

COUNCIL POLICY STATEMENT

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| Policy No. | 22 |
| General Subject: | Debt Service |
| Specific Subject: | Industrial or Limited Obligation Revenue Bonds |
| Date Approved: | July 20, 1981 |
| Date Amended: | June 6, 1983 January 21, 1985 January 20, 1995 March 11, 2002 |

PURPOSE

To establish guidelines for the issuance of industrial or limited obligation revenue bonds which may from time to time be requested of the City by builders, developers or commercial establishments and which shall be not greater than \$10 million.

RATIONALE

To encourage construction, reconstruction and development within the City of Park Ridge that has social acceptability, furthers the goals and objectives of the City of Park Ridge, takes advantage of the provisions of Section 103 of the U.S. Internal Revenue Code, and contributes to the economic and social welfare of the community, including but not limited to, expansion or preservation of employment and maintenance of or enhancement to the tax base.

POLICY STATEMENT

Industrial or limited obligation revenue bonds may be issued for the purpose of funding construction or industrial and commercial plans. The municipality has no obligation to repay the bonds, either by tax levy or otherwise.

Any person desiring the City of Park Ridge to authorize a project shall submit an application including the following:

1. The full name and address of the person or persons making such application and the full name or names and addresses of the true parties, in interest for whom such application is made.
2. A description of the industrial project proposed to be financed.

3. The legal description of the project site and, where possible, a description according to street address or with reference to streets.
4. A statement of the public purpose of the proposed project which shall include:
 - a. If the public purpose is for an increase in employment within the City of Park Ridge, the amount of such increase and the time within which it shall occur;
 - b. If the public purpose is for maintenance of employment within the City of Park Ridge, the number of jobs to be maintained and a statement that without the financing of the project such jobs will be lost;
 - c. The estimated amount of any maintenance of or enhancement to the tax base (real estate tax, sales tax or other)
5. A statement whether the project conforms to existing municipal zoning ordinances and plans.
6. A statement agreeing to pay all out-of-pocket expenses incurred by such party or by the City of Park Ridge with respect to the project or to the financing of the project.
7. Annual audited financial reports for at least the three prior years of a company and its parent corporation, if applicable.
8. A statement whether there has been any bankruptcy or corporate reorganization in the preceding five years.
9. A statement as to what financing institution will undertake financing of the project and as to who the trustee shall be.
10. A statement that the City shall be free from any day-to-day administrative responsibility.

Any decision by the City Council to issue industrial or limited obligation revenue bonds shall be contingent upon the project being amenable with the Comprehensive Plan and the nature of Park Ridge, upon demonstration that the project shall contribute to the economic and social welfare of the community and upon demonstration of the financial viability of the applicant.

The applicant must meet all federal and state requirements with respect to eligibility of issuing the bonds.

The person making the application shall submit therewith a certified or cashier's check in the amount of \$1,000.00 which shall be non-refundable, and which shall not be deducted from any other fee, and shall be known as the application fee.

At the closing, a legal opinion shall be provided from a firm specializing in municipal financing and acceptable to the City as to the validity of the proceedings and the tax exempt status of the bonds.

At the time of the issuance of any industrial revenue bonds, there shall be paid from the proceed of such issue to the City of Park Ridge an amount equal to one (1) percent of the principal amount of the bonds issued. However such percentage may be reduced to an amount necessary to be determined by counsel, but in not event shall it be reduced to an amount less than one-half of one percent of the principal of the bonds or \$1,000 whichever is greater. This percentage fee shall be known as the service fee. Said service fee, plus any engineering, inspection, fiscal and legal fees and related expenses, including any accrued interest on money borrowed or interest estimated to accrue on money to be borrowed, which is incurred by the City relative to the issuance of said Bonds, shall be paid by the person or entity requesting the issuance of the Bonds prior to the closing on the Bonds.

The City Council after considering the public purpose; compliance with federal, state and municipal regulations; financial data; and other pertinent information about the applicant may approve the issuance of Industrial or Limited Obligation Revenue Bonds. However, no provisions of this policy shall be deemed or construed as to require the City Council to approve the issuance of Industrial or Limited Obligation Revenue Bonds.