

ECONOMIC DEVELOPMENT COMMITTEE

DATE: January 27, 2009

CALLED TO ORDER: 6:10 p.m.

ADJOURNED: 6:23 p.m.

ATTENDANCE

ATTENDING MEMBERS

Jeff Cardwell, Chair
Ed Coleman
Michael McQuillen
Mary Moriarty Adams

ABSENT MEMBERS

Jose Evans
Barbara Malone
Doris Minton-McNeill

AGENDA

PROPOSAL NO. 532, 2008 - reappoints Bradley Battin to the Indianapolis City Market Corporation Board of Directors
"Do Pass" Vote: 4-0

PROPOSAL NO. 1, 2009 - reappoints Jeffrey Congdon to the Ft. Benjamin Harrison Reuse Authority
"Do Pass" Vote: 4-0

PROPOSAL NO. 47, 2009 - a final ordinance amending and restating Special Ordinance No. 7, 2008 for GMF-Mann Village, LLC in an amount not to exceed \$15,000,000 for the purpose of refunding the outstanding multifamily housing revenue bonds which were issued to finance the acquisition, renovation and equipping of the existing 336-unit multifamily housing residential rental project known as the Mann Village Apartments (District 22)
"Do Pass" Vote: 4-0

PROPOSAL NO. 48, 2009 - a final ordinance for Crossing Partners, L.P. to restructure the existing financing of \$8,700,000 to finance the acquisition, renovation and equipping of the existing 252-unit multifamily housing residential rental project known as the Farmington Lakes Apartments (District 11)
"Do Pass" Vote: 4-0

Presentation on Ginovus – Larry Gigerich, Managing Director

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Wednesday, January 27, 2009. Chair Jeff Cardwell called the meeting to order at 6:10 p.m. with the following members present: Ed Coleman, Michael McQuillen, and Mary Moriarty Adams. Absent were Jose Evans, Barbara Malone, and Doris Minton-McNeill.

PROPOSAL NO. 532, 2008 - reappoints Bradley Battin to the Indianapolis City Market Corporation Board of Directors

Chair Cardwell stated that Mr. Battin was unable to attend the meeting, but has spoken with Mr. Battin regarding his appointment to the board. Chair Cardwell stated that Mr. Battin has made all of the attendance requirements and that he would like to continue to serve on the board.

Councillor McQuillen stated that he has known Mr. Battin for a number of years and that Mr. Battin is dedicated to the work that he does on the board.

Councillor McQuillen moved, seconded by Councillor Moriarty Adams, to send Proposal No. 532, 2008 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 4-0.

PROPOSAL NO. 1, 2009 - reappoints Jeffrey Congdon to the Ft. Benjamin Harrison Reuse Authority

Mr. Congdon stated that when he was first appointed to the board, he was asked to become the treasurer. He said that he has not missed any meetings and has enjoyed being on the board. Mr. Congdon stated that during these trying economic times, it has been hard to have any new development at Ft. Harrison, and hopes that will change. Chair Cardwell thanked Mr. Congdon for his service and the input he provides is greatly appreciated.

Councillor McQuillen moved, seconded by Councillor Moriarty Adams, to send Proposal No. 1, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 4-0.

PROPOSAL NO. 47, 2009 - a final ordinance amending and restating Special Ordinance No. 7, 2008 for GMF-Mann Village, LLC in an amount not to exceed \$15,000,000 for the purpose of refunding the outstanding multifamily housing revenue bonds which were issued to finance the acquisition, renovation and equipping of the existing 336-unit multifamily housing residential rental project known as the Mann Village Apartments (District 22)

Jim Crawford, Attorney, Kreig DeVault, and General Counsel for the Economic Development Commission (EDC), stated that he has spoken with Councillor Cockrum and he is in favor of the project. Mr. Crawford stated that the short-term bonds were originally issued to finance this project in April 2008. He said that the Council approved the ordinance in December 2008, approving up to \$15 million worth of bonds to refund the outstanding short-term indebtedness, and to finance the project on a long-term basis. Mr. Crawford stated that before the bonds could close, the financial market moved adversely to the project, and it was necessary to restructure the financing to include \$15 million, a subordinate bond piece payable out of excess cash flow. That is what this proposal does. The bonds will not be a general obligation to the City or paid for by any property tax revenues. He said that the Payment In Lieu Of Taxes (PILOT) agreement will remain in effect. Mr. Crawford stated that the EDC unanimously approved the proposal.

Chair Cardwell asked Mr. Crawford to explain the PILOT agreement. Mr. Crawford stated when a project is owned by a 501 (c) 3 entity, they have the ability under state statute to file for property tax exemptions on the bases on their charitable activities. He said that traditionally, the City has taken a position that if they are going to confer upon a project with taxes and financing, and it is a 501 (c) 3 project with lower debt service, the City does not want the property taken off the tax rolls. Mr. Crawford stated that the PILOT agreement provides payment for a portion of property taxes to cover police and fire services.

Councillor Moriarty Adams moved, seconded by Councillor McQuillen, to send Proposal No. 47, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 4-0.

PROPOSAL NO. 48, 2009 - a final ordinance for Crossing Partners, L.P. to restructure the existing financing of \$8,700,000 to finance the acquisition, renovation and equipping of the existing 252-unit multifamily housing residential rental project known as the Farmington Lakes Apartments (District 11)

Mr. Crawford stated that this project was constructed with bonds in 1996 and is located on the eastside of I-465 off of Franklin Road just south of Pendleton Pike. He said that this project is 100% affordable housing. The project has had some financial difficulty and the holder of the bonds has a pool of projects across the country that they are putting together and selling to Freddie Mac. He said as a result of that, the bonds are in the variable interest rate and need to be converted to fixed rate per the underwriting requirements at Freddie Mac. Mr. Crawford stated that the EDC approved the bonds at their January 13, 2009 meeting to approve a second supplemental loan agreement and a third supplemental adventure of trust which accomplishes the restructure of the principal amount and converting of the bonds from variable to fixed rate to allow the project to be refinanced. He said that there are no changes to the project. The project will have the same units and still maintain the affordability. Mr. Crawford stated that this project is owned by a for-profit entity and will remain on the tax rolls. Mr. Crawford stated that the bonds are not obligated by the City and not payable by the City's tax

revenues. Chair Cardwell asked if the refinancing will provide better cash flow to help maintain affordable housing in that area. Mr. Crawford answered in the affirmative.

Councillor McQuillen moved, seconded by Councillor Moriarty Adams, to send Proposal No. 48, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 4-0.

Chair Cardwell stated that the presentation on the agenda will be heard at a later date.

There being no further business, and upon motion duly made, the meeting adjourned at 6:23 p.m.

Respectfully Submitted,

JC/lw

Jeff Cardwell, Chair