

PLAINFIELD REDEVELOPMENT COMMISSION

May 7, 2020

5:30 p.m.

Ms. Andres: Welcome everyone, good evening. We are now going to start the Plainfield Redevelopment Commission meeting. Thank you for attending and for those watching on the LIVE stream.

DETERMINATION OF QUORUM

Ms. Andres: We will start first with establishing our quorum.

Mr. McPhail- here

Mr. Angle- I'm here

Mr. Everling- Good evening, I'm here

Ms. Elston- here

Mr. Kirchoff- here

We do have a quorum. I'm a creature of habit; that's the order in which we sit, so that's the order in which I call you. So, thank you all for being here. I do want to, before we start, remind everyone that we do have a public hearing this evening, so we did make available the opportunity for people to submit comments and questions to us via the website. So, those have been gathered; I'm going to let people who maybe from the public watching know that those questions can no longer be submitted to the website, but we are LIVE streaming this so if you do have additional comments or questions as we approach the public hearing time, we'll offer that up and you're free to submit anything additional at the time that we do the public hearing. So, just so that you are aware that that is an option.

CONSENT AGENDA

Ms. Andres: So, on our agenda the first item is approval of minutes from the April 9, 2020 meeting. Are there any comments to those minutes? Or I'll entertain a motion to approve.

Mr. Angle: I didn't have any comments, I'll move to approve.

Mr. McPhail: I would second.

Ms. Andres: Thank you, I have a first and a second. Mr. Todisco, will you do a roll call, please?

Mr. Todisco:

Mr. Angle – yes

Mr. McPhail- yes

Mr. Everling- yes

Mr. Kirchoff- yes

Ms. Andres- yes

The minutes have been approved.

Ms. Andres: Great, thank you.

OLD BUSINESS

Ms. Andres: Next up on old business we have an update regarding MADE@Plainfield.

Mr. Rainey: Thank you, so really quick, just to give an update on where we came from last month, I just wanted to do that. First of all, let me make some introductions of some folks who are here with us tonight that can help us with this update. As far as from Taft, we have Dave Umpleby and Cameron Starnes. And then we also have, from Baker Tilly, Emma Adlam. She is the only one from Baker Tilly tonight on this call. So, as far as what we did last meeting; if you recall, Ms. Amspaugh with Baker Tilly provided an update and a detailed review of the financing for the MADE@Plainfield higher education project. In addition, this Commission approved Resolution No. 2020-02, conveying certain real estate to the Plainfield Community Development Corporation. And also approved a Resolution No. 2020-03, approving a proposed lease with the Plainfield Redevelopment Authority and authorizing publication of public hearing in connection therewith. That public notice was made on May 27th accordingly. And for this hearing that we're going to have this evening, which we'll be covering shortly after I believe, we have some new business to cover as well.

Mr. Kirchoff: David, you said May 27th?

Mr. Rainey: Yes, I believe that was the correct day. Wasn't it?

Ms. Andres: April I think, April 27th.

Mr. Rainey: I'm sorry, April 27th, April 27th. Thank you for the correction, appreciate that; April 27th. We do have notice of public hearing that was provided for everybody. And as far as an update for MADE, just really quickly, I know we're not doing a formal update, but construction is proceeding and actually it's going pretty well. They started to put foundations in, which is fantastic, making great progress. All of the sanitary, storm infrastructure is installed, and things are moving along very well with that. So, we just need to hold the rain off; I know it's coming tomorrow but we need to hold the rain off. But I do appreciate the attention of the Commission and the Town for the project, and especially for the public hearing tonight. So, thank you very

much for that. So, with that, I'll turn it over to – I think we have some new business to attend to and then the public hearing, as well as several Resolutions for MADE coming up shortly.

Ms. Andres: Great, thank you. Any questions for David from the Commission members regarding the project? Seeing none, this is somewhat in my backyard, so I get to see the progress almost daily and there is a lot of activity. In fact, they have been working sometimes on weekends even, I think, to make good with the weather. So, it's been really exciting to see it go up. I know a lot of people are really excited about it as well, so thanks for that update. We are again – so, Todd has sent everybody an email just with some updates on the other projects that we have that are going on within the Town, so you all have seen those. We will wait and hold discussion on those until our next meeting, which we hope to be in person, which will be a little more conducive to that. So, if you have questions on those in the interim, feel free to reach out to him. But we'll get better updates on those at our next meeting.

NEW BUSINESS

Ms. Andres: So, moving on then to our new business. First up then on our agenda for that item we have Personal Property Tax Abatement for Stitch Fix, Inc. with Mr. Pipkin.

Mr. Pipkin: Hello everyone. So, the project that you have in front of you today is with Stitch Fix, Inc. out of San Francisco, California. You may have heard of them before; they do like a subscription style clothing service and this is going very well for them. They need to expand so they are looking to lease the 702,000 square foot facility at 3125 Plainfield Road. This is also known as the GreenParke Three building, which is just north of Best Choice Products, right on the Ronald Reagan Parkway. They look to hire approximately 900 employees, and these will be their employees. The building already has a 10-year Tax Abatement on it; we are looking to abate the \$3,806,000 in racking and equipment and information technology that they are looking to invest in the facility. The average wage for these 900 employees will be at \$19.50 per hour. With a 7-year Abatement the estimated taxes that will be brought in over that 7-year period is just under \$80,000. When the Abatement rolls off, the net property taxes will be \$24,208 per year and their estimated tax savings is about \$130,000, with this Tax Abatement. I believe Chad Sweeney is on this call representing the company and there might be another gentleman with the company also representing, if you have any questions.

Ms. Andres: Thanks for the Summary, Jeff. Are there any questions for Jeff or the representatives for the company on the Abatement application request?

Mr. Angle: Just to confirm; this is Personal Property Abatement for \$3.4 million in racking and equipment and \$406,000 in IT equipment? Is that correct?

Mr. Pipkin: Yes

Mr. Angle: Okay, I just wanted to double check that I was hearing it correctly.

Mr. Sweeney: This is Chad Sweeney, I just wanted to confirm that we are on the call. And David Sisto who has really been the lead for the company and this project is on as well, joining us from San Francisco. We appreciate first, Jeff and Todd's assistance over this few month process as we look to establish this facility. We'd be happy and answer any questions you may have about the project.

Ms. Andres: Great, thank you both – or all, for joining us, I guess. Are there any other questions from the Commission members?

Mr. Angle: I didn't hear; what was the timing on that, Jeff?

Mr. Pipkin: Let's see, they...

Mr. Angle: Or David, I guess, or Chad.

Mr. Pipkin: I think they hoped as soon as possible. We had on the SB1 last month but with things being delayed – it's kind of been delayed a little bit, so they hope to get started as soon as possible.

Mr. Sisto: And I can chime in too; as far as construction goes and getting the building up and running, we actually don't have any delays. We've got the construction going on right now still. But to do all of the hiring and personnel out there, we've delayed our launch until August 19th. It was originally scheduled for early July, so we gained about a one month delay just because we've got some travel restrictions on our end that are preventing us from even getting out there and doing a lot of the recruiting. But I'll actually be out there with our GM next week; this is going to be like the first time anyone on the Stitch Fix side has traveled.

Mr. Angle: Nice, welcome to Plainfield.

Mr. Sisto: That'll be good.

Mr. Angle: Yeah, that's fantastic; I really appreciate it. We're looking forward to you guys being here.

Ms. Andres: Any other questions?

Mr. Cook: Chad, do these windows behind me look familiar to you at all?

Mr. Sweeney: Well, they didn't until now but – so, Todd lives in a house that my wife and I lived in about 15 years ago. So yeah, those look very familiar to me.

Mr. Angle: What a small world, huh?

Ms. Andres: Small world and Zoom meetings. Great, thank you. And we appreciate, David and Chad, you being on the phone as well to walk us through and you have a lot of Stitch Fix fans out here, so welcome to the community. Under new business our second item is Amendment #2 to

the Memorandum of Understanding that we have with POAG. So, Cam, do you want to maybe kick us off? I know we've got some discussion just in terms of documents that we've received. Kent sent something just a few minutes before the meeting for Commission members to review, in case you had not seen that in your email yet. I will have Cam maybe do just a general introduction and then Kent, if you could maybe help us summarize what you sent and what we're considering tonight.

Mr. Starnes: Yeah, I think the purpose of the Resolution was just to authorize the President of the Commission to enter into an amendment to the existing development agreement with POAG who owns the Shops at Perry Crossing and to make certain changes to the schedule of when there are certain benchmarks for assessed value thresholds to be achieved for the property as a whole. And the agreement provides that if those thresholds are not met at those benchmark dates, there is a Gap payment to be made to the Town. And so, given, I think, some delays in hotel construction with the Courtyard by Marriott project that's going on there at the south end of the shops and potentially some pandemic delays as well, I think the ask – and I know Kent probably has more detail than I do – I think the ask is that the pressing deadline that would have applied the threshold to pay 2021 taxes, be extended and maybe some related shifting in dates and thresholds to kind of accommodate that hotel delay. So again, the purpose of the Resolution was to authorize that arrangement that was made. I think I was unaware of there being two amendments, and I think the idea would be to cover them both with this Resolution so that Jennifer, as President, could execute once we get the documents all finalized with POAG, sort of on the advice of legal counsel. Kent, is there any detail that I'm missing that we should make sure everybody is aware of, so that we can kind of have that all approved in one go here?

Mr. McPhail: I don't think so, Cam. You know, they made the request because they're trying to get their 2021 budget approved, that's the reason. Because it doesn't take effect until next year, but they did not want to have that liability on their books. So, it basically is just moving the Gap payment one year, the commitment to make that Gap payment, one year. And then we did add an interim Gap payment target in year nine, I believe. And year eleven remains as it originally was.

Ms. Andres: So, I think if I can maybe help; Kent and I just briefly talked a little about some of the discussions and the fact that this second agreement was coming through. And so, you all have seen, when Todd sent around the documents, I believe it was on Tuesday, the second amendment within that package – what Kent sent around – and that second amendment covers what Cam initially described in terms of moving the Gap payment from the date from this year to next year; so adjusting that from, I think it was a six year benchmark, is now a seven year benchmark. And Kent, I think in having some further discussion with POAG, was able to get some additional adjustments to another future year. And that's what was covered in the additional document the he sent around just prior to our meeting. And so, I'm a little hesitant in trying to enter into two different agreements for a very similar thing. And at the same time, I'd like to see if we can find a way to condense that. I've asked Cam if we can look at, instead of having multiple amendments that I think can get confusing, instead, have those things be covered under one amendment that we sign, just make sure it's a little bit more clear and there's a little bit less

document tracking that we need to do in the future, just in terms of how we're keeping track of all this. So, aside from those things, are there discussion items that we want to have in terms of adjusting the benchmark date from a six to a seven year time period? Any comments or concerns on that approach in terms of what's being proposed in the amendment? Hearing none, then thank you for entertaining that. And so, if people are comfortable with that approach in terms of combining these into one, I think Cam's indication is that from a Resolution perspective, the Resolution authorizes us to enter into it so that if we can come to agreement in terms of what those amendments say and the opportunity to combine them into one. Any concerns from the Commission members in terms of that approach? I am not seeing any nods to the contrary, so we'll proceed then, under that direction.

PUBLIC HEARING

Ms. Andres: So, we'll now turn then to our public hearing. As was indicated earlier, we had public notice for this that was published; we had opportunity for people to raise questions or comments or concerns prior to the meeting today via the website. I will ask Andrew Klinger, who is on, to read to us any comments or concerns that we may have received via the website. And if not, we will now open it up for people on the LIVE stream to provide any additional comments or questions that they may have. This public hearing is concerning the Lease Agreement between the Plainfield Redevelopment Authority and the Plainfield Redevelopment Commission for the MADE@Plainfield project that we discussed earlier today. So, Andrew, were there any comments or questions that were received via the website?

Mr. Klinger: No, we did not receive any written comments via the website.

Ms. Andres: Okay, great, thank you. We'll give it just a minute to see if anybody starts to type any comments into the LIVE stream before we close that time period. So, again, if anybody is watching and wants to comment, please do so now. We don't have Jeopardy music in the background so...

Mr. Rainey: While we're waiting, I just wanted to add that I was also listed on the public notice with my name and phone number for any questions or comments and I did not receive any calls either.

Ms. Andres: Perfect, thank you for adding that. Andrew are you getting any indication that we have anyone interested in commenting?

Mr. Klinger: I believe we – no, we do not have any comments on the LIVE stream.

Ms. Andres: Perfect, okay. We will then close the public hearing portion of the meeting then.

RESOLUTIONS

Ms. Andres: So, we'll move on to Resolutions that we have before us. We have three, and they were again, updated a little bit before the meeting. So, Todd, were there any subsequent changes

to the Resolutions that were amended just recently before the meeting started? I know that there were a couple of updates that were sent around.

Mr. Cook: Dave, can you comment on those?

Mr. Umpleby: Sure, as to the update itself, the only change here at the last second was it became known to us that a piece of the real estate that's involved in the transaction, which is where the MADE building will actually be, it titled in the Redevelopment Commission currently as opposed to the Town. So, the last minute change to the Resolution just picked up the fact that we're going to have the Commission transfer that real estate to the Redevelopment Authority as opposed to the Town transferring it, which would mean it's not in your Resolution. So, that was the last change. Overall, the Resolution basically addresses the lease. You know, as you probably recall, the transaction is set up such that the Redevelopment Authority will issue Bonds, construct the project, and then lease the project to the Redevelopment Commission over a term of, we expect, 20 years. And then the Redevelopment Commission will make semi-annual payments and those payments would then pay the Bonds. So, that's the substance of the lease and basically you're making findings that you know, the project serves a public purpose, the terms of the rentals in the lease are fair and reasonable and so forth, and that the project should proceed and the lease should be executed. So, that's what this consists of. And then also, as I indicated earlier, transferring that real estate to the Authority.

Ms. Andres: Okay, thank you for that summary. And I think, Todd, there may have been – or maybe Cam, I'm not sure who – I think there was one other, an updated Resolution for the second amendment for Perry Crossing. Or maybe it was just sent two times, but I just wanted to see what that, if there was anything significant that changed from what we saw on Tuesday.

Mr. Starnes: No, it was just a slight rewording of one of the "whereas" clauses, just to kind of cover more ground. And actually, I might – when you consider that Resolution, I might propose tweaking that language just a little bit. So, when the time is right, I've made a couple of revisions on my draft here that I'm glad to read to you all, that I can make on the final Resolution. I think what would be important here is that there's a vote to adopt it and we can make sure that the Resolution that's on paper fits what you all vote to approve. So, we can clean that up.

Ms. Andres: Great, thank you. I just wanted to make sure everybody was aware before we go through the Resolutions, that those things did come through today via email; to make sure that the Commission members were aware of them and understood what the changes were. So, we'll move to our first Resolution which is Resolution No. 2020-04 – A Resolution Approving a Personal Property Tax Abatement for Stitch Fix, Inc. Any further discussion or...

Mr. Kirchoff: So moved

Ms. Andres: Oh, you guys beat me to it.

Mr. Angle: I'll second

Mr. Starnes: Yeah, thanks. I would propose that in the fourth recital paragraph, fourth “whereas” paragraph, we reword that to say, “Whereas the parties now wish to enter into an amendment or amendments,” and I know that we’ll sort out the best way to document that in a way that’s as clean as possible to the original agreement, to revise the benchmarks and related items as set forth in the original agreement in the first amendment. Because there is a first amendment from 2018. So, we’ll sort that out. This just kind of broadens that to cover not only the change from six to seven year benchmark, but also, as Kent has pointed out, the interim nine year benchmark number that he negotiated with POAG. I just want to make sure that it covers all of that. As far as approval; then as to the paragraph one under the actual Resolution, I would propose that it says, “The Commission approves amendment or amendments to the Development agreement with Metropolis Lifestyle Center LLC and the terms contained therein, including the revision of benchmark dates and the timing of the Gap payments.” Just to cover those eventual changes.

Ms. Andres: Great, thank you. Any questions from our Commission members on those changes? Otherwise I’ll entertain a motion.

Mr. McPhail: I would move to approve.

Mr. Everling: I’ll second it.

Ms. Andres: I have a first and a second. Mr. Todisco, would you do a roll call, please?

Mr. Todisco:	Mr. Angle – yes
	Mr. McPhail- yes
	Mr. Everling- yes
	Mr. Kirchoff- no
	Ms. Andres- yes

Plainfield Redevelopment Commission Resolution No 2020-06 is approved with adjustments recommended by Attorney Starnes.

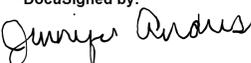
Ms. Andres: Great, thank you.

Mr. Starnes: And I’ll revise that and circulate it for you, Todd, Kimberly, so that it gets matched up and we get that out to you for signature by, I think we’ve been doing that by counterpart or however they’ve been handling that.

Ms. Andres: Great, thank you.

ADJOURNMENT

Ms. Andres: All right, we have reached the end of our agenda. I see that we are next scheduled to meet on Monday, June 1, 2020 at 5:30 p.m. location or method of meeting, I think still to be determined. So, I look forward to seeing all of you then. And with that, we are adjourned, thank you.

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Jennifer Andres, President

DocuSigned by:

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Lance Angle, Secretary