RESOLUTION NO. 1-2020

A RESOLUTION OF THE VALPARAISO ECONOMIC DEVELOPMENT COMMISSION CONCERNING CERTAIN ACTIONS AND PROCEEDINGS WITH RESPECT TO THE FINANCING OF CERTAIN NEW VALPARAISO ASSISTED LIVING FACILITIES

WHEREAS, the Economic Development Commission of the City of Valparaiso, Indiana (the *"Commission"*), is authorized by IC 36-7-11.9 and 12 (collectively, the *"Act"*) to review and recommend the issuance of revenue bonds for the financing of economic development facilities in the City of Valparaiso (the *"City"*), the funds from said financing to be used for the acquisition, construction, renovation and equipping of said facilities or the reimbursement of costs incurred in connection therewith, and said facilities to be either sold or leased to another company or directly owned by another company; and

WHEREAS, a representative of Green Oaks of Valparaiso, LLC, an Indiana limited liability company (collectively, the *"Borrower"*) has advised the Commission that the Borrower proposes that the City lend the proceeds of an economic development financing (the *"Bonds"*) to the Borrower to provide a portion of the funds to (i) pay the costs of acquisition, design, construction, improvement and/or equipping of the assisted living facilities to be located in the City at or near 2550 Morthland Dr., Valparaiso, IN 46385, consisting of approximately 120 assisted living units and certain functionally related improvements (the *"Development"*), (ii) pay capitalized interest on the Bonds (if necessary), (iii) fund a debt service reserve fund (if necessary), and (iv) pay incidental expenses incurred on account of the issuance of the Bonds and acquiring any credit enhancement with respect thereto (if necessary); and

WHEREAS, the Commission has preliminarily determined that issuing the Bonds to provide financing for a portion of the Development is consistent with the policy and purposes of the Act; and

WHEREAS, the Development will be owned and operated by the Borrower for use as an assisted living facility which will provide affordable housing; and

WHEREAS, the diversification of industry, creation of job opportunities and providing affordable rental housing to be achieved by the acquisition, construction and equipping of the Development will be of public benefit to the health, safety and general welfare of the City and its citizens; and

WHEREAS, it would appear that the financing of the Development would be of public benefit to the health, safety and general welfare of the City and its citizens; and

WHEREAS, it is found that the acquisition, construction and equipping of the Development will not have an adverse competitive effect on any similar facility already constructed or operating near or in the City; and

WHEREAS, the Commission has further determined that it will be advantageous to the Borrower and the City to issue the Bonds and to make the proceeds of the Bonds available to the Borrower to enable the Borrower to develop the Development pursuant to a financing or loan agreement in which the Borrower will agree to make payments in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission hereby finds and determines that the promotion of diversification of economic development and job opportunities in and near the City, and the providing of affordable rental housing 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, promotion of job opportunities and affordable rental housing in and near the City.

2. The Commission hereby finds and determines that the issuance and sale of economic development revenue bonds of the City under the Act in an amount not to exceed $22,000,000 upon such terms and conditions as may be agreed upon by the Borrower, the City and the purchaser of the Bonds. The Bonds will be special obligations secured by and payable solely from loan payments paid by Borrower and will not be general obligations of the City.

3. Based solely upon information provided to it, the Commission reports, finds and determines pursuant to the provisions of the Act that:

A. The Development will consist of the acquisition, construction and equipping of an assisted living facility containing approximately 120 assisted living units, together with functionally related and subordinate facilities such as recreational facilities and parking areas. The Development will be located at or near 2550 Morthland Dr., in the City.

B. The Development will be owned and operated by the Borrower for use as an assisted living facility;

C. No public works or services not already existing or available, or for which provision has not been made, will be made necessary or desirable on account of the Development as such facilities will be provided either by the Borrower, private utilities, or existing public facilities, or pursuant to agreements with respect to such public facilities with the City;

D. The total cost of the Development will be approximately $30,000,000 of which an amount not to exceed $22,000,000 will be financed by economic development revenue bonds;

E. It is estimated that upon completion of the Development and start of operations, the new operation will create an estimated 46 FTE jobs, consisting of 60 full and part time positions, with an estimated total payroll of approximately $2,000,000 annually. The acquisition, construction and equipping of the Development will also require construction jobs to complete the construction;

F. The Development will not have an adverse competitive effect on any similar facilities already constructed or operating in or near the City;

G. The proposed financing of the Development will be of benefit to the health and general welfare of the citizens of the City; and

H. The proposed financing of the Development complies with the purposes and provisions of the Act, as supplemented and amended.

4. In accordance with the Act, the findings and determination set forth above have been compiled and prepared into a report (the *"Report"*) which Report is hereby approved by the Commission and the Secretary of the Commission is hereby directed to submit, or have submitted on the Commission's behalf, the Report to the Executive Director or Chairperson of the Plan Commission having jurisdiction over the Development and, if applicable, to the superintendent of the school corporation where the Development will be located pursuant to IC 36-7-12-23(b).

5. All costs of the Development which may be financed under the Act will be permitted to be included as part of the bond issue to finance the Development, and the City will sell or lease the same to the Borrower or loan the proceeds from the sale of the bonds to the Borrower for the same purposes.

6. All action taken and approvals given by the Commission with regard to the Borrower, are based upon the evidence submitted and representations made by the Borrower, its agents or counsel. No independent examination, appraisal or inspection of the Development was made, requested, or is contemplated by the Commission or the City.

7. The Commission does not, by this or any other approval or finding, guarantee, warrant or even suggest that the bonds, coupons or series thereof will be a reasonable investment for any person, firm or corporation.

8. The Commission shall not be obligated, directly or indirectly, to see to the application or use of the proceeds from the sale of the bonds or to see that the contemplated improvements, if any, are constructed. The Commission is in no way responsible to the holders of any bonds for any payment obligation created by the bonds.

9. The Commission does not warrant, guarantee or even suggest that interest to be paid to or income to be received by the holders of any bond, coupon, or series thereof is exempt from taxation by any local, state or federal government.

10. The bonds shall be special, limited obligations of the City payable solely from the funds provided therefor as described in a Financing Agreement (as defined in the Act) to be approved at a later date by the Commission and the Common Council of the City prior to the issuance of the bonds, and shall not constitute an indebtedness of the Commission or the City or a loan of the credit thereof within the meaning of any constitutional or statutory provisions.

11. In order to induce the Borrower to proceed with the acquisition, construction and equipping of the Development, the Commission hereby finds and determines 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; provided that all of the foregoing shall be mutually acceptable to the Commission, the City and the Borrower; and (ii) it will adopt such resolutions or ordinances 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 Bonds; and (iii) it will use its best efforts to assist the Borrower in procuring the issuance of additional Bonds, if such additional bonds become necessary, for refunding or refinancing the outstanding principal amount of the Bonds, for completion of the Development and for additions to the Development, including the costs of issuing additional bonds (provided that the financing of such addition or additions to the Development is found to have a public purpose (as defined in the Act) at the time of the authorization of such additional bonds), and that the aforementioned purposes comply with the provisions of the Act.

12. All costs of the Development incurred after the date permitted by applicable federal tax and state laws, including reimbursement or repayment to the Borrower of moneys expended by the Borrower for application fees, planning, engineering, a portion of the interest paid during acquisition, construction and equipping, underwriting expenses, attorney and bond counsel fees, and acquisition, construction and equipping of the Development will be permitted to be included as part of the bond issue to finance the Development, and the City will lend the proceeds from the sale of the bonds to the Borrower 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 Development. 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.

13. The Commission hereby authorizes the President, the Vice-President and Secretary of the Commission to sign this resolution and the Report of the Valparaiso Economic Development Commission Concerning the Proposed Financing of Economic Development Facilities for Green Oaks of Valparaiso, LLC dated March 9, 2020.

Adopted this 9th day of March, 2020.

VALPARAISO ECONOMIC DEVELOPMENT COMMISSION

By: ______________________________
Its: President

Attest:

By: ______________________________
Its: Secretary

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