

CITY OF HOBART COMMON COUNCIL

RESOLUTION NO. ²⁰¹⁹⁻32

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF HOBART,
INDIANA, APPROVING A LEASE BETWEEN THE CITY OF HOBART
REDEVELOPMENT AUTHORITY AND THE CITY OF HOBART
REDEVELOPMENT COMMISSION AND TAKING OTHER ACTIONS RELATED
THERETO**

WHEREAS, the City of Hobart Redevelopment Commission (the "Commission"), the governing body of the City of Hobart Department of Redevelopment and the Redevelopment District of the City of Hobart, Indiana (the "District"), exists and operates under the provisions of Indiana Code 36-7-14, as amended from time to time (the "Act"); and

WHEREAS, the City of Hobart Redevelopment Authority (the "Authority") has been created pursuant to Indiana Code 36-7-14.5 as a separate body corporate and politic, and as an instrumentality of the City of Hobart, Indiana (the "City") to finance local public improvements for lease to the Commission; and

WHEREAS, the Commission seeks to finance certain local public improvements located in or serving the 61st Avenue and SR 51 Economic Development Area previously established by the Commission as an economic development area and an allocation area for purposes of tax increment finance under the Act (the "Area") which improvements are described on Exhibit A attached hereto and made a part of this Resolution (the "Project"); and

WHEREAS, at a meeting held on November 18, 2019, the Authority did adopt its Resolution No. 2019-01 whereby the Authority (a) indicated its intent to issue its City of Hobart Redevelopment Authority Lease Rental Revenue Bonds of 2020 (the "Bonds") in one (1) or more series in an aggregate principal amount not to exceed Twelve Million Dollars (\$12,000,000), to finance all or a portion of (i) the costs of the Project; (ii) pay any capitalized interest on the Bonds, if any; (iii) fund a debt service reserve fund, if necessary, in connection with the issuance of the Bonds; and (iv) pay costs incurred in connection with the issuance of the Bonds; and (b) approved a proposed form of lease (the "Lease") between the Authority and the Commission for the lease of the Project; and

WHEREAS, at a meeting held on December 2, 2019, following a public hearing held pursuant to Section 25.2 of the Act, the Commission did adopt its Resolution No. 2019-15 (a) finding (i) that the lease rental payments to be paid by the Commission to the Authority pursuant to the Lease (the "Lease Rentals") are fair and reasonable, (ii) that the terms of the Lease are based upon the value of the Leased Premises (as defined in the Lease), and (iii) the use of the Leased Premises and the Project throughout the term of the Lease will serve the public purpose of the City and is in the best interests of its residents and (b) approving the proposed Lease in the form presented at this meeting (the "Lease") for the purpose of paying the principal of and interest on the Bonds proposed to be issued by the Authority pursuant to Indiana Code 36-7-14.5 to finance the Project; and

WHEREAS, the Commission reasonably expects to pay the Lease Rentals during the term of the Lease from tax increment revenues collected from the Area (the "TIF Revenues"); however, to assist with the marketing of the Bonds and securing favorable interest rates, the payment of the Lease Rentals also will be secured by the levy of a special benefits tax pursuant to Section 27 of the Act in the event the TIF Revenues are ever insufficient; and

WHEREAS, the annual rentals payable by the Commission under the Lease will be pledged by the Authority to pay the principal of and interest on the Bonds; and

WHEREAS, given the use of the lease financing provisions to reduce the cost of borrowing and certain additional requirements set forth in the Act and Indiana Code 36-7-14.5 with respect to the approval by the Common Council of the City (the "Common Council") of a financing for redevelopment or economic development purposes, the Common Council desires to (i) approve the Lease as required by Section 25.2 of the Act, which provides that any lease approved by a resolution of the Commission must be approved by the fiscal body of the City, (ii) approve the issuance of the Bonds by the Authority as required by Indiana Code 36-7-14.5-19;

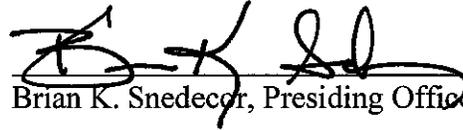
NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Hobart, Indiana, as follows:

1. The Common Council hereby approves the issuance of the Bonds and the execution and delivery of the Lease, as approved by the Commission, pursuant to Section 25.2 of the Act, all upon the following conditions: (a) the maximum aggregate principal amount of the Bonds shall not exceed \$12,000,000; (b) the Bonds shall have a final maturity date which is not later than eleven (11) years from the date of their issuance; (c) the maximum annual lease rental payment during the term of the Lease shall not exceed \$3,300,000; (d) the maximum interest rate on the Bonds shall not exceed five percent (5.0%) per annum; (e) The Bonds may be subject to redemption prior to maturity on any date not later than five (5) years following the date of issuance of the Bonds, with such specific dates and redemption terms determined by the Authority at the time of the sale of the Bonds, all upon the advice of the municipal advisor to the Authority; (f) the maximum term of the Lease shall not exceed eleven (11) years; and (g) no interest on the Bonds shall be capitalized or paid from the proceeds of the Bonds.

2. This Resolution shall be in full force and effect from and after its adoption by the Common Council and upon compliance with the procedures required by law.

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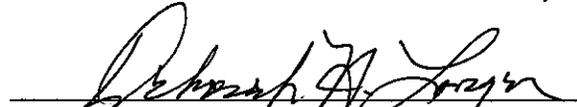
PASSED AND ADOPTED on this 4th day of December, 2019, by the Common Council of the City of Hobart, Indiana.


Brian K. Snedecor, Presiding Officer

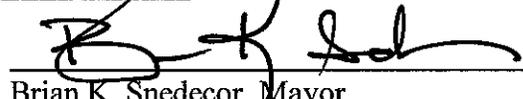
ATTEST:


Deborah A. Longer, Clerk-Treasurer

PRESENTED by me, the Clerk-Treasurer of the City of Hobart, Indiana, to the Mayor for his approval this 4th day of December, 2019, at 7:15 am/p.m.


Deborah A. Longer, Clerk-Treasurer

APPROVED, SIGNED AND RETURNED by me to the Common Council of the City of Hobart, Indiana, this 4th day of December, 2019.


Brian K. Snedecor, Mayor

ATTEST:

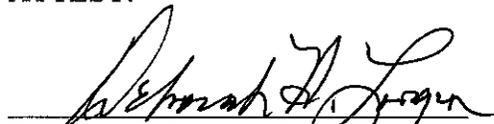

Deborah A. Longer, Clerk-Treasurer

EXHIBIT A

DESCRIPTION OF PROJECT

City of Hobart, IN: 69th Avenue Project Description

Improvements to the traffic corridor include the full reconstruction of 69th Avenue with concrete curb and gutter, improved storm water conveyance, and the addition of a sidewalk along the north side of 69th Avenue. The road will include one 14-foot travel lane in each direction with a 4-foot paved median section. Additionally, sight distance deficiencies will be corrected and the intersection of 69th Avenue and Colorado Street will be improved. This intersection of 69th and Colorado Street will become a roundabout and will be shifted southerly to accommodate a future railroad overpass bridge to be constructed on Colorado Street over the CN Railroad. Street lighting will be provided at a minimum at the roundabout but may extend the entire length of the corridor.

Sanitary sewers will be installed from west of Colorado Street to the east to the railroad tracks that intersect with 69th Avenue.

Overhead NIPSCO electric and Comcast telecom will be relocated and the portion from approximately the western limit of the Meadows Subdivision to the Colorado Street roundabout will be buried underground. Residential services will be buried within the limits of the overhead burial. Other utilities will relocate to accommodate the overall roadway improvements.

TRAX Project Description

The TRAX Project will include the construction of an overpass on Colorado Street over the CN Railroad location just north of 69th Avenue. This project will also include sidewalk, lighting, drainage, and reconstruction of the Colorado Street approaches on the north and south sides of the overpass and all related infrastructure improvements.

61st Avenue and Marcella Boulevard Intersection Improvement Project

The 61st Avenue and Marcella Blvd. Intersection Improvement Project includes the reconstruction and reconfiguration of said intersection from a traffic signal into a 3-lane, four leg roundabout intersection. This project will also include the reconstruction of the approach legs to provide accommodating receiving lanes on 61st Avenue and Marcella Blvd. Additionally, the project will include curb and gutter, storm sewer, lighting, landscape, utility relocations, and various improvements to provide a complete project