

ORDINANCE NO. _____

ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF LEBANON, INDIANA, APPROVING A LEASE BETWEEN THE CITY OF LEBANON BUILDING CORPORATION AND THE LEBANON REDEVELOPMENT COMMISSION AND APPROVING OTHER MATTERS RELATED THERETO

(Public Infrastructure Project)

WHEREAS, the City of Lebanon, Indiana (the “City”) has created the Lebanon Redevelopment Commission (the “Commission”) to undertake redevelopment and economic development in the City in accordance with Indiana Code § 36-7-14 (the “Act”); and

WHEREAS, the Lebanon Public Building Corporation (the “Building Corporation”) was incorporated as an Indiana nonprofit corporation operating pursuant to Indiana Code 23-17 for the purpose of, among other things, financing buildings and other capital improvements in the City and assisting the City with redevelopment and economic development projects; and

WHEREAS, to foster continued economic development in the City, the Commission, the Building Corporation and the City desire to provide for the acquisition, construction, installation and equipping of an approximate 190,000 square foot indoor sports complex featuring eight (8) basketball/volleyball courts, two fields to support football soccer, rugby, lacrosse, baseball and softball, as well as ancillary uses such as conventions and wholesales (the “Fieldhouse Project”), together with public infrastructure improvements consisting of roads, a lift station, water mains, drainage and related improvements (the “Public Infrastructure Project”), by Card Associates Athletic Facilities, LLC (the “Developer”), to be generally located at the southeast corner of I-65 and SR39; and

WHEREAS, the Developer has requested certain incentives for the Public Infrastructure Project, including the issuance of economic development lease rental revenue bonds, and in connection therewith, the Common Council of the City (the “City Council”) will consider the issuance of its Economic Development Lease Rental Bonds (Public Infrastructure Project), in one or more series, in an aggregate principal amount not to exceed Sixteen Million Dollars (\$16,000,000) (the “Public Infrastructure Bonds”) to finance, through the loan of the proceeds thereof to the Building Corporation, all or a portion of the costs of the Public Infrastructure Project, including capitalized interest on the Public Infrastructure Bonds, a debt service reserve funded from proceeds of the Public Infrastructure Bonds or a debt service reserve surety, and costs of the issuance of the Public Infrastructure Bonds; and

WHEREAS, the payment of debt service on the proposed Public Infrastructure Bonds will be provided by lease rental payments under a lease between the Building Corporation, as lessor, and the Commission, as lessee, the form of which is attached hereto as Exhibit A and incorporated herein by reference (the “Lease”), pursuant to which Lease the Building Corporation will lease certain roads located in the City (the “Roads”) to the Commission; and

WHEREAS, the Commission preliminarily approved the form of Lease on May 9, 2022 and the date of public hearing on the proposed Lease has been set for May 31, 2022, at which the Commission will determine, (i) whether or not the lease rentals provided for under the Lease to be paid to the Building Corporation are fair and reasonable rentals, (ii) whether the service to be provided throughout the term of the Lease will serve the public purpose of the City and is in the best interest of its residents, and (iii) whether the execution of the Lease is necessary and wise, and if so found, will authorize the execution of the Lease; and

WHEREAS, the Lease provides that the rentals payable thereunder will be payable from a special benefits tax levied and collected on all taxable property in the Lebanon Redevelopment District; provided, however, the Commission reasonably expects to pay the lease rentals from any other revenues legally available to the Commission as described in the Lease; and

WHEREAS, pursuant to Indiana Code 36-7-14-25.2, any lease approved by the Commission must also be approved by the City Council; and

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

Section 1. Findings; Public Benefits. The City Council hereby finds and determines that the Public Infrastructure Project to be financed through the Lease will be of public utility and benefit in promoting economic development opportunities in the City.

Section 2. Approval of Lease. In accordance with 36-7-14-25.2, the City Council hereby approves the Lease attached hereto as Exhibit A, with such lease rentals due thereunder in an amount sufficient to pay the debt service on the Public Infrastructure Bonds, on the following conditions: (a) the maximum term of the Lease shall be twenty-six (26) years; (b) the maximum annual lease payment during the term of the Lease shall be One Million Seven Hundred Thousand Dollars (\$1,700,000); (c) the maximum rate of interest on the Public Infrastructure Bonds in connection with the Lease shall not exceed six and five-tenths percent (6.5%) per annum; (d) the Public Infrastructure Bonds may be subject to mandatory sinking fund redemption and subject to optional redemption no sooner than five (5) years after their date of issuance as established by the City, with the advice of the City's financial advisor; and (e) the proceeds of the Public Infrastructure Bonds will be used to fund construction of the Public Infrastructure Project, capitalized interest during construction, if any, fund a debt service reserve funded from proceeds of the Bonds or a debt service reserve surety, if necessary, and costs of issuance of the Bonds.

Section 3. Transfer of Roads. The City hereby approves of the transfer of its interest in the Roads to the Building Corporation. The Mayor and the Clerk-Treasurer are hereby authorized to take all such actions and execute and deliver any contract, agreement, certificate, instrument or other document, including a quitclaim deed, and to take any action as such person determines necessary or appropriate upon advice of counsel to accomplish transfer of the Roads to the Building Corporation.

Section 4. Effective Date. This ordinance shall be in full force and effect from and after its passage and execution by the Mayor.

ADOPTED this _____ day of _____, 2022.

LEBANON COMMON COUNCIL

Keith Campbell

Keith Campbell

Keith Campbell

John Copeland

John Copeland

John Copeland

Sierra Messenger

Sierra Messenger

Sierra Messenger

Morris Jones

Morris Jones

Morris Jones

Mike Kincaid

Mike Kincaid

Mike Kincaid

Dick Robertson

Dick Robertson

Dick Robertson

Brent Wheat

Brent Wheat

Brent Wheat

ATTEST:

Tonya Thayer, Clerk-Treasurer

I hereby certify that ORDINANCE 2022-__ was delivered to the Mayor of Lebanon on the ____ day of _____, 2022, at ____:____.m.

Tonya Thayer, Clerk-Treasurer

I hereby APPROVE ORDINANCE 2022-__
this ____ day of _____, 2022

I hereby VETO ORDINANCE 2022-__
this ____ day of _____, 2022

Matthew T. Gentry, Mayor

Matthew T. Gentry, Mayor

EXHIBIT A

Lease