

MINUTES OF  
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

November 27, 2017

MEMBERS PRESENT: Sarah Rubin  
Terri Jett  
Michael Carter  
Bryan Moll

MEMBERS ABSENT: Dennis Charles

BOND BANK PRESENT:

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

OTHERS PRESENT:

Xiao Ou Youn	Fifth Third	Carl Mills	Fifth Third
Sarah McFetridge	Crowe Horwath	Angie Steeno	Crowe Horwath
Katie Aeschliman	BMO Harris	Trish Whitcomb	GK Baum
Matt Nunley	PNC	Diana Hamilton	Sycamore Advisors
Daryl Mergenthal	BNY Mellon	Sherry Sewiert	Downtown Indy Inc.
Sharon Karst	US Bank	Michael Allen	Ice Miller
Tyler Kalachnik	Ice Miller	Nancy Manley	IndyGo
Brian Atkinson	IndyGo	Mike Terry	IndyGo
Jason Rodgerman	Regions	Bill Harris	Regions
Jenny Lurkins	Regions	Jon Trznadel	PNC
Kelly McNairy	KeyBanc		

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:03 p.m., Monday, November 27, 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, Mrs. Sarah Rubin determined that a quorum was present and the meeting was called to order.

First, was approval of the minutes of October 23, 2017. Carter made the motion to approve, seconded by Jett. All voted in favor and the motion was passed.

Next, was approval of Resolution No. 4 2017 – 2017B Notes IndyGo TW. Riordan Carter made the motion to approve, seconded by Jett. All voted in favor and the motion was passed. Riordan explained that Willis had taken the lead on the tax warrant issuance and turned the floor over to Willis. Willis explained that this is something that has been done in years past

and helps IndyGo with cash flows issues that may arise due to disbursements of property taxes. The issuance would be up to \$15 million and rates are pretty low due to the note being short term. Riordan introduced Mike Terry and Nancy Manley of IndyGo.

Terry thanked the board for hearing the resolution today and explained that this would help give the cash flow to help funding operations. Rubin asked if IndyGo anticipated that they would be back in two years for more funding help. Terry responded that could be back to ask for access to some type of financial instrument. Manley clarified that the tax warrant notes are on a drawdown basis and only used when needed. Riordan asked what the term of the notes would be. Manley clarified that the term is 2 one year periods from January 1 to December 31, to be paid back at the end of the year. Riordan asked if this has passed the IndyGo board to which Manley replied it would go forth on the 2<sup>nd</sup> of December. Riordan asked if the uses would be for operational expenses and not for capital projects. Terry answered that since the local income tax is used to match some grants, this would be used for cash flow on some projects. Riordan added that approval by the City-County Council is not needed for the tax warrant. Rubin asked for a motion to approve Resolution No. 4 2017 – 2017B Notes IndyGo TW. Carter made the motion, seconded by Moll. All voted in favor and the motion was passed.

Next, was the introduction of the 2018 budget proposal. Riordan noted that the budget was not up for a vote today. Riordan stat that Canatsey had worked very hard to put the budget together, based on her work on previous budgets, to anticipates revenues and expenditures. The 2018 budget is very close the 2017 budget, which is currently under budget. Riordan invited Canatsey and Busse to walk the Board through the budget. The two also met with Charles, who is a CPA, prior to the board meeting to get feedback

Canatsey noted that the budget was balanced and few line items have been adjusted for 218. Revenues in the past Annual Bond Bank fees have been assessed at 10 basis points based on debt outstanding on January 1. In 2018 a placeholder was added for opening fees. The number is conservative at \$100,000 and based off of the average of the past five years of opening fees. Another line item added was miscellaneous revenues which comes from funded remained after bonds have matured. The number varies from year to year and was budget at \$56,000.

Busse broke up wages into two line items of real wages and potential wages. Real wages are the actual staff salary of the seven current Bond Bank employees. The potential wages for any new employees or interns who may be added. This will help keep track of real wages better. Busse added that for the potential wages, benefits are also taken into account.

Canatsey explained that QE Support was another new line item added. Historically the Bond Bank has stepped in to help the city support their measures and instead of amending the budget the line item was added as a placeholder. This amount was the difference between net revenue and net expenses. Moll asked if this was in addition to Develop Indy funding and Canatsey explained that there was no money budgeted for Develop Indy in 2018. Riordan added that Develop Indy has a funding source through the City starting in 2018. She explained that this money will be used for ad hoc requests such as Downtown Indy Inc. (Downtown Indy) or the Ruben Engagement Center. Busse added that if there were any funding request over \$100,000 the Board will still approve the measure; they just would not need to amend the budget.

Canatsey continued with expenses. Copy and printing has been increased in 2018 due to a new logo. Union Station expense has increased due to tenant improvements for a new lease. Moll asked if the tenant improvements would be included in the rent for a new lease. Riordan explained that the Bond Bank pays the management fees but not 100% of the fees. DMD pays for a portion of the fees as well and receives the revenue as DMD owns Union Station. Browning, DMD and the Bond Bank will all have to work together to get the space ready for a new tenant since Cadillac Ranch filed for bankruptcy. Canatsey noted the other line item added in 2018 was for bad debt. This number was derived based on the average of the past five years at \$78,000. Net income for the year is projected at \$207. Canatsey asked for any questions.

Rubin asked if QE support has been tracked so Board members can know what has been spent. Riordan said that this number could be tracked on a quarterly basis and reiterated that any request over \$100,000 would be up for Board approval. The Board asked for quarterly updates. Riordan recognized Canatsey and Busse for their thorough work on the budget.

Next, was the Downtown Indy funding request. Riordan stated that before her tenure the Bond Bank has provided significant support to Downtown Indy in past years. In the past two years, Downtown Indy has not received support and are here to ask for a one-time infusion of \$250,000. Thomas Cook, the Mayor's Chief of Staff, is present to answer questions and show support from the Mayor's Office.

Cook explains that the Administration has been working to find alternative sources of funding for these organizations that do good work on behalf of the City. Downtown Indy has been working to find sustainable funding, instead of relying on the Bond Bank for funding. This year Downtown Indy has been working to create an Economic Improvement District (EID). This would be a one-time infusion of cash as they plan to be funded through the EID in the future. Cook added that Downtown Indy does a number of things for the City such as maintain Georgia Street and host the Circle of Lights event. He turned the floor over to Downtown Indy.

Sherry Siewart, President of Downtown Indy, stated that the organization was created 25 years ago to focus on the vitality of the downtown area and was launched as a 50/50 partnership with the City and downtown partners. In the past few years, funding within the city had been shifted to the Bond Bank. Downtown Indy creates the State of the City which is used by the real estate community and uses indicators to show how the downtown area is performing. Downtown Indy helps to market, manage and activate downtown through working with a number of stakeholders.

Siewart introduced Bob Schultz, VP of Communications, Marketing and Activation and Tim Boruff, VP of Finance and Operations of Downtown Indy who were also in attendance. Boruff discussed the few line items in the budget. Beautification includes maintaining planters, gateways, pocket parts and lights. Safety and security include coordinating with safety directors of buddings and hiring off-duty IMPD bike patrols. Data management and research is the collection of data to be provided to potential investors within retail, office, parking and residential. Schultz noted that the downtown vitality is important as an economic driver in the area. Siewart explained that the EID would provide a stable funding source. The benefit of the

EID is that all property owners within would share the costs. Over the last five years, property values in the area have increased by fifty percent. Siewart asked for any questions.

Rubin asked what the geographic boundary of the EID would include. Siewart answered that it would include 100 blocks around the mile square. Rubin asked if the funding request were comparable to a corporate sponsorship or just a one-time cash infusion. Siewart said the money would offset the cost of services such as funding off-duty IMPD bike patrols. Currently, the corporate community pays for many of these services. Cook added that historical funding from the City had previously been just under \$1 million a year and gives credit to Downtown Indy for reducing this funding over the past two years. Moll asked if the EID was anticipated to be a sustainable source of revenue in the future. Siewart responded that the EID would pay for an enhanced level of services that are not currently provided due to budgetary constraints. The EID would generate \$3.2 million on an annual basis. Moll asked if the EID would take away from the Downtown TIF. Siewart answered no and that the EID would be a part of property taxes.

Jett asked Siewart to expand on-street outreach. Street outreach is a program that was launched with the Coalition for Homeless Intervention and Prevention (CHIP) to raise resources to pay for homeless services. Resources donated to boxes around downtown are managed by CHIP in the area to help with housing, employment, and transportation. Moll asked what sources of revenue Downtown Indy currently relies upon. The principal revenues come from the corporate community, 5% of cash reserves are used annually, and sponsorships help to fund events. Siewart noted that most events sponsorships do not typically cover the whole cost of the event. Moll asked if DMD helped cover costs of any Georgia Street events to which Siewart responded no. Any revenue generated from events is split with the City. Riordan asked what the annual budget was. The annual budget is \$3.5 million. Siewart added that even though the EID would generate \$3.2 million, she anticipates that the corporate memberships would decrease due to the EID.

Rubin asked for a motion to amend the budget to add \$250,000 in funding for Downtown Indy from the 2017 operating budget. Moll made the motion, seconded by Jett. All voted in favor and the motion passed.

Last, Riordan gave an update on current projects. The \$159 million refunding for the PILOT bonds is continuing. A few details are still being worked out and Riordan will have more information for the next board meeting. The refinancing of the Market District Garage balloon note payment is going forward with the help of Regions Bank. The MDC approved the use of \$3 million in garage revenues to pay down the note. The revenue stream will be from the garage itself and a special tax as a backup. Approval is going to MEDC next week and then to council for final approval.

The short-term notes of \$20 million for the Community Justice Center have closed and \$1.6 million has been paid to consultants so far. Riordan commented that the Bond Bank staff has been working very hard on projects. The office has discussed doing a philanthropy event and will be collecting children's winter wear to benefit the Julian Center.

Rubin asked if there was a motion to adjourn. Moll made the motion, seconded by Carter. All voted in favor and the meeting was adjourned at 12:45 p.m.

