

PFA Announces Agreement to Provide \$140 million of Tax-Exempt Bonds for Westin Lombard Yorktown Center

Bond Restructuring Allows for Improvements to Hotel that Generates Millions in Revenue to Area Businesses

MADISON, WI (March 8, 2018) – The Public Finance Authority (PFA) today announced it will issue approximately \$140 million of tax-exempt governmental purpose bonds on behalf of the Lombard Public Facilities Corporation (“LPFC”) to refinance the Westin Lombard Yorktown Center in Lombard, IL. The restructuring frees up money to reinvest millions in necessary facility upgrades and improvements to the hotel, which in 2016 the Village of Lombard estimates the 130,000 overnight stays spent \$17.4 million in Lombard and surrounding area businesses.

“PFA is pleased to provide financing that will allow this economic growth driver to have a positive impact on the community for decades to come,” said Mike LaPierre, Public Finance Authority Program Manager. “Homeowners and businesses are still feeling some of the effects of the worst recessions we’ve seen in a generation, but now LPFC has the tools to get back on track, be profitable and contribute to the region’s tax base.”

LPFC was created as a nonprofit corporation in 2003 to issue bonds to finance construction of the 18-story, 500-room hotel. The hotel opened in 2007 during the height of the economic recession. In July 2017, LPFC filed for protection under Chapter 11 of the Bankruptcy Code to restructure the debt and with the support of key stakeholders, including major bondholders, the Bond Insurer for a significant tranche of LPFC’s outstanding Bonds, Westin and the Village of Lombard.

“PFA sees potential and is committed to get involved in situations that assist local communities when no one else can,” said Mike Gillespie, PFA Board Member. “PFA in partnership with LPFC doubles down on the Westin Lombard’s commitment to the surrounding community. We’re confident the economic benefits we see today will only be amplified in the future.”

PFA is one of the few bond issuers that is able to issue the longer term bonds which was critical to making LPFC’s debt restructuring economically feasible.

“When it was originally built, the hotel project was accompanied by new capital investment at Yorktown Mall and the surrounding area. In addition, the hotel itself generates over 130,000 night stays in Lombard on an annual basis,” said Scott Niehaus, Village Manager. “Moving forward, the continued operation of the hotel will enable the mall area and Lombard to remain competitive in the face of a changing retail climate.”

A TIF district formed by the Village of Lombard further supports investment in the project. This restructuring arrangement in partnership with PFA allows the Village to demonstrate it is part of the resolution and bolsters its credit rating.

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