

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) X *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: March 2, 2018 (COW)(B of T) March 8, 2018

TITLE: An Ordinance re-designating the Lombard Public Facilities Corporation (LPFC) as a public-facilities corporation under 65 ILCS 5/11-65-1 through 5/11-65-25, approving certain amendments to Article IV, of the by-laws of the LPFC, providing consent to the restructuring of the debt of the LPFC, and authorizing signatories on behalf of the Village relative to said restructuring and documents to be executed on behalf of the Village in relation thereto. Waiver of first reading requested.

SUBMITTED BY: Scott Niehaus, Village Manager
Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

Attached is an ordinance required as part the restructuring of the debt for the hotel and convention center. There are several items covered in this ordinance, including:

- Re-Designating the LPFC as a public-facilities corporation
- Approving amemdments to the LPFC's by-laws
- Authorizing signatories on behalf of the Village relative to said restructuring and documents to be executed on behalf of the Village in relation hereto
- Consenting to the restructuring of the debt of the LPFC

The Village Attorney reviewed all of these changes, and there is no additional obligations of the Village as part of these changes. The Village is required to approve these changes due to the state statute enabling the LPFC.

The Village Manager, Village Attorney and Director of Finance will be making a presentation on this information at the Board meeting.

Review (as necessary):

Village Attorney X	_____	Date	_____
Finance Director X	<u>Timothy Sexton</u>	Date	<u>3/5/18</u>
Village Manager X	_____	Date	_____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



Lombard Public Facilities Corporation

20 N. Wacker Drive, Suite 1660
Chicago, IL 60606
FAX: 312.984.6444

March 2, 2018

Board of Directors

Paul J. Powers
President

George Seagraves
Vice President

Tod Altenburg
Treasurer

Donald E. Renner III
Counsel

Mr. Scott Niehaus
Village Manager
255 E. Wilson Avenue
Lombard, IL 60148

RE: LPFC By-Laws

Dear Scott:

As you are aware, I am the President of the Lombard Public Facilities Corporation (the "LPFC"), which is presently pursuing a Chapter 11 reorganization (the "Bankruptcy"). The LPFC, as part of the Bankruptcy, is in the process of preparing amended By-Laws. Of the amendments to the By-Laws there are two (2) amendments to Article IV, reducing the number of directors from five (5) to three (3) and adding Section 4.8, allowing the reimbursement of the directors and officers of the LPFC.

As you are aware, the Village of Lombard (the "Village") possesses the right under the LPFC's By-Laws to approve any amendment to Article IV of the LPFC's By-Laws. Please present the amended Article IV, in its entirety, to the Village for its consideration and approval. Please communicate to me the Village's ultimate decision in this regard.

Sincerely,

Lombard Public Facilities Corporation

By: 

Paul Powers, President

ORDINANCE ____

**AN ORDINANCE RE-DESIGNATING
THE LOMBARD PUBLIC FACILITIES CORPORATION (LPFC)
AS A PUBLIC-FACILITIES CORPORATION
UNDER 65 ILCS 5/11-65-1 THROUGH 5/11-65-25,
APPROVING CERTAIN AMENDMENTS TO ARTICLE IV.
OF THE BY-LAWS OF THE LPFC, PROVIDING CONSENT TO THE
RESTRUCTURING OF THE DEBT OF THE LPFC AND AUTHORIZING SIGNATORIES ON
BEHALF OF THE VILLAGE IN REGARD TO ANY RESTRUCTURING DOCUMENTS THAT
NEED TO BE SIGNED ON BEHALF OF THE VILLAGE**

WHEREAS, the Lombard Public Facilities Corporation (the "LPFC") is a not-for-profit corporation created and existing under the Illinois General Not-for-Profit Corporation Act of 1986 (805 ILCS 105/1 *et seq.*); and

WHEREAS, the LPFC was formed as a not-for-profit corporation to assist in the financing and construction of a convention hall and hotel facility (the "Hotel and Conference Center") in the Village of Lombard, DuPage County, Illinois (the "Village"), and currently owns, and operates through hotel and restaurant managers, said Hotel and Conference Center; and

WHEREAS, the LPFC previously issued its Conference Center and Hotel Revenue Bonds, Series 2005A through Series 2005C (the "Series 2005 Bonds") for and on behalf of the Village for the purpose of financing the acquisition, construction and equipping of the Hotel and Conference Center, and related improvements; and

WHEREAS, on July 28, 2017, the LPFC commenced a voluntary filing under Chapter 11 of the United States Bankruptcy Code, as amended, to refinance and restructure the outstanding Series 2005 Bonds; and

WHEREAS, on March 6, 2018, the LPFC received approval for a plan of reorganization from the United States Bankruptcy Court, Northern District of Illinois (the "Plan of Reorganization"), pursuant to which the Series 2005 Bonds will be refinanced, restructured and exchanged for bonds to be issued by the Public Finance Authority (the "PFA"); and

WHEREAS, the President and Board of Trustees of the Village (the "Corporate Authorities") have determined that it is in the best interests of the Village for the PFA to issue

bonds to exchange for the Series 2005 Bonds, and to take actions necessary to facilitate such exchange in furtherance of the Plan of Reorganization; and

WHEREAS, the Corporate Authorities have the authority under Article VII of the LPFC's By-laws to approve all amendments to Article IV of the LPFC's By-laws; and

WHEREAS, the Corporate Authorities have received a request from the LPFC to approve certain amendments to Article IV. of the LPFC's By-Laws (the "LPFC By-Laws Request"), a copy of which is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the Corporate Authorities have no objection to the LPFC Board of Directors amending Article IV. of the LPFC's By-laws consistent with the LPFC By-Laws Request; and

WHEREAS, the Corporate Authorities have determined it to be in the best interests of the Village to re-designate the LPFC as a public-facilities corporation under 65 ILCS 5/11-65-1 through 5/11-65-25 relative to the Hotel and Conference Center;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That the Recitals, as set forth above, are hereby incorporated herein by reference.

SECTION 2: That the LPFC is hereby re-designated as a public-facilities corporation under 65 ILCS 5/11-65-1 through 5/11-65-25, relative to the Hotel and Conference Center.

SECTION 3: That the amendments to Article IV. of the By-Laws of the LPFC, as set forth in the LPFC By-Laws Request, are hereby approved, with said amendments to the current provisions of Article IV. of the By-Laws being indicated by deletions (line outs) and additions (underlined) on Exhibit A attached hereto.

SECTION 4: That, per the request of the LPFC, as set forth in Exhibit A attached hereto, Article IV. of the LPFC By-Laws, as amended, is hereby approved in its entirety.

SECTION 5: That the issuance, delivery and exchange by the PFA of one or more series of bonds designated as "Conference Center and Hotel Revenue Bonds (Lombard Public

Facilities Corporation Project) Series 2018," with such other notations to designate the specific series as needed, in the aggregate principal amount of not to exceed \$170,000,000, is hereby approved and consented to.

SECTION 6: That the Village President, Village Clerk, Village Manager and Finance Director are hereby authorized and directed to execute any and all documents, relative to the Plan of Reorganization and the restructuring of the LPFC's debt as part thereof, that may require execution on behalf of the Village.

SECTION 7: That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

Passed on first reading this ___ day of _____, 2018.

First reading waived by action of the Board of Trustees this 8th day of March, 2018.

Passed on second reading this 8th day of March, 2018, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this 8th day of March, 2018.

Keith T. Giagnorio, Village President

Attest:

Sharon Kuderna, Village Clerk

Exhibit A

The LPFC By-Laws Request

(attached)

ARTICLE IV.

Board of Directors

Section 4.1. Appointment, Number and Term of Office. The Directors shall be appointed for terms of four (4) years, except for the filling of vacancies on the Board as provided in Section 4.2 of this Article.

The number of Directors of the Corporation shall be ~~five (5)~~ **three (3)** unless changed by amendment of this section. The initial Directors shall be appointed by the Village President with the advice and consent of the Board of Trustees of the Village of Lombard. A Director may be removed with or without cause by the majority vote of the members of the President and Board of Trustees of the Village of Lombard.

All Directors, except in the case of earlier resignation, removal or death, shall hold office until their respective successors are chosen and qualified in the same manner as the initial Board of Directors.

Section 4.2. Vacancies. Any vacancy on the Board of Directors caused by an increase in the number of Directors or the expiration of the term of a Director shall be filled in the same manner as the initial Board of Directors was appointed. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.

Any vacancy occurring in the Board of Directors caused by resignation, removal, death or other incapacity shall be filled in the same manner as the initial Board of Directors was appointed.

Section 4.3. Annual Meeting of Directors. The Board of Directors shall meet each year on the third Monday in December, at such place either within or without the State of Illinois as shall be set forth in the notice of the meeting, for the purpose of election of officers and consideration of any other business that may properly come before the meeting. No notice of any kind to either old or new members of the Board of Directors for such annual meeting shall be necessary.

Section 4.4. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places, either within or without the State of Illinois, as may be fixed by the Directors. Such regular meetings of the Board of Directors may be held without notice or upon such notice to the Directors as may be fixed by the Directors.

Section 4.5. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Corporation, or by not less than one-third of the members of the Board of Directors of the Corporation. Notice of the time and place, either within or without the State of Illinois, of a special meeting shall be served upon, telephoned, mailed, telegraphed or cabled to each Director at his or her usual place of business or residence at least forty-eight (48) hours prior to the time of the meeting. Directors, in lieu of such notice, may sign a written waiver of notice either before the time of the meeting, at the meeting or after the meeting. Attendance by a director in person at any such special meeting shall constitute a waiver of notice.

Section 4.6. Quorum. A majority of the actual number of Directors in office immediately before a meeting begins, shall be necessary to constitute a quorum for the transaction of any business, and the act of a majority of the Directors present at the meeting, at which a quorum is present, shall be the act of the Board of Directors, unless the act of a greater number is required by the Illinois General Not for Profit Corporation Act of 1986 (the "Act"), by the Articles of Incorporation, or by these By-Laws.

Section 4.7. Participation in Meetings. A Director, who is present at a meeting of the Board of Directors at which action on any corporate matter is taken, shall be conclusively presumed to have assented to the action taken, unless (a) his dissent shall be affirmatively stated by him at and before the adjournment of such meeting (in which event the fact of such dissent shall be entered by the secretary of the meeting in the minutes of the meeting), or (b) he shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. The right of dissent provided for by either clause (a) or clause (b) of the immediately preceding sentence shall not be available, in respect of any matter acted upon at any meeting, to a Director who voted at the meeting in favor of such matter and did not change his vote prior to the time that the result of the vote on such matter was announced by the chairman of such meeting.

Section 4.8. Reimbursement of Directors. A Director shall be entitled to receive reasonable reimbursement for his or her time and expenses from the Corporation for attending any and all ratings of the Corporation.