ORDINANCE 83-59

TO AUTHORIZE THE CITY OF BLOOMINGTON TO ISSUE ITS "ECONOMIC DEVELOPMENT FIRST MORTGAGE REVENUE BONDS, SERIES 1983 (LARRY D. RATTS PROJECT)" AND APPROVE OTHER ACTIONS IN RESPECT THERETO

WHEREAS, The Bloomington Economic Development Commission has rendered its Project Report for the Larry D. Ratts Project regarding the financing of proposed economic development facilities for Larry D. Ratts, and the Bloomington Planning Commission has commented favorably thereon; and

WHEREAS, the Bloomington Economic Development Commission conducted a public hearing on November 16, 1983, and also adopted a resolution on November 16, 1983, which Resolution has been transmitted hereto, finding that the financing of certain economic development facilities of Larry D. Ratts for lease to L.D. Ratts, M.D. Inc. and Schell, Wren & Stauffer, Inc. complies with the purposes and provisions of I.C. §36-7-12 and that such financing will be of benefit to the health and welfare of the City of Bloomington and its citizens; and

WHEREAS, the Bloomington Economic Development Commission has heretofore approved and recommended the adoption of this form of Ordinance by this Common Council, has considered the issue of adverse competitive impact and has approved the forms of and has transmitted for approval by the Common Council the Loan Agreement, Note, Mortgage and Indenture of Trust, Leases, Conditional Assignment of Lease and Rentals and Lessee's Consents to Conditional Lease Assignment;

NOW, THEREFORE, BE IT HEREBY ORDAINED, BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. It is hereby found that the financing of the economic development facilities referred to in the Loan Agreement and Mortgage and Indenture of Trust approved by the Bloomington Economic Development Commission and presented to this Common Council, the issuance and sale of revenue bonds in the aggregate principal amount of $500,000, the loan of the proceeds of the revenue bonds to Larry D. Ratts for the acquisition and construction of such facilities for lease to L.D. Ratts, M.D. Inc. and Schell, Wren & Stauffer, Inc., under the Leases, the payment of the revenue bonds by the note payments of Larry D. Ratts under the Loan Agreement and Note, and the securing of said bonds by the mortgaging of such facilities to the Trustee under the Mortgage and Indenture of Trust complies with the purposes and provisions of I.C. §36-7-12 and will be of benefit to the health and welfare of the City of Bloomington and its citizens.

SECTION II. The facilities will consist of the construction of a 7,400 square foot medical office building located on West Second Street, just west of Bloomington Hospital, in Bloomington, Indiana.

SECTION III. It is hereby found that the above-described Project of Larry D. Ratts for lease to L.D. Ratts, M.D. Inc. and Schell, Wren & Stauffer, Inc. will not have an adverse competitive impact on other facilities of the same kind already operating in the same market area for the following reasons:

(a) After published notice of a public hearing to be held before this Commission, no competitors have made themselves known or have spoken against the proposed Project on any basis.

(b) No other facilities of this size or quality existed or were available for the Larry Ratts Medical Corporation or the Schell, Wren and Stauffer Medical Corporation to operate their medical practices in this market area.

(c) These new facilities will allow the medical corporations that will be using them to greatly enhance and improve the quality of care provided to their patients. No existing facility available in the market area of Bloomington would allow this.

(d) The medical corporations to be housed in these facilities are already established businesses in the Bloomington market area, and the construction of this facility will not inject new competition for other doctors in the area.

(e) In the absence of any evidence of any adverse competitive impact, the benefits to the public from the new jobs and payroll to be generated by the Project clearly indicate that the Project should be supported by the issuance of economic development revenue bonds.

SECTION IV. The substantially final forms of the Loan Agreement, Note and Mortgage and Indenture of Trust approved by the Bloomington Economic Development Commission are hereby approved (herein collectively referred to as the "Financing Agreement" referred to in I.C. §36-7-12), and the substantially final forms of Leases, Conditional Assignment of Lease and Rentals and Lessee's Consents to Conditional Lease Assignment approved by the Bloomington Economic Development Commission are hereby approved, and all such documents shall be incorporated herein by reference and shall be inserted in the minutes of the Common Council and kept on file by the Clerk. In accordance with the provisions of I.C. §36-1-5-4, two (2) copies of all such documents are on file in the office of the Clerk for public inspection.

SECTION V. The City of Bloomington shall issue its Economic Development First Mortgage Revenue Bonds, Series 1983 (Larry D. Ratts Project), in the total principal amount of approximately Five Hundred Thousand Dollars ($500,000) and maturing on December 1, 2003, for the purpose of procuring funds to lend to Larry D. Ratts to pay the costs of acquisition and construction of the economic development facilities as more particularly set out in the Loan Agreement and Mortgage and Indenture of Trust incorporated herein by reference, which bonds will be payable as to principal, premium, if any, and interest from the note payments made by Larry D. Ratts under the Loan Agreement and Note or as otherwise provided in the above-described Mortgage and Indenture of Trust. The bonds shall be issued in fully registered form in the denominations of $5,000 or whole multiples thereof and shall be redeemed as provided in Article III of the Mortgage and Indenture of Trust. Payments of principal and interest are payable in lawful money of the United States of America at the principal office of the Trustee or its successor in trust or by check or draft mailed or delivered to the registered owner as provided in the Mortgage and Indenture of Trust. The bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City of Bloomington or the State of Indiana nor are the bonds payable in any manner from revenues raised by taxation.

SECTION VI. The Mayor and Clerk are authorized and directed to sell such bonds to the purchasers thereof at the rate of interest on the bonds equal to 75% of the base rate announced by Merchants National Bank & Trust Company of Indianapolis at its principal office, but never to exceed 30% per annum; provided,

however, that in the event interest on the bonds becomes taxable, the interest rate shall increase to the base rate announced by Merchants National Bank & Trust Company of Indianapolis. The bonds shall be sold at a price not less than 100% of the principal amount thereof.

SECTION VII. The Mayor and Clerk are authorized and directed to execute, attest, affix or imprint by any means the City seal to the documents constituting the Financing Agreement approved herein on behalf of the City and any other document which may be necessary or desirable to consummate the transaction, including the bonds authorized herein. The Mayor and Clerk are hereby expressly authorized to approve any modifications or additions to the documents constituting the Financing Agreement which take place after the date of this Ordinance with the review and advice of the City Attorney; it being the express understanding of this Common Council that said Financing Agreement is in substantially final form as the date of this Ordinance. The approval of said modifications or additions shall be conclusively evidenced by the execution and attestation thereof and the affixing of the seal thereto or the imprinting of the seal thereon; provided, however, that no such modification or addition shall change the maximum principal amount of, interest rate on or term of the bonds as approved by the Common Council by this Ordinance without further consideration by the Common Council. The signature of the Mayor and Clerk on the bonds may be either manual or facsimile signatures. The Clerk is authorized to arrange for delivery of such bonds to the Trustee named in the Mortgage and Indenture of Trust, payment for the bonds will be made to the Trustee named in the Mortgage and Indenture of Trust and after such payment the bonds will be delivered by the Trustee to the purchasers thereof. The Mayor and Clerk shall execute and the Clerk shall deliver the bonds to the Trustee within ninety days of the adoption of this Ordinance. The bonds shall be dated as of September 1, 1983, but shall bear interest only from the date of delivery.

SECTION VIII. The provisions of this Ordinance and the Mortgage and Indenture of Trust securing the bonds shall constitute a contract binding between the City of Bloomington and the holder of the Economic Development First Mortgage Revenue Bonds, Series 1983 (Larry D. Ratts Project), and after the issuance of said bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as any of said bonds or the interest thereon remains unpaid.

SECTION IX. This Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, this 7th day of December, 1983.

Katherine Dilcher
KATHERINE DILCHER, President
Bloomington Common Council

ATTEST:

Patricia Williams
PATRICIA WILLIAMS, City Clerk

PRESENTED by me to the Mayor of the City of Bloomington, Indiana, on this 8th day of December, 1983.

Patricia Williams
PATRICIA WILLIAMS, City Clerk

SIGNED AND APPROVED by me on this 8th day of December, 1983.

Tomilea Allison
TOMILEA ALLISON, Mayor
City of Bloomington

SYNOPSIS

This Ordinance would authorize the issuance of economic development revenue bonds in the amount of $500,000 for the acquisition and construction of medical office facilities. The City has no liability for these bonds if approved.