

RESOLUTION NO. 2, 2006

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, APPROVING THE ISSUANCE OF CERTAIN CITY OF VALPARAISO REDEVELOPMENT DISTRICT SPECIAL TAXING DISTRICT BONDS AND RELATED MATTERS

WHEREAS, on February 23, 2006, the City of Valparaiso Redevelopment Commission (the "Commission"), the governing body of the Redevelopment District of the City of Valparaiso, Indiana (the "District"), adopted a resolution entitled "FINAL BOND AND BAN RESOLUTION OF THE CITY OF VALPARAISO REDEVELOPMENT COMMISSION AUTHORIZING THE ISSUANCE OF CITY OF VALPARAISO REDEVELOPMENT DISTRICT SPECIAL TAXING DISTRICT BONDS, AND THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE AND SALE OF SUCH BONDS, FOR THE PURPOSE OF RAISING MONEY FOR PROPERTY ACQUISITION AND REDEVELOPMENT IN OR SERVING THE CONSOLIDATED VALPARAISO ECONOMIC DEVELOPMENT AREA AND THE NORTH CENTRAL REDEVELOPMENT AREA" (the "Resolution"), to authorize the issuance of the City of Valparaiso Redevelopment District Special Taxing District Bonds, Series 2006 (the "Bonds"), in one or more series, in an aggregate principal amount not to exceed Nine Million Dollars (\$9,000,000), which are payable from taxes on real property located in the Consolidated Valparaiso Allocation Area and the North Central Allocation Area (collectively, the "Allocation Areas") and taxes on the depreciable personal property of the Designated Taxpayer (as defined in the Resolution) located in the Consolidated Valparaiso Allocation Area allocated and deposited in the Consolidated Valparaiso Allocation Fund and the North Central Allocation Fund (collectively, the "Allocation Funds"), as applicable, pursuant to Indiana Code 36-7-14-39 and proceeds from the sale or leasing of property in the Allocation Areas under Indiana Code

36-7-14-22 deposited in the respective Allocation Funds as required by Indiana Code 36-7-14-26 (collectively, the "Tax Increment"), or, to the extent that the Tax Increment is insufficient for such purpose, from a special tax levied upon all of the taxable property located within the District (the "Special Tax"), for the purpose of financing the cost of property acquisition and redevelopment in or serving the Allocation Areas (including, in particular, the acquisition, construction, renovation and equipping of certain road and street improvements in or serving the Allocation Areas), together with a sum sufficient to pay the estimated cost of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property in or serving the Allocation Areas, including the total cost of all land, rights-of-way and other property to be acquired and redeveloped, all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of the Bonds, capitalized interest as permitted by Indiana Code 36-7-14 and a debt service reserve for the Bonds to the extent that the Commission determines that a reserve is reasonably required, and expenses that the Commission may be required or permitted to pay as "relocation assistance" under Indiana Code 8-23-17, together with the expenses in connection with or on account of the issuance of the Bonds therefor (collectively, the "Project"); and

WHEREAS, Indiana Code 36-7-14-25.1(p) requires that bonds authorized by a resolution of a redevelopment commission in an amount equal to or greater than Three Million Dollars (\$3,000,000) be approved by resolution of the legislative body of the unit; and

WHEREAS, the Common Council (the "Common Council") of the City of Valparaiso, Indiana (the "City") is the legislative body of the City; and

WHEREAS, to permit the Commission to proceed with the issuance of the Bonds, the Common Council desires to approve of the issuance of the Bonds (and any bond anticipation notes issued in anticipation of the issuance of the Bonds) in accordance with Indiana Code 36-7-14-25.1(p);

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, AS FOLLOWS:

SECTION 1. As required by Indiana Code 36-7-14-25.1(p), the issuance of the Bonds (and any bond anticipation notes issued in anticipation of the issuance of the Bonds) of the District payable from the Tax Increment or, to the extent that the Tax Increment is insufficient for such purpose, from the Special Tax, to finance the costs of the Project, shall be and hereby is approved.

SECTION 2. This Resolution shall be in full force and effect from and after its adoption by the Common Council and compliance with the procedures required by law.

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ADOPTED this 27th day of Feb., 2006 by a 5 vote in favor and 2 vote opposed of all members present and voting.

Nay

Joe Larr

WCH

Ed Howe

JB

John Bowker

WCH

Chuck Williams

Al Eisenmenger

Al Eisenmenger

Nay

Robert McCasland

Jan M. Dick

Jan M. Dick

Jon Costas

Jon Costas, Mayor

ATTEST:

Sharon Swihart

Sharon Swihart, Clerk-Treasurer