

**RESOLUTION 18-27**

**PRELIMINARY APPROVAL TO ISSUE ECONOMIC DEVELOPMENT BONDS AND  
LEND THE PROCEEDS FOR THE RENOVATION OF AFFORDABLE HOUSING  
- Re: Canterbury House Apartments, 540 S. Basswood Drive  
(Herman & Kittle Properties, Inc., Petitioner)**

WHEREAS, the City of Bloomington, Indiana (the "Issuer"), is authorized by IC 36-7-11.9 and 12 (collectively, the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, renovation, improvement and equipping of said facilities, and said facilities to be either sold or leased to a company or directly owned by a company; and

WHEREAS, Herman & Kittle Properties, Inc., an Indiana corporation, on behalf of itself or a to-be-formed Indiana limited partnership or limited liability company (the "Applicant"), has advised the Bloomington Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer lend proceeds of an economic development financing to the Applicant for the acquisition, renovation, improvement and equipping of a multifamily housing facility consisting of an apartment complex known as Canterbury House, containing approximately 208 apartment units, together with functionally related and subordinate facilities such as carports, garages and parking areas, located at 540 S. Basswood Drive in the City of Bloomington, Indiana (the "Project"); and

WHEREAS, on November 21, 2018, the Commission unanimously voted in support of Herman & Kittle Properties, Inc., to proceed with its application and to pursue issuing bonds as memorialized in Commission Resolution 18-05; and

WHEREAS, the diversification of industry and increase in or retention of job opportunities (approximately 5 existing jobs to be retained) to be achieved by the acquisition, renovation, improvement and equipping of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, the Common Council has considered whether the Project will have an adverse competitive effect on any similar facility already constructed or operating in Bloomington, Indiana;

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

SECTION 1. The Common Council of the City of Bloomington, Indiana, finds, determines, ratifies and confirms that the promotion of diversification of economic development and job opportunities in and near Bloomington, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer; and that it is in the public interest that the Commission and the Issuer take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.

SECTION 2. The Common Council of the City of Bloomington, Indiana, approves, determines, ratifies and confirms that the issuance and sale of economic development revenue bonds in an amount not to exceed \$26,000,000 under the Act for the lending of the proceeds of the revenue bonds to the Applicant, for the acquisition, renovation, improvement and equipping of the Project will serve the public purposes referred to above, in accordance with the Act.

SECTION 3. In order to induce the Applicant to proceed with the acquisition, renovation, improvement and equipping of the Project, and subject to the further final approval of the Common Council of the City of Bloomington, Indiana, the Common Council of the City of Bloomington, Indiana, hereby approves, determines, ratifies and confirms that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing, or as it may deem appropriate in pursuance thereof; and (ii) it will adopt such ordinances and resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds; and that the aforementioned purposes comply

with the provisions of the Act; and (iii) it will use its best efforts at the request of Applicant to authorize the issuance of additional bonds for refunding and refinancing the outstanding principal amount of the bonds, for completion of the Project and for additions to the Project, including the costs of issuance (providing that the financing of such addition or additions to the Project is found to have a public purpose at the time of authorization of such additional bonds), and that the aforementioned purposes comply with the provisions of the Act; provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant.

SECTION 4. All costs of the Project incurred after the date permitted by applicable federal tax and state laws, including reimbursement or repayment to the Applicant of moneys expended by the Applicant for planning, engineering, a portion of the interest paid during acquisition, improvement and equipping, underwriting expenses, attorney and bond counsel fees, acquisition, improvement and equipping of the Project will be permitted to be included as part of the bond issue to finance the Project, and the Issuer will lend the proceeds from the sale of the bonds to the Applicant for the same purposes. Also, certain indirect expenses, including but not limited to, planning, architectural work and engineering incurred prior to this inducement resolution will be permitted to be included as part of the bond issue to finance the Project.


SECTION 5. This resolution shall constitute "official action" for purposes of compliance with federal and state laws requiring governmental action as authorization for future reimbursement from the proceeds of bonds, particularly Treas. Reg. 1.150-2.

SECTION 6. If any section, sentence or provision of this resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions or applications of this resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.


PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this 19<sup>th</sup> day of December, 2018.

  
DOROTHY GRANGER, President  
Bloomington Common Council

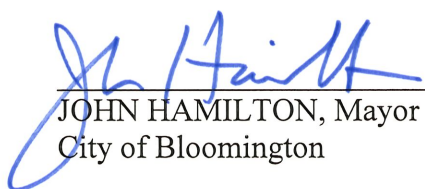
ATTEST:

  
NICOLE BOLDEN, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 20<sup>th</sup> day of December, 2018.

  
NICOLE BOLDEN, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this 20<sup>th</sup> day of December, 2018.

  
JOHN HAMILTON, Mayor  
City of Bloomington

## SYNOPSIS

Resolution 18-27 is for Preliminary Approval for the City of Bloomington to Issue Economic Development Revenue Bonds pursuant to Indiana Code 36-7-11.9 and 36-7-12 in an amount not to exceed twenty-six million dollars (\$26,000,000.00). The City would lend the funds from this Economic Development Revenue Bond to Herman and Kittle and its limited partner for the rehabilitation and renovation of the affordable housing development currently known as Canterbury House at 540 S Basswood Drive. Herman and Kittle and its partners would fully indemnify the City and take fully responsibility for payment of the bond – the City would bear no cost. As part of the renovation, the development would become all affordable housing. This Resolution is only the first step in the process, which will allow Herman and Kittle to apply for Indiana Community Housing Development Authority tax credits that will make this project possible.