

RESOLUTION NO. _____

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ZIONSVILLE,
INDIANA, MAKING A PRELIMINARY DETERMINATION TO ENTER INTO
LEASE TO FINANCE STREET AND STORM WATER BUILDING PROJECT**

WHEREAS, the Town Council (the “Council”) of the Town of Zionsville, Indiana (the “Town”) has given consideration to all or a portion of the acquisition of land, construction, installation, and equipping of a new Town Street and Storm Water Department building and improvements related thereto (collectively, the “Project”); and

WHEREAS, the total cost of the Project, including, but not limited to, costs of acquisition of the real estate, construction of improvements, architects’ and engineers’ fees, consultants’ services, legal and financing expenses, certain expenses of operation of the Zionsville Municipal Building Corporation (the “Building Corporation”) during construction, interest during construction and repayment of any funds advanced by the Town to meet preliminary expenses necessary to be paid prior to the issuance of bonds by the Building Corporation, is not greater than Ten Million Five Hundred Thirty-Five Thousand Dollars (\$10,535,000); and

WHEREAS, pursuant to Indiana Code § 6-1.1-20-3.1, if the Town proposes to impose property taxes to pay lease rentals on any construction, renovation, improvement, remodeling, alteration or expansion project, which is not excluded under Indiana Code § 6-1.1-20-1.1, it must conduct two public hearings on the preliminary determination to proceed with such project prior to the Town adopting any resolution making a preliminary determination to enter into one or more leases; and

WHEREAS, notice of said hearings has been given in accordance with Indiana law; and

WHEREAS, interested people have been given the opportunity to present testimony and ask questions concerning the Project, and this Council has heard public input at public hearings held on September 3, 2019 and September 16, 2019, concerning the Project; and

WHEREAS, the Council, being duly advised, finds that it is in the best interests of the Town and its citizens for the purpose of financing all or any portion of the Project to enter into negotiations with the Building Corporation to enter into a lease with the Building Corporation (the “Lease”), as lessor, for all or any portion of the Project, in order to better serve the residents of the Town; and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ZIONSVILLE, INDIANA, AS FOLLOWS:

1. The Council hereby makes a preliminary determination that there exists a need for the Project. Accordingly, the Council hereby makes a preliminary determination that to the extent permitted by law the Town will take all of the necessary steps to enter into the Lease with the Building Corporation pursuant to which the Building Corporation and the Town will finance all or any portion of the Project. The Town and the Building Corporation will finance all or any portion of the Project through one or more series bonds issued by the Building Corporation (the

“Bonds”) and other funds of the Town. The Town’s lease payments under such Lease will be payable from *ad valorem* property taxes levied and collected on all taxable property within the geographical boundaries of the Town.

2. The proposed Lease with respect to the Project will have a term no longer than twenty (20) years, commencing on the date of issuance of the Bonds. The maximum estimated interest rate that will be paid in connection with the Bonds is five percent (5%) per annum, the estimated interest rates that will be paid in connection with the Bonds are 3% to 5%, and the total estimated interest cost is \$5,218,240. Including interest costs, the maximum annual lease rental to be paid by the Town under the proposed Lease is \$920,000 and the maximum lease rental over the term of the Lease is \$16,283,000.

3. The Town’s current debt service levy is \$380,289 and its current debt service rate is \$0.0273 per \$100 of assessed valuation. If the Town enters into the Lease, the estimated increase to the Town’s debt service levy over the debt service levy that would have been in place had the Lease not been entered into will be the amount derived by subtracting column A from column B in the chart below for each year during years 2020-2029 of the Lease, with an increase in the debt service levy ranging from \$0.00 to \$893,100 in a year. The estimated increase to the Town’s debt service rate over the debt service rate that would have been in place had the Lease not been entered into will be the difference between column D and column C in the chart below for each year during years 2020-2029 of the Lease, with an increase in the debt service rate ranging from \$0.00 to \$0.0307 in a year. The estimated amount of the Town’s debt service levy and rate that will result during the following ten (10) years if the Town enters into the Lease (considering any changes that may occur to the debt service levy and rate during that same period on account of any outstanding bonds or lease obligations that mature or terminate during said ten (10) year period) is as follows:

	A Debt Service Levy (assuming the Town does not enter into the Lease)	B Debt Service Levy (assuming the Town enters into the Lease)	C Debt Service Rate (assuming the Town does not enter into the Lease)	D Debt Service Rate (assuming the Town enters into the Lease)
2020	\$ 929,933	\$ 929,933	\$ 0.0344	\$ 0.0344
2021	\$ 933,779	\$ 1,134,779	\$ 0.0334	\$ 0.0406
2022	\$ 925,019	\$ 1,814,969	\$ 0.0319	\$ 0.0627
2023	\$ 934,394	\$ 1,823,794	\$ 0.0312	\$ 0.0609
2024	\$ 932,157	\$ 1,824,257	\$ 0.0301	\$ 0.0588
2025	\$ 926,763	\$ 1,817,313	\$ 0.0289	\$ 0.0566
2026	\$ 934,200	\$ 1,827,300	\$ 0.0281	\$ 0.0550
2027	\$ 931,639	\$ 1,822,039	\$ 0.0271	\$ 0.0530
2028	\$ 933,354	\$ 1,825,454	\$ 0.0262	\$ 0.0513
2029	\$ 933,725	\$ 1,823,375	\$ 0.0253	\$ 0.0495

4. The percent of the Town’s current annual debt service payments compared to the net assessed value of taxable property within the Town is approximately 0.0299%, and the percent of the Town’s projected annual debt service payments if the Town enters into the Lease compared to the net assessed value of taxable property within the Town is approximately 0.0587%, which is

0.0287% above what the percent would have been had the Town not entered into the Lease. The percent of the Town's outstanding long term debt, together with the outstanding long term debt of other taxing units that include any of the territory of the Town, compared to the net assessed value of taxable property within the Town is approximately 5.81%.

5. A notice of the foregoing preliminary determination that to the extent permitted by law the Town will take all of the necessary steps to enter into the Lease to finance all or a portion of the costs of all or a portion of the Project shall be given in accordance with Indiana Code § 6-1.1-20-3.1 and Indiana Code 5-3-1. Owners of property located within the Town or registered voters residing within the Town who want to initiate a petition and remonstrance process against the proposed lease rental payments under the Lease must file a petition that complies with Indiana Code § 6-1.1-20-3.1(b)(4) and (5) not later thirty (30) days after publication of the notice.

6. This Resolution shall be in full force and effect from and after its passage by the Council and approval by the Mayor as required by law.

DULY PASSED AND ADOPTED this 16th day of September, 2019, by the Town Council of the Town of Zionsville, Boone County, Indiana, having been passed by a vote of _____ in favor and _____ opposed.

**TOWN COUNCIL OF THE TOWN OF ZIONSVILLE,
BOONE COUNTY, INDIANA**

	YEA Signature	NAY Signature
Josh Garrett, President		
Bryan Traylor, Vice President		
Kevin Spees, Member		
Thomas Schuler, Member		
Jason Plunkett, Member		
Elizabeth Hopper Member		
Susana Suarez, Member		

I hereby certify that the foregoing Resolution was delivered to Town of Zionsville Mayor Timothy R. Haak on the _____ day of _____ 2019, at _____ m.

ATTEST: _____
Amelia Anne Lacy, Director,
Department of Finance and Records

MAYOR'S APPROVAL

Timothy R. Haak, Mayor

Date

MAYOR'S VETO

Timothy R. Haak, Mayor

Date