Vote: 4-3 Failed
Motion to Suspend Rules: 6-0
Passed: 6-0

ORDINANCE 95-29

AN ORDINANCE APPROVING THE PLEDGE OF COUNTY OPTION INCOME TAX REVENUES TO THE BLOOMINGTON REDEVELOPMENT COMMISSION
(For Alternate Truck Route)

WHEREAS, the Monroe County ("County") Income Tax Council has imposed the County Option Income Tax under IC 6-3.5-6 ("COIT") at a rate of one percent (1.0%) annually on the adjusted gross income of County Taxpayers; and

WHEREAS, pursuant to the Act, the City of Bloomington ("City") is a recipient of a distributive share of the COIT ("COIT Revenues") and receives its COIT Revenues monthly from the County Auditor; and

WHEREAS, the Bloomington Redevelopment Commission ("Commission") did establish the Thomson Economic Development Area and the Adams Crossing Economic Development Area (collectively the "Areas") in the City in accordance with IC 36-7-14; and

WHEREAS, the City has determined that it is in the best interest of the City and its residents to construct an alternate truck route between Second and Allen Streets along the former Indiana Rail Road Company right-of-way and to acquire the right-of-way (the "Project") and to finance the Project by pledging COIT Revenues to the Commission to be used to repay bonds issued to finance the Project, costs of issuance, a debt service reserve, if necessary, and related expenses; and

WHEREAS, the City may determine to use legally available funds (including tax increment revenues collected in the Areas) to repay the Commission's bonds and substitute those funds for COIT Revenues pledged to the Commission; and

WHEREAS, the estimated total cost of financing the Project including a debt service reserve, if necessary, and issuance expenses, is now estimated not to exceed $1,600,000 plus investment earnings on the bond proceeds; and

WHEREAS, the City expects that the term of the Bonds (defined below) will not exceed five years and that the annual debt service on the Bonds will not exceed $400,000;

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

SECTION I. The City, in consideration of the Commission's desire to proceed with the financing of the Project and with the redevelopment and economic development of the Areas, in order to secure the payment of debt service due under the Commission's Redevelopment District County Option Income Tax Revenue Bonds of 1995 (the "Bonds"), hereby pledges COIT Revenues to the Commission for the payment of debt service due under the Bonds on a parity with the pledge of COIT Revenues to the payment of lease rental due under the Leases (as defined below).

SECTION II. The City further covenants that it will take no action (including action as a member of the Monroe County income Tax Council to rescind or repeal COIT or to take any action that would result in the City receiving a smaller distributive share of COIT than the distributive share of COIT to which it was entitled on the effective date of this ordinance. The City further covenants that it will take no action (including action as a member of the Monroe County Income Tax Council) to rescind COIT or reduce the COIT rate as long as lease rentals are payable under the Lease.

SECTION III. Except for the pledge of COIT Revenues to the payment of lease rentals under the lease agreement, dated October 2, 1990 with the Bloomington Municipal Facilities Corporation (the "BMFC") and the lease agreement, dated October 11, 1993, with the BMFC (collectively the "Leases"), the City has not pledged or otherwise encumbered its COIT Revenues, and there are no prior liens, encumbrances, or other restrictions on the COIT Revenues or on the City's ability to pledge COIT Revenues to the Commission.

SECTION IV. The City reserves the right to enter into leases or other obligations entitled to the pledge of COIT Revenues on a parity with the Bonds and the Leases in accordance with the requirements set forth below ("Parity Obligations") for the purpose of raising money for future projects in the City. The authorization and issuance of Parity Obligations shall be subject to the following conditions precedent:

a) All rental payments due under the Bonds and the Lease and all payments on any Parity Obligations payable from COIT Revenues shall be current to date in accordance with the terms thereof, with no payment in arrears;

b) For Parity Obligations payable from COIT Revenues, the City shall have received a certificate prepared by an independent, qualified accountant or feasibility consultant certifying the amount of the COIT Revenues estimated to be received in each succeeding year, adjusted as provided, below, shall be at least equal to one hundred twenty-five percent (125%) of the lease rental and debt service requirements with respect to the outstanding Leases, the Bonds and Parity Obligations and the proposed Parity Obligations, for each respective year during the term of the outstanding Lease, Bonds and Parity Obligations. The City shall approve and confirm the figures and estimates set forth in the above-described certificate in any resolution or ordinance authorizing the Parity Obligations.

c) Payments of any Parity Obligations or junior obligations shall be payable semiannually on January 15 and July 15. The terms and conditions of any Parity Obligations shall be set forth in the resolution or ordinance authorizing such Parity Obligations.

SECTION V. This ordinance shall be in full force and effect immediately upon its passage and signing by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 5th day of July, 1995.

Iris Kiesling

IRIS KIESLING, President
Bloomington Common Council

ATTEST:

Patricia Williams

PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to Mayor of the City of Bloomington, Monroe County, Indiana, upon this 6th day of July, 1995.

Patricia Williams

PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED AND APPROVED by me upon this 6th day of July, 1995.

Tomilea Allison

TOMILEA ALLISON, Mayor
City of Bloomington

Synopsis

This ordinance pledges County Option Income Tax Revenues to the Bloomington Redevelopment Commission for the purpose of paying debt service on bonds issued to finance the construction of an alternate truck route between Second and Allen Streets along the former Indiana Railroad Company right of way and for right of way acquisition. The ordinance also allows other revenues, including TIF revenues, to be used to repay the bonds. The bonds will be in an amount not to exceed $1,600,000 and will be on a parity with the pledge of COIT Revenues to the outstanding leases for the Showers City Hall and the Headquarters Fire Station.

Signed copies to:
Redevelopment
Controller - 2 certified
City Legal
Brad U.