

**ORDINANCE NO. 21-02**

**AN ORDINANCE AUTHORIZING INTERFUND LOANS FROM THE WATER AND WASTEWATER FUND TO THE CAPITAL DEVELOPMENT FUND TO FINANCE THE CITY'S ACQUISITION OF CERTAIN PROPERTY FROM THE ANTHONY F. GRIFFITH ESTATE**

**WHEREAS**, the City of Newton ("City") is a municipality organized under the laws of the State of Illinois; and

**WHEREAS**, pursuant to Section 65 ILCS 5/8-1-3.1 of the Illinois Municipal Code, the corporate authorities of a municipality may borrow money for corporate purposes from one fund for the use of another fund; and

**WHEREAS**, the City's auditor, Kemper CPA Group, LLP, has advised the City that such borrowed funds don't necessarily need to be fully paid back within the fiscal year, provided that the express terms of the loan are officially approved by the Mayor and Council and that the annual audits document the due to/due from Fund amounts for each fiscal year and that such interfund loan arrangements are common practice in Illinois municipalities; and

**WHEREAS**, in furtherance of the economic development goals of the City, the City Council, on January 5, 2021, approved a motion to authorize an agreement to purchase four (4) tracts (parcels), totaling approximately 62 acres, from the estate of Anthony F. Griffith (the "Property") for \$500,000 plus applicable closing cost contingent on financing (the Purchase Agreement of the Property attached hereto as Exhibit A), for the corporate purposes of marketing such land for private development that would create jobs, increase the tax base and otherwise enhance the long-term economic vitality of the City; and

**WHEREAS**, the City has determined that it currently has approximately \$80,000 (eighty thousand dollars) available from the City's Capital Development Fund to apply to such property acquisition costs; and

**WHEREAS**, the City has determined that it has sufficient funds available in the Water and Wastewater Funds to loan to the Capital Development Fund to finance the balance of approximately \$410,000 (exact numbers will be made known as soon as they are provided prior to the date of closing) of the Property acquisition costs; and

**WHEREAS**, on March 16, 2021 the City passed Resolution No. 21-04 calling for a feasibility study regarding the expansion of the TIF Redevelopment Project Area No. 1 or the creation of a new TIF redevelopment project area to include the Property and adjoining properties to the south and to induce development interest within such area; and

**WHEREAS**, the source of repayment of the loans provided for herein shall be funds deposited into the Capital Development Fund from time to time and/or from tax increment revenues from either TIF Redevelopment Project Area No. 1 (TIF 1) if expanded to include the Property or a new TIF Redevelopment Project Area (TIF 2) being established that would include the Property and said TIF 2 being contiguous to TIF 1.

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and City Council of the City of Newton, Jasper County, Illinois, as follows:

**SECTION 1:** That the foregoing recitals are incorporated as though fully set forth herein.

**SECTION 2:** Loan Advances. The loan advances to the Capital Development Fund shall be approximately \$205,000 from the Water Fund and approximately \$205,000 from the Wastewater Fund.

**SECTION 3:** Loan Terms. The terms of the loans shall be as follows:

- a. Annual Percent Rate: 1.00% on the unpaid balance
- b. Compound Period: Annually
- c. Amortization Period Ends on Unpaid Balance: December 31, 2031
- d. Payments due annually by the end of each fiscal year that there is an outstanding loan balance.
- e. Any unpaid annual interest shall be capitalized by adding it to the unpaid principal balance.

**SECTION 4:** Source of Loan Repayments: The source of funds for repaying the loans shall be as described in the preambles of this ordinance.

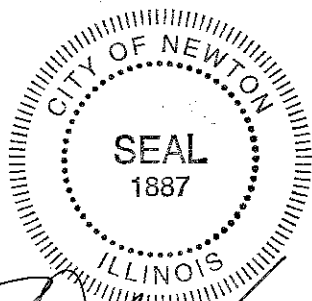
**SECTION 5:** Final Loan Payments: If at the end of the loan amortization period there remains any loan balance, said balance(s) shall be forgiven with no further obligation for payment from any other source of revenue.

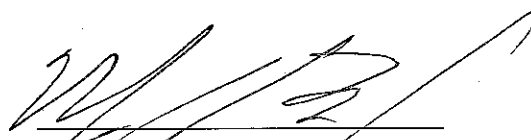
**PASSED**, approved and adopted on a roll call vote on this 16<sup>th</sup> day of March 2021

AYES: Gayle Glumac, David Brown, Marlene Harris, Mark Bolander


NAYS: Eric Blake

ABSENT: Larry Brooks



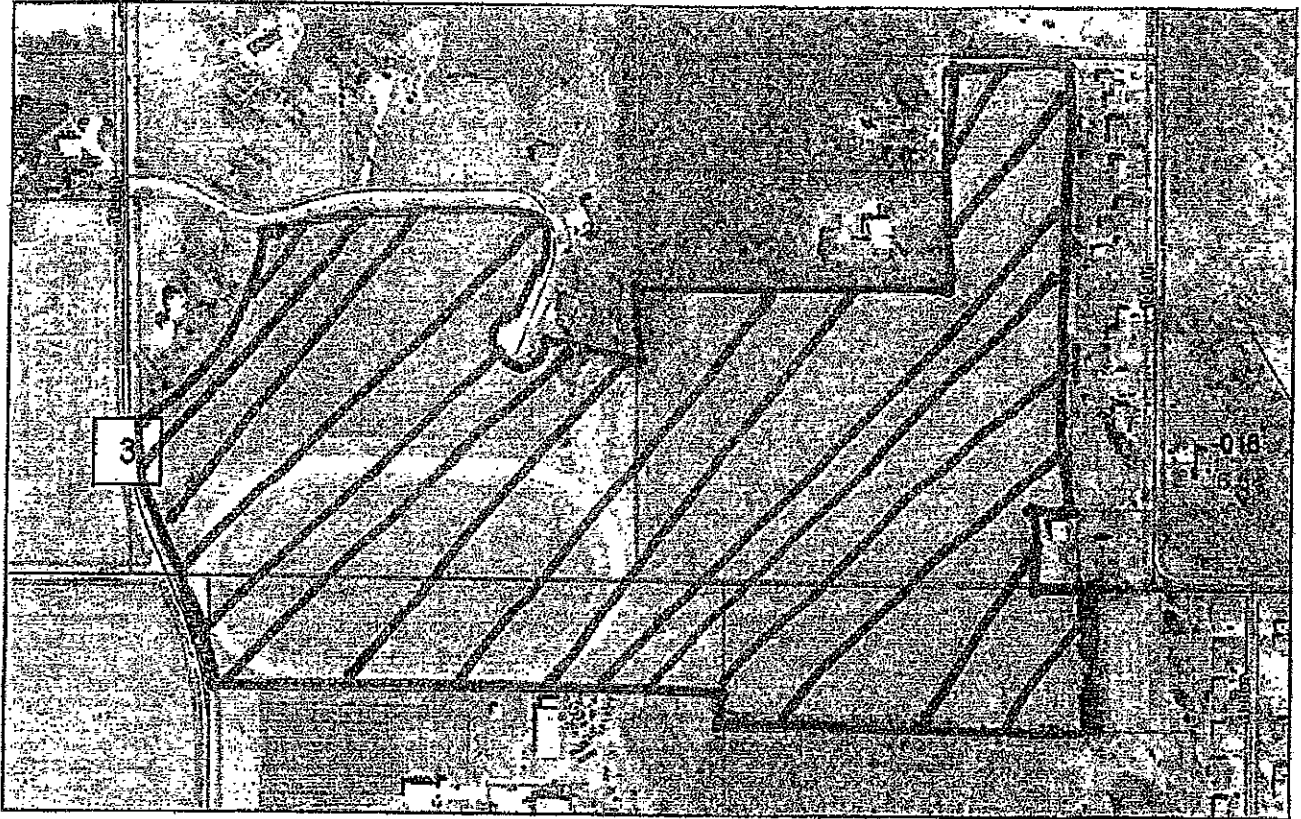
  
Mark Bolander, Mayor

ATTEST:

  
Rosetta M. York, City Clerk

**EXHIBIT A**

**Purchase Agreement (Anthony F. Griffith Estate)**



November 24, 2020

