

FILED

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CITY CLERK

SPECIAL ORDINANCE NO. 5, 2015

AN ORDINANCE AUTHORIZING THE CITY OF TERRE HAUTE, INDIANA TO ISSUE ITS "TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2015 (DEMING CENTER PROJECT)" AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO.

WHEREAS, the Terre Haute Economic Development Commission ("Commission") has rendered its Project Report regarding the financing of proposed economic development facilities by Deming Renaissance, LLC ("Company") and the Project Report will be submitted to the Vigo County Area Plan Commission for comment thereon; and

WHEREAS, the Commission conducted a public hearing on February 12, 2015 and adopted a resolution and Project Report, which resolution and Project Report have been transmitted hereto, finding that the financing of certain economic development facilities, including the rehabilitation of an eight-story apartment building with first floor commercial space and construction of related infrastructure, together with all related improvements, appurtenances and equipment, to be constructed by the Company ("Projects"), complies with the purposes and provisions of IC 36-7-11.9 and -12 and that such financing will be of benefit to the health and welfare of the City of Terre Haute, Indiana ("City" or "Issuer") and its citizens; and

WHEREAS, the Commission has heretofore approved and recommended the adoption of this form of ordinance by this Common Council, has considered the issue of adverse competitive effect and has approved the forms of and has transmitted for approval by the Common Council the Financing and Covenant Agreement ("Financing Agreement"), the Bond Purchase Agreement ("Purchase Agreement") and the Trust Indenture ("Indenture");

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF TERRE HAUTE, INDIANA, THAT:

Section 1. It is hereby found that: (i) the financing of the Projects referred to in the Financing Agreement approved by the Commission and presented to this Common Council; (ii) the issuance and sale of the City's Taxable Economic Development Revenue Bonds, Series 2015 (Deming Center Project) ("Bonds"); (iii) providing the proceeds of the Bonds to the Company for the construction of the Projects; (iv) the payment of the Bonds from TIF Revenues, junior and subordinate to the Outstanding Obligations (each as defined in the Indenture); and (v) the securing of the Bonds under the Indenture, complies with the purposes and provisions of IC 36-7-11.9 and -12 (collectively, "Act") and will be of benefit to the health and welfare of the City and its citizens. The proceeds of the Bonds will be used for financing a portion of the construction and equipping of the Projects, in or physically connected to the Central Business District Urban Renewal and Tax Allocation Area located in the City and to pay costs of issuance of the Bonds. The Common Council further finds, determines, ratifies and confirms that the promotion of economic development, the reinvestment in downtown facilities and the creation of job opportunities in and near the City is desirable to preserve the health, safety and general

welfare of the citizens of the City and that it is in the public interest that the Commission and the City take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the City.

Section 2. The substantially final forms of the Financing Agreement, the Indenture and the Purchase Agreement approved by the Commission are hereby approved (herein collectively referred to as the "Financing Documents," referred to in the Act), and the Financing 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 IC 36-1-5-4, two (2) copies of the Financing Documents are on file in the office of the Clerk for public inspection.

Section 3. The City may issue its Bonds, maturing no later than February 1, 2030, in the aggregate principal amount not to exceed \$1,400,000. The Bonds are to be issued for the purpose of procuring funds to pay a portion of the costs of financing the Projects, all as more particularly set out in the Indenture and the Financing Documents, incorporated herein by reference, which Bonds will be payable as to principal, premium, if any, and interest from TIF Revenues, junior and subordinate to the Outstanding Obligations, pursuant to the Financing Documents or as otherwise provided in the Indenture. The Bonds shall be issued in fully registered form in denominations of \$1,000 and any integral multiples thereof or as provided in the Indenture, payable semiannually on February 1 and August 1. The Bonds shall be subject to optional redemption prior to maturity at the option of the City, on any date, upon thirty (30) days' written notice, at face value, plus in each case accrued interest to the date fixed for redemption, with no premium, as further provided in the Indenture. The Bonds may be issued as term bonds subject to mandatory sinking fund redemption. Payments on the Bonds are payable in lawful money of the United States of America by check mailed or delivered to the registered owners or by wire transfer as provided in the Indenture. The Bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City nor are the Bonds payable in any manner from revenues raised by taxation, except for TIF Revenues, as described in the Indenture.

Section 4. The Mayor and the Controller are authorized and directed to sell the Bonds to the bond purchaser thereof at a price not less than 100% of the par value thereof. The Bonds shall bear interest at a rate not to exceed 5%.

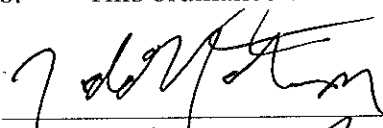
Section 5. The Bonds may be both purchased by the bond purchaser in installments and drawn down by the Company in installments (subject to the Internal Revenue Code).

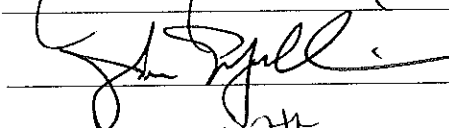
Section 6. The Mayor and the Controller are authorized and directed to execute, attest, affix or imprint by any means the City seal to the documents constituting the Financing Documents approved herein on behalf of the City and any other document which may be necessary or desirable to consummate the transaction, including the Bonds authorized herein. The Mayor and the Controller are hereby expressly authorized to approve any modifications or additions to the documents constituting the Financing Documents which take place after the date of this ordinance with the review and advice of the counsel; it being the express understanding of this Common Council that the terms of the Financing Documents are in substantially final form

as of 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 issuance amount or maturity 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 signatures of the Mayor and the Controller on the Bonds may be either manual or facsimile signatures. The Controller is authorized to arrange for delivery of such Bonds to the trustee named in the Indenture. Payment for the Bonds will be made to the trustee named in the Indenture, and after such payment the Bonds will be delivered by the Trustee to the purchasers thereof. The Bonds shall be originally dated as of the issue date.

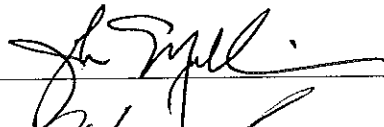
Section 7. The provisions of this ordinance and the Indenture securing the Bonds shall constitute a contract binding between the City and the holders of the Bonds, and after the issuance of the Bonds, this ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as the Bonds or the interest thereon remains unpaid.

Section 8. This ordinance shall be in full force and effect from and after its passage.

Introduced by:  Todd Nation, Councilman


 John Mullican, Councilman

Passed in open Council this 12th day of FEBRUARY, 2015.

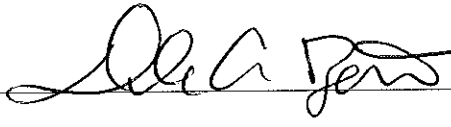
 John Mullican, President

ATTEST:  Charles P. Hanley, City Clerk

Presented by me to the Mayor this 13th day of FEBRUARY, 2015.

 Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 13th day of FEBRUARY, 2015.

 Duke A. Bennett, Mayor

ATTEST:  Charles P. Hanley, City Clerk

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FEB 05 2015

THE DEMING CENTER 615 CHERRY STREET TERRE HAUTE INDIANA 47807

CITY CLERK

THE DEMING CENTER

Rehabilitation by Core Redevelopment

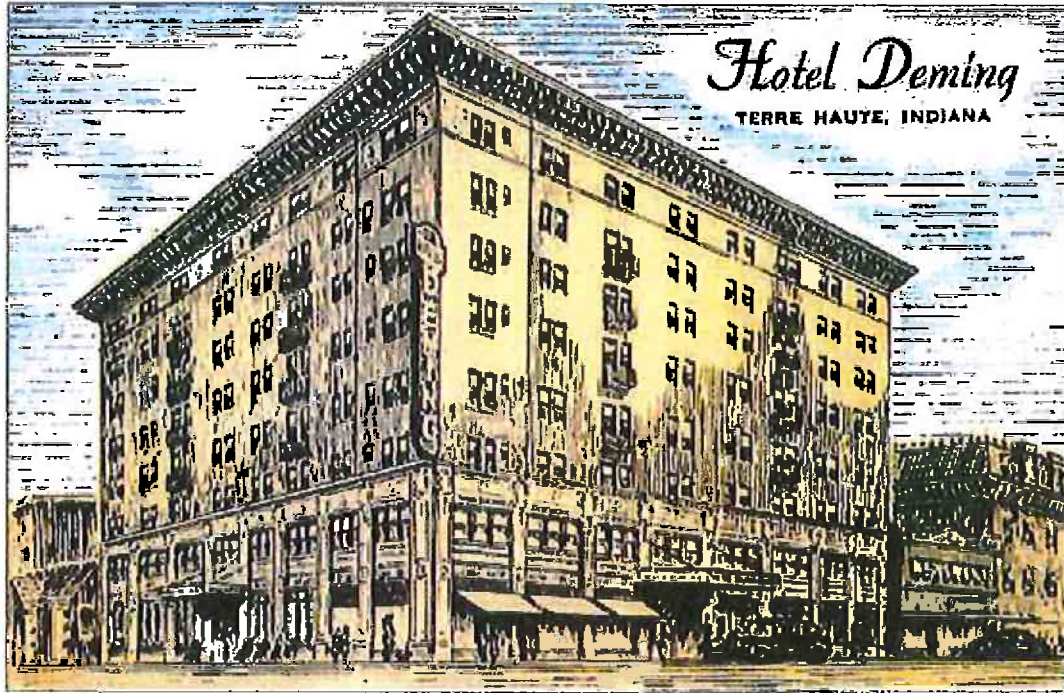
Core Redevelopment, LLC ("Core") intends to acquire and rehabilitate the historic Deming Center in Terre Haute, Indiana, an eight-story, 111-unit apartment building with approximately 57,000 rentable square feet on approximately 0.93 acres (the "Property"). The Property also has approximately 7,500 square feet of first-floor commercial space currently separated into three units, as well as 40 surface parking spaces.



The Deming Center is currently owned by an affiliate of the Terre Haute Housing Authority and operated as a Section 42 affordable housing property. Prior to closing, expected to occur in November 2014, the Deming Center's current residents will be moved to a new affordable housing property in northeastern Terre Haute, leaving the Deming Center vacant for Core at closing. Upon closing, Core intends immediately to effect an approximate \$7.0 million renovation of the Property, which it expects to complete in July 2015.

As described in greater detail below, Core believes the Deming will be most attractive to Indiana State University ("ISU") students. However it is Core's intention to market the property to a wide range of market-rate tenants, including young professionals seeking an upscale urban experience not available in surrounding areas; creative types looking for one-of-a-kind living space; and graduate and undergraduate students and faculty and administrators from ISU. Core caters successfully to all these constituencies at its other urban apartment properties and is confident that a rehabilitated Deming will find a similarly strong reception.

History



The Deming Center was built as the Hotel Deming in 1914, with 250 rooms believed at the time to be the largest hotel in Indiana, with luxurious appointments and on-site amenities such as a barber shop, a bar, several restaurants, a billiard room, a cigar shop and a newsstand. It was designed by the Chicago-based firm of Holabird & Roche, which was influential in the development of American early skyscrapers, especially the architectural movement known as the "Chicago School," and the design of large, ornate hotels across the country.

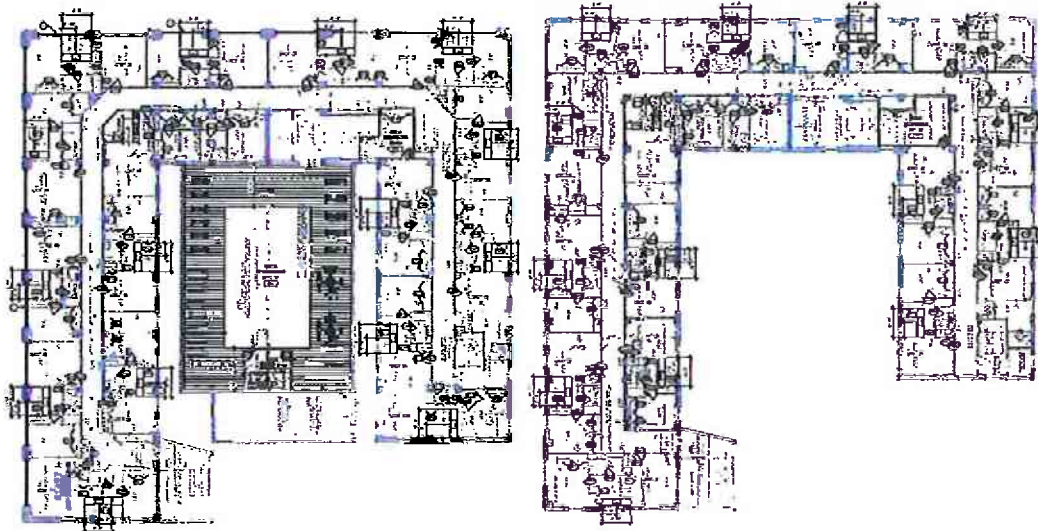
In 1963, the Deming Center was sold to ISU, which used it as a men's dormitory and later as a conference center. In 1978 it was transferred to the Terre Haute Housing Authority and converted to affordable housing, its current use. Today, the Deming Center is listed on the National Register of Historic Places as a contributing structure to Terre Haute's Wabash Avenue – West Historic District; at eight stories, it is the largest building in that district.

Description of the Property

Apartments

The Property's five studio, 97 one-bedroom and nine two-bedroom apartments have compact floorplans ranging from 450 to 650 square feet and averaging just over 500 square feet that are well-suited to the needs of its expected tenants – students of Indiana State University. All units are arrayed in an efficient, U-shaped floorplan around the historic ballroom (on the second floor) or around open space eastward from the building. Upon completion of the renovation, the apartments will offer stainless steel

appliances, quartz or granite countertops, contemporary light fixtures, updated tub surrounds and vanities and hard surface flooring throughout, as well as increased ceiling height by removing the existing dropped ceiling. Hallways will receive the same treatment with new carpet, paint, light fixtures and refurbishment of unit entry doors.



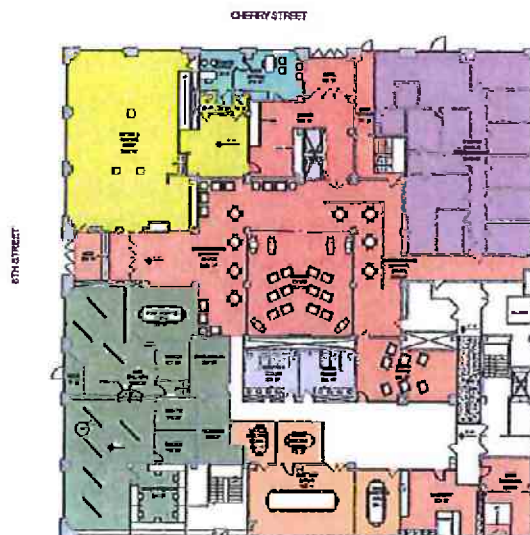
Floorplans: Second Floor (Left) and Floors 3-8 (Right)

The Deming is currently serviced by a single-loop HVAC system, and it is Core's intention to install new HVAC equipment in each unit. By doing this, management will be able to individually meter each apartment. Three large hot water heaters located in the basement currently provide hot water, and it is our intention to keep this system intact. Because of this, management will be forced to bill-back hot water to tenants. Tenants pay electrical service directly.

Currently, the property has a common laundry located on every other floor throughout the building. Core intends to alter this by removing the existing equipment and installing eight washers and dryers in a to-be-constructed laundry facility located on the first floor. This allows several one-bedroom units to be converted into two-bedrooms, increasing the gross potential revenue for the Property.

Common Areas

The Property's first floor common areas will be redesigned into modern amenity spaces with attractive sitting areas and entertainment spaces suited to the younger ages of its expected residents. On the second floor, the Deming's historic ballroom will be repurposed into



First Floor Floorplan

a modern fitness facility that makes optimum use of the volume of available space and great natural light.



The Ballroom – Then, Now and as Rehabilitated

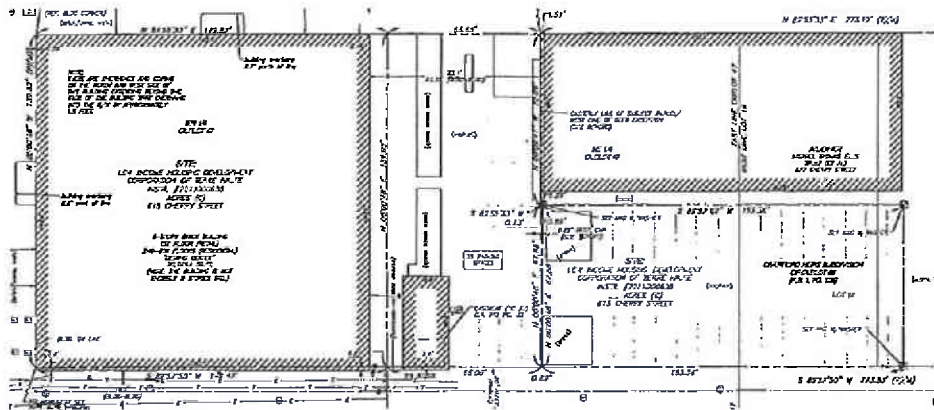
Commercial Space

Excluding the Property's own leasing office, the five currently available commercial units range in size from 2,250 to 2,750 square feet. At present, the largest of these spaces, a 2,750 square-foot office fronting 6th Street along the Property's western edge, is leased to Arts Illiana, a non-profit whose mission is to promote, support and enhance the arts and cultural activities of the Wabash Valley. Core is currently seeking tenants for the remaining two spaces, which include a desirable, glass-enclosed corner unit on the corner of 6th and Cherry Streets that fronts ISU's campus; this location would support well a coffee shop and/or delicatessen use.



Parking

The Deming Center includes 40 surface parking spaces on the L-shaped, easternmost portion of the Property, and Core intends to make these spaces available to residents for a to-be-determined monthly fee on a first-come, first-serve basis. Nearby ISU parking lots, including the closest one diagonally across the 5th and Cherry Street intersection, may provide additional parking opportunities for certain residents, and ample street parking is also available, especially after business hours.



Location

The Deming Center is located in the heart of downtown Terre Haute, the county seat of Vigo County, at the corner of 6th and Cherry Streets. Because Cherry Street represents the southern border of ISU's main campus, sitting between campus and downtown Terre Haute, residences in the Deming Center will offer unparalleled convenience to ISU's students, faculty and administrators.



Terre Haute sits on the eastern bank of the Wabash River approximately 77 miles southwest of Indianapolis at the intersection of two major historical roadways: U.S. 40 (California to Maryland) and U.S. 41 (Michigan to Florida). In fact, the intersection of these two roadways was once called the "Crossroads of America." With a city population of just over 60,000 and a metro area population of more than 170,000, Terre Haute is home to two major universities – Indiana State University (a public university with more than 13,000 students) and Rose-Hulman Institute of Technology (a top-ranked private engineering school with approximately 2,200 students). Other than these universities, Terre Haute's key employers are Union Hospital and related healthcare

businesses; various local, state and federal governments; industrial companies such as Sony, Bemis, ADVICS, Great Dane, Alorica, ThyssenKrupp, Taghleeff and GE; and businesses that benefit from Terre Haute's status as a regional shopping center to west-central Indiana and east-central Illinois.



Planned Improvements and Amenities

Capital improvements to each apartment will depend in part on their unique characteristics and condition, as there is substantial diversity among the units. Generally, however, Core intends to focus on the following:

- Installing new stainless steel appliances (e.g., refrigerator, range hood, dishwasher, microwave, etc.)
- Replacing or repairing flooring, emphasizing hard surfaces (potentially exposing and refinishing existing wood flooring and sub-flooring where possible)
- Replacing kitchen and bath countertops with high-end materials such as granite or concrete
- Replacing composite kitchen and bath cabinetry with more contemporary solid wood cabinets
- Repairing or replacing drywall and trim as necessary
- Repainting monotone units in two-tone color accent schemes

Upon taking possession of the Property in November, Core conservatively estimates the rehabilitation to take approximately eight to nine months, allowing new tenants to move in before the Fall 2015 semester begins.

RESOLUTION NO. 1, 2015

TERRE HAUTE ECONOMIC DEVELOPMENT COMMISSION

WHEREAS, relieving conditions of unemployment and underemployment, and encouraging economic development and redevelopment of the community to reduce the evils associated with unemployment and underemployment are essential to the health, safety and welfare of the City of Terre Haute, Indiana ("Issuer" or "City") and its citizens; and

WHEREAS, the Issuer is authorized by IC 36-7-11.9 and -12 (collectively, "Act") to issue revenue bonds for the financing of economic development facilities consisting of the acquisition, rehabilitation, construction, and equipping of an eight-story apartment building with first floor commercial space and construction of related infrastructure, together with all related improvements, appurtenances and equipment in or physically connected to the Central Business District Urban Renewal and Tax Allocation Area ("Area"), to pay costs of issuance of the bonds ("Project") and the funds from said financing are to be used for financing the Project and costs of issuance; and

WHEREAS, the Terre Haute Redevelopment Commission has adopted a resolution to pledge tax increment to the Issuer to pay debt service on the bonds to be issued as set forth in the Financing and Covenant Agreement between the hereinafter defined Company and the Issuer; and

WHEREAS, the diversification of industry, increase in job opportunities (approximately three (3) permanent jobs with annual compensation of approximately \$120,000, including benefits), promotion of economic development and the reinvestment in downtown facilities to be achieved by the acquisition, rehabilitation, construction and equipping of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens;

NOW, THEREFORE, BE IT RESOLVED BY THE TERRE HAUTE ECONOMIC DEVELOPMENT COMMISSION THAT:

Section 1. It finds that the proposed financing in the aggregate principal amount not to exceed \$1,400,000 for the acquisition, rehabilitation, construction and equipping of the Project by Deming Renaissance, LLC ("Company"), complies with the purposes and provisions of IC 36-7-11.9 and -12 and will be of benefit to the health and welfare of the City and its citizens. The Commission further finds and determines that the promotion and diversification of economic development opportunities and job opportunities in and near the City is desirable to preserve the health, safety and general welfare of the citizens of the City, 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 City.

Section 2. The Commission hereby finds and determines that the issuance and sale of economic development revenue bonds of the Issuer under the Act in an aggregate principal amount not to exceed \$1,400,000 for the acquisition, rehabilitation, construction and equipping of the Project will serve the public purposes referred to above, in accordance with the Act.

Section 3. The financing of the economic development facilities will consist of the acquisition, rehabilitation, construction and equipping of the Project to be located at 615 Cherry Street, Terre Haute, Indiana, 47807.

Section 4. The substantially final forms of the Financing and Covenant Agreement, the Bond Purchase Agreement, the Trust Indenture, and proposed form of ordinance for the Common Council presented to this meeting are hereby approved.

Section 5. It has considered whether the Project will have an adverse competitive effect on any similar facilities already under construction or in operation in the City, and now makes the following special findings of fact based upon the evidence presented:

(a) No member of the public or competitor presented any evidence of substantial probative value establishing that the Project would have any adverse competitive effect in any respect; and


(b) In the absence of any evidence of any adverse competitive effect, the benefits to the public from the new investment, reinvestment in downtown facilities, and the jobs and payroll to be generated by the Project indicate that the Project should be supported by the issuance of economic development revenue bonds.

Section 6. The Secretary shall initial and then insert a copy of the forms of documents approved by this resolution in the minute book of this Commission.

Section 7. A copy of this resolution and the other documents approved by this resolution and the proposed form of ordinance shall be presented in their substantially final form by the Secretary of the Economic Development Commission to the Clerk for presentation to the Common Council.


Adopted this 12th day of February, 2015.

TERRE HAUTE ECONOMIC DEVELOPMENT
COMMISSION

By: 

President

Attest:



Secretary

PROJECT REPORT OF THE
TERRE HAUTE ECONOMIC DEVELOPMENT COMMISSION
CONCERNING THE PROPOSED FINANCING OF
ECONOMIC DEVELOPMENT FACILITIES
BY DEMING RENAISSANCE, LLC

The Terre Haute Economic Development Commission proposes to recommend to the Common Council of the City of Terre Haute, Indiana that it provide funds for the acquisition, rehabilitation, construction and equipping of economic development facilities by Deming Renaissance, LLC. Such economic development facilities will consist of the acquisition, rehabilitation, construction, and equipping of an eight-story apartment building with first floor commercial space and construction of related infrastructure, together with all related improvements, appurtenances and equipment in or physically connected to the Central Business District Urban Renewal and Tax Allocation Area and to pay costs of issuance of the bonds ("Project"). The Project is located at 615 Cherry Street, Terre Haute, Indiana, 47807. The total estimated cost for the acquisition, rehabilitation, construction and equipping of the Project is presently estimated to be in the amount of \$1,400,000, and incidental costs of issuance of the economic development revenue bonds.

No public facilities to be paid for by the government will be made necessary on account of the proposed facilities.

It is tentatively found that the acquisition, rehabilitation, construction, and equipping of the Project will not have an adverse competitive effect on any similar facilities already constructed or operating in or near the City because there are no such facilities.

It is estimated that upon completion of the facilities and start of operations, the new operation will create approximately three (3) permanent jobs with annual compensation of approximately \$120,000.

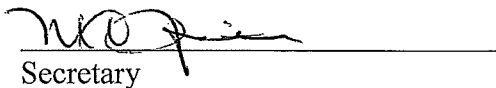
Adopted this 12th day of February, 2015.

TERRE HAUTE ECONOMIC DEVELOPMENT
COMMISSION



President

ATTEST:



Secretary

MINUTES OF A SPECIAL MEETING OF THE
TERRE HAUTE ECONOMIC DEVELOPMENT COMMISSION
HELD ON FEBRUARY 12, 2015

The Terre Haute Economic Development Commission ("Commission") held a meeting at 4:00 p.m. on February 12, 2015, in the Board of Works Conference Room, 1st Floor, City Hall, 17 Harding Street, Terre Haute, Indiana. The Commission members were present or absent as follows:

Present: George Azar
 Lisa Johnson
 Mary Caye Pfister
 Rick Burger

Absent: Greg Goode

The meeting was called to order by George Azar, as President.

Consideration was given to a request by Deming Renaissance, LLC ("Company"), for financing the acquisition, rehabilitation, construction, and equipping of an eight-story apartment building with first floor commercial space and construction of related infrastructure, together with all related improvements, appurtenances and equipment in or physically connected to the Central Business District Urban Renewal and Tax Allocation Area ("Project"). A discussion was had as to the proposal of the Company concerning the financing of the Project to be located at 615 Cherry Street, Terre Haute, Indiana, 47807.

The President then presented a proposed Report of the City of Terre Haute entitled "Report of Terre Haute Economic Development Commission Concerning the Proposed Financing of Economic Development Facilities for Deming Renaissance, LLC" as attached hereto. After consideration of the proposed report, upon motion duly made by Commissioner

Burger and seconded by Commissioner Johnson, the report was approved and adopted by the following vote:

Ayes: 4

Nays: 0

and upon motion duly made, seconded and carried, the Secretary of the Commission was instructed to submit a copy of the report to the Executive Director, Chairman or President of the Vigo County Area Plan Commission, if any.


The President then presented proof of publication of a notice published on February 2, 2015, of a public hearing for this date before the Commission, regarding the economic development financing for the Company. The public was invited to comment thereon as to the public purpose of the financing and as to any adverse competitive effect on any similar facilities already under construction or in operation in the City.

No member of the public presented evidence of substantial probative value of adverse competitive affect.


After all comments were heard and considered, the President closed the public hearing and then presented the substantially final forms of the Financing and Covenant Agreement, the Bond Purchase Agreement, the Trust Indenture and the proposed form of ordinance (all such documents collectively to be considered the Financing Agreement referred to in the Indiana Code, Title 36, Article 7, Chapters 11.9 and -12).

After a discussion and upon motion duly made by Commissioner Johnson, seconded by Commissioner Pfister, and, on call of the roll, carried by a majority vote, the resolution attached hereto was adopted.

There being no further business to come before the meeting, the meeting was thereupon adjourned.


Secretary

Approved:


President