

CITY OF BLOOMINGTON
MONROE COUNTY, INDIANA

RESOLUTION 79-40

AN INDUCEMENT RESOLUTION GIVING PRELIMINARY APPROVAL TO THE PROPOSED FINANCING OF A K mart STORE PROJECT AS AN ECONOMIC DEVELOPMENT PROJECT.

(Phase I — K mart Project)

WHEREAS, there presently exists in and around the City of Bloomington and in the County of Monroe, Indiana, a need for the financing of a certain economic development facility in said County as authorized by the Indiana Code of 1971, Sections 18-6-4.5-1 et seq. (the "Code"); and

WHEREAS, the Common Council of the City of Bloomington heretofore created a Commission for economic development, which is known as The Bloomington Economic Development Commission, and said Commission by an Inducement Resolution previously duly adopted, found that the proposed K mart Corporation store facilities (the "Phase I - K mart Project") will not have an adverse competitive effect on similar facilities already constructed and operating in the County and the City, that it is to the benefit of the County of Monroe and the City of Bloomington to promote employment opportunities and diversification of business by inducing the K mart Corporation to locate its department store facilities in the County of Monroe near the City of Bloomington, and that to achieve this end, it is proposed that the acquisition and construction of said facilities to be developed by Bloomington Square Associates, the Investor Developer, should be financed by the issuance of a concurrent Interim Construction Loan Note in the approximate amount of \$3,300,000, and long-term permanent Economic Development First Mortgage Revenue Bonds, K mart Corporation — Tenant and Guarantor, in the approximate aggregate principal amount of \$3,300,000, with the total obligations to be issued and outstanding initially by the City for said Phase I - K mart Project to be a total of approximately \$6,600,000, and, at the end of an approximate one (1) year construction period, to then be only a total of approximately \$3,300,000, this being equal to the amount of said long term permanent Economic Development First Mortgage Revenue Bonds; and

WHEREAS, the Investor Developer for this Project, Bloomington Square Associates, has agreed to enter into an "In Lieu of Annexation Agreement" with the City; and

WHEREAS, it is necessary that the Common Council of the City of Bloomington preliminarily find by written resolution that the proposed financing will be of benefit to the welfare of the County and the City and therefore that the Interim Construction Loan Note and the Economic Development First Mortgage Revenue Bonds, K mart Corporation Tenant and Guarantor, should be issued.

NOW THEREFORE, BE IT RESOLVED, by the Common Council of the City of Bloomington, Indiana, as follows:

Section 1. That, assuming that all planning, zoning and other applicable laws and regulations of the City will be complied with by the Investor Developer, the Common Council of the City of Bloomington hereby finds that the proposed financing of the Bloomington Square Associates - K mart Corporation store facilities (the "Phase I - K mart Project") to be located within the County of Monroe near the City of Bloomington substantially in accordance with the Economic Development Facilities Report by Zappala & Company, Inc., of Pittsburgh, Pennsylvania, entitled "Presentation to The Economic Development Commission of Bloomington, Indiana", through the issuance of a concurrent approximate \$3,300,000 Interim Construction Loan Note and long-term permanent approximate \$3,300,000 of Economic Development First Mortgage Revenue Bonds, K mart Corporation - Tenant and Guarantor, by the City of Bloomington, will be of benefit to the economic health and welfare of the County of Monroe and the City of Bloomington, and that the Common Council of the City of Bloomington hereby adopts such a resolution preliminarily approving of the concurrent issuance in the near future of said Interim Construction Loan Note and said long-term permanent Economic Development First Mortgage Revenue Bonds, K mart Corporation - Tenant and Guarantor, by the City of Bloomington.

Section 2. That the Common Council of the City of Bloomington directs that the Mayor and the City Clerk of the City of Bloomington be, and they hereby are, fully empowered, authorized and directed to do and perform all acts that may subsequently be necessary and expedient to prepare for the issuance at a later date

of said Interim Construction Loan Note and said long term permanent Economic Development First Mortgage Revenue Bonds, K mart Corporation - Tenant and Guarantor, under terms which will be mutually satisfactory to all parties, for the purpose of financing the construction of said facilities for the Bloomington Square Associates - K mart Corporation Store Project in the County.

Section 3. That nothing in this Resolution nor in the subsequent financing contract and bond purchase proposal to be presented at a later date shall be deemed to authorize a pledge of the general credit or the taxing power of the City or the County, and any obligations issued in furtherance of this Inducement Resolution shall be payable only out of revenues derived from said Project.

Section 4. That Bloomington Square Associates has agreed to pay any and all costs incurred by the City and/or the County in connection with said Project whether or not said Project is carried to completion.

Section 5. That this Inducement Resolution be in full force and effect immediately after its passage in the manner prescribed by law.

Passed in the Common Council this November 15, 1979.

Approved and signed by me on this November 15, 1979.

CITY OF BLOOMINGTON, INDIANA

By Tomilea Allison
Tomilea Allison, President
Bloomington Common Council

(CITY SEAL)

Attest:

Angie Evans
City Clerk

SIGNED and APPROVED by me upon this 20th day of November, 1979.

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

SYNOPSIS

IC 18-6-4.5 authorizes the City of Bloomington to issue revenue bonds for the financing of economic development facilities. Bloomington Square Associates wants to construct a K-Mart Store on Whitehall Pike. This resolution states that if all necessary statutory, planning, legal and financial requirements are met then the Council will pass an ordinance authorizing the issuance of bonds for construction of the store in the amount of \$1,900,000 for both phases. This resolution approves phase one. The City has no liability for the bonds if approved.

C E R T I F I C A T E

I, the undersigned, City Clerk of the City of Bloomington, Monroe County, Indiana, do hereby certify that the foregoing and attached is a true and correct copy of a Resolution of said City which was duly enacted by the affirmative vote of a majority of a quorum of the members of the Common Council of said City at a meeting thereof duly called and held on November 15, 1979, with said members voting in the following manner:

COMMON COUNCIL

VOTE

Tomilea Allison, President
Clem Blume
Patricia Kinzer
Tom Middleton
Jack Morrison
Lloyd Olcott
John Richardson
Al Towell
Howard Young

YES
NO
NO
YES
YES
YES
YES
YES
YES
ABSENT

I hereby further certify that said Resolution has not been amended, modified or rescinded and is still in full force and effect.

WITNESS my hand and the seal of the City of Bloomington this November 16, 1979.

CITY OF BLOOMINGTON, INDIANA

By *Maell Burns*
City Clerk

(CITY SEAL)