

Agenda Item #

43

Distribution
County Board
County Administrator
Facility Manager
Central Services
Accounts Payable

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

COUNTY BOARD, LAKE COUNTY, ILLINOIS

REGULAR JUNE , A.D., 2003 SESSION

JUNE 10, A.D., 2003

MADAM CHAIRMAN AND MEMBERS OF THE COUNTY BOARD:

Your Financial and Administrative Committee presents herewith a Resolution authorizing the Chairman of the Board to enter into a Sixth Supplement to Lease Agreement, between the County of Lake and the Lake County Public Building Commission, in accordance with the terms and conditions of the agreement and requests its adoption.

Respectfully submitted,

CHAIR

VICE-CHAIR
Robert Sabonjian

James Francis

Arnold Kelly

FINANCIAL and ADMINISTRATIVE
COMMITTEE

RESOLUTION

WHEREAS the Lake County Public Building Commission (“Commission”) and the County of Lake (“County”) have heretofore executed and delivered that certain Lease, dated as of September 15, 1987 (the “Original Lease”), under which the Commission leased to the County certain sites, buildings and facilities, which includes the County Jail; and

WHEREAS pursuant to the First Supplement to Lease Agreement dated as of December 1, 1991 (the “First Lease Supplement”) the Commission and the County amended the Original Lease to grant, sell and assign a portion thereof and certain of the payments thereunder to Bank of Waukegan, Waukegan, Illinois, as indenture trustee (the “Indenture Trustee”), for the benefit of the registered owners of Certificates of Participation in General Obligation Lease Payments to be made by The County of Lake, Illinois; issued under an Indenture of Trust and Assignment of an Interest in the Lease (the “Certificate Indenture”) dated as December 1, 1991, by and between the Indenture Trustee and the Commission; and

WHEREAS the Indenture Trustee issued the Certificates to be payable from revenues to be received by the commission from certain debt service rentals to be paid by the County to the Commission in accordance with the terms of the Original Lease as amended by the First Lease Supplement and such debt service rental payments were assigned to the Indenture Trustee, pursuant to the Certificate Indenture; and

WHEREAS pursuant to a Second Supplement to Lease Agreement dated as of April 15, 1994 (the “Second Lease Supplement”), the Commission and the County further amended the Original Lease to provide for the payment of debt service on the Commission’s Limited Tax Revenue Bonds, Series 1994 (the “Series 1994 Bonds”), pursuant to a Commission resolution, adopted April 22, 1994 (the “Series 1994 Bond Resolution”); and

WHEREAS pursuant to a Third Supplement to Lease Agreement dated as of April 15, 1998, in order to pay the cost of providing for the payment and redemption of the Commission’s outstanding Public Building Revenue Bonds, Series 1987 (the “Series 1987 Bonds”) the Commission issued its Series 1998 Special Obligation Taxable Refunding Bonds (the “Series 1998 Bonds”) and further said bonds were issued to provide certain funds to pay the cost of capital improvements of the County, and the Series 1998 Bonds were made payable from certain rentals to be received by the Commission in accordance with the terms of the Third Lease

Supplement, such rentals to be made payable out of an escrow directly to the bond registrar pursuant to a bond resolution adopted by the Commission on April 8, 1998, authoring the issuance of the Series 1998 Bonds; and

WHEREAS pursuant to a Fourth Supplement to Lease Agreement the parties included within the premises leased by Lessor to County the parking garage facility located within the courthouse square and provided an appropriate increase in rental for that facility and in consideration of adding the parking garage facility located within the courthouse square, the County agreed to pay to Lessor as additional rent, the following sums: on or before November 1, 2001 a lump sum payment of \$5,425,145 and on or before November 1 of each year remaining on the lease, the accumulated interest earned as of September 30 in the County's Public Building Commission rent levy account; and

WHEREAS pursuant to a Fifth Supplement to Lease Agreement the parties agreed to redesign the current work release portion of the jail located within the leased premises to allow for housing a general inmate population, that the County would pay the costs of the redesign estimated at being \$3,335,000, by paying a lump sum lease payment of that same amount and that the County would request and the Commission would grant a credit for that lease payment from its Surplus Revenue Account, as provided by the 1994 Bond Resolution of the Commission; and

WHEREAS one of the obligations of the Lessor to is provide an up-to-date jail facility to meet the needs of the County and the Sheriff of Lake County, and it has been determined that with the increasing inmate population at the jail it is advisable to increase the available jail space within the County's jail facilities; and

WHEREAS it has been determined that the expanding population in Lake County has created a need for an expanded county jail; and

WHEREAS the County and the Commission have determined that the most cost effective way to address this need is to construct a new work release center within the leased premises; and

WHEREAS the County and the Commission have determined that the County shall contribute to fund the costs of said new work release center an amount equal to \$7,665,000; and

WHEREAS the parties have agreed that the \$7,665,000 sum to be paid by the County shall be

made through a one-time lump sum lease payment, which shall be in addition to the County's other lease payments, and that at the request of the County the Commission shall credit the County for its next due rental payment an amount equal to \$7,665,000 from its Surplus Revenue Account, as provided by Section 5.3.C.3(e) of the Commission's 1994 Bond Resolution; and

WHEREAS, attached hereto is the proposed Sixth Supplement to the Lease between the Commission and the County;

NOW, THEREFORE, BE IT RESOLVED, by this County Board of Lake County, Illinois that the attached Sixth Supplement to the Lease between the Commission and the County be entered into by and between the Commission and the County of Lake, and the Chairman of the Lake County Board is hereby authorized to execute said Sixth Supplement to the Lease with the County on behalf of the County.

DATED, at WAUKEGAN, LAKE COUNTY, ILLINOIS, on this 10th day of June A.D., 2003.

**SIXTH SUPPLEMENT TO
LEASE AGREEMENT**

THIS SIXTH SUPPLEMENT TO LEASE AGREEMENT (the "Sixth Lease Supplement"), made as of this ___ day of June, 2003, between the Lake County Public Building Commission, a municipal corporation of the State of Illinois (hereinafter sometimes referred to as the "Commission") as Lessor, and the County of Lake, Illinois (hereinafter sometimes referred to as the "Lessee"), as Lessee:

WITNESSETH

WHEREAS the Commission and the Lessee have heretofore executed and delivered that certain Lease, dated as of September 15, 1987 (the "Original Lease"), under which the Commission leased to the Lessee certain sites, buildings and facilities; and

WHEREAS pursuant to the First Supplement to Lease Agreement dated as of December 1, 1991 (the "First Lease Supplement") the Commission and the Lessee amended the Original Lease to grant, sell and assign a portion thereof and certain of the payments thereunder to Bank of Waukegan, Waukegan, Illinois, as indenture trustee (the "Indenture Trustee"), for the benefit of the registered owners of Certificates of Participation in General Obligation Lease Payments to be made by The County of Lake, Illinois; issued under an Indenture of Trust and Assignment of an Interest in the Lease (the "Certificate Indenture") dated as December 1, 1991, by and between the Indenture Trustee and the Commission; and

WHEREAS the Indenture Trustee issued the Certificates to be payable from revenues to be received by the commission from certain debt service rentals to be paid by the Lessee to the Commission in accordance with the terms of the Original Lease as amended by the First Lease Supplement and such debt service rental payments were assigned to the Indenture Trustee, pursuant to the Certificate Indenture; and

WHEREAS pursuant to a Second Supplement to Lease Agreement dated as of April 15, 1994 (the "Second Lease Supplement"), the Commission and the Lessee further amended the Original Lease to provide for the payment of debt service on the Commission's Limited Tax Revenue Bonds, Series 1994 (the "Series 1994 Bonds"), pursuant to a Commission resolution, adopted April 22, 1994 (the "Series 1994 Bond Resolution"); and

WHEREAS pursuant to a Third Supplement to Lease Agreement dated as of April 15, 1998, in order to pay the cost of providing for the payment and redemption of the Commission's outstanding Public Building Revenue Bonds, Series 1987 (the "Series 1987 Bonds") the Commission issued its Series 1998 Special Obligation Taxable Refunding Bonds (the "Series 1998 Bonds") and further said bonds were issued to provide certain funds to pay the cost of capital improvements of the Lessee, and the Series 1998 Bonds were made payable from certain rentals to be received by the Commission in accordance with the terms of the Third Lease Supplement, such rentals to be made payable out of an escrow directly to the bond registrar pursuant to a bond resolution adopted by the Commission on April 8, 1998, authoring the issuance of the Series 1998 Bonds; and

WHEREAS pursuant to a Fourth Supplement to Lease Agreement the parties included within the premises leased by Lessor to Lessee the parking garage facility located within the courthouse square and provided an appropriate increase in rental for that facility and in consideration of adding the parking garage facility located within the courthouse square, the Lessee agreed to pay to Lessor as additional rent, the following sums: on or before November 1, 2001 a lump sum payment of \$5,425,145 and on or before November 1 of each year remaining on the lease, the accumulated interest earned as of September 30 in the Lessee's Public Building Commission rent levy account; and

WHEREAS pursuant to a Fifth Supplement to Lease Agreement the parties agreed to redesign the current work release portion of the jail located within the leased premises to allow for housing a general inmate population, that the County would pay the costs of the redesign estimated at being \$3,335,000, by paying a lump sum lease payment of that same amount and that the County would request and the Commission would grant a credit for that lease payment from its Surplus Revenue Account, as provided by the 1994 Bond Resolution of the Commission; and

WHEREAS one of the obligations of the Lessor to is provide an up-to-date jail facility to meet the needs of the County and the Sheriff of Lake County, and it has been determined that with the increasing inmate population at the jail it is advisable to increase the available jail space within the County's jail facilities; and

WHEREAS it has been determined that the expanding population in Lake County has created a need for an expanded county jail; and

WHEREAS the County and the Commission have determined that the most cost effective way to address this need is to construct a new work release center within the leased premises; and

WHEREAS the County and the Commission have determined that the costs of said new work release center will be \$7,665,000; and

WHEREAS the parties have agreed that the County should be responsible for funding the costs of the new work release center to meet the needs of the County in fulfilling its obligation to provide a suitable jail.

NOW THEREFORE in consideration of the rents received hereunder and the promises and covenants herein made by each of the parties hereto and for other good and valuable consideration, it is covenanted and agreed by the parties hereto as follows;

Section 1. Preambles. The preambles of the Original Lease are incorporated by reference and adopted hereby. The preambles to the First Lease Supplement, Second Lease Supplement, Third Lease Supplement, Fourth Lease Supplement and Fifth Lease Supplement are incorporated by reference and adopted hereby. The preambles hereto are incorporated by reference into the text of this Fifth Lease Supplement (and the Original Lease, as supplemented and amended by the First Lease Supplement, as supplemented and amended by the Second Lease Supplement, as supplemented and amended by the Third Lease Supplement, as supplemented and amended by

the Fourth Lease Supplement, and as supplemented and amended by the Fifth Lease Supplement.

Section 2. Relating to Original Lease Section 4. Section 4 of the original lease is incorporated by reference and adopted hereby. A new paragraph (h) is added:

“(h). In consideration of the Commission’s constructing a new work release center, as is more fully described in Section 37 and attached Exhibit B, the Lessee shall pay to Lessor as additional rent, the following sum: On or before June 15, 2003 a lump sum payment of \$7,665,000. At the request of the County pursuant to Article 5.3.C.3(e) of the Lessor’s 1994 Bond Resolution the Lessor will transfer \$7,665,000 from the Lessor’s Surplus Revenue Account to the Revenue Fund to be applied to the said lump sum rental payment coming due on or before June 15, 2003. Said rental payment shall be deposited into the separate account of the Commission created pursuant to the Fifth Lease Supplement, designated as “2002 Special Project Account”. Payments for the above-described improvements to the County facilities shall be made from the 2002 Special Projects Account. Should any fund balance remain in the 2002 Special Projects Account after payment for all improvements described in Section 37(c) and Exhibit B have been made shall be transferred to the Commission’s Surplus Revenue Account.”

Section 3. New Subsection 37(c). A new subsection (c) is added to Section 37 of the Original Lease as supplement, so that Section 37 reads as follows:

“Section 37. Redesign and Remodeling of the Work Release Center.

- “(a) The Commission agrees to construct redesign and remodel the portion of the County Jail currently housing the Jail’s Work Release Center to allow for housing of a general inmate population, as is more fully described in Exhibit A.
- “(b) The County shall pay increased rent to cover the costs of the redesign and remodeling, as provided in Section 4(g) of this Lease.
- “(c) The Commission further agrees to construct a new Work Release Center to allow for housing of inmates in the work release program, as is more fully described in Exhibit B. The County shall pay increased rent to cover the costs of the new Work Release Center, as provided in Section 4(h) of this Lease.”

Section 4. All other terms and conditions of the Original Lease, as amended by the First, Second, Third, Fourth and Fifth Lease Supplements remain unchanged.

Section 5. Severability. In the event any covenant, phrase, clause, paragraph, section, condition or provisions herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, phrase, clause, paragraph, section, condition or provisions shall in no way affect any other covenant, phrase, clause, paragraph, section, condition or provision herein contained.

Section 6. Counterparts. This Sixth Supplement to Lease Agreement has been executed in several counterparts, each of which may be considered as an original, and this Sixth Lease Supplement to Lease Agreement shall be in full force and effect upon the signing thereof and such other conditions precedent set forth herein having been met.

LAKE COUNTY PUBLIC BUILDING
COMMISSION

By _____
Chairman

[SEAL]

Attest:

Secretary

THE COUNTY OF LAKE, ILLINOIS

By _____
Chairman of the County Board of
The County of Lake, Illinois

[SEAL]

Attest:

County Clerk