

**METROPOLITAN DEVELOPMENT COMMISSION
OF
MARION COUNTY INDIANA**

**AUTHORIZING THE PURCHASE OF REAL PROPERTY AND DECLARING INTENT
TO REIMBURSE THE COMMISSION FOR EXPENDITURES IN FURTHERANCE OF
THE PAN AM PLAZA PROJECT WITH BOND PROCEEDS**

**(CITY OF INDIANAPOLIS REDEVELOPMENT DISTRICT BONDS
(PAN AM PLAZA PROJECT))**

RESOLUTION NO. 2023-BB-002

WHEREAS, the Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City of Indianapolis, Indiana (the “Commission”), being the governing body of the Redevelopment District of the City of Indianapolis, Indiana (the “District”), exists and operates under the provisions of IC 36-7-15.1, as amended from time to time (the “Act”); and

WHEREAS, the Commission has heretofore adopted resolutions declaring the establishment of the Consolidated Redevelopment Area (the “Area”), adopting a redevelopment Plan for the Area (the “Plan”), designating the Area to be an allocation area commonly known as the Consolidated Redevelopment Allocation Area (the “Allocation Area”), and creating an allocation fund for the Area into which certain tax increment revenues are deposited, and has further amended said resolutions from time to time; and

WHEREAS, the Commission desires for the Area and the Allocation Area to be developed in order to serve the needs of the City of Indianapolis, Indiana (the “City”), and in order to produce increased tax revenues for the various taxing districts authorized to levy taxes within the Area; and

WHEREAS, on October 7, 2020, the Commission adopted its Resolution No. 2020-R-041, which authorized the issuance of bonds of the District in one or more series or issues, in an aggregate principal amount not to exceed One Hundred Fifty-Five Million Dollars (\$155,000,000) (the “Bonds”) for the purpose of providing funds for the payment of the cost of certain property acquisition and redevelopment in or serving the Allocation Area (including, in particular, the expansion of the Indiana Convention Center on Pan Am Plaza to include an approximately 50,000 square foot ballroom, and additional meeting space and common facilities) (the “Expansion Project”); and

WHEREAS, on December 7, 2022, the Commission adopted its Resolution No. 2022-R-052, increasing the maximum interest rate for the Bonds to not to exceed eight percent (8.0%); and

WHEREAS, the Commission reasonably expects to make certain expenditures in furtherance of the Expansion Project prior to the issuance of the Bonds and desires to declare its

intent to reimburse the Commission for the cost of these expenditures with proceeds of the Bonds, pursuant to and in compliance with IC 5-1-14-6(c) and Section 1.150-2 of the U.S. Treasury Regulations promulgated by the Internal Revenue Service (the “Treasury Regulations”); and

WHEREAS, pursuant to its powers under IC 36-7-15.1-7(a)(20), the Commission has determined that it is necessary for the Commission to assume responsibility for the construction of an approximately 800 guestroom convention center connected headquarters hotel project on Pan Am Plaza that was planned to integrate with the Project (the “Hotel Project” and, together with the Expansion Project, the “Pan Am Plaza Project”); and

WHEREAS, in furtherance of the Pan Am Plaza Project, the Commission desires to add the real property commonly known as Pan Am Plaza, generally located at the southwest corner of West Georgia Street and Illinois Street, Center Township, Marion County, Indiana 46225 to the purchase list for the Area and desires to purchase the Pan Am Plaza real property from KRG Development, LLC (“KRG”), or other entities, as necessary; and

WHEREAS, the Commission desires to ratify the hiring of Terzo & Bologna, Inc. and Integra Realty Resources to provide independent appraisals of the fair market value of Pan Am Plaza real property as required by IC 36-7-15.1-12(b) and to accept the appraisal reports submitted by the appraisers; and

WHEREAS, the Commission recognizes that, pursuant to IC 36-7-15.1-12(b), the offering price for the Pan Am Plaza real property shall be the average of the two appraisals of the fair market value of Pan Am Plaza and such offering price is \$29,550,000; and

WHEREAS, in addition to the real property of Pan Am Plaza, the City will also receive the assignment of certain rights from KRG related to the development of the real property (“Development Rights”): (i) KRG’s rights in the hotel management and license agreements with Hilton Domestic Operating Company Inc. (or one of its subsidiaries), (ii) KRG’s rights in its design agreement with Ratio Architects, LLC, (iii) KRG’s rights in its construction management agreement with AECOM/Hunt, (iv) development rights and transfer of all relevant work product, ideas, concepts and related intangible property relating to the Hotel Project and (v) all other rights of KRG with respect to the development of the Pan Am Plaza Project otherwise provided for in the Downtown Hotels Project Agreement dated as of January 25, 2021 between the City, through its Department of Metropolitan Development (the “Department”), and KRG; and

WHEREAS, as part of its development activities, KRG has acquired at purchase prices that together exceed the present appraisals previously separate property rights on the Pan Am Plaza real property, including, but not limited to the underground parking garage on the site, such that KRG is able to provide to the City a unified site available for the complete scope of the design elements that make up the Pan Am Plaza Project; and

WHEREAS, pursuant to IC 36-7-15.1-12(b) and the powers provided to the Commission in IC 36-7-15.1-7(a)(1) because (1) the completion of the Pan Am Project is of the utmost importance to the City and the convention and tourism business in the City, (2) the Pan Am Plaza

real property is uniquely situated in proximity to the Indiana Convention Center such that there is no alternative site that reasonably permits the development of the Pan Am Plaza Project, (3) time is of the essence in the initiation and completion of construction on the Pan Am Plaza Project to secure future contracts for certain major conventions, and (4) the City will receive the Development Rights in addition to the Pan Am Plaza real property, the Commission desires to specifically authorize a purchase price of \$54,275,000 for the Pan Am Plaza real property, which is in excess of the offering price.

NOW, THEREFORE, BE IT RESOLVED BY THE METROPOLITAN DEVELOPMENT COMMISSION OF MARION COUNTY, INDIANA, ACTING AS THE REDEVELOPMENT COMMISSION OF THE CITY OF INDIANAPOLIS, INDIANA, AS FOLLOWS:

1. The Commission hereby declares that, for the purpose of evidencing compliance with IC 5-1-14-6 and Section 1.150-2 of the Treasury Regulations, it reasonably expects to reimburse with the proceeds of the Bonds expenditures for the Expansion Project made by or on behalf of the Commission prior to the issuance of the Bonds during the period beginning on the date sixty (60) days prior to the date of this Resolution until the date of issuance of the Bonds, which expenditures are expected to be paid initially from other legally available funds of the Commission. This Resolution constitutes a declaration of an intent to reimburse from the proceeds of the Bonds under IC 5-1-14-6(c) and Section 1.150-2 of the Treasury Regulations.

2. The Commission directs that the real property commonly known as Pan Am Plaza, generally located at the southwest corner of West Georgia Street and Illinois Street, Center Township, Marion County, Indiana 46225 be added to the purchase list for the Consolidated Redevelopment Area.

3. The Commission ratifies the appointment of Terzo & Bologna, Inc. and Integra Realty Resources as appraisers of the fair market value of Pan Am Plaza, as required by IC 36-7-15.1-12(b) and accepts the appraisals prepared by them and provided to the Commission at this meeting.

4. The Commission recognizes that the average of the two appraisals of fair market value of the Pan Am Plaza real property is \$29,550,000 and sets that as the Offering Price pursuant to IC 36-7-15.1-12(b).

5. The Commission specifically authorizes the purchase of Pan Am Plaza real property and acquisition of the Development Rights from KRG Development, LLC for a purchase price of \$54,275,000, which is in excess of the Offering Price pursuant to IC 36-7-15.1-12(b) and IC 36-7-15.1-7(a)(1).

6. The appropriate officers of the Commission and the Director of the Department are hereby authorized to enter into any other agreements as may be necessary or desirable to further the purposes of this Resolution.

7. This Resolution shall be in full force and effect immediately after its adoption by the Commission.

ADOPTED AND APPROVED at a meeting of the Metropolitan Development Commission of Marion County, Indiana held on the 17th day of May, 2023.

METROPOLITAN DEVELOPMENT
COMMISSION OF MARION COUNTY

John J. Dillon III, President

Date

Bruce Schumacher, Vice Secretary

Date

APPROVED AS TO LEGAL FORM AND
ADEQUACY:

Tenley Drescher-Rhoades, Faegre Drinker Biddle & Reath LLP

Date

Approved as to Availability of Funding

Ken Clark, Controller

Date