

INTRODUCED: 3/3/2025

REFERRED TO: Metropolitan and Economic Development Committee

SPONSOR: Councilor Osili

DIGEST: authorizes the issuance of City of Indianapolis, Indiana, Taxable Economic Development Lease Rental Revenue Bonds (Old City Hall Reuse Project) and execution of a lease

SOURCE:

Initiated by: Indianapolis Local Public Improvement Bond Bank

Drafted by: Tenley Drescher Rhoades, Faegre Drinker Biddle & Reath

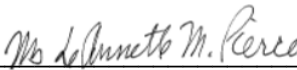
LEGAL REQUIREMENTS FOR ADOPTION:

Subject to approval or veto by Mayor

PROPOSED EFFECTIVE DATE:

Adoption and approvals

GENERAL COUNSEL APPROVAL:



Date: February 27, 2025

CITY-COUNTY SPECIAL ORDINANCE NO. , 2025

A SPECIAL ORDINANCE of the City-County Council of the City of Indianapolis and Marion County, Indiana authorizing the issuance of one or more series of its City of Indianapolis, Indiana, Taxable Economic Development Lease Rental Revenue Bonds, Series 2025 (Old City Hall Reuse Project), in a maximum aggregate principal amount not to exceed \$66,000,000, approving the execution of a lease to provide security with respect to such bonds, and approving and authorizing other actions in respect thereto.

WHEREAS, Indiana Code 36-7-11.9 and Indiana Code 36-7-12, each as amended (collectively, the "Act"), declares that the financing and refinancing of economic development facilities constitutes a public purpose; and

WHEREAS, pursuant to the Act, the City of Indianapolis, Indiana (the "City") is authorized to issue revenue bonds for the purpose of financing, reimbursing or refinancing the costs of acquisition, construction, renovation, installation and equipping of economic development facilities in order to foster diversification of economic development and creation or retention of opportunities for gainful employment in or near the City; and

WHEREAS, TWG Development Group, LLC, or a subsidiary or affiliate thereof ("TWG"), has approached the City with its desire to develop a project consisting of the rehabilitation, redevelopment and preservation of the Old City Hall building located at 202 North Alabama Street, including incorporation of the Old City Hall building into TWG's adjacent hotel development and development of commercial space available for rent (the "Project"); and

WHEREAS, TWG has requested that the City assist with the financing of a portion of the construction, renovation, installation and equipping of the Project, and related costs, through the issuance of bonds as hereinafter described; and

WHEREAS, the Project will be located at 202 North Alabama Street in the Alabama Street Allocation Area, as heretofore established by the Metropolitan Development Commission of Marion County, Indiana (the "MDC"), acting as the Redevelopment Commission of the City; and

WHEREAS, TWG has advised the Indianapolis Economic Development Commission (the "Commission") and the City concerning the Project, and requested that the City issue one or more series of its Taxable Economic Development Lease Rental Revenue Bonds, Series 2025 (Old City Hall Reuse Project) (to be completed with such further series or other designation as determined necessary) (the "Bonds"), in an aggregate principal amount not to exceed Sixty-Six Million Dollars (\$66,000,000) under the Act, and loan the proceeds of such Bonds to the Circle Area Community Development Corporation, an Indiana nonprofit corporation (the "CAC"), which will then loan such proceeds to TWG for the purpose of financing a portion of the costs of the Project, including costs of issuance of the Bonds and, if necessary, funding capitalized interest and a debt service reserve for the Bonds; and

WHEREAS, the Commission has rendered its report regarding the proposed financing of the Project as an economic development facility for TWG, and the MDC, as Plan Commission, and the Superintendent of the Indianapolis Public Schools have been given an opportunity to comment thereon; and
WHEREAS, the Commission has heretofore conducted a public hearing in accordance with Indiana Code 36-7-12-24 and adopted its resolution subsequent thereto finding that the financing of the Project complies with the purposes and provisions of the Act and that such financing will be of benefit to the health and welfare of the City; and

WHEREAS, the Commission has heretofore approved and recommended the adoption of this form of ordinance by this City-County Council, has considered the issue of adverse competitive effect and has approved the forms of and has transmitted for approval by the City-County Council, the Financing Documents (as hereinafter defined); and

WHEREAS, pursuant to and in accordance with the Act, the City desires to loan funds necessary to finance a portion of the Project by issuing the Bonds and loaning the proceeds thereof to the CAC, which will then loan such proceeds to TWG; and

WHEREAS, the Act provides that such Bonds may be secured by and issued pursuant to the terms of a trust indenture between an issuer and a corporate trustee; and

WHEREAS, the City intends to issue the Bonds consistent with the terms of this Ordinance and pursuant to a Trust Indenture to be dated the first day of the month in which the Bonds are sold or delivered (or such other date or dates as the officers of the City may hereafter approve) (the "Indenture"), by and between the City and a corporate trustee to be selected by the City (the "Trustee"), in order to obtain funds necessary to provide for the financing of a portion of the Project, including capitalized interest, if necessary, a debt service reserve, if necessary, and costs of issuance of the Bonds, in accordance with the terms of a Loan Agreement to be dated the first day of the month in which the Bonds are sold or delivered (or such other date or dates as the officers of the City may hereafter approve) (the "Loan Agreement"), by and among the City, the CAC and TWG; and

WHEREAS, pursuant to the Loan Agreement, TWG will make certain representations, warranties and commitments with respect to the Project and will commit to making payments to the CAC, which payments will be remitted to the City, starting no later than the earlier of (i) three years from the date of issuance of the Bonds or (ii) the anticipated construction period for the Project plus one (1) year, in an amount sufficient to pay principal of and interest on the Bonds, and to pay administrative expenses in connection with the Bonds; and

WHEREAS, in connection with the issuance of the Bonds, (i) TWG and/or its affiliates as approved by the City and the chief executive officer of TWG will provide sufficient guaranties to repay TWG's loan under the Loan Agreement, and (ii) TWG will provide certain representations and covenants in respect of the disbursement of proceeds of the Bonds for costs of the Project; and

WHEREAS, the principal of and interest on the Bonds will be payable from loan payments to be made by the CAC under the Loan Agreement (from loan payments received from TWG), and to the extent such loan payments and such other revenues as may be made available for the payment of the Bonds are insufficient, then from lease rentals due under a Lease Agreement (the "Lease") to be entered into between the CAC, as lessor, and the MDC, as lessee, entered into pursuant to Indiana Code 36-7-15.1-17.1 and Indiana Code 36-7-15.1-17.2, which lease rentals will be assigned to the City, the form of which Lease has been presented to the City-County Council at this meeting; and

WHEREAS, the lease rentals due under the Lease, to the extent required, will be payable from a special tax to be levied upon all of the taxable property in the Redevelopment District of the City (the "District"), as pledged by a resolution of the MDC, as the governing body of the District (the "Pledge Resolution"); and

WHEREAS, no member of the City-County Council has any pecuniary interest in any employment, financing agreement or other contract made under the provisions of the Act and related to the Bonds authorized herein, which pecuniary interest has not been fully disclosed to the City-County Council and no such member has voted on any such matter, all in accordance with the provisions of Indiana Code 36-7-12-16; and

WHEREAS, there has been submitted to the Commission for its approval forms of the Indenture, the Bonds and the Loan Agreement (collectively, the "Financing Documents"), and a form of this proposed Ordinance, which were incorporated by reference in the Commission's Resolution adopted on March 10, 2025, which Resolution has been transmitted to the City-County Council; and

WHEREAS, the City-County Council desires to approve the Lease, pursuant to Indiana Code 36-7-15.1-17.1, which requires that any lease approved by a resolution of the MDC must be approved by an ordinance of the City-County Council, as the fiscal body of the City; and

WHEREAS, the City-County Council now further desires to approve the use of a special tax levied upon all of the taxable property within the District to make lease rental payments due under the Lease, to the extent required, as described above; and

WHEREAS, based upon the resolution adopted by the Commission pertaining to the Project, the City-County Council hereby finds and determines that the financing approved by the Commission for the Project will be of benefit to the health and general welfare of the citizens of the City, complies with the provisions of the Act and the amount necessary to finance a portion of the costs of the Project will require the issuance, sale and delivery of one or more series of taxable economic development lease rental revenue bonds in an aggregate combined principal amount not to exceed Sixty-Six Million Dollars (\$66,000,000); now, therefore:

BE IT ORDAINED BY THE CITY-COUNTY COUNCIL OF THE
CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA:

SECTION 1. It is hereby found, determined, ratified and confirmed that the financing of the economic development facilities referred to in the Financing Documents consisting of the Project, the issuance and sale of the Bonds, and the loan of the net proceeds thereof to the CAC (which will then be loaned to TWG) to finance a portion of the Project (i) will result in the diversification of industry, the creation or

retention of business opportunities and the creation or retention of opportunities for gainful employment within the jurisdiction of the City, (ii) will serve a public purpose, and will be of benefit to the health and general welfare of the City, (iii) complies with the purposes and provisions of the Act and it is in the public interest that the City take such lawful action as determined to be necessary or desirable to encourage the diversification of industry, the creation or retention of business opportunities, and the creation or retention of opportunities for gainful employment within the jurisdiction of the City, and (iv) will not have a material adverse competitive effect on any similar facilities already constructed or operating in or near the City.

SECTION 2. The forms of the Financing Documents presented herewith are hereby approved and all such documents shall be kept on file by the Clerk of the City-County Council or City Controller (the "Controller"). In compliance with Indiana Code 36-1-5-4, two (2) copies of the Financing Documents are on file in the office of the Clerk of the City-County Council for public inspection.

SECTION 3. The City is authorized to issue the Bonds in one or more series, in the maximum aggregate principal amount not to exceed Sixty-Six Million Dollars (\$66,000,000), with a maximum term not to exceed twenty-five (25) years and with a maximum interest rate not to exceed eight percent (8.00%) per annum, for the purpose of procuring funds to finance a portion of the Project including costs of issuance of the Bonds and, if necessary, funding capitalized interest and a debt service reserve for the Bonds. The Bonds will be payable as to principal and interest solely from the Trust Estate (as defined in the Indenture), consisting primarily of loan payments made under the Loan Agreement (from loan payments received from TWG) and, to the extent such loan payments and such other revenues as may be made available for the payment of the Bonds are insufficient, then from lease rentals due under the Lease, all upon such terms and conditions as otherwise provided in the Financing Documents and this Ordinance. The lease rental payments due under the Lease shall be payable from a special tax to be levied upon all of the taxable property in the District, as more particularly provided in the Pledge Resolution. The Bonds may be further secured by a debt service reserve fund as may be provided under the Financing Documents and one or more guaranties of TWG and/or its affiliates and its chief executive officer. The Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the City.

SECTION 4. The Mayor of the City (the "Mayor") and the Controller are authorized and directed to sell the Bonds to the purchaser or purchasers thereof at a price not less than 97.0% of the aggregate principal amount thereof plus accrued interest, if any. A bond purchase agreement in form and substance acceptable to the Mayor and the Controller for the Bonds (the "Purchase Agreement") should be, and hereby is, approved, and the Mayor and the Controller are hereby authorized and directed to execute and deliver the Purchase Agreement, if necessary, in form and substance acceptable to them and consistent with the terms and conditions set forth in this Ordinance. If necessary or desirable in connection with the sale of the Bonds, the Mayor, the Controller and any other officer of the City are authorized to enter into a continuing disclosure undertaking agreement, in compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule"), which will be in such a form as may be deemed necessary, appropriate or desirable by the Mayor, the Controller and any other officer of the City, with such to be conclusively evidenced by their execution thereof.

SECTION 5. The Mayor, the Controller, the Clerk of the City-County Council and any other officer of the City are authorized and directed to execute the Financing Documents, such other documents approved or authorized herein and any other document which may be necessary, appropriate or desirable to consummate the transaction contemplated by the Financing Documents and this Ordinance, and their execution is hereby confirmed on behalf of the City. The signatures of the Mayor, the Controller, the Clerk of the City-County Council and any other officer of the City on the Bonds which may be necessary or desirable to consummate the transactions, and their execution is hereby confirmed on behalf of the City. The signatures of the Mayor, the Controller, the Clerk of the City-County Council and any other

officer of the City on the Bonds may be facsimile signatures. The Mayor, the Controller and any other officer of the City are authorized to arrange for the delivery of such Bonds to the purchasers, payment for which will be made in the manner set forth in the respective Financing Documents. The Mayor, the Controller, the Clerk of the City-County Council and any other officer of the City may, by their execution of the Financing Documents requiring their signatures and imprinting of their facsimile signatures thereon, approve any and all such changes therein and also in those Financing Documents which do not require the signature of the Mayor, the Controller, the Clerk of the City-County Council or any other officer of the City without further approval of this City-County Council or the Commission if such changes do not affect terms set forth in Sections 27(a)(1) through and including (a)(10) of the Act.

SECTION 6. The provisions of this Ordinance and the Financing Documents shall constitute a contract binding between the City and the holder or holders of the Bonds and after the issuance of said Bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the right of such holder or holders so long as said Bonds or the interest thereon remains unpaid.

SECTION 7. If necessary or desirable, a Preliminary Official Statement, or other form of offering document of the City, relating to the Bonds (the "Preliminary Official Statement"), in a form or forms acceptable to the Mayor, is hereby (a) authorized and approved, together with such changes in form and substance as may be deemed necessary or appropriate by the Mayor, (b) authorized and approved, as the same may be appropriately confirmed, modified and amended pursuant hereto, for distribution as the Preliminary Official Statement of the City for the Bonds, (c) authorized to be deemed and determined by the Mayor on behalf of the City, as of its date, to constitute the "final" official statement of the City with respect to the Bonds to be offered thereby, subject to completion as permitted by and otherwise pursuant to the provisions of the SEC Rule, as and to the extent applicable, and (d) authorized and approved, consistent with the provisions of any Purchase Agreement and the SEC Rule, as and to the extent applicable, to be placed into final form and distributed and delivered to purchasers and potential purchasers of the Bonds offered thereby as the final official statement of the City, as of the date thereof, with respect to the Bonds.

SECTION 8. The City-County Council hereby finds that the lease rental payments due under the Lease, as approved by the MDC, are fair and reasonable, and further finds that the use of the Project throughout the term of the Lease will serve the public purpose of the City and is in the best interests of its residents.

SECTION 9. The City-County Council hereby approves the Lease, as approved by the MDC, pursuant to Indiana Code 36-7-15.1-17.1, in substantially the form provided at this meeting.

SECTION 10. The City-County Council hereby approves the use of a special tax levied upon all of the taxable property within the District, to the extent necessary, to be used for the payment of the lease rental payments due under the Lease.

SECTION 11. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Ordinance, the Financing Documents or under any judgment obtained against the City, including without limitation the Commission, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the Financing Documents, shall be had against any member, director, or officer or attorney, as such, past, present, or future, of the City, including without limitation the Commission, either directly or through the City, or otherwise, for the payment for or to the City or any receiver thereof or for or to any holder of the Bonds secured thereby, or otherwise, of any sum that may remain due and unpaid by the City upon any of such Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member, director, or officer or attorney, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly

or indirectly, the payment for or to the City or any receiver thereof, or for or to any owner or holder of the Bonds, or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured, shall be expressly waived and released as a condition of and consideration for the execution and delivery of the Financing Documents and the issuance, sale and delivery of the Bonds.

SECTION 12. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 13. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

SECTION 14. It is hereby determined that all formal actions of the City-County Council relating to the adoption of this Ordinance were taken in one or more open meetings of the City-County Council, that all deliberations of the City-County Council and of its committees, if any, which resulted in formal action, were in meetings open to the public, and that all such meetings were convened, held and conducted in compliance with applicable legal requirements, including Indiana Code 5-14-1.5, as amended.

SECTION 15. The Mayor, the Controller, the Clerk of the City-County Council and any other officer of the City are hereby authorized and directed, in the name and on behalf of the City, to execute, attest and deliver such further instruments and documents and to take such further actions in the name of the City as in their judgment shall be necessary or advisable in order to fully consummate the transactions described herein and carry out the purposes of this Ordinance, and any such documents heretofore executed and delivered and any such actions heretofore taken, be, and hereby are, ratified and approved.

SECTION 16. In order to facilitate the financing of the Project, the City-County Council authorizes the lease of the Project to the CAC (which leasehold interest will then be leased to the MDC pursuant to the Lease), and further authorizes Mayor, the Controller and the Board of Public Works to take such actions and to execute such documents as may be necessary in furtherance of such lease.

SECTION 17. This Ordinance shall be in full force and effect upon compliance with Indiana Code 36-3-4-14.

The foregoing was passed by the City-County Council this _____ day of _____, 2025, at _____ p.m.

ATTEST:

Vop Osili
President, City-County Council

Yulonda Winfield
Clerk, City-County Council

Presented by me to the Mayor this _____ day of _____, 2025, at 10:00 a.m.

Yulonda Winfield
Clerk, City-County Council

Approved and signed by me this _____ day of _____, 2025.

Joseph H. Hogsett, Mayor