

MINUTES

ANDERSON REDEVELOPMENT COMMISSION

August 8, 2023

PUBLIC MEETING

5:00 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*

OHTERS PRESENT

Councilor Crumes, City Council

Doug Whitham, City Controller

Matt Franklin, Levin Porter Architects

Ken de la Bastide, Herald Bulletin

Kim Townsend, Anderson Housing Authority

Angie Strickler, Citizen

Kathy Badger, Citizen

Kellie Kelley, Citizen

OPEN PUBLIC MEETING

ROLL CALL AND DECLARATION OF QUORUM

Mr. Symmes, at 5:00 pm., established a quorum with four (4) members present.

MINUTES

Mr. Davenport moved to approve the June 13, 2023 minutes as presented. Mr. Washington seconded. Motion passed unanimously; 4 yes, 0 no.

FINANCIALS AND INVOICES

Commission members reviewed financials and invoices.

Mr. Eicks made a motion to approve the bills totaling \$747,400.50. Mr. Davenport seconded. Motion passed unanimously; 4 yes, 0 no.

BUSINESS

ARC06-23 Resolution Pledging Tax Increment Revenues – Project FITT USA Inc. p

Mr. Winkler, Director of Economic Development, reviewed ARC06-23, a resolution pledging tax increment revenues for FITT USA, Inc. to locate a rubber hose manufacturing facility on the former Guide parking area off Raible Avenue.

Mr. McGhee entered the meeting

Mr. Winkler introduced Matt Franklin, Levin Porter Architects, the project engineer for the project. Mr. Franklin presented renderings of the new facility. Mr. Franklin stated the facility will have a modern look with glass and metal panels with clean sharp lines. There will be nice landscaping along Raible Avenue. Mr. Franklin stated the facility will serve as the US headquarters for FITT USA, Inc. A question and answering time followed.

Mr. Winkler briefed members on phase 1 of the project including a 20M investment, 104 employees and 4.4M payroll. Jobs will include 401ks and health insurance. Brief discussion followed. Mr. Franklin stated the facility will have a self-contained water and air system and there will be no discharge. Mr. Symmes asked how many molding lines there will be. Mr. Franklin stated two initially, five all together. Discussion followed.

Ms. Strickler, citizen, asked if any new water infrastructure was needed. Mr. Winkler stated no, they will just tap into existing source.

Mr. McGhee asked when the construction would start. Mr. Winkler stated they would like to break ground in September with the building completed in June or July of next year. Discussion followed.

Mr. Eicks made a motion to approve Resolution ARC06-23 a Resolution Concerning Pledging Tax Increment Revenues for FITT USA, Inc., as presented. Mr. Davenport seconded.

Mr. de le Bastide, Herald Bulletin, asked how much was being pledged. Mr. Winkler stated a 2M bond will be provided through TIF. Mr. Winkler stated the project will generate an estimated 4M over 10 years.

Motion passed unanimously; 5 yes, 0 no.

SMA Contract for Continued Plant 7 Monitoring

Mr. Winkler stated the contract with Saint John Mittelhauser and Associates consists of the monitoring phase of the cleanup at former Plant 7 for the next year. At that time the monitoring should be complete but will be up to EPA to determine. Brief discussion followed.

Mr. Eicks made a motion to approve contract with SMA in amount of \$56,528.00 for continued monitoring at Plant 7 as presented and Mr. Washington seconded. Motion passed unanimously; 5 yes, 0 no.

Update on Bingham Square

Mr. Austin, Commission attorney gave a limited update on Bingham Square because of pending litigation and the inability to provide much information publicly. Mr. Austin stated lawsuits have been filed by the Commission and Anderson City Utilities against PR Bingham and Gary Plicta. Their attorney has entered an appearance and requested an enlargement of time in order to respond to the suit. Mr. Austin stated the enlargement has been granted until the 28th of August. The lawsuit seeks repayment of \$935,000 in bond proceeds and utilities at Bingham Square Apartments in the estimated amount of \$700,000. Mr. Austin stated the City has allowed utilities to stay on in order for tenants to not be displaced. The suit requests the mortgage which secures the bond be foreclosed and the court appoint a receiver to provide proper management of the company pending completion of the lawsuit. Mr. Austin stated the suit has increased activity around the sale of the building and one interested party has made a written offer. Mr. Austin stated the hope of the Commission is the qualified investor would bring the property up to the standards expected, but the Commission will continue to pursue the lawsuit to encourage a resolution. Mr. Austin stated the ARC will meet soon in executive session to discuss strategy and the possible sale of the building.

Mr. McGhee asked if the Commission has jurisdiction concerning the utilities since it provided the bond. Mr. Austin stated it was a separate count with the ARC acting on behalf of the City. Mr. Austin stated the Mayor instructed Mr. Podlejski, City Attorney, to file a separate suit against Madison Square Apartments for unpaid utilities. Brief discussion followed.

Councilor Crumes informed Commission members a few residents remain at Bingham Square and asked what the ARC could do to help relocate those individuals. Mr. Eicks stated there is nothing the ARC is able to do as it is not an allowable expenditure for TIF funds but he had asked Kim Townsend, Anderson Housing Authority (AHA), how much it would cost to relocate the remaining residents. Mr. Eicks stated until he knows how much is needed, he couldn't say for sure where the funds would come from. Discussion followed.

Ms. Townsend said it is hard to say how much it would cost as there are different costs for single individuals versus families. Ms. Townsend stated the AHA's cost is \$2,700 to \$3,000 to turn a space for use, not including security deposits, in Westvale Apartments. It is almost \$5,000 for a three bedroom house and the private sector is a whole different cost. Ms. Townsend stated she did not have a budget for people not in the AHA program and if the City could provide a not to exceed fund she could draw from, it would be helpful.

Mr. de le Bastide asked if the sale of the property must be approved by the ARC. Mr. Symmes said absolutely. Discussion followed.

Councilor Crumes asked if the ARC is a lien holder could they help with maintenance that is currently needed. Mr. Austin informed her the ARC has a security interest which does not give them ownership or any right to go in and do anything. Mr. Austin stated the City's Municipal Development department has filed an environmental ordinance violation. Discussion followed.

Councilor Crumes asked what is put in place to protect the City when a project does not work out. Mr. Winkler stated our contract gives us first

standing if there is a bankruptcy. Discussion followed.

Kathy Badger, citizen, voiced concern over the conditions the residents are living in and nothing is being done to help them.

Mr. Kelley, citizen, asked if the project was to be done June 1, 2021 why did the Commission wait until July of this year to file suit and were there periodic checks done during that time. Mr. Winkler stated there was a force majeure clause (act of God) in the contract that was enacted when COVID hit due to failure in supply chains which affected timing. Mr. Winkler stated first breach of contract would have been when the bond came due, June of 2022 and part of the challenge was if the ARC forced a bankruptcy it would be tied up for some time and would make a sale difficult. The hope had been that there would be a suitor to buy the property and move the process forward. Discussion followed.

Mr. McGhee stated the Commission is sympathetic to the plight of residents but unfortunately is unable to use the funds under its control to provide assistance, per state statute. Discussion followed.

Mr. Townsend stated the Herald Bulletin published the Housing Authority was working with the City to find ways to help the residents and while the AHA has no vested interest in private pay situations, which is the case of Bingham Square, she was joining in the effort, but felt alone. Ms. Townsend stated she has been attending meetings and advocating but needed the City to work with her to relocate the families by providing the financial resources needed. Mr. Eicks asked if he had not communicated that he needed a dollar amount in order to move forward. Ms. Townsend stated I've given you a rough number for 10 units it's \$80,000. Discussion followed.

Mr. Washington asked Ms. Townsend to get Mr. Eicks a figure and asked the City to try to work it out.

ADJOURNMENT

Meeting was adjourned at 5:54pm.