

RESOLUTION NO. 2015-__

**A Resolution of the Joint Board Under the
City of West Lafayette—Purdue University Interlocal Agreement
Regarding Approval of Amendments to the Project Development Agreement,
Funding Agreements, and Other Actions and Agreements
Related to the State Street Redevelopment Project**

December 7, 2015

WHEREAS, the City of West Lafayette (the “City”) and The Trustees of Purdue University (the “University”) have established this Joint Board under the Interlocal Cooperation Agreement between them dated as of March 12, 2014, and they have proposed that the Joint Board be delegated full authority to manage and deliver the State Street Redevelopment Project (the “Project”) under Indiana’s “Build-Operate-Transfer statute (Indiana Code 5-23), as provided in the First Supplement to Interlocal Cooperation Agreement in the form reviewed and discussed at this meeting (the “First Supplement”); and

WHEREAS, the University and the City have continued to collaborate, both directly and through this Joint Board, as more particularly outlined in a Project Development Agreement entered into among the City, the University, Purdue Research Foundation (“PRF”), the West Lafayette Redevelopment Commission (the “RDC”) and the Joint Board, and effective May 20, 2015 (the “PDA”); and

WHEREAS, Board of Trustees of the University has requested the assistance of PRF in the form of funding to be provided for the Project through PRF’s Purdue Investment Pool – Cash (PIPC) Investment Policy, including the Loan Fund program thereunder, which authorizes non-public funds of the PIPC to be invested as loans supporting projects consistent with PRF’s mission to support the University and resulting in a public benefit; and

WHEREAS, the Board of Directors of PRF has (i) approved and ratified the PDA and the amendments thereto contemplated by this Resolution; (ii) authorized and approved a credit facility under the PIPC Loan Fund (the “TIF Support Facility”), to be made available as a backstop funding mechanism for Project payments until being recouped from excess TIF revenues as and when they become available from the West Lafayette 231 Purdue Economic Development area (“TIF 2”); and (iii) authorized the necessary and appropriate actions to give effect to the PDA amendments and the TIF Support Facility; and

WHEREAS, based on discussions among the City, the University, PRF and the RDC since the PDA was first entered into, it is now contemplated that the TIF Support Facility will be used to provide:

- i. a short-term credit agreement of up to \$13 million to cover (a) a \$10 million extension of credit to the Joint Board for pre-development expenses incurred until financial close under the public-private agreement with the Project developer (“Financial Close”), when all draws thereon will be repaid in full, and (b) a \$3 million extension of credit to the RDC to cover right-of-way acquisition costs for the Project, with any outstanding draws thereon at the time of Financial Close being carried over to the long-term agreement described below, and in any event being repaid by no later than December 31, 2017; and
- ii. a long-term credit agreement of up to \$62.7 million, to be used to backstop TIF 2 revenues dedicated by the City and the RDC to meet payment obligations to the Developer under the public-private agreement over the Project term.

WHEREAS, the Joint Board and the joint management team for the Project, in the course of advancing the procurement process for the Project, and in collaboration with the City, the University, PRF and the RDC, have determined (i) that the above-described modifications to the original structure of the TIF Support Facility, as well as an increase in its aggregate amount and the uses thereof, are necessary and desirable to facilitate the Project and to incorporate certain related key elements, including the relocation of the Todd’s Creek channel in the Western Gateway District, and (ii) that various amendments to the PDA are required in order to reflect these modifications and to address other features of the financing structure by which TIF revenues will be secured for the benefit of the Project.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Joint Board as follows:

1. The amendments to the PDA summarized in Exhibit A and reflected in the revised version presented to the Joint Board for this meeting (the “PDA Update”) are hereby authorized and approved.
2. The short-term credit agreement in the form presented to the Joint Board for this meeting (the “Pre-Development Expenses Credit Agreement”) is hereby authorized and approved.
3. The long-term credit agreement in the form presented to the Joint Board for this meeting is hereby endorsed and recognized as an instrument that, while not contemplating the Joint Board’s being a party thereto, will nonetheless be used to enable the Joint Board, via the State Street Lease Structure and the EDC Bond (as such terms are defined in the PDA), to meet its obligations to the Project developer under the public-private agreement for the Project.
4. The officers of the Joint Board, and each of them, are hereby authorized, in the name and on behalf of the Joint Board, to negotiate, execute and deliver (a) an amendment to the PDA incorporating the modifications summarized in Exhibit A and reflected in

the PDA Update, and (b) the Pre-Development Expenses Credit Agreement, in each case in such form, and with such further changes thereto, as the officer executing the same may approve (with the execution of such amendment by such officer to be conclusive evidence of such approval).

5. The above-designated officers, as well as the members of the joint management team (when acting in their capacity as such on behalf of the Joint Board), are hereby further authorized and empowered, on behalf of and in the name of the Joint Board, to do or cause to be done any and all such acts and things, and to execute, deliver, and/or file any and all such agreements, acknowledgements and other documents and instruments related to the transactions described in or contemplated by the PDA or in Exhibit A (including the "White Paper" referenced therein and attached thereto) as, in the judgment of the officer or joint management team member taking such action, may be necessary, appropriate or desirable to effectuate this Resolution and to carry out the purposes and intent thereof, or to consummate more fully such transactions, whether therein or herein specifically authorized or not. All acts of said officers or joint management team members in conformity with the intent and purposes of this Resolution, whether taken before or after this date, are ratified, confirmed, approved and adopted as the acts of the Joint Board.

Description of Material Amendments to Project Development Agreement (Nov. 2015)

The Project Development Agreement concerning the State Street Redevelopment Project (effective May 20, 2015) is proposed to be amended to give effect to the following:

- References to the “Special Pre-Development Financing” by the City will be removed.
- Definitions related to the TIF 1 and TIF 2 revenue streams will be modified (and some new ones added) to reflect that the funding contributions from TIF 1 and TIF 2 will not be identical in each payment period, as originally planned.
 - Instead, each of the Dedicated TIF 1 Revenue and the Dedicated TIF 2 Revenue streams will be defined by reference to a pre-defined schedule. The cap on Dedicated TIF 2 Revenue has been increased to \$62.7 million in order to include Todd’s Creek within the Project’s scope.
 - In addition to depicting committed revenue from each TIF through 2040, these schedules reflect an “inaugural availability payment” being paid from TIF 2 upon Project completion. TIF 2, backstopped as necessary by draws on the TIF Support Facility, will also fund a greater proportion of payments in the early years, and a lesser proportion in the later years.
- Definitions related to Project Base Scope, Project Enhanced Scope, Pre-Development Expenses, Project Direct Costs and Project Indirect Costs will be updated to reflect various points of agreement subsequently reached between the City and the University in the course of the procurement process. Importantly, the Todd’s Creek work was added to the Project, which provides various financial and constructability benefits.
- Section 3.2 will be modified to incorporate certain additional provisions related to the Joint Board, including (i) that it will be vested with the authority (as delegated by the City) to hold property interests, (ii) that it will be indemnified for certain third party claims by the City and the University as the interlocal partners represented on the Joint Board, and (iii) that it will not be dissolved as long as any State Street obligations remain outstanding (i.e., through 2040).
- Section 5.4 (related to PRF’s Lending Commitments) will be modified to reflect the general structure and terms of the two draft credit agreements submitted for PRF Board approval on November 18, 2015. This includes the fact that the West Lafayette Redevelopment Commission (“RDC”), as opposed to the Joint Board, will be the borrower under the long-term credit agreement. Section 5.4 will also be modified as necessary to recognize the lease structure to be put in place between the RDC and the Joint Board in order to secure the Joint Board’s claim on TIF revenues as the funding source for developer payments. *See generally* the attached “White Paper: The Financing of the State Street Redevelopment Project” (hereafter, the “White Paper”).
- Section 5.6 (related to the EDC Bond) will be updated to reflect the final bond structure securing the availability of the TIF revenues for the Project. This structure has been finalized with the assistance of the Joint Board’s counsel (Barnes & Thornburg) and is reflected in the White Paper.
- The existing Section 5.7 will be replaced with a new provision setting forth the terms related to a “TIF 1 Property Tax Back-Up,” which is described in Part II.A. of the White Paper. This mechanism is essentially providing the same backstop for TIF 1 that the TIF Support Facility from PRF is providing for TIF 2.
- Other modifications may be made, as necessary, to give effect to the ultimate financial structure generally described in the White Paper.

BARNES &
THORNBURG LLP

Atlanta Chicago Dallas Delaware Indiana Michigan Minneapolis Ohio Washington, D.C.

WHITE PAPER: THE FINANCING OF THE STATE STREET REDEVELOPMENT PROJECT

The purpose of this White Paper is to familiarize the reader with the proposed funding and financing elements of the State Street Redevelopment Project (the "Project") and the respective roles of (i) the City of West Lafayette, (ii) the West Lafayette Redevelopment Commission, (iii) the West Lafayette Economic Development Commission, (iv) the West Lafayette Community Development Corporation, (v) the Trustees of Purdue University, (vi) the Interlocal Cooperation Board of the City of West Lafayette, Indiana and the Trustees of Purdue University (the "Joint Board"), (vii) the Purdue Research Foundation, and (viii) The Huntington National Bank, as Trustee for the EDC Bonds. These entities will be involved so that the Joint Board is able to make secure and legally enforceable payments to a selected developer pursuant to a Public-Private Agreement between the Joint Board and the selected developer for the Project.

September 2015

I. The Players

A. The Joint Board

The City of West Lafayette, Indiana (the "City") and the Trustees of Purdue University (the "University") have embarked upon a unique partnership in order to engage in various activities, including the development of the State Street Redevelopment Project (the "Project"). That partnership was organized under that certain Interlocal Cooperation Agreement dated as of March 12, 2014 (the "Original Interlocal Agreement"), as amended by the First Supplement to the Interlocal Agreement dated as of May 19, 2015 (together with the Original Interlocal Agreement, the "Interlocal Agreement") by and between the City and the University (the "Joint Board") concerning the Project. The Joint Board consists of three members representing the City and three members representing the University, and will be the entity that is responsible for the Project. To that end, the Joint Board will enter into a Public-Private Agreement (the "PPA") with the successful developer (the "Developer") for the construction, financing and maintenance of the Project.

B. The City of West Lafayette

The City has determined to utilize tax increment revenues ("TIF Revenues") as the source of revenues for the Project. In order to accomplish that goal, the City Common Council will approve the Sub-Lease (as defined below) of the City's Redevelopment Commission (the "Redevelopment Commission") with the West Lafayette CDC (all as described below), including the use of such TIF Revenues by the Redevelopment Commission and, with respect to only the TIF 1 Area (as defined below), a levy of general property taxes (if needed) by the Redevelopment Commission to the payment of debt service on economic development bonds to be issued by the City (the "EDC Bonds"). Generally, TIF Revenues are revenues that are captured by the Redevelopment Commission from increased assessments of property taxes in a prescribed geographic area of the City. In this case, there are two identified geographic areas where the TIF Revenues will be captured, known as the "Levee/Village Redevelopment Area" (the "TIF 1 Area") and the "231 Purdue Economic Development Area" (the "TIF 2 Area"). The TIF 1 Area has a historical stream of revenues in place, and the TIF 2 Area was created in 2014 and has yet to have revenues produced in it. The projected TIF 1 Revenues and certain existing obligations associated with the TIF 1 Revenues, together with the anticipated payments to be made from TIF 2 Revenues, can be found in Appendix 1 attached hereto.

C. The West Lafayette Redevelopment Commission

The Redevelopment Commission is a five member body that governs the City's Department of Redevelopment pursuant to Indiana Code 36-7-14-1 *et seq.* (the "Act"). As part of its responsibilities, the Redevelopment Commission is able to designate certain geographic areas as either redevelopment areas or economic development areas, both of which designations

enable the Redevelopment Commission to capture TIF Revenues.¹ In order for the Redevelopment Commission to designate a redevelopment or economic development area, there are several steps involved. First, it must adopt a declaratory resolution designating a geographic area, together with findings of fact supporting the determination that the geographic area is either a redevelopment or an economic development area. Upon the passage of that declaratory resolution, the plan commission for the City (in this case, the Tippecanoe County Area Plan Commission) must approve the designation of the area as fitting within the plan of development for the City. The declaratory resolution is then presented to the City's Common Council, which approves the approval of the Plan Commission. With the Common Council's approval, notice is published for a public hearing to be held before the Redevelopment Commission, at which time the Redevelopment Commission considers adoption of a confirmatory resolution approving all of the preceding steps. At this point, the geographic area is set as either a redevelopment or economic development area, and if the areas have also been designated as "allocation areas," then TIF Revenues may begin to be collected. The mechanics of the TIF Revenue process begins with the setting of the "base assessment date." Under Indiana law, the base assessment date is the date under which all property assessments are set as a "frozen base-line,"² after which date all increased assessed value that creates new property taxes is captured as tax increment and deposited into an allocation fund controlled by the Redevelopment Commission. That tax increment may then be used for various economic and redevelopment projects permitted under the Act. In this case, a portion of the TIF 1 Revenues and TIF 2 Revenues will be utilized for the Project. Half of the debt service that will flow to the EDC Bonds will come from TIF 1 Revenues, and half will come from TIF 2 Revenues. Further, the Redevelopment Commission will put into place the ability to levy a property tax upon all of the property in the City's Redevelopment District, the boundaries of which are coterminous with those of the City, in the event that TIF 1 Revenues are insufficient to equal the payment required for its commitment relating to the EDC Bonds. In addition, as described below, in the event there is a shortage of TIF 2 Revenues, the Redevelopment Commission will petition the Purdue Research Foundation for the needed funds pursuant to a credit agreement (the "Credit Agreement") that will be entered into between the two parties.

D. The West Lafayette Economic Development Commission

The Economic Development Commission (the "EDC") is a three member body established under Indiana Code 36-7-12-1 *et seq.* Its sole purpose under the financing is to hold a hearing for the Project and to recommend to the City's Common Council that the City issue its economic development bonds for the Project. The timetable for the financing and the steps required for the EDC can be found in Appendix 2 attached hereto.

¹ The major difference between a redevelopment area and an economic development area is that the former is for designated areas that are traditionally urban areas, such as a downtown, and the latter is for designated areas that show the promise of economic development without a finding of urban challenges.

² For TIF 1, the base assessment date is March 1, 1989, and for TIF 2, the base assessment date is March 1, 2014. TIF 1 and TIF 2 expire at the end of calendar year 2040.

E. The West Lafayette Community Development Corporation

The West Lafayette Community Development Corporation (the “West Lafayette CDC”) is a non-profit entity that will be utilized in a role to obtain the interest of the Joint Board in the property of the Project, and lease such property *from* the Joint Board, and in turn, sub-lease that property *to* the Redevelopment Commission pursuant to the sub-lease (the “Sub-Lease”). Upon the final payment of the EDC Bonds, the property will revert back to the Joint Board and/or City. This step is needed in order for the pledge of property tax revenues by the Redevelopment Commission not to be considered within the 2% debt limit of the Redevelopment District. Ordinarily, the Redevelopment Commission would not be able to commit to a property tax levy that would exceed one-third of 2% of the Redevelopment District’s net assessed value, but entering into the lease alleviates this concern. The Redevelopment Commission’s TIF Revenues will technically flow to the West Lafayette CDC in the form of the Sub-Lease payment, which in turn will flow to the Joint Board from the West Lafayette CDC as a lease payment under the lease (the “Lease”). All of this will be accomplished through the use of the Trustee (hereinafter described) for the EDC Bonds. A flow chart of the entities and their roles can be found in Appendix 3 attached hereto.

F. The Trustees of Purdue University

As described in Section A. above, the University has entered into a partnership with the City that has resulted in the formation of the Joint Board. The Project is one in which interests of both the City and University depend, and both the City and the University have been heavily involved in the planning, preparing and guiding of the Project. The University, the City, the Redevelopment Commission, the PRF (as defined below) and the Joint Board have entered into a certain Project Development Agreement, dated as of May 20, 2015 (the “Project Development Agreement”), memorializing the duties and responsibilities of the respective parties with regard to the Project.³

G. The Purdue Research Foundation

The Purdue Research Foundation (“PRF”) is a 501(c)(3) Indiana nonprofit corporation that performs many functions, including managing certain assets of the University. PRF will enter into a Credit Agreement with the Redevelopment Commission to provide back-up assistance in an amount not to exceed \$60 million, thereby making up short-falls in TIF 2 Revenues that would otherwise be required to make Sub-Lease payments by the Redevelopment Commission to the West Lafayette CDC, that in turn are used to make Lease payments by the

³ The Project Development Agreement is anticipated to be amended in the near future. For the current signed version, please see <http://static1.squarespace.com/static/54f90b2ec4b05dba9d8dfd72/t/5571c247c4b0a8c1ea2bdb1c/1433526855407/pda.pdf>

West Lafayette CDC to the Joint Board in order to pay debt service on the EDC Bonds held by the Joint Board. Such debt service payments will fund the Joint Board's financial obligations to the Developer under the PPA.

H. The Huntington National Bank, as Trustee

The Huntington National Bank will act as Trustee for the EDC Bonds. The Trustee will have the responsibility of holding the TIF 1 Revenues and TIF 2 Revenues deposited with it for the benefit of the Joint Board, which will use such payments to pay the Developer for the payment of quarterly availability payments (the "Availability Payments"), or other payments owed to the Developer.

II. The Financing

A. TIF 1 Revenues

Pursuant to the Project Development Agreement, the City and the Redevelopment Commission will be responsible for half of the project Sub-Lease payments to the West Lafayette CDC, which TIF Revenues for the City's half will be derived from TIF 1. As shown on the chart attached hereto as Appendix 1, it is estimated that the existing TIF 1 Revenues are presently sufficient to make the required payments by the Redevelopment Commission under the Sub-Lease with the West Lafayette CDC. However, if for any reason the TIF 1 Revenues are insufficient to make the required semi-annual Sub-Lease payments to the West Lafayette CDC (the "TIF 1 Shortfall"), the Redevelopment Commission will be required to place into motion procedures for the levying of a property tax on all taxable property in the City's Redevelopment District, the boundaries of which are coterminous with those of the City, in an amount sufficient to provide for the TIF 1 Shortfall (the "TIF 1 Property Tax Back-Up").⁴ To provide liquidity in advance of any property tax receipts, the EDC Bonds will contain a debt service reserve fund that will be funded at the time of issuance of the EDC Bonds with either cash or a surety bond in a sufficient amount to immediately pay the shortfall until the property tax can be collected.

B. TIF 2 Revenues

In a like manner, pursuant to the Project Development Agreement, the University will be responsible for half of the Project Sub-Lease payments to the West Lafayette CDC, which TIF Revenues for the University's half will be derived from TIF 2. As previously mentioned, TIF 2 Revenues are presently not sufficient to make such Sub-Lease payments. Any semi-annual shortfall of the TIF 2 payments (the "TIF 2 Shortfall") will be subject to a request from the Redevelopment Commission to the PRF to provide the Redevelopment Commission the necessary amounts to cover the TIF 2 Shortfall, subject to a \$60 million lifetime limit, pursuant

⁴ All required approvals for the levying of the property tax will be in place before commercial closing of the PPA ("Commercial Close"), which is currently estimated at or around February 26, 2016, so the levying of any required property tax in the future will be ministerial.

to the Credit Agreement between the PRF and the Redevelopment Commission. The Credit Agreement may contain certain "roll-off" provisions tied to TIF 2 cash collections. It is currently contemplated that the Credit Agreement will terminate upon TIF 2 collections achieving a coverage of 2.0x of West Lafayette CDC obligations for two consecutive fiscal years. The Redevelopment Commission will be obligated to reimburse the PRF for any amounts so provided by the PRF to the Redevelopment Commission solely from future TIF 2 Revenues that are in excess of what is required for the Sub-Lease payment to the West Lafayette CDC for the University's portion under the Project Development Agreement. However, the lien of such obligation on future TIF 2 Revenues will be subordinate to the lien thereon of the obligation of the Redevelopment Commission to make any payments due on the Sub-Lease to the West Lafayette CDC.

C. The EDC Bonds

Under Indiana Code 36-7-12, the City will issue its first series of EDC Bonds in an amount sufficient to pay the set Availability Payments and an initial inaugural payment to the Developer. The EDC Bonds will not be sold in the market for cash, but instead will be delivered to the Joint Board in consideration for the development of the Project. As the holder of the EDC Bond, the Joint Board will be entitled to principal and interest payments under the EDC Bonds. Pursuant to the Trust Indenture between the City and the Trustee, certain set principal and interest payments will be made by the Redevelopment Commission to the West Lafayette CDC under the Sub-Lease, which payments will be made directly to the Trustee for the benefit of the West Lafayette CDC. The payments will be deposited by the Trustee in the Sinking Fund established by the Deposit Agreement and Trust Indenture for the EDC Bonds and paid to the Developer for the benefit of the Joint Board pursuant to a set schedule of Availability Payments.

In addition to the first series of EDC Bonds described above, the City will also authorize (but not immediately issue), a certain amount of additional series of EDC Bonds (the "Additional EDC Bonds") that could be issued in the event certain events occur requiring additional payments by the Joint Board under the PPA. One type of such event would be a Relief Event under the PPA. The authorization of the Additional EDC Bonds would be subject to approval by the Redevelopment Commission and the City's Common Council at the time of issuance and would be payable from both TIF 1 and TIF 2 Revenues and the TIF 1 Revenues would be subject to the TIF 1 Property Tax Back-Up. If Additional EDC Bonds were issued, there would be a corresponding amount of principal and interest due on the Additional EDC Bonds that would be directly related to the increased amounts of Availability Payments due under the PPA.

All approvals for the EDC Bonds will occur by Commercial Close, as outlined in Appendix 2. The EDC Bonds will be issued on the same date as the financial closing of the Project, which is currently estimated at or around May, 2016.

D. The Deposit Agreement

The Trustee, the Developer, the Joint Board, the City, the Redevelopment Commission, the West Lafayette CDC, the PRF and a trustee designated as the "Deposit Trustee" (which Deposit Trustee will also likely be The Huntington National Bank) will have previously entered into a Deposit Agreement at the closing of the EDC Bonds under which all parties will agree that the stream of TIF Revenues through the Sub-Lease and Lease will flow to the Deposit Trustee for the benefit of the Developer as Availability Payments and act as a credit toward any EDC Bond payments due to the Joint Board. In this way, the Developer has a secure structure under which to be paid the Availability Payments.

E. Certain Extraordinary Events

Under the PPA certain termination rights are granted to the Joint Board. In the event the Developer is entitled to payment as a result of such termination of the PPA (an "Extraordinary Event" as defined in the Deposit Agreement, the Developer will be entitled to an assignment of debt service payments under the EDC Bonds until such time as the full termination compensation is paid to the Developer. The Deposit Agreement will include wiring instructions for the Deposit Trustee to make such payments directly to the Developer upon such an agreed upon Extraordinary Event and the stream of TIF Revenues will continue for the same time period as would have occurred under the EDC Bonds until full payment is made to the Developer for the termination compensation.

APPENDIX 1
TIF 1 REVENUES⁵
(Attached)

⁵The attached TIF 1 Revenues are provided as a convenience to the reader by the City's financial advisor, and although believed to be reflective of the current state of TIF 1 Revenues, should not be relied upon by the reader as a factual statement of future TIF 1 Revenues.

West Lafayette Redevelopment Commission

Levee Village Area (TIF 1) Estimated Tax Increment Revenue and Bond Coverage

General Assumptions:

- Tax Increment Revenue (TIR) for 2015 is based upon the assumption that 50% of the annual TIR was received in the June 2015 settlement of \$2,301,935. TIR for 2016 is based upon the Neutralization Calculation prepared by the Tippecanoe County Auditor using preliminary 2016 Assessed Values and estimated tax rates. TIR for 2017 includes \$20 million of additional captured assessed value from two projects that were only partially assessed on March 1, 2015. The majority of these improvements will not be assessed until January 1, 2016 which will begin to generate increment in 2017. After 2017, a 1% average annual increase was included in estimated revenue. Coverage calculations are shown with and without this 1% increase.
- Annual payments for the 2010 Lease Rental Bonds represent the remaining scheduled lease payments for the Lease Rental Refunding Bonds, Series 2010 which lease rentals are due in equal semiannual installments on January 15th and July 15th through January 15, 2022. The original lease rental bonds financed the development of the Wabash Landing Parking garage. Their repayment is secured by TIR in the Levee Village Area and if not sufficient by a property tax backup.
- The 2015 Bonds were issued in the amount of \$300,000 on June 26, 2015. They include a variable interest rate feature which is subject to adjustment within a cap every five years. The annual debt service through 2019 is actual based upon the initial rate. Annual payments thereafter through final maturity on January 15, 2040 assume the maximum allowed interest rate increases. These bonds are secured by a parity pledge of TIR in the Levee Village Area.
- SS Project Commitment represents the annual Sponsor Contributions for West Lafayette for the BOT procurement of the State Street Project as presented in the 7-30-15 Affordability Cap Analysis prepared by KPMG with certain adjustments. These payments represent 50% of the total contributions to the procurement and include both an expected inaugural payment and availability payments beginning in 2019. The amounts have been revised from the developer payment stream reflected in the RFQ when initially posted. Planned contributions in 2017, 2018 and 2019 were reduced from \$3,000,000 to \$2,500,000 in 2017 and then \$2,000,000 per year in 2017 and 2018. The reduction of \$2,500,000 was added to the payments in 2019 through 2039 such that the total City commitment remains at \$60,000,000.
- Williams Street to River Road improvements were originally part of the BOT procurement but have been removed from the base scope and included in a Guaranteed Savings Contract procurement which is expected to be financed in part by Redevelopment District Bonds secured by tax increment in the Levee Village Area with a property tax backup. Estimated project costs total approximately \$5,500,000 of which \$5,100,000 is expected to bond funded along with up to \$3,000,000 of excess land costs described in the next section. Assuming a 20 year term and an \$8,100,000 bond the annual debt service is estimated at \$590,000.

West Lafayette Redevelopment Commission

Levee Village Area (TIF 1) Estimated Tax Increment Revenue and Bond Coverage

General Assumptions (Continued):

- The City is responsible for right of way services and related land acquisition costs for the State Street Project. The BOT procurement includes a budget of \$3,000,000 for these costs. Current cost estimates for land held by private owners for all sections of the project total approximately \$5,300,000 including acquisition services. Efforts continue to reduce these costs, however, in the event they cannot be reduced, we have assumed an additional \$3,000,000 will be funded as part of the Redevelopment District Bond described in the previous section.
- Bond Coverage is based upon the Levee Village Area TIR revenues as described above and the existing and anticipated obligations described above. The first set of calculations is based upon existing improvements in the Area plus 1% increases beginning in 2017. The second set of coverage calculations includes estimated revenue based only upon existing improvements.

West Lafayette Redevelopment Commission

Levee Village Area (TIF 1) Estimated Tax Increment Revenue and Bond Coverage

	Estimated Tax Increment Revenue	Outstanding Obligations		City SS Project Commitment	SS Land and Williams St. to River Road Improvements	Total Debt Obligations	Estimated Bond Coverage	
		2010 Lease Rental Bonds	2015 Bonds				With 1% Revenue Growth	Without 1% Revenue Growth
2015	\$ 4,600,000	\$ 587,000	\$ 20,378	\$ 1,000,000		\$ 1,607,378	286%	286%
2016	4,700,000	587,000	20,418	2,500,000		3,107,418	151%	151%
2017	5,100,000	585,000	20,075	2,000,000	590,000	3,195,075	160%	160%
2018	5,151,000	586,000	20,719	2,000,000	590,000	3,196,719	161%	160%
2019	5,202,510	585,000	20,349	2,337,000	590,000	3,532,349	147%	144%
2020	5,254,535	588,000	22,693	2,347,000	590,000	3,547,693	148%	144%
2021	5,307,080	592,000	20,128	2,357,000	590,000	3,559,128	149%	143%
2022	5,360,151		20,665	2,367,000	590,000	2,977,665	180%	171%
2023	5,413,753		20,151	2,377,000	590,000	2,987,151	181%	171%
2024	5,467,890		19,637	2,387,000	590,000	2,996,637	182%	170%
2025	5,522,569		22,599	2,397,000	590,000	3,009,599	183%	169%
2026	5,577,795		19,949	2,407,000	590,000	3,016,949	185%	169%
2027	5,633,573		20,376	2,417,000	590,000	3,027,376	186%	168%
2028	5,689,909		19,765	2,427,000	590,000	3,036,765	187%	168%
2029	5,746,808		20,154	2,437,000	590,000	3,047,154	189%	167%
2030	5,804,276		20,428	2,447,000	590,000	3,057,428	190%	167%
2031	5,862,318		20,664	2,457,000	590,000	3,067,664	191%	166%
2032	5,920,942		19,824	2,467,000	590,000	3,076,824	192%	166%
2033	5,980,151		19,945	2,477,000	590,000	3,086,945	194%	165%
2034	6,039,953		20,028	2,487,000	590,000	3,097,028	195%	165%
2035	6,100,352		19,997	2,497,000	590,000	3,106,997	196%	164%
2036	6,161,356		19,927	2,507,000	590,000	3,116,927	198%	164%
2037	6,222,969		19,743	2,517,000		2,536,743	245%	201%
2038	6,285,199		20,483	2,527,000		2,547,483	247%	200%
2039	6,348,051		20,107	2,537,000		2,557,107	248%	199%
2040	6,411,531			1,323,000		1,323,000	485%	385%
TOTALS		<u>\$ 4,110,000</u>	<u>\$ 509,202</u>	<u>\$ 60,000,000</u>	<u>\$ 11,800,000</u>	<u>\$ 76,419,202</u>		

NOTE: The above amounts are estimates based upon assumptions provided by the City and are subject to further update and revision. Also see attached General Assumptions for additional information.

231 Purdue Economic Development Area (TIF 2)
State Street Project Commitment Schedule ⁽¹⁾

2015	-
2016	-
2017	-
2018	14,759,189
2019	2,181,377
2020	2,183,387
2021	2,185,687
2022	2,188,307
2023	2,191,237
2024	2,194,487
2025	2,198,067
2026	2,201,987
2027	2,206,257
2028	2,210,888
2029	2,215,877
2030	2,221,247
2031	2,226,997
2032	2,233,147
2033	2,239,697
2034	2,246,657
2035	2,254,047
2036	2,261,867
2037	2,270,137
2038	2,278,857
2039	2,288,057
2040	1,262,539
Total	62,700,000

⁽¹⁾ Early year contributions will be made in the form of draws on the PRF Credit Facility.

State Street Project Total Sources and Uses of Funds

Total Sources of Funds:

2015	1,000,000
2016	2,500,000
2017	2,000,000
2018	16,759,189
2019	4,518,377
2020	4,530,387
2021	4,542,687
2022	4,555,307
2023	4,568,237
2024	4,581,487
2025	4,595,067
2026	4,608,987
2027	4,623,257
2028	4,637,888
2029	4,652,877
2030	4,668,247
2031	4,683,997
2032	4,700,147
2033	4,716,697
2034	4,733,657
2035	4,751,047
2036	4,768,867
2037	4,787,137
2038	4,805,857
2039	4,825,057
2040	2,585,539
Total	<u>122,700,000</u>

Total Uses of Funds:

ROW Costs	3,000,000
Inaugural AP	17,000,000
Availability Payments	102,700,000
Total	<u>122,700,000</u>

APPENDIX 2

TIMETABLE FOR ISSUANCE OF EDC BONDS
(Attached)

**BARNES &
THORNBURG LLP**

CITY OF WEST LAFAYETTE, INDIANA

**CITY OF WEST LAFAYETTE, INDIANA
TAXABLE ECONOMIC DEVELOPMENT REVENUE BOND OF 2016
(STATE STREET PROJECT)**

Draft Proposed Timetable

(October 12, 2015)

<u>Date (2015-16)</u>	<u>Action</u>
Monday, October 19	File Plan Commission Resolution with Plan Commission
Wednesday, November 4	Finalize drafts of redevelopment plan and economic development plan for amendments
Tuesday, November 17	Take notice of public hearing before EDC to newspaper
Wednesday, November 18	Redevelopment Commission (8:30 a.m.) adopts declaratory resolution amending its economic development plans (the "Plans") for the Levee/Village Redevelopment Area (the "Redevelopment Area") and the 231 Purdue Economic Development Area (the "Economic Development Area")
Wednesday, November 18	Plan Commission (6:00 p.m.) approves declaratory resolution and plan for Redevelopment Area and Economic Development Area
Tuesday, November 24	Publish notice of public hearing before EDC relating to EDC/TIF Bonds
Monday, November 30	Take (i) notice of public hearing by Redevelopment Commission of Confirmatory for Redevelopment Area and Economic Development Area and (ii) notice of public hearing on the lease with CDC to newspaper
Friday, December 4	Publish notice of (i) public hearing on declaratory resolution for Redevelopment Area and Economic Development Area and (ii) public hearing on lease with West Lafayette Community Development Corporation ("West Lafayette CDC")

Monday, December 7	EDC (5:30 p.m.) conducts public hearing and adopts resolution approving financing documents and EDC report
Monday, December 7	Common Council (6:30 p.m.) adopts resolution approving declaratory resolution and plan for Redevelopment Area; and introduces (i) ordinance approving lease and (ii) bond ordinance approving financing documents for EDC/TIF Bonds
Tuesday, December 8	EDC Report delivered to Plan Commission director or chairman
Monday, December 14	Period for comments from Plan Commission director or school superintendent expires
Tuesday, December 15	Create and appoint members to CDC
Wednesday, December 16	Redevelopment Commission (8:30 a.m.) conducts public hearing on Redevelopment Area and plan and public hearing on lease and adopts (i) confirmatory resolution; (ii) resolution approving lease; and (iii) resolution pledging TIF to EDC/TIF Bonds and tax back-up to Lease
Thursday, December 17	Deliver Notice of Execution of Lease to Newspaper
Tuesday, December 22	CDC (5:00 p.m.) meets and organizes; Approves lease with Redevelopment Commission
Wednesday, December 23	Notice published of Execution of Lease
Monday, January 4	Council (6:30 p.m.) adopts (i) ordinance approving lease and (ii) bond ordinance approving financing documents for EDC/TIF Bonds
Tuesday, January 5	Make required filings with County Auditor and Department of Local Government Finance relating to amendment of TIF areas
Monday, January 25	Last day for filing of objection to Lease
Two Days Before Financial Close	Preclosing on EDC/TIF Bonds
Financial Close	Closing on EDC/TIF Bonds

APPENDIX 3

FUNDING AND FINANCING STRUCTURE
(Attached)

STATE STREET PROJECT STRUCTURE

