

ORDINANCE NO. 31, 2001

An Ordinance of the City of Valparaiso, Indiana concerning construction of storm water drainage and storm water sewer improvements by the Board of Directors of the Department of Storm Water Management of Valparaiso through the issuance and sale of bonds, and other matters connected therewith

WHEREAS, the Board of Directors of the Department of Storm Water Management of the City of Valparaiso has determined to issue bonds in an aggregate amount not to exceed \$3,760,000 to construct certain storm water drainage and storm water sewer improvements as described in Exhibit A attached hereto and incorporated herein by reference, together with necessary appurtenances, related improvements and equipment ("Projects"), the incidental expenses in connection therewith and the issuance of bonds therefor; and

WHEREAS, the Common Council of the City of Valparaiso is authorized by IC 8-1.5-5-23 to approve the issuance of bonds of the Storm Water District;

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

Section 1. The Common Council hereby approves the issuance of bonds of the City of Valparaiso Storm Water District by the Board of Directors of the Department of Storm Water Management, in an aggregate amount not to exceed \$3,760,000 to apply on the cost of the Projects, the incidental expenses in connection therewith, and the cost of issuance of the bonds therefor.

Section 2. The City represents that:

(i) The bonds are not private activity bonds as defined in Section 141 of the Internal Revenue Code of 1986, as amended and in effect on the date of issue of the bonds ("Code");

(ii) The City hereby designates the bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(iii) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the City and all entities subordinate to the City during 2001 does not exceed \$10,000,000; and

(iv) The City, any body acting in the name of the City, and any entities subordinate to the City, have not designated and will not designate more than \$10,000,000 of qualified tax-exempt obligations during 2001.

Therefore, the City expects the bonds to qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

Section 3. The City represents that:

(i) The City is a governmental unit with general taxing powers, which powers include the power to impose taxes of general applicability which, when collected, may be used for the general purposes of the City;

(ii) The bonds are not private activity bonds as defined in Section 141 of the Code;

(iii) At least 95% of the net proceeds of the bonds will be used for local government

activities of the City or of a government unit the jurisdiction of which is entirely within the jurisdiction of the City;

(iv) The aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the City and all units subordinate to the City, including on-behalf-of issuers and subordinate entities as those terms are defined in Treasury Regulation Section 1.148-8(c)(2), is not reasonably expected to exceed \$5,000,000 in calendar year 2001; and

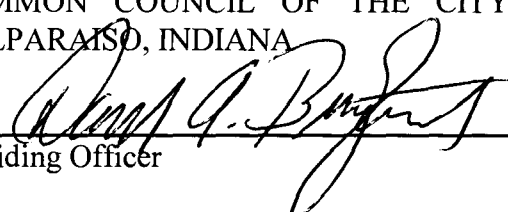
(v) The City has not been formed or availed of to otherwise avoid the purposes of the \$5,000,000 size limitation.

Therefore, the City meets the requirements of Section 148(f)(4)(D) of the Code and will not have to rebate any arbitrage profits to the United States.

Section 4. Effective Date. This ordinance shall be in full force and effect from and after its passage and approval by the Mayor.

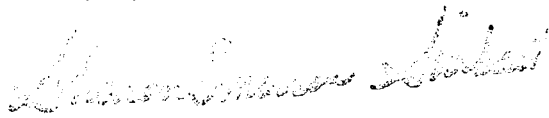
ADOPTED this ^{26th} ~~12th~~ day of November, 2001.

COMMON COUNCIL OF THE CITY OF
VALPARAISO, INDIANA



Presiding Officer

ATTEST:



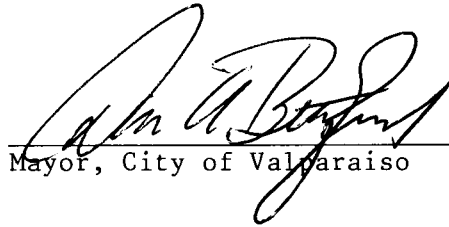
Clerk-Treasurer

Presented by me to the Mayor of the City of Valparaiso, on this 26th day of Nov,
2001 at 7:55 o'clock p.m.



Clerk-Treasurer

Signed and approved by me, the Mayor of the City of Valparaiso, on this 26th day of
Nov, 2001 at 7:55 o'clock p.m.



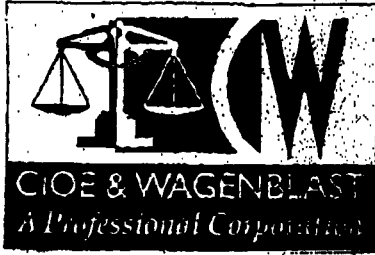
Mayor, City of Valparaiso

EXHIBIT A

Proposed Storm Water Projects

Project Name
Bonding Projects
Valparaiso Street Project
Burlington Beach Road Storm Sewer Repairs
Evans Avenue Storm Interceptor
Franklin Street South Storm Sewer
Marian Manor Storm Sewer System
Union Street Area Storm Sewers
Marks Road Storm Sewer System

31



103 East Indiana Avenue
Valparaiso, Indiana 46383

*† JOSEPH B. CIOE, JR. Attorney at Law, C.P.A.
** SCOTT M. WAGENBLAST Attorney at Law

Telephone: 219/477-6490
Facsimile: 219/477-2590

* Also licensed to practice in Illinois
** Also licensed to practice in North Carolina

November 06, 2001

City of Valparaiso

Attn: Loretta

Via Facsimile Only: 464-4273

Re: Storm Water Bonds

Dear Loretta,

Please include the following issue on the City Counsel agenda for Monday, November 12, 2001:

“Ordinance Number (fill in): An Ordinance of the City of Valparaiso, Indiana concerning construction of Storm Water Drainage and Storm Water Sewer Improvements by the Board of Directors of the Department of Storm Water Management of Valparaiso, Indiana through the issuance of bonds, and other matters connected therewith.”

Thank you. Please call with any questions.

Sincerely,

CIOE & WAGENBLAST, P.C.
By: Scott M. Wagenblast, Esq.