

PLAINFIELD REDEVELOPMENT AUTHORITY

April 9, 2020

5:00 p.m.

Mr. Bentley: This is Joe Bentley, I guess I'm going to kind of moderate the meeting today. Welcome everyone, for our 2020 Plainfield Redevelopment Authority meeting. We are all learning new things of how to telecommute with new technology. I'm having to try and figure out how to fight a major weather event with social distancing, it's pretty interesting these days. I hope everyone is well; hope your families are well. We have kind of an abbreviated agenda in light of telecommunications, and so we'll probably not go through the full agenda. There's been a change in the agenda, we're not going to focus so much on the old business.

ORGANIZATION OF THE PLAINFIELD REDEVELOPMENT AUTHORITY FOR 2020

Mr. Bentley: I think the first thing we have to focus in on today is to elect officers for the Redevelopment Authority. In the past – it's one of those things, I like to say, you're almost "voluntold" on what you want to do. Obviously, we have three positions between Jean and Steve and myself. So, we tend to kind of say, does anybody necessarily want any specific position. I know Steve has been trying to get off and we don't allow him to get off the Redevelopment Authority very easily. He's been trying to do that for the past year or two, but he's too good so we don't allow him to do that. Any specific – I don't really care at this point in time, so I don't have a problem, I've been the President in the past, I'd be okay with doing that if others would want me to do that; it doesn't matter to me one way or another.

Mr. Eichenberger: I would make a motion to have Joe Bentley serve as the President of the RDA.

Mr. Bentley: I figured you'd do that.

Ms. Renk: I second that

Mr. Bentley: Okay, what about the Vice? So, Steve, since you've been trying – the Vice is actually the easier of the three positions, it doesn't require a whole lot of signatures. Since you've been trying to get off, do you want to take the Vice?

Mr. Eichenberger: I would be happy to serve in that role.

Mr. Bentley: And Jean, really, the Secretary doesn't have to do a whole lot except put your "John Henry" down a fair amount of times with you and myself, so it doesn't really require a lot of heavy lifting.

Ms. Renk: Okay yeah, that's fine, I'm fine with that.

Mr. Bentley: Okay, so if that's the case, I think we've decided the President, Vice President and Secretary, in that order. Do I have a motion to approve those appointments?

Mr. Eichenberger: So moved

Mr. Bentley: Second?

Ms. Renk: Second

Mr. Bentley: Everyone in favor, say aye.

(All ayes)

Mr. Bentley: Opposed? Okay, we have our officers for 2020.

CONSENT AGENDA

Mr. Bentley: I think the next agenda item was to focus on the consent agenda. We've got approval of the minutes back from January 29, 2019 – it's been a while. I would ask if there are any changes, modifications or amendments that anyone has before we move to approve the consent agenda. Any comments, questions, modifications? Hearing none, do I have a motion to approve the approval of the minutes?

Mr. Eichenberger: So moved

Mr. Bentley: Second?

Ms. Renk: Second

Mr. Bentley: All in favor, say aye.

(All ayes)

Mr. Bentley: Opposed? Consent agenda is approved.

OLD BUSINESS

Mr. Bentley: Now the next item, we were going to actually focus in on kind of the old business and really, just kind of an update on the variety of projects. Actually, it's a pretty exciting time. I think we're going to defer that to the July meeting. Hopefully we would be able to be together in July, we'll see how that goes. So, we're not going to go through all of that.

NEW BUSINESS

Mr. Bentley: We are going to focus on really, the new business where we really need to get the Redevelopment Authority to pass, and that's going to be over the MADE@Plainfield financing. I think David Rainey, you were going to at least start this off and give us a view of what sounds like a pretty exciting opportunity.

Mr. Rainey: Yes, thank you. David Rainey with Veridus Group for the Town of Plainfield for the MADE@Plainfield project. Obviously, like you just said, before you have a Resolution 2020-01, for the Bonds that will need to be adopted, which will be approving the proposed Lease with the Plainfield Redevelopment Commission. Heidi is here with us tonight from Baker Tilly, as well as Emma. And I see Cam as well, from Taft, so they'll be going into more detail for you. As you all know, per agreements with the Town of Plainfield, that the Council and GM Development, the project is already underway right now. It's being currently funded in proceeding with a cash contribution from the Town, which will be sufficient to let it progress through June. But obviously tonight, we're here to start off and to get the Bonds sold. The approvals tonight from the Redevelopment Authority and Redevelopment Commission are necessary to get the Bond sale completed so that come June, the project funding can be finally put in place and the project can get underway. If you have any questions tonight with regard to project itself, I'd be happy to answer and give you a brief update on that. I know we kind of wanted to focus on the financing. In your packets you should have a summary of the MADE project funding, which Baker Tilly has put together. I would ask that, Heidi, since you're on camera, that you review that with the members. And then after that, Cam, if you wouldn't mind actually going through and reviewing the Resolution, as well as the Lease Agreement that was provided to them. So, Heidi, I'll turn this over to you.

Mr. Bentley: Heidi, you're on mute.

Ms. Amspaugh: All right, can you hear me now?

Mr. Bentley: Now we can.

Ms. Amspaugh: Okay, I called in from my cell phone and then I realized I could do video through my cell phone, not my computer, so here we are. You all received a project finance summary page; you all should have. So, if you want to open that up. What we are looking at for the MADE project are Lease Rental Revenue Bonds that this body would issue in addition to the Redevelopment Commission. The Authority – like other Lease Bonds you have done, will construct the facility and the Commission will lease that facility from you guys. The purpose of that is that these Bonds will be ultimately paid from Tax Increments. The structure of the Bonds we're going out with is the Lease Rental Payments, the annual payments due on the Bond obligation would be paid from the Special Benefits Tax, which is a property tax. But we have no intention of actually levying the property taxes to pay these Bonds. We are doing that as what

we call a Credit Enhancement so that we can guarantee the lowest interest rate on these Bonds for the Town. So, they will be payable from available revenue of the Redevelopment Commission, but we do plan to pay these Bonds from the U.S. 40 and the Six Points TIF revenues. Back in February we presented to the Redevelopment Commission, I'm not sure that the RDA was present at that time. So, we have put together a feasibility, the total project cost which we received from Greg Marks and his team is \$35,948,838, so that's the total cost of the project. And then you add in Capitalized Interest and Debt Service Reserve, Underwriter's discount, and Bond Issuance costs on top of that to get an estimated total project cost of about \$37.5 million. The Redevelopment Commission does plan to contribute \$5 million of cash from their Six Points TIF towards this project to reduce the size of the Bonds that need to be issued. So, to get to that \$37.5 million, \$5 million will be added into the deal from cash and the rest will be Bonded. So, a Bond Issue of almost \$32.5 million. With that, the interest rates that we are assuming, the net interest costs are kind of the average. First, rate is about 2.6%, is what we're estimating. We are in a very unique Bond environment at this time, as you might guess and understand, so we will definitely be monitoring that very closely as we proceed towards the Bond sale, assuming everything gets approved as is. But we do feel that 2.6% is still a pretty good number for where we're at right now. Interest rates are at all time lows, but the Bond Market is not quite sure how to react right now with everything that's going on. And so, we did a couple of deals today that went quite well, and we anticipate that that will only get better over time. Coverage wise, meaning the Debt Service, which is your debt obligation compared to revenue, we are around 121% coverage. And I should back up – so, on your summary page you have a feasibility study that we presented in February and since then we have updated that feasibility to adjust the interest rate. So, look under your April 2020 feasibility summary. Sorry, the interest rates we actually did bump up .5% and the average interest rate is about 3.1%. And so, with that, the Debt Service we are anticipating is about 121%. So, those are just some general overall terms of the Bonds. We put together maximum parameters to provide to Taft to fill in the numbers within the legal documents that you guys have in front of you today. And those are based on even higher interest rates from our April numbers. And so, again, we don't anticipate we're going to be at those higher numbers, we just wanted to provide that information to you. And then you can see at the bottom is some internal timing we have in regard to – we do plan to get these Bonds rated through S&P, and so, we plan to do that the week of May 8th and then go out with the preliminary official statement and have a Bond sale around June 11th. I know that's quite a bit of information thrown at you all at once; I know some of you have been around for some time and I believe Kim, you are the newbie to the Redevelopment Authority, so please, feel free to ask any questions that you may have.

Mr. Eichenberger: So, Heidi, can you walk through the Debt Service Coverage again and just the revenues for us, for these Bonds?

Ms. Amspaugh: Yes, so, the Town has several different TIF areas, Tax Increment Revenues, that are available to them to pledge towards Bonds and for this Bond Issue we're not actually pledging

the revenues, but we will plan to use the revenues from two of the TIF areas, one of them being the Six Points TIF area and the other one being the U.S. 40 TIF area. Both are very, very, healthy TIF areas. The Six Points TIF area, we actually have, that TIF area has historically passed through \$100 million of assessed value each year and with us continuing to do that and actually increasing that pass through amount on 2029, to increase that pass through to the overlapping taxing units, we still do maintain about 121% coverage.

Mr. Eichenberger: Thank you

Ms. Amspaugh: You're welcome.

Mr. Bentley: So, the question – you obviously expect a little bit higher interest – you really have no concerns with people subscribing up, it's still a fairly liquid market, the book looks pretty good these days?

Ms. Amspaugh: Liquidity has definitely been kind of a tricky side of things. I would say that in the competitive market, we have been able to get deals done. And so, there is interest in the competitive market. As far as a negotiated sale market and doing more of a bank deal, those are a little bit more tricky at this point in time just because of the – well, on the private placement side, just because of the SBA loans and the PPP loans that are being done with the corporate world, their liquidity we are seeing being tied up in those two deals that are coming down from the feds, but as far as the Bond market goes, like I said, we have done, we did a couple of Bond deals competitively today that were very successful. And really, we're very slowly but surely seeing the Bond market kind of level out and come back around. So, we anticipate that that will only continue and get better going forward to June. But we will definitely allow flexibility in the legal documents that we can time that. If for some reason we don't think it's right to go on June 11th when we are anticipating, then we'll make sure to allow us enough flexibility that we don't have to do that.

Mr. Bentley: Got it, thank you. Other questions or comments? Hearing none, are we maybe ready to move forward with the Resolution? Steve or Jean?

Mr. Eichenberger: Yeah, I'm good moving forward, Joe.

Ms. Renk: Yes, with me as well.

RESOLUTIONS

Mr. Bentley: Okay. So, I think obviously what was sent to us and distributed was the Resolution of the Plainfield Redevelopment Authority Resolution 2020-01 – the Resolution of the Plainfield Redevelopment Authority Establishing Intent to Issue Redevelopment Authority Lease Rental Revenue Bonds and Reimburse Expenditures From The Proceeds Thereof, Approving a Proposed Lease with the Plainfield Redevelopment Commission, and all Matters Related Thereto. Having

to do with the MADE@Plainfield build project financing. With that, any questions or comments on the Resolution?

Mr. Eichenberger: Yeah Joe, there's one item; the third paragraph from the bottom on page 1: it talks about the Authority intends to reimburse expenditures and I think we just have a typo here, it says not to exceed \$50 million and then in parenthesis it says \$5,000,000.

Mr. Bentley: Good point

Mr. Eichenberger: So, first I guess, what's the right answer? And second, let's fix it.

Mr. Starnes: The right answer is \$5 million

Mr. Eichenberger: Very good.

Mr. Starnes: And we'll fix that

Mr. Bentley: Okay, with that amendment to the Resolution, which was very astutely found, any other questions or comments? Do I have a motion to approve this Resolution 2020-01?

Mr. Eichenberger: Yeah, motion to approve as amended as we discussed.

Mr. Bentley: Okay, second?

Ms. Renk: Second

Mr. Bentley: All in favor, say aye

(All ayes)

Mr. Bentley: Opposed? The Resolution is approved.

Mr. Starnes: I'll just jump in here really quickly. I think based on our interpretation of the Governor's Order, because this is a virtual meeting, it will be necessary to take a roll call vote.

Mr. Bentley: Okay

Mr. Starnes: You might approach it that way, if you would, just for the sake of having a clean record and keeping us compliant with the Order, thanks.

Mr. Bentley: Okay, so Steve, your vote?

Mr. Eichenberger: My vote is yes.

Mr. Bentley: Jean?

Ms. Renk: My vote is yes

Mr. Bentley: And Joe Bentley is yes, as well.

Mr. Starnes: Thanks for that.

Mr. Bentley: Does that work?

Mr. Starnes: Yes

ADJOURNMENT

Mr. Bentley: Just procedurally, I think that's kind of all of our business for today. We do have a next meeting that is scheduled for July 9th at 5:00 p.m. Does that, is that okay for you two?

Ms. Renk: Yes, with me

Mr. Eichenberger: I am good.

Mr. Bentley: Okay, so that will be our meeting. Hopefully we can actually avoid telecommuting and we can actually meet Jean for the first time, at least for me.

Ms. Renk: I look forward to it

Ms. Adlam: This is Emma from Baker Tilly. Cam, does the Redevelopment Authority need to meet in May?

Mr. Starnes: I think – Let's see, I don't think so. Of course, there will be- there's a chain of approvals that is involved here. The Redevelopment Authority is a piece of this, the Redevelopment Commission will consider this, as will the Council, to authorize the issuance of Bonds. I don't know that there's a need for...

Ms. Adlam: I believe they have a public hearing requirement, don't they?

Mr. Starnes: For the Lease?

Ms. Adlam: I think the Commission has a public hearing...

Mr. Starnes: Yeah, the Commission...

Ms. Adlam: But we might need to check with David Umpleby on that and potentially circle back with the Redevelopment Authority.

Mr. Bentley: Okay, another procedural matter; in terms of signing the Resolution and also the Lease Agreement, how do we want to do that in today's environment?

Mr. Starnes: I think we'll circulate the Resolution after we correct the typographical error that was pointed out there. We'll circulate that for you to each sign in counterparts and then we'll have an executed version on file with the Town.

Mr. Bentley: Okay, can we do that electronically, or do we need to...?

Mr. Starnes: We've actually been wrestling with this issue a little bit. The State law nor the Governor's Order provides for electronic signatures; it's actually pretty silent as to signatures in general. So, I think our concern of approach here will be to have that document circulated electronically, printed and signed and then you can either – this is up to you – scan and email back your signature or mail it back to the Town or drop it off to the Town, or somebody could probably pick it up from you. One way or another, as opposed to affixing just a simple electronic signature. Does that make sense to you all?

Mr. Bentley: Yes, it does. I'm doing both these days, so I just thought I'd ask.

Mr. Starnes: Good, good

Mr. Bentley: Okay, any other business that we have today? With that, thank for everyone for getting us through the technical issues and look forward to seeing everyone in July. May I have a motion to adjourn?

Ms. Renk: I move that we adjourn.

Mr. Eichenberger: I second.

Mr. Bentley: See everyone in July.

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Barry J. Bentley

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Barry J. Bentley, President

DocuSigned by:

Jean Renk

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Jean Renk, Secretary