

RESOLUTION NO. 3363

**A RESOLUTION OF THE SOUTH BEND REDEVELOPMENT COMMISSION
PLEDGING TIF REVENUES TO PAY THE CITY'S TAXABLE ECONOMIC
DEVELOPMENT REVENUE BONDS, SERIES 2017 (EDDY ST. PHASE II)**

WHEREAS, the Redevelopment Commission (the "Commission") of the City of South Bend (the "City") exists and operates under the provisions of I.C. 36-7-14, as amended from time to time (the "Act"); and

WHEREAS, the area located within the corporate boundaries of the City formerly known as the Northeast Neighborhood Development Area and now known as the River East Development Area (the "Area"), is an area previously determined by the Commission to be a redevelopment area under the Act; and

WHEREAS, the Commission has approved of the designation and declaration of an allocation area formerly known as the Northeast Neighborhood Development Area, Allocation Area No. 1 and now known as the River East Development Area No. 1 (the "Allocation Area No. 1") to be a tax increment financing allocation area; and

WHEREAS, the Commission has designated a portion of the Area a housing allocation area formerly known as the Northeast Neighborhood Development Area, Allocation Area No. 2 and now known as the River East Development Area, Allocation Area No. 2 (the "Allocation Area No. 2") and has adopted a housing program named the Northeast Neighborhood Development Area Housing Program (the "Housing Plan") for such Allocation Area No. 2; and

WHEREAS, the Commission has previously adopted a development plan (the "Development Plan") for the Area and the Housing Plan with respect to Allocation Area No. 2; and

WHEREAS, the Development Plan and the Housing Plan have subsequently been amended and contemplate certain public improvements in support of the development project commonly known as Eddy Street Commons (the "Project") located in the Area pursuant to a certain Development Agreement dated February 15, 2008, by and among the Commission, the City's Redevelopment Authority, the City, and Kite Realty Group, L.P. (the "Developer"), as amended by the First Amendment to Development Agreement dated June 6, 2008, and the Second Amendment to Development Agreement dated December 31, 2013 (collectively, the "Phase I Development Agreement"); and

WHEREAS, Developer desires to complete phase II of the Project in Allocation Area No. 2 as a continuation of Phase I of the Project pursuant to the Housing Plan; and

WHEREAS, the Commission, the EDC and the City desire to facilitate phase II of the Project in accordance with the powers granted the Commission and the EDC under the Act and the powers granted to the EDC, the Commission and the City under the Indiana Code by undertaking public improvements and the financing thereof in accordance with a certain

Development Agreement by and among the Commission, the EDC and the Developer (the “Phase II Development Agreement”) in connection with the Developer’s development and construction of a hotel, two (2) high-density mixed-use buildings, and a new building for the Robinson Community Learning Center, three (3) residential apartment buildings and a sub-grade parking facility (collectively, the “Phase II Project”); and

WHEREAS, the City has agreed to issue its Taxable Economic Development Revenue Bonds, Series 2017 (Eddy Street Phase II) (the “Bonds”) in an amount not to exceed \$25,000,000 for the purpose of (i) financing the construction of a portion of the Phase II Project related to the Project, (ii) funding a reserve for the Bonds, and (iii) paying costs of issuance of the Bonds; and the proceeds of the Bonds will be deposited with an institutional trustee pursuant to a Trust Indenture (the “Indenture”) between the City and such trustee and disbursed to the Developer during construction of the Phase II Project, as provided for in the Phase II Development Agreement; and

WHEREAS, in order to finance the Phase II Project and facilitate completion of the Project, the Commission has determined that it is in the best interest of the City and its residents to pledge all real property tax proceeds from the assessed valuation of property in Allocation Area No. 2 in excess of the assessed valuation described in I.C. 36-7-14-39(a)(1), as such statutory provision exists on the date of issuance of the Bonds (“Pledged TIF Revenues”); and

WHEREAS, Developer has requested that the Phase II Development Agreement attached hereto be amended to permit to Developer to change organizational structure of the Developer entity named therein and avoid certain tax implications.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SOUTH BEND REDEVELOPMENT COMMISSION, THAT:

1. The Commission hereby finds that the pledge of the Pledged TIF Revenues to the payment of principal of and interest on the Bonds used to finance a portion of the Phase II Project and facilitate completion of the Project will help accomplish the Development Plan and Housing Plan for the Area and will promote the economic development of the City and the Area.

2. The Commission hereby irrevocably pledges the Pledged TIF Revenues to the payment of principal of and interest on the Bonds on parity with other Obligations payable therefrom from time to time as provided in the Indenture.

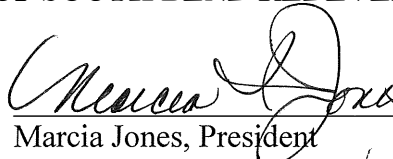
3. The Commission hereby acknowledges and agrees that it may not enter into additional obligations payable from Pledged TIF Revenues unless the Commission provides an Accountants Report (as defined in the Indenture) showing that Pledged TIF Revenues in the fiscal year immediately preceding the issuance such additional obligations were not less than one hundred fifty percent (150%) of the maximum annual interest and principal requirements of the then outstanding obligations payable from the Pledged TIF Revenues and the new obligations to be issued; provided, however, that if the Developer provides any sort of direct security for the Bonds, such additional obligations may not be issued without Developer’s consent.

4. The Commission hereby approves the Phase II Development Agreement as presented to this meeting and approves a future amendment thereof as described above, which amendment shall be approved by Counsel to the Commission and executed by the President, without additional Commission approval.

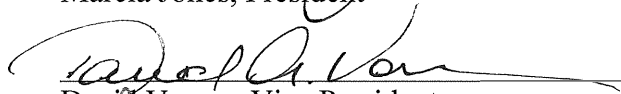
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ADOPTED this 29th day of December, 2016.

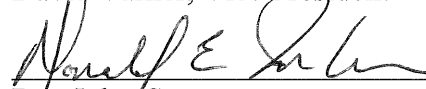
CITY OF SOUTH BEND REDEVELOPMENT COMMISSION

By: 

Marcia Jones, President



David Varner, Vice President



Don Inks, Secretary



Gavin Ferlic, Member

Gregory Downes, Member