

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

October 18, 2010

MEMBERS PRESENT: Briane House
 Sahara Williams
 Jim Carr
 Fred Miller

BOND BANK PRESENT:

Deron Kintner	Monica Durrett
Jacqui Fitzgerald	Dario Requiz
Laurie Canatsey	Isaiah Kuch
Kyle Willis	Kurt Fullbeck
Brad Busse	

OTHERS PRESENT:

Michael Evans, AIT Laboratories	John Kirkwood, Kreig DeVault
Kim Wilson, UMB Bank	Katie Aeschliman, Harris Bank
Curt Fritch, CRF Group	Molly Williams, IDI
Jim Merten, City Securities	Sharon Karst, BNY Mellon
Sue Beesley, Bingham McHale	Kurtis Holle, KeyBanc Cap. Mrkts.
Eric Green, Backstrom, McCarley	Thomas Coverick, KeyBanc Cap. Mrkts.
Bob Kocher, BNY Mellon	Nancy Dorsa, JP Morgan Chase
Angie Steeno, Crowe Chizek	Dennis Otten, Bose McKinney
Steve Meno, Fifth-Third	James Ridley, Andes Capital
Jay Ryals, Fifth-Third	
Terry Leffew, Raymond James	

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:00 noon, Monday, October 18, 2010 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 called the meeting to order after determining that a quorum was present.

Mr. House asked for the approval of the minutes from September 20, 2010. Mr. Miller made the motion to approve, seconded by Ms. Williams. All voted in favor and the motion passed.

The first item to be considered was Resolution No. 13 - AIT Laboratory Project. Mr. Kintner stated that the resolution authorizes a financing related to the AIT Laboratories project on the City's northwest side. Mr. Kintner then introduced Dr. Michael Evans, founder of AIT Laboratories. Dr. Evans stated that he is pleased with the support AIT is receiving from the City. He provided the Board with a handout and gave a brief background on AIT, including the number of employees and explained the services the company provides. AIT provides assistance to doctors and clinics, which includes monitoring patients for drug abuse, forensic toxicology and pharmaceutical contract research. AIT is a national company with their headquarters based in Indianapolis. There are a small number of sales consultants located throughout the U.S. Dr. Evans stated that in the last ten years AIT has experienced significant growth and has outgrown their current facility. AIT is looking to acquire 21 acres of land with 90,000 sq. ft. of occupied space. Dr. Evans then stated that last year he did an ESOP and sold the company to the employees. His philosophy was to build a legacy company in Indianapolis.

Mr. Miller asked how many of AIT's employees were located in the Indianapolis area. Dr. Evans stated that there are approximately 380-400 employees located in Indianapolis and approximately 100 people throughout the nation in sales. Mr. Miller then asked how many entry-level employees AIT employs. Dr. Evans stated that the majority of AIT's employees are college graduates due to the highly technological practice of the company; however, there are several entry-level employees. Mr. House commented on AIT and expressed his pleasure at the company's operation.

Next, Mr. Kintner discussed the financial component of the project. He stated that the project has a capital investment of over \$55 million, with the creation of 160 new jobs and the retention of 261 jobs. The City's involvement in the project is a continuance of facilitating infrastructure improvements throughout the city, along with the creation and retention of jobs and increasing the property tax base. The City has committed \$4.5 million of public improvements to the project. He stated that the source of repayment is the 86th Street/ Zionsville Road TIF District. He explained that the TIF was extended in order to include the project in an effort to diversify the area. The par amount of the bonds would be approximately \$5 million, with a term of 25-years and the current projected interest rate is 4.75%. Mr. Kintner then stated that Dr. Evans along with a group of investors will purchase the bonds which will save on issuance costs. Ms. Williams asked if the bond purchase by Dr. Evans would be a conflict of interest. Mr. Kintner stated that it would not and that it is common for developers or companies to purchase debt of municipal entities for use in their projects. He then stated that the projected TIF revenues would be approximately \$475,000 with the average debt service at \$367,000, which shows the coverage at approximately 130%. This amount does not include the entire TIF District. Ms. Williams asked if interest rates were increasing. Mr. Jim Merten, City Securities, stated that tax-exempt markets have remained level and the taxable bonds have increased very little. Mr. Kintner stated that generally with a smaller dollar amount, there will be an increase in the interest rate, however, most of the TIF financings have the City's moral obligation pledge on them and that gives the bonds a strong credit rating. He then stated that the Bond Bank would provide the Board with some analysis to reflect what a market interest rate would have been and the impact it would have on the total amount paid by the City annually. Mr. Kintner thanked Dr. Evans and his team.

Mr. House asked for a motion to approve resolution No. 13. Mr. Carr made the motion to approve, seconded by Mr. Miller. All voted in favor and the motion passed.

Mr. Kintner then updated the Board on upcoming projects. He stated that the Harding Street TIF should come before the Board in November. He then stated that the North of South project would be presented and an airport refunding at the next board meeting. He also stated that the Bond Bank budget would be presented in November for approval in December.

Mr. Kintner then introduced Mr. Kurt Fullbeck. He stated that Mr. Fullbeck joined the Bond Bank in September as a project manager. He then informed the Board of Mr. Justin Christian's resignation from the board. Mr. Milton Thompson has been appointed by Mayor Ballard as the new member of the Bond Bank Board.

There were no other questions. Mr. House asked for a motion to adjourn. Mr. Carr made the motion, seconded by Ms. Williams. All voted in favor and the meeting was adjourned at 12:35 p.m.