

MINUTES

ANDERSON REDEVELOPMENT COMMISSION

May 20, 2022

PUBLIC MEETING

4:30 p.m.

ED Conference Room, Room #105
120 East 8th Street
Anderson, IN 46016

MEMBERS PRESENT

Richard Symmes, President
Kenneth Davenport, Secretary
David Eicks

Danny McGhee - via phone

STAFF PRESENT

Greg Winkler, ED Director
Mike Austin, Commission Attorney

OTHERS PRESENT

Mayor Thomas J. Broderick, Jr.
Councilor Culp
Councilor Crumes
Tom Pitman, Barnes and Thornburg
President John Pistole, Anderson University
Angie Strickler, Citizen
Kelli Kelley, Citizen
Lyndsey Brown, Citizen

OPEN PUBLIC MEETING

ROLL CALL AND DECLARATION OF QUORUM

Mr. Symmes, at 4:30 pm., established a quorum with three (3) members present.

BUSINESS

Flagship Business

Mayor Thomas J. Broderick Jr. briefed members on the Flagship Enterprise Center (FEC) bond process for funds totaling 5.9M. Mayor Broderick stated an Ordinance amended by the City Council changed the intent of the five parties involved in the project making it necessary to look for alternative ways to fund the project. Mayor Broderick gave a brief history of the formation and work of the FEC stating it was a collaboration between Anderson University (AU) and the City of Anderson in an effort to bring back jobs and business opportunities after the downturn of General Motors. Mayor Broderick stated the FEC Board has consisted of seven AU appointments and four City of Anderson appointments. Originally FEC's primary mission was to incubate small business to the point of maturity allowing them to break off on their own. A few

years ago FEC formed Bankable which has been instrumental in financing small and mid-size companies having difficulty obtaining loans. Mayor Broderick informed members he and President Pistole talked to the FEC Board regarding their desire to continue Bankable while not losing focus on incubation and the educational component AU provides through their Masters of Business residential program. Mayor Broderick stated AU has been under financial strain for a number of years and President Pistole came to AU and did a remarkable job of righting the ship and then COVID hit and, not unlike many educational institutions, caused additional financial hardships. Mayor Broderick stated President Pistole approached him about selling off assets they didn't need any more including the 2705 Enterprise Drive building which they had marketed with no positive results. Mayor Broderick stated he considered several things. The building is a gateway to the City as well as the Center contributes the educational component needed for the Certified Technology Park designation. In addition there would be an opportunity to talk about the reorganization of FEC and increased ability to give direction on both incubation and Bankable's mission. Mayor Broderick informed members he delved into the proposed documents and found a provision if FEC dissolved for any issue the assets would go to AU. Mayor Broderick stated he had issue with the City of Anderson being a major contributor over the years to the building up of the asset so he requested that the language of board seats be changed and if FEC ever dissolves it's assets, which includes the Purdue Polytechnic facility totaling over 30M, would revert to the City of Anderson through the ARC. Mayor Broderick stated he then learned the federal money given to FEC for Bankable did not allow governmental entities to be in control therefore his requests were not feasible. It was then decided there already was another corporate entity that had been created, the Flagship Capital Board Inc., which could oversee Bankable instead of FEC. It was agreed Bankable would become its own entity and lease space from FEC and AU would continue to operate the educational program. Mayor Broderick stated it was his job to protect the assets of the City and insure that Economic Development has a real chance to move forward as it has in the past. All five parties involved were in agreement concerning the way forward. Mayor Broderick stated when the City

Council made amendments to the Ordinance, which has not been received in writing yet which is required by law, it was not something that could be forced upon the five entities involved and put the project at risk. Mayor Broderick stated under the circumstances everyone decided to look at another alternative which is before the Commission this evening; a resolution pledging the exact same amount of money and use providing financial assistance to FEC to acquire and rehab 2705 Enterprise Drive for Economic Development purposes. FEC would be acquiring it through AU adding an additional 1M of their own funds. Mayor Broderick stated he was asking for the Commission's consideration in passing ARC05-22 including an Economic Development agreement.

Mr. Austin, Commission attorney, stated Mr. McGhee was trying to call in and placed him on speaker phone. Mr. Austin stated Mr. McGhee could not vote or make a motion but could listen in to the meeting and make comments.

ARC 05-22 Resolution of the City of Anderson Redevelopment Commission Authorizing The Provision of Financial Assistance to Flagship Enterprise Center, Inc.

Request for Economic Development Agreement

Mr. Pitman briefed members on the statute governing TIF which allows the ARC to grant funds for a project that includes renovation or repairs stating the project being considered tonight does include making some needed improvement to 2705 Enterprise Drive. Resolution ARC05-22 authorizes a grant in the amount of 5.9M to FEC subject to finalizing the Economic Development agreement.

Mr. McGhee asked if the ARC is purchasing the building and Mr. Pitman stated no the ARC would be providing funds to FEC as a grant and they would be taking on a larger project for both the acquisition and improvements of 2705 Enterprise Drive. Mr. McGhee asked if the grant funds would be paid back. Mr. Pitman stated, no it is not required by the statute. Mr. McGhee asked if it would be possible to have an appraisal done as statute states anytime over 5M is used for the purchase of a building an appraisal is required. Mr. Pitman stated that does not apply in this case as that is for the purchase of a building which would not be what is being done; today's action is the granting of funds to FEC. Brief discussion followed. Mr. McGhee stated he never received the resolution or an agenda until the Mayor sent the agenda just prior to the meeting and never was informed of a meeting.

Mr. Pitman stated the shortness of time resulted from the action of the City Council on Thursday night and the law requires a 48 hour notice which was complied with. Mr. Eicks stated the resolution is before the Commissioners now and asked if the resolution in essence duplicates the actions approved by the Commission in their May 10th meeting. Mr. McGhee stated by making changes to what the ARC and City Council passed already and calling a meeting with no information he feels he and the public have been deceived. Mr. McGhee asked President Symmes to table the request so that all Commission members have a chance to review the resolution and give input. Brief discussion followed. Mr. McGhee asked if the present resolution allows for the Commission to place anyone on the FEC Board. Mr. Symmes stated no and neither did the resolution passed on May 10th. Mr. McGhee stated he had a problem with giving 5.9M without a placement on the Board. Discussion followed. Mr. Symmes stated he did not feel tabling it was a good idea and the issue needed to move forward. Mr. Pitman stated the resolution, while in a different format, contains concepts which are the same as the bond documentation. Mr. Pitman read the resolution aloud. Discussion followed. Mr. Eicks asked Mr. Pitman if, in his professional opinion, the resolution was done properly and was above board. Mr. Pitman stated absolutely.

Mr. Eicks made a motion to approved Resolution ARC05-22 as presented and Mr. Davenport seconded.

Ms. Strickler, citizen, asked if the resolution circumvents the City Council Resolution. Mr. Symmes stated yes. Mr. Eicks stated he didn't feel it circumvented anything, as no ordinance has been submitted. Councilor Culp stated an emergency meeting was called on something not even seen. Mr. Eicks stated an emergency meeting was called to accomplish a task. Brief discussion followed. Mayor Broderick stated what was conveyed by Councilor Bell as orally amended at the City Council meeting would not be acceptable to all parties involved in the agreement and AU is on a tight timeframe in order to insure financial stability requiring it to be completed by May 31st. Councilor Culp asked what the purpose of bringing before the City Council if it could be done through a grant. Councilor Culp stated she and other elected members were not aware of the meeting and doors were locked leaving an issue with transparency. Councilor Culp stated she desired to see AU and FEC prosper but noted there is not one woman or African American on their Board. Discussion followed. Ms. Kelley, citizen, asked why the Mayor felt it necessary

to call the meeting. Mayor Broderick stated there was not a lot of consensus building as President Pistole and he had made an offer the City Council get two appointments on the FEC Board representing 18% of the Board and they turned it down choosing instead to vote on an amendment that lacked details and made a nonprofit entity a political football through derogatory statements which he would not tolerate. Ms. Kelley stated she writes grants and has never heard of a grant given without some required reporting or objectives set out. Mr. Pitman stated there is an Economic Development Agreement that will require the use of money contemplated by the resolution. Ms. Crumes asked President Pistole if he had made a public statement before a credit agency stating the Mayor had control of the City Council and the ARC and therefore had confidence the funds could be secured. Mr. Pistole stated no, not that he recalls. Discussion followed. Mr. Brown, citizen, asked when the community would get better about transparency and making citizens feel more included. Mr. Austin asked Mr. Pitman in light of the three parts of the motion passed at the City Council was there any way the Bond issuance could have proceeded. Mr. Pitman stated, technically no. It consisted of a practical matter in that there was not a clear meaning to what was added to the ordinance. Bond Ordinances have to have clear language. Mr. Pitman stated the changes were a great concept but didn't lend itself to clear implementation. Discussion followed. Ms. Strickler asked if taxpayer money would be used to pay back the bonds issued in 2017 to AU. Mr. Pitman stated the funds aren't being used for that purpose; they are being given to FEC for the purpose of acquisition and improvements; what AU does with the proceeds of the sale are up to them. Discussion followed. Mr. Pitman stated the ability of Redevelopment Commissions to grant money is covered in Indiana Code 36-7-14-12.2-A25. Discussion followed. Mr. Pistole stated he checked the meeting on May 2nd and he did have a call with AU's bond holder and the discussion was public. Discussion followed. Ms. Kellie asked if this action reverts back to the City getting seven seats on the board and FEC getting four. Mayor Broderick responded yes and it won't go into effect until January 1, 2023. Discussion followed. Ms. Culp stated what was crazy to her was how quick the meeting was convened, the lack of notice and communication and the City Council was never told it was going in a different direction. Discussion followed. Mayor Broderick stated the meeting was advertised legally as it was posted publically outside the meeting room and on the internet and there is no requirement to notify

the City Council. Mayor Broderick stated the quickness was due to the May 31st deadline and Memorial Day holiday. Discussion followed.

Mr. Eicks called for the question. Motion passed unanimously, 3 yes, 0 no.

Mr. Eicks called for adjournment at 5:33 pm. Meeting was adjourned.