

**RESOLUTION 2019-040**

**A RESOLUTION OF INDUCEMENT AND TO EXPRESS OFFICIAL INTENT REGARDING CERTAIN EXPENDITURES TO BE REIMBURSED FROM A SPECIAL TAX ALLOCATION FUND THE VILLAGE MAY ESTABLISH FOR A PROPOSED TAX INCREMENT FINANCING DISTRICT TO BE COMMONLY DESCRIBED AS THE HAWTHORN MALL REDEVELOPMENT PROJECT AREA**

**WHEREAS**, the Village of Vernon Hills, Lake County, Illinois (the "Village") is a duly organized and existing home rule municipality created under the laws of the State of Illinois; and

**WHEREAS**, the Village is authorized to take certain actions pertaining to redevelopment activities for properties within the Village; and

**WHEREAS**, the Village is contemplating the formation of a tax increment financing district pursuant to the provisions of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the "TIF Act") generally in the area of the real property depicted in Exhibit A attached hereto and made a part hereof, tentatively described as the "Hawthorn Mall Redevelopment Project Area" (the "TIF District"); and

**WHEREAS**, the Village is authorized, under the provisions of the TIF Act to finance redevelopment project costs, as defined in Section 3(q) of the TIF Act, 65 ILCS 5/11-74.4-3(q) ("TIF Project Costs"), in connection with redevelopment project areas established in accordance with the requirements of the TIF Act; and

**WHEREAS**, the feasibility of the TIF District has not yet been determined and the exact boundaries of the TIF District are not precisely defined at this time and the contents of a "Redevelopment Plan" which is to be approved pursuant to the TIF Act are not yet finalized; and

**WHEREAS**, the Village desires to have the TIF District redeveloped and rehabilitated through investment by private enterprise which may not be economically feasible to do without providing economic incentives under the TIF Act to the owners of certain properties within the TIF District (collectively, "Owners") pursuant to the terms and provisions of a redevelopment agreement the Village may enter into with said Owners or their agent, Hawthorn, L.P., an Illinois limited partnership ("Developer"); and

**WHEREAS**, Owners have incurred and paid certain expenditures relating to projects they seek to undertake in the TIF District (the "Projects") within the period of time that is sixty (60) days prior to the passage of this Resolution and Owners are considering incurring and paying certain additional expenditures relating to the Projects after the date of passage of this Resolution, many of which expenditures (collectively, the "TIF Expenditures") would constitute eligible "Redevelopment Project Costs" under and pursuant to the TIF Act, which TIF Expenditures Owners would not incur but for the adoption of this Resolution ; and

**WHEREAS**, the Village reasonably expects to reimburse itself from incremental property tax revenues generated by properties within the TIF District (“TIF Revenues”) for TIF Project Costs it incurs in establishing and administering the TIF District, should the Village elect to establish it; and

**WHEREAS**, Owners and Developer have requested that the Village pay for certain of the TIF Expenditures they incur in implementing the Projects from TIF Revenues if the Village establishes the TIF District; and

**WHEREAS**, if the TIF District is established, the Village and Developer will endeavor to negotiate a redevelopment agreement that contains such agreed upon terms that will assist the Developer in the completion of the Projects (“Redevelopment Agreement”); and

**WHEREAS**, if the Redevelopment Agreement is approved by the Village, the Village expects to pay or reimburse Owners or Developer, from TIF Revenues, for a portion of the Project costs they incur which qualify as TIF Expenditures; and

**WHEREAS**, Owners and Developer have stated that, without the Village’s contribution of TIF Revenues to the Projects, they cannot undertake and complete the Projects in an economically feasible manner; and

**WHEREAS**, Owners and/or Developer reasonably expect that they: (i) will pay or incur TIF Expenditures in connection with the construction of one or more of the Projects prior to formal approval and execution of the Redevelopment Agreement; (ii) will use funds from sources other than TIF Revenues which are or will be available on a short-term basis to pay for such TIF Expenditures prior to the approval of a Redevelopment Agreement; and (iii) desire to be reimbursed for the use of some of their capital expenses; and

**WHEREAS**, the Village reasonably anticipates the expenditure of TIF Project Costs in connection with the establishment and administration of the TIF District and the approval and construction of the Projects and desires to be reimbursed for such expenditures; and

**WHEREAS**, the purpose of this Resolution is to induce Owners and/or Developer to pay or incur certain TIF Expenditures in furtherance of the construction of the Projects prior to the establishment of the TIF District and prior to formal approval and execution of the Redevelopment Agreement, thereby advancing the purposes of the TIF Act.

**NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois, in the exercise of its home rule powers, as follows:**

**SECTION 1.** That the Recitals set forth above are hereby incorporated into this Resolution by this reference thereto.

**SECTION 2.** That the Village hereby declares its intention to negotiate and enter into a Redevelopment Agreement with Developer which may provide for, inter alia, reimbursement from TIF Revenues of certain TIF Expenditures paid or incurred by Owners or Developer and the Village. The Village acknowledges that, in order to keep the Projects moving forward on an acceptable schedule, it will be necessary for Owners and/or Developer and the Village to incur some eligible Redevelopment Project Costs prior to negotiation, approval and execution of the Redevelopment Agreement.

**SECTION 3.** That neither Developer, Owner nor any other party is entitled to rely on this Resolution as a commitment by the Village to enter into the Redevelopment Agreement, and the Village reserves the right in its sole and absolute discretion to not enter into the Redevelopment Agreement, and in such event the Village shall not be subject to any liability or damages of any nature. Neither Developer nor anyone claiming by or through Developer shall have any claim against the Village as a result of any decision by the Village not to enter into the Redevelopment Agreement.

**SECTION 4.** That the Village hereby declares its intention to use TIF Revenues to pay or reimburse Owners or Developer for TIF Expenditures pursuant to the terms of the Redevelopment Agreement, and to pay or reimburse itself for TIF Expenditures it incurs in establishing the TIF District.

**SECTION 5.** That the Village expects to reimburse itself, or Owners or Developer under the terms of the Redevelopment Agreement, from the TIF Revenues for TIF Expenditures paid prior to the Village's receipt of TIF Revenues.

**SECTION 6.** That the Village may consider issuing debt obligations of the Village to be repaid from TIF Revenues and not as the general obligation of the Village, and this Resolution is a declaration of official intent under Treas. Reg. Section 1.150-2 and under the TIF Act.

**SECTION 7.** That officials, officers and employees of the Village are hereby authorized to take such further actions as are necessary to carry out the intent and purpose of this Resolution.

**SECTION 8.** That this Resolution shall be in full force and effect immediately upon its passage in the manner provided by law.

Dated this 13<sup>th</sup> day of August, 2019

Adopted by roll call vote as follows:

AYES: 7 – Brown, Schultz, Marquardt, Koch, Oppenheim, Takaoka, Byrne

NAYS: 0 - None

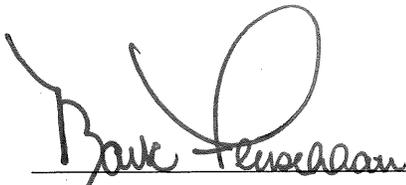
ABSENT AND NOT VOTING: 0 - None

  
\_\_\_\_\_  
Roger Byrne, Village President

PASSED: 08/13/2019

APPROVED: 08/13/2019

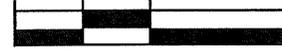
ATTEST: 08/13/2019

  
\_\_\_\_\_  
Mark Fleischhauer, Village Clerk

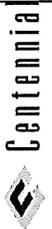
**EXHIBIT A**

EXHIBIT A  
HAWTHORN MALL - TIF AREA TO BE STUDIED

GRAPHIC SCALE IN FEET  
0 162.5 325 650



**Kimley»Horn**  
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AERIAL EXHIBIT

HAWTHORN MALL  
SVC MILWAUKEE AVE. & RING DR.  
VERNON HILLS, IL 60061

SHEET NUMBER

EX. 1