

REDEVELOPMENT COMMISSION MEETING – TIF
FEBRUARY 28, 2008
TIME: 6:00 P.M.

PRESENT:

CITY: Doug Fry, Darrell Poling, Lowell Rethlake, Jim Saler, Daryl Tressler

Minutes of the 01/31/07 meeting were approved, motion by Doug Fry and seconded by Darrell Poling. All ayes. So passed.

Daryl Tressler reported that our current cash position is \$ 671,773.00 in checking and \$ 1 Million invested in a Certificate of Deposit. He also presented a list of bills totaling \$ 156,094.40 for HNTB and \$ 148.00 for Dec. Co. Recorder to be paid. **Motion by Daryl Tressler, seconded by Jim Saler to pay all bills presented. All ayes. Motion passed.**

Ron May, P.E., President of AECON Inc. (Engineers & Consultants) and Jim Gorman, of Gorman Surveying & Engineering, LLC gave a twenty minute presentation challenging us to step back and review a what and why analysis of the Lincoln Street project. Ron presented a 9 bulleted item outline of evaluation of alternatives that concluded with a paragraph detailing a 7/8ths of a mile Man Road project he recently completed in Columbus, IN that cost \$ 4.2 million. Jim Gorman presented an intersection enhancement sketch for four intersections that he believes need attention on the Lincoln Street mile currently being planned for improvement.

Daryl invited comments from the public, emphasizing that there would be time available for additional comments after HNTB made their presentation. Mayor Gary Herbert made a brief statement regarding not knowing how much the cost of a study would be, and emphasized that even if another engineering firm gave an alternative project cost proposal... we could not hold them to it. Larry Fry, the owner of the A & W drive in restaurant on Lincoln St., made a statement that he is tired of hearing all the talk of large sums of money going out for engineering fees and proposed multi-million dollar proposed project costs; especially in lieu of the low dollar right of way offer he has received, which he considers an insult. Lowell Rethlake commented that he would be remiss as a citizen if he did not say that he believes he knows exactly what is needed. He made the point that we have done all of this already. He has all the documentation at home. He said every citizen knows what is needed for Lincoln Street; because it is obvious when you drive it.

Christina Colon, of HNTB, presented an updated FUNDING ANALYSIS (2009 Dollars) which details the total cost \$ 9 Million and respective \$ 6 Million (STP and TE INDOT) matching grant money which leaves approximately \$ 3 Million to be paid by local tax dollars. The estimated construction cost now designed is for \$ 303,200.00 more than we have estimated capacity to bond for. Christina was asked if some portion of the project was reduced would the grant amount simply be reduced on a pro-rata basis by way of the respective 60%/40% (or 80%/20%) matching formula, and she responded yes. Jim asked what the difference between the year 2000 wish list and the current plan was, and have we referenced back along the way? Lowell stated he believes we are implementing the plan to meet those listed items. Christina commented that the cost has gone up due to delay, as the cost estimate was \$ 6 million in 2005.

Rick Hall, of Barnes & Thornburg and John Julien, of Umbaugh addressed the administrative and statutory steps to fund the local cost of the project. Rick explained that he has prepared a lease

agreement and approached the Common Council yesterday to get approval to establish a redevelopment authority that would become the lessor and the TIF redevelopment commission would in turn be the lessee. John explained that he prepared an estimated project cost and funding summary, along with an illustrative amortization of \$ 4,170,000.00 bond repayment with TIF revenue (with approximately 120% debt service coverage). Rick and John explained that the project is one of the largest that they have seen financed with this type of revenue and that this project will exhaust all of the current funds on hand and all of the funds that are anticipated to come in for the next several years.

Rick and John explained that the bonds will be non rated, without insurance. They will be issued with a general obligation/ property tax pledge even though there is no expectation to ever need to use it. Doug commented that he thought a 125% debt coverage ratio would be better. The point was made during discussion that the expanded TIF area provides an additional buffer; since for each additional \$ 2 million increase of assessed value it generates an additional \$ 40,000.00 of annual tax revenue. The bond issue does have to be project specific. We can change priorities within the Lincoln Street project, but could not use any of the money for another project. It was noted that to move forward with the bond issue several bodies have to approve the proposals. At last night's common council meeting there was apparent strong opposition to the formation of a redevelopment authority to be 100% appointed by the mayor. It was noted that \$ 3.1 million is the maximum that we could bond without a lease authority. In addition to the local approval from the general council and the TIF board the DLGF (Department of Local Government Finance) has to approve it also.

Rick and John explained that the law is changing. The law may be changing to a referendum/ petition/ remonstrance process. They recommend that we approve the form of the lease for the bond issue to keep things moving. The process can change or cancel at any time during the next three months (specifically by June 1) and the only cost will have been their professional fees. **Motion by Doug Fry and seconded by Jim Saler to approve the form of the lease for the bond issue. Ayes Doug Fry, Lowell Rethlake, Jim Saler, and Daryl Tressler. Nays Darrell Poling. Motion passed.** After common council member Darrell's nay vote there was a brief discussion that concluded with the observation that our approved motion is not intended to be viewed as a recommendation to the common council regarding the formation of a redevelopment authority.

There was an agenda item to discuss hiring an individual to assist with taking of monthly meeting minutes. After discussion: **Motion by Darrell Poling, seconded by Daryl Tressler to hire a monthly meeting assistant for a cost not to exceed \$ 50.00 per meeting. Doug Fry, Darrell Poling, Lowell Rethlake, Jim Saler, and Daryl Tressler. Nays none. Motion passed.**

As per the agenda, Daryl once again invited comments from the public. Councilman Bill Wenning commented that Redevelopment Authority is a major concern/ objection, before the bond issue is repaid the road will need repaired, why not wait until finalization of the change in law, what is the priority for widening Freeland Road East. He concluded with the question of how many of us are willing to commit to this project, and why are we paying ROW's; why not stop until decision is made.

Jennifer Sturges spoke as a citizen, not on behalf of the Chamber. She emphasized that the \$ 4 million can later be reduced to \$ 3 million. She concluded with a question of can we get

something approved for Freeland Road, and also questioned the need for pledge of property tax.

Ken Dornich, former councilman and former TIF board member, commented that AECON study would be redundant. He commented that he believed the 8 unit apartment building was already a done deal that will add AV that will help with increased TIF revenue. Ken said the additional cost for the Lincoln Street project is because of two lane traffic and a shorter time frame to complete the project.

Mayor Gary Herbert stated he believes the right of way acquisitions should keep moving. He highlighted that the new TIF area expansion will generate additional TIF revenue. He concluded that he doesn't want to change in the middle of the project.

Judy Rust expressed concern that if we offend INDOT, it could hurt Greensburg entities chances of getting grants in the future. She indicated that the HottCity downtown group that she is a board member of is using Ratio Architects and suggests we consider them along with AECON for alternatives.

Ross Davis commented that HNTB has designed a beautiful Lincoln Street project. He said he is ultimately interested in a shortened time frame project.

Daryl Tressler summed up the evenings meeting by saying that there is a lot to think about. He indicated that he is not in favor of allocating every dollar toward a Lincoln Street repair and improvement project. He firmly stated that if the funding analysis/ project planned presented was to come to the board as a motion he would personally vote against it. Darrell Poling indicated that he agreed and believes we need to take some time to look at possible project reductions to bring the cost down to where it fits our funding ability more comfortably. **Motion by Darrell Poling, seconded by Doug Fry to take a sixty day time out to explore cost reduction possibilities for the Lincoln Street project; and continue to pursue ROW acquisitions. Discussion comment by Doug Fry that he believes one of the Board members needs to take leadership initiative to explore such alternatives so we don't languish and do nothing. Jim asked Doug if he would be willing to assume that role on our behalf and he agreed. By consensus opinion all board members agreed that Doug should pursue alternatives on our behalf with HNTB. Ayes Doug Fry, Darrell Poling, Jim Saler, and Daryl Tressler. Nays Lowell Rethlake. Motion passed.**

The next meeting was set for Thursday, April 3rd at 6:00 P.M.
Meeting adjourned at 8:30 P.M.

PRESIDING OFFICER: _____

Secretary _____