which certain information is to be provided to the Electronic Municipal Market Access system for municipal securities disclosure ("EMMA") by the Dissemination Agent.

The Village has represented that it is in compliance in all material respects with each undertaking previously entered into by it pursuant to the Rule, except to the extent set forth in the immediately following paragraph.

During the past five years, the Village did not timely file audited financial statements or annual operating data for its fiscal years ended April 30, 2015 through 2018; did not timely file a notice of redemption; and did not file or timely file notice of its failure to provide the aforementioned information on or before the date specified in its applicable prior continuing disclosure undertakings.

The Village covenants in the Continuing Disclosure Agreement that it will disseminate its Annual Financial Information and its Audited Financial Statements (as described below) to the Municipal Securities Rulemaking Board (the "MSRB") through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The Village is required to deliver such information not more than 240 days after the last day of the Village's fiscal year, which is April 30 of each calendar year, unless the Village's Audited Financial Statements are not yet available in which case the Village shall file its Audited Financial Statements when they become available.

*"Annual Financial Information"* means the form of the table included as Exhibit V of the Continuing Disclosure Agreement.

*"Audited Financial Statements"* means the general purpose financial statements of the Village prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time (i.e., as subject to the pronouncements of the Governmental Standards Accounting Board and subject to any express requirements of Illinois law).

The foregoing is a brief summary of certain provisions of the Continuing Disclosure Agreement of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Continuing Disclosure Agreement, a copy of which is attached hereto as "APPENDIX D – Continuing Disclosure Agreement."

## **NO RATING**

The Village has not made, and does not currently contemplate making, an application to any rating agency for the assignment of a rating to the Bonds.

## **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Foley & Lardner LLP, Chicago, Illinois, as Bond Counsel (the "*Bond Counsel*") who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Limited Offering Memorandum or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Limited Offering Memorandum. Certain legal matters will be passed on for the Village by its counsel, Filippini Law Firm LLP, Evanston, Illinois. Certain legal matters will be passed upon for the Underwriter by Foley & Lardner LLP, Chicago, Illinois.

## **UNDERWRITING**

The Underwriter has agreed, subject to certain conditions, to purchase all of the Bonds from the Village at an aggregate price of \$3,549,577.25 (representing the aggregate principal amount of the Bonds of \$3,600,000.00, plus original issue premium of \$3,577.25, less an underwriter's discount of \$54,000.00). The offering price may be changed from time to time by the Underwriter. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions set forth in the Purchase Contract.

## **MUNICIPAL ADVISOR**

The Village has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. Certain financial information included in this Limited Offering Memorandum has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Limited Offering Memorandum, nor is the Municipal Advisor obligated by the Village's continuing disclosure undertaking.

## **MISCELLANEOUS**

The references, excerpts, and summaries of documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for all payment of the Bonds, and the rights and obligations of the owners thereof.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of its date.


Any statement made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as a representation of fact; no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date hereof.

## AUTHORIZATION

This Limited Offering Memorandum has been approved for distribution to prospective purchasers of the Bonds on behalf of the Village by the official identified below.

The Village, acting through its Village Clerk, will provide, at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, this Limited Offering Memorandum with respect to the Bonds, together with any supplements thereto, at the time of acceptance and adoption of the Bond Ordinance and at the time of delivery of the Bonds, was true and correct in all material respect and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

VILLAGE OF LONG GROVE,  
LAKE COUNTY, ILLINOIS



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Bill Jacob, Village President

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VILLAGE OF LONG GROVE,  
LAKE COUNTY, ILLINOIS

/s/ Bill Jacob

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Bill Jacob, Village President



**ATTACHMENT J**

**Financial Advisor Analysis for Series 2020 Refunding Bonds**

VILLAGE OF LONG GROVE  
Refinancing of Sunset Grove Bonds

In 2010, the Village issued its \$4,450,000 Limited Obligation Tax Increment Revenue Bonds, payable from incremental property tax, sales tax and business district tax. The interest rate on the bonds is 7.5%.

At this time, the bonds may be refinanced for savings. The Village may issue a new series of bonds at an estimated rate of 4.375% for a savings of approximately \$300,000 to \$400,000. Alternatively, the Village has the ability to extend the repayment period two years, to 2032. While this increases the overall interest cost of the refinancing because of the longer term, thereby reducing the savings from the transaction, it is beneficial to the Village. The addition of two years of incremental property tax for the debt repayment outweighs the added interest cost. Two years of added property tax is estimated at some \$800,000; the extra interest cost is about \$300,000. Two extra years of trustee fees are some \$25,000. The result of the extension is to free up sales taxes of nearly \$400,000 for Village use.

The bond ordinance authorizes the sale to proceed within limitations as to size and rate. Assuming that the Board favorably acts November 26, the sale of the refunding bonds by D.A. Davidson would occur in December with delivery of the new bonds and redemption of the 2010 bonds in January 2020. Any delay impacts the savings by approximately \$10,000 monthly.

An alternative of not refinancing, but just using additional funds to prepay the existing 7.5% debt over time is not as beneficial. The Village loses the flexibility and use of the existing and extra cash flow during the eight years needed to complete the prepayment. Presumably the extra funding would impact the General Fund. And over the 12 year life of the TIF, there is less financial benefit from the prepayment of the 7.5% debt. It does not seem beneficial to proceed with this. However, by refinancing to a lower coupon, even with the cost of doing so, the Village retains the ability to apply excess funds to prepay the lower coupon debt, if it so chooses. This can be an on-going discussion, with the new debt having a lower coupon and a fairly short redemption term.

Recommendation

The Series 2010 bonds are callable at the end of this year and can be refinanced in a favorable market. Estimated savings range from \$300,000 to \$400,000. We recommend doing so. Further, we recommend extending the maturity to 2032 to enable the Village to retain additional sales taxes estimated at \$400,000 resulting in a total estimated benefit of \$700,000 to \$800,000 (refinance = \$300,000 to \$400,000 + 2 year extension = \$400,000).

KWM/hgs  
12.6.19

**ATTACHMENT K/L**

**Financial Statement**

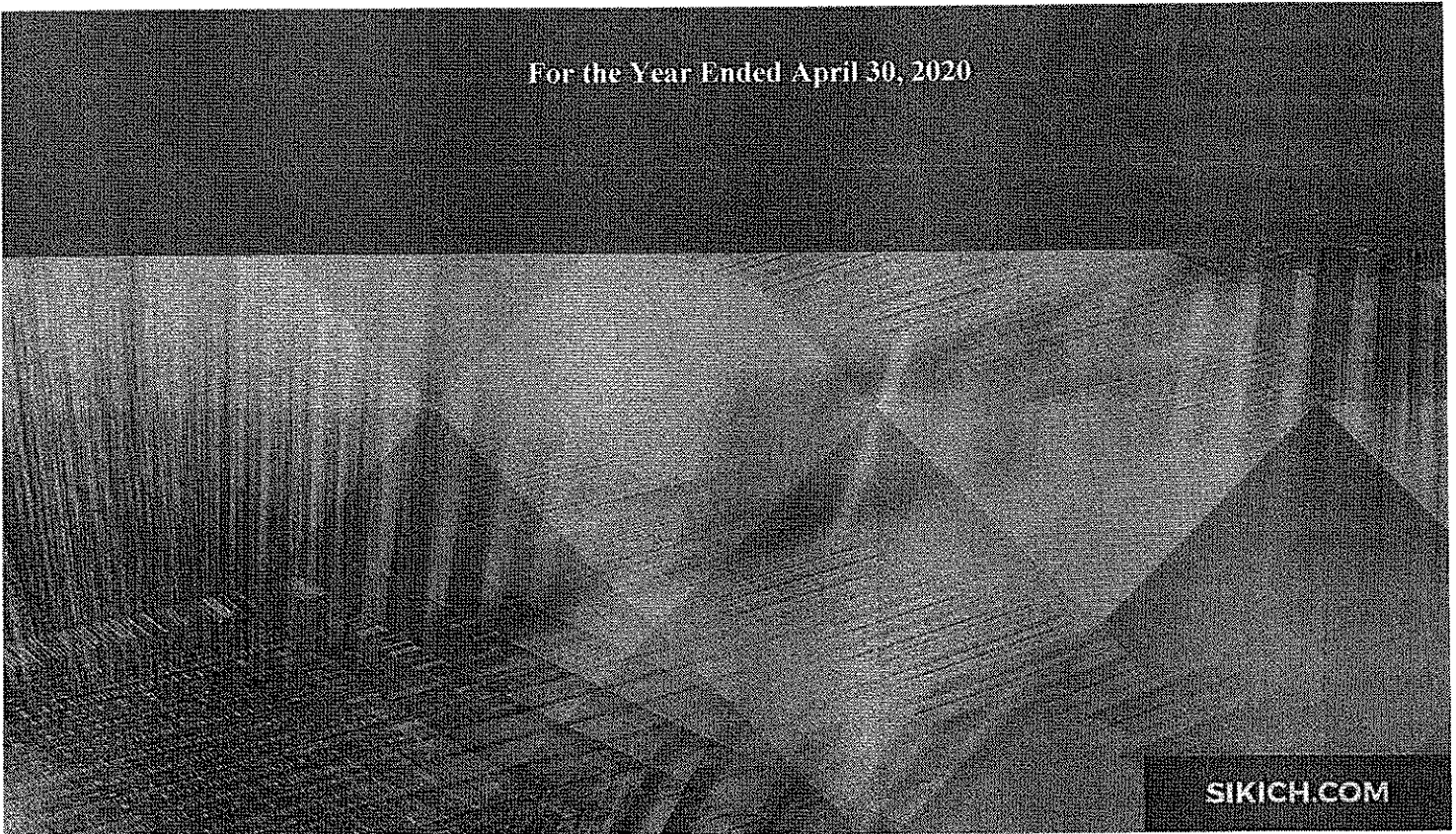


**VILLAGE OF LONG GROVE, ILLINOIS**

**TAX INCREMENT FINANCING DISTRICT  
DOWNTOWN TIF DISTRICT**

**REPORT ON COMPLIANCE  
WITH PUBLIC ACT 85-1142**

*For the Year Ended April 30, 2020*



**SIKICH.COM**

**VILLAGE OF LONG GROVE, ILLINOIS  
TAX INCREMENT FINANCING DISTRICT  
DOWNTOWN TIF DISTRICT  
TABLE OF CONTENTS**

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	<u>Page(s)</u>
INDEPENDENT ACCOUNTANT'S REPORT .....	1
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION .....	2
SUPPLEMENTARY INFORMATION	
Balance Sheet.....	3
Schedule of Revenues, Expenditures and Changes in Fund Balances .....	4

**INDEPENDENT ACCOUNTANT'S REPORT**



1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

[SIKICH.COM](http://SIKICH.COM)

## INDEPENDENT ACCOUNTANT'S REPORT

The Honorable President  
Members of the Board of Trustees  
Village of Long Grove, Illinois

We have examined management's assertion, included in its representation letter dated September 25, 2019, that the Village of Long Grove (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2020. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Village of Long Grove compliance with the specified requirements.

In our opinion, management's assertion that the Village of Long Grove, Illinois complied with the aforementioned requirements for the year ended April 30, 2020 is fairly stated, in all material respects.

This report is intended solely for the information and use of the President, the Board of Trustees, management of the Village, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

*Sikich LLP*

Naperville, Illinois  
November 18, 2020

**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**





1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

The Honorable President  
Members of the Board of Trustees  
Village of Long Grove, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Long Grove, Illinois (the Village) as of and for the year ended April 30, 2020, and the notes to financial statements, which collectively comprise the basic financial statements of the Village, and have issued our report thereon dated November 18, 2020, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information (schedule of revenues, expenditures, and changes in fund balance and balance sheet for the Tax Increment Financing (TIF) Downtown) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Sikich LLP*

Naperville, Illinois  
November 18, 2020

**SUPPLEMENTARY INFORMATION**

VILLAGE OF LONG GROVE, ILLINOIS

BALANCE SHEET  
DOWNTOWN TIF DISTRICT

April 30, 2020

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**ASSETS**

Cash and Investments	\$ 790,948
Receivables	
Taxes	818,270
Due from other funds	10,968
Restricted cash and investments	<u>360,606</u>

**TOTAL ASSETS** \$ 1,980,792

**LIABILITIES**

Accounts payable	16,718
Advances from other funds	<u>9,599,826</u>

Total Liabilities 9,616,544

**DEFERRED INFLOWS OF RESOURCES**

Unavailable Revenue	<u>745,188</u>
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Total Deferred Inflows of Resources 745,188

**FUND BALANCES**

Restricted for debt service	360,606
Unassigned (deficit)	<u>(8,462,921)</u>

Total Fund Balances (8,102,315)

**TOTAL LIABILITIES, DEFERRED  
INFLOWS OF RESOURCES AND  
FUND BALANCES**

\$ 2,259,417

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
DOWNTOWN TIF DISTRICT

For the Year Ended April 30, 2020

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**REVENUES**

Taxes	
Tax increment	\$ 383,549
Business district sales tax	61,465
Non-home rule sales taxes	53,370
Sales taxes	199,684
Public charges for service	6,999
Investment Income	12,259
Miscellaneous	527,086
	<hr/>
Total Revenues	1,244,412

**EXPENDITURES**

Conservation and development	156,296
Debt Service	
Bond issuance costs	132,559
Principal on long-term debt	743,780
Interest on bonds	-
Interest on advances	527,283
	<hr/>
Total Expenditures	1,559,918

**EXCESS (DEFICIENCY) OF REVENUES  
OVER EXPENDITURES**

(315,506)

**OTHER FINANCING SOURCES (USES)**

Transfers in	38,355
Principal on bonds sold	3,600,000
Payment to escrow agent	(3,079,633)
Premium on bonds sold	3,577
	<hr/>
Total other financing sources (uses)	562,299

**NET CHANGE IN FUND BALANCES**

246,793

**FUND BALANCES (DEFICIT), MAY 1**

(8,370,885)

Prior period adjustment

21,777

**FUND BALANCES (DEFICIT), MAY 1, AS RESTATED**

(8,349,108)

**FUND BALANCES (DEFICIT), APRIL 30**

\$ (8,102,315)

(See independent auditor's report.)