

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

June 9, 2014

MEMBERS PRESENT:

Fred Miller
Melissa Bailey-Comstock
Jim Carr
John Williams
Sahara Williams

BOND BANK PRESENT:

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|-----------------|-----------------|
| Deron Kintner | Brad Busse |
| Gregory Clark | Laurie Canatsey |
| Monica Durrett | Kyle Willis |
| Isaiah Kuch | Adam Collins |
| Issac Trolinder | |

OTHERS PRESENT:

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|--------------------------------------|------------------------------------|
| Andy Jackson, IndyGo | Eric Green, Backstrom McCarley |
| Sharon Karst, BNYM | Mike Schumaker, Barnes & Thornburg |
| Dennis Dye, The Whitsett Group | Dennis Otten, Bose McKinney Evans |
| Ann Forey, US Bank | Kelly McNairy, KeyBanc |
| Bruce Donaldson, Barnes & Thornburg | Angela Wessler, Barnes & Thornburg |
| Sue Beesley, Bingham Greenbaum Doll | Angie Steeno, Crowe Horwath |
| Nancy Dorsa, JP Morgan | Emily Loehr, Sycamore Advisors |
| Jessica Hambleton, Sycamore Advisors | Beau Zoeller, FBT |
| Michael Allen, Ice Miller | Tyler Kalachnik, Ice Miller |
| David Corbitt, Krieg DeVault | |

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:02 p.m., Monday, June 9, 2014 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. James Carr determined that a quorum was present and the meeting was called to order.

First order of business was the approval of the minutes of April 21, 2014. Miller made the motion to approve, seconded by J. Williams. All voted in favor and the motion passed.

Next, Kintner introduced Resolution No. 4. He stated that it is a downtown economic development project that the City is partnering with private sector in order to move it forward. He then stated that from the Bond Bank side, the projects are a good

investment for the City. The Consolidated downtown TIF revenues will be used to pay back the bonds. The projects are small and the overall debt service will be low. Kintner then introduced Adam Collins, Deputy Director for Development, who further discussed Resolution No. 4 - 2014 - Pulliam & Millikan Projects. He stated that there are two projects, the first being Millikan on Mass., which is located around the Barton Tower apartments. The second project is Pulliam, located at the old Indy Star site.

Collins explained that the Millikan on Mass. Project is a \$26 million project done in two phases and the phase that the City will provide incentive towards is for 64 market-rate units, and approximately 14,000 sq. ft. of retail. He then stated that overall it is an \$86 million project, with \$31 million for the phase that the City is providing assistance. The project involves a total of 145 apartment units, 14,000 sq. ft. of retail, 525 parking spaces, and a public dog park. The economic impact of the projects combined is a \$112 million investment, and based upon calculations from both developers, will net an estimated \$878,000 in property taxes over what is projected currently. The total financial commitment from the City is \$4.5 million for both projects. There is \$1.7 million for Millikan Phase 1 and \$2.8 million for Pulliam Square. The bonds will be issued from the Consolidated TIF to fund both projects.

Miller asked about the parking. Kintner stated that the Pulliam Sq. Project will have parking available from the parking garage which was formerly the Indianapolis Star garage. The parking will also be available for the Millikan Project. S. Williams asked if there was a parking agreement between the Pulliam Sq. and Millikan Projects. Kintner stated that it was none at this time. Collins stated that the Athenaeum could be considered for parking, as well as other surface parking in the area. Miller asked about the public elevator connector hub. Kintner stated that the elevator hub is a way to benefit the public with external connections. J. Williams asked where the dog park would be located. Collins stated that it would be located west of Delaware St. S. Williams asked about ROI. Kintner stated that the projection is five (5) years at an estimated 20% return. Miller asked who the developers are. Kintner stated that the Phase I developer was Insight, and they are a market-rate developer for the Indianapolis Housing Agency. The Whisett Group is the developer for the Pulliam Sq. Project, and carryout housing credits for development in the downtown area. They are currently involved in the Consolidated Building project.

Carr asked for a motion to approve Resolution No. 4, 2014. S. Williams, made the motion, seconded by Miller. All voted in favor and the motion passed.

Next, Clark, introduced Resolution No. 5 - IndyGo Note Purchase/Letter of Credit. He stated that IndyGo sought the Bond Bank for a Letter of Credit, due to the new transit center development. IndyGo's plan is to purchase and pay for the construction mainly with cash on hand. They are seeking a Letter of Credit that would fill any liquid needs of their budget. IndyGo previously completed an RFP process and it was awarded to Fifth-Third Bank. The credit is in an amount not to exceed \$7 million, and secured by IndyGo's ability to issue a property tax levy. Clark then stated that the request has passed the IndyGo Board. Clark then introduced Andy Jackson, CFO for IndyGo.

Miller asked if there was a tax levy anticipated with the project. Jackson stated that it was not anticipated. Further explanation was given by Jackson. Miller asked if the trustee had been identified. Clark and Kintner stated that they have not.

Carr asked for a motion to approve Resolution No. 5. Miller made the motion, seconded by S. Williams. All voted in favor and the motion passed.

Next, was the presentation of the Bond Bank's 2013 audit, Kintner explained that due to the change of the meeting date the auditor's could not be present. Brad Busse, Trust Accountant for the Bond Bank, was in attendance to present.

Busse stated that it was an unqualified opinion, meaning that it is a clean audit. He mentioned that the financial statements were consolidated, combining both the operations and trust accounts. He reviewed management discussion analysis, balance sheet, accounts receivables, and the income statement. He stated that the account receivables were up \$2.2 million, TIF's are growing, and the City of Indianapolis is growing due to the way Develop Indy is being expensed. The assets and liabilities of approximately \$4 billion have gone down approximately 2% each. Bank fee revenues have gone down approximately \$122, 000 or 3.25%, mainly due to refundings. Administrative costs have gone down approximately \$700,000 or 42%. Allowances for expenditures for Union Station have also been decreased.

Busse explained GASB 65 which details how \$52 million of unamortized cost-of-issuance was expensed off per a pronouncement. He then explained the trust account details. He discussed the operations side, stating that in 2013 operations experienced a net profit of \$1.01 million. In 2012, there was a net loss of approximately \$1.03 million, which was due to the expense for Develop Indy. In 2013 the Bond Bank experienced a total net profit of \$91,000.

Kintner thanked Brad. He then informed the Board that the Bond Bank would ask for the acceptance of the audited financial statement at the July meeting.

Next, Kintner discussed upcoming projects. He informed the Board that the Broad Ripple Shell Station and Tarkington Park projects would come before the Board. Kintner then stated that Greg Clark is working on an internal operations project that he will inform the Board about at the next meeting.

There being no further questions, Carr asked for a motion to adjourn. J. Williams made the motion, seconded by S. Williams. All voted in favor and the meeting was adjourned at 12:31 p.m.