

MINUTES OF  
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

May 15, 2017

MEMBERS PRESENT:

Sarah Rubin  
Bryan Moll  
Terri Jett

MEMBERS ABSENT:

Dennis Charles  
Michael Carter

BOND BANK PRESENT:

Sarah Riordan	Brad Busse
Monica Durrett	Kyle Willis
Laurie Canatsey	Jacqui Fitzgerald
Andre Zhang	

OTHERS PRESENT:

Katie Aeschliman, BMO Harris Bank	Darryl Mergenthal, BNY Mellon Trust Co.
Angie Steeno, Crowe Horwath	Sarah McFetridge, Crowe Horwath
Sharon Karst, US Bank	Matt Nunley, PNC Bank
Bob Kocher, US Bank	Dennis Otten, Bose McKinney
Nathan Flynn, Fifth Third	Xiao Ou Yuan, Fifth Third
Faith Berning, BNY Mellon Trust	Michael Allen, Ice Miller

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:04 p.m., Monday, May 15, 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, Ms. Sarah Rubin determined that a quorum was present and the meeting was called to order.

First, was approval of the minutes of the February 27, 2017. Moll made the motion to approve, seconded by Jett with the necessary corrections. All voted in favor and the motion passed.

Next, was Resolution No.1- Penn Center Garage TIF. Riordan first introduced Dennis Otten, Bose McKinney & Evans. She stated that one of the priorities of the current administration has been to think of ways to creatively finance economic development within the Consolidated Downtown TIF District which does not currently have a lot of capacity for issuing debt. There is approximately \$410 million debt

outstanding secured by Consolidated TIF revenues. She stated that they are looking at a new approach where there would be developer backed bonds for hotels and mixed use development. She stated that the City is saying that the developer would have to find a buyer on the market themselves. She further explained and then turned the discussion over to Otten.

Otten stated that he has been working as bond counsel with Angie Steeno and Sarah McFetridge with Crowe Horwath. He distributed a handout to the board regarding the project from HRI. He stated that the hotel development will be a mixed use building near Conseco, a 17-story Hyatt brand hotel facility. He then stated that the City's would provide incentives of soft costs that would be approximately \$16 million for the parking garage. The project is expected to employ a minimum of 100 workers. There is a project agreement in place that indicates that 75% of the workers have to be from Marion-County. There are talks to raise wages for the project by the City-County Council. Otten went on to say that the rough costs for the project is approximately \$95 million with the City contributing \$18 million from the BAN. It is anticipated that they will issue a 5-year BAN with developer backed guarantees to insure the projects is built and completed. The coverage from the TIF will be in the range of 1.25% or better. He then discussed the payment stream and stated that the BAN would be provided from a local bank.

Otten stated that the resolution before the Board is the Participation Agreement which is an opportunity for the City to recoup from the investment of their 1% participation. They are looking for authorization for the Participation Agreement. The anticipated timeline will be the following month. Riordan asked what would constitute the debt service reserve over 5 years and where would that come from. Steeno stated that it would be approximately \$1.4 million and explained further. Riordan then asked who owned the BAN and who's books would it be represented on. Otten stated that it would not be on the Bond Banks books. Moll asked what would happen if the developer could not sell the bonds. Otten stated, that it is a risk, however, the City would look at taking the BAN out and have legal recourse under the guarantees.

Moll then asked about the parking spaces for public use. Otten stated that the entire parking would be for public use except for the 75 spaces. Moll then asked about the timing for the closing on the ground. Otten stated that it would be in approximately two - three weeks. Moll then asked about the initial incentive from the City, or the Bond Bank. Steeno answered, stating that it is essentially from the sources and uses of the bond itself. Moll asked if the participation payment would go back to DMD. Otten stated that they had been before the City-County Council. Riordan then gave the breakdown. Jett about the dedication to the MBE/WBE/DBE participation. Otten stated that there are requirements that have to be met in the project agreement. Reports would have to be filed with DMD once the project starts. Moll asked about the 19,000 sq. ft. of retail space and if it would be difficult to fill, and if so, was there a consideration for first floor rental. Otten stated that had not been a point of discussion.

Rubin asked for a motion to approve Resolution No.1. Moll motioned to approve, seconded by Jett. All voted in favor and the motion passed.

Next, Riordan discussed the updated 2016 Bond & Note Report. She explained the purpose. She stated that Angie Steeno and Sarah McFetridge from Crowe Horwath had done a great job. McFetridge then explained the debt report. She stated that it was similar to years past and mentioned that they had added pie charts to the report. Moll asked about the hospital revenue. Riordan answered stating that there was a referendum approved tax levy which had been approved by the voters. She then stated that Health & Hospital Corporation has paid their debt service reserve from their operating revenue. Rubin asked if they could come back. Riordan stated again what a great job Crowe has done.

Next, Riordan discussed recent updates. She stated that the Criminal Justice Campus would have to issue traditional bonds. There have been discussions to house the facility in the area of Southeastern & Prospect. The courts would like to be housed there and that would mean a new facility for them. There will be two processes. The first would be to hire a consultant, HOK, which has been doing an assessment for each of the participating agencies. Secondly, the Bond Bank, Controller and F.A.'s are working on what monies are available. They are working together with a financial plan to issue debt. The City-County Council has authorized the expense and they are looking to issue debt within the year. Riordan then stated there is money that will need to be spent before that time for consultants, environmental reports and the like. The Bond Bank will issue up to \$2 million. There have been no contracts signed, as they are being finalized. There have been no decisions on bankers. They are working on finalizing structure and what the city can afford. Moll asked who was selected as the owner's rep. Riordan stated that HOK will hire and would like to issue RFP's. Rubin stated that the State has a Brownfield remediation tool that they may want to look in to. Rubin then asked how during the first round of the Criminal Justice Campus, how would the City be made whole. Riordan stated that the Bond Bank had issued \$12 million in notes and will be working with banker's, along with a number of plans to rectify the debt.

Brad Busse, Bond Bank, stated that the financial statements will be presented at the June meeting.

Rubin asked a motion to adjourn. Moll made the motion, seconded by Jett. All voted in favor and the meeting was adjourned at 12:39 p.m.