

MINUTES

ANDERSON REDEVELOPMENT COMMISSION February 22, 2023

EXECUTIVE SESSION

4:00 p.m.
ED Conference Room, Room #105
120 East 8th Street
Anderson, IN 46016

PUBLIC MEETING

5:30 p.m.
ED Conference Room, Room #105
120 East 8th Street
Anderson, IN 46016

MEMBERS PRESENT

Richard Symmes, President
Danny McGhee, Vice President
Kenneth Davenport, Secretary
David Eicks
Perry Washington

STAFF PRESENT

Greg Winkler, ED Director
Karen Soetenga, ED Dept
Mike Austin, Commission Attorney

OTHERS PRESENT

Mayor Thomas J. Broderick, Jr.
Councilor Crumes, City Council
Adam Steuerwald, Barnes and Thornburg
April Phillips, City Controller's Office
Tim Stires, Municipal Development
Gretchen Parker, Economic Development
Ken de la Bastide, Herald Bulletin
John Bostic, Citizen
Donita Thompson, NAACP
William Kutschera, Citizen
Kellie Kelley, Citizen
Helen Wean, Citizen
Angie Strickler, Citizen
Jeremiah Greer, Lionwolf Enterprises
Gideon Loebe, Lion Wolf Enterprises
Betsy Pearson, Citizen

OPEN PUBLIC MEETING

ROLL CALL AND DECLARATION OF QUORUM

Mr. Symmes, at 5:30 pm., established a quorum with five (5) members present.

Mr. Symmes stated an executive meeting was held to discuss strategy as it relates to real property transaction regarding 2810 Nichol Avenue.

MINUTES

Mr. Eicks moved to approve the January 10, 2023 minutes as presented. Mr. Davenport seconded. Motion passed unanimously; 5 yes, 0 no.

PAYING OF BILLS

Commission members reviewed invoices.

Mr. Washington stated the bills from Barnes and Thornburg related to Flagship Enterprise Center (FEC) should be paid by FEC. Mr. McGhee questioned whether two invoices from Barnes and Thornburg had already been paid. Ms. Phillips, Controller's office, stated they have not been paid as the system will not allow for duplication of payment. Mr. Winkler, Director of Economic Development, stated he would double check the payments.

Mr. McGhee made a motion to approve the bills totaling \$1,606,188.72 with the exception of Barnes and Thornburg invoices 305429 and 301468 until verified they have not previously been paid. Mr. Washington seconded. Motion passed unanimously; 5 yes, 0 no.

BUSINESS

Action on Request for Issuance of Public Offering Sheet

Mr. Winkler stated the City is seeking authorization to advertise an offering sheet for the former Marsh building to be advertised on February 25th and March 4th and due March 28th.

Mayor Broderick briefed members on former Marsh building purchased by ARC. Mayor Broderick spoke of his desire and ongoing efforts to secure a grocery store for the property. Mayor Broderick stated a Development Corporation, Kennmar, spoke with the City about their interest in 2810 Nichol Avenue for a new grocery store and other complimentary retail and offered a proposal. Mayor Broderick stated the Memorandum of Understanding before the Commission offers intent but is not contractual in nature; there must be an offering sheet advertised setting the parameters for the project. Parameters in offering sheet include the purchase of the building for \$500,000, for a first rate grocer and secondary store to occupy the building for no less than 10 years and the provision of at least 15 years of grocery experience. Mayor Broderick stated if they do not deliver as contracted the property would revert back to the ARC. Mayor Broderick informed members

of the 7M net cost to the ARC with an additional 1.5 M from the developer. Mayor Broderick stated the public offering may bring other options that could be more favorable but Kennmar is the most favorable to date. Mayor Broderick stated the proposal insures fresh produce and name brands with a quality store for the community. Kennmar is also interested in distressed property near the former Marsh as part of their proposal. Mayor Broderick stated he is asking for strong consideration as he believes it is an important investment for future growth.

Mr. McGhee asked why in the last paragraph of the MOU it addresses a “developer”. Mayor Broderick stated the proposal is meant to attract a developer as currently a developer with qualifications is interested. Discussion followed. Mr. Winkler stated the offering sheet is about getting an operator that has the expertise and will stay, at minimum, 10 years.

Ms. Stickler, citizen, asked why there is only an ask of 10 years. Mr. Winkler stated this proposal is not typical in many respects; the City is asking them to come into a community not knowing how their establishment will do and maintain it for 10 years. Mr. Winkler stated at that point they will be successful or not.

Ms. Pearson, citizen, asked if there would be certain compliances put in place insuring the store provide fresh produce and meat. Mayor Broderick stated the language in offering sheet says there will be a phase in schedule of funds as they progress with a clause placed in the contract providing a revisionary provision saying if they fail to live up to the contract agreement the ARC would take back title of the building.

Councilor Crumes asked if this would be a bond. Mayor stated it could be done different ways; through a bond or cash, however, the development would not receive the funds all at once but as they do what they say they will do. Councilor Crumes asked if there would be public meetings involved. Mr. Winkler stated the ARC will need to do a TIF pledge which would be done at a public meeting. Discussion followed. Mayor Broderick stated the MOU will be signed by Kennmar and the ARC but it is not a contract but rather an understanding if they are awarded the bid. Discussion followed.

Ms. Kelley, citizen, asked how Kennmar came about. Mr. Winkler stated the City has talked with all the major grocers in this area with no interest except for Save a Lot, which the City felt would not be attractive

to the community as 70% of their product is off brands. Mr. Winkler stated Kennmar is the first interest bringing a quality grocer. Ms. Kelley asked if two appraisals had been done. Mr. Winkler stated yes, the average was \$258,000. Mayor Broderick stated the appraisals are required by law and the starting asking price must be for at least the average of two appraisals. Mr. Broderick stated the building has a higher market value because of what the ARC has put into it. Ms. Kelley asked if the annual report requirements of IN Code for ARCs concerning fund balances, expenses and obligations can be viewed by the public. Ms. Phillips, Controller’s office, stated the annual report was submitted and anyone can access it through Indiana Gateway.

Mr. de la Bastide, Herald Bulletin, asked if the work needed on the building will be paid by the 7M. Mr. Winkler stated it puts the grocer in the building.

Ms. Pearson asked how deeply investors are vetted before they are considered for a bid. Mr. Winkler stated with Kennmar the City has done what they are able before Kennmar is required to provide financials. The City has looked at past projects’ performance and properties they still own and operate. Discussion followed.

Jeremiah Greer, Lionwolf Enterprises, asked if the 15 year experience request is as a business entity or running a grocery. Mayor Broderick stated the intent is 15 years in the grocery business and also applies to the secondary business. Discussion followed.

Mr. McGhee made a motion to approve the issuance of a public offering sheet for 2810 Nichol Avenue and Mr. Eicks seconded. Motion passed unanimously; 5 yes, 0 no.

Action on Requested Approval of Memorandum of Understanding

Mr. Eicks made a motion to approve a Memorandum of Understanding with Kennmar Development group with the exception of striking out number twelve. Mr. Steuerwald stated the strike needs to be replaced by wording “subject to the execution of a binding PDA”. Discussion followed. Mr. Davenport seconded the motion with the strike and added language. Motion passed unanimously; 5 yes, 0 no.

MISCELLANEOUS

Mr. Winkler informed members the City will be advertising Mowing services for ARC owned

properties in the near future as directed by the ARC
last year.

Meeting was adjourned at 6:04pm.