

RESOLUTION NO. 9596-R34

A Resolution Authorizing the Reallocation of 1996 Volume Cap
for Private Activity Bonds to the
Illinois Development Finance Authority

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), grants Illinois home rule communities volume cap in the amount of \$50 per capita per year to issue private activity bonds; and

WHEREAS, according to an Official Bureau of the Census Population Estimate for 1994, which was the basis of a state-wide allocation, the City of Urbana, Illinois (the "City") has volume cap of \$1,872,800 for the year 1996; and

WHEREAS, the Illinois Development Finance Authority (the "Authority") and Northern Illinois Water Corporation (the "Corporation") have requested that the City cede all of its private activity bond authority for 1996 to the Authority for the benefit of the Corporation; and

WHEREAS, pursuant to Section 6 of the Illinois Private Activity Bond Allocation Act (30 ILCS/345 et. seq.) (the "Act") including the written Guidelines and Procedures of the Governor's Office of the State of Illinois issued pursuant to the Act (the "Guidelines and Procedures"), the City may reallocate all or any portion of its unused volume cap for calendar year 1996.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Urbana, Champaign County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. That in accordance with and pursuant to the power and authority granted by and under Section 6 of Article VII of the Constitution of Illinois, Section 146 of the Code and Section 6 of the Act, including the Guidelines and Procedures, the City hereby reserves to and for the Authority, but solely for the benefit of the Corporation, and hereby agrees and does hereby reallocate all of its \$1,872,800 1996 volume cap to the Authority to be used by the Authority on or before December 31, 1996, but solely for the benefit of the Corporation.

Section 2. That this Resolution shall constitute the agreement of the City to a different allocation under Section 146(e)(3) of the Code and the "writing" required under Section 6 of the Act. As required by the Act, the Authority shall maintain in its records for the term of the bonds, a record of reallocation as described in Section 1 of this Resolution. Within ten calendar days of the date the bonds are issued, the Authority shall file or cause to be filed in the Office of the Governor of the State of Illinois, a confirmation of a bond issuance letter as described in the Guidelines and Procedures.

Section 3. That the City hereby covenants and warrants that it has not taken, and will not take, any action or issue bonds which would abrogate, diminish or impair its ability to fulfill the written agreements, covenants and undertakings on its part under this Resolution.

Section 4. This Resolution and the reallocation of the 1996 volume cap is contingent upon the responsibility and obligation of the Corporation to defend and hold harmless the City and its officers and employees from any claim, demand or judgment by any party, including the Authority, which seeks money as a result of the passage of this Resolution or the action authorized herein.

Section 5. That the City Clerk is authorized and directed to promptly transmit a certified copy of this Resolution to the Office of the Governor of the State of Illinois.

Section 6. That this Resolution shall be effective immediately upon its passage and approval.

Passed by the City Council of the City of Urbana, Illinois, this 15th day of April, 1996.

Ayes: Hayes, Kearns, Pollock, Ryan, Taylor, Whelan

Nays:

Absent:

by City Council
Approved this 15th day of April, 1996.

Phyllis D. Clark by
Phyllis D. Clark, City Clerk
Robert J. Roberts Deputy Clerk
APPROVED by the Mayor this 15th day of April, 1996.

Tod Satterthwaite
Tod Satterthwaite, Mayor

Approved as to form:

Jack Waaler
Jack Waaler, City Attorney