

RESOLUTION NO. 2017-02

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SPEEDWAY, INDIANA, APPROVING A LEASE AMONG THE SPEEDWAY MUNICIPAL FACILITIES BUILDING CORPORATION, AS LESSOR, AND THE TOWN OF SPEEDWAY REDEVELOPMENT COMMISSION AND WILSHAW LLC, AS LESSEES

WHEREAS, the Town of Speedway, Indiana (the "Town") has created the Town of Speedway Redevelopment Commission (the "Commission"), as the governing body for the Town of Speedway, Indiana Department of Redevelopment, pursuant to Indiana Code 36-7-14 and Indiana Code 36-7-25, each as amended (collectively, the "Act"), to undertake redevelopment and economic development in the Town; and

WHEREAS, to foster economic development in the Town, the Commission, the Town of Speedway Economic Development Commission and Wilshaw LLC (the "Developer"), entered into an Economic Development Agreement, dated as of November 9, 2016 (the "Economic Development Agreement"), with respect to the construction and equipping of a mixed-use development, including a hotel, multi-family residential and commercial/retail uses, and parking, including a two level parking facility, and other related infrastructure (collectively, the "Project"); and

WHEREAS, pursuant to the Economic Development Agreement, to provide for the financing of the acquisition, construction and leasing of the portion of the Project consisting primarily of the two level parking facility (which is defined in the Economic Development Agreement as the Parking Facilities), property acquisition, Project site development work, Project foundations and all other costs of construction of the Project (collectively, the "Parking Facilities Project"), the Commission will, in accordance with the Act, enter into a lease, as lessee, with the Speedway Municipal Facilities Building Corporation (the "Corporation"), as lessor, and the Developer (and/or any of its affiliates), as co-lessee (such lease, herein the "Lease"); and

WHEREAS, the fixed annual rentals under the Lease will be payable to the Corporation pursuant to the terms of the Lease in semiannual installments from (i) tax increment revenues generated from the Main Street Gateway Development Area #1 (the "TIF Revenues"), (ii) payments under the Developer Obligations Agreement and Third Party Guaranty (each as defined in the Economic Development Agreement) and (iii) to the extent TIF Revenues and the payments under the Developer Obligations Agreement and Third Party Guaranty are ever insufficient, from the revenues of a special benefits tax levied by the Commission pursuant to Indiana Code 36-7-14-27; and

WHEREAS, the Commission has preliminarily determined to enter into the Lease; and

WHEREAS, the Commission scheduled a public hearing regarding the Lease to be held on January 17, 2017 and has published notice of such public hearing on the Lease; and

WHEREAS, the Town Council of the Town desires to approve (subject to the Commission holding a public hearing on the Lease and the Commission approving the execution of the Lease all in accordance with the Act) the 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 the fiscal body of the unit.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SPEEDWAY, INDIANA THAT:

Section 1. The Town Council hereby finds and determines that the Parking Facilities Project to be financed through the Lease will be of public utility and benefit in promoting economic development opportunities in the Town. The Town will issue its bonds (the "Bonds") the proceeds of which will be applied to the costs of the Parking Facilities Project, including capitalized interest, funding a reserve, if necessary, and costs of issuance of the Bonds. Debt service on the Bonds will be payable from lease rentals under the Lease.

Section 2. Pursuant to Indiana Code 36-7-14-25.2, the Town Council hereby approves the Lease, with rentals thereunder in an amount sufficient to pay debt service on the Bonds.

Section 3. The maximum term of the Lease will be twenty-five (25) years.

Section 4. The estimated maximum annual lease rental under the Lease will be approximately Four Hundred Thirty Thousand Dollars (\$430,000).

Section 5. The estimated interest rates associated with the Lease and the Bonds will be 2% to 10% per annum.

Section 6. The total interest cost associated with the Lease and the Bonds, based on the above interest rates, is approximately Six Million Four Hundred Fourteen Thousand Three Hundred Thirty-Three Dollars (\$6,414,333).

Section 7. The President of the Town Council and the Clerk-Treasurer of the Town, and each of them, are hereby authorized and directed, in the name and on behalf of the Town, to execute or endorse any and all agreements, documents and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed by them, or either of them, to be necessary or desirable in order to carry out and comply with the intent, conditions and purposes of this Resolution (including the preambles hereto and the documents mentioned herein), and the entering into of the Lease by the parties thereto, and any such execution, endorsement, performance or doing of other things heretofore effected be, and hereby is, ratified and approved.

Section 8. This Resolution shall be effective as of the date of its adoption.

PASSED AND ADOPTED by the Town Council of the Town of Speedway, Indiana, this
9th day of January, 2017.

TOWN COUNCIL OF THE TOWN OF
SPEEDWAY, INDIANA


David Lindsey


Eileen Fisher


Gary Railles


Jeff Matthews


Jason DeLisle

ATTEST:


Monty W. Combs, Clerk-Treasurer

