

Petitioner: _____
Planning & Development Department
Economic Development Department

Sponsor: _____
2nd District Councilman Pete Torres

RESOLUTION No. 2022- R18

A RESOLUTION OF THE HAMMOND COMMON COUNCIL APPROVING THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT AMONG THE CITY OF HAMMOND, INDIANA, THE CITY OF HAMMOND REDEVELOPMENT COMMISSION, AND NWI HOHMAN, LLC REGARDING THE BANK CALUMET BUILDING PROJECT

WHEREAS, the City of Hammond Redevelopment Commission (the "Commission"), the governing body of the Hammond Indiana Department of Redevelopment (the "Department"), pursuant to I.C. § 36-7-14-1, et seq. (the "Act"), approved and adopted a Development Agreement among the City of Hammond, Indiana, (the "City"), the Commission, and NWI Hohman, LLC (the "Developer") on May 2, 2022; and

WHEREAS, the parties have amended the Development Agreement to increase the incentive and the initial disbursement, and to provide for public parking spaces; and

WHEREAS, the Department and Commission, pursuant to the Act, believe amending the Development Agreement is in the best interest of the City and its citizens; and

WHEREAS, the Department and the Commission are requesting that the Hammond Common Council ratify and approve the First Amendment to Development Agreement;


NOW, THEREFORE, BE IT RESOLVED by the Hammond Common Council, as follows:

1. The First Amendment to Development Agreement among the City of Hammond, Indiana, the City of Hammond Redevelopment Commission, and NWI Hohman, LLC, attached hereto as Exhibit "A", is hereby in all respects approved, ratified and confirmed.

2. This Resolution shall remain in full force and effect after its adoption by the Common Council and approval by the Mayor.

HAMMOND COMMON COUNCIL


By: 
Dave Woerpel, President

ATTEST:

Robert J. Golec, City Clerk

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 November, 2022.


Robert J. Golec, City Clerk

The foregoing Resolution No. R18, consisting of two (2) typewritten pages including this page, was Approved by the Mayor on the 15th day of November, 2022.


Thomas M. McDermott, Jr.
Mayor, City of Hammond

Passed by the Common Council on the 14th day of November, 2022, and Approved by the Mayor on the 15th day of November, 2022.


Robert J. Golec, City Clerk

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (the "Amendment") is made and entered into this 15th day of November, 2022, by and among the City of Hammond, Indiana, an Indiana municipal corporation (the "City"), the City of Hammond Redevelopment Commission (the "Redevelopment Commission"), the governing body of the Hammond, Indiana Department of Redevelopment and the Redevelopment District of the City of Hammond, Indiana (the "District"), and NWI Hohman, LLC, an Indiana limited liability company (the "Developer").

WITNESSETH:

WHEREAS, on or about May 2, 2022, the parties entered into a Development Agreement which provided for various incentives to the Developer for the development of approximately 100 units of Market Rate rental apartments and approximately 10,000 sq. ft. of ground floor commercial space at 5231 Hohman Avenue, Hammond, Indiana; and

WHEREAS, circumstances have arisen where the parties desire to amend certain terms of the Development Agreement as provided herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. Paragraph G on page 2 of the Development Agreement, which states as follows:

G. The City Parties desire to induce the Developer to proceed with the Project in the City, by providing to the Developer (or an Affiliate) financial incentives, including a loan with net proceeds of \$5,000,000.00 funded through the City's sale of the hereinafter defined Bonds to be applied to the cost of the Project (the "TIF Loan"), a \$150,000.00 façade grant (the "Façade Grant") and other incentives listed in Section 1.11 of this Agreement; and

is deleted in its entirety and hereby replaced with the following:

G. The City Parties desire to induce the Developer to proceed with the Project in the City, by providing to the Developer (or an Affiliate) financial incentives, including a loan with net proceeds of \$5,750,000.00 funded through the City's sale of the hereinafter defined Bonds to be applied to the cost of the Project (the "TIF Loan"), a \$150,000.00 façade grant (the "Façade Grant") and other incentives listed in Section 1.11 of this Agreement; and

2. Section 1.11 Incentives; Issuance of Bonds - the second full paragraph on page 16 of the Development Agreement, which states as follows:

The City Parties shall further provide a TIF Loan in the aggregate amount of \$5,000,000.00 (without further fees or expenses of the City Parties). The City Parties' obligation to provide this TIF Loan and the Developer's obligation to commence construction of the Project is specifically conditioned upon the City Parties' successfully completing the bond process and closing on the sale of Bonds to finance the entire amount of the TIF Loan as specifically set forth herein. In addition to the ability of the City Parties to obtain all local government approvals required by law, the City Parties' obligation to provide the TIF Incentive is specifically conditioned upon the ability of the parties to the Bond sale to agree on the specific terms of the financing structure, including without limitation terms relating to the following: (a) size and requirement of any debt service reserve fund; (b) requirements for the issuance of additional parity bonds; (c) bond call provisions; (d) any requirements relating to capitalized interest; (e) bond interest rate, and whether such interest is taxable or tax-exempt; (f) maximum principal amount of bonds; (g) principal and interest repayment dates; (h) City's intention not to seek a bond rating; (i) no imposition of any reporting requirements by the City parties to the bondholder/lender; (j) provision by the bondholder of a "sophisticated investor letter", which will require minimum bond denominations of at least \$100,000; and (k) payment of all costs of issuance from the proceeds of the bonds.

is deleted in its entirety and hereby replaced with the following:

The City Parties shall further provide a TIF Loan in the aggregate amount of \$5,750,000.00 (without further fees or expenses of the City Parties). The City Parties' obligation to provide this TIF Loan and the Developer's obligation to commence construction of the Project is specifically conditioned upon the City Parties' successfully completing the bond process and closing on the sale of Bonds to finance the entire amount of the TIF Loan as specifically set forth herein. In addition to the ability of the City Parties to obtain all local government approvals required by law, the City Parties' obligation to provide the TIF Incentive is specifically conditioned upon the ability of the parties to the Bond sale to agree on

the specific terms of the financing structure, including without limitation terms relating to the following: (a) size and requirement of any debt service reserve fund; (b) requirements for the issuance of additional parity bonds; (c) bond call provisions; (d) any requirements relating to capitalized interest; (e) bond interest rate, and whether such interest is taxable or tax-exempt; (f) maximum principal amount of bonds; (g) principal and interest repayment dates; (h) City's intention not to seek a bond rating; (i) no imposition of any reporting requirements by the City parties to the bondholder/lender; (j) provision by the bondholder of a "sophisticated investor letter", which will require minimum bond denominations of at least \$100,000; and (k) payment of all costs of issuance from the proceeds of the bonds.

3. Section 1.11(A) on page 17 of the Development Agreement, which states as follows:

A. \$2 million will be disbursed to the Developer when the Developer has commenced construction of the Project, and the City has acquired sufficient funds from the issuance of Bonds, which the City will pursue with all deliberate speed.

is deleted in its entirety and hereby replaced with the following:

A. \$2.75 million will be disbursed to the Developer when the Developer has commenced construction of the Project, and the City has acquired sufficient funds from the issuance of Bonds, which the City will pursue with all deliberate speed.

4. Section 1.11 Incentives; Issuance of Bonds - the fifth paragraph on page 17 of the Development Agreement, which states as follows:

For each year, beginning in 2025 (2024 assessment, 2025 payment) through and including 2046 (2045 assessment, 2046 payment), Developer agrees to minimum annual property tax payment equal to the sum of (a) \$250,000 plus (b) any existing and/or future referendums (such total, the "Minimum Tax Payment"), with such Minimum Tax Payment secured by a taxpayer agreement (the "Taxpayer Agreement") which shall constitute a lien against the Project Site equal in priority to the property tax lien granted under IC 6-1.1-22-13, as permitted by IC 36-7-25-6. To evidence the TIF Loan, the City and the Developer will enter into a Loan Agreement (the "Loan Agreement") and the Developer will execute a draw note in favor of the City in an amount not to exceed \$5,000,000 ("Developer Note") along with any other security or documentation required under the Loan Agreement. The Developer Note shall provide for interest and principal payments based upon an agreed upon amortization schedule (which interest and principal payments shall be

referred to herein as “Debt Service Obligations”); provided however, that the Developer shall receive a credit each year against the Debt Service Obligations for making the Minimum Tax Payment each year. The Taxpayer Agreement shall provide additional security for any delinquent Debt Service Obligations in accordance with and as contemplated by Indiana Code 36-7-25-6.

is deleted in its entirety and hereby replaced with the following:

For each year, beginning in 2025 (2024 assessment, 2025 payment) through and including 2046 (2045 assessment, 2046 payment), Developer agrees to minimum annual property tax payment equal to the sum of (a) \$250,000 plus (b) any existing and/or future referendums (such total, the “Minimum Tax Payment”), with such Minimum Tax Payment secured by a taxpayer agreement (the “Taxpayer Agreement”) which shall constitute a lien against the Project Site equal in priority to the property tax lien granted under IC 6-1.1-22-13, as permitted by IC 36-7-25-6. To evidence the TIF Loan, the City and the Developer will enter into a Loan Agreement (the “Loan Agreement”) and the Developer will execute a draw note in favor of the City in an amount not to exceed \$5,750,000 (“Developer Note”) along with any other security or documentation required under the Loan Agreement. The Developer Note shall provide for interest and principal payments based upon an agreed upon amortization schedule (which interest and principal payments shall be referred to herein as “Debt Service Obligations”); provided however, that the Developer shall receive a full credit each year against the applicable year’s entire Debt Service Obligations for making the Minimum Tax Payment each year. The Taxpayer Agreement shall provide additional security for any delinquent Debt Service Obligations in accordance with and as contemplated by Indiana Code 36-7-25-6.

5. Section 1.11, Incentives; Issuance of Bonds - the first full paragraph on page 18 of the Development Agreement, which states as follows:

Additionally, the City Parties will provide the Parking Incentive to the Developer (or its designee) and in satisfaction thereof, subject to the completion of certain governmental processes, the City and the Developer are anticipated to enter into a lease for the City-owned land depicted on Exhibit C attached hereto as a staging location for Project construction and for parking to accommodate a minimum of 100 parking spaces for the Project’s exclusive use (the “Parking Lot(s)”) for a term set forth in the Lease Agreement, all as more particularly described in the Lease Agreement. The Parking Lot(s) will be maintained by the Developer in accordance with the Lease Agreement. Developer will also create a painted, striped, cross-walk from the Parking Lot across Fayette Street to the Project for easy connectivity for residents.

is deleted in its entirety and hereby replaced with the following:

Additionally, the City Parties will provide the Parking Incentive to the Developer (or its designee) and in satisfaction thereof, subject to the completion of certain governmental processes, the City and the Developer are anticipated to enter into a lease for the City-owned land depicted on Exhibit C attached hereto as a staging location for Project construction and for parking to accommodate a minimum of 100 parking spaces for the Project's exclusive use (the "Parking Lot(s)") for a term set forth in the Lease Agreement, all as more particularly described in the Lease Agreement. The Parking Lot(s) will be maintained by the Developer in accordance with the Lease Agreement. Developer will also create a painted, striped, cross-walk from the Parking Lot across Fayette Street to the Project for easy connectivity for residents. The parking spaces, in excess of the Parking Incentive, shall be available for the general public as contemplated by and in accordance with the Lease Agreement.

6. All other terms, conditions and covenants of the Development Agreement entered into between the parties shall remain unaltered and in full force and effect, except as herein expressly modified or supplemented thereto.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Development Agreement as of the day and year first written above.

[signature pages follow this page]

CITY OF HAMMOND, INDIANA

By: [Signature]
Thomas M. McDermott, Jr., Mayor

By: [Signature]
, Council President

ATTEST:

By: [Signature]
, Clerk

CITY OF HAMMOND
REDEVELOPMENT COMMISSION

By: [Signature]
Tony Hauprich, President

ATTEST:

By: [Signature]
Dawn Tomich, Secretary

NWI HOHMAN, LLC

By: [Signature]

Title: [Signature]