

RESOLUTION NO.R-_____

**A RESOLUTION BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA
REQUESTING THE USE OF LOCAL INCOME TAX REVENUES DESIGNATED FOR
RIVERFRONT DEVELOPMENT FOR CERTAIN RIVERFRONT PROJECTS**

WHEREAS, the Common Council of the City of Fort Wayne, Indiana ("Council") passed Special Ordinance No. S-91-17 establishing a special non-reverting fund known as the "Economic Development Allocation Nonreverting Fund" ("LIT Riverfront") for the portion of the distributive share of the City of Fort Wayne ("City") Expenditure Rate revenues (as defined in Special Ordinance No. S-91-17) attributable to the Additional Economic Development Allocation (as defined in Special Ordinance No. S-91-17) in addition to the City's existing allocation of local income taxes ("LIT General") (collectively, LIT General and LIT Riverfront shall comprise the "LIT Revenues"); and

WHEREAS, moneys in LIT Riverfront were designated to be used for (i) riverfront development, including the payment of debt service on bonds or other obligations or lease rentals or leases executed for purposes of riverfront development; and (ii) sidewalks and alleys; and

WHEREAS, the Lofts at Headwaters Park Project and the Riverfront at Promenade Park Project, (collectively, the Projects") will contribute to riverfront development; and

WHEREAS, the Council has determined that the completion of the Projects is in the best interest of the citizens and taxpayers of the City and has provided for the stimulation and inducement of the Projects by, among other matters, approving the parking structure leases and appropriating LIT Revenues legally available to the City and allocated to economic development pursuant to Indiana Code 6-3.6 to pay the rents due pursuant to the parking structure leases as provided in Resolution No. ____ [R-20-02-20; R-20-02-21; R-20-02-22; and R-20-02-25,] (collectively, the "Resolutions");

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

Section 1. The Council expresses its desire that the LIT Revenues used to pay the rent due on the parking structure leases on the Projects be utilized from LIT Riverfront to the maximum extent possible without harming the City's ability to finance the public improvements planned in Phase II and Phase III of the public portion of planned riverfront development or the allocations designated for sidewalks and alleys.

Section 2. The Council expresses its desire that the LIT Revenues used to pay the rent due on the parking structure leases for the Projects used from LIT General be used only if the City's customary amount of public infrastructure improvements be maintained and then only to the least amount necessary to fund the payment of rent pursuant to the parking structure leases for the Projects.

Section 3. Nothing in this resolution should be construed to modify or impair in any way the pledges of LIT Revenue made in the Resolutions.

Section 4. This Resolution shall be binding and in full force and effect from and after the time of its passage by the Council and approval by the Mayor.

Sharon Tucker, Councilmember

APPROVED AS TO FORM AND LEGALITY

Carol Helton, City Attorney

DIGEST SHEET

TITLE OF RESOLUTION. A resolution by the Common Council of the City of Fort Wayne, Indiana, requesting the use of local income tax ("LIT") revenues designated for riverfront development for certain riverfront projects

DEPARTMENT REQUESTING RESOLUTION. Redevelopment Commission.

SYNOPSIS OF RESOLUTION. This resolution formalizes the intent of the Common Council to utilize "Riverfront LIT" to the extent possible for annual lease payments for the Lofts at Headwaters Park and the Riverfront at Promenade Park projects, but not in such a way that Riverfront LIT devoted to Phase II and Phase III of the Riverfront initiative, as well as money dedicated to sidewalks and alleys, is impaired.

EFFECT OF PASSAGE. The parking structure leases are the primary economic incentives for both projects. A LIT pledge is necessary to 1) secure project financing, and 2) cover any shortfalls in annual rental payments after the application of net parking revenue, project-generated tax increment, and Capital Improvement Board funds.

Council articulated during discussion of the parking lease resolutions the desire to use "Riverfront LIT" rather than "General LIT" for annual lease payments to the extent possible. However, it was noted that since LIT is being used as security for project financing, passage of a resolution requiring that lease payments be made from a specific LIT fund (i.e. Riverfront LIT or General LIT) would negatively affect the quality of the pledge and severely impair a private lender's ability to finance the projects. Passage of this resolution directs Council and the administration to budget annual lease payments in a specific manner without harming the ability of the project to receive financing.

EFFECT OF NON-PASSAGE. This resolution directs present and future Councils and administrations to allocate LIT revenue in a specific way. If the resolution were not passed, revenue could still be allocated in a way that achieved Council's intent, but the passage of time and personnel turnover could cause this intent to gradually be lost.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS). The amount of rent paid pursuant to the parking leases would not change with the passage of this resolution, nor would the total amount of local income tax revenue used for rent payments.

ASSIGNED TO COMMITTEE (PRESIDENT). _____



COMMUNITY DEVELOPMENT REDEVELOPMENT

Thomas C. Henry, Mayor

City of Fort Wayne
Community Development
200 East Berry Street, Suite 320
Fort Wayne, IN 46802
260-427-2150 fwcommunitydevelopment.org

March 6, 2020

MEMO

To: City of Fort Wayne Common Council

Copy: City of Fort Wayne Redevelopment Commission

From: Nancy Townsend, Executive Director, 427-2323

Re: **A RESOLUTION BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA, REQUESTING THE USE OF LOCAL INCOME TAX REVENUES DESIGNATED FOR RIVERFRONT DEVELOPMENT FOR CERTAIN RIVERFRONT PROJECTS**

The City of Fort Wayne Redevelopment Commission requests Common Council approval of a resolution specifying the source of local income tax funds to be used for annual rental payments pursuant to parking leases associated with the Lofts at Headwaters Park and the Riverfront at Promenade Park projects. The desire for this resolution arose out of discussion that occurred during the March 3, 2020, Finance Committee discussion of the Common Council. These materials represent our attempt to memorialize the conversation that occurred at the council table.

Enclosed herewith, please find a digest sheet and resolution.

Please do not hesitate to contact us if you have questions.

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