

RESOLUTION NO. RC-2012-17

**RESOLUTION OF THE WEST LAFAYETTE REDEVELOPMENT COMMISSION
CONFIRMING ITS RESOLUTION DECLARING AN AREA IN THE CITY OF WEST
LAFAYETTE AS AN ECONOMIC DEVELOPMENT AREA AND APPROVING AN
ECONOMIC DEVELOPMENT PLAN FOR SAID AREA**

WHEREAS, on February 22, 2012, the West Lafayette Redevelopment Commission (the "Commission"), being the governing body of the West Lafayette Department of Redevelopment, approved and adopted its Resolution entitled "Resolution of the City of West Lafayette Redevelopment Commission Declaring an Area in the City of West Lafayette as an Economic Development Area and Approving an Economic Development Plan for Said Area" (the "Declaratory Resolution"); and

WHEREAS, the Declaratory Resolution found and determined that certain areas in the City of West Lafayette, Indiana (the "City") designated as the "Metro FiberNet Economic Development Area" (the "Economic Development Area") is an economic development area within the meaning of Indiana Code 36-7-14, as amended (the "Act"), designated the entire Economic Development Area as an "Allocation Area" under Section 39 of the Act, and approved the "Metro FiberNet Economic Development Plan—Economic Development Area" for the Economic Development Area (the "Plan"); and

WHEREAS, the Tippecanoe County Area Plan Commission (the "Plan Commission") adopted its resolution, which included an amendment to the Plan, and as so amended, constitutes the written order of the Plan Commission approving the Declaratory Resolution and the Plan; and

WHEREAS, pursuant to Sections 17 and 41 of the Act, the Common Council of the City approved, ratified and confirmed the Declaratory Resolution, the Plan as amended, and the determination that the Economic Development Area is an economic development area and that the entire area contained therein is an allocation area; and

WHEREAS, pursuant to Section 17 of the Act, the Commission caused to be published a Notice of Public Hearing with respect to the Economic Development Area and filed a copy of said Notice in the offices of all departments, bodies or officers of the City having to do with City planning, variances from zoning ordinances, land use or the issuance of building permits; and

WHEREAS, pursuant to Section 17 of the Act, the Commission also filed with each taxing unit located wholly or partially within the Economic Development Area a copy of the Notice of Public Hearing and a statement disclosing the tax impact of the area; and

WHEREAS, at the hearing held by the Commission on December 19, 2012, at 8:30 a.m., local time, at the West Lafayette City Hall, 609 West Navajo Street, West Lafayette, Indiana 47906, the Commission heard all persons interested in the proceedings and considered written remonstrances and objections, if any; and

WHEREAS, the Commission now desires to take final action determining the public utility and benefit of the proposed development project for the Economic Development Area and confirming the Declaratory Resolution, in accordance with Section 17 of the Act.

NOW, THEREFORE, BE IT RESOLVED by the West Lafayette Redevelopment Commission, governing body of the West Lafayette Department of Redevelopment, as follows:

1. After considering the evidence presented at the hearing on the 19th day of December, 2012, the Commission hereby confirms the findings and determinations, designations and approving and adopting actions contained in the Declaratory Resolution, including, but not limited to, the designation of Metro FiberNet, LLC and its successors or assigns or any affiliate of Metro FiberNet, LLC and its successors or assigns, as a "designated taxpayer" pursuant to the Declaratory Resolution, permitting the capture of depreciable personal property of the designated taxpayer, and only the designated taxpayer, in the allocation area.

2. The Commission hereby finds and determines that it will be of public utility and benefit to proceed with the Plan, as amended by the Plan Commission, but otherwise in the form approved by the Commission in the Declaratory Resolution.

3. The Declaratory Resolution is hereby confirmed.

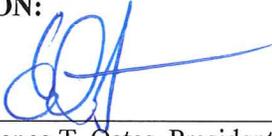
4. This Resolution constitutes final action, pursuant to Section 17(d) of the Act, by the Commission determining the public utility and benefit of the proposed projects and confirming the Declaratory Resolution pertaining to the Economic Development Area.

5. The Secretary of the Commission is directed to record the final action taken by the Commission pursuant to the requirements of Section 17(d) of the Act.

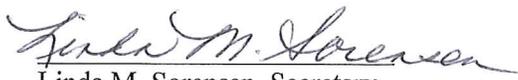
Adopted the 19th day of December, 2012.

**WEST LAFAYETTE REDEVELOPMENT
COMMISSION:**

BY: _____


Lawrence T. Oates, President

ATTEST:


Linda M. Sorensen, Secretary

CITY OF WEST LAFAYETTE, INDIANA

Metro FiberNet Economic Development Area

Economic Development Plan, as Amended and Approved on December 19, 2012

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**REQUIRED FINDING OF FACTS TO
SUPPORT THE STATUTORY REQUIREMENTS**

FACTS

1. The Economic Development Plan (the “Plan”) promotes significant opportunities for gainful employment of its citizens, attracts a new major business enterprise to the City of West Lafayette, Indiana (the “City”), retains and expands significant business enterprises existing in the boundaries of the City, and meets other statutory purposes, as set forth in Indiana Code Sections 36-7-14-2.5 and 36-7-14-43.
2. The Plan for the Metro FiberNet Economic Development Area (the EDA”) cannot happen by regulatory process or by the ordinary operation of private enterprise because of the lack of public infrastructure or other similar conditions.
3. The public health and welfare will benefit by the accomplishment of the Plan for the EDA.
4. The achievement of the Plan for the EDA will constitute a public utility and will benefit as measured by the attraction or retention of permanent jobs, an increase in the property values, thus equating to increased assessed value (which herein is defined as “assessed value”), improved diversity of the economic base through the enhanced mix of property and other public benefits and the expansion of technology and high speed internet services to a significant portion of the City, which is in direct alignment with the goals of the City.
5. The Plan for the EDA conforms to other development and redevelopment plans for the City.

ECONOMIC DEVELOPMENT PLAN

METRO FIBERNET ECONOMIC DEVELOPMENT AREA

CITY OF WEST LAFAYETTE REDEVELOPMENT COMMISSION

Purpose

This document is the City Economic Development Plan (the “Plan”) for the Metro FiberNet Economic Development Area (the “EDA”) contained within the City. This document is intended to be approved by the Area Plan Commission of Tippecanoe County, the West Lafayette City Council and the City of West Lafayette Redevelopment Commission in conformance with IC-37-14.

Introduction

The Greater Lafayette area economic base was developed with the dominance of two sectors that have served it well over the years. Manufacturing and agriculture formed the basis of the local economy from the beginnings of Tippecanoe County in 1826. Since 1874, the area’s economic base has been strengthened with the establishment and development of Purdue University, Indiana’s first land grant university. Today Purdue University is considered to be an international leader in educating and training leaders in the areas of agriculture, engineering, aerospace, science, technology and other 21st century industries.

However, in recent years, like many places, the global economy and recession negatively impacted the economy of the Greater Lafayette area and its employment base. During the past few years many companies scaled back investments, cancelled expansions and reduced their workforce. This has resulted in a high unemployment and underemployment rate that is only now slowly coming down. It has also resulted in the realization that many in our workforce need to keep current and improve their skills as the demands of global industries change.

In fact, a recent initiative has been launched to promote Advancing Manufacturing (www.advancingmanufacturing.com). This regional effort covers a 12 county area and is designed to address the needs of the both the workforce and business sectors in the manufacturing area.

To remain competitive and continue to move forward in this global marketplace in the fields of advanced manufacturing, logistics, distribution, food processing, life science, technology, energy, health care, value added agriculture and education, the need for the availability of sufficient bandwidth and high speed telecommunications is essential. The project proposed by Metro FiberNet to bring fiber to the premise will

provide the Greater Lafayette area the 21st century communications infrastructure that will facilitate the efforts to enhance the opportunities for the existing workforce and businesses, as well as assist in the attraction of new enterprises and enhance the overall quality of life in the region.

Description of the Area

The Area is located within the boundaries of the City of West Lafayette. It is the intention of this Plan to create an allocation area within the Area that consists solely of the personal property of Metro FiberNet, which personal property consists of fiber optic cable that will be placed either on poles or underground, depending upon where the existing utilities lay. The allocation area will, by definition, be where the personal property of Metro FiberNet exists, and can move when the fiber optic cable is moved. The designation of the Area is to delineate where the fiber optic cable may be located, but is not in and of itself the allocation area.

Project Description

**Metro FiberNet Potential Project List
within
TIF Area / EDA**

The personal property to be captured as the allocation area will consist of:

1. Fiber Optic Cable and associated plant;
2. Pre-cast concrete storage sheds (2) that are classified as personal property in locations to be determined; and
3. Electronic equipment within storage sheds.

THE PROCESS OF DESIGNATING AN ECONOMIC DEVELOPMENT AREA

The following represents a general narrative summary of the sequence of actions to be undertaken in support of the designation of the EDA. Each step will be reviewed by the legal staff of the City of West Lafayette, by Bond Counsel and the Financial Advisor.

After formation of the Plan, it will be submitted to the Redevelopment Commission of the City of West Lafayette for consideration and approval. Upon presentation and discussion, the Redevelopment Commission may approve the Plan in its entirety, make modifications to the Plan and approve the Plan as amended, or reject the Plan and the designation of an EDA.

Declaratory Resolution

If the Redevelopment Commission desires to approve the Plan, it will pass a Declaratory Resolution of the Redevelopment Commission. The Declaratory Resolution declares the intent of the Redevelopment Commission to create an EDA.

Plan Commission Review

After passing the Declaratory Resolution, the Redevelopment Commission must then submit the Plan to the Area Plan Commission of Tippecanoe County for review to assure that it conforms to the plan of development for the City. The Area Plan Commission's task is to affirm that the Plan conforms to the plan of development of the City as contained in the Comprehensive Plan. The Plan can propose an alteration of land use or zoning in response to a specific economic development proposal, but if it does so, such alteration or rezoning must be approved by the Area Plan Commission. This Plan was developed in compliance with the current Comprehensive Plan and no deviation is anticipated.



Metro FiberNet understands that they shall be treated on parity with all other similarly situated utilities and therefore any future relocation of Metro FiberNet facilities caused by a project identified in the City and County adopted *The Metropolitan Transportation Plan 2040: Completing our Streets (MTP)* or its successor(s) will be at the expense of Metro FiberNet if such expense would also be required of all other similarly situated utilities.

City Council Approval

Upon receiving approvals of the Redevelopment Commission and the Area Plan Commission, the Plan must be submitted to the West Lafayette City Council for approval before it can be implemented. The City Council may reject the Plan or approve the Plan.

The City Council also must approve the Redevelopment Commission's determination that the Area is an economic development area under the redevelopment statute.

Notice of Public Hearing and Tax Impact Statement

Upon receipt of approval by the City Council, the Redevelopment Commission must publish a notice of the adoption of the Declaratory Resolution and the date upon which the Redevelopment Commission will conduct a public hearing thereon, which must be no sooner than 10 days following the publication of the notice. The Redevelopment Commission also must deliver a copy of the notice, along with a statement disclosing the impact of the Area, to each taxing unit that is wholly or partially located in the Area.

Confirmatory Resolution

The Redevelopment Commission must then conduct the public hearing and pass a Confirmatory Resolution which confirms the Redevelopment Commission's intention to designate the EDA as set forth in the Plan. The Redevelopment Commission is not required to take this action, but may consider whether the Area designation is still appropriate. If the Redevelopment Commission passes the Confirmatory Resolution, the EDA is then finally declared and designated.

Bond Counsel for the project will assure that all necessary and appropriate filings and administrative actions are taken. It is, therefore, important that the various agencies, bodies, elected officials and the generally public understand the limitations which are imposed on subsequent decision and actions by these various agencies and bodies.

**EXAMPLES OF HOW THE CITY INTENDS TO MEET
THE
STATUTORY FINDINGS**

MetroNet

The fiber optic system planned by MetroNet (and its affiliated companies including, but not limited to, Metro FiberNet, LLC) will enhance economic development and improve the overall financial health of the county by enhancing efforts to expand and diversify the economy by attracting 21st century businesses which rely upon technology and require band width in order to locate in the county. It will also directly create 25-40 jobs with an annual payroll of approximately \$1.25 to \$2.0 million within the Greater Lafayette Area.

It is crucial to the long term fiscal health of the county that we are positioned to attract these technology driven businesses especially those in logistics, advanced manufacturing, energy and agriculture. The local workforce is trained in these vocations and additional training will improve skill levels to a degree commensurate with those required in the aforementioned industries.

Financing the Projects

It is the intention of the Redevelopment Commission to create a Tax Incremental Finance (“TIF”) District and to capture the incremental depreciable personal property within the EDA in order to finance the necessary projects. The TIF District must be established by March 1, 2012 so that the Redevelopment Commission may receive funds in 2013. If this does not occur, the already formed Redevelopment Commission will not be able to meet the needs that are projected to occur shortly.

It will be necessary to issue bonds sometime in the near future, based on the incremental *ad valorem* property taxes allocated under IC 36-7-14-39, in order to raise money for completion of the Projects in the Area.

The financing will be used for part, or all, of the following:

- (1) All reasonable and necessary architectural, engineering, and construction, equipment, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and development of the Project or the issuance of bonds;
- (2) Interest on, and principal of, the bonds issued by the Commission for the project; and
- (3) Expenses that the Commission is required or permitted to pay under IC 8-23-17.

Metro FiberNet, LLC has estimated the total cost of their project to total \$50-\$65 million for the first phase which would include bring fiber to the premise within the Greater Lafayette Area. The approximate project cost within the City of West Lafayette will approximate \$15-\$20 million.

Based upon the estimated investment of depreciable personal property to be located within the various taxing districts, Metro FiberNet, LLC would be requesting assistance through the issuance of TIF Revenue Bonds by the Cities of Lafayette and West Lafayette in an aggregate amount approximating \$9.0 million with a term not to exceed 25 years. (The size of the TIF Revenue Bond to be issued by the City of West Lafayette would approximate \$2.5 million). The Bonds, when issued, would be paid solely from the incremental revenues generated within the area and would not cause a general or moral obligation on the part of the Redevelopment Commission.

Amendment of the Plan

By following the procedures specified in IC 36-7-14-15 the Redevelopment Commission may amend the Plan for the Area.

**FACTUAL REPORT IN SUPPORT
OF FINDINGS CONTAINED IN RESOLUTION _____**

1. The Plan for the Metro FiberNet Economic Development Area (the “Area”) will promote significant opportunities for growth and the gainful employment of citizens of the City by providing the means to extend state of the art fiber optic lines and high speed internet services to the Area. This 21st century infrastructure is necessary to attract employers engaged in advanced manufacturing, logistics, distribution, food processing, energy, health care and value added agriculture. This infrastructure will improve the city’s ability to attract employers as follows:
 - A. To locate in the Area, entities require sites that are shovel ready with all required infrastructure, including fiber optic broad band services. This Plan provides for the public funding of the fiber optic lines and electronic equipment required to bring high speed internet services to the Area.
 - B. The Plan provides for these services to be brought to publicly owned sites that are developed or will be developed as shovel ready sites suitable for development by entities that are engaged in logistics, distribution, food processing, energy, health care and value added agriculture.
2. The Plan:
 - A. Will promote significant opportunities for the gainful employment of the citizens of the City;
 - B. Is likely to attract major new business enterprises as a result of the existence of fiber optic and broad band services;
 - C. Enables the use of public funding to guide infrastructure design and construction and thus development in the Area to promote basic employment and mixed uses of the land, to an extent individual property owners would not otherwise attain.
 - D. Benefits the public health, safety, morals and welfare of the citizens of the County and State as follows: The Plan, when fully implemented, will add high speed broad band services that are required in the transmission of medical records. Development of this 21st century infrastructure will

permit the City to approach land use development, public services, resources and public investments in a positive manner; and

- E. Increases the economic well being of the City and the State of Indiana in direct alignment with the Governor's public statements of promoting economic development opportunity in Indiana through the extension of 21st century broadband services throughout the state, especially in rural areas.
3. The planning and development of the Area will benefit the public health, safety morals and welfare; it will increase the economic well being of the City and serve to protect and increase property values in both the City and the State of Indiana.
 - A. The Plan will create new employment opportunities;
 - B. The Plan will diversify the local economy and add employment opportunities that do not now exist and cannot exist without the addition of 21st century broad band fiber optics; and
 - C. Broadband fiber optic services are not available in vacant land within the Area. The Plan promotes development throughout the Area.
 4. The Plan for the Area cannot be achieved by the regulatory processes or by ordinary operation of private enterprise without resorting to IC 36-7-14 (the Redevelopment statutes) because of the lack of public improvements, the existence of geological impediments to industrial development and multiple ownership of land.
 5. The accomplishment of the Plan for the Area will be of public utility benefit, for the following reasons. First, it is estimated that the full development of the Area, pursuant to the Plan will allow for the immediate attraction of approximately 25-40 permanent high tech jobs in the Greater Lafayette Area by September, 2013. The foregoing estimate is based upon representation of MetroNet. Secondly, current employers in Greater Lafayette Area have indicated a need for updated fiber optic broad band services to transmit engineering, medical records, books and technical manuals. The expectation is that hundreds of local jobs will be preserved and retained as a result of implementation of the plan. This information has been developed through interviews with a number of existing employers. It is also estimated that, when fully developed in accordance with the Plan, the assessed value for Real Property and Depreciable Personal Property will be increased by approximately \$50-\$65 million within the Greater Lafayette Area. The foregoing estimate is based upon representations of Metro FiberNet, LLC.
 6. The Commission believes that the TIF District will generate, over time, along with federal, state and local funds, sufficient monies to fully implement the Plan.