

PLAINFIELD REDEVELOPMENT COMMISSION

April 6, 2023

5:30 p.m.

Mr. Clay: I'll call to order the Plainfield Redevelopment Commission meeting for April 6, 2023, at 5:30 p.m.

PLEDGE OF ALLEGIANCE

Mr. Clay: We'll begin with the Pledge of Allegiance.

DETERMINATION OF QUORUM

Mr. Clay: We'll have Mr. Todisco poll the Commission for determination of a quorum.

Mr. Todisco:

- Mr. McPhail – here
- Mr. Angle – here
- Mr. Clay – here
- Mr. Kirchoff – here
- Ms. Renk– here
- Ms. Elston – here

Mr. President, you have a quorum to conduct business.

CONSENT AGENDA

Mr. Clay: Moving on to consent agenda, approval of minutes from the March 6, 2023, meeting.

Mr. Kirchoff: Move to approve.

Mr. McPhail: Second

Mr. Clay: A motion by Mr. Kirchoff, a second by Mr. McPhail.

Mr. Clay: All those in favor say aye?

(All ayes)

Mr. Clay: Those opposed?

(Brief pause)

Mr. Clay: Moving forward with approval. Also on the consent agenda, to accept the 2022 permit of Local Government Finance Report from Baker Tilly. You just received those Ms. Renk, do you need a minute to look over that or...?

Ms. Renk: Yeah, I think I saw those in one of the attachments, wasn't it?.

Ms. Renk: We just need to acknowledge that we received it? Okay

Mr. Clay: Do we need to hold a voice for that or is that just a...?

Mr. Todisco: Yeah, we could combine the two, but go ahead.

Mr. Clay: Okay, sorry, yeah.

Mr. Todisco: That's alright.

Mr. Clay: So, all those in favor of approving the 2022 DLGF report say aye.

(All ayes)

Mr. Clay: Anybody opposed?

(Brief pause)

Mr. Clay: Okay, we'll move forward with new business.

NEW BUSINESS

Mr. Clay: It looks like we've got Hobbs Station up first.

Mr. Naber: Good evening, Commission members, my name is Derek Naber. I'm a Vice President at New City Development who is the master developer of the Hobbs Station project. Let me pass out copies of the presentation if you don't mind first. So, we are here today to provide one overall update to Hobbs Station and the master development out there along Smith Road, as well as introduce the latest development project, Randall Residences which is a senior housing development which will be built by Avenue Development. Here with me today are representatives Mike Mattingly and Bob Akin. Formally, the request in front of you today is to amend our taxpayer agreement, which is between the master developer and this Commission, whereby we would reallocate a portion of the minimum TIF payments over to Avenue and the senior housing development, who would be responsible for paying their minimum TIF payments for their property. And with that, I'll get into our overall update. So, as most of you probably remember, Hobbs Station is 125-acre master plan cohesive development along Smith Road there, just north of U.S. 40. All in all, it will be a total project investment of \$300 million. If you go out there today – I assume many of you have driven by the site – it's really a big mud mess as of right now but what's exciting is we've gone vertical with the parking garage there. We've put in initial geopiers for the mixed-use multi-family project and are really excited to continue to get underway with several of the other projects out at this site. Also, if you didn't see, last week I believe, we announced our first retail tenants in the mixed-use multi-family building. We've signed leases with Social Cantina which is an upscale Mexican restaurant, and Another Broken Egg which is a high-quality breakfast place. So, we've already pre-leased a third of the building for the retail side. On page 4 here, you'll see the overall master plan, and everything in red is this initial Phase 1 development which represents 83 acres of the 125 which will be complete no later than 2024. So again, we have the mixed-use multi-family piece with 293 apartment units, the retail space in the parking garage. We have the industrial development, which they just broke ground within this last month. That is being built by HAS Development; they're out of Chicago. And then we have Pulte Homes, just started work on their single-family phase called The Landing at Hobbs Station. And then all in all, to connect that all together, we have all the road and infrastructure as well as the extension of the Vandalia Trail. And then of course, we have the heart of Hobbs Station, which is the Central Commons space as well, which will be built in this phase. So, overall, a lot of coordination, a lot of work that's happening out there. But we're here today to really focus on another key piece that's part of the mixed-use district which is Randall Residences. And I'll let the Avenue team talk about that.

Mr. Mattingly: Good evening, Commission members. My name is Mike Mattingly. I am the principal and co-founder of Avenue Development. We are a national senior's housing, healthcare, and medical office development company out of Indianapolis. Most of our work in senior housing space has been in memory care, assisted living and independent living care types across country. We have been working with the New City team for probably a year and a half now, and as far as being one of the early entrants into this master development, we're very excited to be at this stage of development and show you and the commission members more information behind this development and answer any questions you may have. We just provided, just some high-level basic information. As far as entitlements go, we've been through – we just had a revisit with the

DRC 30 minutes ago, just to refresh the exteriors which are more in line with the color schemes of the multi-family building. So, that's just some general information on the timeline. As far as just general project specifics and statistics, we're that 2.5 acre piece that Derek had shown up on that masterplan; 3 stories, 83,000 square feet, 90 units in total, weighted heavily more towards assisted living with 26 memory care units. We, as far as our care type, none of our residents drive so as far as parking goes, we are more than parked which is great for a site kind of this small. We have outdoor amenities not just on the grade level. We have multiple floors of outdoor amenities that service our residents, which you'll see here. This is the main entrance. There's kind of a gathering area up on the top third floor there, and then we have second and third floor balconies as well, to service the assisted living residents that faces one of those main arteries there, it's tucked in this image to the left side of the screen. Overall, \$25-ish million total project investment. It will create nearly 150 construction jobs. Permanently, full-time employees at 55-60 depending on therapy, nursing, physician. And then, right now, we're targeted to start construction this summer. So, we're working diligently with the New City team and the infrastructure improvements that are currently underway within Phase 1 of Phase 2. To service our site, since we're not on Smith or Perry, we're kind of interior, and so we're follow the leader at that stage, and so we look to open up in fall of 2024. And I can answer any questions you may have.

Ms. Renk: Are you a private pay only organization?

Mr. Mattingly: We are. Versus like the Medicaid waiver on assisted living that you're referencing, correct? There is a large, assisted living Medicaid waiver facility that just opened up not too far from this site, maybe a couple of years ago I believe, Glasswater Creek.

Mr. Angle: What locations have you done developments in?

Mr. Mattingly: We are currently – that's a lot of places, I'll go fast – just as Avenue we are across the country, in Phoenix, we've done four in Kansas City. I actually, with Kevin Whaley, he used to be in New Haven – Kevin and I did a senior housing development there in 2017. St Louis, we're currently under construction on I-70 out at Gateway Park with Hancock Regional Hospital. It's a large development. If you've driven by there, the exterior is going up – so, that's us. We just opened up a brand-new facility Broad Ripple Park, that was a master development of the city of Indianapolis and Community Health Network.

Mr. Angle: Great.

Mr. Mattingly: Thanks for your time.

Mr. Angle: I don't know that I have a question for the developer per say, this might be more general, even for maybe counsel. So, the current taxpayer agreement is strictly for the master developer, right. So, why would the RDC consider moving any of that liability to another developer?

Mr. Starnes: Yeah, good question. I would say, this was always contemplated and of course the whole master development is subject to a PUD, and this was always a component that was called out in the PUD. We've had conversations throughout this piece, and potentially others would be developed by other developers. And as opposed to closing with that as a hole, we said well, you need to essentially guarantee all the taxes that would be generated from the mixed-use component, and then you can share them later as you sell off pieces of the land to be developed by others. Really, it makes sense to follow the parcel because this land will actually be conveyed. So, the taxpayer, Avenue or its subsidiary will own this project, and will be paying the real property taxes anyway. So, to have a guaranteed number from that component of the development – if they were unable to push to a different developer, then it would stay with the mixed-use developer but to the extent that they are, puts the RDC in the same position that it would have been otherwise. And it makes more sense for it to follow the actual entity that would be paying the property taxes anyway.

Mr. Angle: Okay

Mr. Starnes: And really, the math overall is to shore up the projections that Baker Tilly did to support the debt service on the bond over the life of the bonds, to make sure that the increment generated from the project as a whole meets that in accordance with the amortization schedule. There's, you know, there's plenty of coverage built into that, so it's just a matter of allocation of who pays what share of that to get to the whole.

Mr. Angle: Oh, sure, I understand the overarching goal of why we're trying to do this. I guess – to explain why I even asked the question – I think there's been situations where we've found ourselves before with a master development and a PUD that ended up getting parceled off, and with a bunch of individuals responsible for components of it, it was a little bit harder to manage than say, one. So, that's the only reason why I asked.

Mr. Starnes: And – I think I know what you're talking about, and I understand that. I don't think there's anything even in the nature of the PUD that could prevent that kind of sale activity. And really, this is just making sure that the overall number pencils out relative to the bonds that were issued, from an increment generation standpoint.

Mr. Angle: Alright, thank you.

Ms. Renk: So, what is the ask of us today? Nothing other than a...?

Mr. Starnes: What's in front of you this evening are really two things that are very related. One, we have a mixed-use taxpayer agreement with New City's development entity, that will need to be amended to allow for the change in the parameters of their responsibility. And then a new taxpayer agreement with Avenue Development, the senior housing developer, that speaks to their responsibility. Both of which are recorded as liens in the property, and have priority over even – really, because they're tax liens, they have priority over any other debt. So, it puts the RDC in a good position to as to all of the various components. It's important that we have the taxpayer

agreement with the senior housing developer. And the amendment to the mixed-use taxpayer agreement just is really, to allow for that.

Ms. Renk: Are we going to see more amendments as New City builds out in Phase 2? I mean, is this just the first of many that are going to come before us?

Mr. Starnes: Potentially so, right. Yeah. And that's in the project agreement, that way it contemplates there would be this flow – the initial backstop was brought on purpose to say everything in red, like you saw – I guess that was a phasing diagram but everything that's part of the mixed-use project in the project agreement is subject to that initial mixed-use taxpayer agreement. It can be cut up later but it's still subject to the same lien provisions and priority that the original mixed-use taxpayer agreement would be.

Ms. Renk: Is – and excuse my ignorance – is this normal with such a large development? Is this kind of normal business?

Mr. Starnes: I would first say that this is not a very normal development. I mean, this degree of, this mix of uses in one kind of district approach, I would say, at least in central Indiana, is fairly unique. Which is one of the reasons we have layers of complication here. But certainly, in my view, it's logical and fair, and makes sure that the RDC stays in the same position really, to make sure that those payments on the bonds can be made – again, as projected by the financial advisor for the RDC that came up with those projections. So, that was the main baseline that we wanted to maintain. And knowing that flexibility would need to be made to make sure that the PUD could be complied with as the development came together, and quality maintained and see the project proceed on schedule as phased. Knowing there would need to be flexibility and potential amendments in the future was important. But yeah, it's the amendment to the taxpayer agreement and then the taxpayer agreement with the senior housing developer.

Mr. Clay: Are we looking for approval tonight or is this just us getting notified and then...?

Mr. Starnes: Yes, these are – up to you all – but up for approval this evening by virtue of a motion and acceptance. I think both of them could go together but it would be a vote to approve those agreements and what they do.

Mr. Clay: Do we want to open it up to the commission for discussion?

Mr. Angle: Yeah, sure. Are there any other questions? Any other comments?

Mr. Clay: In response here, so, I'll entertain a motion for approval for both items stated by Mr. Starnes. One, the approval of amendment to mixed-use taxpayer agreement and senior living taxpayer agreement.

Mr. McPhail: (microphone not on) (makes motion)

failure of specifications. That provides a way to potentially fund the fix, via the party responsible. GM Development is technically no longer involved, having completed and conveyed the building, but has been – and don't necessarily take this from me, but our owner's representatives have been working closely with them and they have been responsive and coordinating with them, which I think they appreciate. He had the contract with the architect, so it makes sense for him to be involved to facilitate that type of a claim. He's willing to do so. This is really support for pursuing that avenue.

Mr. Kirchoff: I think it's the right thing to do here. We've been fighting this for a long time.

Mr. Clay: Right

Mr. Angle: Is there any consideration that the demand letter should come from the Council?

Mr. Starnes: We did talk about that. In my view, it makes sense for it to come from the Redevelopment Commission because that's the owner of the improvements. And I think the contractual path would be from the Redevelopment Commission via GM to the designer/architect. We've talked about that internally, I've talked about that with Mel and with Dave and Aaron and GM, and I think that made sense to everybody as well. We'll see if there's further support needed. It certainly wouldn't hurt for the Council to sort of piggyback on that, but I think it's important to have something documented from the Redevelopment Commission, as the owner.

Mr. Angle: Okay

Mr. Clay: Any other questions?

Mr. McPhail: (microphone not on) (inaudible)

Mr. Kirchoff: Yeah, I don't think it was inspected correctly to start with.

Mr. Starnes: There has been some initial analysis of a potential fix that I believe recommends that it be removed and replaced.

Ms. Renk: But it will be correct in that this is just a (inaudible).

Mr. Kirchoff: I move that we approve the demand letter.

Ms. Renk: I second.

Mr. Clay: We have a movement by Mr. Kirchoff and a second by Ms. Renk. Mr. Todisco?

Mr. Todisco: Mr. McPhail – yes

Mr. Angle – yes

Mr. Clay– yes

Mr. Kirchoff – yes

Ms. Renk– yes

Motion had been approved to improve the stairwell.

Mr. Clay: Thank you Mr. Starnes. Alyssa?

Ms. Woolard: So, as we discussed at our last meeting, to begin the process of sending out RFPs for the about 6-acre parcel that's off of Airtech Road, I went ahead and sent you guys a draft RFP. So, if you've had time to review it and there's any discussion about what we want to add, or if you want to change anything, we can discuss that now and then hopefully get these sent out next week, after I get that last appraisal. So, yeah, it's up for any kind of discussion with you guys.

Mr. Clay: Has everybody had a chance to look it over?

Mr. Kirchoff: I didn't. When did you send that?

Ms. Woolard: This was sent in the initial email, but I can understand the confusion because you guys were sent a lot the last few days.

Mr. Angle: I did receive it; I did give it a once over. It looks like a standard RFP, just additional descriptions and things of that nature. I think...

Ms. Woolard: I would say the most important thing to point out is the evaluation. So, in it, it does state the finance strategy and all of that, but I did put in there, including the 24-hour daycare portion. So, I was wondering how you guys felt about keeping that in there, for a potential developer to come back with.

Mr. Clay: I think at the last meeting the general consensus was hard to find one that's done the 24-hour model properly, but I think it's necessary (inaudible).

Mr. Angle: I think it great to put out exactly what you want the first time, and then get feedback from the community. And if you have a development community that says that's just beyond anybody's capable reach right now, then we can always redo the RFP or take those comments into consideration to be adjusted a little bit.

Ms. Elston This was the area that was needing to be rezoned, and that would be on behalf of the...?

Ms. Woolard: Yes, it will need to be rezoned and re-platted, which we'll move forward with that probably after we know the developer.

Mr. Clay: Bill, are you still reading it?

Mr. Kirchoff: Yeah.

Mr. Clay: And you said you were waiting for one more appraisal?

Ms. Woolard: Yes. Yeah, the first one came back at \$590,000. So, we'll see what the second one comes back, and we'll just take the average and put all of that into the RFP and then we'll send it out hopefully at the end of next week. And then a 30-day process is what I spoke to Cam about, and we'll open those up June 1st, or the June meeting. And then hopefully by that July we'll know which developer we're going to go with.

Mr. Angle: And what was the timing consideration?

Ms. Woolard: So, originally when we were talking with a different developer who brought this plan to us originally, we thought the parcel was owned by the town and we didn't know yet that it was actually going to be reverting back to the RDC. They were under a time constraint because they had to get things filed to get their tax incentive through the state. But we're pushing this all onto next year, which I think is going to make it all easier on everyone, as well as just making sure we're doing all of our due processes.

Mr. Angle: That's right, thank you for the reminder.

Mr. Clay: Anybody else have any comments?

Mr. Angle: No, I support it.

Ms. Woolard: Okay

Mr. Clay: I'll entertain a motion to approve the RFP for workforce housing campus project.

Mr. McPhail: So moved.

Mr. Angle: I'll second.

Mr. Clay: We have a motion by Mr. McPhail and a second by Mr. Angle. Mr. Todisco?

Mr. Todisco: Mr. McPhail – yes

Mr. Angle – yes

Mr. Clay– yes

Mr. Kirchoff – yes

Ms. Renk– yes

Motion has been approved.

Mr. Clay: Mr. Clay: Thank you sir. Phase 1 for Krewson Project?

Ms. Woolard: Yes, so right now the CDC’s focus has been on acquiring land for the Krewson project and right now they’re looking at a new focus that’s in accordance with the downtown redevelopment plan. And so, before acquiring any parcels it would be beneficial to do a Phase 1 Environmental Study on the land that is North Mill Street to White Lake, and then Park Drive to Main Street. And so, the environmental study will be \$4,500 and we would pay for that out of TIF funds, if you think that would be a good thing to do.

Mr. Angle: I think that’s a great standard practice. I support that.

Mr. Clay: I have a motion by Ms. Renk and a second by Mr. Angle. Mr. Todisco?

Mr. Todisco:

Mr. McPhail – yes

Mr. Angle – yes

Mr. Clay– yes

Mr. Kirchoff – yes

Ms. Renk– yes

Motion for the Krewson project has been approved.

Ms. Woolard: Thank you.

Mr. Angle: Thank you.

WISHES TO BE HEARD

Mr. Clay: Alright, with no public hearings and no resolutions, are there any wishes to be heard?

(Brief pause)

ADJOURNMENT

Mr. Clay: I'll open us up for adjournment.

Mr. Angle: I move we adjourn.

Mr. Kirchoff: Second

Mr. Clay: All those in favor?

(All ayes)

Mr. Clay: Our next meeting is Monday, May 1, 2023, at 5:30 p.m. Thank you.

Mr. Angle: Thank you.

Mr. Philip Clay, President

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Mr. Lance Angle, Secretary