

RESOLUTION 2025-03

**RESOLUTION OF THE COMMON COUNCIL OF
THE CITY OF BLOOMINGTON, INDIANA,
REGARDING ACCEPTANCE OF A TRANSFER OF PROPERTY FROM THE
MONROE COUNTY CAPITAL IMPROVEMENT BOARD,
THE EXECUTION OF A LEASE RELATING TO THE FINANCING OF
THE MONROE CONVENTION CENTER EXPANSION PROJECT,
AND PLEDGING CERTAIN REVENUES TO THE PAYMENT
OF LEASE RENTALS DUE UNDER SUCH LEASE**

WHEREAS, the Monroe County Capital Improvement Board (the "CIB"), a municipal corporation created by Monroe County, Indiana (the "County") pursuant to Indiana Code 36-10-8, owns or will own certain property as described in Exhibit A to this Resolution (the "Property"); and

WHEREAS, in furtherance of the Monroe Convention Center expansion project, the CIB desires to transfer ownership of the Property to the City of Bloomington, Indiana (the "City"); and

WHEREAS, the City desires to accept transfer of the Property from the CIB; and

WHEREAS, Indiana Code 36-1-11-8 provides that governmental entities may transfer property upon terms and conditions agreed upon by the entities as evidenced by adoption of a substantially identical resolution by each entity; and

WHEREAS, on January 22, 2025, the Common Council (the "Council") of the City adopted its Resolution No. 2025-01, which, among other things, authorized and approved the publication of a notice of public hearing concerning a lease (the "Lease") between the City of Bloomington Public Building Corporation (the "Building Corporation"), as lessor, and the City, as lessee, proposed to be entered into in connection with the financing of the acquisition, construction, installation and equipping of an expansion to the Monroe Convention Center (the "Project"); and

WHEREAS, the preliminary plans, specifications and cost estimates for the Project have been presented to the Council at this meeting, and after review, the Council desires to approve and ratify such preliminary plans, specifications and cost estimates for the Project; and

WHEREAS, the Council has previously caused to be published a notice of a public hearing on the Lease, which notice was duly published in the Bloomington Herald-Times on February 21, 2025; and

WHEREAS, the Council has held a public hearing in accordance with the provisions of Indiana Code 36-1-10-13 and the terms set forth in the notice of such public hearing previously published; and

WHEREAS, there has been presented to the Council at this meeting a proposed form of the Lease; and

WHEREAS, pursuant to the Lease, the Building Corporation will lease to the City (a) the Project, including the land upon which the Project will be located, and (b) during the period of construction of the Project, the currently existing Monroe Convention Center (the "Existing Convention Center") (which Existing Convention Center will be released from the leased premises under the Lease upon the completion of the construction of the Project); and

WHEREAS, the Council now desires to approve the terms and conditions of the Lease to provide for the acquisition, construction, installation, equipping and financing of the Project and has found and determined that the proposed form of Lease provides for a fair and reasonable rental of the property to be leased thereunder; and

WHEREAS, the County has previously acted to impose an excise tax on food and beverage furnished, prepared or served within the County pursuant to Indiana Code 6-9-41 (the "Food and Beverage Tax"); and

WHEREAS, the Council has determined to pledge those revenues generated by the Food and Beverage Tax that are allocated to the City and deposited in the Bloomington food and beverage tax receipts fund pursuant to Indiana Code 6-9-41-12 and Indiana Code 6-9-41-13 (collectively, the "Food and Beverage Tax Revenues"), to the payment of the lease rentals payments due under the Lease; and

WHEREAS, the County has previously acted to impose local income taxes on the adjusted gross income of County taxpayers pursuant to prior Indiana statutes, which statutes have been repealed and codified at Indiana Code 6-3.6 for the purpose of consolidating the provisions related to various local income tax laws; and

WHEREAS, the Council has determined to pledge the City's distributive shares of the economic development component of the County local income tax revenues pursuant to Indiana Code 6-3.6-6, as amended (the "LIT Revenues"), to the payment of the lease rental payments due under the Lease, but only to the extent that the Food and Beverage Tax Revenues are insufficient to pay such lease rental payments; and

WHEREAS, it is understood that the Council is not pledging the City's distributive shares of the certified shares component of the County local income tax revenues pursuant to Indiana Code 6-3.6-6, as amended, to the lease rental payments due under the Lease, and therefore the definition of LIT Revenues hereunder shall not include such certified shares component of the County local income tax revenues;

NOW, THEREFORE, BE IT RESOLVED, BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA, AS FOLLOWS:

1. The Council hereby accepts transfer of the Property from the CIB and the proper officers of the Council and City are hereby authorized to execute any certificates, agreements or other documents necessary to complete the transfer.
2. The Council hereby accepts and approves the preliminary plans, specifications and cost estimates for the Project presented to this meeting.
3. The Council hereby finds and determines that the Lease presented to this meeting provides for a fair and reasonable rental of the leased premises under the Lease (including (i) the Project and (ii) during construction and prior to completion of the Project, the Existing Convention Center), and further, that the execution of the Lease is necessary and in the best interests of the City.
4. The Council hereby authorizes and approves of the execution and delivery of the Lease by the Mayor of the City (the "Mayor"), as the executive of the City, and further authorizes and approves of the attestation of the Mayor's signature by the Controller of the City (the "Controller"). The Mayor and the Controller are further authorized to make such changes to the form of Lease presented to this meeting as such officers determine to be necessary or appropriate on the advice of counsel with the execution and attestation of the Lease by such officers to evidence approval of such changes; provided, however, that any such changes may not (i) increase the term of the Lease or increase the rentals payable by the City under the Lease, (ii) provide for the payment of lease rentals under the Lease from any source other than the Food and Beverage Tax Revenues or the LIT Revenues, or (iii) alter the scope and nature of the Project described in the Lease.
5. The Council hereby authorizes and directs the Controller to publish notice of the execution of the Lease as required by Indiana Code 36-1-10-13, and further authorizes and directs the Controller to keep on file in her office the Lease, as executed, and the drawings, plans, specifications and cost estimates for the Project from the date of the publication of said notice of execution.
6. The Clerk of the City (the "Clerk") is authorized and directed to initial and date a copy of the Lease, as executed, and to place it in the minute book immediately following the minutes of this meeting, and the Lease shall thereupon become a part of this Resolution as if set forth herein.

7. The Council hereby approves of the use of the Building Corporation for purposes of financing and leasing the Project to the City. The Council hereby further approves of the sale and issuance by the Building Corporation of its lease rental revenue bonds in one or more series in an aggregate principal amount not to exceed Fifty-Five Million Dollars (\$55,000,000) (the "Bonds").

8. The lease rental payments due under the Lease shall be payable from the Food and Beverage Tax Revenues and, to the extent that the Food and Beverage Tax Revenues are insufficient for such purposes, from the LIT Revenues. As of the date of this Resolution, neither the Food and Beverage Tax Revenues nor the LIT Revenues have been pledged to any other obligation. Notwithstanding the foregoing, in lieu of paying such lease rental payments to the Building Corporation, the City shall deposit with the corporate trustee for the Bonds, funds to meet the lease rental payment obligations under the Lease.

The City, in consideration of the lease of the Project, in order to secure the payment of rentals due under the Lease and the performance and observance of the covenants thereunder, hereby pledges to the Building Corporation and the holders of the Bonds, the Food and Beverage Tax Revenues and, to the extent that the Food and Beverage Tax Revenues are insufficient for such purposes, the LIT Revenues received by the City, along with any investment earnings thereon, such pledge to be effective as set forth in Indiana Code 5-1-14-4 without filing or recording of the Lease, this Resolution or any other instrument. The pledge of Food and Beverage Tax Revenues and LIT Revenues shall be effective only to the extent and for the term that the City is obligated to make rental payments under the Lease. The obligation of the City to make rental payments under the Lease is limited to the Food and Beverage Tax Revenues and the LIT Revenues, and investment earnings thereon, and shall not be considered a debt of the City for purposes of the Constitution or laws of the State of Indiana.

9. The City reserves the right to authorize and issue bonds, enter into leases or incur other obligations entitled to the pledge of Food and Beverage Tax Revenues, in whole or in part, or any combination thereof, and otherwise pledge the City's Food and Beverage Tax Revenues to secure bonds, lease rental payments or other obligations, for any legally authorized purpose, or to refund any Food and Beverage Tax Revenue Parity Obligations (as hereinafter defined), ranking on a parity with the pledge of the Food and Beverage Tax Revenues to the payment of the lease rental payments due under the Lease (such additional bonds, lease rental payments or other obligations, the "Food and Beverage Tax Revenue Parity Obligations"). The authorization and issuance of Food and Beverage Tax Revenue Parity Obligations shall be subject to the following conditions precedent:

(a) All lease rental payments due under the Lease and all payments on any outstanding Food and Beverage Tax Revenue Parity Obligations payable from Food and Beverage Tax Revenues shall be current to date in accordance with the terms thereof, with no payment in arrears.

(b) The City shall have received a certificate prepared by a certified public accountant, financial advisor or feasibility consultant certifying that the amount of the Food and Beverage Tax Revenues received in any twelve (12) consecutive month period within the prior eighteen (18) calendar months immediately preceding the date of issuance of the Food and Beverage Tax Revenue Parity Obligations proposed to be issued shall be at least equal to one hundred twenty-five percent (125%) of the combined maximum annual debt service and lease rental requirements of (i) the Lease, (ii) all then outstanding Food and Beverage Tax Revenue Parity Obligations, and (iii) the Food and Beverage Tax Revenue Parity Obligations proposed to be issued, for each respective year, during the remaining term of the Lease.

(c) Payments of any Food and Beverage Tax Revenue Parity Obligations shall be payable on dates consistent with the lease rental payment dates of the Lease.

Notwithstanding the foregoing, the City may issue obligations payable from Food and Beverage Tax Revenues on a junior and subordinate basis to the pledge of Food and Beverage Tax Revenues to the payment of the lease rental payments due under the Lease. However, any such

junior and subordinate obligations payable from Food and Beverage Tax Revenues shall be payable on dates consistent with the lease rental payment dates of the Lease.

10. The City reserves the right to authorize and issue bonds, enter into leases or incur other obligations entitled to the pledge of LIT Revenues, in whole or in part, or any combination thereof, and otherwise pledge the City's LIT Revenues to secure bonds, lease rental payments or other obligations, for any legally authorized purpose, or to refund any LIT Revenue Parity Obligations (as hereinafter defined), ranking on a parity with the pledge of the LIT Revenues to the payment of the lease rental payments due under the Lease (such additional bonds, lease rental payments or other obligations, the "LIT Revenue Parity Obligations"). The authorization and issuance of LIT Revenue Parity Obligations shall be subject to the following conditions precedent:

(a) All lease rental payments due under the Lease and all payments on any outstanding LIT Revenue Parity Obligations payable from LIT Revenues shall be current to date in accordance with the terms thereof, with no payment in arrears.

(b) The City shall have received a certificate prepared by a certified public accountant, financial advisor or feasibility consultant certifying that the amount of the LIT Revenues received in any twelve (12) consecutive month period within the prior eighteen (18) calendar months immediately preceding the date of issuance of the LIT Revenue Parity Obligations proposed to be issued shall be at least equal to one hundred fifty percent (150%) of the combined maximum annual debt service and lease rental requirements of (i) the Lease, (ii) all then outstanding LIT Revenue Parity Obligations, and (iii) the LIT Revenue Parity Obligations proposed to be issued, for each respective year, during the remaining term of the Lease.

(c) Payments of any LIT Revenue Parity Obligations shall be payable on dates consistent with the lease rental payment dates of the Lease.

Notwithstanding the foregoing, the City may issue obligations payable from LIT Revenues on a junior and subordinate basis to the pledge of LIT Revenues to the payment of the lease rental payments due under the Lease. However, any such junior and subordinate obligations payable from LIT Revenues shall be payable on dates consistent with the lease rental payment dates of the Lease.

11. Subsequent to or at the time of the sale of the Bonds, the City is hereby authorized to enter into an addendum to the Lease to reduce the semiannual rentals payable thereunder in the manner provided therein. The Mayor and the Controller of the City are hereby authorized to execute and attest, respectively, and to deliver such addendum on behalf of the City.

12. The Mayor, the Controller and the Clerk of the City, and such other officers of the City as may be necessary and appropriate, are hereby authorized to take any such actions and to execute all such instruments as may be necessary or appropriate to carry out the transactions contemplated by this Resolution, in such forms as the officers executing the same shall deem proper, to be evidenced by the execution thereof.

13. This Resolution shall be in full force and effect from and after its adoption by the Council and approval by the Mayor.

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PASSED AND ADOPTED this 5th day of March, 2025, by the Common Council of the City of Bloomington, Indiana.

COMMON COUNCIL OF THE
CITY OF BLOOMINGTON, INDIANA




Presiding Officer

ATTEST:




Nicole Bolden, City Clerk

PRESENTED to the Mayor of the City of Bloomington, Indiana, this 07 day of March, 2025, at 1:10 p.m.



Nicole Bolden, City Clerk

APPROVED by me, the Mayor of the City of Bloomington, Indiana, this 7 day of March, 2025, at 3:30 p.m.



Kerry Thomson, Mayor

Synopsis:

Resolution of the common council of the city of Bloomington, Indiana, regarding acceptance of a transfer of property from the Monroe County Capital Improvement Board, the execution of a lease relating to the financing of the Monroe Convention Center expansion project, and pledging certain revenues to the payment of lease rentals due under such lease.

Distributed to: Clerk, Controller, Council Attorney, Legal, and Mayor.

**EXHIBIT A
TO
CITY OF BLOOMINGTON COUNCIL RESOLUTION 2025-03**

**THE FOLLOWING PARCELS WILL BE TRANSFERRED TO THE CITY OF BLOOMINGTON
AND HELD BY THE CITY OF BLOOMINGTON PUBLIC BUILDING CORPORATION FOR
PURPOSES OF THE CONVENTION CENTER EXPANSION**

53-05-33-300-024.001-005; 302 S. College Ave. 47403; 013-45660-00 - CONVENTION
CENTER SQUARE PT LOT 3

53-08-04-208-003.000-009; S. College Ave. 47404; 015-56380-01 - CONVENTION CENTER
SQUARE PT LOT 3 C

53-08-04-200-166.000-009; 314 S. Walnut St. 47401; 015-02190-00 - Seminary Pt Lot 24

53-05-33-300-010.000-005; 308 S. Walnut St. 47401; 013-32420-00 - ORIG PLAT PT FRAC
LOT 22

53-08-04-200-210.000-009; S. College Ave. 47404; 015-15290-00 - Seminary Pt Lots 23 24
L24A part vacated alley

53-05-33-300-022.001-005; 302 S. Walnut St. 47408; 013-45640-00 - OUTLOT PT E1/2 22 22A

53-05-33-300-006.001-005; 301 S. College Ave. 47403; 013-45650-00 - OUTLOT W1/2 22 22B

53-08-04-200-092.000-009; W. 3rd St. 47404; 015-96650-00 - Seminary Pt 8 x 73 Lot 24 24G
part vacated alley

53-08-04-200-093.000-009; S. Walnut St. 47401; 015-39260-00 - Seminary Pt Lot 24 24B part
vacated alley

Any and all other parcels necessary for the completion of the Convention Center Expansion
Project.