

PLAINFIELD REDEVELOPMENT COMMISSION

April 9, 2020

Ms. Andres: Good evening everyone. Thank you all for being part of our virtual Redevelopment Commission meeting. We will now call our meeting to order.

DETERMINATION OF QUORUM

Ms. Andres: First we are going to establish our quorum.

Mr. Angle – here

Mr. McPhail – here

Mr. Everly – here

Ms. Elston is unable to be with us.

Mr. Kirchoff – here

Great, thank you. We have a quorum.

CONSENT AGENDA

Ms. Andres: First on our agenda today, we have approval of our consent agenda. We have the minutes from our February meeting and also the acceptance of the 2019 Department of Local Government finance report from Baker Tilly. Do I have any discussion, or a motion to approve the consent agenda?

Mr. Kirchoff: I move we approve it. As you indicated Jennifer, there were some pieces from that Baker Tilly report that I didn't get either.

Ms. Andres: Yeah, Todd said he would send those out to us.

Mr. Kirchoff: Okay

Ms. Andres: Thank you, Bill.

Mr. Angle: I'll second.

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

Mr. McPhail: Jennifer, I abstain on the minutes because I was not present.

Ms. Andres: Okay, thank you Kent.

(All ayes)

Ms. Andres: Any opposed? Consent agenda approved. And I will note that it looks like Ms. Elston has joined us, so, welcome.

OLD BUSINESS

Ms. Andres: Under old business, our updates are going to be deferred to our main meeting, hoping that we can be there together in person at that point.

NEW BUSINESS

Ms. Andres: So, under new business our first item on the agenda is our MADE@Plainfield finance discussion.

Mr. Rainey: Thank you, David Rainey with Veridus Group, owner's rep for the Town on the MADE@Plainfield project. Prior to this, the Redevelopment Authority, they did approve and adopt the Resolution for the bonds for the lease, that is completed. Tonight, on your agenda, I believe you have the Lease Agreement. I'm not sure what you had in your packets. I believe you had the same documents which would be the Lease Agreement as well as a summary of the bond financing from Baker Tilly. Tonight, Baker Tilly is with us; Heidi is with us, as well as Cam from Taft; they can go into more detail on these items. But I believe on the agenda tonight would be that you would preliminarily approve the Lease Agreement and also you would set a public hearing for the next RDC meeting, to actually go through and approve that. If you would like, I think right now – Heidi, if you want to give an update and review for the RDC Members, the Financing Summary?

Ms. Amspaugh: Okay, I can do that. So, everybody should have received a one-page summary of the financing for the project, for the main project. As you all are very familiar, I would say, with the numbers and this feasibility that we presented back in February to you – just a quick summary I would say, and if you have any questions, we can go from there. But the bond structure will be lease rental bonds that are issued by the Plainfield Redevelopment Authority and the bonds will be paid through a special Benefits Tax, but there is no intention to levy the Special Benefits Tax or the Property Tax on the overlapping taxing units for this Bond Issue. You will see it done that way as a credit enhancement so that we can be sure to get the lowest interest rates for the Town on this Bond Issue, but the Bond will be able to be paid from any available revenues from the Commission. We do have an intent, and as you have always seen from the feasibilities that we have always presented, that we will pay these Bonds from the U.S. 40 TIF, as well as the Six Points TIF. We presented numbers to you in February and have since updated that feasibility internally. The project cost number has not changed from the February feasibility that you guys have seen. So, we are still shooting for the \$39.5ish number. And the Commission is still, you guys are still planning to put \$5 million in cash towards the project to reduce the size of the Bonds that will be issued. And that \$5 million will be earmarked to be paid from the Six Points TIF Allocation Fund.

So, back in February, we were estimating the interest rate, kind of the net interest rate or the average interest rate, to be 2.6%. In the most recent feasibility that we have done we have upped that to about a 3.1% interest rate due to market changes that we have seen occur. As you can all imagine, the Bond Market is not quite sure how to react at this point in time to what is going on with COVID around the country. We have done a couple of competitive deals today that went very successfully, and our pricing director and his team are watching the market very closely. But we feel that by the June time frame, when we're ready to go out to market for this particular project that it is our hope that the market has kind of leveled out and figured out what's going on by then. So, the couple of deals that we have done today – and like I said, we did one last week – have shown us that in the competitive market, which is where this bond will be sold, does have liquidity and the wherewithal to do bonds still. So, that is a good thing, obviously. So, with the bump in interest rates from the February numbers that you had seen, the Debt Service Coverage is about 121% coverage across the maturity of those Bonds. That does assume still, that for the Six Points TIF, that in that TIF area, that we have been passing through \$100 million of assessed value historically, but that gets bumped up starting in 2029 so that we can roll off that TIF eventually so that when that TIF area matures, that will all be rolled off gradually. So, we do still have that assumption in our feasibility, just so you know, to get to that 121% coverage. For the legal documents that are in front of you this evening, we have put together maximum numbers as well, based on even higher interest rates, from even the April numbers that we put together. That is why you see numbers that are larger than what we are estimating. The current estimates of the Bonds are right under \$32.5 million with a \$5 million of cash on hand assumption. As far as timing and next steps on our end, we are anticipating that we will go to S&P to get these Bonds rated, in the middle of May, and that we will have a Bond sale in the middle of June; we're shooting for June 11th at this point in time, and then close on the Bonds at the end of June. I don't know if there are any more questions in regard to the Bonds. Like I said, they haven't changed significantly from the numbers that you saw in February, just we bumped the interest rates to be conservative and make sure that you were good.

Ms. Andres: Heidi, thanks for that, that was really helpful. Can you remind me, what's the term for the Bonds, the length?

Ms. Amspauagh: Yes, the final maturity date is February of 2040.

Ms. Andres: Okay, and the letter that I was actually missing, that I referenced at the beginning of the meeting, was the parameters letter that you say is attached; I'm not sure that we all received that. Is that a summary of what you gave us in February? Or do you mind summarizing what's on that, for those of us that didn't see it before the meeting?

Ms. Amspauagh: Yeah, so, the parameters letter is the document that we put together for Bond Council so that they know what parameters to plug into the legal documents. That parameters letter said that the par amount of the Bonds cannot exceed \$37 million. But keeping in mind that you have \$5 million cash on hand that you want to put into the project, so the maximum project amount that's in the documents is \$42 million. And then we provide a maximum interest rate for these tax-exempt Bonds at 5%, knowing that we won't more than likely hit that. And then it lays

out all of the other various Bond Terms like the final maturity date of the bonds, the maximum bond term being 20 years, the denominations of the Bonds, which is the Principal makeup. It lays out the payment dates on the Bond Issues, stating that the first Principal payment will be February 1, 2022, and the first interest payment will be February 1, 2021. It lays out that there is, that we are allowing for Capitalized Interest through August 1, 2021 to get through the construction period. And then it lays out all of the Lease Rental terms, the payment dates, calculations of the payments. The maximum annual Lease Rental payment is \$4 million; that's a number that you cannot exceed. I would say that our maximum estimates payment is a little over \$3.5 million, so we won't hit the \$4 million mark. Let's see, what else is in here? The security of the Bonds, which again, I laid out in the beginning of our summary. The TIF Revenues that we are anticipating paying for the Bonds are not legally pledged to the Bonds. And so, as I mentioned at the beginning of the call, they will be payable from the Special Benefits Tax, but we have the intention to use those TIF Revenues. It talks about Debt Service Reserve; that we will want either a cash funded Debt Service Reserve or a Debt Service Reserve surety that's equal to the Maximum Annual Debt Service. It lays out all of the Bond sale details; so the timing of the bond sale, when we propose to close, that it should be a competitive Bond sale, but allow for a negotiated, if for some reason we need to change routes. It states that the winner of the Bond sale will be based off of the true interest cost. And then it talks about the optional reduction provisions for the Bond Issue, that that will be set based off of whatever we determine is best in the market, and that will be included in the Notice of Intent to Sale. So, we have allowed for no sooner than five years after the issuance, but that will be detailed out in the Notice of Intent to Sale right before the Bonds are sold. And then there are some other miscellaneous provisions as far as continuing disclosure requirements, trustee... Yeah, so a parameters letter just lays out all of the various terms of the Bonds that will be implemented within the legal documents.

Ms. Andres: And those were shared with the RDA as well?

Ms. Amspauh: No, not to my knowledge. I don't know if Todd – I don't think I saw those sent out. We put those parameters together and then provide them to legal counsel.

Ms. Andres: Okay

Mr. Cook: No, they weren't.

Ms. Andres: Are there any more questions from the group for David or Heidi on the terms sheet?

Mr. Rainey: Cam, did you want to review anything or give any review of the lease, the Lease Agreement, or their next steps, as far as what action they need to take tonight?

Mr. McPhail: Hey Dave, this is Kent. I did find what I think is a typo on the Lease Agreement. On page six, the third paragraph, it says, "The premises shall be transferred to the lessor by the City" and I think that should read "Town". And I think every place else in the document, that it does say Town.

Mr. Rainey: Okay, we'll make a note of that and make sure that does get changed.

Mr. McPhail: Thank you

Mr. Starnes: And Dave, to your question, not necessarily. Other than to say that what's in front of you this evening is approval of the lease and setting a public hearing which is required for final approval of the lease. So, we wanted to present you with sort of the whole picture kind of how the financing will go for the main project. Of course, the Redevelopment Authority is involved. The Council will have an approval to consider and render as well. So, it's a multistep process; I think most of you have been through that before and are familiar. I just want to be clear that the agenda item tonight is limited to the approval of the lease and setting the public hearing of the future, at your next meeting to take place, as part of the overall approval scheme. I think you received a broader download of information this evening from David and from Heidi, which is very helpful, just texturally, but this is not quite all in one fell swoop kind of thing. The other thing, just from more of a nuts and bolts, procedural kind of thing: most of the Resolutions – I want to say this before I forget – the Resolutions before you should be taken on a roll call basis. Because this is a virtual meeting, that's our interpretation of how the Governor's Order reads. To allow for this meeting to take place in this format the votes should be taken in a roll call manner down through each of the Commission's business items. So, just throwing that in, thanks.

Ms. Andres: Thanks Cam, that's helpful. Any other discussion from Commission Members?

RESOLUTIONS

Ms. Andres: Seeing none, then we will move on to our Resolutions section, the first Resolution we have is Resolution No. 2020-02 – Conveying Certain Real Estate to the Plainfield Community Development Corporation.

Mr. Angle: Move to approve

Mr. McPhail: I would second.

Ms. Andres: So, we have a first by, I think, Lance. Is that correct?

Mr. Angle: Correct, I move to approve.

Ms. Andres: And a second from Mr. McPhail, thank you.

Mr. Angle – Yes

Mr. McPhail – Yes

Mr. Everling – Yes

Mr. Kirchoff – Yes

I vote Yes as well. Thank you.

Next, we have Resolution No. 2020-03 – Approving a Proposed Lease with the Plainfield Redevelopment Authority, Authorizing Publication of Notice for a Public Hearing and Connection therewith and all matters related thereto. Any discussion? Or I'll entertain a motion.

Mr. McPhail: I would move to approve

Mr. Kirchoff: I'll second it

Ms. Andres: So, I have a first from Mr. McPhail and a second from Mr. Kirchoff.

Mr. Angle – Yes

Mr. McPhail – Yes

Mr. Everling – Yes

Mr. Kirchoff – Yes

And I also vote yes.

WISHES TO BE HEARD/ADJOURNMENT

Ms. Andres: I believe with that our agenda is complete. We have our next meeting Thursday, May 4th at 5:30 p.m., place and location to be determined.

Ms. Amspaugh: Jennifer, can I mention one thing while we're still on?

Ms. Andres: Absolutely

Ms. Amspaugh: I just wanted to let you know that we are taking a look at any of your Bond Issues that you have outstanding to see if any of them are worth refunding or looking into refunding right now. Again, since we're in a super low interest rate environment, I just wanted to let you all know that we are taking a look at that. I would assume that maybe you all have been contacted by some underwriters because they are out, and they are hungry for business. So, just so you know, we are taking a look at those for you and we'll let you know if there are any that we feel are worthwhile to pursue.

Ms. Andres: Great, thank you. We appreciate that very much.

Ms. Amspaugh: Not a problem.

Mr. Kirchoff: I have an administrative question.

Ms. Andres: Yes, go ahead.

Mr. Kirchoff: Is someone taking minutes, or are these being recorded?

Ms. Andres: It is being recorded

Mr. Kirchoff: Thank you

Ms. Andres: The other question that I had asked Todd prior to the meeting: the process for obtaining signatures. And so, Todd, I suspect that you will reach back out to us in terms of what that looks like for the Resolutions.

Mr. Cook: Yeah, Cam, do you want to run through that?

Mr. Starnes: Sure, we talked about this just a little bit ago with the Redevelopment Authority. I think the course that we'll pursue, which is – the Governor's Order is pretty silent as far as signatures, but just to take a conservative approach I think what we'll do is circulate the Resolutions to be executed by each of you as Commissioners in counterparts, and then returned to the Town to compile into the ultimate record of each of these two Resolutions that you've adopted. I think the real legal significance is in the fact that you all just voted to adopt the Resolutions. The signatures are more of a minuscule matter, but for the sake of collecting signatures, we'll probably circulate that, and you could then print and scan an email back to Todd, Kim, Melanie, at the Town. Or should you choose to drop off an original, we could probably arrange that, or you could mail it to the Town to eventually be compiled. Does that make sense to everyone?

Ms. Andres: Yep, absolutely.

Mr. Starnes: Okay

Ms. Andres: Anything else from anyone before we sign off? Great, well, it's nice to see everyone virtually, if not in person. I hope you're all staying well, in house, quarantined as much as you can, and healthy. So, look forward to seeing you all in person hopefully very soon. And with that, we are adjourned.

DocuSigned by:

Jennifer Andres

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Jennifer Andres, President

DocuSigned by:

Lance Angle

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Lance Angle, Secretary