



*Town of Milton*

115 Federal Street, Milton, Delaware 19968

[www.milton.delaware.gov](http://www.milton.delaware.gov)

Phone: 302-684-4110 Fax: 302-684-8999

**ORDINANCE 2023-009**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF MILTON (THE “TOWN COUNCIL”): CONFIRMING (1) THE CREATION OF THE GRANARY AT DRAPER FARM SPECIAL DEVELOPMENT DISTRICT (THE “THE GRANARY AT DRAPER FARM DISTRICT”), (2) THE CREATION OF GRANARY AT DRAPER FARM SPECIAL DEVELOPMENT DISTRICT SPECIAL FUND (THE “GRANARY AT DRAPER FARM SPECIAL FUND”), AND (3) THE PLEDGE THE PROCEEDS OF THE GRANARY AT DRAPER FARM SPECIAL TAX (HEREINAFTER DEFINED) ON ALL REAL PROPERTY SUBJECT TO TAX WITHIN THE GRANARY AT DRAPER FARM DISTRICT TO THE GRANARY AT DRAPER FARM SPECIAL FUND AND THE COVENANT AND REQUIREMENT TO PAY THE PROCEEDS OF THE GRANARY AT DRAPER FARM SPECIAL TAX INTO THE GRANARY AT DRAPER FARM; PROVIDING FOR THE LEVY OF A SPECIAL TAX ON ALL REAL PROPERTY SUBJECT TO TAX WITHIN THE GRANARY AT DRAPER FARM DISTRICT; PLEDGING THE SPECIAL TAX ON REAL PROPERTY WITHIN THE GRANARY AT DRAPER FARM DISTRICT TO THE GRANARY AT DRAPER FARM SPECIAL FUND AND PROMISING THAT THE PROCEEDS OF THE SPECIAL TAX WILL BE PAID INTO THE GRANARY AT DRAPER FARM SPECIAL FUND; PROVIDING FOR THE USE OF MONEYS IN THE GRANARY AT DRAPER FARM SPECIAL FUND; AUTHORIZING THE TOWN COUNCIL TO ENTER INTO FUNDING AGREEMENTS WITH THE DEVELOPER OF THE PROPERTY WITHIN THE GRANARY AT DRAPER FARM DISTRICT; MAKING CERTAIN LEGISLATIVE FINDINGS, AMONG OTHERS, CONCERNING THE PUBLIC BENEFIT AND PURPOSE OF SPECIAL OBLIGATION BONDS TO BE ISSUED BY THE TOWN COUNCIL; AUTHORIZING AND EMPOWERING THE TOWN COUNCIL TO ISSUE, SELL AND DELIVER, AT ANY ONE TIME OR FROM TIME TO TIME, ITS SPECIAL OBLIGATION BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT OUTSTANDING AT ANY ONE TIME NOT TO EXCEED \$42,000,000; PROVIDING THAT SUCH SPECIAL**

**OBLIGATION BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE A GENERAL OBLIGATION DEBT OF OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWERS OF THE TOWN OF MILTON (THE "TOWN"); MAKING A FINDING THAT THE USE OF THE PROPERTY IN THE GRANARY AT DRAPER FARM DISTRICT IS CONSISTENT WITH THE COMPREHENSIVE PLAN FOR THE AREA; AUTHORIZING AND EMPOWERING THE MAYOR OF THE TOWN COUNCIL PRIOR TO THE ISSUANCE, SALE AND DELIVERY OF SUCH SPECIAL OBLIGATION BONDS, TO PRESCRIBE THE RATE OR RATES OF INTEREST SUCH SPECIAL OBLIGATION BONDS ARE TO BEAR, THE FORM, TENOR, TERMS AND CONDITIONS OF AND SECURITY FOR SUCH SPECIAL OBLIGATION BONDS, AND TO PRESCRIBE, DETERMINE, PROVIDE FOR AND APPROVE VARIOUS OTHER MATTERS, DETAILS, DOCUMENTS AND PROCEDURES IN CONNECTION WITH THE AUTHORIZATION, ISSUANCE, SECURITY, SALE AND PAYMENT FOR SUCH SPECIAL OBLIGATION BONDS; AND GENERALLY PROVIDING FOR THE FINANCING OF PUBLIC INFRASTRUCTURE IMPROVEMENTS WITHIN AND WITHOUT THE GRANARY AT DRAPER FARM DISTRICT AND FOR THE IMPOSITION AND LEVY OF A SPECIAL TAX AND THE ISSUANCE OF SPECIAL OBLIGATION BONDS, ALL IN ACCORDANCE WITH TITLE 22 OF THE DELAWARE CODE, CHAPTER 18 AND SECTION 29(41) OF THE CHARTER OF THE TOWN, AS AMENDED.**

## RECITALS

Under the provisions of Title 22 of the Delaware Code, Chapter 18 and Section 29(41) of the Charter of the Town, as amended (the "Charter") (collectively, the "Act"), the Town of Milton, a body politic incorporated in law and equity of the State of Delaware (the "Town") may create special development districts with respect to any defined geographic region within the Town, levy ad valorem and special taxes and borrow money by issuing and selling bonds for the purpose of financing, refinancing, or reimbursement for the cost of the design, construction, establishment, extension, alteration, or acquisition of adequate storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, libraries, schools, transit facilities, solid waste facilities and other infrastructure improvements as necessary, whether situated within the special development districts or outside the special development districts if the infrastructure improvement provides service or benefit to the property within the special development district, for the development and utilization of the land, each with respect to any defined geographic region within the municipality. Bonds authorized by the Act are special obligations of the Town payable from a special fund created by the Town Council of the Town (the "Town Council") for the purpose of paying the debt service on such bonds and from other assets or revenues pledged by the Town Council for that purpose.

Before issuing bonds, the Town Council is required by the Act to designate, by resolution, an area or areas within the geographic boundaries of the Town as a “special development district,” to provide for the levy of a special tax on all real property within the special development district, to create a special fund with respect to the special development district, to pledge such special tax to the special tax fund for the payment of the debt service on the bonds issued under the Act and agree to pay the proceeds of such special tax into such special fund.

Pursuant to Section 1803 of Title 22 of the Delaware Code and Section 29(41) of the Charter of the Town, the Town Council received an “Application to Request the Creation of a Special Development District” dated September 2, 2022 (the “Request”) from the owners (collectively, the “Owners”) of real property located in the Town more specifically described in such Request (the “Property”). The Owners are (i) the owners of at least two-thirds of the assessed valuation of the real property located within the boundaries of the Granary at Draper Farm District (hereinafter defined) and (ii) at least two-thirds of the owners of the acreage located within the boundaries of the Granary at Draper Farm District, each determined as prescribed by the Act. Pursuant to Sections 1803 and 1807 of Title 22 of the Delaware Code and Section 29(41) of the Charter of the Town, the Town Council received a Supplemental Application from the Owners and certain contract purchasers of a portion of the Property dated August [25], 2023 (the “Supplemental Request”) requesting the Town Council to (i) create a special fund with respect to the Granary at Draper Farm District, and (ii) issue and sell bonds for the purpose of financing, refinancing or reimbursement for the cost of the design, construction, establishment, extension, alteration, installation, and acquisition of certain infrastructure improvements and machinery and equipment, situated within the Granary at Draper Farm District and situated outside the Granary at Draper Farm District (which provide service or benefit to the property within the Granary at Draper Farm District).

The Owners and R. Draper Investments, LLC, an affiliate of one of the Owners and the developer of the Property (the “Developer”), intend to develop the Property as a mixed residential and commercial development. The Owners and the Developer have held discussions with the Town Council as to the scope of, and financing for, the public infrastructure for such development and, pursuant to the Request and the Supplemental Request, the Owners have requested that the Town Council (i) create a special development district comprised of such Property and (ii) create a special fund with respect to the Granary at Draper Farm District, and levy special taxes on the property in the Granary at Draper Farm District and issue its special obligations bonds for the purpose of financing, refinancing or reimbursement for the cost of the design, construction, establishment, extension, alteration, installation, and acquisition of certain infrastructure improvements and machinery and equipment, situated within the Granary at Draper Farm District and situated outside the Granary at Draper Farm District (which provide service or benefit to the property within the Granary at Draper Farm District) described in the Request and the Supplemental Request, each pursuant to the Act.

The Town Council, following a public hearing held on September 12, 2022, pursuant to notice published in a newspaper of general circulation not less than seven days before such hearing, adopted a Resolution 2022-013 on September 12, 2022 (the “Designation Resolution”) which created the “The Granary at Draper Farm Special Development District” comprised of the Property (the “The Granary at Draper Farm District”) in accordance with Section 1805 of Title 22 of the Delaware Code and Section 29(41) of the Charter. The Town Council, following a public hearing held on September 11, 2023, pursuant to notice published in a newspaper of general circulation not less than seven days before such hearing, adopted a Resolution on September 11, 2023 (the “Special Fund Resolution”) which (i) created the “The Granary at Draper Farm Special Development District Special Fund” with respect to the Granary at Draper Farm District (the “The Granary at Draper Farm Special Fund”), (ii) pledged the proceeds of the special tax to be levied on all real property within the Granary at Draper Farm District to the Granary at Draper Farm Special Fund, (iii) required that proceeds of the special tax be paid into the Granary at Draper Farm Special Fund, all in connection with the Granary at Draper Farm District, and (iv) adopted an “official intent” within the meaning of Section 1.150-2 of the Income Tax Regulations prescribed by the U.S. Treasury Department, all in connection with the Granary at Draper Farm District.

The Town Council has now determined to levy the special tax on all real property within the Granary at Draper Farm District, to pledge the proceeds of such special tax to the Granary at Draper Farm Special Fund, to cause the proceeds of such special tax to be paid into the Granary at Draper Farm Special Fund, to authorize the issuance of such bonds and to apply the special tax revenues and the proceeds of such bonds issued under the Act to provide public infrastructure improvements for the benefit of the Property within the Granary at Draper Farm District.

The issuance of such bonds under the Act will serve the public purposes of providing public improvements within the Town, directly and indirectly enhancing the taxable base of the Town, encouraging the development of commerce and industry within the Town, and increasing employment within the Town through the installation of public infrastructure improvements for the Granary at Draper Farm District.

The public infrastructure improvements to be located within the Granary at Draper Farm District and outside the Granary at Draper Farm District (which provide service or benefit to the Property within the Granary at Draper Farm District) and to be financed in full or in part with the proceeds of the bonds will include, among other things:

- (1) Earthwork and other site prep;

- (2) Construction of water and (to the extent eligible under the Act) sewer lines, water systems and facilities, sewer systems and facilities (to the extent eligible under the Act), related appurtenances, and acquisition of land or easements therefor;
- (3) Construction and improvements of roads, bridges, culverts, tunnels, streets, curbs, gutters, and acquisition of land therefor;
- (4) Construction and installation of storm water management areas, sediment management, and storm drains;
- (5) Construction and installation of parking, parks and recreation facilities, libraries, and schools;
- (6) Related grading, lighting, landscaping, identifying monuments, signage, traffic signals and traffic studies therefor, sidewalks, related appurtenances, and acquisition of land or easements;
- (7) Machinery and equipment needed to expand or enhance municipal services to the district;
- (8) Architectural and engineering services and stakeout; financial and legal services; administrative and other expenses necessary or incident to the construction, acquisition, financing and operation of the infrastructure improvements; and
- (9) Such other public improvements as the Town and the Owners mutually agree.

The improvements described in the foregoing paragraph are hereafter referred to as the “Improvements.”

Pursuant to Section 1807 of Title 22 of the Delaware Code, the Town Council may implement its authority under the Act to issue bonds, for the purpose of financing the costs of the Improvements and certain related costs of issuing the bonds, by adopting an ordinance which specifies and describes the proposed undertaking and states that it has complied with certain conditions precedent to the issuance of the bonds, specifies the maximum principal amount of the bonds to be issued, specifies the maximum rate or rates of interest the bonds are to bear and agrees to a covenant to levy upon all real property within the special development district ad valorem taxes or special taxes in rate and amount at least sufficient in each year in which any of the bonds are outstanding to provide for the payment of the principal of, premium, if any, and the interest on the bonds, in the rate and amount prescribed by the Rate and Method (as defined below).

The Town Council has determined to finance the Costs (as defined in the Act) of the Improvements and certain issuance and financing costs through the issuance of its special obligation bonds from time to time (the “Bonds”), in one or more series, in the aggregate principal amount outstanding at any one time not to exceed \$42,000,000.

In order to provide for the payment of the principal of, interest on, and premium on, if any, the Bonds, the Town Council has determined to levy and impose, and covenant to levy and impose, a special tax, to be designated the “The Granary at Draper Farm Special Tax,” upon all real

property within the Granary at Draper Farm District for the purposes, to the extent and in the manner herein provided, and assessed according to the Laws of Delaware for the purpose of financing the Improvements and related financing costs of the Bonds, at least sufficient in each year in which any of such Bonds are outstanding to provide for the payment of the principal of, and the interest on the Bonds and redemption premium, if any, on the Bonds, to replenish any debt service reserve fund for the Bonds, and for any other purpose related to the ongoing expenses of or security, including debt service coverage requirements, for the Bonds, through the application of the procedures provided in the Rate and Method of Apportionment of The Granary at Draper Farm Special Taxes (the “Rate and Method”), which is attached hereto and made a part hereof, and is hereafter referred to as “Exhibit 1”.

The Granary at Draper Farm Special Tax shall be imposed, levied, and collected in the Granary at Draper Farm District each taxable year beginning with the 2024-2025 taxable year, in an amount and for such period of time as shall be determined by the Town Council or its designee or administrator in accordance with the Rate and Method.

The Town Council has determined to designate a fiscal agent and administrator (the “Administrator”) which shall be responsible for administration of the Granary at Draper Farm District, and such Administrator shall have such duties and responsibilities as evidenced in a fiscal agent agreement, or other agreement by and between the Town Council and the Administrator, as amended or modified by the terms of any supplemental fiscal agent agreement.

As provided in the Act, this Ordinance, any order or resolution adopted in furtherance of this Ordinance, the imposition and levy of the Granary at Draper Farm Special Tax and the issuance of the Bonds shall not be subject to any referendum by reason of any other State or local law.

The Granary at Draper Farm Special Tax shall be calculated, levied and collected according to the procedures provided in Exhibit 1 and the maximum amount to be assessed with respect to any parcel of property, developed and undeveloped, which is located within the Granary at Draper Farm District shall be calculated pursuant to the methodology provided in Exhibit 1.

The Granary at Draper Farm Special Tax on any parcel of Property may be fully prepaid by the owners and subsequent owners of the Property at any time and, to the extent permitted in Exhibit 1, may also be prepaid partially. In each such case, the obligation to pay the Granary at Draper Farm Special Tax shall be permanently satisfied by payment of an amount calculated according to the prepayment provisions provided in Exhibit 1, and the Town Council, through a

designated trustee or the Administrator, shall provide for the payment of the Granary at Draper Farm Special Tax.

The Granary at Draper Farm Special Tax shall be collected in the same manner and at the same time as ordinary real property taxes; provided, however, that the Town Council, through the Administrator, may collect the Granary at Draper Farm Special Tax at a different time or in a different manner as determined by the Town Council, if necessary to meet the financial obligations of The Granary at Draper Farm District.

The Granary at Draper Farm Special Tax is subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for general *ad valorem* taxes in the Town.

Any property owner claiming that the amount of the Granary at Draper Farm Special Tax to be collected from the Parcel is not correct may file a written notice of appeal to that effect pursuant to the appeal procedure set forth in Exhibit 1. Such procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

Except for any delinquent The Granary at Draper Farm Special Tax and related penalties and interest, the Granary at Draper Farm Special Tax used to pay for either or both the acquisition and construction of any public facilities for the Granary at Draper Farm District, through the issuance of special obligation bonds or otherwise and levied on any Parcel shall not be levied after the date of termination set forth in Rate and Method attached as Exhibit 1.

In accordance with Section 1815 of Title 22 of the Delaware Code, the Town Council has determined that the use of the Property within the Granary at Draper Farm District is consistent with the comprehensive plan for the area.

In connection with the creation of the Granary at Draper Farm District and the Granary at Draper Farm Special Fund, the levy of the Granary at Draper Farm Special Tax, the issuance of the Bonds and the administration of the Granary at Draper Farm District and the Granary at Draper Farm Special Tax, the Town Council expects that certain professional services will be performed by outside professional firms. The Town Council has determined that Section 14(b) of the Charter of the Town shall not apply to any professional services performed in connection with the creation of the Granary at Draper Farm District and the Granary at Draper Farm Special Fund, the levy of the Granary at Draper Farm Special Tax, the issuance of the Bonds and the administration of the Granary at Draper Farm District and the Granary at Draper Farm Special Tax.

By this Ordinance, the Town Council desires (i) to confirm the creation of the Granary at Draper Farm District, (ii) to confirm the creation of the Granary at Draper Farm Special Fund, (iii) to levy and impose the Granary at Draper Farm Special Tax on all real property within the Granary at Draper Farm District that is subject to the Granary at Draper Farm Special Tax as described in Exhibit 1, (iv) to pledge the proceeds of the Granary at Draper Farm Special Tax to the Granary at Draper Farm Special Fund and to covenant to cause the proceeds of the Granary at Draper Farm Special Tax to be paid into the Granary at Draper Farm Special Fund, (v) to implement the authority conferred upon it by the Act to issue the Bonds for the Improvements, (vi) to find that the Improvements will serve the public purpose of the Town and to determine that the costs of the Improvements can be financed with the proceeds of the Bonds under the Act, (vii) to authorize the execution and delivery of such documents as shall be necessary to be delivered in connection with the issuance of the Bonds and the financing of the Improvements, (viii) to authorize the execution and delivery of one or more Funding Agreements (hereinafter defined) between the Town Council and the Developer, (ix) to make a finding that the use of the Property within the Granary at Draper Farm District is consistent with the comprehensive plan for the area and (x) to specify certain other matters relating to the Bonds and the Improvements.

THE TOWN COUNCIL OF THE TOWN, in session met, a quorum pertaining at all times thereto, DOES HEREBY ORDAIN (by an affirmative vote of at least a majority of all of the members of Town Council):

SECTION 1. FINDINGS AND DETERMINATIONS. The Town Council of The Town of Milton (the “Town Council”) hereby finds and determines that:

(1) The issuance of the Bonds to finance the costs of the Improvements under the Act and this Ordinance will serve the public purposes of providing public improvements within The Town of Milton (the “Town”), directly and indirectly enhancing the taxable base of the Town, encouraging the development of commerce and industry within the Town, and increasing employment within the Town through the installation of utilities and other necessary public infrastructure improvements in the Granary at Draper Farm District;

(2) The costs of the Improvements to be financed with the proceeds of the Bonds are costs associated with the design, construction, establishment, extension, alteration or acquisition of infrastructure improvements within the meaning of the Act for the Granary at Draper Farm District;



(3) The Owners and the Developer (private, for-profit entities) have expressed a desire to undertake new development within the Granary at Draper Farm District created pursuant to the Designation Resolution, have requested the Town Council to create the Granary at Draper Farm District and have requested the Town Council to issue the Bonds to finance the costs of the Improvements;

(4) Any obligations issued by the Town Council with respect to the Improvements under the Act and pursuant to this Ordinance may be bonds, notes, or other similar instruments;

(5) Any such bonds, notes or similar instruments shall not be general obligations of the Town and shall not be secured by a pledge of the full faith and credit or taxing power of the Town, but shall be payable solely from the special tax of the Town created by this Ordinance allocated and paid into the Granary at Draper Farm Special Fund created by the Special Fund Resolution and from such sinking funds, debt service reserve funds, or such other assets and revenues as the Town Council may establish or pledge for or to the payment of such bonds, notes or similar instruments;

(6) The Town Council has complied with the provisions of Section 1805 of Title 22 of the Delaware Code;

(7) In connection with the creation of the Granary at Draper Farm District and the Granary at Draper Farm Special Fund, the levy of the Granary at Draper Farm Special Tax, the issuance of the Bonds and the administration of the Granary at Draper Farm District and the Granary at Draper Farm Special Tax, the Town Council expect that certain professional services will be performed by outside professional firms. The Town Council has determined that Section 14(b) of the Charter of the Town shall not apply to any professional services performed in connection with the creation of the Granary at Draper Farm District and the Granary at Draper Farm Special Fund, the levy of the Granary at Draper Farm Special Tax, the issuance of the Bonds and the administration of the Granary at Draper Farm District and the Granary at Draper Farm Special Tax; and

(8) The levy of special taxes set forth in Section 4 hereof, is calculated in a reasonable manner that results in fairly allocating the cost of the Improvements. The basis of the reasonable manner in which the special taxes set forth in Section 4 hereof have been established is set forth in Exhibit 2 attached hereto and made a part hereof.

SECTION 2. CONFIRMATION; TERMINATION. The Town Council hereby confirms the creation of the Granary at Draper Farm District pursuant to the Designation Resolution and the creation of the Granary at Draper Farm Special Fund pursuant to the Special Fund Resolution. The Granary at Draper Farm District shall be terminated when no Bonds are outstanding in accordance with the Act.

The Town Council also hereby confirms the pledge that the proceeds of the Granary at Draper Farm Special Tax be paid into the Granary at Draper Farm Special Fund, and its covenant and requirement that the proceeds from the Granary at Draper Farm Special Tax be paid into the Granary at Draper Farm Special Fund.

SECTION 3. THE GRANARY AT DRAPER FARM SPECIAL FUND. The Granary at Draper Farm Special Fund will be held by the trustee for the Bonds. The Town Council may use, accumulate, and pay moneys in the Granary at Draper Farm Special Fund as provided in, and subject to the restrictions of the Act. Any moneys remaining in the Granary at Draper Farm Special Fund for the Granary at Draper Farm District on the date of termination of the Granary at Draper Farm District shall be paid to the general fund of the Town.

SECTION 4. LEVY OF SPECIAL TAX. A. There is hereby levied and imposed the “The Granary at Draper Farm Special Tax” upon all real property within the Granary at Draper Farm District for the purposes, to the extent and in the manner herein provided, through the application of the procedures provided in Exhibit 1, which is attached hereto and by this reference incorporated herein; provided, however, that for any taxable year the amount of the Granary at Draper Farm Special Tax may be reduced by the Town Council or the Town’s designee as provided in Exhibit 1.

B. In accordance with the Rate and Method, the Town Council covenants to levy upon all real property within the Granary at Draper Farm District the Granary at Draper Farm Special Tax in rate and amount at least sufficient in each year in which any of the Bonds are outstanding to provide for the payment of the principal of, the interest on, and redemption premium, if any, on the Bonds, to replenish any debt service reserve fund for the Bonds, and for any other purpose related to the ongoing expenses of or security, including debt service coverage requirements, for the Bonds.

SECTION 5. PLEDGE TO ALLOCATE SPECIAL TAX. A. Until any Bonds which are issued to finance the Improvements have been fully paid or thereafter, the Town Council hereby pledges the proceeds of the Granary at Draper Farm Special Tax to the Granary at Draper Farm

Special Fund and hereby covenants and requires that it will pay or cause to be paid all proceeds from the Granary at Draper Farm Special Tax into the Granary at Draper Farm Special Fund.

B. This pledge and covenant to pay the proceeds of the Granary at Draper Farm Special Tax derived from the Granary at Draper Farm District is intended to be in complete fulfillment of the condition precedent to the issuance of the Bonds contained in Section 1805 of Title 22 of the Delaware Code. The pledge and covenant to pay the Granary at Draper Farm Special Tax shall be continuous and irrevocable so long as any Bonds are outstanding.

SECTION 6. DURATION OF SPECIAL TAX. The Granary at Draper Farm Special Tax levied and imposed by this Ordinance in the Granary at Draper Farm District shall take effect, be in force and be collected for the 2024-2025 Fiscal Year and each taxable year thereafter, provided that the Special Tax shall not be levied after the date of termination as provided in the Rate and Method attached hereto as Exhibit 1.

SECTION 7. DESIGNATION OF ADMINISTRATOR. The Town Council hereby agrees to designate the Administrator which shall be responsible for administration of the Granary at Draper Farm District, and the Administrator shall have such duties and responsibilities as evidenced in a fiscal agent agreement or other agreement by and between the Town Council and the Administrator, as amended or modified by the terms of any supplemental fiscal agent agreement.

SECTION 8. ISSUANCE OF BONDS. The issuance and sale of the Bonds from time to time in one or more series in an aggregate principal amount outstanding at any one time not to exceed \$42,000,000 (including, without limitation, bonds to finance or refinance the completion of the Improvements and refunding bonds), and bearing interest at a maximum rate of interest not to exceed 10% or such other maximum rate of interest as may be approved by the Town Council by a subsequent ordinance, all as may be determined by the Mayor of the Town Council (the “Mayor”), are hereby authorized and approved. The Bonds are authorized hereby to be executed by the manual or facsimile signature of Mayor or the Vice Mayor of the Town Council (the “Vice Mayor”) and the seal of the Town shall be affixed to the Bonds and attested by the Secretary. The Bonds shall not be an indebtedness of the Town for which the Town Council is obligated to levy or pledge, or has levied or pledged, general or special taxation other than the Granary at Draper Farm Special Tax. Pursuant to the Act, the Bonds will be special obligations payable solely from the funds in the Granary at Draper Farm Special Fund and the proceeds of the Granary at Draper Farm Special Tax and such sinking funds, debt service reserve funds, or such other assets and revenues as the Town Council may establish or pledge for or to the payment of the Bonds, and shall not constitute a general obligation debt of the Town or a pledge of the Town’s full faith and credit or taxing power.

All proceeds received from the sale of the Bonds shall be applied to pay Costs (as defined in Section 1801 of Title 22 of the Delaware Code) with respect to the Improvements and the Bonds.

SECTION 9. SALE OF BONDS. The Town Council hereby determines to sell the Bonds to Stifel, Nicolaus & Company, Incorporated, as underwriter in a negotiated, limited public offering deal. The Mayor and the Vice Mayor are authorized to proceed with the offering and sale of the Bonds; provided, however, that any offering of the Bonds shall be limited to “accredited investors” within the meaning of Section 2(15) of the Securities Act of 1933, as amended, and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

SECTION 10. OTHER ACTIONS. A. The Mayor, the Vice Mayor, and/or any other authorized officers of the Town are authorized and directed to take any and all actions and to execute, attest, affix the Town’s seal to and deliver, and to file and record in any appropriate public offices (if applicable) all documents, instruments, certifications, forms (including but not limited to, appropriate IRS forms in respect to the Bonds) financing statements, letters of instructions, written requests, contracts, agreements and other papers, whether or not herein mentioned, as may be necessary or convenient to evidence the approvals of the Town Council provided in this Ordinance and to consummate the transactions contemplated in this Ordinance or in any of the documents herein authorized and approved.

B. The Mayor, the Vice Mayor, the Treasurer of the Town Council and all other officials of the Town are hereby authorized and empowered to do any and all such things as shall be deemed necessary by them to facilitate the issuance of the Bonds and are hereby authorized and empowered to do all such things and execute such documents and certificates as may be determined by them to be necessary to carry out and comply with the provisions of the Act and this Ordinance.

SECTION 11. EXECUTIVE ORDER. Prior to the issuance, sale and delivery of the Bonds, the Mayor from time to time by one or more executive orders shall specify, prescribe, determine, provide for, or approve, for the purposes and within the limitations of the Act and this Ordinance, all matters, details, forms, documents, and procedures pertaining to the sale, security, issuance, delivery, and payment of or for one or more series of the Bonds, including, without limitation, the following:

- (1) The actual principal amount of the Bonds to be issued,

- (2) The actual rate or rates of interest for the Bonds,
- (3) The manner in which and the terms upon which the Bonds are to be sold,
- (4) The manner in which and the times and places that the interest on the Bonds is to be paid,
- (5) The time or times that the Bonds may be executed, issued, and delivered,
- (6) The form and tenor of the Bonds and the denominations in which the Bonds may be issued,
- (7) The manner in which and the times and places that the principal of the Bonds is to be paid, within the limitations set forth in the Act and this Ordinance,
- (8) Provisions pursuant to which any or all of the Bonds may be called for redemption prior to their stated maturity dates,
- (9) The establishment of a sinking fund and a debt service reserve fund for the Bonds,
- (10) The form and contents of, and provisions for the execution and delivery of, such financing documents as the Mayor shall deem necessary or desirable to evidence, secure or effectuate the issuance, sale and delivery of the Bonds, including (without limitation) any fiscal agent agreements, development agreements, funding agreements, security agreements, assignments, guarantees, indentures, financing agreements or escrow agreements;
- (11) The creation of security for the Bonds and provision for the administration of the Bonds, including (without limitation) the appointment of such trustees, escrow agents, fiscal agents, payment agents, registrars or other agents as the Mayor shall deem necessary or desirable to effectuate the transactions authorized hereby;

(12) Provisions for the preparation and distribution of both a preliminary and a final official statement, placement memorandum, offering memorandum, or offering circular in connection with the sale of any series of the Bonds, if such preliminary official statement and final official statement, placement memorandum, offering memorandum, or offering circular are determined to be necessary or desirable for the sale the Bonds;

(13) To the extent that other obligated persons with respect to the Bonds have not assured compliance with, or to the extent that the offering of the Bonds is not exempt from the requirements of, Rule 15c2-12 of the United States Securities and Exchange Commission, the determination of the form and contents of any written agreement or contract required by law for the benefit of the holders of the Bonds under which agreement or contract the Town will undertake to provide annual financial information, audited financial statements, material events notices, and other information to the extent required by such Rule;

(14) The determination of, or the provision for, such other matters in connection with the authorization, issuance, execution, sale, delivery, and payment of the Bonds, the security for the Bonds, and the consummation of the transactions contemplated by this Ordinance as may be deemed appropriate by the Mayor, including without limitation, establishing procedures for the execution, acknowledgment sealing, and delivery of such other and further agreements, documents, and instruments, and the authorization of the officials of the Town to take any and all actions, as are or may be necessary or appropriate to consummate the transactions contemplated by this Ordinance in accordance with the Act and this Ordinance.

SECTION 12. FUNDING AGREEMENTS. The Town is hereby authorized to enter into one or more agreements with respect to the Improvements with the Developer (each, a “Funding Agreement”). Each Funding Agreement shall contain such terms, agreements, and conditions and be in such form as the Mayor may approve after consultation with bond counsel to the Town. Each Funding Agreement shall be executed on behalf of the Town by the Mayor or the Vice Mayor, and the corporate seal of the Town shall be impressed thereon and attested by the Secretary (or other authorized officer). The Mayor or the Vice Mayor, the Secretary, and other appropriate officials of the Town are hereby authorized and empowered to do all such acts and things and execute such other documents and certificates as necessary to carry out and comply with the provisions of this Section 12.

SECTION 13. COMPREHENSIVE PLAN. In accordance with Section 1815 of Title 22 of the Delaware Code, it is hereby determined that the use of the Property within the Granary at Draper Farm District is consistent with the comprehensive plan for the area.

SECTION 14. EFFECTIVE DATE; REVOCATION OF ORDINANCE AND RESOLUTIONS. A. This Ordinance shall become effective on the date of its adoption by a majority of all members elected to the Town Council of the Town. The Town Council may not revoke the provisions of Sections 4 and 5 of this Ordinance as long as the principal of, and the interest and any premium on, any of the Bonds, including any bonds issued to refund the Bonds, remains unpaid.

B. In the event that no series of Bonds are issued to finance the Improvements within one year after the date this Ordinance is adopted, this Ordinance shall be automatically revoked without further action by the Town.

C. The Town Council may not revoke the provisions of Section 2 of the Designation Resolution or Section 2 of the Special Fund Resolution as long as the principal of, and the interest and any premium on, any of the Bonds, including any bonds issued to refund the Bonds, remains unpaid.

APPROVED this 11<sup>th</sup> day of September, 2023.

**THE TOWN OF MILTON**

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Mayor

[SEAL]

Exhibit 1      Rate and Method of Apportionment of The Granary at Draper Farm Special Taxes

Exhibit 2      Reasonable Basis for Special Taxes

I, Scotty Edler, Secretary of the Town Council of The Town of Milton, do hereby certify that the foregoing is a true and correct copy of an Ordinance enacted by the Town Council at its Regular Meeting held on September 11, 2023, at which a quorum was present and voting throughout and that the same is still in full force and effect.

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Secretary



EXHIBIT 1

RATE AND METHOD OF APPORTIONMENT  
OF THE GRANARY AT DRAPER FARM SPECIAL TAXES

REASONABLE BASIS FOR SPECIAL TAXES