

RESOLUTION NO. 3572

A RESOLUTION OF THE SOUTH BEND REDEVELOPMENT COMMISSION ESTABLISHING CERTAIN FUNDS AND ACCOUNTS IN CONNECTION WITH THE LEASE DATED AS OF JANUARY 1, 2023, BETWEEN THE SOUTH BEND REDEVELOPMENT COMMISSION AND THE SOUTH BEND REDEVELOPMENT AUTHORITY AND OTHER RELATED MATTERS

WHEREAS, the South Bend Redevelopment Commission (the “Commission”), the governing body of the South Bend Department of Redevelopment and the Redevelopment District of the City of South Bend, Indiana (the “District”), exists and operates under the provisions of Indiana Code 36-7-14, as amended from time to time (the “Act”); and

WHEREAS, the Commission, pursuant to declaratory resolutions previously adopted by the Commission and amended from time to time, has declared (i) a certain area of the City of South Bend (the “City”) known as the “River East Development Area” (the “River East Area”) as a redevelopment area and an allocation area under the Act and approved a redevelopment plan for the River East Area and (ii) a certain area of the City known as the “River West Development Area” (the “River West Area”) as an economic development area and an allocation area under the Act and approved an economic development plan for the River West Area; and

WHEREAS, the Commission has given consideration to undertaking local public improvement projects in the River West Area including all or any portion of the following: (i) River Bridge Connector (plus Madison) to South Bend-Notre Dame Trail which consists of Phase 3 of the trail project (the “Trail Project”) to construct a pedestrian bridge to connect the trail from the University of Notre Dame campus to the City’s downtown, and any related improvements; (ii) Linden improvements which consists of streetscape improvements in coordination with the Martin Luther King Jr. Dream Center, from College to Birdsell, including improvements for bikes and pedestrians, and any related improvements; (iii) Kennedy Park improvements which consist of natural and aquatic improvements to the existing park and any related improvements to increase accessible recreation resources on the west side of the City; (iv) South East Park improvements which consist of improvements to the park, including splashpad improvements and playground resurfacing, and any related improvements; (v) Martin Luther King Jr. Dream Center improvements which consist of exterior park redevelopment, including without limitation splashpad, playground, basketball court, other related park amenity improvements, and any related improvements; (vi) Rum Village Park Plan improvements which consist of enhancements to the historic pavilion and the Park including exterior restoration and stabilization of the fieldstones, broad arches, and courtyard, and any related improvements; and (vii) all projects related to any of the projects described in clauses (i) through and including (vi) (clauses (i) through and including (vii), collectively, the “River West Projects”); and

WHEREAS, the Commission has given consideration to undertaking additional local public improvements in the River West Area to support and provide incentives to foster the development of the Beacon Integrated Health and Lifestyle District project, said project having

been awarded up to a \$11,780,000 Regional Economic Acceleration and Development Initiative grant by the South Bend-Elkhart Regional Development Authority, which local public improvements include, without limitation, site work, construction of up to two (2) public parking garages and a skyway improvement, and any projects related to the foregoing (collectively, the “Beacon District Improvements”); and

WHEREAS, the Commission has given consideration to undertaking local public improvement projects in the River East Area including all or any portion of the following: (i) LaSalle Streetscape which consists of a road diet with a focus on bike and pedestrian improvements from Martin Luther King Boulevard to Eddy Street and any related improvements; (ii) Hill Street Trail (South Bend Avenue to LaSalle Street) which consists of Phase 2 of the Trail Project to construct a shared use path and any related improvements to improve bicycle and pedestrian facilities between the University of Notre Dame campus and the City’s downtown; (iii) South Bend Avenue (Hill Street to Notre Dame Avenue) and Hill Street Intersection which consists of Phase 1 of the Trail Project to construct a shared use path and any related improvements to improve bicycle and pedestrian facilities between the University of Notre Dame campus and the City’s downtown; (iv) Mishawaka Avenue Streetscape Improvements which consist of a road diet and improved parking from Longfellow Street to Emerson Street, storm sewer separation, and any related improvements; (v) Coquillard Splashpad which consists of upgrading the splashpad at Coquillard Park to modern health, safety, and experiential standards, and any related improvements; and (vi) all projects related to any of the projects described in clauses (i) through and including (v) (clauses (i) through and including (vi), collectively (collectively, the “River East Projects” and collectively with the River West Projects and the Beacon District Improvements, the “Projects”); and

WHEREAS, the South Bend Redevelopment Authority (the “Authority”) has been established pursuant to the applicable provisions of Indiana Code 36-7-14 as a separate body corporate and politic, and as an instrumentality of the City to finance local public improvements for lease to the Commission; and

WHEREAS, the Authority intends to lease all or a portion of Portage Avenue in the City from its intersection with Cleveland Road to its intersection with Angela Boulevard (the “Leased Premises”) to the Commission pursuant to a lease dated as of January 1, 2023 (the “Lease”), which form of Lease was heretofore approved by this Commission, the Authority and the Common Council of the City in order to provide for the financing of all or any portion of the Projects; and

WHEREAS, the Authority and the Commission have given consideration to (i) financing the cost of funding a portion of the cost of the Projects; (ii) funding a debt service reserve fund or paying the cost of a reserve surety, if necessary in connection with the issuance of the Bonds (defined herein); and (iii) paying costs incurred in connection with the issuance of the Bonds; and

WHEREAS, the Authority intends to issue bonds pursuant to IC 36-7-14.5-19 and a trust agreement (the “Trust Agreement”) between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), to be known as the “South Bend Redevelopment Authority Lease Rental Revenue Bonds of 2023” in one (1) or more series an aggregate principal amount not to exceed Sixty-nine Million Dollars (\$69,000,000) (the “Bonds”), the proceeds of which are to be used to finance all or any portion of the costs of (i) a portion of the Projects; (ii)

funding a debt service reserve fund or paying the cost of a reserve surety, if necessary, in connection with the issuance of the Bonds; and (iii) issuing the Bonds; and

WHEREAS, the Commission intends to pay rent to the Authority pursuant to the terms of the Lease, at a rate not to exceed Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) per year, in semiannual installments, with a term no longer than twenty (20) years beginning on the date the Authority acquires an interest in the Leased Premises, and ending on the day prior to a date not later than twenty (20) years after such date of acquisition by the Authority (such rent payments being referred to herein as the “Lease Rental Payments”); and

WHEREAS, it is necessary for the Commission to establish certain funds and accounts for the payment of the Lease Rental Payments owed by the Commission pursuant to the Lease; and

WHEREAS, the Commission anticipates that sufficient funds will be available to the Commission to make the required Lease Rental Payments with such funds being derived from available tax increment revenues (the “TIF Revenues”) allocated to the Commission from the River West Area and the River East Area; and

WHEREAS, because the Commission anticipates that sufficient TIF Revenues will be available to make the Lease Rental Payments, each of the River East Projects, the River West Projects, and the Beacon District Improvements does not constitute a “controlled project” as such term is defined by Indiana Code 6-1.1-20-1.1;

NOW, THEREFORE, BE IT RESOLVED, BY THIS SOUTH BEND REDEVELOPMENT COMMISSION AS FOLLOWS:

SECTION 1. The Commission hereby determines that, because the TIF Revenues are expected to be sufficient to pay the Lease Rental Payments, each of the River East Projects, the River West Projects, and the Beacon District Improvements does not constitute a “controlled project” as such term is defined by Indiana Code 6-1.1-20-1.1.

SECTION 2. The Commission agrees that it shall levy in each calendar year pursuant to Section 27 of the Act during the term of the Lease a special tax upon all of the taxable property in the District in a total amount necessary, together with all other funds (other than special taxes), including, without limitation, the TIF Revenues then on deposit in the Lease Fund (as defined herein) as of August 1 of such calendar year, to pay all Lease Rental Payments payable in the 12-month period beginning on July 1 of the year following such calendar year pursuant to Section 2 of the Lease. The Controller of the City (the “Controller”) is hereby authorized to create a fund (the “Lease Fund”) for the purpose of depositing such taxes into and such taxes and any other funds deposited in the Lease Fund shall be irrevocably pledged for the purposes set forth in this Resolution, such pledge being effective as set forth in IC 5-1-14-4 without the necessity of filing or recording this resolution or any instrument except in the records of the Commission. In addition to any amounts then on deposit in the Lease Fund, if any, the Commission may also take into account when determining whether it is necessary to levy the special tax as described herein, cash amounts available in the debt service reserve fund which may be established under the Trust Agreement to provide additional security for the Bonds, all based upon the advice and recommendation of the Controller. Notwithstanding the foregoing, the Commission expects that

the TIF Revenues will be sufficient to pay the Lease Rental Payments when due without the need for the special tax described herein.

SECTION 3. The Commission hereby authorizes and directs the President and the Secretary of the Commission to take any and all necessary actions and execute any and all necessary documents to carry out the purpose of this Resolution. This Resolution shall be in full force and effect after its adoption by the Commission.

ADOPTED at a meeting of the South Bend Redevelopment Commission held on February 9, 2023, in Room 1308, County-City Building, 227 West Jefferson Boulevard, South Bend, Indiana 46601.

SOUTH BEND REDEVELOPMENT
COMMISSION

By: _____
Marcia I. Jones, President

ATTEST:

Vivian Sallie, Secretary