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MAY 02 2011

CITY CLERK

SPECIAL ORDINANCE NO. 13, 2011

ORDINANCE AUTHORIZING THE CITY OF TERRE HAUTE TO ISSUE ITS TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS OF 2011" AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, the Terre Haute Economic Development Commission ("Commission") conducted a public hearing and adopted a resolution on May 5, 2011, which resolution has been transmitted hereto, finding that the financing of certain economic development facilities of 925 Wabash, LLC ("Borrower") complies with the purposes and provisions of IC 36-7-11.9 and -12 and that such financing will be of benefit to the health and welfare of the City of Terre Haute, Indiana ("City") and its citizens; and

WHEREAS, the Terre Haute Redevelopment Commission ("Redevelopment Commission") has approved a pledge of Pledged Tax Increment (as defined in the Resolution adopted by the Redevelopment Commission on May 5, 2011) to be used to pay debt service on the City's Taxable Economic Development Revenue Bonds of 2011 (WTHI Project) ("Bonds"), to offset payments required to be made by the Borrower, to be issued by the City pursuant to this ordinance. The Bonds are being issued to finance the construction of economic development facilities consisting of a 33,000 square foot Class A office building, together with necessary appurtenances, improvements and equipment ("Project"), in, serving or benefiting the Central Business District Urban Renewal and Tax Allocation Area, costs of issuance and related expenses, including funding a debt service reserve, if necessary; and

WHEREAS, the Commission has heretofore approved and recommended the adoption of this form of ordinance by this Common Council, has considered the issue of adverse competitive effect and has approved the forms of and has transmitted for approval by the Common Council the Loan Agreement (including the form of Note) between the City and the Borrower; the Trust Indenture (including form of Bonds) between the Issuer and the Trustee; and the Bond Purchase Agreement among the Issuer, the Borrower and the purchaser of the Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF TERRE HAUTE, INDIANA, THAT:

Section 1. It is hereby found that: (i) the financing of the Project referred to in the Loan Agreement approved by the Commission and presented to this Common Council; (ii) the issuance and sale of the City's Taxable Economic Development Revenue Bonds of 2011 ("WTHI Project") ("Bonds"); (iii) the loan of the proceeds of the Bonds to the Borrower for the construction of the Project; (iv) the payment of the Bonds by the note payments of the Borrower under the Loan Agreement and Note, offset by the pledge of the Pledged Tax Increment, junior and subordinate to the payment of debt service on the Redevelopment District Revenue Bonds of 1998 and the Redevelopment District Bond Anticipation Notes of 2006 (collectively, "Outstanding Obligations"); and (v) the securing of the Bonds by granting a security interest in the Trust Estate (as defined in the Indenture) to the Trustee under the Trust Indenture (including

form of Bonds), complies with the purposes and provisions of IC 36-7-11.9 and -12, and will be of benefit to the health and welfare of the City and its citizens.

Section 2. The economic development facilities will consist of the Project.

Section 3. At the public hearing held before the Commission, the Commission considered whether the Project would have an adverse competitive effect on any similar facilities located in the City as required by IC 36-7-12-21. The Commission also considered whether the Project would be of benefit to the public health and welfare of the City and found that financing the Project would be of benefit to the public health and welfare of the City and the Common Council hereby confirms that finding.

Section 4. The substantially final forms of the Loan Agreement; the Trust Indenture (including form of Bonds); and the Bond Purchase Agreement approved by the Commission are hereby approved (collectively, "Financing Agreements," referred to in IC 36-7-11.9 and -12), and the Financing Agreements shall be incorporated herein by reference and shall be inserted in the minutes of the Common Council and kept on file by the Clerk. In accordance with the provisions of IC 36-1-5-4, two (2) copies of the Financing Agreements are on file in the office of the Clerk for public inspection.

Section 5. The City may issue its Bonds, maturing no later than February 1, 2025, in the aggregate principal amount not to exceed \$1,100,000, which Bonds may be subject to mandatory sinking fund redemption with payments structured to maximize the amount of Bond proceeds raised from the projected Pledged Tax Increment, taking into account reasonable coverage needed to market the Bonds. The Bonds are to be issued for the purpose of procuring funds to pay the costs of construction of the Project, all as more particularly set out in the Trust Indenture (including form of Bonds) and Loan Agreement, which Bonds will be payable from note payments made by the Borrower under the Loan Agreement and Note, offset by Pledged Tax Increment, or as otherwise provided in the above described Trust Indenture (including form of Bonds), and the payment of certain costs of issuance and the funding of a debt service reserve, if necessary. The Bonds shall be issued in fully registered form in \$5,000 denominations and integral multiples thereof. The Bonds shall be subject to redemption prior to maturity at the option of the City, as set forth in the Indenture, on any date not earlier than August 1, 2012, upon thirty (30) days' notice, in whole or in part, in such order of maturity as the City shall direct and by lot within maturities, at face value, plus in each case accrued interest to the date fixed for redemption, with no premium. The Bonds may be issued as term bonds subject to mandatory sinking fund redemption. Exact redemption provision will be provided in Article 5 of the Trust Indenture. Payments on the Bonds are payable in lawful money of the United States of America by check mailed or delivered to the registered owners or by wire transfer as provided in the Trust Indenture. The Bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City as described in the Trust Indenture.

Section 6. The Mayor and the Controller are authorized and directed to sell the Bonds to the purchaser thereof at a price not less than 97% of the principal amount thereof and shall accrue interest at a rate not to exceed 10% per annum.


Section 7. The Mayor, Controller and Clerk are authorized and directed to execute, attest, affix or imprint by any means the City seal to the documents constituting the Financing Agreements approved herein on behalf of the City and any other document which may be necessary or desirable to consummate the transaction, including the Bonds authorized herein. The Mayor and the Controller are hereby expressly authorized to approve any modifications or additions to the documents constituting the Financing Agreements which take place after the date of this ordinance with the review and advice of the Corporation Counsel; it being the express understanding of this Common Council that the terms of the Financing Agreements are in substantially final form as of the date of this ordinance. The approval of said modifications or additions shall be conclusively evidenced by the execution and attestation thereof and the affixing of the seal thereto or the imprinting of the seal thereon; provided, however, that no such modification or addition shall change the maximum issued amount or maturity amount of, interest rate on or term of the Bonds as approved by the Common Council by this ordinance without further consideration by the Common Council. The signatures of the Mayor, Controller and Clerk on the Bonds may be either manual or facsimile signatures. The Controller is authorized to arrange for delivery of such Bonds to the trustee named in the Trust Indenture (including form of Bonds). Payment for the Bonds will be made to the trustee named in the Trust Indenture (including form of Bonds), and after such payment the Bonds will be delivered by the Trustee to the purchasers thereof. The Bonds shall be originally dated as of the issue date.

Section 8. The provisions of this ordinance and the Trust Indenture (including form of Bonds) securing the Bonds shall constitute a contract binding between the City and the holders of the Bonds, and after the issuance of the Bonds, this ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as the Bonds or the interest thereon remains unpaid.

Section 9. This ordinance shall be in full force and effect from and after its passage.

Introduced by:  George Azar, Councilman

Passed in open Council this 12th day of May, 2011.

 John Mullican, President

ATTEST:  Charles P. Hanley, City Clerk

Presented by me to the Mayor this 13th day of May, 2011.

Charles P. Hanley Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 13th day of May, 2011.

Duke A. Bennett Duke A. Bennett, Mayor

ATTEST Charles P. Hanley Charles P. Hanley, City Clerk

REPORT OF THE TERRE HAUTE ECONOMIC DEVELOPMENT
COMMISSION CONCERNING THE PROPOSED FINANCING OF
ECONOMIC DEVELOPMENT FACILITIES FOR
925 WABASH, LLC

The Terre Haute Economic Development Commission proposes to recommend to the Common Council of the City of Terre Haute, Indiana, that it provide funds for the construction of economic development facilities for 925 Wabash, LLC ("Applicant"). Such economic development facilities will consist of the construction of a 33,000 square foot class A office building in, serving or benefiting the Central Business District Urban Renewal and Tax Allocation Area ("Project"). The Project is located at 925 Wabash Avenue, in Terre Haute, Indiana. The total funds to be provided for the construction of the Project is presently estimated to be in an amount of approximately \$1,100,000, including costs of issuance, funding a debt service reserve, if necessary, and related expenses.

No public facilities to be paid for by the government will be made necessary on account of the proposed Project.

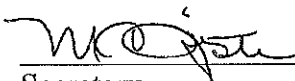
It is estimated that upon completion of the Project and start of operations, the new operation will retain approximately 124 jobs and create approximately 10 new full-time jobs with an estimated hourly rate of \$25 without benefits and \$30 with benefits, and an estimated increase in assessed value from \$188,000 to approximately \$3,000,000 for the Project parcel.

Adopted this 5th day of May, 2011.



President

Attest:



Secretary

TERRE HAUTE ECONOMIC DEVELOPMENT COMMISSION
OF THE CITY OF TERRE HAUTE, INDIANA

WHEREAS, relieving conditions of unemployment and underemployment, and encouraging economic development and redevelopment of the community to reduce the evils associated with unemployment and underemployment are essential to the health, safety and welfare of the City of Terre Haute, Indiana ("Issuer") and its citizens; and

WHEREAS, the Issuer is authorized by IC 36-7-11.9 and -12 (collectively, "Act") to issue revenue bonds for the financing of economic development facilities; and

WHEREAS, the Terre Haute Redevelopment Commission has adopted a resolution pledging tax increment, to the extent available, to pay debt service on the Issuer's Taxable Economic Development Revenue Bonds of 2011 ("Bonds"); and

WHEREAS, the diversification of industry, increased investment in downtown and the increase in job opportunities to be achieved by the construction of the Project described below will be of public benefit to the health, safety and general welfare of the Issuer and its citizens;

NOW, THEREFORE, BE IT RESOLVED BY THE TERRE HAUTE ECONOMIC DEVELOPMENT COMMISSION THAT:

Section 1. It finds that the proposed financing in the aggregate amount not to exceed \$1,100,000 for the financing of certain economic development facilities in, serving or benefiting the Central Business District Urban Renewal and Tax Allocation Area, including the construction of a 33,000 square foot class A office building, together with necessary appurtenances, improvements and equipment ("Project"), presented to this meeting for 925 Wabash, LLC ("Borrower") complies with the purposes and provisions of IC 36-7-11.9 and -12 and will be of benefit to the health and welfare of the City of Terre Haute, Indiana ("City") and its citizens. The Commission further finds and determines that the promotion of diversification of economic development, the investment in downtown and an increase in job opportunities in the City is desirable to preserve the health, safety and general welfare of the citizens of the Issuer, and that it is in the public interest that the Commission and the Issuer take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer. It makes the following factual findings in support of its findings of public purpose:

(a) An estimated 124 current employees will be retained at the new facility and 10 new full-time jobs will be created;

(b) The average wages of the retained and created jobs are approximately \$25 per hour without benefits and \$30 per hour with benefits; and

(c) The assessed value of the property for property taxes will increase from approximately \$188,000 to an estimated \$3,000,000 for the Project parcel.

Section 2. The Commission hereby finds and determines that the issuance and sale of the Bonds of the Issuer in an amount not to exceed \$1,100,000 and the lending of the proceeds of the Bonds to the Borrower for the construction of the Project will serve the public purposes referred to above, in accordance with the Act.

Section 3. The financing of the economic development facilities will consist of the construction of the Project to be located at 925 Wabash Avenue in the City.

Section 4. The substantially final forms of the Loan Agreement, the Note, the Bond Purchase Agreement, the Trust Indenture, and a proposed form of Ordinance for the Common Council presented to this meeting are hereby approved.

Section 5. It has considered whether the Project will have an adverse competitive effect on any similar facilities already under construction or in operation in the City, and now makes the following special findings of fact based upon the evidence presented:

(a) No member of the public or competitor presented any evidence of substantial probative value establishing that the Project would have any adverse competitive effect in any respect; and

(b) In the absence of any evidence of substantial probative value of any adverse competitive effect, the benefits to the public from the investment in downtown, the new jobs and payroll to be generated by the Project, as well as the increase in the tax base, indicate that the Project should be supported by the issuance of economic development revenue bonds.

Section 6. The Secretary shall initial and then insert a copy of the forms of documents approved by this Resolution in the minute book of this Commission.

Section 7. A copy of this resolution and the other documents approved by this resolution and the proposed form of Ordinance shall be presented in their substantially final form by the Secretary of the Economic Development Commission to the Clerk for presentation to the Common Council.

Adopted this 5th day of May, 2011.

TERRE HAUTE ECONOMIC DEVELOPMENT
COMMISSION

By: Brad Anderson
President

Attest:

M. O. Jatu
Secretary