

RESOLUTION NO. 4-2013

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO,
INDIANA, MAKING PRELIMINARY DETERMINATION TO ENTER INTO A LEASE**

WHEREAS, the Common Council (the "Common Council") of the City of Valparaiso, Indiana (the "City") has given consideration to the completion of all or a portion of the construction, installation and equipping of a new public works building for use by the City (the "Project"); and

WHEREAS, the total cost of the Project, including, but not limited to, costs of the construction of improvements, architects' and engineers' fees, consultants' services, legal and financing expenses, certain expenses of operation of a nonprofit building corporation (the "Building Corporation") during construction, interest during construction and repayment of any funds advanced by the City to meet preliminary expenses necessary to be paid prior to the issuance of bonds by the Building Corporation, is not greater than Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000); and

WHEREAS, pursuant to Indiana Code §6-1.1-20-3.1, if the City 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 a public hearing on the preliminary determination to proceed with such project prior to the City adopting any resolution making a preliminary determination to enter into a lease; and

WHEREAS, notice of said hearing 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 Common Council has heard public input at a public hearing held this date concerning the Project; and

WHEREAS, the Common Council, being duly advised, finds that it is in the best interests of the City 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, of the Project, for the purpose of financing all or any portion of the Project, in order to better serve the residents of the City;

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

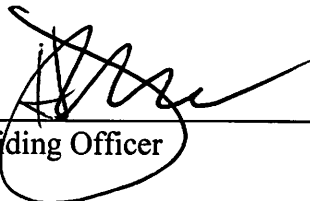
1. The Common Council hereby makes a preliminary determination that there exists a need for the Project. Accordingly, the Common Council hereby makes a preliminary determination that to the extent permitted by law the City will take all of the necessary steps to enter into the Lease with the Building Corporation pursuant to which the Building Corporation and the City will finance all or any portion of the Project. The City and the Building Corporation will finance all or any portion of the Project through one or more series of bonds issued by the Building Corporation (the "Bonds") and other funds of the City. The City's lease payments under the Lease will be payable from *ad valorem* property taxes levied and collected on all

taxable property within the geographical boundaries of the City. The proposed Lease with respect to the Project will have a term no longer than seventeen (17) years, commencing on the date of completion of the Project. The maximum estimated interest rate that will be paid in connection with the Bonds is three and five-tenths percent (3.50%) per annum, and the total estimated interest cost is \$1,770,000. Including interest costs, the maximum annual lease rental to be paid by the City under the proposed Lease is \$418,000, and the maximum lease rental over the term of the Lease is \$7,069,000.

2. A notice of the foregoing preliminary determination that to the extent permitted by law the City 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.

3. The Common Council hereby declares its official intent, to the extent permitted by law, to execute the Lease with the Building Corporation, and to request the Building Corporation to issue the Bonds in one or more series or issues, which Bonds will not exceed an original aggregate principal amount of approximately Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000), and to reimburse costs of the Project from proceeds of the sale of such Bonds.

Passed and adopted by the Common Council of the City of Valparaiso, Porter County, Indiana, this 8th day of April, 2013.



Presiding Officer

ATTEST:



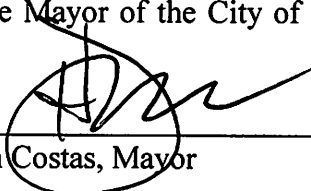
Sharon Swihart, Clerk-Treasurer

This resolution presented by me, the Clerk-Treasurer of the City of Valparaiso, Indiana to the Mayor for his approval this 8th day of April, 2013.



Sharon Swihart, Clerk-Treasurer

This resolution signed and approved by me, the Mayor of the City of Valparaiso, Indiana, this 8th day of April, 2013.



Jon Costas, Mayor