ORDINANCE NO. 10, 2002

A PRELIMINARY BOND ORDINANCE OF THE CITY OF VALPARAISO, INDIANA, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND BOND ANTICIPATION NOTES OF THE CITY AND PRELIMINARILY DETERMINING TO ISSUE BONDS

WHEREAS, the Common Council of the City of Valparaiso, Indiana ("City") has determined to undertake the construction of a street revitalization project ("Project") as more fully set forth in Exhibit A; and

WHEREAS, the Common Council has determined that the estimated cost, including incidental expenses incurred in connection with the Project and with the issuance of bonds to finance the costs of the Project will be in an amount not to exceed Six Million Two Hundred Fifty-five Thousand Dollars 9,210,000 ~~($6,255,000)~~; and

WHEREAS, the Common Council finds that it has received a grant in the amount of 4,500,000 ~~$1,000,000~~ to apply on the costs of the Project and that it is necessary to authorize the issuance of bonds and, if necessary, bond anticipation notes, to apply on the remaining costs of the Project in an amount not to exceed Five Million Two Hundred Fifty-five Thousand Dollars 4710,000 ~~($5,255,000)~~; and

WHEREAS, the Common Council has published notice of a preliminary determination hearing in the *Vidette-Times* and mailed the notice to any organizations requesting such notice as provided in IC 6-1.1-20-3.1; and

WHEREAS, the Common Council has held a preliminary determination hearing in accordance with that notice and IC 6-1.1-20-3.1; and

WHEREAS, the Common Council finds that the City expects to issue debt not exceeding $5,255,000 in aggregate principal amount for purposes of paying costs of the Project.

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

Section 1: The Common Council hereby determines to acquire, construct and equip the Project.

Section 2: (a) The City preliminarily determines to issue bonds for the Project in an amount not to exceed $4,710,000 DEL ~~$5,255,000~~ ("Bonds") and, if necessary, bond anticipation notes ("Notes") to provide interim financing for the Project. The Bonds shall be payable from an unlimited ad valorem property tax to be levied on all taxable property in the City. Any Notes issued will be repaid from proceeds of the Bonds.

(b) The Bonds shall be issued in denominations of $5,000 or integral multiples thereof and shall bear interest at a rate or rates not to exceed 7.0% per annum (such rates to be determined by competitive bidding), with interest payable semi-annually. The Bonds will mature semi-annually over a term not to exceed twenty-three (23) years from the date of issuance. The Bonds will be designated as "General Obligation Bonds of 200__," (to be completed with the year in which the Bonds are issued) and will constitute an indebtedness of the City. The exact terms of the Bonds shall be set forth in a final bond ordinance to be adopted by the Common Council. The total interest cost of the Bonds is not expected to exceed $5,315,000.

(c) Any Notes issued shall be issued in denominations of $1,000 or integral multiples thereof and shall bear interest at a rate or rates not to exceed 6.0% per annum (such rates to be determined by bidding or negotiation), with interest payable at maturity or upon redemption. The Notes will mature no more than two (2) years after their date of issue and will be subject to renewal for a total term of no more than five (5) years after their original issue date.

Section 3: The net assessed valuation of taxable property in the City as shown by the assessment made in the year 2001 for state and county taxes collectible in the year 2002, is $819,470,910, and the outstanding indebtedness of the City, subject to the constitutional limitation, exclusive of the Bonds is $205,000.

Section 4: After adoption of this ordinance, the Clerk-Treasurer shall publish and post a notice of this preliminary determination in accordance with IC 6-1.1-20-3.1.

Section 5: This ordinance shall be effective from and after passage and approval by the Mayor.

ADOPTED on this 22nd day of April, 2002, by a vote of 6 ayes and 1 nays.

COMMON COUNCIL OF THE CITY OF
VALPARAISO, INDIANA

Presiding Officer, Common Council

ATTEST:

Sharon Emerson Swihart
Clerk-Treasurer

Presented by me to the Mayor of the City of Valparaiso this 22nd day of April, 2002 at 8:20 p.m. o'clock.

Sharon Emerson Swihart
Clerk-Treasurer

Signed and approved by me, the Mayor of the City of Valparaiso, on this 22nd day of April, 2002 at 8:20 p.m. o'clock.

[signature]
Mayor

ATTEST:

Sharon Emerson Swihart
Clerk-Treasurer

EXHIBIT A

Project Description

Engineering design, right-of-way engineering, right-of-way acquisition, construction, construction supervision, construction administration and related soft costs associated with the Valparaiso Street Project, the Vale Park Road Missing Link Project, Calumet/Glendale Intersection Project, Marks Road Reconstruction Project, Campbell/Bullseye Lake Road Intersection Project, Emergency Repairs to Downtown Sidewalks, Planters and/or Electrical System, Valparaiso/Vale Park Road Intersection Project, Improvements at the Street/Solid Waste Departments and incidental expenses in connection therewith and on account of the issuance of bonds therefor.