

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

September 22, 2016

MEMBERS PRESENT: Sarah Rubin
Bryan Moll
Michael Carter
Terri Jett

MEMBERS ABSENT: Dennis Charles

BOND BANK PRESENT:

Sarah Riordan	Brad Busse
Kyle Willis	Monica Durrett
Laurie Canatsey	Jacqui Fitzgerald
Kobi Wright	

OTHERS PRESENT:

Dennis Otten, Bose McKinney& Evans	Mike Schumaker, City Securities
Bob Kocher, BONY	Matt Nunley, PNC Bank
Angie Steeno, Crowe Horwath	Sarah McFetridge, Crowe Horwath
Sharon Karst, BONY	Catherine Fanello, Bose McKinney

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 9:08 a.m., Thursday, September 22, 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 that a quorum was present and the meeting was called to order.

First order of business was the approval of the minutes of August 16, 2016. Moll made the motion to approve, seconded by Carter. All voted in favor and the motion passed.

Next, Riordan introduced Resolution No. 6 - 2016B JW Marriott Refunding, stating that the original bonds were issued in 2008. The proceeds of the bonds were used to construct infrastructure related to the development of the JW Marriott Hotel. The purpose of the refunding is to issue new bonds to pay off the first bonds in order to issue new debt at a lower interest rate. The issuance has already been approved by the Metropolitan Economic Development Commission, it was recommended that it pass. The issuance went back before the City County Council for approval on September 12th.

Riordan introduced the team, Dennis Otten, and Catherine Fanello, Bose McKinney & Evans, bond counsel Mike Schumaker, City Securities, lead banker and Angie Steeno, and Sarah McFetridge Crowe Horwath, the municipal advisors.

Fanello passed out a summary of Series 2016B bonds that would refund the Bond Bank Series 2008A bonds. She stated that the original issuance amount was in the amount of \$59,450,000 and there is currently \$52,485,000 outstanding. The proceeds of the bonds were used to purchase redevelopment district bonds for local public improvements for the JW Marriott. She then stated that the debt service payments are semi-annual on February 1 and August 1 of each year. She stated that the payments are made payable from the trust estates. The redevelopment district is paid from an ad valorem property tax; although traditionally paid from the consolidated TIF revenues. She then stated that with the 2016B bonds the proceeds will be used for the purchase of the redevelopment district's Series 2016A Refunding Bonds and it will affect the advance refunding of the Bond Bank's 2008A bonds. The 2016B bond proceeds will be immediately placed in an escrow account until August 1, 2018, and at that time all outstanding bonds will be called. Fanello then stated that in December 2015 the Bond Bank purchased a debt service reserve surety for the 2008A bonds and that surety will continue for the 2016B bonds. There will be no moral obligation on the 2016B bonds. The estimated net-present-value savings will be approximately \$7.6 - \$8.4 million. Mike Schumaker added that based on the upfront savings it was nearer \$7.5 million. Fanello then stated that the resolution before the Board is asking for authorization in an amount not to exceed \$58 million with the anticipation to issue approximately \$49 million. She then stated that they anticipate pricing to take place the following week and closing mid-October.

Riordan asked there were any questions. Angie Steeno credited the Bond Bank and the City on the bond rating. Fitch affirmed a AAA rating on the City and Standard & Poor's a AA rating. Riordan also recognized Senator Greg Taylor, co-bond counsel, who was present.

Rubin asked for a motion to approve Resolution No. 6. Moll made the motion, seconded by Carter. All voted in favor and the motion passed.

Next, Riordan discussed upcoming projects. She stated that the Bond Bank has been considering potential refundings and other outstanding debt to see if there is a way to refund the bonds that makes economic sense for the City. There have not been any definitive decisions as of yet. She then mentioned that the administration's 2017 budget involves taking some capital expenditures out of agencies operating budgets and financing them with long-term debt. Riordan explained what that might look like. They are also looking at some general obligation debt which is payable exclusively from property taxes to fund between \$70 - \$75 million in capital expenditures. That plan is still being looked at. As it stands the plan is approximately \$50 million for facilities and equipment and \$20 million for roads and streets. She also stated that the Bond Bank would need to do some short-term borrowing in connection with a few of the projects connected with the 2014 A&B bonds which include the new Milliken Development on Pennsylvania and Penrose on Mass. Ave development, and the remodeling of the Red Cross to become the new IFD Headquarters along with the construction of Station No. 7.

Riordan stated that there is additional funding that is needed to complete the costs of the projects mentioned. The idea is to achieve one short-term loan.

Riordan then mentioned to the Board that the Moody's rating call, in connection with the refunding, went well. She reminded the Board that the call was needed since the ratings were under review due to Moody's recent change in methodologies. The Bond Bank is currently waiting on their determination. Rubin thanked everyone for their hard work.

There being no further questions, Rubin asked for a motion to adjourn. Carter made the motion, seconded by Moll. All voted in favor and the meeting was adjourned at 9:21 a.m.