

RESOLUTION NO. 1-06

**A RESOLUTION APPROVING INTERGOVERNMENTAL AGREEMENT
TO EXTEND THE TERM OF THE TAX INCREMENT FINANCING AREA #1**

Preamble

The President and Board of Trustees of the Village of Mount Prospect desire to extend the expiration date of Tax Increment Financing Area #1 from December 31, 2009 to December 31, 2022. The Illinois Municipal Code requires an agreement among the Village, the affected School Districts, the affected Park District and the Mount Prospect Public Library before such an extension may become effective.

Such an agreement, entitled "intergovernmental Agreement Between the Village of Mount Prospect And All The Taxing Districts Affected By The District No. 1 Tax Increment Redevelopment Area" has been reached. The President and Board of Trustees find that it is in the best interests of the Village and its residents to enter into this agreement.

THEREFORE, BE IT RESOLVED, BY THE MAYOR AND BOARD OF TRUSTEES OF THE VILLAGE OF MOUNT PROSPECT, COOK COUNTY, ILLINOIS:

SECTION ONE: The President and Clerk of the Village of Mount Prospect are authorized to execute the "Intergovernmental Agreement Between the Village of Mount Prospect And All The Taxing Districts Affected By The District No. 1 Tax Increment Redevelopment Area" which is attached to and made part of this Resolution.

SECTION 2: This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

AYES: Corcoran, Hoefert, Lohrstorfer, Skowron, Zadel

NAYS: None

ABSENT: Korn

PASSED AND APPROVED this 17th day of January, 2006



Irvana K. Wilks, Mayor

ATTEST:



M. Lisa Angell, Village Clerk

INTERGOVERNMENTAL AGREEMENT BETWEEN THE
VILLAGE OF MOUNT PROSPECT AND ALL THE TAXING DISTRICTS
AFFECTED BY THE DISTRICT NO. 1 TAX INCREMENT REDEVELOPMENT AREA

This Agreement entered into this 18th day of January, 2006 between the VILLAGE :OF MOUNT PROSPECT, a municipal corporation ("MOUNT PROSPECT"), and HARPER COMMUNITY COLLEGE DISTRICT 512, HIGH SCHOOL DISTRICT 214, ELEMENTARY SCHOOL DISTRICT 57, COOK COUNTY, ELK GROVE TOWNSHIP, ELK GROVE TOWNSHIP ROAD & BRIDGE, THE FOREST PRESERVE DISTRICT OF COOK COUNTY, SUBURBAN TB SANITARIUM, NORTHWEST MOSQUITO ABATEMENT, WATER RECALMATION DISTRICT, THE MOUNT PROSPECT PUBLIC LIBRARY and THE MOUNT PROSPECT PARK DISTRICT (hereinafter referred to individually by each's respective name and collectively referred to as the "TAXING DISTRICTS"). MOUNT PROSPECT and the TAXING DISTRICTS are referred to in the Agreement as the "PARTIES".

R E C I T A L S

WHEREAS, pursuant to Ordinance Numbers 3554, 3555, 3556 and, adopted August 20, 1985, MOUNT PROSPECT approved a tax increment development plan and project, designated the tax increment redevelopment project area and adopted tax increment financing relative to MOUNT PROSPECT'S District No. 1 Tax Redevelopment Project Area, as legally described on attached Exhibit A (hereinafter referred to as the "TIF DISTRICT"); and

WHEREAS, the MOUNT PROSPECT District No. 1 Tax Redevelopment Project Area was amended (Amendment No. 1) pursuant to Ordinance Numbers 4011, 4012, 4012 and, adopted December 20, 1988 expanding the redevelopment project area, as legally described on attached Exhibit B; and

WHEREAS, the MOUNT PROSPECT District No. 1 Tax Redevelopment Project Area was further amended (Amendment No. 2) pursuant to Ordinance Numbers 4509, 4510, 4511 and, adopted January 5, 1993 expanding the redevelopment project area, as legally described on attached Exhibit C; and

WHEREAS, the Constitution of the State of Illinois, 1970, Article VII, Section 10, authorizes units of local government and school districts to contract or otherwise associate among themselves in any manner not prohibited by law or ordinance; and

WHEREAS, the "Intergovernmental Cooperation Act," 5 ILCS 220/1 et. seq., provides that any power or powers, privileges or authority exercised or which may be exercised by a unit of local government or school district may be exercised and enjoyed jointly with any other units of local government or school districts; and

WHEREAS, the Tax Increment Allocation Redevelopment Act ("TIF ACT"), 65 ILCS 5/11-74.4-1 et. seq., authorizes municipalities to enter into contracts necessary to implement or maintain a TIF redevelopment plan, or project; and

WHEREAS, MOUNT PROSPECT and the TAXING DISTRICTS have determined that it is in their overall respective best interests to facilitate further redevelopment within the TIF DISTRICT by entering into this Agreement; and

WHEREAS, the life of the TIF DISTRICT is to expire on December 31, 2009; and

WHEREAS, MOUNT PROSPECT desires to extend the life of the TIF DISTRICT to December 31, 2022 ("Extended Life of TIF DISTRICT") upon approval by the Illinois General Assembly and the TAXING DISTRICTS have no objection to such an extension provided that there is compliance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the PARTIES, the PARTIES agree as follows:

1. The preambles set forth above are incorporated by reference as if fully set forth.
2. MOUNT PROSPECT shall, annually during the extended life of the TIF DISTRICT, upon receipt of incremental property taxes (hereinafter referred to as "INCREMENTAL REVENUES") generated each year by the TIF DISTRICT, declare a portion of the INCREMENTAL REVENUES as surplus, as defined in 65 ILCS 5/11-74.4-7, based on the following:

Upon receipt of the equalized assessed valuation (hereinafter referred to as the "EAV") for the Downtown Redevelopment TIF District for 2008 real estate taxes collected during 2009, MOUNT PROSPECT shall establish a second base EAV for the Downtown Redevelopment TIF District to be used as the base EAV for the Extended Life of the TIF DISTRICT ("SECONDARY EAV") based on formulae where the letters of the alphabet are symbols having the following meanings:

A = Actual 2008 EAV for the Downtown Redevelopment TIF

B = EAV for parcels located in sub-area #4

C = EAV for parcels located in sub-area #5

D = Secondary base EAV for 2008

E = Base EAV of original TIF (\$7,575,159)

F = 2008 incremental EAV from which the incremental tax revenues are calculated

G = 2008 Tax rate

H = 2008 Incremental Tax Revenues

I = Growth factor of 3.25%

J = 2009 Surplus Incremental Tax Revenues to be distributed to the taxing districts

K = 2.43% annual CPI increase

L = Annual redistribution to the taxing districts ("ANNUAL REDISTRIBUTION REVENUE").

Calculation 1 $A - (B + C) = D$

This will establish the Secondary Base EAV. The original TIF Base EAV will then be deducted from the Secondary Base EAV according to Calculation 2.

Calculation 2 $D - E = F$

This will establish the incremental EAV (Incremental Base EAV) to establish the base upon which subsequent incremental tax revenues will be calculated.

Calculation 3 $F \times G = H$

This will establish the actual dollar amount for incremental taxes received by the Village for 2008. This will be the base dollar figure to which a growth factor of 3.25% will be added for tax year 2009 as shown on Calculation 4.

Calculation 4 $H \times I = J$

This will establish the total dollar amount of the incremental tax revenues to be distributed from the 2009 levy. "J" will be the base for all subsequent year calculations as shown in Calculation 5.

Calculation 5 $J \times K = L$

This will establish the total dollar amount of the incremental tax revenues to be distributed from each levy year after 2009. Therefore, the annual distributions may be represented as follows:

Year One	$J = L$	
Year Two	$J \times (1 + K) = L$	
Year n	$J \times (1 + K)^{n-1} = L$	(where "n" equals year of TIF extension)

Illustration of the aforementioned formula is included as Exhibit D, which is made a part of this Agreement.

3. MOUNT PROSPECT shall annually pay the ANNUAL REDISTRIBUTION REVENUE to the Cook County Collector to the extent the incremental taxes are received by the Village. Partial payments of the ANNUAL REDISTRIBUTION REVENUE shall be made by MOUNT PROSPECT to the Cook County Collector within thirty (30) days of receipt by MOUNT PROSPECT of any INCREMENTAL REVENUES payments, relative to the TIF DISTRICT, from the Cook County Treasurer.

Pursuant to 65 ILCS 5/11-74.4-7:

"The County Collector shall thereafter make distribution to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area."

4. After completion of the 2012, 2015 and 2018 budget years during the TIF extension period, the Village will prepare pro-forma financial statements to assess the fiscal condition of the TIF Fund. If at these selected intervals all TIF expenses have been paid and there are any remaining Incremental Revenues ("REMAINING REVENUES"), MOUNT PROSPECT shall, within ninety (90) days, distribute eighty percent (80%) of the REMAINING REVENUES to the taxing districts that fall within the boundaries of the TIF District. The distribution shall be divided between the Districts in the same proportion as the prior distributions for the years in which the REMAINING REVENUES were received by such TAXING DISTRICTS. A final accounting will be done at the close of the TIF extension period. Distributions of any remaining incremental revenues will be made to the TAXING DISTRICTS according to TIF statutes.

5. The TAXING DISTRICTS shall have a lien on the ANNUAL REDISTRIBUTION REVENUES. MOUNT PROSPECT will not pledge the ANNUAL REDISTRIBUTION REVENUE as security for repayment of any debt without the permission of the TAXING DISTRICTS.

6. For any event or action that is beyond the control of MOUNT PROSPECT that causes a reduction in the EAV and therefore Incremental Revenues in a particular levy year, the distribution of ANNUAL REDISTRIBUTION REVENUES to the TAXING DISTRICTS for that particular year will be reduced proportionately. These events or activities include, but are not limited to reductions in individual property valuations through the Property Tax Appeals Board process, any property tax exemptions, including but not limited to the Homeowners Exemption, Senior Exemption and Senior Assessment Freezes or events of force majeure.

7. In regard to MOUNT PROSPECT' S approval of any further REDEVELOPMENT PROJECTS within the TIF DISTRICT, MOUNT PROSPECT agrees as follows:

A. Prior to authorizing a REDEVELOPMENT PROJECT, MOUNT PROSPECT shall provide a copy of the redevelopment agreement proposed for the REDEVELOPMENT PROJECT to each member of the Joint Review Board for the TIF DISTRICT, and call a meeting of the Joint Review Board for the purpose of allowing the Joint Review Board members to comment upon, and make a non-binding recommendation in relation to the proposed REDEVELOPMENT PROJECT. The Corporate Authorities of MOUNT PROSPECT shall not take final action on the approval of any such REDEVELOPMENT PROJECT until after the non-binding recommendation of the Joint Review Board has been received, provided that the recommendation from the Joint Review Board is received by MOUNT PROSPECT no more than thirty (30) days after the date of the first Joint Review Board meeting called for the purpose of reviewing the REDEVELOPMENT PROJECT.

8. This Agreement shall be binding upon the Parties and their successors.

9. This Agreement represents the entire Agreement between the TAXING DISTRICTS and MOUNT PROSPECT. No amendment, waiver or modification of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and adopted by each of the parties as required by law.

10. The TAXING DISTRICTS, by their execution and approval of this Agreement, hereby waive forever any and all right to set aside, modify or contest in any manner the TIF DISTRICT or the temporary extension of the TIF DISTRICT. This shall include, but is not limited to, the redevelopment plan and project, the redevelopment area and any redevelopment agreements or professional services agreements as now or hereafter constituted or entered into by MOUNT PROSPECT including claims to any other payment they may believe they are entitled to by law or otherwise. The foregoing shall not apply to any redevelopment agreement entered into that is not in accordance with this Agreement. Notwithstanding the foregoing, the TAXING DISTRICTS shall fully retain their rights to contest in any manner permitted by law any subsequent amendments to the TIF DISTRICT and/or the administration of the TIF DISTRICT to the extent such amendment is contrary to the TIF ACT, the tax increment development plan and project for the TIF DISTRICT, any other applicable law or this Agreement. Nothing contained in this Agreement shall be construed to give the TAXING DISTRICTS any right to participate in the administration of the TIF DISTRICT.

11. If any section, subsection, sentence, clause or phrase of this Agreement is for any reason held to be invalid, such decision or decisions shall not affect the validity of the remaining portions of this Agreement.

12. This Agreement shall be effective when approved by the MOUNT PROSPECT Village Board and the governing boards of each of the TAXING DISTRICTS.

13. This Agreement will remain in effect until the dissolution of the TIF DISTRICT.

14. This Agreement shall be executed in a sufficient number of counterparts so that each Party shall receive an original signature copy hereof.

IN WITNESS WHEREOF, the undersigned governmental units have caused this Agreement to be duly executed, by their authorized officials.

VILLAGE OF MOUNT PROSPECT

Date: January 23, 2006
By: Thomas K. Willes
Title: Mayor

ATTEST:
M. Lisa Angelo
Village Clerk

HARPER COMMUNITY COLLEGE DIST. 512

Date: _____
By: _____
Title: _____

ATTEST:

Secretary

HIGH SCHOOL DISTRICT 214

Date: April 21, 2005
By: W. J. Hamilton
Title: President-Board of Education

ATTEST:
James P. Bernard
Secretary

ELEMENTARY SCHOOL DISTRICT 57

Date: October 20, 2005
By: Lee Rasmstedt
Title: President-Board of Education

ATTEST:
Virginia Stehster
Secretary

COOK COUNTY

Date: _____
By: _____
Title: _____

ATTEST:

Clerk

ELK GROVE TOWNSHIP

Date: _____
By: _____
Title: _____

ATTEST:

Secretary

ELK GROVE TOWNSHIP R & B

Date: _____
By: _____
Title: _____

ATTEST:

Secretary

COOK COUNTY FOREST PRESERVE

Date: _____
By: _____
Title: _____

ATTEST:

Clerk

SUBURBAN TB SANITARIUM

Date: _____

By: _____

Title: _____

ATTEST:

Secretary

NORTHWEST MOSQUITO ABATEMENT

Date: _____

By: _____

Title: _____

ATTEST:

Secretary

WATER RECLAMATION DISTRICT

Date: _____

By: _____

Title: _____

ATTEST:

Secretary

MOUNT PROSPECT PUBLIC LIBRARY

Date: Sept 23, 2005

By: Dorothy L. Klein

Title: President - Board of Trustees

ATTEST:

Joe H. Everett
Secretary

MOUNT PROSPECT PARK DISTRICT

Date: _____

By: James A. Brown

Title: President

ATTEST:

John D. [Signature]
Secretary

EXHIBIT A

DOWNTOWN NO. 1
TAX INCREMENT REDEVELOPMENT PROJECT AREA
LEGAL DESCRIPTION

Beginning at the intersection of the centerline of Main Street, State of Illinois Route 83, with the centerline of Central Road, extended; thence Easterly along said centerline of Central Road, a distance of approximately 570.32 feet to the Northeast corner of Lot 22 of Block 5 in Busse and Wille's Resubdivision in Mount Prospect; thence Southerly along the Eastern property line of Lots 12, 13, 20, 21, and 22 of said Block 5 in Busse and Wille's Resubdivision in Mount Prospect, and the Eastern property line of Lot 1 Of Mount Prospect State Bank Resubdivision No. 3, a distance of approximately 608.74 feet, to the centerline of Busse Avenue; thence Westerly along the centerline of Busse Avenue, a distance of approximately 157.11 feet, to the point of inter-section of the centerline of Busse Avenue with the Eastern right-of-way of Emerson Streets; thence Southerly along said Eastern right-of-way of Emerson Street, a distance of approximately 277.00 feet, to a point at the Northwest corner of Lot 18 in Block 12 of Busse and Wille's Resubdivision in Mount Prospect; thence Easterly along the Northern property line of said Lot 18, a distance of approximately 157.09 feet, to the Northeast corner of said Lot 18; thence Southerly, a distance of approximately 50.00 feet, along the Eastern property line of said Lot 18, to a point at the Northwest corner of Lot A of Corporate Subdivision Number 1, Village of Mount Prospect; thence Easterly along the Northern property line of said Lot A, a distance of approximately 157.10 feet, to a point of intersection of said Lot A with the Western right-of-way of Maple Street; thence Northerly along the Western right-of-way of Maple Street, a distance of approximately 321.88 feet, to a point at the intersection of the Western right-of-way of Maple Street and the Southern right-of-way of Busse Avenue; thence Easterly along the Southern right-of-way of Busse Avenue, a distance of approximately 223.12 feet, to a point of intersection with the Eastern property line of Lot 1 in Block 11 of Busse and Wille's Resubdivision in Mount Prospect; thence Southerly along the Eastern property lines of Lots 1 through 8 of Block 11 of Busse and Wille's Resubdivision in Mount Prospect, a distance of approximately 401.36 feet, to a point at the intersection of the Southeast corner of said Lot 8 with the Northwest corner of Lot 16 of Busse's Subdivision of Lot A of Block 11 in Busse and Wille's Resubdivision; thence Easterly along the Northern property line of said Lot 16, a distance of approximately 190.10 feet, to a point on the centerline of Elm Street; thence Southerly along said centerline of Elm Street, a distance of approximately 190.00 feet, to the point of intersection of the centerline of Elm Street, extended, with the Northern right-of-way of Evergreen Avenue; thence Easterly along the Northern right-of-way of Evergreen Avenue, a distance of approximately 567.20 feet, to a point of intersection with the Southwest corner of Lot 5 of the Subdivision of Block 8 of Busse's Eastern Addition to Mount Prospect, recorded February 11, 1922; thence Southerly, a distance of approximately 591.00 feet, along the Western property lines of Lots 1 through 21 of Block 20 of Mount Prospect Subdivision in Section 12-41-11, Recorded September 2, 1874, to a point at the intersection of the Southwestern corner of said Lot 21 with the Northern property line of Lot 1 of Bruce's Resubdivision in Mount Prospect; thence Easterly along the Northern property line of said Lot 1, a distance of approximately 171.00 feet, to the centerline of Owen Street; thence Southerly along said centerline of Owen Street, a distance of approximately 255.48 feet, to the point of the intersection of the centerline of Northwest Highway, State of Illinois Route 14, with the centerline of Owen Street, extended; thence North-westerly along said centerline of Northwest Highway a distance of approximately 2,250 feet to the point of intersection of the centerline of Northwest Highway with the centerline of Main Street, State of Illinois Route 83, extended; thence Northerly along the centerline of Main Street a distance of approximately 940 feet to the point of beginning, at the intersection of the centerlines of Main Street and Central Road, extended; all located in the Northwest Quarter (1/4), and the Northeast Quarter (1/4) of Section 12, Township 41 North, Range 11 East of the Third Principal Meridian, located in the Village of Mount Prospect,, Elk Grove Township, County of Cook, in the State of Illinois.

EXHIBIT B

**DOWNTOWN NO. 1
TAX INCREMENT REDEVELOPMENT PROJECT AREA
LEGAL DESCRIPTION**

LEGAL DESCRIPTION - AMENDMENT #1

That part of the West Half of the Northwest fractional Quarter of Section 12, Township 41 North, Range 11, East of the Third Principal Meridian, described as follows: The East 44 feet of the West 64 feet of Lots 1 and 2 and all of Lots 16, 17, 18 and 19 in Block 7 in "Mount Prospect", a subdivision in part of the West Half of said Section 12, per plat thereof recorded September 2, 1874, as Document 188460 in Book 8 of Plats, page 90; also

Lots E and F in Lauder milk's Subdivision of Lots 3, 4, 5, 6 and 7 in Block 7 in the aforesaid "Mount Prospect" subdivision, per plat thereof filed for record in the Office of the Registrar of Titles June 6, 1927, as L.R. 357250 together with the 16 foot wide public alley lying south of and adjoining said Lot F, said alley being the North 16 feet of Lot G in said Lauder milk's Subdivision, and also the 20 foot wide public alley lying West of and adjoining Lots A, B, C, D, E, F and the North 16 feet of Lot G in said subdivision, except the North 50 feet of said 20 foot wide alley now vacated; also

The North 100 feet of Lot 2 in Block 3 in Busse and Wille's Resubdivision in Mount Prospect in part of said Northwest fractional Quarter of Section 12, per plat thereof recorded March 31, 1906, as Document 3839591; also

Lots 1 and 2 in Mount Prospect Central District Resubdivision in part of the West Half of said Section 12, per plat thereof filed for record in the Office of the Registrar of Titles, December 23, 1949, as L.R. 1275902; also

Lot 1, except the West 20 feet thereof, in Raymond R. Chmelik's Subdivision, a resubdivision of part of aforesaid Lauder milk's Subdivision, per plat thereof also filed for record in the Office of the Registrar of Titles, February 25, 1969, as L.R. 2437155; also

Lot 1 in Huecker's Resubdivision of Lots 1 and 2 (except the West 64 feet thereof) in aforesaid Block 7 in "Mount Prospect", per plat thereof recorded September 9, 1969, as Document 20953597; also

Lots 1 and 2 in the McLean Resubdivision in Mount Prospect, being a resubdivision in part of the West Half of said Section 12 also filed for record in the Office of the Registrar of Titles, October 20, 1975, as L.R. 2835833; also

That part of Wille Street in said West Half of Section 12 lying North of an extension West of the South line of the North 100 feet of Lot 2 in Block 3 in the aforesaid Busse and Wille's Resubdivision, and lying South of the South line of Central Road; also

That part of Main Street in said West Half of Section 12 lying North of an extension East of the most South line of Lot 2 in the aforesaid Mount Prospect Central District Resubdivision, and lying South of the South line of Central Road; also

That part of Central Road in said West Half of Section 12 and in part of the South Half of Section 34, Township 42 North, Range 11, East of the Third Principal Meridian, lying East of an extension North of the West line of the aforesaid Wille Street, and lying West of an extension North of the East line of the aforesaid Main Street, all of the above in Cook County, Illinois.

EXHIBIT C

DOWNTOWN NO. 1
TAX INCREMENT REDEVELOPMENT PROJECT AREA
LEGAL DESCRIPTION

LEGAL DESCRIPTION - AMENDMENT #2

That part of the East half of the Northeast quarter of Section 11 and that part of the West half of the Northwest quarter of Section 12, all in Township 41 North, Range 11 East of the Third Principal Meridian, taken as a tract of land, bounded and described as follows: Beginning at the intersection of the center line of Central Road with the center line of Northwest Highway; thence East on the center line of Central Road to center line of Wille Street; thence South on center line of Wille Street to West extension of the South line of the North 100 feet of Lot 2 in Block 3 in Busse and Wille's Resubdivision in Mount Prospect in the Northwest quarter of Section 12 aforesaid; thence East on the West extension of the South line of the North 100 feet of Lot 2 and on said South line of the North 100 feet of Lot 2 aforesaid, to the East line of said Lot 2 aforesaid; thence North on the East line of Lot 2 aforesaid to the most Westerly Southwest corner of Lot 2 in Mount Prospect Central District Resubdivision in part of the West half of Section 12 aforesaid; thence East, South and East on the South line of Lot 2 aforesaid and on said South line extended East to the center line of Main Street; thence South on center line of Main Street to center line of Northwest Highway; thence Northwesterly on center line of Northwest Highway to the center line of Central Road and the place of beginning, all in Cook County, Illinois.

Exhibit D

FOR ILLUSTRATIVE PURPOSES ONLY

		2008 Total EAV	Less: Base EAV	2008 Incremental EAV	2008 Projected Tax Rate*	2008 Incremental Taxes	Growth Factor	2009 Incremental Taxes**
Total EAV of Downtown TIF District	A	49,143,660	12,741,643	36,402,017	G 8.081	2,941,758	I 3.25%	3,037,365
Less:								
EAV Sub-area #4	B	4,604,444	4,021,700	582,744	8.081	47,093	3.25%	48,624
EAV Sub-area #5	C	2,192,358	1,143,784	1,048,574	8.081	84,738	3.25%	87,492
Secondary Base EAV	D	42,346,858	E 7,576,159	F 34,770,699				
Secondary Base Taxes						H 2,809,926		J 2,901,248

* Tax rate for Downtown Area Redevelopment TIF District to include school districts #57 and #214.

** First year of reallocation of incremental taxes to taxing districts.