

**PLAINFIELD REDEVELOPMENT COMMISSION**

**March 4, 2019**

**5:30 p.m.**

Ms. Andres: Thank you everybody for attending the Redevelopment Commission meeting.

**PLEDGE OF ALLEGIANCE**

Ms. Andres: If you'll all please rise, we'll say the Pledge of Allegiance.

**DETERMINATION OF QUORUM**

Ms. Andres: Thank you all for being here, we'll do our quorum first.

Mr. McPhail- here

Mr. Angle- here

Mr. Anderson- here

Ms. Elston- here

Mr. Kirchoff- yes, here

We have a full quorum, thank you everyone for being here.

**CONSENT AGENDA**

Ms. Andres: First on our agenda is approval of minutes from our February 4, 2019 meeting. Those were provided to us. Does anybody have any changes or comments to the minutes? Hearing none, I'll take a motion to approve.

Mr. Kirchoff: So moved

Mr. Angle: Second

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

(All ayes)

Ms. Andres: Any opposed?

Mr. McPhail: Let the record reflect that I abstain because I was not there.

Ms. Andres: Thank you, with Mr. McPhail's abstention, the minutes are passed, thank you.

**OLD BUSINESS**

Ms. Andres: We don't have a public hearing for this evening, but we do have some old business updates. The first is on our Downtown Redevelopment with Mr. Cook.

Mr. Cook: Thank you, just a quick overview. I'll touch on kind of our downtown schedule and some significant milestones that have changed since last month. We did have, on the parking structure, we had a Council work session on February the 11<sup>th</sup> and got a little bit of information. I know there were some comments about the Council maybe not have seen the schedule previously in our last meeting, so that was in the works. So, that item is now 100% complete. Design development is about 95%. It has been submitted to Plan Commission, so it's moving right along. Also, you'll see there, the Fire Station 122 and Chamber demo is 50% complete, that's not to say that the actual demo had started, but the preliminary work leading up to the demo is about 50% complete.

Ms. Andres: Todd, what's the parking structure schedule in terms of... is it just for their review and comment now?

Mr. Cook: Yes, I believe so.

Ms. Andres: Okay

Mr. Angle: Will the RDC get a chance to look at it before submittal or after submittal?

Mr. Cook: Good question.

Ms. Andres: Was it updated from what we reviewed previously?

Mr. Cook: Well, we saw, we had it at the briefing, right. I don't think that the, you're talking about the look...

Mr. Belcher The same project that was presented to the RDC was presented to the Council and then submitted to the Plan Commission. So, it's all the same document. And we're also meeting with the public, the public meeting we had with the neighbors about the project, so that's the same plan that's been submitted. Now. It could change between now and the Plan Commission hearing, which will probably be in May, if it goes per schedule. But that would, again, the public could comment and it could change even after that. But any significant change, we will certainly bring back through.

Mr. Angle: No plan changes this time though, right?

Mr. Belcher: Not right now, no.

Mr. Angle: Great

Mr. Cook: Most of the activity in the downtown has been on the parking structure. There's not been a lot of changes to the Town Hall and CAC schedule, or East and Main Flats. We did tour the Schrott Center up at Butler as another, you know, getting an idea of what the CAC might look like and I think it was a very meaningful visit. Aaron Hurt, who I think was at the briefing that we had earlier, is the manager of both the Schrott and Clowes Hall, so we've got a pretty good relationship there. I think with regard to East and Main Flats, there's a meeting scheduled for Wednesday for some kind of review of their development plan with the appointed committee structure. So, not a lot of changes to that schedule either.

Mr. Anderson: Did Tim say that there was a neighborhood meeting?

Mr. Belcher: What we did was, we invited the tenants, the building owners and the home owners, about that project coming, for an informal meeting. It wasn't like the official required meeting for the Plan Commission, it was an early meeting before we even started that process. We just had them in, had a lot of good comments, a lot of things we're still working out as far as access, construction. There are questions on the policy on parking and charging for parking, all of that is still on the table being worked out. But essentially, we tried to find out what people were concerned about and we had some questions for folks that had come in here, right, and asked the RDC questions. So, we basically had the meeting, we broke into groups. We've had individual meetings now with homeowners because of specific questions about their property. So, we're still working through a lot of that stuff. We don't have answers for all of it yet, but it certainly helped us get the questions, a lot of really good questions. That's really what we're doing now, trying to work towards having the answers for those questions before we would start any construction and things like that. We're hoping that we can get all of those answers before May/June time frame. We're thinking if things go well and we get all of the answers we need, then we can move ahead around that time frame with the construction of the project.

Mr. Anderson: That's great, thank you.

Mr. Cook: Any other questions on downtown? I did not include the Prewitt Theater on the agenda, but Chase is getting involved in the Prewitt with us. Are there any questions?

Mr. Angle: Are there any changes since the last time we talked about it?

Mr. Cook: No, not really.

Mr. Angle: Well, just update us as you get closer to deciding how to get that thing ready to sell.

Mr. Cook: It's going to take some time. Any other questions?

Ms. Andres: No, thank you, Todd. We also have an update on the Community Development Corporation.

Mr. Kirchoff: Just briefly, we're having another Board meeting tomorrow. We always try to meet right after this meeting. We have closed on one other property on Krewson. We closed on that last week and have a lease arrangement with the present owners for I think, 60-90 days while they make plans for their new residence. So, everything is going as planned.

Ms. Andres: Great, thank you. Any questions?

Mr. Angle: I know the CDC is working on identifying like a property management company or something of that nature...

Mr. Kirchoff: We have not signed a contract, but we have secured an agreement with a local property manager.

Mr. Angle: Oh, great, good news.

Mr. Kirchoff: Yeah, since we're landlords now, we thought we ought to have somebody to do that for us, so we've done that.

Mr. Anderson: So, is this property you've closed on one of the properties that came to you, expressing interest?

Mr. Kirchoff: Um, yes.

Mr. Belcher: The corner of Vine and Krewson?

Mr. Kirchoff: Yes

Mr. Belcher: Yes, they came to us and said they'd like to sell.

Mr. Anderson: Okay, thank you.

Mr. Angle: Any hurdles or challenges that the RDC should be aware of, that maybe we can help with?

Mr. Kirchoff: Not that I'm aware of.

Mr. Angle: That's great news.

Mr. Kirchoff: Things are going well.

Ms. Andres: Thank you.

#### **NEW BUSINESS**

Ms. Andres: Under new business we have a Tax Abatement for Exel Inc. dba DHL Supply Chain.

Mr. Pipkin: Thank you for having us Commission. So, the project in front of you today is Exel Inc., they're doing business with DHL Supply Chain. They're looking to put up a 200,000 square foot facility at 401 Airtech Parkway, a 22 acre site. It is located in the Plainfield Six Points TIF. They plan to have 50-75 full-time employees at this facility making \$15-25 an hour on average. The investment of the building itself is \$8,080,000. With the Tax Abatement they are estimated to pay just over \$904,000 into the TIF District during the 10-year period of the 10-year Tax Abatement. The company will receive a savings of \$886,000 from the Tax Abatement itself. After the Tax Abatement rolls off, it's estimated they will pay almost \$180,000 into the TIF per year. If you have any questions for me, I'd be happy to try and answer them.

Mr. McPhail: Are there any concerns about how the building fits on the site?

Mr. Pipkin: I believe, we've had discussions at the TAC meeting and had lots of discussions with planning staff in the Town of Plainfield, all of this, even their offer letter was contingent on all of this passing the planning process through the Town. So, I think we're covered there.

Mr. Anderson: What's our vacancy rate? Like, in our warehouse...

Mr. Pipkin: Well, it's increasing, but this will make our seventh building that's going up now, but I think our vacancy rate is maybe at 5% or so.

Mr. Anderson: Okay

Ms. Andres: Jeff, what's the timing on the project?

Mr. Pipkin: They'd like to start as soon as possible and hopefully will have it done by the end of the year.

Ms. Andres: Great, any other questions for Jeff?

Mr. Pipkin: Okay, thank you.

Ms. Andres: Thank you. We also have on our agenda, Redevelopment District Bond Financing for Carr Road improvements.

Ms. Amspaugh: Good evening, thank you for having us. Well, we are officially now Baker-Tilly, so we can now introduce ourselves as Heidi and Emma from Baker-Tilly. We are joined with Umbaugh, so we are still the same Umbaugh team, but as of last Friday we are officially Baker-Tilly, so if you start seeing emails from [Heidi.Amspaugh@BakerTilly.com](mailto:Heidi.Amspaugh@BakerTilly.com), it's me. So, I just wanted to make you all aware of that. Lots of changes for us internally, but it's all good, all exciting. We're not going anywhere. Baker-Tilly did not have a Municipal Advisory practice and we will be stepping in to be their Municipal Advisory practice. So, just in case you see press releases or whatever, it's all good. So, you'll see the new letter head. I think you might be the first client that gets the new letter head, as of today. All right, so what we are here to talk about tonight is a couple of different road projects. None of you, or not a lot of you have been a part of all the discussions. We have been working very closely with a team of the town folks that are working on several different capital projects, who have put together what I'll call a SWAT analysis of the most recent priority projects and have been working through figuring out how to make all of the projects happen, how to get them financed in a timely manner based upon priorities and funds available. And so, this is first of many projects, as you are all probably aware, to kind of come down the pike. This one is in regard to the Carr Road project, as a majority of the project, and then a portion of Krewson and a portion of East Street. So, Emma's going to walk through this feasibility in detail and if you have any questions, don't hesitate to ask. This Bond issue that we are proposing, it would be payable from a property tax. It's run through the Redevelopment Commission because there's redevelopment debt limit capacity of the Redevelopment Commission. Redevelopment Commissions have the authority to levy a property tax just like the Town does, and you have a separate 2% debt limit. That's why its being brought to you by this body. So again, Emma's going to walk through the details, but it is a Property Tax Bond Issue and the Redevelopment Commission has issued a Property Tax Bond in the past, so this is nothing new for the Redevelopment Commission. Even though we don't do it often, it has been done before.

Mr. Angle: What was the example in the past?

Ms. Adlam: It was the 2014, it was the originally 2005 Bonds for the high school road that were funded in 2014. It's issued by the Redevelopment Authority, but it is the Redevelopment Commission that did the property tax for it.

Ms. Amspaugh: Anyway, I'll turn it over to Emma and then I'll be here to answer questions.

Ms. Adlam: So, in front of you is a feasibility that we prepared for the Carr Road project and as Heidi mentioned, it would be payable from a property tax for the Plainfield Redevelopment District. You'll see on the page, we've also included an illustrative financing for potential park

projects. Like Heidi said, we know the Town has a whole bunch of projects coming down the pipeline, and so we just wanted to illustrate the capacity for the Town to issue multiple series of bonds payable from property taxes that would be able to fit within your existing debt service tax rate. So, the second Bond Issue that would be issued by the Parks Facility Corporation would be a bond issue of the Redevelopment Commission. But just to show you the capacity of the Town and overall debt service tax rate, we wanted to include this illustration as well. So, if you turn to the third page of the feasibility that I handed out, this shows the illustrative project costs and funding for the proposed 2019 Redevelopment District Bond. The majority of this bond issue is to fund Carr Road and the net proceeds needed is a little over \$4.7 million and there would be \$500,000 for Krewson from Mill to Center and \$500,000 from East Street from Main to Krewson. So, of the Bond Issue, the total net proceeds for construction is about \$5,750,000. Due to the timing of when the bonds are issued and when the first property taxes can be collected for this Bond Issue, we've included capitalized interest for that January 2020 payment because if you issue bonds in 2019, our first collections aren't until June of 2020. So, you wouldn't have property taxes on hand for that payment. Then we've included an allowance for an underwriter's discount, and this is the fee that the purchaser of the bonds would charge to buy the bonds and place them in the secondary market. So, we've included an allowance, they potentially would take less than that, but it's just a cost that we're allowing for. Then the total bond issuance cost for a total bond issue of about \$6,095,000. The next page shows the illustrative repayment schedule of these 2019 bonds. The estimated interest rates based on current market, the actual interest rates will be determined at the bond sale, but this kind of what we're looking at with a little bit of cushion built in. It would be a repayment term of 13.5 years and you'll notice on the right hand side, that annual debt service payment isn't level and it increases over time. You'll see that in a couple of pages that we are wrapping this payment schedule around your existing debt service to keep your total levy and debt service tax rate to be level if not decreasing over time. The next page shows the illustrative project cost for these illustrative park bonds. We understand that the Town is considering improvements to Franklin Park and a Splash Island expansion and relocating a maintenance building. I know these are just estimates but we wanted to include them just so you can see what is possible. It would be a lease rental structure and the par amount would be about \$7,150,000. The next page is a similar 13.5 year repayment schedule for those illustrative park bonds. Once again, those payments would be increasing and you'll see on the next page, kind of the combined debt service, but this is just an estimated amortization schedule for those park bonds. Are there any questions so far?

Mr. Angle: So, your statement earlier was, this fluctuated schedule for the overall payment will help keep the levy and tax rate flat or reduced, explain that to me. What else is rolling off so that that happens?

Ms. Adlam: If we turn to the next page...

Mr. Angle: Oh, sorry.

Ms. Andres: Perfect segue, Lance.

Ms. Adlam: Yeah, perfect segue. So, the next few pages really get into that and it looks at the debt service that the Town's currently paying. So, if you turn to page 7, the four bond issues on the left are the four bonds that the Town currently has a levy in place for. So, you have the 2007 General Obligation Bonds. Last December, you closed on 2018 General Obligation Bonds. There are 2010 Park Refunding Bonds and then the 2014 Refunding Bonds that are for the high school road project. If you look three columns in from the left, you see the 2010 Park Bonds have annual payments of just over \$2 million, and then those 2014 Refunding Bonds have payments of about \$1.2 million. Then if you look towards the right, you see the 2019 and the 2020 Bond Issues and we have lower payments in the beginning, and as the four bonds you have outstanding mature, these illustrative payments start increasing. So if you look to the total debt service on the right hand side, your total is actually decreasing, even adding these two, you see that you even have capacity to add additional projects if you guys... you guys have

plenty of need, so if you identify other projects down the road... I think the next page will give you an even better...

Mr. Angle: Good job first of all, kudos, because that's not easy to do, to schedule that stuff out, and you guys have done a phenomenal job. This is like the second case that you've done this for us, and it is very much appreciated. At the same time your changing levy and tax rates, it makes you a little nervous. So, great job.

Ms. Adlam: So, if you turn to the next page, this will take that total debt service on that right hand column and then kind of translate it into a tax rate. So, the left hand column has the total debt service from the prior page and the 2010 Park Bonds pledge \$375,000 of food and beverage and \$200,000 of EDIT to reduce the levy need on those 2010 Park Bonds. In discussions with the Town, they wanted us to change it to the \$575,000 of the food and beverage, kind of towards these illustrative Park Bonds as the 2010 Bond mature using food and beverage to free up EDIT. And then to reduce any rate impact from these two Bond Issues, you'll see towards the left there's two years we're showing US 40 TIF being used, and that is those Park Bonds mature after 2021, So, to reduce any increase in the debt service tax rates due to these new bonds, the Redevelopment Commission can use the US 40 TIF, and just choose not to levy for those 2019 and 2020 bonds in the first two years. So, when the debt service rolls off for the Park Bonds, you could start levying the new bond issue and you wouldn't say that the 2019 or 2020 debt service tax rate would be impacted by this new bond issue. If you look to the right hand side, you see the illustrative debt service tax rate column. 2019 shows your debt service property tax rate for your three funds combined. 2020 and 2021 it shows an increase, but it's just an estimate that we're going to work with Steve on fine tuning your cash flows, so it's probably not likely it would increase as much as we're showing here. Then when the levy begins in 2022 for the new bonds, and you're not using the US 40 TIF anymore, your rate actually decreases from 15.5 cents to about 10.5 cents, even with these additional bonds.

Ms. Elston: And that's an unchanged assessed value as well?

Ms. Adlam: And we're not assuming any change to your net assessed value as well, exactly. So, this is a conservative assessment, because we know you guys have property tax abatements rolling off in the TIF. So, are there any questions on these last two pages?

Mr. Kirchoff: That's helpful.

Ms. Adlam: Okay. The next two pages are really kind of just supporting information. Page 9 shows the Redevelopment Debt Capacity. As Heidi mentioned, the Redevelopment District has its own debt capacity separate from the Town, so this just shows the calculation that the only bonds currently outstanding, that count against the Redevelopment District's debt limit, are your 2015 Redevelopment District Bonds. So, you have the capacity of \$12,780,000 to issue these Redevelopment District Bonds.

Ms. Elston: But those two combined are more than the \$12 million.

Ms. Adlam: The Park Bonds would be lease rental bonds issued by the Park Facility Corporation and lease rental bonds do not count against debt limit. Then the final schedule is just a calculation that we like to include. It shows the controlled project threshold and then the referendum threshold. Controlled project is every individual separate project. So, we're talking about Carr Road, Krewson and East Street. Those are three separate projects, so they have to be under, each project needs to be under \$5,170,000, which each of these three projects are under that threshold and then referendum clearly, you're under that threshold as well. And if it was above \$5,170,000, that's when you hit the petition remonstrance threshold. So, are there any questions?

Ms. Andres: This has been a helpful walkthrough, thank you Heidi. Very good information, and Emma, thank you. Any other comments or questions from the Commission?

Ms. Ampspaugh: So, you do have a Resolution in front of you this evening down in the agenda a little bit further, and all of the maximum parameters that are set forth on the Resolution are based on the feasibility that Emma just walked through. So, just to let you know.

Ms. Andres: Thank you.

Mr. Angle: When will these be issued?

Ms. Ampspaugh: Yeah, so if you adopt the preliminary bond resolution this evening, then it goes to the Council on March 11<sup>th</sup> and then it comes back to you guys for a public hearing on April 1<sup>st</sup>, and then we would plan for a May 8<sup>th</sup> Bond Sale and May 23<sup>rd</sup> closing. That's what we have right now.

Mr. Angle: Thank you

Ms. Andres: Any other discussion under new business?

## **RESOLUTIONS**

Ms. Andres: Hearing none, we have two new resolutions for us to consider this evening. Our first is Resolution 2019-01 – A Resolution Approving of Real Property Tax Abatement Application-Exel Inc. D/B/A DHL Supply Chain (USA). Any comments or discussion on this Resolution?

Mr. Angle: I move to approve.

Mr. McPhail: Second

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

(All ayes)

Ms. Andres: Any opposed? None opposed, thank you, Resolution passed. Up next we have Resolution 2019-02 – A preliminary bond Resolution to the Town of Plainfield Redevelopment Commission authorizing the issuance of bonds of the Redevelopment District of the Town of Plainfield, Indiana for the purpose of procuring funds for roadway improvements, economic development and certain related matters. Any discussion?

Mr. Kirchoff: I would move we approve Resolution 2019-02.

Mr. Angle: I'll second.

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

(All ayes)

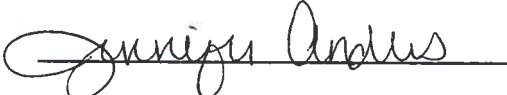
Ms. Andres: Resolution passed, thank you very much.

## **WISHES TO BE HEARD**

Ms. Andres: Next on our agenda, we have wishes to be heard. Does anyone from the audience wish to be heard this evening? Seeing no one arise, our next meeting is scheduled for Monday, April 1<sup>st</sup>, April Fool's Day, at 5:30 p.m.

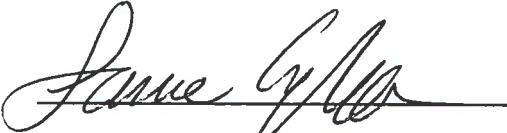
**ADJOURNMENT**

Ms. Andres: With that, we are adjourned, thank you.



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Jennifer Andres, President



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Lance Angle, Secretary