

**MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK**

Minutes of the Regular Meeting of the Board of Directors

August 25, 2017

MEMBERS PRESENT: Dennis Charles
 Sarah Rubin
 Bryan Moll
 Terri Jett

MEMBERS ABSENT: Michael Carter

BOND BANK PRESENT:

Sarah S. Riordan	Brad Busse
Isaiah Kuch	Kyle J. Willis
Laurie Canatsey	André Zhang Sonera
Karen Strunk	

OTHERS PRESENT:

Lindsay Hadley	Borshoff	Kostas Poulakidas	Taft Law
Sarah McFetridge	Crowe Horwath	Katie Aeschliman	BMO Harris Bank
Matt Nunley	PNC Bank	Daryl Mergenthal	BNY Mellon
Kelly McNairy	KeyBanc	Rose Stark	Fifth Third Securities
Jenny Lurkins	Regions	Jason Roetgerman	Regions
Sharon Karst	US Bank	Bob Kocher	US Bank
Michael P. Allen	ICE Miller	Osee Pierre	Blaylock Van, LLC
Jonathan Lu	Blaylock Van, LLC	Nancy Dorsa	JPMorgan Chase Bank
Diana Hamilton	Sycamore Advisor		

Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:09 p.m., Friday, August 25, 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, Mr. Dennis Charles determined that a quorum was present and the meeting was called to order.

First, was approval of the minutes of July 17, 2017. Rubin made the motion to approve, seconded by Moll. All voted in favor, and the motion was passed.

Next, was the approval of the Bond Bank Employee Handbook. Charles opened the floor to any questions or comments regarding the employee handbook. Rubin stated that the handbook was very thorough and no employee, future or current, would walk away with too many questions that were not clarified within the handbook. Rubin added that the staff did a great job. Charles asked for a motion to approve the Bond Bank Employee Handbook. Jett motioned to approve, seconded by Moll. All voted in favor, and the motion passed.

Third, was the approval of Pledge Resolution 2017-E-021. Riordan explained that this is a ministerial act for the Bond Bank to sign off on the issuance of Bonds to help support the development of a project. The Bond Bank has issued a considerable amount of debt secured by the Downtown TIF, and since this project impacts the Downtown TIF in a minor way, it is necessary to get approval from the Bond Bank. Riordan invited Bond Counsel, Kostas Poulakidas from Taft Law and Jeff Bennett, Deputy Mayor of Community Development, to explain the legalities of the process and to explain the importance of the projects. Bennett clarified the project involves turning the historic Bethel AME Church, located at Vermont Street and the Canal, into a hotel. He noted that the significance of the site and building would be maintained as the facade of the structure will be incorporated into the design.

Bennet explained the public financing piece of the project involves some public finance and a developer's minimum guarantee. There is a backstop of the Downtown TIF summing \$115,000 per year, which is the worst case scenario. He hopes the use of the Consolidated Downtown TIF will help to win awards such as the National Historic Preservation awards. He adds that this project will help to activate the Canal corridor in that area. Bennet opened the floor up for questions.

Rubin asked about parking for the project. Bennett responded that a parking structure would be built on Vermont Street side close to West Street and adjacent to the hotel site. Rubin followed up asking how IUPUI students and campus users and others would be kept from occupying the retail and hotel spaced. Bennett explained that it would be intended for retail users and hotel guests, but public parking would be available willing to pay the parking rates. Moll inquired how many spaces would be available. Bennett answered that there would be 300 spaces. Moll asked about a street between Vermont and the Canal that would need to be vacated. Bennett responded that the said street is already owned by the Department of Metropolitan Development (DMD). Charles inquired about the annual debt service of \$630,000 and clarified if need be then \$115,000 could be used from the Consolidated TIF to cover the shortfall, but projects are that the Consolidated TIF would not be needed. Bennet said they do not have plans to use the Consolidated TIF to cover debt service. Bennett added that there was a disagreement between the developer and the City of the end assessed value of the project. The developer agreed to back \$515,000 per year and the City believes their projected assessed value with support the debt service. Jett asked for more information about the public art expenditures within the project. Bennett requested Kostas to answer.

Kostas introduced himself as a public finance attorney with Taft law firm. Indianapolis has adopted an ordinance that requires for economic development projects to have 1% of the incentives provided by the city to be used for public art. The public art program is being developed through this project with DMD. Within 18 months from issuance of bonds, the developers must submit to DMD a public art proposal that is equivalent to 1% of bonds which will be roughly \$80,000. The funds expended for public art must come from non-incentive funds.

Jett asked if the art would be representative of the historical nature of the Bethel AME Church. Bennett said that they have been working with DMD and the Arts Council. They have to submit proposals to a jury who will ask if they want to contribute to a fund for art in a neighborhood or have public art on site and said there is still a lot to be determined about the public art for the projects.

Kostas explained that they were there to ask the Bond Bank for permission to use the Consolidated TIF to back the developer backed bonds. Since the Bond Bank is the owner of other bonds that use the same TIF increment, they must get approval before issuing the bonds. Part of the master bond ordinance and master trust indenture use to issue bonds within the TIF district requires this consent. Kostas notes that these

bonds have been approved by the City-County Council, Metropolitan Development Committee, and Economic Development Committee; approval from the Bond Bank is the last step in the process.

Riordan clarified that the Board would be voting to authorize Riordan to sign off on the consent document for these bonds. Charles asked for a motion. Rubin made the motion to approve, seconded by Jett. All voted in favor, and the motion was passed.

Last new business was the Develop Indy funding request. Riordan explained that there were no action items required today regarding Develop Indy, but she wanted to get the topic on the table. Develop Indy came to the Bond Bank at the beginning of the year and requested \$200,000, which is less than what has been advanced to them in many years. The Bond Bank did not include Develop Indy in the 2017 budget. However, they appear to have a shortfall this year and may come to the October Board meeting to request funds. The Mayor has included funding for Develop Indy starting in the 2018 Budget as a part of DMD. Rubin asked about the magnitude of the ask. Riordan responded that she anticipated the ask would be a few thousand dollars and realized it is not a small amount, but it is much less than what the Bond Bank has provided to Develop Indy in the past.

Riordan then gave an update on current and upcoming projects. Willis and Riordan presented to the Administration and Finance Committee as a part of the budget process. Riordan noted that as a separate municipal corporation the Bond Bank has its own budget, but the Council still likes to hear from the Bond Bank. The presentation informed the Committee what the Bond Bank had been up to and what the debt profile looks like considering debt service comes out of the City's budget. Riordan lauded Willis for putting together a presentation. She added that it went well and received positive feedback. Next, is the refunding and debt restructuring of the 2010 PILOT bonds which will require Council approval. The process of refunding the \$159 million bonds is underway but is in the very early stages.

In the process of reviewing requests for proposals (RFPs) for the short-term financing of the Community Justice Campus. The City estimates \$20 million is needed to cover design, construction, environmental, and professional services to get the project solidified. Riordan noted many banks have applied and asked if any attendees had questions about their RFPs or interviews today would be an excellent time to contact the Bond Bank and inquire. Riordan added that all respondents would hear back by the end of the day.

Riordan said there is an ongoing conversation with 16 Tech to amend their project agreement and they will most likely look to issue more debt by the end of the year. 16 Tech has a new president and CEO, Bob Coy, who came in and met with staff and the Mayor. He discussed new development plans and significant philanthropic contributions.

The City has finalized a project agreement for the old Coca-Cola facility. The Bond Bank has not been needed to issue debt for the project. There is also a preliminary project agreement for the GM Stamping Plant site in the works. IndyGo has a new tax levy and wants to issue debt to work on long-term capital improvements. They are still developing a project plan, but Riordan anticipates they will want to issue debt before the end of the year. Riordan asked if anyone had any questions.

Charles asked if there was a motion to adjourn. Moll made the motion, seconded by Rubin. All voted in favor, and the meeting was adjourned at 12:28 p.m