

**COMMON COUNCIL OF THE CITY OF HOBART, INDIANA**

**ORDINANCE NO. 2014-12**

**AN ORDINANCE APPROVING A LEASE  
FOR CERTAIN LOCAL PUBLIC IMPROVEMENTS BETWEEN THE  
CITY OF HOBART REDEVELOPMENT COMMISSION AND THE  
HOBART REDEVELOPMENT AUTHORITY  
AND MATTERS RELATED THERETO**

WHEREAS, the City of Hobart Redevelopment Commission (the "Commission"), governing body of the Hobart Department of Redevelopment and the Hobart Redevelopment District (the "Redevelopment 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 has previously designated and declared an area in the City of Hobart, Indiana (the "City"), known as the "61<sup>st</sup> Avenue and State Road 51 Economic Development Area" to be an economic development area and an allocation area (the "Area") for the purpose of collecting tax increment finance revenues, adopted an Economic Development Plan, and established an allocation fund for said Area all pursuant to Resolution No. 2006-04 adopted by the Commission on September 5, 2006, which area and plan have been amended from time to time; and

WHEREAS, the Commission, at a meeting on May 12, 2014, approved a proposed form of lease between the Commission and the Hobart Redevelopment Authority (the "Authority") to be dated as of June 1, 2014 (the "Lease"), for certain interests in land and local public improvements that will be located in or serve the Area including, without limitation, the local public improvements described in the Lease, a copy of which is attached hereto as Exhibit A (collectively, the "Project"), scheduled a public hearing on said Lease to be held on

May 27, 2014, pursuant to Indiana Code 36-7-14-25.2, and authorized the publication of a notice of public hearing on said Lease pursuant to Indiana Code 5-3-1; and

WHEREAS, on May 27, 2014, the Commission conducted said public hearing and all interested parties were provided the opportunity to be heard at the hearing; and

WHEREAS, the Commission, at its meeting on May 27, 2014, adopted Resolution No. 2014-3, finding, pursuant to Indiana Code 36-7-14.5-14, that the rental payments to be paid by the Commission to the Authority pursuant to said Lease, at a rate not to exceed One Million and 00/100 Dollars (\$1,000,000.00) per year, subject to reduction as set forth in the Lease, in semiannual installments beginning on the day the Project is complete and ready for use, or January 15, 2015 (or such later date as may be set forth in the Lease), whichever is later, are fair and reasonable, and finding, pursuant to Indiana Code 36-7-14-25.2, that the use of the Project throughout the term of the Lease, which term shall not exceed twenty-two (22 years) and is subject to reduction as set forth in the Lease, will serve the public purpose of the City, and is in the best interests of its residents; and

WHEREAS, said Resolution No. 2014-3 further authorized the Secretary of the Commission to file with the Common Council of the City (the "Common Council") an approving ordinance for the purposes of said Common Council's finding, prior to the Commission's execution of said Lease, that the rental payments are fair and reasonable and that the use of the Project throughout the term of said Lease will serve the public purpose of the City and is in the best interests of its residents, and for purposes of approving the Lease; and

WHEREAS, the Authority, at a meeting held on May 27, 2014, adopted Resolution No. 2014-01, which, among other things, approved the form of the Lease, authorized the President and the Secretary-Treasurer of the Authority to execute the Lease and

acknowledged that the rentals paid by the Commission pursuant to such Lease will be used by the Authority to pay the principal of and interest on the lease rental revenue bonds (the "Bonds") expected to be issued by the Authority to finance the costs of the Project and the costs related to the issuance of the Bonds; and

WHEREAS, the Common Council desires to approve said Lease, pursuant to Indiana Code 36-7-14-25.2, which provides that any lease approved by a resolution of the Commission must be approved by an ordinance of the fiscal body of the unit and the issuance of Bonds by the Authority pursuant to Indiana Code 36-7-14.5-19 and 36-7-14-25-1; and

THEREFORE, BE IT ORDAINED by the Common Council of the City of Hobart, Indiana, as follows:

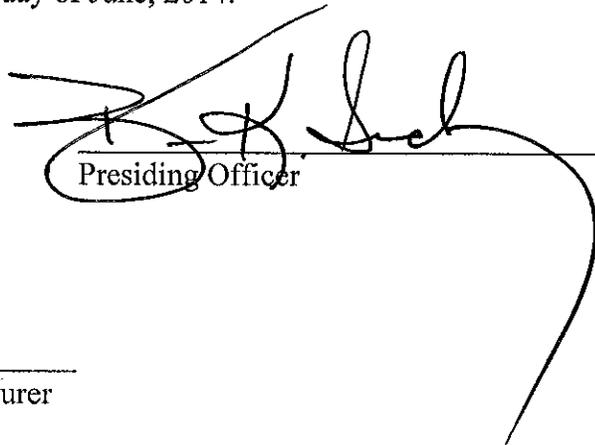
SECTION 1. The Common Council hereby finds that the rental payments, as approved by the Commission, are fair and reasonable, and further finds that the use of the Project throughout the term of the Lease will serve the public purpose of the City and is in the best interests of its residents. The Common Council further finds based upon information provided by H.J. Umbaugh and Associates, LLP, financial advisor to the City, that (i) the interest rates on the Bonds are expected not to exceed five and one-half percent (5.5%); (ii) the Authority expects to capitalize interest on the Bonds from the date of issuance of the Bonds through and including not later than February 1, 2017; and (iii) the Bonds will be subject to optional redemption by the Authority beginning on a date not later than ten (10) years from the date of issuance of the Bonds.

SECTION 2. The Common Council hereby approves said Lease, as approved by the Commission, pursuant to Indiana Code 36-7-14-25.2, in substantially the form provided at this meeting and attached hereto as Exhibit A. The Common Council hereby approves of the

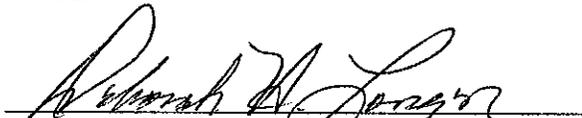
issuance of the Bonds by the Authority as described herein in an aggregate principal amount not to exceed Five Million Five Hundred Thousand and 00/100 Dollars (\$5,500,000.00).

SECTION 3. This Ordinance shall be in full force and effect from and after the time it has been adopted by the Common Council, approved by the Mayor, and otherwise executed and delivered in accordance with any and all laws pertaining thereto.

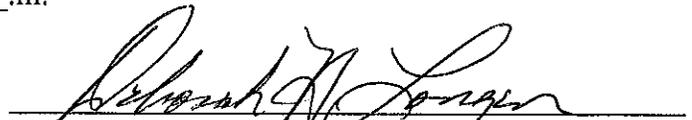
ALL OF WHICH is PASSED and ADOPTED by the Common Council of the City of Hobart, Indiana, on this 4<sup>th</sup> day of June, 2014.

  
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Presiding Officer

ATTEST:

  
\_\_\_\_\_  
DEBORAH A. LONGER, Clerk-Treasurer

PRESENTED by me to the Mayor of the City of Hobart, Indiana, on the 4<sup>th</sup> day of June, 2014, at 7:05 o'clock p. .m.

  
\_\_\_\_\_  
DEBORAH A. LONGER, Clerk-Treasurer

APPROVED, EXECUTED and RETURNED by me to the Common Council of the City of Hobart, Indiana, on the 4<sup>th</sup> day of June, 2014, at 7:05 o'clock p. .m.

  
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BRIAN K. SNEDECOR, Mayor

ATTEST:

  
\_\_\_\_\_  
DEBORAH A. LONGER, Clerk-Treasurer