



## **Town of Yorktown**

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11/16/2020

### **Ordinance 804 – Amended Bond Ordinance for BISON**

The Bison project is prepared to move forward as a bond purchaser has been identified. That purchaser has requested some additional protections which required the RDC and the Town Council to make amendments to their current documents. Those protections for the bond purchaser include 2 items:

First that in addition to the traditional 125% debt service required, they are asking that the developer (Bison) fund an additional ½ year bond payment into the debt service of the project over the first year of construction. This means that there will be an approximate 175% of safety in the debt service reserve account.

Second the bond purchaser is requesting that should any part of the project be sold off to a nonprofit entity over the life of the bonds, that the developer/owner at the time agree to a Payment In Lieu of Taxes for the remainder of the bond repayment period. This protects the bond holder in case part of the project warrants an ownership by non-profit and guarantees that the bond payment will remain. The concern from the bond holder was that part of this proposed project is a 55+ community area which may at some point looking enticing to obtain non-profit status. Bison has not indicated that this is the plan, but has agreed to the stipulation placed by the purchaser.

Both of these protections are positive for the community and do not have a negative effect from the town's perspective. I would recommend approval.

Pete Olson  
Town Manager