Ms. Andres: Welcome everybody, we are going to go ahead and call the meeting to order.

PLEDGE OF ALLEGIANCE

Ms. Andres: If everybody could please stand, we’ll start with the Pledge of Allegiance.

DETERMINATION OF QUORUM

Ms. Andres: Thank you all for being here. We’ll start with our determination of the quorum. We have

Mr. McPhail- here
Mr. Angle- here
Mr. Anderson: here
Ms. Elston- here
Mr. Kirchoff- here

We have a full quorum. Thank you for being here everyone.

CONSENT AGENDA

Ms. Andres: First on our consent agenda we have approval of our minutes from our April 1, 2019 meeting. Everyone received those before the meeting. Are there any changes, questions or discussions for those? If not, I’ll entertain a motion to approve.

Mr. Anderson: I’ll make the motion

Mr. Angle: Second

Ms. Andres: All those in favor, aye.

(all ayes)

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

OLD BUSINESS

Ms. Andres: Moving on to old business, first we have an update on our Downtown Redevelopment with Mr. Cook.

Mr. Cook: Thank you, as we’ve done in the past, we updated the schedule and sent that out for everybody to review. I think things are going to get exciting here in the Downtown in very short order with regard to the Parking Structure. The Plan Commission meeting is later tonight so stick around and you can get the latest and greatest on the Parking Structure. We think it looks great and we anticipate that moving forward.

Mr. Angle: Do you have something to share with us, or do we need to stick around instead?

Mr. Cook: Yeah, stick around.

Mr. Angle: Okay

Mr. Cook: Hopefully you can.

Mr. Angle: If we can’t, do you have something to share with us? What it looks like?

Mr. Cook: I’ll be happy to send the Plan Commission submittal to you if you would like?
Mr. Angle: Oh, that’s okay. I’m just curious as to how much it’s changed. It’s been months, I think, since I’ve looked at it.

Mr. McPhail: I may have something that I can share with you.

Mr. Angle: Thanks.

Mr. Cook: With regard to the Town Hall and Cultural Arts Center; there have been no changes in the overall schedule. We did have an update to the schedule, the Council did act on the Ratio recommendation at their meeting on the 22nd. We did have a kickoff to the next phase of the design and just recently.

Ms. Andres: Can you go over what that recommendation was, just for John, Jessica and I?

Mr. Cook: Yes, for the new Town Hall on Mill Street, and a 3-story Town Hall. With regard to East and Main Flats or The Barlow; design development is making good progress, it’s at about 75% complete. They did get their Plan Commission submittal in on the 26th which was the date projected, so that is 100% complete and it’s looking pretty good. I think there are still a few items to work through on the exterior materials. We believe it’s going to be on target. They were showing a June 7th design complete, so we think that’s achievable. Any specific questions on any of these projects?

Mr. Anderson: Has anyone from the Town reached out to the Barlow Family about the name, use of the name?

Mr. Cook: I do not know.

Mr. Anderson: We spoke about it last... the Redevelopment Commission spoke about it last month.

Mr. Klinger: Shelby from Rebar was going to... they were trying to track down the family and were going to reach out to them. I have not heard whether they have been able to do that or not, but they were putting forth efforts to do so. I don’t have a report back yet, but I know they’re trying to reach out to them.

Ms. Andres: So, you just said, on the Town Hall and CAC, it’s listed here as programming done 4-22-19; is that really more the location was done; what is the programming? Is that trying to determine what’s...?

Mr. Cook: What needs to be in the facilities. What activities, you know, what room do they need, things like that.

Ms. Andres: Okay, and that’s been completed?

Mr. Cook: That is complete.

Ms. Andres: Okay. And then with the Barlow, I apologize, I don’t remember from prior spreadsheets that you’ve sent us; has it always been TBD in terms of the completion dates?

Mr. Cook: Yes

Ms. Andres: Okay, do they have an idea of when we might get a firmer sense for when that date will be filled in?

Mr. Cook: I would have to think they have an idea, but they have not shared that with us yet.

Ms. Andres: Any other questions, comments for Todd? Thank you

Mr. Cook: You’re welcome

Ms. Andres: Next we have an update on the Community Development Corporation.

Mr. Starnes: Thanks, good evening. I believe there will be some information circulated in terms of quarterly reports on financials on the Community Development Corporation, which of course is a not for profit forum to support the Town and its initiatives in particular with, with regard to
Downtown Development, and sort of a draft budget for 2019 that you will be able to see. I think in terms of activities, I would report that the Phase 1 properties, which are part of how the organization is supporting the Town in the, at least in this first iteration, is by making a series of real estate acquisitions to facilitate other projects, some of which are infrastructure and several of which are private development, in particular the Barlow Project. And I believe the Community Development Corporation has acquired all but one of the initial Phase 1 targets that it was charged with the acquisition of. It has retained an accountant, a property manager, has leases with all existing tenants, it has property insurance now on all of the properties it owns and acquires. So, it has, I think, really formed up as an organization toward that mission to support the Town. We have also done some initial legwork, in particular through the Community Development Corporation’s Real Estate Consultant that it has retained to identify and make contact with some landowners of properties that are kind of the next phase of strategic targets. I believe these are all relative related to specific infrastructure projects that have been planned and are in the works. I think the initial thought, while I don’t believe there’s an ask on the table tonight for further funding, I think our initial look at what properties are in play there that would facilitate those projects and the values thereof for acquisition is in the neighborhood of $1.2 million. So, I think just as a preview, should the Town wish to go about things in that way and fund the CDC to acquire those, this is probably what we’re seeing in terms of totals to then allow for those acquisitions. So, again, I don’t think there’s a plan to ask for that this evening, but just for a preview, there’s been some initial legwork on what those values would be. I think that about does it apart from any questions.

Ms. Andres: When did you say the quarterly report was going to be...?

Mr. Kirchoff: In about two minutes.

Mr. Starnes: It has been prepared. The CDC retained Kemper, the CPA firm to serve as its accountant and they’ve worked with the Board to create the quarterly report and the Board has worked on their draft budget as well.

Mr. Anderson: When you talk about infrastructure projects, are you still mainly in Downtown Plainfield?

Mr. Starnes: I believe so, yes. Yeah, these are projects that have been conceived as part of the Downtown plan and obviously there’s some need for some right-of-way for various phases of projects. I think there’s been some good coordination between the CDC Board and the Town Staff and the Town’s Engineering Consultants about what properties are in the way. There was a pretty wide-ranging survey of a lot of Downtown done in 2018 that is informing a lot of the looks at what properties are implicated in these infrastructure projects. It’s guiding the target priorities for the CDC. Any other questions I can answer for you? Great, thank you.

Mr. DuBois: Okay, you’ve got two documents in front of you. I’m the current Treasurer by the way, of the CDC. Mr. Bridget is our Secretary. Whichever one you want to take a look at first, we’ve got our proposed budget and we’ve also got our financials out there for the first quarter of 2019. If there’s any questions you might have or anything you want me to share with you or let you know...

Ms. Andres: If you could walk through both of them, Brad...

Mr. DuBois: Okay, sure, okay. So, total revenues without donor restrictions were $2,000,113.12. With donor restrictions it was $2,106,979, actually, minus that. Donor restrictions are properties we’ve already purchased, leaving us a total of $6,133. Is that correct? I believe that is, yes. Expenses: total expenses for the first quarter were $6,885. And then our net assets are $2,106,227. Donor restriction then again, a balance of $720,752.

Mr. Angle: Could you just define that for me? The difference between donor restriction and without donor restriction?

Mr. DuBois: Donor restriction, I believe, is property we own, currently own, if I’m not mistaken.
Mr. Kirchoff: It’s the properties for the Barlow.

Mr. DuBois: It’s the properties for Barlow, yeah, that we can’t... yeah.

Mr. Angle: So, with restrictions, is to Barlow?

Mr. DuBois: With restriction is Barlow, yes. Forgive me, first time doing this.

Mr. Angle: No, no, sometimes you feel stupid for asking...

Mr. DuBois: No, no, I’m stupid, believe me. So, our quarter end without donor restrictions was 4,745,489. With donor restriction; $258,094 with a grand total of $5,003,583, which is the $5 million you granted us back in 2018, so we had a little bit of a plus. I believe most of that was, we had a little bit of rental income and there was also a slight bit of interest that we gained from the bank. Next page, out of $5 million, we currently have a cash balance of $269,352, this is probably a better description, this is probably the one I should have went through to begin with.

Ms. Andres: I think we’re missing that page.

Mr. DuBois: There’s only two pages, are you sure it’s not on the back of another page?

Mr. Anderson: We don’t have the balance sheet

Mr. DuBois: Really?

Mr. McPhail: No, we don’t.

Mr. DuBois: I apologize. Here, let me show you mine then. I thought for sure we had printed it off. That accounts for the $5 million. Yeah, I’m not sure exactly what happened. But again, you’ll see that the total there is that $5,003,583 in total assets.

Mr. Angle: So, just a couple of, I guess, technical questions; moving forward, can I request that the quarterly reports be emailed to us? Like in advance of the meeting so we can just look at it? That way if I come up with questions, I could formulate them beforehand.

Mr. DuBois: We can, absolutely.

Mr. Angle: On the proposed budget, does that incorporate interest?

Mr. DuBois: No, that doesn’t show interest whatsoever because we’re not sure, depending on the balance in our account, depends on how much interest we’re going to gain.

Ms. Andres: Could I have you walk through the budget Brad?

Mr. DuBois: Sure. The first line you see; Webpage and Hosting, there is a slight mistake, I believe, in the copy that you guys have. It’s at the very bottom. Webpage and Hosting, that’s to set up a website for the CDC information for the citizens. The next line is Insurance, that includes property and casualty insurance and D & O insurance for the directors. Basic incidentals, office supplies, posting, those types of things. Also, a PO Box. Consultant Urban Initiatives, that’s Brad Hart, that’s how much we’ll be spending in the next eight months with him. Legal; Taft and Cam and his expertise. Accounting; Kemper, to help us prepare those quarterly reports and do our financials. Property Management would be John Albertson and Sons. He takes a small amount; he takes 10% of what we collect in rent. And then Property Maintenance... whether that’s, you know, we just budgeted some things of unforeseen circumstances. We just found out that we need to start mowing grass, so that’s one thing that we’ve got to take care of. And then under income, that $5,880, that’s what we expect to gain in rents for the next eight months, through the end of the year.

Mr. Anderson: What was the thought process behind the webpage and hosting, I mean, having a webpage?

Mr. DuBois: More information.
Mr. Anderson: Okay

Mr. DuBois: Just more information for people if they’re interested in what the CDC is doing.

Mr. Bridget: It’s also a host for email boxes for the members of the CDC.

Mr. DuBois: Yeah, so we can remain sort of separate from the Town.

Mr. Anderson: Sure, and then is the CDC the one that are going to update that with the new information as it comes along?

Mr. DuBois: Yeah. Well, we would send it to the people that are hosting or taking care of the website. So, those two numbers give us a net gain of $8,578. I know you’ve got one line there that says webpage for $300, strike that, that’s not correct, it needs to come off. So, it actually gives us a little bit more net income, $300 we don’t need to spend. And then as Cam had suggested, projected capital needs for infrastructure projects on 2019; we had kind of come to the conclusion that we would need somewhere between that $1.25 million.

Mr. McPhail: Looking at your balance sheet, you’re a million short.

Mr. DuBois: It is, just a tad. So, forgive the errors, I’ll update this budget and I’ll also update those and send those out by email to everyone so that you have an accurate copy. We put this together rather quickly.

Mr. Angle: Thanks, Brad.

Mr. DuBois: Any other questions?

Ms. Andres: Any other questions for Brad?

Mr. Kirchoff: I guess a procedural question might be; we’ve had conversations about $1.25 million, we think we’re going to need to have that between now and the end of the year; how would the RDC like for us to keep you in the loop and what process do you think we should go through so that when the money needs to be there, it’ll be there? We don’t need $1.25 million today, but we’ll need it sometime between now and the end of the year, projected, depending on the infrastructure needs. So, how much lead time... what do you all want from the CDC as far as procedural background? Because we don’t want to be coming to you every few weeks and asking... any thoughts along that line?

Ms. Andres: Well, I don’t know how much time, in terms of the formalities of what would need to be done, if there’s either a statute or a regulation we would need to follow in terms of the transfer and what time would need to take place for that. So, that’s one consideration. I think having details about... this is helpful, to see the proposed budget, also a kind of better idea of what projects are, projected costs behind those projects.

Mr. DuBois: Because of the sensitivity, we would talk to you, kind of on a one on one basis.

Ms. Angle: And that’s fine, but I think that we need to have at least a general idea of what those would be.

Mr. Angle: I think from my perspective, quarterly might even be too much actually, twice a year come to us and just say, based upon the Town Council’s designation of priorities and the need for assets to assist with, you know, public projects, $2.5 million for this half of the year, or whatever the case may be. That way you’ve got, you know, 60-90 days to run the process through us and vote on it and then move forward on a Resolution to the Town Council.

Mr. Klinger: Yeah, and I think what Lance just said makes perfect sense. It is probably about a 60-day process just to get all of the appropriate approvals and to go through the payment process and all of that.

Mr. Angle: Because we’ll have to figure out the funding and making sure that the RDC has capable funding to continue...
Mr. Klinger: Yeah, and depending on what it is, the funding may not even come through the RDC, it could be another source of funds. That’s a Council decision first and foremost, in terms of where those funds would come from and how they would be allocated. That’s kind of the threshold question. And then if it is RDC funds, then we would have to go through that process.

Mr. Angle: So, anything over $500, you guys take care of but...

Mr. Bridget: The funding would come by approval of the Town Council.

Mr. Klinger: Yes

Mr. Anderson: And then having our friends at Baker Tilly take a look it and give us their recommendations is always good.

Mr. Kirchoff: We just want to be up front and say that this is what we think we’re going to need for the rest of the year. So, we thought we should lay that in front of you tonight, but we don’t need action tonight.

Mr. Klinger: The staff has been working closely with the CDC, in terms of identifying what those priorities are and making sure that the steps being taken are in line with the Town’s goals in terms of infrastructure projects in the Downtown area.

Mr. Bridget: I think the primary takeaway is that, based on our budget and what was spent, the vast majority of what has been given to us by grant has gone directly to either real estate purchase or the consulting services needed to make those transactions. As a Board, we’re trying our best to keep our costs to the very minimum and we’re trying to be very judicious in the way in which we use the Town’s money.

Ms. Elston: Is there a cash balance, I know we didn’t all get the balance sheet, is there a cash balance showing right now?

Mr. Kirchoff: The bank balance?

Mr. Dubois: $268,000

Mr. Kirchoff: About $268,000

Mr. McPhail: Well, you know, I think everything is subject to change and the way things are moving, we may get a request to meet or whatever. You know, they can plan so much ahead but I tell you, things are subject to change and particularly if we know there’s a piece of property out there that we’re going to need in the future, if that becomes available, they want to be able to react and if they don’t have the funds then...

Mr. Kirchoff: Well, but the good news is that we can react, but we just don’t have to set a closing date.

Mr. McPhail: Yeah

Mr. Kirchoff: We can come back to you with a closing date.

Mr. McPhail: Well, that’s true, yeah.

Mr. Klinger: Well, that’s a good point and I think one of the things that the CDC has been exploring is looking at options and other ways of securing property that you don’t need to close right away and then we can work through kind of back end processes, prior to closing, looking at all the different options.

Mr. Bridget: And the capital request that’s before you are more properties that have been designated and are known for projects yet this year.

Mr. McPhail: Yeah

Mr. Bridget: So, what Kent was saying, if other properties come up, that’s not included in the balance.
Mr. DuBois: And just to add to that, we have a lot of that happening already. We’ve had a lot of people come to us directly, willing to sell, that we weren’t aware of and that we weren’t anticipating.

Ms. Elson: Were these properties that we thought we would, that would need to be acquired I’m assuming?

Mr. DuBois: They will be needed in the future, but they weren’t necessarily on our target list for short term projects.

Ms. Elston: So, they were down the road.

Mr. Kirchoff: They were not Phase 1, they were Phase 2 or Phase 3.

Mr. Starnes: Sorry, I just wanted to point out as counsel for the CDC, and Bill’s been at closings for all of the properties that we’ve bought so far, and the sellers have walked away happy. I mean these are properties that have been acquired to facilitate Town projects that this model kind of allows it to be more of an arm’s length transaction and keep positive momentum downtown. The other thing I would point out that has been a key in this whole approach is the CDC, unlike the Town or even the Redevelopment Commission, can have a lease on a residential property. So some of these which have strategic value longer term, at least in the short/mid-term, can continue to be residences for people that live there and in some cases for numerous years to allow for kind of a less abrupt transition, which has been, I think, positive from both the tenants standpoint and the prior owner standpoint. A lot of them had tenants that they wanted to see have time to find a new housing option and I think this has been a vehicle to allow them to do so.

Ms. Elston: That’s what I was wondering, with some of the houses that were down the road and there’s no immediate plan to take over the management of those, other than just the agreement that at some point the purchase would happen.

Mr. Starnes: Right

Ms. Elston: So, there’s not going to be a lot of properties that are going to be empty.

Mr. Starnes: Right, I meant to say that earlier. In terms of value, to have that organization is helpful.

Ms. Andres: Thank you all for the updates. Any other direction you feel like you may need for this evening? Up next, we have a Redevelopment District Bond Financing for Carr Road Improvements.

Ms. Adlam: Good evening, I don’t have much of update to give you. Right now, I think since the last meeting, the Town’s bond rating was confirmed AA+; a great rating. And your bond sale is on Wednesday. So, the final amortization schedule will be finalized then, and then closing is May 23rd.

Ms. Andres: Great, thank you. Next, we have an update on the Rebar Project Agreement Amendment.

Mr. Starnes: I think I can just combine the next two items if that’s ok? The first one, the Rebar Project Agreement Amendment, I wanted to make sure that the Town, including the Redevelopment Commission, Jennifer as President, and the Town Council through President Brandgard and the Community Development Corporation through Bill Kirchoff with that organization, all of which are parties to the Project Agreement, have all executed, along with the developer, an amendment to the project agreement that sets an outside closing date of August 1, 2019. I think the goals in amending were multiple. One being, to allow for sequencing with the Plan Commission approval process and I think as Todd mentioned, the submission has been made by the developer that will target the June Plan Commission agenda. That enables the TIF amendment process which is our next item, and Bond process on the Redevelopment Commission side to not get too far ahead of the Plan Commission, so that they can have time to
review the proposal and any amendments that are necessary to provide, etcetera and then render its approval kind of in sequence to allow for the closing, ideally in July, which is entirely possible, so we would allow a few weeks there on the other side of it just in case we need it. So, we’re trying to hit regularly scheduled meetings and avoid special meetings if we can, which is another reason for the amendment that’s being executed now. Moving on to the next item the process of adding the Barlow project area to the U.S. 40 TIF, which was the recommendation of Baker Tilly, the Town’s Municipal Advisor, initiated about a month ago with a Declaratory Resolution to add those parcels and designate them as an allocation area. Then they went to the Plan Commission and it was approved as consistent with the Comprehensive Plan for the Town. It then went on to the Town Council where the Plan Commission’s recommendation was essentially ratified by the Council. Now it comes back to you all for a public hearing on the amendment and then the plan that’s a part of that, the creation of the allocation area. I have Proof of Publication that the public hearing was noticed in accordance with State statute. And then before you this evening is the Confirmatory Resolution essentially saying what you said a month ago again, confirming it and making it so, so to speak. So, any questions on that process?

Ms. Andres: I think it was very helpful for you to walk through that, thank you.

PUBLIC HEARING

Ms. Andres: With that, we will then turn to the next item on our agenda, which is the public hearing for the adoption of Plan Amendment Relative to Expansion of the U.S. 40 Corridor Economic Development Area and Creation of East & Main Allocation Area. Does anyone wish to be heard on this matter? Hearing none, we will close the public hearing, thank you.

NEW BUSINESS

Ms. Andres: Under new business we have a Tax Abatement for Strategic Capital Partners MetroAir Building 8 and MetroAir Building 9.

Mr. Pipkin: Good evening Commission. As you said earlier, Strategic Capital Partners is looking to build two buildings in what is being called MetroAir East. This is about 100 acres that is in the northeast quadrant of Ronald Reagan Parkway and Stafford Road. So, Building 8 will be built in the northwest portion of the park. It’s planned to be about 212,500 square feet. The building investment is expected to reach $11,561,333. Over the 10-year period at that assessment, it looks to pay about $1,294,097 in taxes over that 10-year period. Their 10-year savings looks to reach about $1,268,473. After this rolls off, it’s estimated that they would pay $256,000, approximately, per year in taxes. I have John Cumming here with Strategic Capital Partners to also answer any questions that you may have for the development. Any questions on Building 8?

Mr. Angle: Oh, that was just for 8?

Mr. Pipkin: Yeah

Ms. Andres: This is really a question for both of them, I was just curious as to our vacancy rate. I know that you’ve gone through that before, but just an update in terms of what our warehouse vacancy rate is.

Mr. Pipkin: I don’t have that report in front of me but off the top of my head, I believe we’re at about 5% in the southwest area that they kind of incorporate all of that industrial development in. But I just received the industrial report last week, I’d be happy to share that with the Redevelopment Commission, if you so choose.

Mr. Angle: That’d be great, I’d love to see it, sure.

Mr. Pipkin: Move on to Building 9?
Mr. McPhail: That report, Jeff, covers more than...

Mr. Pipkin: It’s more than Plainfield.

Mr. McPhail: Yeah, it’s more than Plainfield, but we have the bulk of the square footage in that area too.

Mr. Pipkin: Okay, Building 9, this building will be located in the eastern portion of the park. The square footage looks to be just under 500,000 square feet at 499,200. The building investment is estimated to reach $19,968,000. Over the 10-year period it is estimated to pay $2,235,084 in taxes with a tax savings of $2,190,826. After it rolls off, you’re looking at $442,000 a year tax payment. Both of these spec buildings, the Town has offered, well, the Town is looking to offer a standard 10-year Tax Abatement. Questions?

Ms. Andres: Questions for Jeff? Great, thank you. We also have new business, the Bond Financing Feasibility for East and Main Flats also known as The Barlow.

Ms. Adlam: I thought we’d do a little team presentation. So, I thought just a little big picture and then we’ll go over the schedules with you. We did talk on the phone, let me talk about a few of the things that we talked about.

Ms. Andres: Please do, thank you.

Ms. Matthes: We just wanted to make sure that you’re aware that as we’re planning this financing, we’re looking at... I’ll try to keep looking at the big picture as far as the cash flows of the RDC and then also, the different capital projects that are coming up for the Town and the Redevelopment Commission. So, as we were looking at Rebar, this project and the financing, we had discussed all along that we would be using the TIF from the East and Main Flats, but that TIF doesn’t completely cover the Bond payments for the incentive. To cover the full amount of the incentive we’re trying to get to a net of about $3.4 million. So the plan has been to use the U.S. 40 TIF as well, but we also have, as you know, other commitments for the U.S. 40 TIF in terms of cash flow, also payments to owned contracts on the garage and then also it’s going to be the source of repayment for the Town Hall and the Cultural Arts Center and those costs have actually gone up as well. We have other sources also for those projects, so we’re trying to kind of balance all that out. We want it to have good coverage for selling these bonds.

The other thing we recommend it that, you know, you have the ability to add a property tax backup on Bonds but in this case because it’s mainly a developer financed project, we wanted to suggest that you save the Town’s backup for when you do the Town Hall and the Cultural Arts projects. Those seem to be more public projects, and that way kind of preserving, we don’t want your debt burden to look too large as far as getting a credit rating, things like that. Then also, we don’t need to have a lease preface or a lease project for this, we can do this with pure TIF revenue Bonds and then that doesn’t count against your debt limit. So, that was kind of our thinking as far as this. The other thing we discussed on our call was the method of sale. We talked about whether we could try to get these Bonds, even though they’re only payable from TIF, so it would be a combination of U.S. 40 TIF and developer TIF, whether we could get a rating and sell the Bonds competitively. We ran an analysis, assuming that we have 100% coverage so we could get an A rating and talked with our pricing director and kind of looked at all of that. The costs are higher to do that because we have to do an offering statement, get a Bond rating and so forth, and then we compared that to, based on other recent sales we’ve been looking at, private placement with the bank and taking bids from banks. And we discussed this also with Mark, Jennifer and other folks. So, when we did the analysis, the differential is like $10,000 based on estimated interest rates and cost. So, we felt given this situation, it’s probably better and timing wise and everything, just do go ahead and go forward with a bank placement. So, that’s what we are planning to do but we’re open to lots of comments you would have about that.
Mr. Angle: well, I’m certainly not going to give specific direction on something like that because I think it takes experts like you, and we count on your guidance, so we appreciate it. I do have a quick question; you mentioned 200% coverage, is that debt service coverage?

Ms. Matthes: Yes, and definitely to get an A rating right now, the criteria is, you have to have over 200%, but then even when you go to market those bonds, they don’t market quite the same as a real... I don’t know, what is it a G.O. Bond with an A rating?

Mr. Angle: Right

Ms. Matthes: There’s still going to be a little less, less buyers, less investors when it’s a tax increment Bond.

Mr. Angle: And then you had also mentioned holding back on using property taxes guaranteed for the Bonds. To your knowledge, has the Town ever used it before, for others?

Ms. Matthes: Yes. So, most of the time when we’ve done the roads, they were payable from the various TIF areas. The Town did do, they would put the property tax back up on it...

Mr. Angle: Okay

Ms. Matthes: ...to get a lower interest rate. But then, oftentimes with developer projects the Town did not start putting the backup on it so when we, for example, when... AllPoints Midwest, they started out with a Note and then the developer had to guarantee it. And then as the project started to get built, then that was taken out with some Bonds.

Mr. Angle: Okay

Ms. Matthes: And actually, the Bonds did have a backup, but that was already after the TIF agreement was already in place.

Mr. Angle: Gotcha

Ms. Matthes: So, the Town has started out... and also, if you’ll go way back like with Metropolis/Perry Crossing, when that started out, it was a developer TIF revenue Bond.

Mr. Angle: Thank you

Ms. Adlam: So, I’ll start with the tax increment from East and Main and then from U.S. 40 and then we’ll go to the project cost and funding and amortization schedule for the Bonds. So, if you’ll turn to page 2 of the packet that I handed out to you, this is the estimated TIF from the Barlow project, a little over 100,000 square feet of apartments, 4,500 square feet of retail and it translates to a TIF of $161,930. However, in the project agreement, they have agreed to a minimum taxpayer agreement of $210,000. So, in the schedules going forward we’ve assumed that $210,000 minimum taxpayer, since that’s what they’ve guaranteed.

Mr. Angle: Okay

Ms. Adlam: The next page shows the estimated tax increment from the U.S. 40 area based on the 2019 assessed values and tax rates. It includes the roll off of existing Abatements in the U.S. 40 area as well as new development to the Ascent Apartments, the Echo Park Apartments, Stock Yard Bank, Courtyard, and a retail store.

Mr. Angle: Does it list roll offs?

Ms. Adlam: So, the top three lines here, you’ll see those numbers increasing every year and that is as those Abatements roll off.

Mr. Angle: Gotcha, thank you.

Ms. Adlam: So, the next page is just a continuation of the U.S. 40 TIF to account for all of the new development. We’ll turn to page 5, and this is the illustrative project cost and funding for this Bond Issue. As Loren mentioned the target for net proceeds was $3.4 million for the East and Main Flats developer. So, the total funded was $7 million. The land that the CDC took care
of last year counted over $3.6 million so the remainder of the incentive is $3.4 million. We’ve included an allowance for bank fees which includes their bank counsel. The bank will likely require a debt service reserve fund for additional security, funded at maximum annual debt service and then an allowance for issuance cost which brings the total par amount to $3,915,000. The next page is the illustrative amortization schedule. Due to the structure of the financing, this will be a taxable bond issue so we would see a taxable rate of 4.4% for a 15-year term and the payments are fairly level and it fits in with the U.S. 40 TIF which you will see on the next page. Are there any questions so far? The next page, for a more comprehensive look, compares the estimated tax increment to the obligations. On the left-hand side, the U.S. 40 tax increment, and that will grow as those abatements roll off and the development becomes assessed. Then we have the East and Main tax increment at the minimum tax payer payment of $210,000. You’ll see, it does decrease starting in 2034 because we’re making the assumption that when the Bonds mature for this project, then the minimum tax payer payment will end and then it will go down to what we are estimating the TIF to be. This is a new type of development in Hendricks County; mixed use: apartments and retail. The Brownsburg mixed use apartments are starting to be assessed, so we’re hoping this is a conservative estimate. So, hopefully you’ll get more than $861,000, but really, until we see those Brownsburg assessments, it’s a little difficult to estimate.

Mr. Kirchoff: So, the $210,000 actually has a sunset clause on it?

Ms. Adlam: I think so, Cam do you know if the $210,000 sunsets? I think it’s tied to the life of the Bond.

Mr. Starnes: Yeah, I think so. So, the commitment on the developer’s side to pay $210,000 per year, regardless of the assessment, is for the duration of the life of the Bond. Actual assessed value could be much higher.

Ms. Elston: And the $210,000 could be higher? I mean that’s the minimum so we could anticipate that number even being higher.

Ms. Adlam: Yeah, we wanted to be conservative in structuring the Bonds; wanted to stick with the minimum agreement. Then, if you move toward the right, we’ve combined all of the U.S. 40 outstanding obligations and this included the 2005 Bonds, 2015A, 2015B and the 2018 BOT for the parking garage. And you’ll see the illustrative 2019 Bonds. And if you look to the far right-hand side, it’s the estimated coverage. Loren was mentioning that purchasers are looking for at least 200% coverage, and you can see you’re at about 235% debt service coverage.

Ms. Matthes: But then we know we’re going to be doing more Bonds, so we know that the coverage will end up being less than what’s shown. But again, going back to that Town Hall scenario, we were thinking that would be a subordinate pledge of U.S. 40, so that this still would have over 200% as far as the primary pledge.

Ms. Adlam: And then the last page is the supporting schedule to show the outstanding obligations, you can see these broken out. So, are there any questions for either of us, Loren or me?

Mr. Anderson: I’m sorry, just one really quick question about the private placement; I’m assuming that’s why it’s a taxable?

Ms. Adlam: It’s taxable because of the financing structure, so they both have a guarantee from the developers, so as a private placement therefore it’s for a private use. So, that’s what pushes it into being a taxable Bond issue.

Mr. Anderson: So, even if we had an A rating, it would still be a taxable Bond issue?

Ms. Adlam: Yes

Mr. Anderson: Okay, thank you.

Ms. Andres: Any other questions? Thank you both.
RESOLUTIONS

Mr. Andres: We have three Resolutions before us this evening. The first is Resolution 2019-06 – Confirmatory Resolution of the Plainfield Redevelopment Commission Amending the Declaratory Resolution and Economic Development Plan for the U.S. 40 Corridor Economic Development Area.

Mr. Angle: I move to approve

Mr. McPhail: Second

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

(All ayes)


Mr. McPhail: Move to approve.

Mr. Anderson: I’ll second.

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

(All ayes)


Mr. McPhail: Move to approve.

Mr. Angle: I’ll second.

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

(All ayes)

Ms. Arndts: Ms. Arndts: Any opposed? Hearing none, Resolution passes, thank you.

WISHES TO BE HEARD/ADJOURNMENT

Ms. Arndts: Do we have any wishes to be heard from our audience this evening? Please come forward and state your name into the microphone.

Mr. Vaughn: Thank you

Ms. Andres: Thank you

Mr. Vaughn: My name is Paul Vaughn and I’m speaking on behalf of my son and certain other residents at Mill Run, which is part of the redevelopment situation. It’s at the northwest corner, south of Franklin Park, for those who aren’t immediately aware. One problem that Plainfield has had over the years is there’s a lack of affordable housing for people that are disabled or elderly, or if they happen to have both, they’re really in a pickle. Mill Run has provided at least some avenue for those people to stay in the community. My son’s situation, his mother had to go to a nursing home, and it took over three years to get him a place in there. There is just a dearth and lack of that kind of housing. So, with that as a beginning point, I would urge that the Plan Commission be very careful in deciding whether you want to demolish and rebuild that area, when in fact, you already have a very good housing situation for those people. Even if you thought it was in the best interest to put in new buildings, you’d have 200 people/families, displaced without a good place to go. And when we’re talking Section 8 Housing, there just isn’t hardly any available for those people. And if they do find something, they go on a three-year waiting list, which is not very good. So, I would urge you to look at the situation. That typical area is slated, if you’re familiar with the map, as I’m sure you are, to be multi-family and
residential anyway. It doesn’t do any harm to the plan to leave Mill Run and that development there. It’s next to the extended park area towards the creek and you’re doing a real service to some residents that don’t have a very good alternative. It kind of reminds me of the old joke that was told around town a few years back, if everybody in Plainfield had to step out the front door and turn around and buy the house they’re in, about half of the people would have to leave town. So, these people, all of them would almost have to leave town. So, that is something for you to really consider, I would ask you to do so. 200 people doesn’t sound like a lot, but it really is. And for those people directly affected, without a good alternative, it puts them in a real jam. And you can say, “Well, we can build a new place for them wherever,” the programs that are now available, do not replace Section 8. They are at a much higher income level and so a lot of these people would still not qualify. Whereas where they’re living now, with Section 8, and some of them have disabilities so they have to have disabled bathing facilities and so forth, it’s just not available out there. So, in regard to this, I would ask you to think very carefully about thinking about whether that should be demolished and rebuilt when you have a nicely run apartment complex that certainly isn’t a Lockefield Gardens in need of redevelopment, if you will, from an objective stance. And I’m sure you can check with the police and the fire, there’s not hardly any community policing or fire problems there. It’s very well run, it’s not trashy looking and it’s a credit to the community. Not everybody can live in nice suburban homes and people in Plainfield, sometimes due to changes in circumstances, like my son went through, they can be displaced. He has lived in this community for over 42 years, went to high school here and a lot of the others are connected to Plainfield long term. So, I would urge you to be very mindful of that. You know, in the world we live in, we talk about being green and it seems to me, demolishing a whole residential complex to put in another one, just isn’t very smart from an ecological standpoint when the building and the installations serve a good purpose and has been kept in good repair. In closing, I urge you, you know, I go back to the old saw, “if it ain’t broke, there’s no need to fix it,” and this particular housing fits in your plan anyway, there’s no need to demolish or redo. If you look at your map it shows multi-family housing for that area. So, I would urge you to consider that as you go forward with your various plans. Thank you.

Ms. Andres: Thank you, Mr. Vaughn for those comments. We appreciate you coming in and speaking with us and sharing your thoughts. That is something that has been discussed at a lot of the meetings, in terms of the housing and different options that are there. So, your voice is well heard, and it is being considered as well. So, thank you for coming.

Mr. Vaughn: Thank you

Ms. Andres: Does anyone else wish to be heard this evening? Hearing none, our next regularly scheduled meeting is Monday, June 3rd. I think I should share that I am not available for that day, to make sure that we do have a quorum at that meeting.

Mr. Kirchoff: Do you want to move it? Are you gone all week?

Ms. Andres: I am not, I’m gone the first part of that week, I’ll be home Wednesday. I also could be available via phone.

Mr. Kirchoff: What about Thursday of that week, if we moved it to Thursday of that week?

Ms. Andres: That would work for me. Schedules for others...?

Mr. Anderson: I think I’m fine on Thursday, I think.

Mr. McPhail: That’s the 6th?

Ms. Andres: Yes

Mr. McPhail: Fine with me.

Ms. Andres: We will then have our next meeting on Thursday, June 6th, at this location. With that, we are adjourned.
Next Regularly Scheduled RDC Meeting: Thursday June 6, 2019 @ 5:30 p.m.

Jennifer Andres, President

Lance Angle, Secretary