

Ordinance No. 13-34

**AN ORDINANCE APPROVING A VILLAGE HALL AND POLICE STATION
REDEVELOPMENT PROJECT AND AUTHORIZING A LOAN FROM
U.S. BANK, N.A. IN AN AMOUNT NOT TO EXCEED \$2,251,000**

(Village Hall and Police Station Redevelopment Project)

WHEREAS, the Village of East Dundee, Cook and Kane Counties, Illinois (the “*Village*”), is a home-rule municipality pursuant to the Illinois Constitution of 1970 with the authority to exercise any power and perform any function pertaining to its government and affairs; and,

WHEREAS, a project to renovate, rehabilitate and remodel the existing Village Hall and Village Police Station for a cost not to exceed \$5,000,000 (the “*Project*”) has been proposed to the President and Board of Trustees of the Village (the “*Corporate Authorities*”); and,

WHEREAS, in order to finance a portion of the Project, the Corporate Authorities are prepared to borrow an amount not to exceed \$2,251,000 for a period of sixty (60) months, with such terms and conditions as set forth in the proposal dated August 21, 2013, from Herb Neufeld, Vice President and Senior Lender of U.S. Bank, N.A., addressed to Robert Skurla, Village Manager, in the form attached hereto as *Exhibit B* and made a part hereof.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of East Dundee, Kane and Cook Counties, Illinois, as follows:

Section 1. That the proposed redevelopment, rehabilitation and renovation of the Village Hall and Village Police Station as depicted on *Exhibit A* attached hereto (the “*Project*”), at a cost not to exceed \$5,000,000 is hereby approved contingent upon approval of final design plans and construction contracts by the President and Board of Trustees of the Village.

Section 2. In order to provide a portion of the funds required to construct the Project, the Corporate Authorities hereby accept the proposal from U.S. Bank, N.A., dated August 21, 2013, for a loan of \$2,251,000 for a term of sixty (60) months with a fixed interest rate of \$1.99% to which is pledged the full-faith and credit of the Village, with the following terms:

- (a) the interest rate is based upon a 30/360-day interest accrual basis;
- (b) semi-annual interest payments and amortizing, annual principal payments for the final 3 years of the 5-year loan duration;
- (c) prepayment of the loan without penalty upon a three (3) business day notice;
- (d) default interest rate to be the calculated rate plus 2%;
- (e) such other terms as set forth in the attached letter of August 21, 2013.

Section 3. The Village President is hereby authorized to acknowledge the acceptance of the loan proposal as stated in the attached letter dated August 21, 2013.

Section 4. The Village President and Village Clerk are hereby authorized and directed to execute any and all documentation as may be required to finalize said loan in the amount not to exceed \$2,251,000 from U.S. Bank, N.A. on or before October 4, 2013.

Section 5. This Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

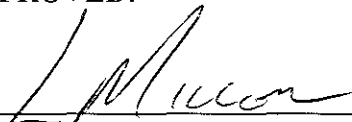
PASSED this 3rd day of September 2013, pursuant to a roll call vote as follows:

AYES: Trustees Gorman, Lynam, Wood and Selep

NAYS: Trustee Skillicorn

ABSENT: Trustee Ruffalo

APPROVED:



President

Attest:



Village Clerk

Exhibit A

Village Hall and Village Police Station Design Plans



Village of East Dundee

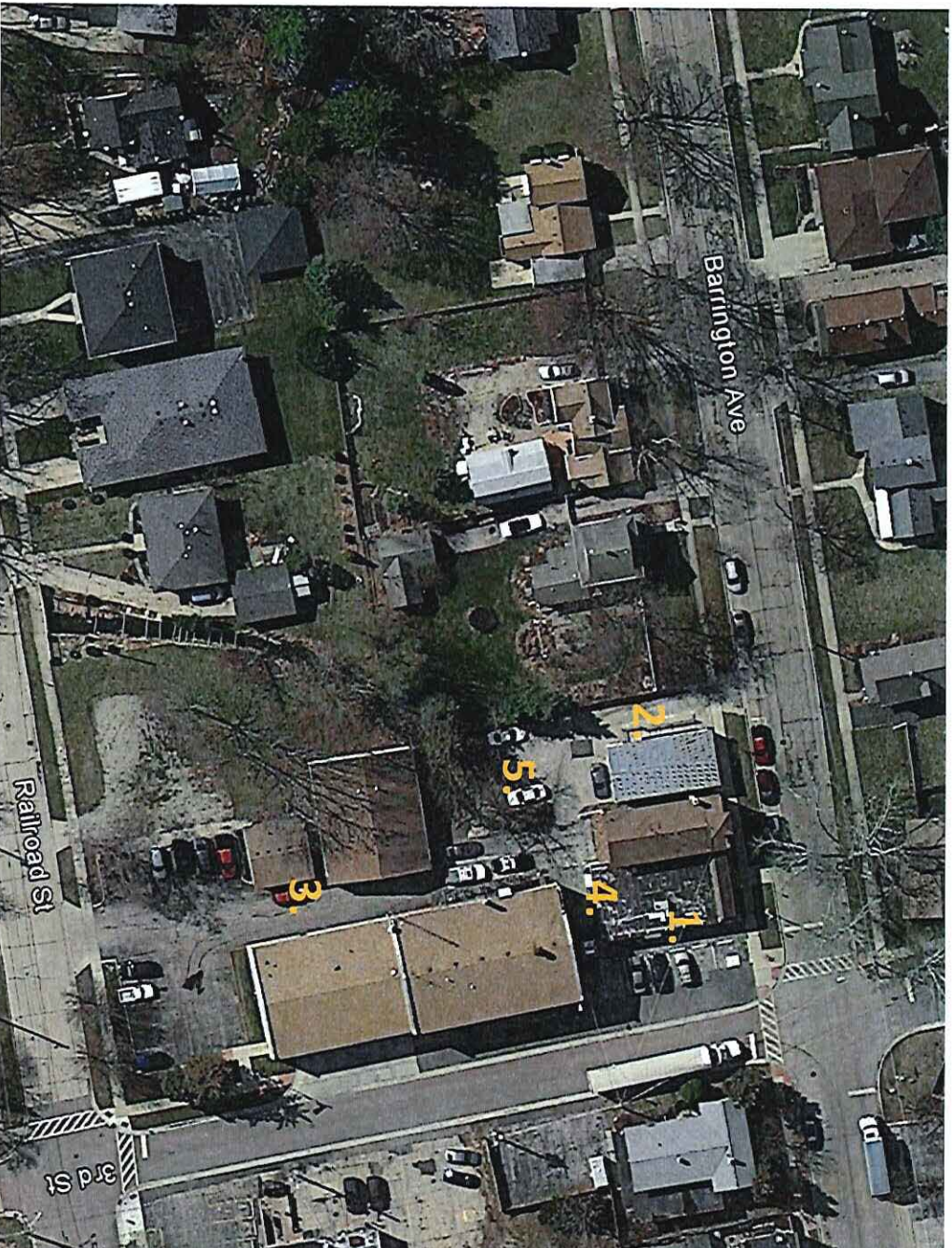
Police + Village Hall Renovation

8 | 08 | 2013 Final Preliminary Design Report



Site Planning Goals

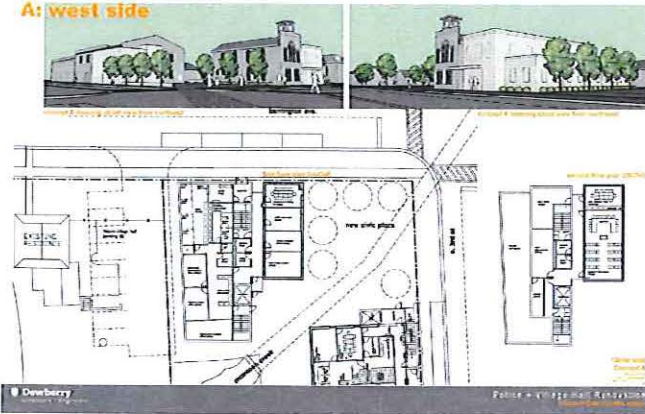
1. To create a new civic gateway at NE corner of block.
2. To retain on-site parking for village hall.
3. To allow for future police building expansion.
4. To avoid disturbing McIntosh Creek.
5. To avoid building within flood contour elevation 720'.



Investigated and Tested Concept Options

Presented to Village Board on June 10, 2013

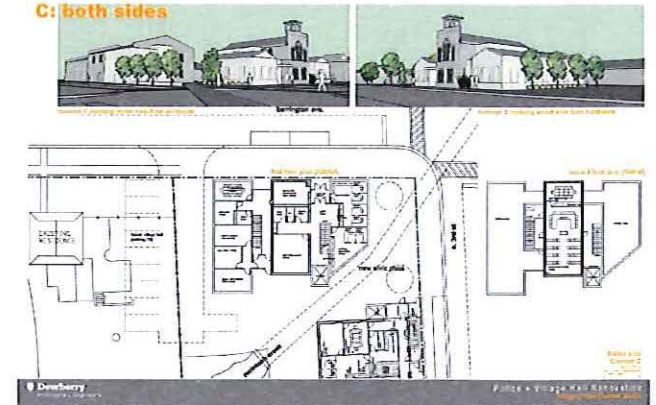
A: west side



B: east side

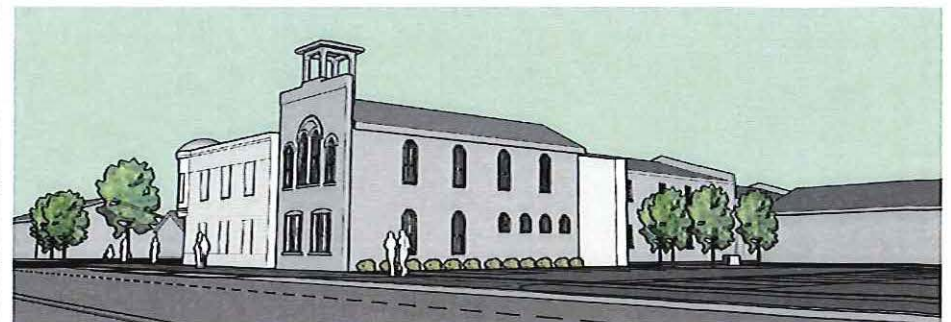


C: both sides



Option B Selected

B: east side



Phase 1

Police Facility Site / Roof Plan

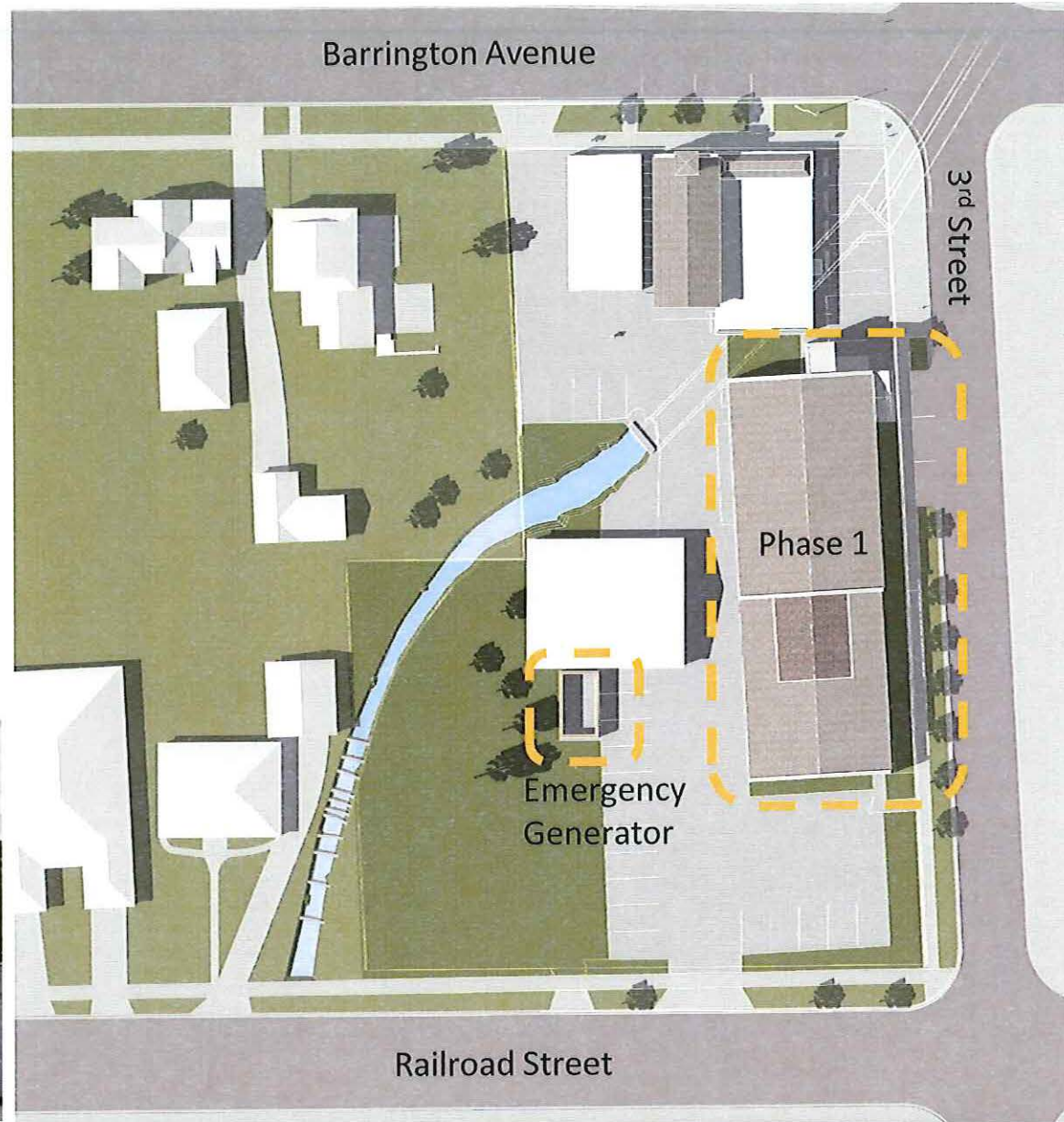
Building improvements to improve operational / functional efficiency and public/staff safety

Compliance w/Illinois Municipal Jail and Lockup Standards

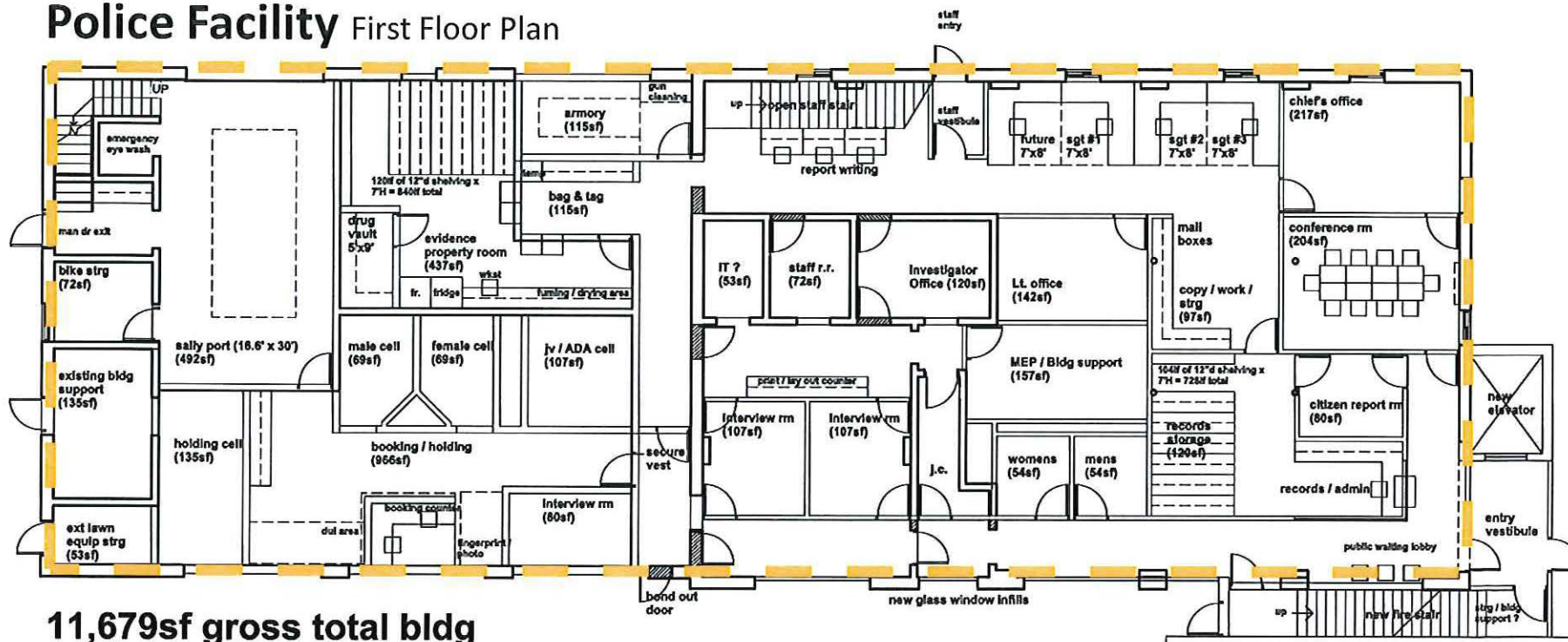
ADA + Life Safety compliance

Emergency generator

Minimal site work



Police Facility First Floor Plan



11,679sf gross total bldg

first floor:

renovation gross area = 6713sf

addition gross area = 367sf

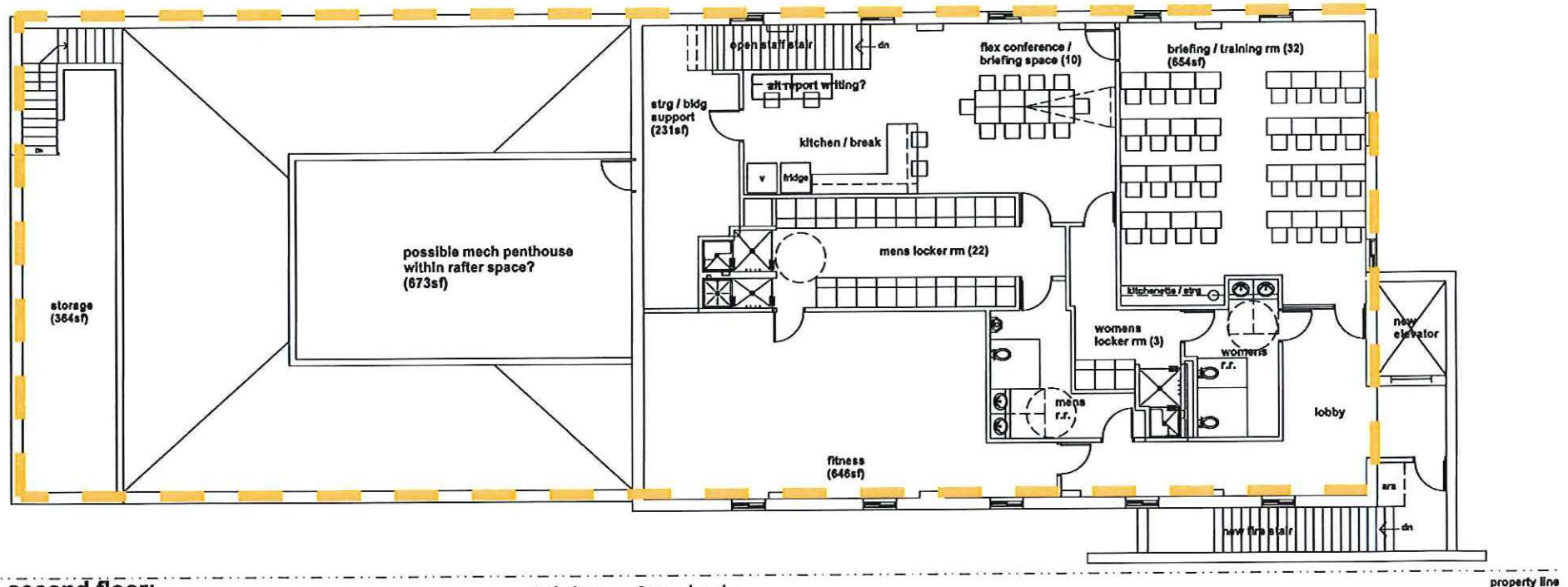
total area = 7080sf

Illinois Municipal Jail and Lockup Standards

New Construction

The IDOC establishes minimum standards for the physical condition of jails and for the treatment of detainees with respect to their health and safety and the security of the community to make recommendations to such institutions to assure compliance with the requirements of such minimum standards.

Police Facility Second Floor Plan



second floor:
renovation gross area = 4202sf
addition gross area = 367sf
total area = 4569sf

Minimum Standards

Cell, Detention Room and Cell Block Corridor Walls and Ceilings

Cell and Detention Doors

Plumbing – each cell and detention room shall be equipped w/a toilet + washbasin

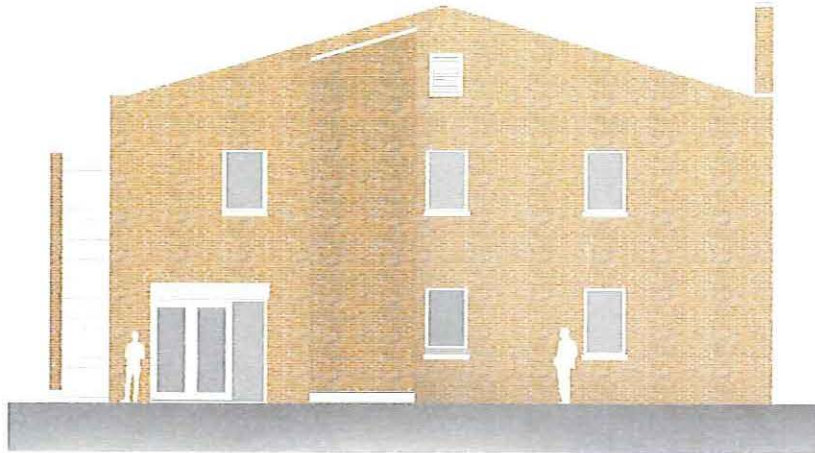
Lighting – prison type security light fixtures

Cell, Detention Room Bunks – metal or concrete securely anchored to walls or floor

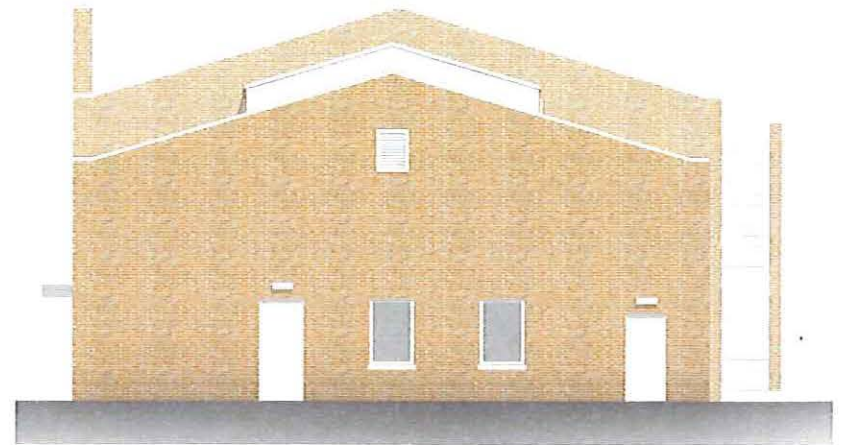
Monitoring System – an audio or audio/video monitoring system shall be installed in the cell

Emergency Power Source – an emergency electrical power source must be available

Police Facility Exterior Building Elevations



North



South





Before



After

Project Schedule

Phase 1: Police Facility	Timeframe	Duration
Design Development	August – October 2013	3 months
Construction Documents	November 2013 – January 2014	3 months
Permit / Owner Review / QA / QC	February – March 2014	2 months
Bidding & Award	April – May 2014	2 months
Construction	June – November 2014	6 months
Total Time		16 months

Phase 2: Village Hall	Timeframe	Duration
Design Development	June – July 2014	2 months
Construction Documents	August – October 2014	3 months
Permit / Owner Review / QA / QC	November – December 2014	2 months
Bidding & Award	January – March 2015	3 months
Construction	May – October 2015	6 months
Total Time		16 months

Phase 2

Village Hall Site / Roof Plan

Building improvements to improve operational / functional efficiency and public/staff safety

ADA + Life Safety compliance

Renovate 1891 building

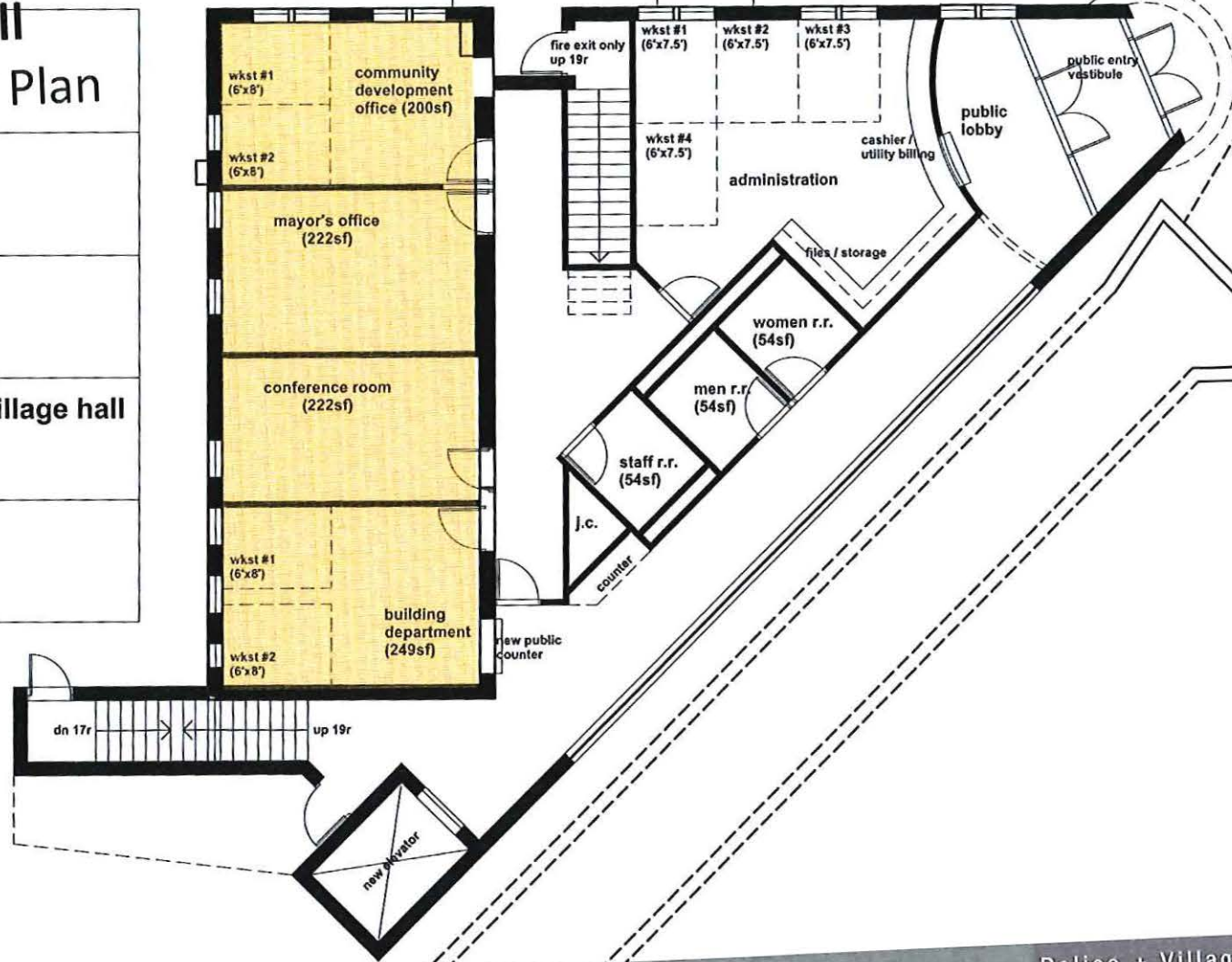
New building addition

Reuse existing parking

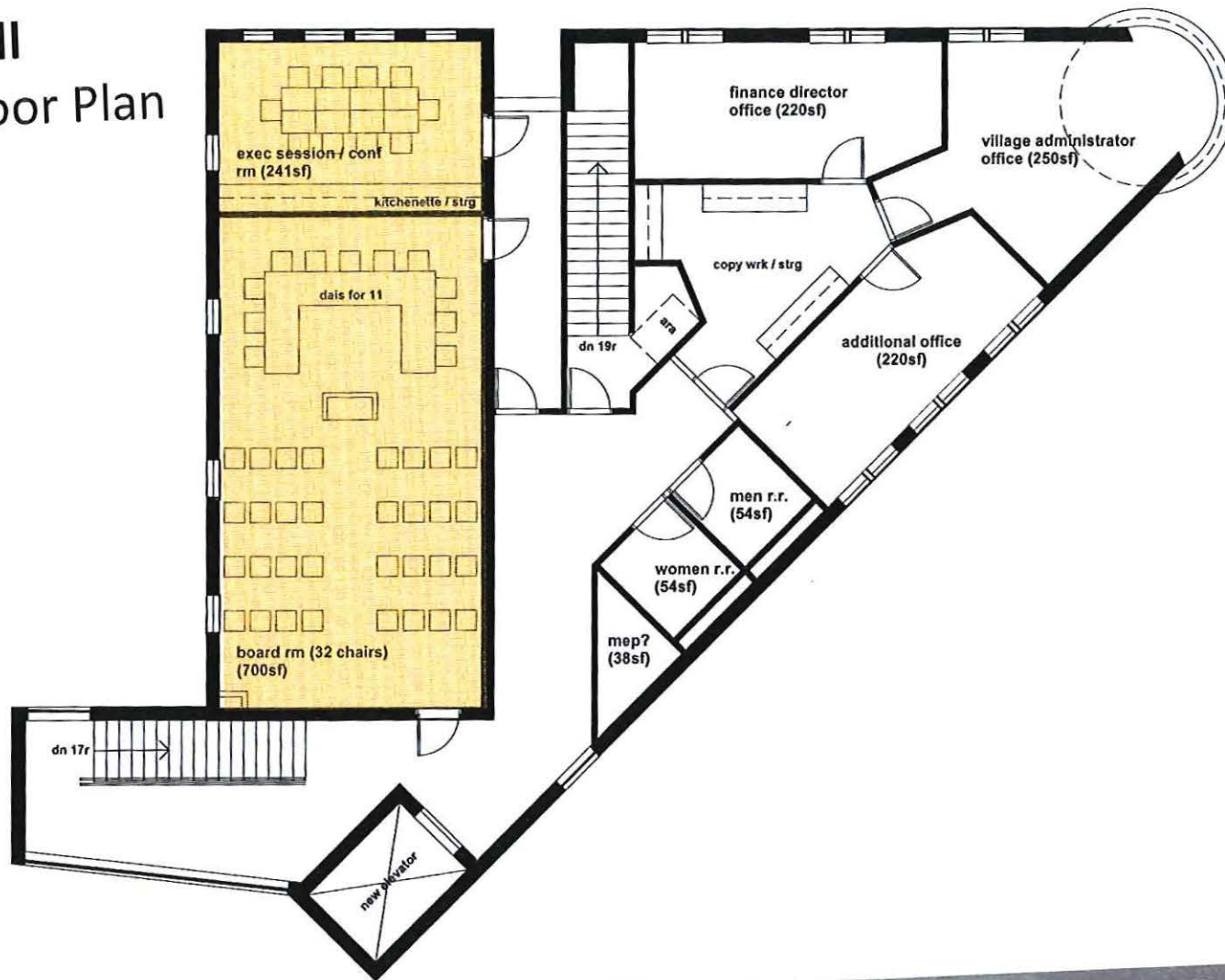


Village Hall First Floor Plan

proposed village hall
parking (4)



Village Hall Second Floor Plan



Before



After



Exhibit B

U.S. Bank Loan Proposal



All of **us** serving you™

Herbert F. Neufeld
Vice President & Community Banking Credit Liaison
U.S. Bank National Association
Government Banking Division
9th Floor (EP-MN-S9GB)
101 East 5th Street
St. Paul, MN 55101-1860

August 21, 2013

Robert Skurla
Village Manager
Village of East Dundee, IL 60118

U.S. Bank National Association ("U.S. Bank") is pleased to consider your request to provide financing to the Village of East Dundee, Illinois ("Village"). A summary of some of the terms U.S. Bank is considering for this financing package is as follows:

Re: \$2.251 Million
Village of East Dundee, Illinois
Full Faith and Credit, Tax-Exempt Loan ("Loan")

The Loan financing to the Village is for the construction financing of multiple Village general project costs.

Variable Rate, Taxable Loan structured as a revolving line of credit (the "Loan"):

Amount: \$2.251 million

Duration or Term of Loan: 60 months

Interest Rate Features: The interest rate, below, is being held (locked) as a courtesy to the Village through noon (central daylight time) on October 4, 2013. The rate assumes a 30/360-day interest accrual basis. The rate assumes that the Village and legal counsel will designate the Loan as tax-exempt and bank qualified under existing federal tax regulations.

Interest Rate (or Loan Rate): The interest rate on the Loan will be 1.99%.

Payments: Rate, above, assumes semiannual interest payments and amortizing, annual principal payments for the final 3 years of the 5 year Loan duration

Prepayments: Prepayment of the Loan is allowed without a prepayment fee on any U.S. Bank business day upon a 3 business day notice.

Default Interest Rate: The default interest rate will be the calculated rate plus 2%.

Security: The Loan/Loan will be a full faith and credit obligation of the Village. U.S. Bank will not take a less than senior lien position to any other financing.

Bond Counsel: All Loan/Loan documents and unqualified legal opinion must be provided by legal counsel acceptable to U.S. Bank. Legal counsel must be listed in the current edition of the "Red Book" – more formally known as The Bond Buyer's Municipal Marketplace.

Costs: Various costs, expenses and fees relating to due diligence and Loan documentation, including all legal fees and expenses are the responsibility of the Village. U.S. Bank may require separate legal counsel ("Bank Counsel") to work with Village's Bond Counsel in structuring the documents in accordance with U.S. Bank policies. Bank Counsel will have a significant influence on the structure of the Loan as well as Loan documents. U.S. Bank currently anticipates not requiring separate

Bank Counsel. However, U.S. Bank must be permitted to rely on Bond Counsel documents and legal opinion.

Covenants: Documentation will include standard covenants regarding maintenance of business operations, adequate insurance coverage, agreement to take all actions necessary to preserve a viable status of the obligation, and to collect fees, taxes and other revenues in an amount sufficient to meet all Village obligations, including debt service on this obligation.

Village will covenant to automatically provide the Government Banking Division of U.S. Bank with copies of its annual, audited financial statements within 330 days of the end of each fiscal year for the duration of the Loan/Loan.

Other: U.S. Bank's continued involvement with this financing is predicated upon U.S. Bank obtaining credit approval of the various terms, conditions, and creditworthiness of Village. The credit approval process includes the mandatory analysis of Village's most recent three years of audited financial statements plus the current Village budget.

The Village will agree to meet with U.S. Bank representatives to discuss the potential for additional non-credit business between the Village and U.S. Bank.

Documentation for the transaction will be prepared by Bond Counsel and will include an appropriate authorizing resolution or ordinance, and Bond Counsel opinion that the Loan/Loan is a legal, valid, binding, enforceable and properly authorized obligation of Village. Village will designate the Loan as a tax-exempt and bank qualified under section 265(b) of the Internal Revenue Code of 1986, as amended, for investment by financial institutions. U.S. Bank will be allowed to rely on Bond Counsel documents and legal opinion.

As we obtain more information, additional substantive conditions will be required and terms may be changed or be supplemented. In addition, upon completion of our analysis and due diligence and if we obtain credit approval of this proposal, we will prepare loan documentation which will include terms and conditions customary to U.S. Bank, as well as warranties and covenants specific to this transaction.

To that end, this letter is an expression of interest only, and it is not a contract, commitment nor intent to be bound. U.S. Bank does not intend that this letter or discussions relative to the terms of this letter create any legal rights or obligations, implicit or explicit, in favor of or against the other party. Also, no oral discussions and/or written agreements shall be in place of or supersede written loan agreements executed by your business and accepted by U.S. Bank.

Please note that this proposal is for your review only. It may not be disclosed to any third party other than your attorney, accountant and authorized agents representing you.

Thank you for discussing your financing needs with U.S. Bank. Should you wish us to continue to consider your credit request, you will be responsible for all of U.S. Bank's out-of-pocket expenses related to this financing request. We look forward to the opportunity to consider your credit request.

U.S. BANK NATIONAL ASSOCIATION

Herb Neufeld

Herb Neufeld
Vice President & Senior Lender
Government & Nonprofit Banking Division

U.S. BANK NATIONAL ASSOCIATION

Gary Quinn

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