

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

February 27, 2017

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

BOND BANK PRESENT:

Sarah Riordan	Brad Busse
Monica Durrett	Kyle Willis
Laurie Canatsey	Andre Sonera Zhang
Kobi Wright	Isaiah Kuch

OTHERS PRESENT:

Sarah McFetridge, Crowe Horwath	Angie Steeno, Crowe Horwath
Katie Aeschliman, BMO Harris Bank	Xiao Ou Yuan, Fifth Third
Ian Nicolini, Develop Indy	Matt Nunley, PNC Bank
Bob Reynolds, London Witte Group	Mike Schumaker, Stifel
Mike Gilmore, Huntington Bank	Bob Kocher, US Bank
Eric Green, Backstrom McCarley	Michael Allen, Ice Miller
Chris Kashman, Ice Miller	Tyler Kalachnik, Ice Miller

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:00 p.m., Monday, February 27, 2017 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 that a quorum was present and the meeting was called to order.

First, was approval of the minutes of the December 19, 2016. Moll made the motion to approve, seconded by Carter. All voted in favor and the motion passed.

Next, Riordan gave an update on the issuance and sale of the 2017A - General Obligation bonds and the needs related to them. The deal generated over \$79 million in proceeds with an interest cost of 2.9%. The proceeds generated will go towards long overdue projects, for parks improvements in the amount of \$5 million, to the election board to pay for updated voting machine technology, and building authority for some structural improvements and a new generator. There was also funds to assist the Department of Public Works in the amount of \$30 million for roads, bridges, and

infrastructure repairs to go along with the federal match, also, truck apparatus and repairs. Funds would also go toward Public Safety to fund fire stations, fire trucks and police vehicles, along with a new E-911 system, and computer aided dispatch (CAD) system. She stated that proceeds would go to important projects that will come out of the operational budgets based on a long-term debt schedule. All of this will be done without raising any taxes.

Riordan then discussed Develop Indy and stated that the staff is overseen by Deputy Mayor Angela Smith -Jones. Riordan stated that for the past few years Develop Indy has been funded by the Bond Bank anywhere between \$1.2-\$1.5 million. Riordan then introduced Smith-Jones and Ian Nicolini, V.P. Develop Indy. Smith-Jones gave a brief summation and updated the Board on the economic development arm for the city. She stated that the agency helps to stabilize the fiscal stability of the city. Develop Indy is in place to ensure keeping companies in the city and growing them which is seen as the payback to our city. Nicolini shared some measurables, stating that Develop Indy facilitates incentives, assist in tying the workforce and economic development together. They also help in generating jobs, attracting and retaining talent. The capital invests are anywhere from \$300-\$500 million, current projections from the week prior. They are focused heavily on economic development all while leveraging future projects as a means of providing their funding. Also working with other agencies and entities that benefit from economic development and try to monetize that relationship. Rubin asked about the 2016 year-to-date numbers and what would the commitment entail. Nicolini stated that typically 1-5 year commitments, with larger projects taking a little longer. Nicolini then stated that they do not anticipate being before the board in the upcoming year. Carter asked Riordan if she was going to speak to whether or not the Bond Bank could cover the amount being asked. Riordan explained and stated that the Bond Bank's general revenues were good. Riordan then stated that she is asking the Board to consider her request to allow an infusion of \$200,000 for Develop Indy. She also stated that she would continue to work with Nicolini and Smith-Jones to find other revenue sources. Nicolini stated that he met with Mayor Hogsett to determine how best to identify those needs. Charles asked about the budgeted annual expenditures. Nicolini stated that it is approximately \$1.5 million budgeted with about 1/3 of that being from other sources in the business community. He then stated that they have left positions unfilled and reduced travel. The total budget is not reflective of what they are doing currently. Moll asked if how they envisioned the change to the 2015-2016 in the capital investment had anything to do with the funding. Nicolini stated that you could attribute a portion of it as it is difficult to monetize.

Charles asked for a motion to approve. Moll made the motion, seconded by Rubin. All voted in favor and the motion passed.

Next, Riordan gave a few updates. She stated that in 2017 the Bond Bank is in the process of finding a way to take out a BAN (Bond Anticipation Note) that was issued in connection with the 16 TECH project. This is part of a larger financing that has been approved by City County Council of up to an amount not to exceed \$55 million. The City has a project agreement with the 16 TECH organization and they are looking at amending that to change some deadlines. They anticipate another issuance to finance that project before the end of the year.

Riordan then informed the Board that the Bond Bank is in the works of finding a way to finance the Market District parking garage as there is a \$16-\$17 million balloon payment coming due in January 2018. The Bond Bank is working with Kobi Wright, Bond Bank Bond Counsel, to find sources of funding or take it out.

She went on to state that the Bond Bank is also looking at some notes that were issued at the end of 2015 to finance some of the professional services costs associated with the previous Criminal Justice Facility Project. The City County Council had approved \$12 million for the vendors that had contributed. The Bond Bank is currently looking at a potential refunding.

Riordan then stated that The Bond Bank is always interested at looking at potential refunding of existing debt. She stated to the audience that for any of those looking at the Bond Bank's outstanding debt and would like to propose a refunding, to see Kyle Willis, Associate Director & Chief Compliance Officer.

She then stated that the Mayor has formulated a comprehensive Criminal Justice Reform Program. She gave a brief background and stated that the Bond Bank is currently working on a comprehensive Criminal Justice Project. She stated that in December 2016 the Criminal Justice Task Force proposed some systemic reforms in the criminal justice system in Marion Co., and some brick and mortar type changes. Riordan stated that her role is to figure out how to finance the recommended buildings. The recommended are, an adult detention facility, assessment and intervention center, a court facility and an office building. She then stated that there are issues where the use of property taxes cannot be used exclusively. She explained the different avenues they have been looking at for ways to finance. She then informed them on the payment of debt service on a bond issuance. She then stated that the following day there would be an announcement regarding the estimated costs of the entire project. The end of March there will be an announcement regarding the delivery method for the different structures and for the financing. The administration is considering submitting an RFQ for design. Sycamore was hired as financial advisor. The foremost considerations are to ensure there is appropriate participation from MBE/WBE/VBE/DOBE. Rubin asked if the Bond Bank would be seeking legal advisors for the drafting of contracts. Riordan stated that it has been anticipated that legal counsel will be needed in the procurement process and bond counsel will be needed and that those decisions are still being made.

Riordan then introduced the newest staff member to the Bond Bank, Andre Sonera Zhang, who joined the Bond Bank in January. He is serving to help schedule everything related to the criminal justice process and fitting in great with the team. The Board welcomed him. Riordan also mentioned that Bond Bank associate Isaiah Kuch's family finally made it successfully to the United States from South Sudan.

Charles asked a motion to adjourn. S. Rubin made the motion, seconded by Moll. All voted in favor and the meeting was adjourned at 12:25 p.m.