

AVON REDEVELOPMENT COMMISSION

RESOLUTION NO. 2023-01

RESOLUTION OF THE AVON REDEVELOPMENT  
COMMISSION PLEDGING TIF REVENUES

WHEREAS, the Avon ("Town") Redevelopment Commission ("Commission") adopted a declaratory resolution on February 15, 2021 ("Declaratory Resolution"), establishing the boundaries of the Ronald Reagan Parkway South Development Area ("Area"), and the Declaratory Resolution was confirmed by a confirmatory resolution adopted on April 19, 2021 ("Confirmatory Resolution");

WHEREAS, the Declaratory Resolution and the Confirmatory Resolution are hereinafter collectively referred to as the "Area Resolution;"

WHEREAS, the Area Resolution approved the Economic Development Plan for the Area ("Plan"), which Plan contained specific recommendations for redevelopment and economic development in the Area;

WHEREAS, the Area Resolution created the Reagan Logistics Allocation Area as an allocation area in accordance with IC 36-7-14-39 ("Allocation Area"), for the purpose of capturing all real property tax proceeds from assessed valuation of property in the Allocation Area in excess of the assessed valuation described in IC 36-7-14-39(a)(1), as such statutory provision exists on the date of issuance of the hereinafter defined Bonds ("Tax Increment");

WHEREAS, the Town is issuing its Taxable Economic Development Revenue Bonds, Series 2023 (Reagan Logistics Project), in multiple series (to be completed with the year of issuance and appropriate series designation, if any) ("Bonds") pursuant to a Trust Indenture ("Trust Indenture"), between the Town and The Huntington National Bank, as trustee for the Bonds, the proceeds of which will be used to finance the construction of infrastructure, including roads, sidewalks, water, sanitary sewer, storm water and other necessary infrastructure, together with all necessary appurtenances and related improvements, and equipment in or physically connected to the Area, or reimbursement for the same (collectively, "Project") and costs of issuance, including capitalized interest, if any, pursuant to a Financing and Covenant Agreement, dated as of March 1, 2023 ("Financing Agreement"), between DRG Industrial Fund I Avon, LLC ("Company") and the Town;

WHEREAS, in order to finance the Project, the Commission has determined that it is in the best interest of the Town and its residents to pledge all real property Tax Increment within the Reagan Logistics Allocation Area ("TIF Revenues"), subject to any rescission provisions of the Financing Agreement and minus the Annual Fees (as defined in the Trust Indenture), received by the Commission and herein pledged to the payment of the debt service on the Bonds for so long as the Bonds remain outstanding;

WHEREAS, the Commission believes that pledging the TIF Revenues will help further the accomplishment of the Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE AVON REDEVELOPMENT COMMISSION THAT:

1. The Commission hereby finds that the pledge of TIF Revenues to finance the Project will help accomplish the Plan for the Area and will promote the economic development and redevelopment of the Town and the Area.

2. The Commission hereby irrevocably pledges the TIF Revenues to the payment of debt service on the Bonds for a term of years not to exceed the date on which the Bonds are fully paid and no longer outstanding. There are no prior liens, encumbrances or other restrictions on the Commission's ability to pledge the TIF Revenues.

3. To the extent the TIF Revenues exceed the amount necessary to pay debt service on the Bonds, any such excess TIF Revenues shall be used in the following order of priority: (a) to pay unpaid prior debt service on the Bonds and unpaid prior debt service on any Parity Obligations (as defined herein); and (b) to effect the redemption of the Bonds or any future Parity Obligations.

4. The Commission reserves the right to enter into other obligations or leases payable from Tax Increment, in whole or in part, and to pledge the Tax Increment on a parity with the pledge of TIF Revenues to the Bonds to be issued for the Project in accordance with the following requirements for the purpose of raising money for future local public improvements in, serving or benefiting the Area ("Parity Obligations"). The authorization and issuance of such Parity Obligations shall be subject to the following conditions precedent:

(a) All interest and principal payments due under the Bonds and any Parity Obligations payable from the Tax Increment shall be current to date in accordance with the terms thereof, with no payment in arrears;

(b) For Parity Obligations payable from Tax Increment without a special benefits tax levy under IC 36-7-14-27, another property tax levy or a pledge of local income taxes, the Commission shall have received a certificate prepared by an independent, qualified accountant ("Certifier") certifying the amount of the Tax Increment estimated to be received in each succeeding year, adjusted as provided below, which estimated amount 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 Bonds and the proposed Parity Obligations for each respective year during the term of the outstanding Bonds. In estimating the Tax Increment to be received in any future year, the Certifier shall base the calculation on assessed valuation actually assessed or estimated to be assessed as of the assessment date immediately preceding the issuance of the Parity Obligations; provided, however, the Certifier shall adjust such assessed values for the current and future reductions of real property tax abatements granted to property owners in the Areas. If the Parity Obligations are secured by a special benefits tax levy under IC 36-7-4-27, another property tax levy or a pledge of local income taxes, the requirements of this paragraph do not need to be met;

(c) Principal of any Parity Obligations or junior obligations and lease rentals on Parity Obligations which are leases shall be payable semiannually on January 15 and July 15 and interest shall be payable semiannually on January 15 and July 15; and

(d) The Commission shall have received the written consent of the Company and the purchaser of the Bonds prior to the issuance of such Parity Obligations.

5. All other provisions of the Resolution shall remain in full force and effect.

6. This resolution shall be effective upon passage.

Adopted February 13, 2023.

AVON REDEVELOPMENT COMMISSION

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Bill Reed - President

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Jason Tuttle - Vice President

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Bob Culler – Member

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Dave Kauffman - Member

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Jason Wyen - Member

Attest:

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Ryan Cannon - Secretary