

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF
FORT WAYNE, INDIANA, APPROVING THE ISSUANCE OF CERTAIN
OBLIGATIONS OF THE CITY OF FORT WAYNE REDEVELOPMENT
DISTRICT RELATING TO THE RIVERFRONT WEDGE PROJECT**

WHEREAS, the City of Fort Wayne Redevelopment Commission (the "Commission"), the governing body of the City of Fort Wayne, Indiana Department of Redevelopment (the "Department") and the Redevelopment District of the City of Fort Wayne, Indiana (the "District"), exists and operates under the provisions of Indiana Code 36-7-14, as amended from time to time; and

WHEREAS, the Department, acting by and through the Commission, has entered into an Economic Development Agreement dated October 14, 2024 (the "Economic Development Agreement") with Wedge Capital Partners, LLC, an Indiana limited liability company (which has assigned the Economic Development Agreement to The Wedge at North River, LLC, an Indiana limited liability company), and Fort Wayne Garage Associates, Three, LLC, an Indiana limited liability company (collectively, the "Developer"), and Summit Development Corp., an Indiana nonprofit corporation, with respect to the development of a mixed-use building including residential, commercial and retail uses with a parking garage, as more particular described in the Economic Development Agreement, on real estate located generally between Wells and Ewing Street adjacent to the St. Mary's river in downtown Fort Wayne, Indiana (the "Riverfront Wedge Project"); and

WHEREAS, the Commission is in the process of amending the boundaries of the West End Economic Development Area to include the real estate upon which the Riverfront Wedge Project will be located; and

WHEREAS, pursuant to the Economic Development Agreement, the Commission has agreed as a part of the incentives provided to the Developer to obtain a loan to assist with the financing of the Project (as hereinafter defined) from the Residential Infrastructure Fund established within the Residential Infrastructure Assistance Program administered by the Indiana Finance Authority (the "IFA") on behalf of the State of Indiana (the "IFA Loan"); and

WHEREAS, on December 9, 2024, the Commission adopted its Resolution entitled "Resolution of the City of Fort Wayne Redevelopment Commission Authorizing the Issuance of Notes or Other Obligations of the City of Fort Wayne Redevelopment District for the Purposes of Financing Certain Costs Relating to the Riverfront Wedge Project" (the "Note Resolution"), which Note Resolution authorizes the issuance of one or more series of notes or other obligations in an aggregate principal amount not to exceed Four Million Dollars (\$4,000,000) (the "Notes"), the principal of and interest on which shall be payable from Tax Increment or Taxpayer Payments (each as defined in the Note Resolution), for the purpose of providing revenues with which to repay the IFA Loan, which will be used to finance property acquisition, redevelopment and economic

1 development in or serving the Original West End Allocation Area (as defined in the Note
2 Resolution) (the "Allocation Area") (including, in particular, the financing and/or
3 reimbursement of certain costs related to the construction of various public infrastructure
4 improvements necessitated by the Riverfront Wedge Project and which are in or serving
5 the Allocation Area, including, without limitation, site preparation, earthwork,
6 environmental remediation, soil compaction, stormwater management, sidewalks,
7 lighting, public area landscaping, road improvements, railings and electrical
8 improvements (collectively, the "Project")), together with expenses incidental thereto to
9 the extent permitted under Indiana Code 36-7-14-25.1(a) and all expenses incurred in
10 connection with or on account of the issuance of the Notes therefor; and

11 WHEREAS, the Commission has agreed that the proceeds of the IFA Loan will
12 be provided and disbursed to the Developer solely for the purpose of constructing the
13 Project; and

14 WHEREAS, the Developer will enter into a Taxpayer Agreement with the
15 Commission pursuant to which the Developer will make Taxpayer Payments which may
16 be used to repay the IFA Loan or to reimburse the Commission for payments made with
17 respect to the IFA Loan; however, in order to obtain the IFA Loan, it is necessary that the
18 Commission pledge the Tax Increment to the repayment of the IFA Loan; and

19 WHEREAS, pursuant to the Note Resolution, the Commission has pledged the
20 Tax Increment to pay the principal of and interest on the IFA Loan, and the Commission
21 will cause to be issued the Notes to evidence the Commission's agreement to utilize Tax
22 Increment to repay the IFA Loan; and

23 WHEREAS, Indiana Code 36-7-14-25.1(p) provides that bonds, notes or other
24 obligations authorized by a resolution of a redevelopment commission may not be issued
25 without the approval of the legislative body of the unit; and

26 WHEREAS, the Common Council (the "Common Council") of the City of Fort
27 Wayne, Indiana (the "City") is the legislative body of the City; and

28 WHEREAS, to permit the Commission to proceed with the issuance of the Notes,
29 the Common Council desires to approve of the issuance of the Notes in accordance with
30 Indiana Code 36-7-14-25.1(p); and

WHEREAS, the Common Council further desires to set forth in this Resolution
certain terms and other matters related to the Notes as required by Indiana Code 36-7-14-
25.1(c);

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

Section 1: As required by Indiana Code 36-7-14-25.1(p), the issuance of the
Notes of the District payable from such sources as described in the Note Resolution to
provide revenues sufficient to repay the IFA Loan in order to finance the Project shall be
and is hereby approved.

Section 2: As required by Indiana Code 36-7-14-25.1(c), the Common Council hereby sets forth the following terms and other matters related to the Notes:

- (a) The public purpose of the Notes is, among other things, to provide sufficient revenues to repay the IFA Loan in order to finance the construction of the Project as described herein and in the Note Resolution for economic development purposes.
- (b) The proceeds of the Notes will be used to finance the Project, and to pay certain expenses reasonably incurred in connection with the Project and the financing thereof, including costs described in Indiana Code 36-7-14-25.1(a).
- (c) The maximum principal amount of the Notes is Four Million Dollars (\$4,000,000).
- (d) The Notes shall have a term not to exceed twenty (20) years from the date of issuance of the Notes.
- (e) The Notes shall bear interest at a rate or rates not exceeding three percent (3.0%) per annum.
- (f) The Notes may be subject to optional and mandatory sinking fund redemption, as described in the Note Resolution.
- (g) The Commission does not expect to capitalize interest on the Notes for any period.

Section 3: The Common Council hereby authorizes and directs the Mayor, the Controller and the Clerk of the City, and each of them, for and on behalf of the City, to prepare, execute and deliver any and all other instruments, letters, certificates, agreements and documents as the official executing the same determines is necessary or appropriate to consummate the transactions contemplated by this Resolution, and such determination shall be conclusively evidenced by the execution thereof.

Section 4: This Resolution shall be effective upon its passage by the Common Council and approval by the Mayor of the City, in accordance with procedures as required by law.

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Council Member

APPROVED AS TO FORM AND LEGALITY:

Malak Heiny, City Attorney

DIGEST SHEET

TITLE OF RESOLUTION. A Resolution of the Common Council of the City of Fort Wayne, Indiana, Approving the Issuance of Certain Obligations of the City of Fort Wayne Redevelopment District Relating to the Riverfront Wedge Project

DEPARTMENT REQUESTING RESOLUTION. Redevelopment

SYNOPSIS OF RESOLUTION. The resolution approves the issuance of up to \$4,000,000 in obligations (Notes) by the City of Fort Wayne Redevelopment District to finance a portion of the public infrastructure costs of the Riverfront Wedge Project (the "Project"). This mixed-use development will include residential, commercial, and retail spaces, along with a parking garage near downtown Fort Wayne.

The loan, issued by the Indiana Finance Authority (IFA), must be made to a municipality rather than a private developer. To meet this requirement, the City has structured the arrangement so that the Redevelopment Commission will use Tax Increment Financing (TIF) funds from the West End TIF District to make loan payments to the State. However, the developer will immediately reimburse the Commission for these payments pursuant to a Taxpayer Agreement. Effectively, the developer is responsible for the loan payments, with the City acting as an intermediary. The loan has a term of 20 years and an interest rate that will not exceed 3%. Entering into obligations such as this requires approval from Council.

EFFECT OF PASSAGE. Passage enables the Redevelopment District to secure a \$4,000,000 loan from the Indiana Finance Authority for the project. The loan offers a maximum interest rate of 3%, which is significantly below market rates. Additionally, it can be layered on top of conventional debt that the project may secure, making it an exceptionally attractive source of capital.

EFFECT OF NON-PASSAGE. Non-passage would prevent the issuance of the Notes and the approval of the IFA loan, delay or jeopardize funding for the Riverfront Wedge Project, potentially causing the developer to reconsider or scale back the project, and stall anticipated economic development and infrastructure upgrades in the affected area.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS). TIF funds from the existing West End TIF District are the sole source of repayment for the loan, ensuring that no other public funds are at risk. Additionally, the Developer will reimburse the Commission for loan payments under a Taxpayer Agreement, which must be executed before the IFA loan closes and before the Redevelopment Commission conveys the project real estate to the Developer.

ASSIGNED TO COMMITTEE (PRESIDENT). _____



COMMUNITY DEVELOPMENT

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Sharon Tucker, Mayor

City of Fort Wayne
Community Development
200 East Berry Street, Suite 320
Fort Wayne, IN 46802

260 427-1127 fwcommunitydevelopment.org

November 21, 2024

MEMO

To: City of Fort Wayne Common Council

Copy: Jonathan Leist, Community Development Director
Alec Johnson, Redevelopment Director

From: Alec Johnson, 260-427-6425

Re: **Approving the Issuance of Certain Obligations Relating to the Riverfront Wedge Project**

The Redevelopment Commission respectfully requests that the Common Council consider and approve the attached resolution authorizing the issuance of Notes to support a \$4,000,000 loan from the Indiana Finance Authority (IFA) for the Wedge mixed-use project.

This resolution is one of three related to the development of the Wedge project. The other two, provided separately, include approval of a Parking Structure Lease and an amendment to the West End TIF District to incorporate the Wedge project real estate. A detailed description of the project is included in the Parking Structure Lease materials.

Earlier this year, the IFA launched a program to address the state's housing shortage by offering low-interest loans through a competitive process to finance public infrastructure for qualifying projects. The Wedge project secured a \$4,000,000 loan at a 3% interest rate, significantly below market rates.

Although Barrett Realty will ultimately fund the loan payments, the IFA requires the loan to be made to a municipality. To meet this requirement, the Redevelopment Commission will enter into a loan agreement with the IFA. Under this agreement, the Commission will use Tax Increment Financing (TIF) funds from the West End TIF District to make payments to the IFA. Barrett Realty will then reimburse the Commission under a Taxpayer Agreement. Council approval is required for obligations of this type, and Barrett Realty's obligation to reimburse the Commission is outlined in the Taxpayer Agreement.

If you have any questions, please contact me at 260-427-6425 or
Alec.Johnson@cityoffortwayne.org

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