

SPONSOR: DAVE WOERPEL
5TH DISTRICT COUNCILMAN

ORDINANCE NO. 9410

**ORDINANCE AUTHORIZING THE CITY OF HAMMOND, INDIANA,
TO ISSUE ITS ECONOMIC DEVELOPMENT REVENUE BONDS,
SERIES 2018 (GATEWAY PROJECTS) AND APPROVING OTHER
ACTIONS IN RESPECT THERETO**

WHEREAS, the Economic Development Commission (the “Commission”) of the City of Hammond, Indiana (the “City”), has rendered (i) its Project Report concerning the proposed financing of economic development facilities for the benefit of Kube Sports Complex LLC and Project Ice Kube Arena LLC, Indiana Limited Liability Companies or its designee (collectively, the “Project Kube Developer”), and (ii) ATG Real Estate Development LLC, an Indiana Limited Liability Company or its designee (the “Project ATG Developer”), and the Project Reports will be submitted to the City of Hammond Plan Commission for comment thereon, if any; and

WHEREAS, the Commission conducted a public hearing and adopted a resolution (the “EDC Resolution”) and the Project Reports on April 2, 2018, which EDC Resolution and Project Reports have been transmitted hereto, finding that the financing of certain economic development facilities in connection with a development to be acquired, constructed, equipped and installed by the Project Kube Developer and by the Project ATG Developer complies with the purposes and provisions of Indiana Code 36-7-11.9, Indiana Code 36-7-12 and Indiana Code 36-7-14 (collectively, “Act”) and that such financing will be of benefit to the health and welfare of the City and its citizens; and

WHEREAS, the Commission has heretofore approved and recommended the adoption of this form of Ordinance by this Common Council of the City (the “Council”), has considered the issue of adverse competitive effect and has approved the forms of and has transmitted for

approval by the Council the Financing and Covenant Agreement, the Trust Indenture and all other documents to be executed in connection therewith;

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

Section 1. It is hereby found that: (i) the financing of the economic development facilities referred to in the Financing and Covenant Agreements approved by the Commission and presented to this Council; (ii) the issuance and sale of the City's Economic Development Revenue Bonds, Series 2018 (Gateway Projects) (the "Bonds"); (iii) the use of the proceeds of the Bonds for the benefit of the Project Kube Developer and the Project ATG Developer for the acquisition, construction, equipping and installation of such facilities; (iv) the payment of the Bonds from TIF Revenues, on a parity with the Bonds Outstanding, if any (each as defined in the Trust Indenture); and (v) the securing of the Bonds under the Trust Indenture, complies with the purposes and provisions of the Act and will be of benefit to the health and welfare of the City and its citizens. The proceeds of the Bonds will be used for the financing of the economic development facilities located at 7527 Kennedy Avenue and at 2901 Carlson Drive, respectively, in the City (with exact address subject to final platting), which will consist of (i) the acquisition of approximately 2.2 acres of commercial real estate and the construction of and improvement of certain facilities including an ice hockey / entertainment / multipurpose sports complex (collectively, "Project Kube"), (ii) the construction of and improvement of certain facilities including a 36,000 square foot office building and the development of restaurant or retail space including site improvements (collectively, "Project ATG"), and (iii) other related financing costs permissible under the Act located in, or physically connected to, the Gateway Redevelopment Area, funding a debt service reserve for the Bonds, capitalized interest and costs of issuance

(collectively, “Gateway Projects”). The Council further finds, determines, ratifies and confirms that the promotion of diversification of economic development and job opportunities in and near the City, is desirable to preserve the health, safety and general welfare of the citizens of the City; and that it is in the public interest that the Commission and the City take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the City.

Section 2. At the public hearing held before the Commission, the Commission considered whether the Gateway Projects would have an adverse competitive effect on any similar facilities located in or near the City, and subsequently found, based on findings of fact set forth in the EDC Resolution transmitted hereto, that the Gateway Projects would not have an adverse competitive effect. This Council hereby confirms the findings set forth in the EDC Resolution, and concludes that the Gateway Projects will not have an adverse competitive effect on any other similar facilities in or near the City, and the facilities will be of benefit to the health and welfare of the citizens of the City.

Section 3. The substantially final forms of the Financing and Covenant Agreement between the City and each developer (each a “Financing Agreement”), the Trust Indenture and all other documents to be executed in connection therewith approved by the Commission are hereby approved (herein collectively referred to as the “Financing Agreement” referred to in the Act), and the Financing Agreement shall be incorporated herein by reference and shall be inserted in the minutes of the Council and kept on file by the Clerk. In accordance with the provisions of Indiana Code 36-1-5-4, two (2) copies of the Financing Agreement are on file in the office of the Clerk for public inspection.

Section 4. The City shall issue its Bonds in the total principal amount not to exceed \$4,800,000 maturing no later than February 1, 2042, bearing interest at a rate not to exceed six (6.00%) percent per annum. The Bonds are to be issued for the purpose of procuring funds to pay the costs of the acquisition, construction, equipping and installation of the Gateway Projects, including all necessary and incidental costs related thereto including the funding of a debt service reserve and the payment of capitalized interest, as more particularly set out in the Trust Indenture and the Financing Agreements, incorporated herein by reference, which Bonds will be payable as to principal, premium, if any, and interest from TIF Revenues, on a parity with the Bonds Outstanding, or as otherwise provided in the above described Trust Indenture. The Bonds shall be issued in fully registered form in denominations of \$5,000 and any integral in excess thereof or as otherwise provided in the Trust Indenture, and the Bonds shall be subject to optional or mandatory redemption as set forth in the Trust Indenture. Payments of principal and interest are payable in lawful money of the United States of America by check mailed or delivered to the registered owners 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.

Section 5. The Mayor and the Clerk are authorized and directed to work with J.J.B. Hilliard, W.L. Lyons LLC as underwriter or placement agent to sell the Bonds, and the distribution of a preliminary official statement or other offering material related to the Bonds and necessary for the marketing thereof (the "Official Statement") with respect to the Gateway Projects and the economic development financing is hereby approved.

Section 6. The Mayor and the Clerk are authorized and directed to execute, attest, affix or imprint by any means the City seal to the documents constituting the Financing Agreement approved herein on behalf of the City and any other document which may be

necessary or desirable prior to, on or after the date hereof to consummate or facilitate the transaction, including the Bonds authorized herein. The Mayor and the Clerk are hereby expressly authorized to approve any modifications or additions to the documents constituting the Financing Agreement which take place after the date of this Ordinance with the review and advice of counsel to the City; it being the express understanding of this Council that the Financing Agreement is in substantially final form as of the date of this Ordinance. The approval of these 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 principal amount of or term of the Bonds as approved by the Council by this Ordinance without further consideration by the Council. The signatures of the Mayor and the 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, and payment for the Bonds will be made to the Trustee named in the Trust Indenture and after such payment, the Bonds will be delivered by the Trustee to the purchasers thereof. The Bonds shall be originally dated the date of issuance and delivery thereof. Terms used herein with their initial letters capitalized which are defined in the Financing Agreement are used herein as so defined.

Section 7. The provisions of this Ordinance and the Trust Indenture 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 8. This Ordinance shall constitute official action for purposes of compliance with federal and state laws requiring governmental action as authorization for future reimbursement from the proceeds of bonds.

Section 9. This Ordinance shall be in full force and effect from and after its passage by the Common Council, signing by the President thereof, and approval by the Mayor.

Janet Venecz, President /s/

Attest:

Robert J. Golec, City Clerk /s/

PRESENTED BY ME, the undersigned City Clerk of the City of Hammond to the Mayor of said City, for his approval on the 15th day of May, 2018.

Robert J. Golec, City Clerk /s/

The foregoing Ordinance No. 9410, consisting of six (6) pages, including this page was approved by the Mayor on the 16th day of May, 2018.

Thomas M. McDermott, Jr., Mayor /s/
City of Hammond, Indiana

PASSED by the Common Council on the 14th day of May, 2018 and approved by the Mayor on the 16th day of May, 2018.

Robert J. Golec, City Clerk /s/

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