

JUL 21 1992

ORDINANCE NO. 92-2064

FILED
CITY CLERK-TREASURER
APR 20 92
FRANK M. ZERR

ORDINANCE OF THE SHELBYVILLE COMMON COUNCIL
 RATIFYING AND CONFIRMING THE EXECUTIVE ORDER OF THE
 MAYOR DESIGNATING A PORTION OF THE DISTRIBUTIVE
 SHARE OF THE SHELBY COUNTY ECONOMIC DEVELOPMENT
 INCOME TAX TO SHELBY COUNTY
 AND REPEALING ORDINANCE NO. 92-2054

WHEREAS, the Shelby County ("County") Council has imposed the Shelby County Adjusted Gross Income Tax under IC 6-3.5-1.1 and has also imposed the Shelby County Economic Development Income Tax ("EDIT") pursuant to IC 6-3.5-7 ("Act") at a rate of twenty-five hundredths of one percent (0.25%) annually on the adjusted gross income of County taxpayers; and

WHEREAS, pursuant to the Act, the City is a recipient of a distributive share of the EDIT; and

WHEREAS, IC 6-3.5-7-15 authorizes the City to designate all or a portion of its distributive share of the EDIT to the County; and

WHEREAS, the County has identified the construction of a Shelby County Jail ("Project") as a purpose for which the County proposes to use EDIT and has determined that the Project is a capital project for which the County could issue its general obligation bonds; and

WHEREAS, the County desires to finance the Project in part through a lease entered into by the County with the Shelby County Jail Building Corporation, payable from EDIT ("County's EDIT Obligation");

WHEREAS, the City desires to designate a portion of the City's distributive share of EDIT ("City EDIT Revenues") to the County to pay a portion of the costs of the Project, including a portion for the payment of the County's EDIT Obligation and to pledge a portion of City EDIT Revenues to the County for the payment of the County's EDIT Obligation;

WHEREAS, the City has not otherwise pledged, designated, or otherwise encumbered City EDIT Revenues; now; therefore:

BE IT ORDAINED BY THE COMMON COUNCIL OF SHELBYVILLE, INDIANA:

SECTION 1. The Common Council finds that it is in the best interest of the City and its residents to designate and irrevocably pledge sixty percent (60%) of the annual City EDIT Revenues each year (the "Designated Amount") to the County, for a term of years not less than the term of the County's EDIT Obligation.

SECTION 2. The Common Council hereby ratifies and confirms the action taken by the Mayor of Shelbyville designating the Designated Amount to the County for a term of years not less than the term of the County's EDIT Obligation. The Common Council hereby irrevocably pledges the Designated Amount to the payment of the County's EDIT Obligation for the term of years not less than the term of the County's EDIT Obligation.

SECTION 3. The City reserves the right to authorize and issue bonds or lease obligations on a parity with the pledge of the Designated Amount to the County ("Parity Obligations") for funding future projects which can be financed from the City's distributive share of EDIT. The authorization and issuance of Parity Obligations shall be subject to the following conditions precedent:

(1) All payments to the County pursuant to Section 1 of this Ordinance and interest and principal with respect to all parity obligations payable from the City distributive share of EDIT shall be current to date in accordance with their terms, with no payment in arrears; and

(2) The County and the City shall have received a certificate prepared by a public accountant (the "Certifier") certifying the amount of the City's distributive share of EDIT received in any twelve consecutive calendar months out of the most recent eighteen calendar months, which amount shall be at least equal to one hundred percent (100%) of the annual amount paid to the County under Section 1 and amounts payable on the proposed Parity Obligations for each year during the term of the pledge made under Section 1. If, when the Parity Obligations are finally issued, the body with final authority over such matters shall have finally approved an increase in the rate at which EDIT is imposed, and the increased rate or rates shall be in effect, but shall not have been in effect for the entire twelve month period described above, the Certifier may adjust the amount of the City's distributive share of EDIT used to determine the percentage described in the preceding sentence to take into account the City's increased distributive share that would have been collected if the increased rate or rates had been in effect for the entire twelve month period. If such body shall have finally approved an increase in the EDIT, the Certifier may adjust the amount of the City's distributive share of EDIT used above to take into account the increased amount of the City's distributive share of EDIT pledged to the County and to debt service on any Parity Obligations.

SECTION 4. The City represents and warrants that there are no prior liens, encumbrances or other restrictions on the City EDIT Revenues or on the City's ability to pledge the Designated Amount.

SECTION 5. Ordinance No. 92-2054 is hereby repealed.

SECTION 6. This Ordinance shall be in effect upon passage and compliance with IC 36-4-6-16.

Adopted this 20th day of April, 1992, by a vote of 7 in favor, 0 opposed on first reading.

SHELBYVILLE COMMON COUNCIL

Robert E. Williams
President

ATTEST:

Frank M. Zerr
Frank Zerr
Clerk-Treasurer

Adopted this 20th day of April, 1992, by a vote of 7 in favor, 0 opposed on second and final reading.

Presented by me to the Mayor of Shelbyville, Indiana, at 8:05 p.m. this 20th day of April, 1992, at 8:05 o'clock, p.m.

Frank M. Zerr
Frank Zerr
Clerk-Treasurer

Approved and signed by me this 20th day of April, 1992, at 8:10 o'clock, p.m.

Robert E. Williams
Robert Williams
Mayor

Attest:

Frank M. Zerr
Clerk-Treasurer