

MINUTES

ANDERSON REDEVELOPMENT COMMISSION

March 12, 2019

PUBLIC MEETING

5:00 PM
ED Conference Room #1
120 East 8th Street
Anderson, IN 46016

MEMBERS PRESENT

Ricard Symmes, President
Danny McGhee, Vice President
Aspen Clemons, Secretary/Treasurer
Kevin Sulc
David Eicks

STAFF PRESENT

Ann Marie Bauer, ARC Attorney
Greg Winkler, ED Director
Karen Soetenga, Specialist

OTHERS PRESENT

Mayor Thomas J. Broderick, Jr.
Chuck Leser, City Engineer
Doug Whitham, City Controller
Tom Pitman, Barnes and Thornburg
Councilwoman Crumes
Ken DeLaBastide, Herald Bulletin
Marc Slayton, ED Staff
Anikka King, ED Staff
Tim Stires, Municipal Development
Gary McKinney, Environmental Consultant
Jeff Barranco, ACSC
G Randall Harrison, ACSC/AFT
Chad Pigg, Groundbreaking Development
Shirley Perry, Hydrotech
Jeremy Vanerman, Commonwealth Engineers
Jack Keesling, Board of Works
Daniel Courtney, FEC
Michael Collette, Public
Shannon Fuller, Public
Lee Hartman, Public
Julie Hartman, Public
Kojak Fuller, Public

An executive meeting was held prior to the regular scheduled meeting to discuss strategy with respect to the purchase or lease of real property.

ROLL CALL AND DECLARATION OF QUORUM

President Symmes called the public meeting to order at 5:00 pm. A quorum was established with five (5) members present.

APPOINTMENT OF SECRETARY/TREASURER

Mr. Symmes informed members of David Eicks' appointment to the Commission and stated a new Secretary/Treasurer would need to be appointed.

Mr. Sulc made a motion to appoint Ms. Clemons as Secretary/Treasurer and Mr. McGhee seconded. Motion passed unanimously; 5 yes, 0 no.

MINUTES

Mr. Sulc moved to approve the February 5, 2019 minutes as presented. Ms. Clemons seconded. Motion passed unanimously; 5 yes, 0 no.

FINANCIALS / INVOICES

After review of financials, Mr. McGhee moved to approve the financials as submitted. Mr. Sulc seconded. Motion passed unanimously; 5 yes, 0 no.

After review of invoices, Mr. McGhee moved to approve the invoices as submitted. Mr. Sulc seconded. Motion passed unanimously; 5 yes, 0 no.

BUSINESS

Resolution ARC02-19 - A Resolution Amending the Plan

Mr. Winkler briefed members on Resolution ARC02-19, a resolution adding the former Marsh property on Nichol Avenue to the Plan and allowing for the purchase and the future redevelopment of the property. Ms. Bauer stated it provides for the acquisition of the property. Brief discussion followed.

Mr. Eicks moved to approve Resolution ARC02-19, a Resolution Amending the Plan and Mr. McGhee seconded. Motion passed unanimously; 5 yes, 0 no.

Mr. DeLaBastide asked if the resolution only included the former Marsh property. Mr. Winkler confirmed.

Resolution ARC03-19 - A Resolution to Approve Option to Purchase

Mr. Winkler briefed members on Resolution ARC03-19 a resolution allowing the ARC to enter into an option agreement for the former Nichol Avenue Marsh property. Mr. Winkler stated the process for adding the purchase of the building to the Plan would take at least 30 days and the owner wanted some assurance of the ARC's interest in inquiring the property. The

option amount is \$50,000 and will go towards the purchase price. Ms. Bauer stated it was permissible to enter into an option agreement before adding the project to the plan but not permissible to purchase the property. Brief discussion followed.

Mr. Eicks moved to approve Resolution ARC03-19, a Resolution to Approve an Option to Purchase the former Marsh store on Nichol Avenue. Ms. Clemons seconded. Motion passed unanimously; 5 yes, 0 no.

Mr. DeLaBastide asked how close we are to seeing development. Mr. Winkler stated the City is working diligently to attract a grocer, pharmacy and hopefully hardware and the option to purchase gets us one-step closer. Mr. DeLaBastide asked Mayor Broderick if the City is willing to offer incentives for the development. Mayor Broderick stated it is too early to tell. It depends on the type of development as to how the City would be involved.

MLK Roadwork discussion

Mayor Broderick stated he asked to have MLK Roadwork placed on the agenda for discussion and informational purposes with the intent of coming back with a formalized request in the near future. MLK and 73rd are within the TIF district and they serve businesses located at Exit 222. The roads have seen wear and tear with heavy truck traffic and resurfacing is needed, but expensive. Estimate for MLK work from I69 to the Fireplace Shoppe is 2.1M and from there to 25th Street added, 3.8M. Mr. Leser, City Engineer, distributed an overview and reviewed the proposed resurfacing improvements and costs. Discussion followed.

FEC request for remainder of CTP funds for upgrades to the Flagship Building at Exit 222

Mr. Winkler introduced Mr. Courtney, Interim Director of the Flagship Enterprise Center (FEC). Mr. Winkler stated FEC has made a request for the remainder of the CTP funds, approximately \$286,000.00. Mr. Courtney informed members of a \$400,000 project to retrofit 10,000 square feet at to relocated LeClanche from the Flagship East building to 2701 Enterprise Drive and the stand-alone building Durham Engineering formally occupied. The project consists of adding needed parking, revising access to the lab space, and upgrading electrical capabilities. Mr. Courtney stated the FEC is requesting use of the \$286,000 left in the CTP fund to offset the cost with the rest paid by FEC's available cash. Mr. Winkler stated the project benefits two companies. Go Electric is growing and needs more space in the P3 building and LeClanche's move will provide the space needed. Mr. Winkler stated the technology-based companies are companies the City desires to retain and they provide good jobs. Brief discussion followed. Mr. Sulc

stated in the past the Commission reserved some money for any needs that might arise within the park and that availability would be gone if the account is retired. Brief discussion followed. Mr. Winkler stated staff strongly recommends approval of the request.

Mr. Sulc moved to approve releasing the remaining of the CTP funds, \$286,237.70, closing out the account and allocating the funds to Flagship Enterprise Center for upgrades to the Exit 222 Flagship facility. Mr. Eicks seconded. Motion passed unanimously; 5 yes, 0 no.

ACSC Board of Trustees Correspondence

Mr. Barranco was introduced, passed out copies of his presentation and stated he would read a letter from the Board of Trustees and share data concerning the impact TIF has on the school system. Mr. Barranco apologized that he would need to leave after his presentation because he had a school board meeting following. Mr. Barranco read the letter:

Pursuant to Indiana Code 36-7-25-7, as the Board of Trustees for the Anderson Community School Corporation, we formally invoke our right to request a Tax Increment Financing (TIF) allocation up to the maximum of 15% of annual tax proceeds. As a public school corporation, we play a vital role in the economic development of our community. We can assure you that we fit the criteria found in Section 7(c) that our educational programs are of utility and provide a benefit to the community. Additionally, we can assure you that we have the best interest of our local residents in mind when we make programmatic and financial decisions.

As Mr. Winkler can attest, one of the biggest economic drivers of any community is its public schools. ACS has 6,715 enrolled students, employs 700 people, and has a \$67 million dollar annual budget for operations and education alone with a combined total budget of \$82 million dollars. We are no small player in Anderson's economy. Unfortunately, in Indiana almost every legislative body from the Statehouse to City Hall has policies in place which siphon money from public school budgets. We have a statutory right to request TIF money be allocated back to our school district. However, what we are really asking this Commission to do is further invest in our community. After all, that is the entire purpose for creating TIF Districts, to revitalize and enhance the community. As ACS goes, so does the city of Anderson. If we are to revitalize our community, we must do it together, in partnership. We come to you today asking to be a collaborative partner in that revitalization effort. Signed Board of Trustees, Anderson Community Schools.

Mr. Barranco continued:

Page 3 of the packet is the copy of Indiana Code that is applicable to our request. Page 4 is provided by the Madison County Treasurer's office and includes county tax information. The information goes directly to the impact TIF Districts have on us, a taxing unit. You will notice in the far right hand column taxes are listed that were incurred in 2017 and paid in 2018. The gross paid was 80.9M and that represents the tax pool for the demographic of ACS. That is not what we get, that is what all taxing units share; that is the piece of the pie. If you look at ACS's share it's **29 ½ percent**. We get 29 1/2 percent of that tax pool, approximately 23.8M dollars. There are many other things that go into that, circuit breakers etc. that we all are aware of. That is not necessarily important, what I want to highlight to you is that second row. The taxes that represent TIF Gross, 9.8M dollars in 2017 pay 2018. That is the amount of money that is stripped out of the tax pool for all taxing units. That is 9.8M that our library, our schools, our townships our city our county do not get to touch. They do not receive that money because it's pulled out and that is how TIF districts work. Now, that also has a circuit breaker applied to it. So once that circuit breaker is applied the TIF net amount is 6.4M. That is cash in hand that taxing units cannot receive because it is separated out and this commission receives the majority of that money for **Economic Development**. Again if you apply that 29 ½ percent, ACS' share of the pie, the net amount is 1.9M dollars. Last year, we lost 1.9M dollars that we could not allocate to classroom resources. That is the impact that TIF districts have on us as a taxing unit. I have applied that same process to all the taxing units for that same year and the next page is a breakdown of what that dollar amount is on each of the taxing units. These dollar amounts represent what the taxing units are not receiving in their general fund to appropriate out. The very last page of your packet is information provided by the City during their annual financial report which I pulled from the Department of Local Finance. They include the accounts and the account names for all the TIF districts. If you noticed, I listed the accounts 4400, 4405, 4415 which are the TIF Reserves for the bond funds. I did not list the dollar amounts because pursuant to our request and state statute, they cannot be touched. I did however provide the dollar amounts listed for disbursement for each year 2017-2014 for the TIF Levy, Nestle TIF Capital and Nestle Taxable TIF Capital Fund. I believe those are not bond related so those would be applicable for our request. I also listed in 2017 what 15% of that entire dollar amount would be. That is the information. I think officially we have made a request. I think you as a Commission need some background information just so you can make an informed decision. However, there is another thing I would like to share and then I will conclude. We have met our statutory requirements in asking for this money.

We've officially requested a TIF allocation from this commission. We provided information about the impact of TIF districts on our local school district in order for this Commission to make an informed decision. However, what we have been told privately is that this request is dead on arrival. It has been alluded to us that neither this Commission or this administration has any intent of allowing any of this money to be used as it can be allowed by statute. Let me be clear on a couple points. This administration did not start this policy using TIF districts; it goes back a couple decades. This administration is not the sole reason public schools face financial difficulties. We absolutely know what we are getting hit the hardest from and it is not locally, it is at the state house and we fully understand that. However, in choosing to further a policy that affect us at almost 2M a year, each and every year, that affects us greatly. It affects our classroom resources; we have to make decisions based on that and some of those decisions are hard. That is going to continue, every single time we lose another 2M that we cannot allocate to the classroom, and we have to make decisions based upon that. We aren't going to go away on this issue. We have a right to request this money. This commission has a right to ignore that request, but we are not going to go away because quite simply, we can't afford to. It's too important. We owe it to our kids, our staff, and our families. In addition, if we cannot reach some kind of resolution or collaboration on this we will just take the message elsewhere. We will reach out to those families. We will reach out to our staff, those 1,000 employees that are affected directly by this. We will reach out to our families. There are about 4,000 families in our district. I am sure they would like to know why we cannot provide certain resources in the classroom for their kids. I know as a parent I would ask that question. That is what we will have to do. Because that is what the environment we live in in Indiana for school districts. We have to draw a line in the sand, and this is us drawing a line in the sand. With that, I will take any questions anyone would like to ask.

Mr. Symmes thanked Mr. Barranco and stated it was a presentation only, and the Commission would consider the request and get back with him.

SUB-COMMITTEE REPORTS

Nichol/Raible Redevelopment

Mr. Winkler stated the Commission took the first step in acquiring a key property along Nichol Ave. The City continues to move forward with the attraction of a grocery provider. Mr. Winkler stated he had been contacted by two local food and beverage entities interested in the Edgewood Plaza area.

Downtown Redevelopment

Mr. Winkler stated Beverly Terrace and Tower Apartments continue to be in the process of renovation and should be ready for a tour in the next month or two.

Mr. Leser stated the architect is still preparing his report on 1123 Meridian Street.

Ms. Clemons asked if the Dickman Park upgrades were part of a redevelopment strategy or a park strategy. Mr. Eicks stated they were part of park upgrades. Ms. Clemons expressed the importance of continued park upgrades.

Mr. Winkler stated the groundbreaking for the new Transit Center would take place tomorrow.

I-69/MLK Development

Mr. Winkler stated the Bagot property remains under option but there is a legal process in need of being settled before we can move forward.

Mr. Winkler stated the City continues negotiations with companies at the Flagship Park looking to expand.

Scatterfield West/GM Properties

Mr. McKinney stated there is only one zone out of nine remaining at the former Plant 7 site that is above remediation levels. They are hoping to have a confirmation sampling event the end of March to hopefully conclude the remediation process. Following, a monitoring period will commence.

Mr. Winkler stated Italtollina informed him they would like to close on the property across the street from their current location the first half of April. Brief discussion followed.

MISCELLANEOUS

Ms. Bauer informed members Mr. Land, Lessor of the FARM property at Exit 226, received a request from his bank for a waiver of subordination. Ms. Bauer stated it is not an uncommon practice and is covered by commercial code in every state. The document states ARC's right to sue Mr. Land for unpaid rent would be subordinate to those who have loaned him money to purchase seed and supplies. Brief discussion followed.

Mr. Sulc moved to authorize Mr. Symmes to sign the subordination agreement associated with the lease of the FARM property and Ms. Clemons seconded. Motion passed unanimously; 5 yes, 0 no.

Councilwoman Crumes asked how much money the Commission has available to do work that is not already committed. Mr. Whitham stated the overall

balance is 18M+ however, that does not include commitments that have already been made. Mr. Whitman stated he does not have the exact number. Brief discussion followed. Other commitments include, but are not limited to, the new Transportation Center, NTK upgrades, Tower Apartment and Beverly Terrace commitments and CSX viaduct.

Mr. Sulc made a motion to adjourn and Mr. McGhee seconded. There were no objections. Meeting was adjourned at 5:46 pm.