

RESOLUTION 80-8

To Increase the Amount of the Inducement Resolution for Issuance of Revenue Bonds for the Financing of Economic Development Bonds for the I.U. Retirement Community.

WHEREAS, the City of Bloomington, Indiana (the "City") pursuant to IC 18-6-4.5 (the "Act") did on May 3, 1979 adopt Resolution 79-13, an inducement resolution for the issuance of revenue bonds in an amount of approximately \$9,000,000 to apply on the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of such facilities for Indiana University Retirement Community, Inc. (the "Company"); and

WHEREAS, the Company has now advised the Bloomington Economic Development Commission and the City that it proposes that the City increase the amount of such revenue bonds from \$9,000,000 to approximately \$16,000,000 to fund increased construction costs for the same economic development facilities, interest costs for the construction period plus one year and a debt service reserve fund; and

WHEREAS, the diversification of economic development and increase in job opportunities (approximately 115 new jobs) to be achieved by the acquisition, construction and equipping of the Project continues to be of public benefit to the health, safety and general welfare of the City of Bloomington and its citizens;

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

It ratifies and confirms in all respects its findings in the inducement resolution numbered Resolution 79-13 and dated May 3, 1979, and attached hereto as Exhibit A, and by the terms hereof increases the amount of principal of the revenue bonds to be issued pursuant thereto from \$9,000,000 to \$16,000,000.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this 20th day of March, 1980.

Tomilea Allison
Tomilea Allison, President
Bloomington Common Council

SIGNED and APPROVED by me upon this 24th day of March, 1980.

ATTEST:

Nora M. Connors
Nora M. Connors, City Clerk

Francis X. McCloskey
Francis X. McCloskey, Mayor
City of Bloomington

SYNOPSIS

On May 3, 1979 the Council adopted an inducement resolution for the issuance of revenue bonds for the financing of Economic Development bonds for the I.U. Retirement Community in the amount of \$9 million. I.U. Retirement Community, Inc. is asking that this amount be raised to \$16 million because of escalating construction costs, changes in the bond market and other reasons. The EDC has approved this increase and the City has no liability or responsibility for these bonds if they are approved.

[Handwritten mark]

6 March 1980

Mr. William J. Finch
P.O. Box 100
Bloomington, IN 47401

Ms Francie C. Komoroske
P.O. Box 100
Bloomington, IN 47401

Re: City of Bloomington - Indiana University Retirement Community, Inc.

Dear Mr. Finch & Ms Komoroske:

As noted in Bruce Polizotto's letter of 29 February 1980, the Indiana University Retirement Community, Inc. requests approval to increase the total amount of the bond issue from \$9,000,000 to \$16,000,000.

The reasons necessitating this increase are as follows:

1. Construction costs for the development of MEADOWOOD have increased from \$9,700,000 to \$10,600,000 during the period since the inducement resolutions were first approved by the City of Bloomington and Bloomington Economic Development Commission.
2. The structure for MEADOWOOD's financing originally called for a bond issue to cover 70% of the construction and certain project costs. Representatives of Ziegler Securities, Inc., the project's bond underwriting firm, have stated their willingness and preference to underwrite the full cost of construction and related project costs. The Directors of the Indiana University Retirement Community, Inc. concur that this approach will further assure MEADOWOOD's financial soundness.
3. The bond issue will include a restricted debt service reserve fund of approximately \$1,900,000 which lends further support to the financial stability of the project and provides additional security for the bond holders.

It is hoped that this information is sufficient to justify approval of the requested increase in the total dollar amount of the bond issue.

If you have questions or need further information, please inform Mr. Spittler or me.

Sincerely yours,

Harry G. Day
Harry G. Day
President of the Board

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~~CONFIDENTIAL~~ Project Coordinator, Charles Hagen, Jr., Bruce Polizotto

Meadowood



Retirement Community, Inc.
300 N. Milo B. Simpson Lane, Bloomington, Indiana 47401 (317) 336-7010