

PLAINFIELD REDEVELOPMENT COMMISSION

January 6, 2020

5:30 p.m.

Ms. Andres: Good evening everyone. We are going to call the Plainfield Redevelopment Commission meeting to order.

PLEDGE OF ALLEGIANCE

Ms. Andres: If you would all please stand for the Pledge of Allegiance.

DETERMINATION OF QUORUM

Ms. Andres: Thank you all for being here this evening. Happy new year, this is our first meeting of 2020. We would like to welcome a new member. Gary Everling is joining the Commission, so welcome aboard. We're glad to have you. We will start with our quorum.

Mr. McPhail – here

Mr. Angle – here

Mr. Everling – here

Ms. Elston – here

Mr. Kirchoff – here

All are accounted for.

ELECTION OF OFFICERS FOR THE RDC FOR 2020

Ms. Andres: First up, we have election of officers for our 2020 term. Recommendations from the group?

Mr. Kirchoff: I would recommend we continue as is.

Mr. Angle: I second

Mr. McPhail: Who is the Vice Chairman?

Ms. Andres: That would be Mr. Everling.

Mr. Kirchoff: Oh, good.

Mr. McPhail: I thought so, I just wanted to clarify.

Mr. Angle: Welcome to the Commission.

Ms. Andres: I have a first and a second, all those in favor, aye.

(All ayes)

Ms. Andres: Any opposed? We have our Officers, thank you.

CONSENT AGENDA

Ms. Andres: Next on the agenda is the approval of minutes from our December 2019 meeting. Do we have any discussion on those minutes? If not, I'll entertain a motion to approve.

Mr. McPhail: So moved

Mr. Angle: I'll second.

Ms. Andres: First and second, all those in favor, aye.

(All ayes)

Ms. Andres: Any opposed?

Mr. Kirchoff: I will abstain since I was not present.

Ms. Andres: With that one abstention, the minutes pass. Thank you.

OLD BUSINESS

Ms. Andres: First up under old business, we have an update on our Downtown Redevelopment with Mr. Cook.

Mr. Cook: Thank you. We have, on the activity spreadsheet that we've been providing, just some updates in there, followed by maybe some more detailed updates on the BF&S one-pagers. Starting with the Parking Structure, it's moving along really well. I think we're starting to see some masonry work, that's kind of the major change from last month. The slabs are all in and I think we're going to start seeing the brick exterior come online and it's going to look more hospitable, perhaps, would be a good way to put that. There were some updates listed in the BF&S; post-tensioning for all beams and decks have been completed, masonry work has been started, with interior walls for commercial space being under construction, the concrete work is completed and the stair tower is expected to be complete within the month, and we are on schedule there. So, that's the update on the Parking Structure, it's still moving along. There've been a number of meetings with the adjoining property owners in the Downtown. Nothing big has come out of those, just sharing information. Primarily through Stephanie and Kim from BF&S, they have been having those meetings, and I think Brad King has been in those as well.

Ms. Andres: Were those one on one meetings?

Mr. Cook: Pretty much one on ones. We had one large group meeting here over a month ago. That was, I won't say well attended, but there were probably ten or so folks that attended that meeting and then we've continued to have kind of one on ones. Design Development is complete; Ratio and Bowen have both submitted cost opinions based on 100% Design Development. The project team is currently working to merge the various opinions and understand the true project cost. Then we talk about the outreach that started in December and we'll continue to have those meetings as needed. We have a lot more detail on the spreadsheet on the Barlow; I've been working with the folks at Veridus, they're sort of representing us on that and they've added a lot of more technical line items on there. You are starting to see, well, the elevator towers are the most obvious work going on but if you look there's a lot of at grade improvements that are taking place. So, that project is moving right along as well. From the last meeting we did have a question about their timetable for delivery of that project and my review of the project agreement was 24 months. Was that kind of your take on that as well?

Mr. Starnes: Yes, and I think there was a companion term that would require the developer to continually construct the project, so if there's a delay, I think that's a default condition to be addressed in the project agreement.

Ms. Andres: So, it would be 24 months from groundbreaking, which was October.

Mr. Cook: October

Mr. Starnes: I think the construction schedule is anticipated to be well short of 24 months, but that is the, certainly the deadline.

Mr. Cook: Yeah, they're looking at January of 2021 and then I think that would take them out to June or July per the project agreement. So, I think they're comfortable that they'll deliver on time.

Ms. Andres: Thank you for that follow up.

Mr. Cook: Sure. Any questions about any of the current Downtown projects underway?

Ms. Andres: Any questions from the Commission?

Mr. Cook: All right, thank you.

Ms. Andres: Next up, we have an update on the Plainfield Community Development Corporation.

Mr. Starnes: Thank you, good evening. I think I would say that the end of the year for the Community Development Corporation was relatively quiet. I think we anticipate having a fairly active 2020. We are in close communication with Butler Fairman and the Town certainly, around infrastructure priorities and projects that will be part of implementation of the Downtown plan and the role that the CDC can play in making strategic acquisitions so that those projects have an easier path forward and we're able to approach that in a way that's differential to current landowners and accommodating, which has been I think, something that we've seen play out over the last year or so. So, we've got our real estate consultant Brad Hurt, he's in contact with landowners looking to line up the next sort of line of potential properties to be acquired, again, in connection with Butler Fairman and the infrastructure plans in place as part of the Downtown plan. The board meets tomorrow, and we'll see what that brings but I think that probably summed it up. Any questions?

Ms. Andres: Is it mostly us getting contact, or are people reaching out?

Mr. Starnes: There have been the occasional people proactively looking to potentially sell but I think the next round has mostly been us proactively making contact with landowners.

Mr. Kirchoff: In preparation for infrastructure needs.

Mr. Starnes: Yeah, and really focusing in on properties we think would be total takes via imminent domain otherwise. So, to avoid that, we're hoping we can, in a mutually beneficial way, negotiate acquisitions that allow for smooth transitions into the CDC and has the flexibility, unlike the Redevelopment Commission or the Town, to lease property in the meantime to residential tenants, which is something that we've utilized in the past to good effect, I think, and has kept the good will of people that are in the areas that we know we are going to have projects, intact. I think that's been helpful and we hope to continue that.

Ms. Andres: Next we have an update on the acquisition on 3658 Shady Lane.

Mr. Starnes: Yes, we now have a second appraisal. We were provided one, State law requires that any property acquisition by a municipal unit, including Redevelopment Commissions, to be for a purchase price of no more than the average of two independent appraisals. We were provided one appraisal from the seller; we acquired a second. We ended up in an end of the year crunch and it took a little longer to get that appraisal than we had hoped or would have liked, but we do have that and the negotiated purchase price of \$1 million squares with the average of the two appraisals so we can legally proceed with that acquisition. The additional appropriation had been made by this Commission and then this Commission previously approved the necessary amendments to the Economic Development Plans for the TIF District,

from which the funds will be drawn to make the acquisition; all that is in place and we anticipate that the Purchase Order will be on the consent agenda for the Council on the 13th to create the necessary line of the money to be wired out for the closing. We've made contact with the title company about a title commitment so that we can get that squared away at scheduled closing, soon after we'll have that Purchase Order approved by the Council and in place. So, we'll be scheduling that and make that acquisition and the Redevelopment Commission will then acquire that parcel. There is a tenant; we have the lease and the amendments. There is a couple of years left on that lease, Pep Boys is occupying the place currently. It's my understanding that this is a long term strategic acquisition, so I think the thought is to allow that to continue to play out. The building has been inspected. Butler Fairman and the Town and, I believe, one for two Council members were able to attend and actually inspect the property and the building and, I think, came away with a favorable impression of it as a potential future facility for Parks or some other kind of use. I wasn't there, but that's my understanding. So, it has been inspected, it has been appraised, so we should be ready to go.

Ms. Andres: Is the plan, that once it's purchased and transferred to the RDC it's moving to the CDC is that correct?

Mr. Starnes: You know, I'm not sure if that has been decided, it's certainly an option. I don't know, has that been decided?

Ms. Andres: I thought that we had talked about that.

Mr. Starnes: I recall talking about it as an option. It will depend, I think, on what the future use is. Because it's not residential, the RDC could honor the lease that's in place. Whereas the distinction is, with single family residential, the Town and the RDC are not allowed to lease single family residential property, whereas the CDC can. But you could lease to Pep Boys, the current tenant. So, I think that squares. It's mostly a decision, I think, that would be driven by future use plans and funding, etc.

Ms. Andres: The management though, of that lease, would that be the RDC or...?

Mr. Starnes: Yeah, it would be titled under the name of the Redevelopment Commission, or the Department of Redevelopment as the statute kind of describes that. So, it would be on the Town via the Commission to manage that lease, yes, and the property. So, considerations there, it can be transferred to the Community Development Corporation, I think that's a policy call to be made in the future.

Ms. Andres: I don't know what the agreement is with the property management company we have representing the CDC...

Mr. Kirchoff: They've been the property manager for that property before, so it would work.

Mr. McPhail: Yeah

Ms. Andres: So what does the roadmap look like and I'm not quite sure on the timing, I know you said it would be going to the Council on the 13th.

Mr. Starnes: Yes

Ms. Andres: What does the timing look like then, in terms of closing?

Mr. Starnes: I think closing soon after that, probably close to the middle, soon after we can schedule with the title company and get title commitment squared away, work through any exceptions. That's usually fairly quick, but that would be the only outside driver I would anticipate, so we could close in the middle of the month after that PO is approved on the 13th.

Mr. Kirchoff: We can raise the issue when we discuss that at the Council level, about...

Ms. Andres: Yeah, I think that would be a good thing.

Mr. Kirchoff: We'll make that happen.

Mr. McPhail: Cam, do you know if we have a signed purchase agreement yet? I know we have a verbal agreement but...

Mr. Starnes: Yeah, and we had worked on a version that I think we can pick up the terms of and execute. It was set aside while we worked through the plan amendment and the appraisal and all that but now that we have that in place, we can pick it up, really, for the purpose of specifying closing conditions and closing costs, that kind of thing. I think all of the other big pieces are squared away.

Ms. Andres: Great, thanks for that update. Any other questions on Shady Lane? Then our next update is on the acquisition of MADE@Plainfield Property from the Plainfield Community School Corporation.

Mr. Starnes: This is another one, as you'll recall, the Commission went through the steps of amending Economic Development Plan with the Six Points TIF and appropriated funds for the Higher Education Facility centered around development efforts and logistics and manufacturing, diesel technology, that kind of thing. So, that process was all completed; we have the funds appropriated. You'll note in new business, we have a Scrivener's Error to correct. I think we, the Redevelopment Commission, passed the Resolution approving the acquisition at \$1.75 million and the initial appropriation, \$1.75 million...the actual agreed upon price is actually \$1.775 million, which is the average of two independent appraisals. So, under new business I'll have you consent to correcting that, if you're willing to do so. Apart from that, then we've been in contact with legal counsel of the school corporation and we're headed to close before the end of the year; unable to really square up terms on the deed and the agreement around that, so I think we'll be revisiting that, but I think the intent is to move forward and actually make that acquisition and then it will be part of the delivery of that project, which has its own schedule. As we're working through Design Development, I know the folks from Veridus and Skillman, the delivery team for that project are here. So, that's where that stands. I think we have a round of discussions coming up between Andrew, Robin, the Town, and the schools about next steps to get that squared away. So, the most pressing thing, like I said, in new business, we'll talk about the shifting in number. Any questions on that?

Mr. Angle: But Cam, we're still on track as far as our schedule goes?

Mr. Starnes: Yes

Mr. Angle: Okay, thank you.

Mr. Starnes: Well, take that from me. Where's Dave...? He's in another meeting. I think he would say, yes. I hate to speak for him, but I think he would tell you, yes. The group continues to meet regularly. It's been very productive; we've had good, you know, he's had good productive lease conversations with Vincennes and Ivy Tech both.

Mr. Angle: Okay

Mr. Starnes: I think he was to be talking with Work One as well. So, some of those pieces are coming together. We have executed a Memorandum of Understanding with all of the institutional partners that are part of the project. That's really just kind of a base line document so that everybody is on the same page moving forward.

Ms. Andres: Under new business our first item is the 2019 Year End TIF Review.

Mr. Dyson: I apologize because I had the slides printed out; I was in a hurry to get here because I thought I was going to be late, and I left all of the paper copies on my desk.

Ms. Andres: We're in the digital age.

Mr. Dyson: All right, so Todd asked me a little while back if I would come to one of the RDC meetings and kind of give a review. I didn't really have a lot of instructions on what you wanted

to hear, so I decided to kind of wrap up the 2019 year and talk about some of the projects that are going on, which I'm sure you aware of about most, if not all of them. If there's anything you would want, I would say on a quarterly basis, if you wanted any updates, I could provide; I could come back or either just give something to Todd to bring to you guys. I know you get the TIF report once a year but it's very lengthy to go through and you probably may want some more up to date information. A lot of numbers up here on the screen; this is just basically a review of what we brought in and what we spent for all of the TIF funds for the Town.

Mr. Angle: Cash basis?

Mr. Dyson: Cash basis, yes. That's all of the tax increments from all of the TIF districts, which is a record year. I expect that to continue to grow over the next few years and each year will be a record year as tax abatements fall off and as the growth continues. The Disbursement is just at under \$16 million, as I said, on a cash basis. I have some Encumbrance information on the next slide. So, the change in the Fund Balance, while we've been doing a lot of projects, you can see that we did increase our Fund Balance by \$2.2 million. The only fund that spent more than it brought in in 2019 was the Consolidated I-70 TIF. So, that's kind of what happened in 2019. So, where did we end the year? Just to kind of give you a perspective of where we're at, the Cash Balance is at just under \$33 million for all funds combined. Then the next column; the Encumbrances, those are the things that we have purchase orders for. So, we've obligated that money to be gone tomorrow, if everything got spent tomorrow, I don't think it will. You see the two largest Encumbrances are in the U.S. 40 TIF and in the Six Points TIF. One of those was discussed, the \$1.775 out of the Six Points TIF is basically half of that Encumbrance in the Six Points TIF. In the U.S. 40, another large one is the \$1.6 million land grant, or grant for land for the CDC which hasn't been used yet. The last column is what I refer to as the Operating Balance, so it's the \$33 million in cash minus the Encumbrances, to give us a total of \$24.73 million. Which in perspective, are budgets for all of the TIF district funds for 2020, are about \$26 million.

Mr. Kirchoff: So, Steve, when you say Encumbrances, they carry forward from year to year?

Mr. Dyson: Yes, so that's what carried over from 2019 into 2020.

Mr. Kirchoff: Okay, because the CDC, we're going to be hopefully in the not too distant future, hopefully give you some type of a projected land acquisition schedule so you'll know...was it \$1.6 million...

Mr. Dyson: \$1.6 million, yes.

Mr. Kirchoff: ...so we can kind of give you estimates of what we think that will look like. It's going to be stretched out over a year or so, but we just thought that would be helpful for the RDC to have an idea of what we're talking about from a schedule standpoint, against the \$1.6 million. Does that make sense?

Mr. Klinger: It does; I think the RDC consented or agreed upon like a draw down for that \$1.6 million.

Mr. Kirchoff: Right

Mr. Klinger: So, it's not necessary to come back each and every time.

Mr. Kirchoff: No, you've already authorized it, but we would let you know...we thought we ought to be proactive and give you a sense of what that looks like over a 12-18 month process.

Mr. Klinger: I think it's a good idea, yeah.

Mr. Kirchoff: Okay, that's our goal.

Mr. Dyson: Thank you

Mr. McPhail: Steve, I did have one question on the Ronald Reagan TIF; the Shady Lane project we just talked about is coming out of that TIF, that's not Encumbrance?

Mr. Dyson: No, it's not

Mr. McPhail: So, that's budgeted for 2020?

Mr. Dyson: I will have to double check. I'm not sure if it's specifically budgeted. We may have some money in there, contingency kind of, but I don't know that we have... it may require an additional appropriation, I'm not sure.

Mr. McPhail: Okay

Mr. Dyson: This is just a list of different projects that are currently funded. Most of them, I think all of them, are underway. I think just about all of them, their primary source of funding is TIF funds with the exception of the Pee Wee baseball fields, they are a 2018 G.O. Bond paid by property taxes and supplemented by the Food and Beverage Fund. The Klondike Road north is paid upfront out of the Rainy Day Fund because we didn't have Increment coming onto the Klondike TIF yet. Our plan is to, as those funds start coming in, which they just started coming in in 2019, this year in 2020, is to start repaying the Rainy Day Fund for that expense. These are, most of these are budgeted. If not, they're at least high priority projects. There's actually two lists of the projects and their sources, so a total of 20. Again, most of these are TIF. I'd say about 75% of them are paid by TIFs. A few exceptions; obviously the top three on the left, the Government Center, the Arts Center and MADE@Plainfield, make up the majority of these projects. I forgot to mention on the slide before, those projects are about \$46 million in total. The projects on this slide are just a little over \$100 million. This is kind of the third in priority, and our priorities change quite often, so some quicker than others and be funded right now, they're just proposed projects. Some we know more about what the costs are and some we don't. So, out of all of the things that we're doing and where we're at, I just wanted to give you an idea of where we have bonds; where TIF is the primary funding source. The remaining balance on those bonds is a little bit over \$87 million. In 2020 those payments will be \$7,632,000. Below that we have the proposed, and these are preliminary numbers; they haven't been updated since I believe October when Baker Tilly ran some numbers for us, but that would be adding a little over \$71 million to that total. That would include the Government Center, the Fine Arts Center, and MADE@Plainfield. Those payments in 2021, if we stay on schedule, they will begin then, and those would be \$4.6 million in 2021. Those vary a little bit year to year because we're wrapping around some debt but they're basically from \$4.6 million to about \$6.5 million each year. So, that gives us the total. If these numbers stay the same on those projects, a total of \$158 million would be the outstanding balance and the payments would be a little over \$12 million a year. So, that's about all I had; I just wanted to kind of give you a year-end review and kind of show where we are. If you have anything specifically that you would like me to prepare for you, I would be glad to. You know, in three months or if you have any just questions, you can always email me; SDyson@townofplainfield.com.

Ms. Andres: I think that has been really helpful to see. Steve, when you were talking about the \$12 million, I think it might be helpful to know kind of what those, what the tail is on that, so how long some of those payments would continue into the future and what that looks like

Mr. Dyson: Okay, yeah, I've got a document that's already prepared that has what our balances are, what our payments are. I can just add in like the years are that they're coming to offer. I can do something like that for you. Any other questions?

Mr. McPhail: Last meeting I requested that we try to get an update, an early update on Ronald Reagan TIF from Baker Tilly. Are they working on that for us, do you know?

Mr. Dyson: I can check, I do not know if they are or not.

Mr. McPhail: Okay, can you do that? I'm going to miss the February meeting, but if we could have that maybe by March or April, certainly before June.

Mr. Dyson: Do you want, are you looking for just updated numbers on that TIF, or predictions?

Mr. McPhail: Yeah, and the effect of all of the changes. You know, we've got the apartment complex in the TIF that we need to get out of there and then you know, we've got a lot of appeals out there on the assessed value. So, it would be good to have an early look at that so we can decide what we need to be doing with the apartment complex.

Mr. Dyson: I'll pass that along and make sure that if they're not working in it, I'll ask them to. All right, thank you.

Mr. Angle: Great summary, really, thank you, appreciate it.

Ms. Andres: Could you send that to us, maybe electronically.

Mr. Dyson: Yes, I'll do that.

Ms. Andres: That'd be great, thank you. It was really helpful. Next then, under new business, we have the Plainfield Redevelopment Commission Resolution No. 2019-25 Scrivener's Error.

Mr. Starnes: I previewed this previously, but I'll just see if there are any questions. There was an error there; the \$1.775 million number is the average of the two independent appraisals that were obtained for this property. I think we had accidentally put \$1.75 million in the Resolution, so this would just be consent from you all to correct that and we'll substitute the correct number in there so that it all lines up.

Ms. Andres: Do you need us to do anything additional in terms of a motion correcting the number?

Mr. Starnes: I think the... you're asking about the motion at the prior meeting?

Ms. Andres: Do we need a follow up resolution?

Mr. Starnes: No, I think it was all predicated on the error in the number. So, I think, if you all consent to correcting the error to make it \$1.775 million, then we can make that in the documents so that they match up.

Mr. Angle: Is that the exact amount?

Mr. Starnes: Yeah

Mr. Angle: \$1,775,000

Mr. Starnes: Yes

Ms. Andres: A motion to approve the correction.

Mr. McPhail: So moved

Mr. Angle: Second

Ms. Andres: We have a motion and a second. All those in favor, aye.

(All ayes)

Ms. Andres: Any opposed? Motion passes

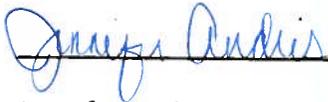
Mr. Starnes: Thanks

Mr. Angle: Appreciate it

Ms. Andres: We don't have any public hearings this evening or any Resolutions.

WISHES TO BE HEARD/ADJOURNMENT

Ms. Andres: Do we have anyone who wishes to be heard from our audience? Seeing no one, our next meeting then is scheduled for Monday February 3, 2020 at 5:30 p.m. And with that, we are adjourned.



Jennifer Andres, President



Lance Angle, Secretary

