BILL NO. S-14-12-10

SPECIAL ORDINANCE NO. S-______

AN ORDINANCE TO ESTABLISH A RESERVE ACCOUNT WITHIN THE CITY OF FORT WAYNE COMMUNITY LEGACY FUND.

Whereas, the City of Fort Wayne ("City") has created the City of Fort Wayne Community Legacy Fund ("Legacy Fund") to invest in projects that will have a collective impact that leads to transformational change within the community; and

Whereas, the City through the Legacy process has received unprecedented public input from across the community and has worked with citizens, business leaders and elected officials to develop implementation priorities; and

Whereas, the City seeks to advance transformational projects for our community with a focus on economic development, downtown and riverfront development, and youth development/prep sports; and

Whereas, each Legacy project provides our community with an opportunity to make our City stronger and better positioned for growth; and

Whereas, the City issued its Redevelopment District Revenue Bonds Series 2005 B ("Series B Bonds") on April 14, 2005 pursuant to Ordinance No. S-99-04 ("Series B Ordinance") in order to finance, among other things, infrastructure improvements within the City's downtown; and

Whereas, the City issued its Redevelopment District Revenue Bonds Series 2005 A-1 ("Series A-1 Bonds") and Redevelopment District Revenue Bonds Series 2005 A-2 ("Series A-2 Bonds") on May 17, 2005 pursuant to Ordinance No. S-55-04 ("Series A Ordinance") in order to finance, among other things, property acquisition, relocation, and redevelopment within the Tillman Anthony Urban Renewal Area; and

Whereas, the City has been advised that the Series B Ordinance created a Reserve Account for the Series B Bonds ("Series B Reserve Account") that must be funded in order to fulfill the debt service reserve requirement ("Series B Requirement") for the Series B Bonds; and

Whereas, the City has been advised that the Series A Ordinance created a Reserve Account for the Series A-1 Bonds ("Series A-1 Reserve Account") and a Reserve Account for the Series A-2 Bonds ("Series A-2 Reserve Account") that must be funded in order to fulfill the debt service reserve requirements ("Series A-1 Requirement" and "Series A-2 Requirement") for the Series A-1 Bonds and Series A-2 Bonds respectively.

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. The Common Council hereby authorizes the Board of Trustees of the Legacy Fund to instruct the financial institution serving as the Trustee of the Legacy Fund to establish the following subaccounts within the Legacy Fund as follows:

<u>Series B Reserve Account</u>

Funds in the amount of $1,000,000.00 (the amount necessary to satisfy the Series B Requirement under the Series B Ordinance) will be held in a subaccount of the Legacy Fund to serve as the Series B Requirement of the Series B Reserve Account for the Series B Bonds. Such funds held as the Series B Requirement in the subaccount shall be used in accordance with the Series B Ordinance and may not be used for any other purpose. If any portion of the subaccount is used to pay the Series B Bonds under the Series B Ordinance, such subaccount will be replenished to a level equal to the Series B Requirement from funds in the Legacy Fund.

The Series B Bonds are scheduled to have their final maturity on December 1, 2016. Any final payments made on the Series B Bonds, whether at maturity or upon earlier redemption, shall not be made from the subaccount if funds pledged under the Series B Ordinance are available and sufficient to make such final payments. When the Series B Bonds are no longer outstanding or defeased under the Series B Ordinance, the subaccount serving as the Series B Requirement for the Series B Reserve Account shall cease to exist, and such funds shall remain a part of the Legacy Fund and shall no longer be subject to the Series B Ordinance or this ordinance.

If the City determines that the Series B Requirement for the Series B Bonds can be satisfied with another source permitted under the Series B Ordinance and such alternative source is indeed funded to serve as all or a part of the Requirement for the Series B Bonds, the Common Council shall authorize the Board of Trustees of the Legacy Fund to provide instructions to the Trustee of the Legacy Fund to modify as necessary, including elimination, the subaccount serving as the Series B Requirement for the Series B Reserve Account.

<u>Series A-1 Reserve Account</u>

Funds in the amount of $331,000.00 (the amount necessary to satisfy the Series A-1 Requirement under the Series A Ordinance) will be held in a subaccount of the Legacy Fund to serve as the Series A-1 Requirement of the Series A-1 Reserve Account for the Series A-1 Bonds. Such funds held as the Series A-1 Requirement in the subaccount shall be used in accordance with the Series A Ordinance and may not be used for any other purpose. If any portion of the subaccount is used to pay the Series A-1 Bonds under the Series A Ordinance, such subaccount will be replenished to a level equal to the Series A-1 Requirement from funds in the Legacy Fund.

The Series A-1 Bonds are scheduled to have their final maturity on June 1, 2021. Any final payments made on the Series A-1 Bonds, whether at maturity or upon earlier redemption, shall not be made from the subaccount if funds pledged under the Series A Ordinance are available and sufficient to make such final payments. When the Series A-1 Bonds are no longer outstanding or defeased under the Series A Ordinance, the subaccount serving as the Series A-1 Requirement for the Series A-1 Reserve Account shall cease to exist, and such funds shall remain a part of the Legacy Fund and shall no longer be subject to the Series A Ordinance or this ordinance.

If the City determines that the Series A-1 Requirement for the Series A-1 Bonds can be satisfied with another source permitted under the Series A Ordinance and such alternative source is indeed funded to serve as all or a part of the Requirement for the Series A-1 Bonds, the Common Council shall authorize the Board of Trustees of the Legacy Fund to provide instructions to the Trustee of the Legacy Fund to modify as necessary, including elimination, the subaccount serving as the Series A-1 Requirement for the Series A-1 Reserve Account.

Series A-2 Reserve Account

Funds in the amount of $669,000.00 (the amount necessary to satisfy the Series A-2 Requirement under the Series A Ordinance) will be held in a subaccount of the Legacy Fund to serve as the Series A-2 Requirement of the Series A-2 Reserve Account for the Series A-2 Bonds. Such funds held as the Series A-2 Requirement in the subaccount shall be used in accordance with the Series A Ordinance and may not be used for any other purpose. If any portion of the subaccount is used to pay the Series A-2 Bonds under the Series A Ordinance, such subaccount will be replenished to a level equal to the Series A-2 Requirement from funds in the Legacy Fund.

The Series A-2 Bonds are scheduled to have their final maturity on June 1, 2021. Any final payments made on the Series A-2 Bonds, whether at maturity or upon earlier redemption, shall not be made from the subaccount if funds pledged under the Series A Ordinance are available and sufficient to make such final payments. When the Series A-2 Bonds are no longer outstanding or defeased under the Series A Ordinance, the subaccount serving as the Series A-2 Requirement for the Series A-2 Reserve Account shall cease to exist, and such funds shall remain a part of the Legacy Fund and shall no longer be subject to the Series A Ordinance or this ordinance.

If the City determines that the Series A-2 Requirement for the Series A-2 Bonds can be satisfied with another source permitted under the Series A Ordinance and such alternative source is indeed funded to serve as all or a part of the Requirement for the Series A-2 Bonds, the Common Council shall authorize the Board of Trustees of the Legacy Fund to provide instructions to the Trustee of the Legacy Fund to modify as necessary, including elimination, the subaccount serving as the Series A-2 Requirement for the Series A-2 Reserve Account.

SECTION 2. This ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

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Councilmember

APPROVED AS TO FORM AND LEGALITY

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Carol Helton, City Attorney