

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

April 18, 2016

MEMBERS PRESENT: Dennis Charles
Sarah Rubin
Bryan Moll
Michael Carter
Terri Jett

BOND BANK PRESENT:

Sarah Riordan	Isaiah Kuch
Kyle Willis	Jacqui Fitzgerald
Laurie Canatsey	Brad Busse
Monica Durrett	

OTHERS PRESENT:

Kobi Wright, OCC	Bob Kocher, BNYM
David Girton, Security Capital	Dave Elliott, Krieg DeVault
Sarah McFetridge, Crowe Horwath	Nathan Flynn, Fifth Third
Angie Steeno, Crowe Horwath	Xiao Yuan, Fifth Third
Michael Allen, Ice Miller	Catherine Fanello, Bose McKinney
Phil Genetos, Ice Miller	Michael Huber, Indy Chamber
Pam Cole, U.S. Bank	Rebecca Fiscus, IAA
Julie Bolling, Krieg DeVault	Diana Hamilton, Sycamore
Sharon Karst, BNYM	Advisors

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:05 p.m., Monday, April 18, 2016 in the City-County Building, 200 East Washington Street, Suite 107, Indianapolis, Indiana, pursuant to notice given in accordance with IC 5-14-1.5, Mr. Dennis Charles determined a quorum was present and the meeting was called to order.

Charles first introduced the newest board member, Ms. Terri Jett, she is an Associate Professor of Political Science and Special Assistant to the Provost for Diversity and Inclusivity at Butler University. Ms. Jett stated that she is happy to serve on the board and looks forward to contributing to the work of the Bond Bank.

Next, Charles asked for approval of the minutes of February 15, 2016. Rubin made the motion to approve the minutes, seconded by Moll. All voted in favor and the motion passed.

Next, Riordan introduced Resolution No. 2 – Develop Indy Agreement. Riordan requested an amendment to the 2016 budget to authorize her to negotiate a contract with Develop Indy. The request was made to amend the Bond Bank budget in the amount of \$900,000 to be allotted from the Bond Banks' reserves now through 2016. She then explained that the partnership and how it began with the City back in 1990; and that the City has consistently funded the efforts of Develop Indy as their role is to oversee the economic development for the City of Indianapolis. She then gave a brief background of the history of the relationship of Develop Indy and the City of Indianapolis. Riordan then deferred to Michael Huber, President of Indy Chamber.

Huber distributed a PowerPoint presentation as he explained the purpose and commitment to the City through Develop Indy. He gave a brief overview of the history of the funding and discussed what has transpired under his 4+ years with the Chamber. Huber discussed advancing economic growth, developing Indianapolis, the part that the team at Develop Indy plays in the day to day process. He then discussed their 2015 projects successes which included new jobs, retained jobs, wage commitments, investments and projects. Some of the projects mentioned were, Rolls Royce, Raytheon, Hurco, and Emarsys, just to name a few. Huber then discussed Develop Indy's accomplishments of 2015 and their overall strategic projects. He then ended his discussion with looking to future investments.

Huber then stated that Develop Indy is planning for more continuity through 2016. They are looking for more sustainable long-term funding to continue operations through 2016. Carter asked about timing, and asked if the Chamber would be back next year looking for the same assistance. Huber stated that it would be ideal to have a plan by late August 2016. They are looking at private sector funding to support their economic development strategy. Riordan added that, the Bond Bank taking from its reserves is not viable in the long-term, and team discussions have taken place. She then thanked the budget team, Laurie Canatsey and Brad Busse, with the Bond Bank, as they have looked at the Bond Bank's finances and numbers from Develop Indy to see where the Bond Bank stands. Deputy Mayor, Angela Smith-Jones stated that the economic development attributions by the partnership with the Chamber has significantly impacted the City's outlook. She stated that the support that Develop Indy has provided to the City was instrumental for the negotiations to bring Dow/Dupont headquarters to Indianapolis. She then stated that Develop Indy brings a depth of knowledge and the Mayor's office is in support of the partnership, and endorses the proposal and resolution.

Ms. Jett, asked about the MBE/WBE/VBE participation. Riordan stated that when she drafts the new agreement she will put provisions in the contract to address such matters.

Charles asked for a motion to approve Resolution No. 2. Carter made the motion, seconded by Jett. All voted in favor and the motion passed.

Next, Riordan then presented Resolution No. 3 – Indianapolis Airport Authority (“The Authority”) Refunding Bonds. Riordan gave a brief summation. She stated that prior to the refunding there was a \$200 million debt and the refunding is being sought in order to take advantage of the more favorable interest rates. Kyle Willis, Bond Bank, added that earlier in the year 2016 a RPF was issued for underwriting services and there were 27 submissions. He stated that of the 27 submissions; the Authority and the Bond Bank had selected 5 underwriters. He then named the selected underwriter’s as Raymond James, RBC Capital Market, City Securities, PNC Capital Markets and Ramirez & Company. Ice Miller is bond counsel, with Phil Genetos and Michael Allen, disclosure counsel is Frost, Brown & Todd, underwriter’s counsel, Kreig DeVault, and the financial advisor is Sycamore Advisors, Diana Hamilton. He also stated that the Indianapolis Airport representatives were Robert Thomson, and Rebecca Fiscus. The trustee for the issuance is Bank of New York. Willis then stated that the Bond Bank is seeking approval to issue approximately \$220 million in bonds. There is currently \$205 million in bonds outstanding. He then stated that the rates are favorable and it is an opportune time to take advantage of the current rates. The bonds are set to price mid-May 2016 and close June 2016.

Phil Genetos, with Ice Miller, was introduced. Genetos stated that interest rates were favorable and that they are looking to gain a net-present-value savings of approximately \$27 million with the transaction. Charles asked how the process is determined between the 2006 and 2010 bonds, and does it have to do with interest rates on certain maturities. Phil Genetos, Ice Miller, answered, stating that the 2010 bonds were included because there are some restrictions with the tax-exempt and taxable bonds, but they are not looking at refunding the entire amount. The intent is to refund the entire 2006 bonds and that lowering the interest rate will then lower the maximum. Diana Hamilton added that the principle amount would be realized on the premium received on the bond and it would not exceed the maturity date.

Charles asked for a motion to approve Resolution No. 3. Rubin made the motion, seconded by Carter. All voted in favor and the motion passed.

Next, Riordan presented the Board with the Indianapolis Bond Bank’s Annual Bond and Note Report. Riordan explained that it was a project that was started by her predecessor, Gregory Clark, and he and Angie Steeno with Crowe Horwath were instrumental in getting the project off the ground. The Bond and Note Report offers an extensive overview of what the Bond Bank does. The report explains each entity and what each funding was spent on. Riordan then deferred to Ms. Steeno. Ms. Steeno stated that the report allows any stakeholder to get a snapshot of the debt of the Bond Bank, what the Bond Bank does, and highlights the base of the Bond Bank. Charles stated that the report is extremely helpful.

Next, Riordan updated the Board on upcoming developments. She stated that the IndyGo new money revenue bonds transaction in the amount of \$15 million had been withdrawn. She then stated that the City County Council has approved \$50 million Stormwater financing. The financing should wrap-up in early summer 2016.

Riordan then stated that she was a member of the fiscal team regarding the \$50 million short-fall deficit of the City, and that they meet weekly to explore ways to address the City of Indianapolis' deficit.

Riordan then stated that in the upcoming months the Bond Bank is examining some opportunities for some refunding's of other outstanding debt. Riordan also stated that the opinions of credit ratings agencies, with the assistance of Isaiah Kuch, the Bond Bank was able to have Fitch ratings agency to affirm the AAa- rating on the \$11.4 million debt outstanding on the Fallcreek Place and place a stable outlook on the bonds. Riordan stated that it is one of many but the hope is that as the ratings agencies come around the continuing good work will help maintain the favorable ratings.

Charles then entertained a motion to adjourn. Moll made the motion, seconded by Jett. All voted in favor and the motion passed.

