

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Director of Economic Development **DATE:** March 18, 2003
(Name)

RECOMMENDATION FROM: _____ **FILE REF:** _____
(Board or Department)

NATURE OF ACTION:

- Ordinance
- Resolution
- Motion
- Other

STEPS NEEDED TO IMPLEMENT ACTION:

Motion to Adopt "AN ORDINANCE RESERVING VOLUME CAP IN CONNECTION WITH PRIVATE ACTIVITY BOND ISSUES, AND RELATED MATTERS", as presented.



SUMMARY OF ITEM:

Adoption of the attached ordinance shall reserve the entire Village's 2003 Bond Allocation Cap for Stern Brothers, Inc.

RECORD OF ACTION TAKEN:

ORDINANCE NO. _____

AN ORDINANCE RESERVING VOLUME CAP IN CONNECTION WITH
PRIVATE ACTIVITY BOND ISSUES, AND RELATED MATTERS.

WHEREAS, the Village of Downers Grove, DuPage County, Illinois (the "*Municipality*"), is a municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the "*Code*"), provides that the Municipality has volume cap equal to \$75.00 per resident of the Municipality in each calendar year, which volume cap may be reserved and allocated to certain tax-exempt private activity bonds; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 *Illinois Compiled Statutes 1998, 345/1 et seq.*, as supplemented and amended (the "*Act*"), provides that a home rule unit of government may transfer its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof ; and

WHEREAS, it is now deemed necessary and desirable by the Municipality to reserve all of its volume cap allocation for calendar year 2003 to be applied toward the issuance of private activity bonds (the "*Bonds*"), as provided in this Ordinance, or to be transferred, as permitted by this Ordinance;

NOW, THEREFORE, Be It Ordained by the Mayor and Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

SECTION 1. That, pursuant to Section 146 of the Code and the Act, the entire volume cap of the Municipality for calendar year 2003 is hereby reserved by the Municipality, which shall issue the Bonds using such volume cap, as shall be directed by Stern Brothers & Co., or shall use or transfer such volume cap in such manner as shall be directed by Stern Brothers & Co., without any further action required on the part of the Municipality, and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or such other bonds; *provided*, that any such transfer shall be evidenced by a written instrument executed by the President or any other proper officer or employee of the Municipality; *provided further*, upon the adoption of this Ordinance, there shall be paid to the Municipality a fee by the obligor of the bonds of one and one-half percent (1.50%) of the volume cap so reserved.

SECTION 2. That the Municipality shall maintain a written record of this Ordinance in its records during the term that the Bonds or any other such bonds to which such volume cap is allocated remain outstanding.

SECTION 3. That the Mayor, the Village Clerk and all other proper officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Ordinance.

SECTION 4. That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision of this Ordinance shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases and provisions of this Ordinance.

SECTION 5. That all ordinances, resolutions or orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded; and that this Ordinance shall be in full force and effect upon its adoption and approval.

Presented, passed, approved and recorded this ___ day of _____, 2003.

Approved:

Mayor

[SEAL]

ATTEST:

Village Clerk

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