

**Understanding the  
Debt Restructuring  
of the Lombard Public  
Facilities Corporation (LPFC)**

# What is the origin of the hotel and conference center's development?

- 2003: Separate entity LPFC formed
- 2005: LPFC bonds issued
- 2007: Hotel opened
- 2009: Economic downturn
- 2016: Today

# Does the Village own and operate the Westin Yorktown Center?

- **NO**
- LPFC owns the facility

# So what's happening now? Why now, after all this time?

- Debt restructuring
- LPFC filing for Chapter 11 Restructuring in order to facilitate restructuring
- Today: 70% of bond holders have agreed to the RSA

# Will the LPFC's filing for Chapter 11 Restructuring affect the Village's finances?

- The LPFC intends to file for Chapter 11 Restructuring of debt...

**NOT THE VILLAGE OF LOMBARD**

# What is the Village's contribution to the Restructuring Support Agreement (RSA)?

- Water main installed as part of original construction of the hotel
- Paid for by LPFC bond holders originally
- Village will reimburse the LPFC for the bond funds provided to the Village to cover the cost of the water main - \$3,000,000

# **Why is the Village contributing funds when the Village does not own the hotel and conference center?**

- Water main would have been necessary eventually.
  - Support growth of Yorktown and supply water to residents and businesses.

# How is the Village going to fund its contribution to the Restructuring Support Agreement?

- Water/infrastructure improvements
- LPFC funded \$3,000,000 originally, but for the \$3,000,000 we would have had to wait on construction
- Reimbursement will come from the Water/Sewer Capital Reserve Fund
- Funds available in reserves of Water/Sewer Capital Reserve Fund



# Will this have an impact on my taxes or fees?

- **NO**
- No tax increase
- NOT affecting water rates

# **Will the Village reduce services levels or eliminate employees to participate in this agreement?**

- **NO**
- Structural budget challenges are NOT tied to the Village's reimbursement
- State budget impasse potential impact

# What would happen if the Village didn't participate with the RSA?

- Unknown & uncertain future of hotel & conference center
- Ongoing Village appropriation request from LPFC
- Village's lowered credit rating would likely continue

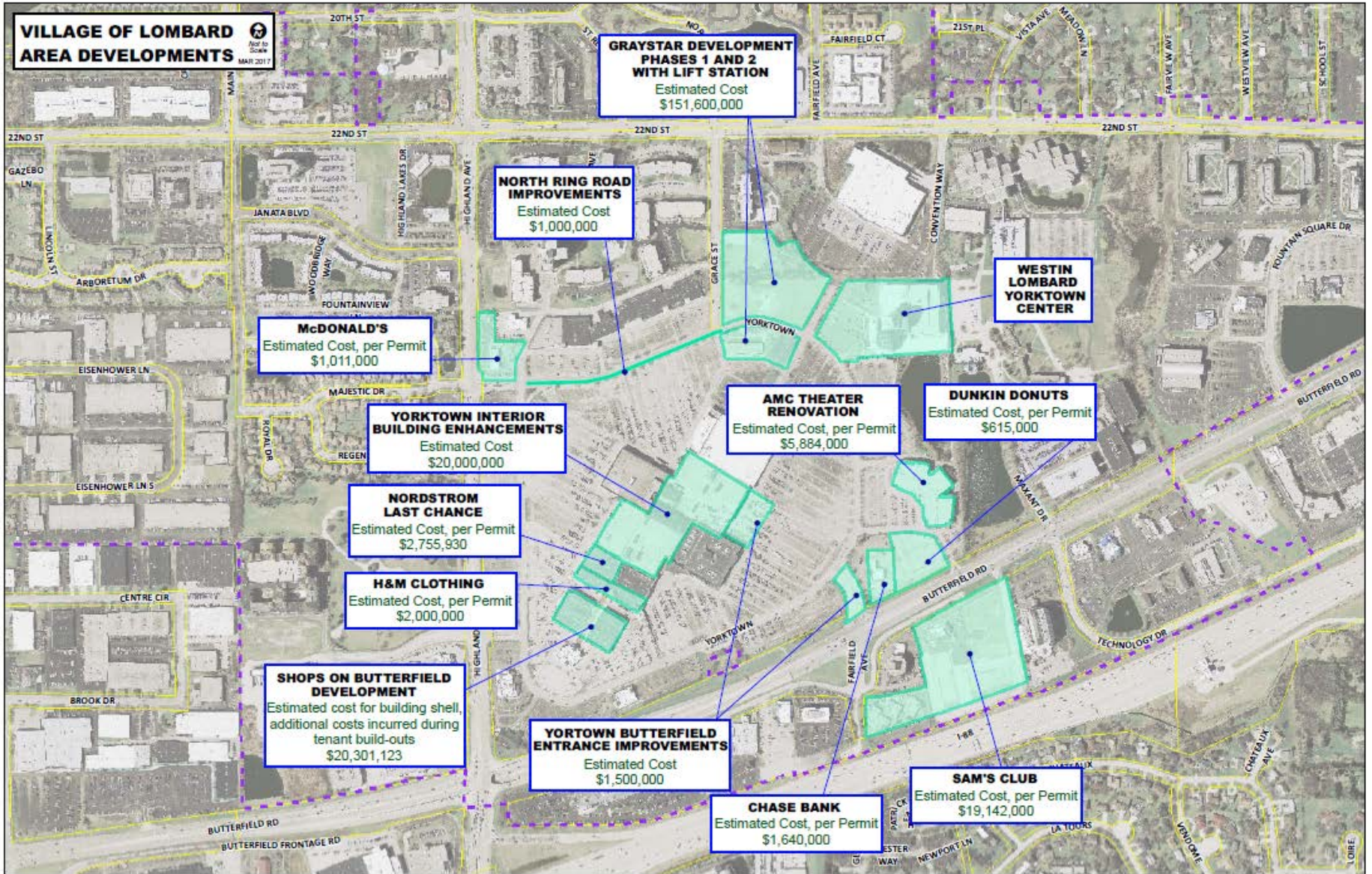
# How does the hotel and conference center benefit our community?

- Visitors spend \$134/day
- Meeting attendees spend 2x that amount
- 130,000 overnight stays at hotel and conference center in 2016
  - \$17.4 million spent in Lombard area(conservative)
- Conference attendees also stay at other hotels in Lombard

# Beyond tourism, how has this project benefited our community?

- **2007**
  - The Shops on Butterfield development was constructed
- **2011**
  - Chase Bank approved, constructed
- **2011**
  - McDonald's approved, constructed
- **2013**
  - \$20 million in capital improvements undertaken at Yorktown Center for building enhancements, food court, common areas and signage
- **2014**
  - H&M clothing opens
  - AMC renovation
- **2016**
  - Dunkin Donuts completed
  - 100 Yorktown Last Chance opens
  - APEX Apartments
- **2017**
  - Pre Construction for anticipated Sam's Club on Butterfield
  - GrayStar development/Yorktown Commons begins construction

**VILLAGE OF LOMBARD  
AREA DEVELOPMENTS**



# How is the RSA in line with the Village's assistance with other local businesses?

- Village considers potential for business incentives
- Incentive Agreement Policy: Sales Tax Rebate
  - Von Maur
  - Lombard Toyota
  - Sam's Club
  - Mariano's

# What does the Village intend to accomplish by participating in this process?

- Continued Operation of First Class Hotel and Conference Center Facility
  - \$17.4 million in visitor spending in 2016
  - Conferences attract visitors and overnight stays to other hotels
- Roadmap Toward Improved Stable Bond Rating
  - Village will demonstrate its commitment to a solution and hopes to improve its credit rating over time



# What happens next?

- Chance that the restructuring will not take place
- Good news = 70% of all major parties are in support of RSA
- Restructuring = subject to approval in U.S. Bankruptcy Court
- Additional parties involved with hotel & conference center, not party to the RSA, could contest

**Questions?**