

FORT HARRISON REUSE AUTHORITY BOARD MINUTES
Monday, April 20, 2015

The FHRA Board met in public session at 9120 Otis Avenue, FHRA conference room, Lawrence, IN at 5:30 p.m.

FHRA Board Members Present

Mr. Ed Treacy, President
Mr. Jeff Congdon, Vice President
Mr. Russell Brown, Secretary Treasurer
Ms. Marci Reddick, Board Member
Mr. Jerry Clifford, Board Member

FHRA Staff

Mr. Freddie Burrus, Executive Director
Mrs. Heather Millikan, Executive Assistant

Public

April Pyatt, Ice Miller
Tyler Kalachnik, Ice Miller
Michael Allen, Ice Miller
Sherron Freeman, Lawrence Common Council
Chris Barnett, Lawrence CDC
Ann Kunz, resident
Dennis Southerland, resident
Greg Clark, Indianapolis Bond Bank
Isaiah Kuch, Indianapolis Bond Bank

Official Public Meeting was called to order at 5:36 p.m. by Mr. Treacy.

Mr. Brown stated that the monthly financials are available at the front of the room. He stated he would go over all of the resolutions on the agenda.

Mr. Burrus gave an Executive Director's update. Mr. Burrus stated the FHRA is continuing its efforts to construct the Lawton Loop connector road connecting Post Road to Lawton Loop East. All utilities have been contacted to get everything situated for the final engineering plan being completed by Cripe. We have engaged Integra Realty Resources to appraise the land. Browning Investments is also involved.

The Fort Harrison Office Suites is going to have a grand opening on Friday, May 8th. We are not sure if Jockamo Pizza will be open at this point. The White Building is officially down. The David Weekley Phase I streets are completed. The landscape plan has been approved. Weather permitting they will start putting in curbs on the 27th and will need two days to cure after that work will be started to put in sidewalks.

Every Monday evening starting in June thru September the YMCA will have Fitness at the Fort with free fitness classes and trainers from 5:30-6:30. The parks department will assist with this and will provide a stage and sound system.

David Weekley Homes plan on doing limestone this weekend. The bus stop is in. The FHRA added MKSK to be our planner and will team with Beth Patterson of Collier to assist.

Mr. Treacy stated that the first item was approval of minutes from the March 16, 2015 meeting. Ms. Reddick made a motion to approve the minutes and Mr. Congdon seconded the motion. The motion unanimously passed.

Next item on the agenda is Resolution 2015-06. Mr. Brown stated that this resolution authorizes the trustee of the existing bonds to invest monies held into eligible investments with accounts with BMO Harris. These would still be eligible investments under existing bond documents and under Indiana Law. This authorizes the trustee to make those changes under the line of credit. Mr. Brown made a motion to approve the resolution 2015-06 and Ms. Reddick seconded. The motion passes unanimously.

Next item was Resolution 2015-07. Mr. Brown stated this is a resolution authorizing the transfer an amount not to exceed \$1 million to our TIF operating account. Per Mr. Burrus, the parcel A improvements cost money and those have been paid out of our operating account. As we have transitioned our account to BMO Harris we have been signing checks rather than warrants which was our previous practice so the funds have run through faster. We have a report from Crowe Horwath that indicates that even with this transfer we still meet our obligations with our existing PNC line of credit. Mr. Brown made a motion to approve resolution 2015-07 and Mr. Clifford seconded. Motion passed unanimously.

Next item was Resolution 2015-08, a resolution authorizing the issuance of Series 2015 bonds. Mr. Brown stated that this transaction will do three things. It will refund our 2000 and 2006 series bonds. They are variable rate debt. They must have a letter of credit with PNC because we were a new entity in 2000 when we issued that debt. The 2006 series was for the PX and Commissary on 59th Street. We believe the market is more favorable and will allow us to do refunding and lock in at a lower rate. The third component would be \$6 million of new money. It will allow for the purposes of completing the Lawton Loop Connector Road as well as infrastructure on Parcel J. This resolution would authorize it to be issued thru the Bond Bank. The bond banks board will meet next week. It will price in early May and hopefully close before the June fed meeting before rates increase. This will also release some of our obligations of the 2000 series bonds like the letter of credit which has an annual cost to us and give us some flexibility for the board to utilize some debt service reserve funds for actual projects. It would extend out our debt repayment six years beyond our current obligation but it will be level debt payments thru 2025. In 2026 we would essentially paying off the new debt and would dramatically reduce our debt obligations starting in 2026.

Michael Allen of Ice Miller stated there is a not to exceed number of \$22 million dollars at 8% interest but these are flexible parameters. Mr. Brown stated it showed an outside term of 25 years but anticipate it showing at 20 years. He stated they will be coming back to the board for a public hearing and must be advertised 10 days in advance and it will give the FHRA the authority to spend the money.

Mr. Brown made the motion to approve resolution 2015-08 and Ms. Reddick seconded. The motion unanimously passed

Ms. Reddick added for the publics benefit that this is something the board has been discussing for months. She stated that Mr. Brown has spent a great deal of time working with our counsel on the resolutions to get to the right structuring of the refinancing along with the bond bank. She said a lot of thought goes into these resolutions before they are read at the meetings.

Mr. Brown stated that they have been talking about this the entire time he has been on the board for the past 3 ½ years and at what point it made sense to lock the number. They have tried to lower the costs thru renegotiating and replacing the letter of credit and that cost is rising as interest rates continue to rise. Now there are two projects that require some significant refinancing as well as issuance of new debt and it's being structured so that it doesn't increase our overall annual debt payments.

Mr. Greg Clark of the Indianapolis Bond Bank stated that is the goal for the funding and timing of this and with the savings realized though the refunding and refinancing of the existing debt with the new debt coming it won't change the annual debt payment of the authority. He said they will be working with Mr. Brown and legal counsel thru the process. He said he appreciated everyone's cooperation thru this process. Everything is scheduled to get in front of the fed meeting in June. They will be back to report the results of it but anticipate a very successful financing.

Next item was Resolution 2015-09. Mr. Brown stated this is the annual resolution which provides notice to the county auditor that we have determined there is no excess tax increment to distribute to other taxing units in the county and must be provide notice by July 1st and with the help of legal counsel and Crowe

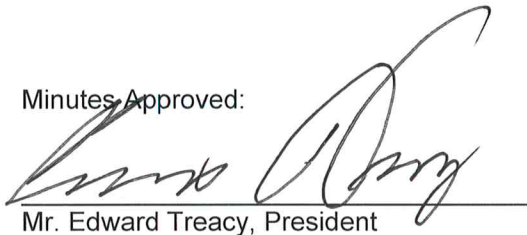
Horwath we were able to complete that well before July 1st. Mr. Brown stated that we just talked about adding \$22 million in debt and \$6 million of new money so there is no excess revenue at this point. Mr. Brown made the motion to approve resolution 2015-09 and Mr. Congdon seconded the motion. The motion passed unanimously.

The final item on the agenda was approval of the proposal by MKSK for professional urban planning and landscape architectural services in Lawrence Village. Ms. Reddick stated that last month we approved hiring Beth Patterson of Colliers to market parcel J and part of parcel B. Browning recommended we engage an urban planner to help with parcel J. There have been preliminary meetings to come up with a plan for development of parcel J. Since the board is not brokers or real estate developers it was important to have this type of expertise. Mr. Brown stated that Browning on our behalf when out and got proposals from three groups. A few of the board met and reviewed the proposals. MKSK was the most responsive as well as the lowest cost option. Mr. Congdon made a motion for approval of the proposal and Mr. Clifford seconded. The motion passed unanimously.

Mr. Dennis Southerland a resident asked to wish Mr. Treacy a happy birthday.

Mr. Treacy asked for a motion to adjourn the meeting. Mr. Brown made a motion and Mr. Congdon seconded the motion. The motion passed unanimously and the meeting adjourned.

Minutes Approved:



Mr. Edward Treacy, President



Mr. Russell Brown, Secretary Treasurer