

New Issue: Glenview (Village of) IL

MOODY'S ASSIGNS Aaa TO VILLAGE OF GLENVIEW'S (IL) \$26.7 MILLION GO CORPORATE PURPOSE BONDS, SERIES 2009A

Aaa RATING APPLIES TO \$166 MILLION OF POST-SALE GOULT DEBT

Municipality
 IL

Moody's Rating

ISSUE	RATING
General Obligation Corporate Purpose Bonds, Series 2009A	Aaa
Sale Amount	\$26,700,000
Expected Sale Date	05/05/09
Rating Description	General Obligation

Opinion

NEW YORK, May 1, 2009 -- Moody's Investors Service has assigned a Aaa rating to the Village of Glenview's \$26.7 million General Obligation Corporate Purpose Bonds, Series 2009A. Secured by the village's general obligation unlimited tax pledge, proceeds from the bonds will finance the construction of a new library and various storm sewer projects within two of the village's special service areas. Concurrently, Moody's has affirmed the village's Aaa rating, affecting \$166 million of outstanding rated general obligation debt, including the current issue. The Aaa rating, Moody's highest, 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.

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

Moody's believes the village will continue to experience strong 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/stable outlook) metropolitan area, with a strong local transportation network which provides access to downtown Chicago, O'Hare International Airport (airport revenue debt rated Aa3/stable 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 68% of full valuation and commercial and industrial making up 22% and 10% (2007), respectively. The village's tax base is a large \$8.1 billion (2007) and is home to the corporate headquarters of Kraft USA (senior unsecured debt rated Baa2/stable outlook), its largest taxpayer (2% of assessed valuation). Much of the tax base growth over the last several years, an average 10.8% annually, can be attributed to the redevelopment of GNAS into significant new residential and commercial property which has generated \$479 million in tax increment 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 campus is also home to the new Kohl's Children Museum, which has benefited near-by retailers. Building permits have significantly slowed from an average of \$262 million from 2000 to 2004 to an average \$115 million from 2004 to 2007 as the area nears full-build out. However, village officials have begun to identify other redevelopment and growth opportunities.

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

Moody's expects the village's financial operations will remain sound given the continued strength in operating revenues, the support of healthy reserves, and considerable revenue raising options. The village has run General Fund surpluses over the last several years with an exception of fiscal 2006. At the close of fiscal

2005, the General Fund balance stood at \$29.1 million, or an ample 58.4% of revenues, as a result of a \$9.8 million surplus. However, the surplus and fund balance was inflated due to the receipt of approximately \$7.7 million in non-recurring revenues, which the village did not expect to receive until fiscal 2006. As such, the fiscal 2006 General Fund budget applied the \$9 million prior year surplus to support planned capital projects. However, due to positive budget variances the village closed fiscal 2006 with a \$5.3 million deficit, bringing reserves to \$23.8 million, or a still very healthy 56.1% of revenues. In fiscal 2007 and 2008 the village applied an additional \$6.5 million of fund balance to support capital outlay in order to bring reserves more in line with the village's policy of maintaining 33%-40% of expenditures in General Fund reserves. Village officials project a modest shortfall in fiscal 2008, with un-audited figures reflecting a General Fund balance of \$18.3 million, and have budgeted for balanced operations in fiscal 2009.

The 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 44% of total operating revenues in fiscal 2007. 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. Village officials project a reduction in sales tax receipts of approximately \$3 million in fiscal 2009 and are reducing expenditures in response. In July 2008, village officials increased the home-rule sales tax by .25%, which further supplemented general fund operations.. 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

Moody's anticipates that 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 above average at 4.9% of full valuation primarily due to debt issued by overlapping entities, including the county, park district, and multiple school districts. While the village's direct debt is above average at 2.5%, Moody's notes that over 70% 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 83.5% retired within ten years. Officials report no major borrowing plans expected over the near term.

KEY STATISTICS:

2007 Census population: 46,329 (10.7% since 2000)

2007 Full value: \$8.1 billion

Full value per capita: \$174,398

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: 4.9% (2.5% direct)

Amortization of principal (10 years): 83.5%

FY2007 General Fund balances: \$18.8 million (40.2% of General Fund revenues)

Post-sale general obligation unlimited tax-backed debt: \$166 million

The principal methodology used in this rating process was "Local Government General Obligation and Related Ratings," which can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Index of Special Reports - U.S. Public Finance. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Credit Policy & Methodologies directory.

The last rating action regarding the Village of Glenview was on November 29, 2007 when the village's Aaa rating was affirmed.

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