

RESOLUTION NO. 1991-1

THE CITY OF LEROY, ILLINOIS

BE IT RESOLVED THAT:

The City Council requests the City Attorney to prepare appropriate contracts and documents to facilitate the following:

1. Bond Counsel services
2. A TIF Bond issuance of \$440,000 plus costs of issuance and the first year's interest
3. Said bond issue to be debt serviced by the unallocated TIF funds and a tax intercept back-up
4. Bonds to be sold locally or through the Illinois Rural Bond Bank
5. Proceeds from the sale of bonds to be used for:
  - a. Lift station and forced main in Golden Eagle Subdivision
  - b. New main collector system in Golden Eagle Subdivision in the TIF District
  - c. Frontage road for the Shirley Oil Project
  - d. Additional road work in the area of "No name street"
  - e. Additional property purchase
  - f. Siren for the emergency warning system

Projected Costs

Sewer & Main	\$150,000
Frontage Road	\$100,000
Additional Road Work	\$100,000
Additional Property	\$ 80,000
Warning Siren	\$ 10,000

Projected Income

Unallocated State Sales	\$ 40,000
Unallocated Municipal Share	\$ 3,000
Unallocated Real Estate from Hardees and Snyders	\$ 15,000
Real Estate from Subdivision	\$ 6,500
Additional 10 lots	\$ 15,000
Additional Real Estate from the rest of TIF District	\$ 10,000

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August 11, 1992

City of LeRoy  
Juanita Dagley, City Clerk  
111 E. Center Street  
LeRoy, Illinois 61752

**Re: First TIF District/Golden Eagle Estate Subdv. - Force Main/Lift-Station**

Dear Juanita:

Enclosed please find a copy of the first page of Resolution No. 1991-1 passed by the City of LeRoy in 1991. One section of the page titled "Projected Costs" indicates a breakdown of the bond funds that were intended to cover the various parts of project costs as enumerated in the lettered lines just above the title of that section. The force main sewer and lift-station were expected to cost approximately \$150,000.00. As we know from the latest estimate of the city engineer, the expense is likely to be more along the lines of \$225,000.00. Mr. Vancil's estimated real estate taxes from the subdivision lots in Golden Eagle Estates Subdivision, the portion located in the First TIF District, as built at that time, amounted to \$6,500.00 annually, and he expected additional real estate taxes from another 10 lots, as soon as they were each improved with a single-family residence, to amount to another \$15,000.00 annually. It will take at least \$20,000.00 to \$21,000.00 annually to pay the interest and principal on a \$225,000.00 portion of the total bond issue borrowed in 1991, assuming a 20 year pay-back period. Thus the real estate taxes from all of the lots located in Golden Eagle Estates Subdivision that are also in the LeRoy First TIF District would be just enough to pay the principal and interest as it came due on the bond issue, so long as the expense of constructing the sewer force main and lift-station was not much greater than \$225,000.00. To some extent the estimated real estate tax revenues to be derived over the next 10 or 20 years from those lots will increase as tax rates increase and assessed valuations increase over that same period of time.

The city council had been concerned about projections for revenues, and the amount that had been projected as a cost for the force main. For that reason I have prepared this letter and enclosures and am forwarding them to you expecting that you may want

to distribute this information to the councilmen before the next meeting. I am also enclosing a photocopy of a part of the TIF District map showing the lots that are located in Golden Eagle Estates Subdivision that are part of the First TIF District. The boundary line begins on the west side of lot 31 near the bottom of the map at the end of Mocking Bird Lane cul-de-sac and extends northward on the west side of Mocking Bird Lane past the intersection with Oriole Drive to the north side of lot 46, then extends easterly at that point. Thus all of lots 31 thru 46 are within the TIF District.

I have made just a rough tabulation, assuming all 16 lots were improved with single-family dwellings and that each dwelling and lot had a fair-market value of \$90,000.00. In that instance, assuming one third of the fair-market value would be the assessed valuation (\$30,000.00), the real estate tax increment to be derived from these 16 lots might be more along the lines of \$30,000.00 or more. Naturally, that is all based upon the assumption that all of the lots are built upon, which is not now the case. Perhaps some member of the finance committee will want to evaluate this information and prepare a set of calculations based upon the tax increments likely to be derived right now from the property, as TIF District revenues, and then make some sort of projection based on certain assumptions as to the likely revenue flow of real estate tax increments from those 16 lots over the next several years.

Sincerely yours,

*Hunt Henderson*  
Hunt Henderson

HH/kmk  
encs.