

MOODY'S

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September 15, 2011

RECEIVED

SEP 20 2011

VILLAGE OF GLENVIEW
MANAGERS OFFICE

Mr. Todd Hileman
Village Manager
Village of Glenview
1225 Waukegan Road
Glenview, IL 60025

Dear Mr. Hileman:

We wish to inform you that on September 1, 2011, Moody's Investors Service reviewed and assigned a rating of Aaa to Glenview (Village of) IL's General Obligation Refunding Bonds, Series 2011.

In order for us to maintain the currency of our ratings, we request that you provide ongoing disclosure, of current financial and statistical information.

Moody's will monitor this rating and reserves the right, at its sole discretion, to revise or withdraw this rating at any time in the future.

The rating, as well as any revisions or withdrawals thereof, will be publicly disseminated by Moody's through normal print and electronic media and in response to verbal requests to Moody's Rating Desk.

Should you have any questions regarding the above, please do not hesitate to contact me or the analyst assigned to this transaction, Tatiana Killen at 312-706-9972.

Sincerely,



Edward Damutz

cc:
Mr. John Miller
Ehlers & Associates, Inc.

New Issue: MOODY'S ASSIGNS Aaa RATING TO THE VILLAGE OF GLENVIEW'S (IL) \$11.3 MILLION GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011

Global Credit Research - 02 Sep 2011

Aaa RATING APPLIES TO \$139.9 MILLION OF POST-SALE GOULT DEBT

Municipality
IL

Moody's Rating

ISSUE	RATING
General Obligation Refunding Bonds, Series 2011	Aaa
Sale Amount	\$11,275,000
Expected Sale Date	09/06/11
Rating Description	General Obligation

Opinion

NEW YORK, Sep 2, 2011 -- Moody's Investors Service has assigned a Aaa rating to the Village of Glenview's (IL) \$11.3 million General Obligation Refunding Bonds, Series 2011. Concurrently, Moody's has affirmed the village's Aaa rating, affecting \$139.9 million of outstanding rated general obligation debt, including the current issue.

SUMMARY RATINGS RATIONALE

Secured by the village's general obligation unlimited tax pledge, proceeds from the Series 2011 bonds will refund the village's outstanding Series 2001 General Obligation Bonds for net present value savings. The Series 2001 bonds were originally issued to finance the redevelopment of the former Glenview Naval Air Station. The Aaa rating reflects the village's large and affluent tax base with a diverse economy; strong financial operations with financial flexibility derived from home-rule status; and a moderate debt burden with rapid principal amortization.

STRENGTHS

- Significant revenue raising flexibility derived from home-rule status
- Healthy General Fund reserves

CHALLENGES

- Dependence on an economically sensitive revenue stream
- Above average debt burden with a balloon payment scheduled in 2013

DETAILED CREDIT DISCUSSION

LARGE AND AFFLUENT CHICAGO SUBURB; DEVELOPMENT IN THE FORMER GLENVIEW NAVAL AIR STATION (GNAS) EXPECTED TO SLOW

The village will continue to experience solid growth in its tax base due to its location and continued, though slowing, development of the former Glenview Naval Air Station (GNAS). The Village of Glenview benefits from its location within the Chicago (GO rated Aa3) metropolitan area, with a strong local transportation network which provides access to downtown Chicago, O'Hare International Airport (airport revenue debt rated A1/negative outlook), and other suburban employment centers. The village is located roughly 20 miles north of downtown Chicago and is nestled among the area's most affluent communities. According to the 2000 Census, median and per capita income for village residents stood at 174% and 188% of the state levels, respectively. Additionally, median home values of \$336,000 were 257% of the state level, reflecting the long-standing desirability of real estate in the area.

The village's tax base is considered well balanced, with high quality housing stock responsible for 73% of full valuation and commercial and industrial making up 19.8% and 6.9% (2009), respectively. The village's tax base is a large \$9.1 billion (2009) and is home to the corporate headquarters of Kraft USA (senior unsecured debt rated Baa2/developing outlook pending additional details regarding spin off), one of its largest taxpayers (1.4% of 2009 assessed valuation). Kraft Foods Inc. recently announced intentions to spin off into two independent public companies before year end 2012. Kraft expects to achieve this new structure through a tax-free spin-off of the North American grocery business. We will continue to monitor the spin-off to determine the impact, if any, on the village.

Much of the tax base growth over the last several years, an average 6.2% annually, can be attributed to the continued growth in residential and commercial development. Additionally, the village has benefitted from the redevelopment of GNAS into significant residential and commercial property generating \$500 million in tax increment valuation since its 1998 inception. The project area now includes approximately 700 acres of single and multi-family residential development; office/warehouse space, mixed-use or retail development, and two golf courses. The village will also complete construction for the future corporate headquarters of Astellas Pharma US Inc. (senior unsecured rating Aa3/ stable outlook), a pharmaceutical company, in January of 2012. As the area nears full build out, building permits have slowed from 2,837 permits in 2008 to 2,535 permits in 2010. However, village officials indicate that building permits are improving as other redevelopment and growth opportunities are identified.

SOUND FINANCIAL OPERATIONS EXPECTED TO CONTINUE; FINANCIAL FLEXIBILITY DERIVED FROM HOME-RULE STATUS

The village's financial operations will remain sound given the continued strength in operating revenues supported by healthy reserves and considerable revenue raising options. The village consciously reduced fund balances from fiscal 2006 to 2008 in an effort to maintain General Fund balances within their formal policy level of maintaining 30%-40% of expenditures in General Fund reserves. The village has historically made transfers out to support planned capital projects, transferring \$7.6 million in fiscal 2007 and 2008. At fiscal year-end 2009, following several years of planned General Fund operating deficits, the village experienced an operating surplus of \$3.9 million closing with a General Fund balance of \$20.1 million, or an ample 38.5% of General Fund revenues. The surplus was attributed to savings from staffing reductions (\$1.8 million) and a delayed major road improvement project (\$2 million). For fiscal 2010, the village ended the year with an operating surplus of \$1.9 million closing with a General Fund balance of \$22.1 million, or a healthy 40.7% of General Fund revenues. The surplus in fiscal 2010 was due to the receipt of approximately \$2.5 million of non recurring revenues, such as \$1.5 million in building permit revenue for the corporate headquarters of Astellas Pharma US Inc. Additionally, the village passed a \$0.02 per gallon local motor fuel tax at the end of 2009 for capital projects, which generated revenue of approximately \$290,000 in 2010. After initially budgeting for an operating deficit of approximately \$1.3 million, preliminary year to date figures for fiscal 2011 indicate balanced operations. Officials note positive budget variances with expenditures trending slightly under budget. Preliminary budget figures for fiscal 2012 indicate a modest \$600,000 shortfall that the village officials expect to remediate through various options currently being explored.

The operating surpluses in recent years are in part a result of historically strong sales tax receipts. Sales tax revenues are the largest General Fund revenue stream, making up approximately 34% of total operating revenues in fiscal 2010. Historically, the growing retail sector along with a home-rule sales tax has allowed for strong growth in sales tax revenues, however, broader economic conditions have reversed this trend. Going forward, officials indicate that sales tax receipts are starting to stabilize with modest growth projected in the near term. In July 2008, village officials increased the home-rule sales tax by 0.25%, which has helped bolster operations during the national recession. For fiscal 2010, the municipal tax (1% of Retailers' Occupation, Service Occupation and Use Tax) and the home rule tax both increased by 0.18% and 2.0% respectively, over 2009 sale tax receipts. Notably, the village has substantial revenue-raising flexibility given its home-rule status which allows it to increase taxes and/or fees without voter approval.

MODERATE DEBT BURDEN WITH RAPID PRINCIPAL AMORTIZATION

The village's moderate debt burden will remain manageable due to continued tax base growth and significant support from non-debt service levy sources. The village's overall debt burden is slightly above average at 3.5% of full valuation and primarily due to debt issued by overlapping entities, including the county, park district, and multiple school districts. While the village's direct debt is slightly above average at 1.5%, Moody's notes that over 67% of the village's outstanding direct debt is repaid from tax increment and utility revenues, substantially reducing the burden debt service levy. Principal amortization of direct obligations is rapid, with 85.6% retired within ten years. However, the village has a bullet maturity of \$28.1 million due 2013 related to the Series 2009E Refunding Bonds. Village officials report lagging land sales as the primary reason for the restructuring, as broader national economic trends have impacted development within the project area. Officials report no major borrowing plans expected over the near term.

What could change the rating- DOWN

- Inability to close budgetary gaps leading to deterioration of financial reserve levels below similarly rated entities
- Erosion of the local economy and tax base reflected in increased unemployment levels and declining tax base valuation

KEY STATISTICS:

2010 Census population: 44,692 (6.8% since 2000)
2009 Full value: \$9.1 billion
2009 Full value per capita: \$203,526
1999 Median family income: \$96,552 (173.8% of state)
1999 Per capita income: \$43,384 (187.8% of state)
2000 Median housing value: \$336,000 (256.9% of state)
Overall debt burden: 3.5% (1.5% direct)
Amortization of principal (10 years): 85.6%
FY2010 General Fund balances: \$22.1 million (40.7% of General Fund revenues)
Post-sale general obligation unlimited tax-backed debt: \$139.9 million

PRINCIPAL METHODOLOGY USED

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009. Please see the Credit Policy page on www.moody.com for a copy of this methodology.

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