

RESOLUTION NO. 3587

RESOLUTION OF THE SOUTH BEND REDEVELOPMENT
COMMISSION AUTHORIZING USE OF TIF REVENUES TO FUND
LOAN AND APPROVING SUBSTANTIALLY FINAL FORM OF
DEVELOPMENT AGREEMENT

WHEREAS, the South Bend ("City") Redevelopment Commission ("Commission") has established the River West Development Area ("Area") and the River West Development Allocation Area No. 1 ("Allocation Area") and adopted an economic development plan, as amended (collectively, as amended, "Plan") for the Area;

WHEREAS, pursuant to IC 36-7-14-11(3) and (4), the Commission has the duty to promote the use of land in the manner that best serves the interests of the City and its citizens and the duty to cooperate with the City and all departments and agencies thereof in the manner that best serves the purposes of the redevelopment statute;

WHEREAS, the Commission has determined to enter into a development agreement with Legacy25, Inc., an Indiana Nonprofit Corporation ("Legacy25" or "Borrower") and RealAmerica Development, LLC (collectively with Legacy25, "Developer"), common entities desiring to share the rights and obligations under the development agreement ("Development Agreement") for the redevelopment and development of three (3) new residential apartment buildings consisting of: (i) a new residential apartment building containing at least seventy thousand (70,000) square feet, which shall include a minimum of sixty (60) total apartment units, of which all sixty (60) apartment units will be exclusively available for tenants at eighty percent (80%) or lower of the area median income; (ii) a second new residential apartment building containing at least fifty thousand (50,000) square feet, which shall include a minimum of forty-five (45) total market-rate apartment units; and (iii) a third new residential apartment building containing at least fifty thousand (50,000) square feet, which shall include a minimum of forty-five (45) total market-rate apartment units, on certain real estate acquired by the Developer with an investment of approximately \$21,500,000 ("Development");

WHEREAS, in order to induce the Borrower to construct the Development, the Commission has determined to fund a loan to the Borrower in an amount not to exceed \$3,800,000 ("Loan") evidenced by the City's Taxable Economic Development Revenue Note, Series 2024 (Legacy25 Project) ("Series 2024 Note") to fund the construction of site work and infrastructure improvements needed to serve the Development ("Local Public Improvements");

WHEREAS, pursuant to IC 36-7-14-2.5, the planning and development of redevelopment or economic development areas such as the Area are public and governmental functions that cannot be accomplished through the ordinary operations of private enterprise because of: (i) the necessity for requiring the proper use of the land so as to best serve the interests of the City and its citizens; (ii) and the cost of the Development and the Local Public Improvements;

WHEREAS, the Commission has determined that the Local Public Improvements are included in the Plan and the use of TIF Revenues (as hereinafter defined) to finance the Local Public Improvements is an appropriate use of TIF Revenues under the Plan;

WHEREAS, the Commission has determined that the Development and the Local Public Improvements are in or physically connected to the Area and the Allocation Area;

WHEREAS, the Development will: (i) benefit the public health, safety, morals and welfare of the citizens of the City; (ii) increase the economic well-being of the City; and (iii) serve to protect and increase property values in the Area and the City, all of which are public uses and purposes for which public money may be spent;

WHEREAS, the addition of the Development within the Area will enhance revitalization efforts, increase the level and diversity of the tax base, promote economic development and bring additional residents to the Area, providing existing businesses in the Area with opportunities for growth, all of which will enhance the City's efforts to create a vibrant and active residential and business community;

WHEREAS, the City has the general corporate power to promote economic development and to make direct loans to providers of economic development facilities as defined in IC 36-7-11.9, with the loans to be secured by the pledge of a secured or unsecured debt obligation of the Borrower;

WHEREAS, funding the Loan to Legacy25 to fund the construction of the Local Public Improvements promotes the use of the land in a manner that best serves the interest of the City and its citizens, promotes significant opportunities for gainful employment and helps create significant business enterprises in the City;

WHEREAS, the Commission will use the property tax proceeds on hand and to be on hand in the allocation fund for the Allocation Area from the assessed valuation of real property in the Allocation Area in excess of the assessed valuation described in IC 36-7-14-39(b)(1) as such statutory provisions exist on the date of the issuance of the Series 2024 Note ("TIF Revenues");

WHEREAS, in order to fund the Local Public Improvements, the Commission has determined that it is in the best interest of the City and its residents to fund the Loan to the Borrower;

WHEREAS, in order to protect the integrity and long-term viability of the Development, the Commission desires to enter into the Development Agreement; and

WHEREAS, a substantially final form of Development Agreement to be entered into between the Commission and the Borrower is attached hereto and incorporated herein as Exhibit A;

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

Section 1. Public Purpose. The Commission hereby finds and determines that:

(a) promoting redevelopment and economic development in the Area is a valid corporate and public purpose for which the Commission may spend public funds;

(b) incentivizing the construction of the Development in the Area will increase the level and diversity of the tax base and enhance the Commission's efforts for revitalization of the Area, creating a vibrant and active residential and business community, all of which are of public utility and benefit to the citizens of the Area and the City; and

(c) bringing residents to the Area will assist in stabilizing existing businesses in the Area, promote new investment in the Area and improve the overall quality of the Area and the City.

Section 2. The Commission hereby finds that authorizing the use of TIF Revenues, on hand or to be on hand, junior and subordinate to any currently outstanding bonds payable from TIF Revenues and any bonds issued in the future on a parity with any currently outstanding bonds, in the maximum amount not to exceed \$3,800,000 evidenced by the Series 2024 Note to fund the Loan for the construction of the Local Public Improvements will help accomplish the Plan for the Area and will promote redevelopment and economic development of the Allocation Area, the Area and the City.

Section 3. The Commission hereby irrevocably authorizes the use of TIF Revenues to fund the Loan in an amount not to exceed \$3,800,000 to fund the cost of the Local Public Improvements, payable upon closing of the Loan.

Section 4. The Commission hereby approves the substantially final form of the Development Agreement presented to this meeting and attached hereto as Exhibit A. The President or Vice President of the Commission is hereby authorized to execute and deliver the same and the Secretary is hereby authorized to attest and deliver the same, and to approve any changes in form or substance to the Development Agreement as determined necessary or appropriate by Corporation Counsel of the City and Ice Miller LLP, as special counsel, such changes to be conclusively evidenced by execution of the Development Agreement.

Section 5. This resolution shall be effective upon passage.

Adopted January 11, 2024.

SOUTH BEND REDEVELOPMENT
COMMISSION

President

Vice President

Secretary

Member

Member

Attest:

Secretary

EXHIBIT A

Form of Development Agreement

(Attached)