

**PRELIMINARY BOND ORDINANCE OF
TIPPECANOE COUNTY, INDIANA
ORDINANCE NO. 97-47-CL**

WHEREAS, IC 6-1.1-39 and IC 4-4-8 (collectively, "Act") authorize Tippecanoe County, Indiana ("County") to establish an economic development district and to establish an allocation area consisting of the entire district and for the distribution of property tax revenues generated within the allocation area, and to apply to the Indiana Department of Commerce ("DOC") for a loan from the State of Indiana's ("State") industrial development fund;

WHEREAS, the County Council of the County ("Council") adopted a Declaratory Ordinance ("Declaratory Ordinance") on November 12, 1987 which was effective as of that date, and was confirmed by a Confirmatory Ordinance ("Confirmatory Ordinance") adopted on December 8, 1987, which established an economic development district in the County as described in the Confirmatory Ordinance ("District"), established an allocation area consisting of the entire district ("Allocation Area") and decided to distribute property tax revenues generated in the Allocation Area in accordance with IC 6-1.1-39-5;

WHEREAS, the DOC on December 1, 1987, preliminarily determined, as required by the Act, that the industrial development project described in the Declaratory Ordinance ("Project") would qualify as a qualified industrial development project as defined in IC 6-1.1-39-1.6; there was a reasonable likelihood that the Project would be accomplished; and that there was a reasonable likelihood that the DOC and the State Board of Finance would approve an application by the County under IC 4-4-8-5 for a loan from the State's industrial development fund;

WHEREAS, the County has applied or will apply to the DOC for a loan ("Loan") from the State's industrial development fund under IC 4-4-8 to finance costs of certain local public improvements consisting of construction of road and sewer improvements within or serving the District as more particularly described in Exhibit A ("Improvements");

EXHIBIT A

PRELIMINARY BOND ORDINANCE
PROPOSED ECONOMIC DEVELOPMENT DISTRICT IMPROVEMENTS

The proposed Economic Development District improvements consist of the construction of road and sewer improvements within or serving the district, including: 1) the construction, reconstruction and extension of McCarty Lane to the east, including an overpass over Interstate 65 to alleviate congestion on the existing road network, especially Indiana State Road 26, and 2) the completion of permanent sanitary sewer system improvements that are part of the original SIA Infrastructure Program, including those identified as the Staley Interceptor Sewer Project (SIA 6), the Ross Road Forcemain Project (SIA 7) and Ross Road Lift Station Project (SIA 9).

WHEREAS, IC 4-4-8 provides that a "qualified entity," which term includes the County, may issue and sell its bonds to the DOC;

WHEREAS, the Council has determined that it is in the best interests of the County to sell the Bonds (as defined below) to the DOC in a negotiated sale to finance the Costs of the Improvements (as defined below);

WHEREAS, pursuant to the Declaratory Ordinance and the Confirmatory Ordinance, the County designated the entire District as an allocation area for purposes of capturing incremental ad valorem real and depreciable personal property tax revenues levied and collected in the Allocation Area ("Tax Increment") to pay debt service on bonds issued to finance the economic development projects described below and to pay certain other costs permitted by the Act and this Ordinance;

WHEREAS, the County estimates that the total Costs of the Improvements (as defined below) will not exceed \$16,500,000; and

WHEREAS, in order to facilitate the financing of the Improvements, the County has determined to give preliminary approval of the issuance of the Bonds (as defined below) and will prior to the sale of the Bonds adopt a final bond ordinance setting forth the terms and conditions of the Bonds;

NOW, THEREFORE, BE IT ORDAINED BY TIPPECANOE COUNTY, INDIANA, THAT:

Section 1. (a) The County finds and determines that in order to continue planning, replanning, development and redevelopment of the District, it is necessary to issue special taxing district bonds of the County, payable solely out of Tax Increment in the aggregate principal amount not to exceed Sixteen Million Five Hundred Thousand Dollars (\$16,500,000), designated as "Economic Development District Tax Increment Revenue Bonds of 1997" ("Bonds"), for the purpose of procuring funds to be applied on the cost of the Improvements including all incidental expenses incurred in connection with the economic development of the District, and all costs associated with the issuance of the Bonds, all as permitted by the Act ("Costs of the Improvements").

(b) The County finds and determines that the Improvements (i) constitute local public improvements for the purposes of the Act, (ii) provide special benefits to property owners in the District and (iii) will be of public use and benefit.

Section 2. For the purpose of providing funds with which to pay the Costs of the Improvements, the County shall issue the Bonds in an amount not to exceed Sixteen Million Five Hundred Thousand Dollars (\$16,500,000) subject to satisfaction of all applicable legal requirements, with a discount not to exceed the discount set forth in the final bond ordinance of the County. The Bonds shall be payable solely from Tax Increment. The amount of the Bonds may not exceed the estimated Costs of the Improvements.

Section 3. The Bonds shall be issued in denominations of \$5,000 and integral multiples thereof with interest payable semiannually on January 1 and July 1 and shall be dated as of the first day of the month in which sold or the issue date as determined by the President of the Board of Commissioners. The Bonds will be payable in the manner provided by IC 6-1.1-39 and other applicable statutes and will bear interest at a rate or rates not to exceed 8% per annum, the actual rates to be determined by negotiation with a term not to exceed seven (7) years from the January 1 immediately following the issue date of the Bonds. The Bonds may be redeemed or prepaid at any time in whole or in part at the option of the County at the face value of the amount to be redeemed or prepaid plus interest accrued to the redemption or prepayment date. The Bonds may be subject to mandatory sinking fund redemption as provided in the final bond ordinance. Proceeds of the Bonds shall be paid in installments as provided in the final bond ordinance.

Section 4. The Bonds will not constitute general obligations of the County, but will constitute limited obligations of the County, payable solely from the trust estate described in the final bond ordinance which will consist of Tax Increment, unspent proceeds of the Bonds, if any, and investment earnings on funds held under the final bond ordinance.

The exact terms of the Bonds shall be set forth in a final bond ordinance to be adopted by the Council prior to the sale of the Bonds to the DOC and shall be in accordance with the Act.

Section 5. The County shall continue the planning, replanning, development and redevelopment of the District; the construction of the Improvements upon issuance of the Bonds; and the dedication of the sewer improvements to the City of Lafayette pursuant to an interlocal cooperation agreement.

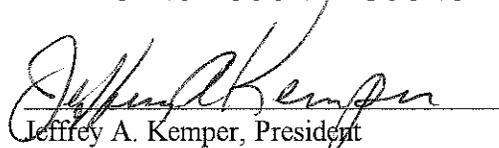
Section 6. This Ordinance shall be effective as of the date of adoption.

Passed on the first reading this 14th day of October, 1997.

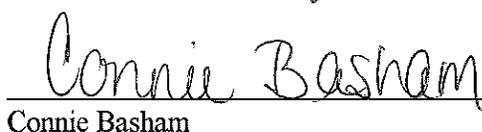
VOTE

TIPPECANOE COUNTY COUNCIL

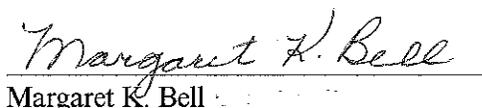
Yes


Jeffrey A. Kemper, President

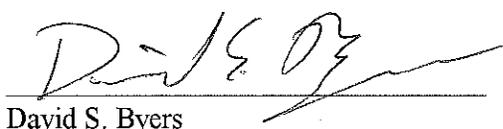
Yes


Connie Basham

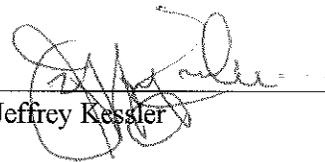
Yes


Margaret K. Bell

Yes


David S. Byers

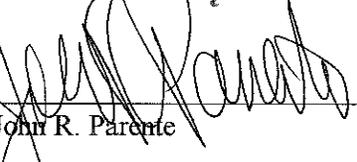
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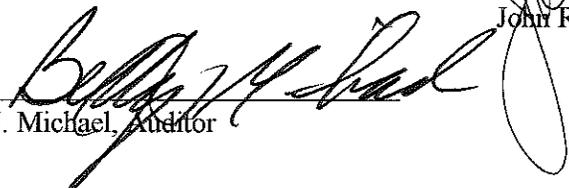

Jeffrey Kessler

Yes


David S. Koltick

Yes


John R. Parente

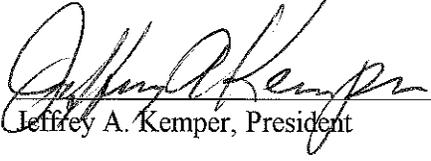
Attest: 
Betty J. Michael, Auditor

Passed on the second reading this 14th day of October, 1997

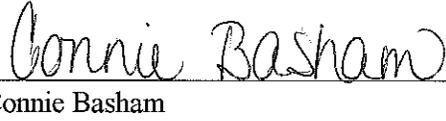
VOTE

TIPPECANOE COUNTY COUNCIL

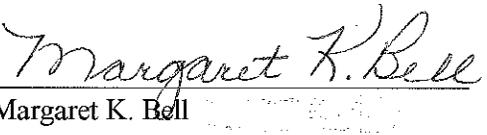
Yes


Jeffrey A. Kemper, President

Yes


Connie Basham

Yes


Margaret K. Bell

Yes


David S. Byers

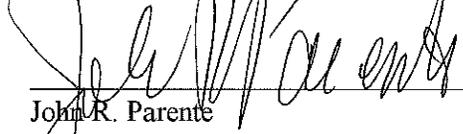
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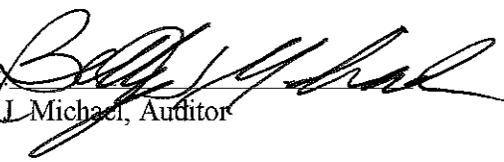

Jeffrey Kessler

Yes


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Betty J. Michael, Auditor