

RESOLUTION NO. 2016-05

A RESOLUTION PRELIMINARILY APPROVING THE TERMS
OF A DEVELOPMENT AGREEMENT BETWEEN
HENDRICKS COUNTY AND INDY SW LODGING ASSOCIATES, LLC

WHEREAS, Indy Southwest Lodging Associates LLC, (the "Developer") has approached the Hendricks County Tourism Commission ("Commission"), and the Hendricks County Council ("Council") concerning the development of an 8.2 Acre parcel of land along with an adjoining 2.1 Acre retention pond property (the "Hotel Real Estate") owned by the Commission located at Clarks Creek Road, within the Town of Plainfield, for a full-service hotel and conference center; and

WHEREAS, specifically, the Developer will construct a new Embassy Suites Hotel (the "Hotel") containing over one hundred seventy-five (175) suites on the Hotel Real Estate; and

WHEREAS, Developer will develop a minimum twenty thousand (20,000) square foot Conference Center on property located at 2353 Perry Road (which improvements thereon would be redeveloped), which conference center would be connected to the Hotel by an enclosed climate-controlled walkway, including necessary driveway circulation, hardscape and landscape improvements (the "Conference Center Real Estate"); and

WHEREAS, the Hotel Real Estate and Conference Center Real Estate are collectively referred to as the "Real Estate;" and

WHEREAS, the Hotel and Conference Center shall be referred to as the "Project;" and

WHEREAS, the increased assessed value of the Real Estate from the construction of the Hotel Real Estate and redevelopment of the Conference Center Real Estate shall exceed, as a minimum, Twenty-Five Million Dollars (\$25,000,000); and

WHEREAS, the County has made a preliminary offer of economic development incentives to the Developer, which will assume the transfer of the Hotel Real Estate for its appraised value by the Commission, assistance with the site development costs of the Real Estate, and assistance with the purchase and redevelopment of the Conference Center; and

WHEREAS, the Project will be developed by Developer, whose members will be Sun Companies and Champion Hotels, whose principal owners are Mr. Bharat Patel (Sun) and Mr. Champ Patel (Champion); and

WHEREAS, the Developer shall agree, as part of a Development Agreement, to retain ownership of the Real Estate and Project for not to be less than five (5) years following commencement of operations; and

WHEREAS, the Developer shall agree, as part of a Development Agreement, that the Commission and the Council must approve transfer of the ownership of the Real Estate during the time period from six (6) to ten (10) years following commencement of operations, which approval will not be unreasonably withheld; and

WHEREAS, principals of the Developer, Mr. Bharat Patel and Mr. Champ Patel, have extensive national experience in the construction, ownership, and operation of hospitality businesses like the Project; and

WHEREAS, the Commission and Council believe that it is in the best interests of the Commission and Council to preliminarily approve the terms of this economic development package to create a successful public-private partnership for the Project.

IT IS THEREBY RESOLVED by the Hendricks County Council as follows:

1. The Developer agrees to plat the Hotel Real Estate to provide for construction of an Embassy Suites Hotel on approximately 8.2 acres plus adjoining 2.1 Acre retention pond property currently owned by Commission, which will be transferred to Developer in consideration for payment to the Commission in the amount of Eight Hundred Eighty-One Thousand Five Hundred Dollars (\$881,500) pursuant to a separate resolution of the Commission.

2. The Developer shall construct a seven (7) story Embassy Suites hotel with a minimum of 5,000 square feet of meeting space and an attached minimum twenty thousand (20,000) square foot conference center on the Real Estate. Construction would begin no later than

October 31, 2016 and be completed no later than September 30, 2018.

3. The County, by virtue of an economic development bond to be approved by the Council, shall contribute Six Million Dollars (\$6,000,000) toward the costs of the Project. Said amounts shall be paid from the net proceeds of a 2016 economic development bond to be issued by the County and payable solely from County innkeeper's tax revenues (the "2016 Bonds").

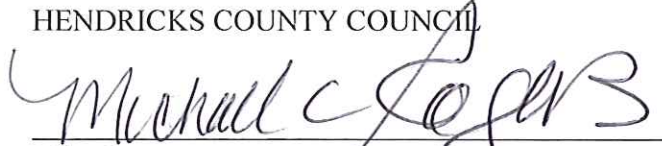
4. Prior to issuance of the 2016 Bonds, the Developer shall: i) provide proof of financing for the Project satisfactory to the County; ii) provide evidence to the Council of the Developer's contribution of no less than Three Million Dollars (\$3,000,000) to the Project; and iii) take ownership of the Real Estate (which sales transaction can be closed simultaneously with issuance of the 2016 Bonds).

5. The purpose of this resolution is to outline the general framework of terms and conditions for the potential transfer of the Real Estate, issuance of the 2016 Bonds by Hendricks County, and development of the Project should final terms be negotiated and conditions precedent met. The Council advises, and the Developer acknowledges, that this arrangement will require further documentation and approvals, including, but not limited to, the preparation and approval of a Development Agreement, proof of adequate financing and investment by the Developer, and specific conditions precedent and approvals for issuance of bonds.


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ALL OF WHICH IS RESOLVED by the Hendricks County Council this 11th day of February, 2016.


HENDRICKS COUNTY COUNCIL



Mike Rogers



Jay Puckett




Brad Whicker



Eric Wathen



Caleb Brown




Larry Hesson



Richard Thompson

Attest:


Cirada Kattau
County Auditor, 2/11/16