

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

October 15, 2012

MEMBERS PRESENT: Briane House
Jim Carr
Fred Miller
MEMBERS ABSENT: Sahara Williams

BOND BANK PRESENT:

Deron Kintner	Kurt Fullbeck
Kyle Willis	Monica Durrett
Laurie Canatsey	Isaiah Kuch
Brad Busse	

OTHERS PRESENT:

Sue Beesley, Bingham McHale	Greg Reynolds, Castle Oak
Jim Merten, City Securities	Sharon Karst, Bank NY Mellon
Eric Green, Backstrom McCarley	Mike Gilmore, Huntington
Terry Leffew, Raymond James	Jay Ryals, Fifth-Third
Katie Aeschliman, BMO Bank	Kim Wilson, Huntington
Jeff Qualkinbush, Barnes & Thornburg	Ann Forey, US Bank
Nancy Dorsa, JP Morgan	Kurtis Holle, KeyBanc Capital Mkts.
Molly Williams, IDI	Mike Schumaker, City Securities
David Girton, Andescap	David Girton Sr., Andescap
Jerimi Ullom, Hall Render	Bruce Donaldson, Barnes & Thornburg
Jamie Rachlin, BMO Capital Mkts.	Tim Cook, Main Street
Dennis Decker, Main Street	

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:05 p.m., Monday, October 15, 2012 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. House, after determining that a quorum was present, called the meeting to order.

Mr. House asked for a motion to approve the minutes from the August 20, 2012 meeting. Mr. Carr indicated that Mr. Miller was not present so he could not have seconded the close of the meeting. Ms. Durrett stated that the minutes would be amended to reflect the correct name. There being no further changes, Mr. House again asked for a motion to approve the minutes with the requested revision. Mr. Carr made the motion, seconded by Mr. Miller. All voted in favor and the motion passed.

First to be considered was Resolution No. 7 - 2004 B & C Refunding. Mr. Kintner stated that the resolution authorizes the refunding of the 2004 B & C bonds for the Conrad hotel. Kintner stated that a few months ago the Bond Bank presented to the Board a six-month extension on a Standby-Bond Purchase agreement with PNC Bank with the knowledge that the refunding would likely happen before the term was up. He stated that the reason for the refunding is two-fold; one being that 2004 B bonds is currently a variable-rate, and at some point the interest rate will increase. As for the 2004 B & C bonds the fixed-rate is being refunded due to the historic low rates that the country is experiencing now. Kintner then stated that by refinancing now it would be a savings for the City, and going from variable-rate to fixed-rate will make the bonds more safe and secure structure going forward. The bonds are secured by parking garage revenues of the Square 74 and Circle Block garages. Mr. Kintner asked if there were any questions. Mr. House asked if the 2004B bonds would be changed to fixed-rate immediately. Mr. Kintner stated that the changes would be done together by the end of the year.

Mr. House asked for a motion to approve Resolution No. 7. Mr. Miller made the motion, seconded by Mr. Carr. All voted in favor and the motion passed.

Next, Mr. Kintner discussed resolution No. 8- Main Street Project. He stated that the resolution authorizes the issuance of bonds to support the Main Street Project which is a senior care facility located at 16th & Arlington. The facility is currently being used by the Indianapolis Fire Department as a fire training center. There had been a few different attempts to get some form of development in that area in years prior. Main Street brought the idea to the City for the senior care facility, which would have more of a community feel. Kintner then stated that Main Street has used the model in other Indiana communities. Instead of providing direct incentives, the City has provided credit enhancement on the debt in order to allow Main Street to acquire favorable financing in this market, and for this type of project which can be difficult. Main Street only needs the City to guarantee 50% of the financing. He then stated that Main Street is working with Regions Bank which only requires a credit enhancement for half of the financing. By taking this approach, the City does not have to put any direct money into the deal. The City will also obtain a mortgage on the property in the event they ever need to act on the credit enhancement. Kintner went on to say that the agreement also allows the City to sell the land for approximately \$1 million, and the proceeds will go to the Indianapolis Fire Department to assist them in securing a new training facility. Mr. Kintner stated that the benefit is a key development in the area from an amenities standpoint. He then stated that from the Bond Banks perspective, if the City ever needed to act on its commitment of the \$7.5 million, the Bond Bank is comfortable that the City can make its payments. The development is in a TIF district so there will be TIF revenues available. Mr. Kintner then stated that due to that fact he feels comfortable with this project, and would recommend that the Board pass the resolution. The measure has gone before the City-County Council and it passed with a 27-1 vote. Kintner stated that Mr. Dennis Decker and Mr. Tim Cook with Main Street were present if the Board had any questions. Mr. Miller asked about the scale of the project. Mr. Decker stated that it would be a 110 bed assisted living facility with some rehabilitation. The facility would be approximately 65,000 sq. ft. Mr. Miller asked where Main Street was based. Mr. Decker stated that they are based in Cicero, IN. Mr. House added that there is a great need for development in that particular area and he likes the jobs aspect of the project.

Mr. House made the motion to approve Resolution no. 8, seconded by Mr. Miller. All voted in favor and the motion passed.

Next, Mr. Kintner discussed Resolution No. 9 - One America/Block 400 Project. Mr. Kintner stated that the resolution authorizes an amount not to exceed \$20 million to support the Block 400 project. He explained where the location of the project would take place and stated that it would include approximately 500 multi-family residential units, plus 60,000 sq. ft. of retail, including a 40,000 sq. ft. space for the new Urban Marsh Store. One America is giving up some of its land to allow the project to go forward. Their only need is to have space to put their current parkers. The City agreed to build a garage in order for the development take place. The maximum amount for the garage from the City is \$15 million. The bond resolution is for \$20 million with the additional \$5 million available to cover the cost-of-issuance, potential reserve and capitalized interest if needed. The developer is Flaherty-Collins, and they are investing \$1 million in the garage, anything beyond that will be at the expense of One America. Mr. Kintner is certain that the cost of the garage will come in under. He then stated that from the City's standpoint we have too many parking lots. Regarding the Marsh store he stated that it is greatly needed in the downtown area. He also stated that the City will receive approximately \$1.4 million in property taxes as a result of the development, most of which will go back to pay the debt over 25-years. He stated that the Bond Bank has projected approximately \$600K in annual income taxes from the development. One positive outlook is that the development is attracting people from outside of Marion County, which is a very important component of the project, with 80% being new residents to Center-Township. Lastly, it supports one of the City's corporate clients and allows them to retain and attract new talent. He then stated that this is the type of projects other cities envy. Mr. Kintner stated that it is a great project for the City. The bond is in the existing TIF district and not a part of the expansion the Bond Bank has been involved in. It will be paid back from the existing TIF and will generate enough property tax in the TIF to pay for itself. Mr. House added that the parking garage will be available to the general public in the off hours.

Mr. House asked for a motion to approve Resolution No. 9. Mr. Carr made the motion, seconded by Mr. Miller. All voted in favor and the motion passed.

Next, Mr. Kintner discussed the upcoming projects. He stated that in November there will be a refunding for Indianapolis Airport Authority for their 2003 bonds. The Eskenazi Hospital's final piece will possibly come before the Board in November for the remaining \$43 million to issue. The TIF expansion was passed and he hopes it opens up a few opportunities to bring some additional projects before the Board, some of which will be, Mass. Ave. fire station redevelopment, 16 Tech, and others that will be supported by the TIF expansion. Also, next month the Bond Bank's budget will be presented with the hopes of approval at the December meeting.

Mr. House introduced the new Bond Bank Deputy Director, Mr. Gregory R. Clark. He is a graduate of Indiana University School of Law. He has experience with municipal finance, and comes to the Bond Bank from the Department of Public Safety.

There were no other questions. Mr. House asked for a motion to adjourn. Mr. Carr made the motion, seconded by Mr. Miller. All voted in favor and the meeting was adjourned at 12:25 p.m.