

RESOLUTION NO. 2022-06

RESOLUTION OF THE LEBANON REDEVELOPMENT  
COMMISSION PLEDGING CERTAIN TAX INCREMENT REVENUES AND  
COVENANTING TO LEVY A SPECIAL BENEFITS TAX

(Fieldhouse Project and Public Infrastructure Project)

WHEREAS, pursuant to Indiana Code 36-7-14, as amended (the “Act”), the City of Lebanon Redevelopment Commission (the “Commission”), the governing body of the Lebanon Department of Redevelopment of the City of Lebanon, Indiana (the “City”) and the Lebanon Redevelopment District (the “District”), previously adopted and amended resolutions (collectively, the “Declaratory Resolution”) establishing and expanding an economic development area known as the “Lebanon Consolidated Economic Development Area” (the “Area”), adopted an economic development plan for the Area (as amended to date, the “Plan”), designated certain portions of the Area as “allocation areas” for purposes of Section 39 of the Act (collectively, the “Allocation Areas”) which include, among others, the Fieldhouse Allocation Area (the “Fieldhouse Allocation Area”), and created an allocation fund for the Fieldhouse Allocation Area under Section 39 of the Act (the “Allocation Fund”); and

WHEREAS, to foster economic development in the Area, the City, the Commission, the Lebanon Public Building Corporation (the “Building Corporation”) and Card Associates Athletic Facilities, LLC or its affiliates or designees (collectively, the “Developer”) 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 and include mezzanine space, weight facilities, concession space, classroom space, tenant space, and pitching and hitting tunnels, 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 including, but not limited to, a primary road, SR39 intersection signal improvements, single and dual lane roundabouts, local lift station, drainage and 8"/12" water mains (the “Public Infrastructure Project”), to be constructed by the Developer at or near the southeast corner of I-65 and SR39 in the City; and

WHEREAS, to induce Developer to complete the Fieldhouse Project and the Public Infrastructure Project (collectively, the “Projects”), the Developer has proposed that the City issue its (i) Taxable Economic Development Lease Rental Bonds, Series 2022A (Fieldhouse Project), in one or more series, in an aggregate principal amount not to exceed Thirty-Five Million Dollars (\$35,000,000) (the “Series A Bonds”), and lend the proceeds of the Series A Bonds to the Building Corporation for the purpose of paying all or a portion of the costs of the Fieldhouse Project, capitalized interest on the Series A Bonds, a debt service reserve funded from proceeds of the Series A Bonds or by purchase of a surety policy, if necessary, and costs of issuance of the Series A Bonds and (ii) Economic Development Lease Rental Bonds, Series 2022B (Public Infrastructure Project), in one or more series, in an aggregate principal amount not to exceed Sixteen Million Dollars (\$16,000,000) (the “Series B Bonds”) (Public Infrastructure Project), and lend the proceeds of the Series B Bonds to the Building Corporation for the purpose of paying all or a portion of the costs of the Public Infrastructure Project, capitalized interest on the Series B Bonds, a debt service

reserve funded from proceeds of the Series B Bonds or by the purchase of a surety policy, if necessary, and costs of issuance of the Series B Bonds; and

WHEREAS, the Series A Bonds will be payable from note payments made by the Building Corporation under a loan agreement, between the City and the Building Corporation, and the lease payments made by the Commission, as lessee, under a certain lease agreement with the Building Corporation, as lessor (the “Series A Lease”), will enable the Building Corporation to make such note payments to pay debt service on the Series A Bonds; and

WHEREAS, the Series B Bonds will be payable from note payments made by the Building Corporation under a loan agreement, between the City and the Building Corporation, and the lease payments made by the Commission, as lessee, under a certain lease agreement with the Building Corporation, as lessor (the “Series B Lease”), will enable the Building Corporation to make such note payments to pay debt service on the Series B Bonds; and

WHEREAS, the Commission will pay the lease rentals due under the Series A Lease from certain local income tax revenues distributed to the City under Indiana Code 6-3.6, as pledged by the Common Council of the City to the Commission for such lease rental payments, or at the Commission’s option, any other revenues legally available to the Commission including, but not limited to, tax increment revenues generated in the Fieldhouse Allocation Area and deposited in the Allocation Fund; and

WHEREAS, the Commission will pay the lease rentals due under the Series B Lease from a special benefits tax levied on all taxable property in the District pursuant to Indiana Code 36-7-14-27 (the “Special Benefits Tax”); however, the Commission reasonably expects to pay such lease rentals from any other revenues legally available to the Commission including, but not limited to, tax increment revenues generated in the Fieldhouse Allocation Area and deposited in the Allocation Fund; and

WHEREAS, over the term of the Series A Lease and Series B Lease, the Developer will make certain payments to the Commission including a minimum taxpayer payment (the “Developer Payments”), and such Developer Payments are expected to be used by the Commission to make lease rental payments due under each of the Series A Lease and Series B Lease; and

WHEREAS, the Commission has been advised by its municipal advisor that a debt service reserve for the Series B Bonds funded from proceeds of the Series B Bonds or by the purchase of a surety reserve policy (the “Series B Reserve”) enhances the City’s ability to market the Series B Bonds; and

WHEREAS, in connection with establishing the Series B Reserve for the Series B Bonds, the Commission has been advised by its municipal advisor that provisions need to be made to replenish the Series B Reserve on the earliest possible date following a draw on the Series B Reserve and that, to the extent the tax increment revenues generated in the Fieldhouse Allocation Area and deposited in the Allocation Fund or any other revenues of the Commission are unavailable, the Commission will need to covenant to levy the Special Benefits Tax and to maintain such levy until such time as the Series B Reserve has been replenished; and

WHEREAS, to provide for the payment of the lease rentals due under each of the Series A Lease and Series B Lease, the Commission desires to (i) pledge the tax increment revenues generated in the Fieldhouse Allocation Area and deposited in the Allocation Fund less the Commission's cost of collection and administration of such tax increment revenues (the "TIF Revenues"), to the payment of lease rentals due under each of the Series A Lease and Series B Lease; and (ii) covenant hereunder to levy the Special Benefits Tax to pay the lease rentals due under the Series B Lease and, when necessary, to replenish the Series B Reserve, to the extent TIF Revenues and any other revenues of the Commission are unavailable to pay such lease rentals or replenish the Series B Reserve;

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

Section 1. The Commission hereby finds that the pledge of the TIF Revenues to the payment of the Series A Lease and Series B Lease, for use to pay debt service due on each of the Series A Bonds and Series B Bonds, respectively, will help accomplish the Plan for the Area and promote the redevelopment and economic development of the Area.

Section 2. The lease rental payments due under the Series B Lease shall be paid from the Special Benefits Tax. The Commission hereby finds and determines that it reasonably expects to pay the lease rentals due under the Series B Lease from funds other than the Special Benefits Tax including, but not limited to, the TIF Revenues. In the event that the TIF Revenues and other revenues legally available to the Commission are insufficient, the Special Benefits Tax will be levied to pay the lease rentals due under the Series B Lease in the manner set forth below.

Each year on July 1, or when the Commission prepares its budget, the Commission shall estimate the amount of TIF Revenues and other revenues legally available to the Commission in the subsequent calendar year (the TIF Revenues and other revenues legally available, collectively, the "Available Revenues"). To the extent the estimated Available Revenues together with the funds on deposits in the Commission's allocation accounts created under Indiana Code 36-7-14-39 and the funds held under any trust indenture for the Series B Bonds (collectively, the "Funds on Deposit") are not available or are not expected to be available on the dates on which the lease rentals are due under the Series B Lease in the subsequent calendar year for which the budget is being prepared, the Commission shall annually levy the Special Benefits Tax in an amount sufficient, when combined with the Available Revenues and Funds on Deposit, to pay the lease rentals due under the Series B Lease. If the ensuing collection of the Available Revenues together with the Funds on Deposit are insufficient to pay any lease rentals when due under the Series B Lease, the Commission covenants to immediately initiate proceedings to levy the Special Benefits Tax in an amount sufficient to pay any shortfall. To the extent that funds held in the Series B Reserve are used to pay debt service on the Series B Bonds, the Commission covenants to immediately initiate proceedings to levy the Special Benefits Tax to replenish the Series B Reserve, to the extent the Available Revenues and Funds on Deposit are insufficient, and to maintain the Special Benefits Tax levy until such time as the Series B Reserve has been fully replenished.

Section 3. The Commission hereby irrevocably pledges the TIF Revenues to (i) the payment of lease rentals due under the Series A Lease for a term of years not to exceed the term of the Series A Bonds; (ii) the payment of lease rental due under the Series B Lease, on a parity basis with the Series A Lease, for a term of years not to exceed the term of the Series B Bonds; and (iii) replenish the Series B Reserve on the earliest possible date following a draw on the Series B Reserve; however, such pledge to replenish the Series B Reserve shall be junior and subordinate to the pledge of the TIF Revenues to the payment of lease rentals due under the Series A Lease and Series B Lease. There are no prior liens, encumbrances or other restrictions on the Commission's ability to pledge the TIF Revenues to the payment of the lease rentals due under the Series A Lease or Series B Lease.

Section 4. The Commission reserves the right to enter into leases or other obligations of the Commission, acting in the name of the City, payable from the TIF Revenues, in whole or in part, and entitled to the pledge of TIF Revenues on a parity with the Series A Lease and the Series B Lease in accordance with the requirements set forth below (the "Parity Obligations"), for the purpose of raising money for future local public improvements or economic development projects in, serving or benefiting the Fieldhouse Allocation Area. The authorization and issuance of such Parity Obligations shall be subject to the following conditions precedent:

(a) All rental payments due under each of the Series A Lease and the Series B Lease and all payments on any Parity Obligations payable from the TIF Revenues shall be current to date in accordance with the terms thereof, with no payment in arrears.

(b) For Parity Obligations payable from TIF Revenues without a Special Benefits Tax, or a pledge of local income taxes authorized to pay such Parity Obligations, the Commission shall have received a certificate prepared by an independent, qualified accountant or feasibility consultant ("Certifier") certifying the amount of TIF Revenues estimated to be received in each succeeding year, adjusted as provided below, which estimated amount shall be at least equal to one hundred twenty-five percent (125%) of the lease rental and debt service requirements with respect to the Series A Lease, the Series B Lease and the proposed Parity Obligations, for each respective year during the term of the Series A Lease, the Series B Lease and Parity Obligations. In estimating the TIF Revenues to be received in any future year, the Certifier shall base the calculation on assessed valuation actually assessed or estimated to be assessed as of the assessment date immediately preceding the issuance of the proposed Parity Obligations; provided, however, the Certifier shall adjust such assessed values for the current and future reductions of real property tax abatements granted to property owners in the Fieldhouse Allocation Area and the Certifier may take into account the effect of reassessment on TIF Revenues to the extent it can be reasonably estimated. If the proposed Parity Obligations are secured by a Special Benefits Tax levy, by another property tax levy, or by a pledge of local income taxes, the requirements of this paragraph need not be met.

(c) Payments on any Parity Obligations or junior obligations in the form of a lease shall be payable on February 1 and August 1 and any Parity Obligations or junior obligations in the form of a bond shall be payable semiannually in approximately equal installments on February 15 and August 15.

The Commission shall approve and confirm the findings and estimates set forth in the above described certificate in any resolution authorizing the Parity Obligations. The terms and conditions of any Parity Obligations shall be set forth in the resolution authorizing such Parity Obligations.

Section 5. Any officer of the Commission is hereby authorized and directed to enter into one or more agreements with the Developer guaranteeing the Developer Payments, in form and substance acceptable to such officers, for use as payment of the lease rentals due under each of the Series A Lease and the Series B Lease.

Section 6. The President, Vice President and Secretary of this Commission, and each of them, is hereby authorized and directed to take all such further actions and to execute all such agreements, documents, and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed to be necessary or desirable to carry out the transactions contemplated by this resolution, in such forms as the President, Vice President and Secretary executing the same shall deem proper, such necessity or desirability to be conclusively evidenced by the execution thereof.

Section 7. This resolution shall be in full force and effect from and after its adoption by the Commission.

Adopted this 13<sup>th</sup> day of June, 2022.

LEBANON REDEVELOPMENT COMMISSION

By: \_\_\_\_\_  
Corey Kutz, President

By: \_\_\_\_\_  
Dr. John Milleman, Vice President

By: \_\_\_\_\_  
Dr. Robert Taylor, Secretary

By: \_\_\_\_\_  
Dick Robertson, Member

By: \_\_\_\_\_  
Keith Campbell, Member

ATTEST:

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Tonya Thayer, Clerk-Treasurer

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