PLAINFIELD REDEVELOPMENT COMMISSION

June 6, 2022

5:30 p.m.

Mr. Everling: Good evening, everyone. Welcome to the Plainfield Redevelopment Commission meeting for June 6, 2022.

PLEDGE OF ALLEGIANCE

Mr. Everling: If you would, please join me in the Pledge of Allegiance.

DETERMINATION OF QUORUM

Mr. Everling: All right Mark, would you please make our quorum official.

Mr. Todisco: Mr. McPhail – here

Mr. Angle – here

Mr. Kirchoff – here

Mr. Everling – here

Ms. Renk– here

Ms. Elston– here (virtual)

All board members are present Mr. President.

Mr. Everling: Very good.

CONSENT AGENDA

Mr. Everling: Okay, consent agenda. You have the minutes before you. You got them late last week, from the May 2nd meeting. Are there any corrections at all to the minutes?

(Brief pause)

Mr. Everling: Is there a motion to approve the minutes?

Mr. Kirchoff: I so move

Mr. McPhail: Second

Mr. Everling: All right. Mark, can you…?

Mr. Todisco: Mr. McPhail – yes

Mr. Angle – yes

Mr. Everling – yes

Mr. Kirchoff – yes

Ms. Renk– yes

Plainfield Redevelopment Commission consent agenda for the minutes of 05/02/2022 have been approved.

Mr. Everling: Very good, thank you.

OLD BUSINESS

Mr. Everling: Old business, update, downtown projects. Todd?

Mr. Cook: Thank you, I'll be brief. I did get the chance to walk through the Prewitt with Jesse from Veridus who will be giving the next update. A lot of activity there, I'll let her talk about that. Other than that, you know, we have moved into the new Government Center. We had the ribbon cutting on Friday and turned the shovel on the Performing Arts Center Friday as well. So, its officially underway. I think demolition is scheduled for June 13th; I believe. I think everybody's had the chance to go through the Government Center.

Mr. Everling: Not yet…

Mr. Cook: Stop by Gary; you're welcome anytime.

Mr. Everling: I will, I'm anxious to see it.

Mr. Cook: Well, come by when the elevator is working, that's the best time. Do you have any questions about any other activities going on downtown, I need to follow up with you?

Mr. Everling: I don't think so.

Mr. Klinger: Todd, I'll just add real quick that old town hall, which is scheduled for demolition, the fire department is doing some training in that building this week. So, if you went by today, you may have seen fire apparatus in the parking lot. We kind of like to get the word out to people that it's just training. So, if you see that, don't worry, they're just doing – no LIVE fires – they're just doing drills inside the space and some confined space type of things.

Mr. Everling: Very good, thank you. All right, Prewitt Theater. Jesse, I see you're online.

Ms. Emswiller: Good evening, everyone. How are you? As Todd mentioned, a lot of progress there at the Prewitt Theater. They are working through getting the gable roof of the theater portion tied in. they have some – one area remains open so that they have access to install their overhead MEP work. They're working on tying in those roof drains that are part of the fall associated with the outdoor dining area. So, a lot of progress out there. Interior wise, they're working through the framing, which interior partitions are nearly complete as far as the framing goes, and ready for MEP rough-in. They have received the electrical boxes and the CT cabinet, so those have been installed; they're at the stage. A lot has been done on the sprinkler system; nearly substantially complete the week prior. Working on the ground plumbing rough ins in the basement kitchen at the law office. They've completed the tuckpointing on the back of the law office and removed all of that scaffolding. They have gone ahead and applied for their liquor license, which I believe that is up tomorrow. They have delayed their grand opening to the end of August at this point, likely the 24th. They expect to have a soft opening prior to that. We've been working with Doug to potentially schedule a dusty boots tour towards the end of June, or possibly early July.

Mr. Everling: All right. Any questions for Jesse?

Mr. Angle: Nope, thank you.

Mr. Everling: Thank you for the update, Jesse.

Ms. Emswiller: Absolutely, thank you.

Mr. Everling: All right Cam, CDC?

Mr. Starnes: Good evening, thank you. Well, speaking of public safety training – although less visible, I think the Hendricks County Sherriff was able to conduct some K-9 training over at the

Stanley property, which the CDC owns, in the recent past. So, it's good to see – again, less visible than the fire apparatus at town hall, but it's good to be able to utilize those facilities to allow for training where possible. Speaking of the Stanley property, there is some additional environmental work that has been conducted on the site over the last few weeks here, including the installation of some groundwater monitoring wells and taking of some soil samples, just to evaluate current levels and ensure that the work that was done previously to remove above ground and underground storage tanks and impacted soils was effective. We'll see what kind of long-term recommendations relative to monitoring are needed after these results come back. The work was all funded by the state again; they authorized additional scope. The Brownfield Program has been a great partner in that regard. We do not anticipate – there's no anticipation of any additional active remediation. So, really, it's just a matter of updated data to make sure we understand where things stand. We continue to work toward the sale of the property to the Woda Cooper Group for development starting next year. Beyond that, the veterinary space in the parking garage should be getting close now, and white boxing underway on the restaurant space, coordinating with that restaurant operator about needs in that regard, to get that piece moving as well. And also coordinating in conjunction with Butler Fairman and the downtown group to facilitate infrastructure pieces that are called for in the downtown plan, so, that's ongoing: Identifying needs where driveway would be required to accommodate the enhancement of Krewson, etcetera. Any questions about that?

(Brief pause)

Mr. Starnes: Great, thank you.

Mr. Everling: Go to Hobbs?

Mr. Starnes: I'll stick around, sure. So, Hobbs Station, of course we're all familiar with that project, given the project agreement that was approved late last year. In the last several weeks I would say, we've had some really good conversations with the developer around the concept of increased costs and volatility of materials, and things of that nature. It's my understanding that some, or maybe all of you, have been attendants at a work session back a week or two ago at the council where this has been discussed. So, I apologize if that's review, but in evaluating those costs and the request that the town consider ways to increase the amount of bond proceeds to be made available to the developer to incentivize the project, the town did ask its municipal advisors at Baker Tilly to conduct a renewed analysis of this, looking at some other scenarios that may enable the proceeds to be increased to meet that gap and offset some of those costs, on conjunction with some approaches the developer itself has taken to try to stem that, or mitigate those effects, including sale of the industrial portion of the property and the deployment of that capital to the remaining portions of the project. Baker Tilly has done that, and I think that does add some additional contribution to the adjacent Ronald Reagan TIF, to offset, sort of enhance, I should say the availability of proceeds over time and some of the debt service. I know Emma is here to talk about the TIF report here in a bit, but if you have questions about that analysis, which I think is – we're in the process of vetting and we've brought in our attorneys, Andy Kleinman and

Company, to work on the approvals process and the structuring of those, and how they would be marketed, and ultimately issued towards the ends of making the project possible. I think that's the main thrust of the efforts right now, working through that analysis and how that would go in the approvals path. There's also a series of ancillary agreements that you all will recall we talked through previously, relative to the parking structure PILOT and taxpayer agreements, and things of that nature that we're diving back into toward a closing probably coming up in probably a month or two. Any questions about that process or where things stand to date, for me or for Emma?

Mr. Angle: Does it affect timing at all?

Mr. Starnes: Yeah, actually timing has been largely affected, I would say by – if you'll recall, thinking back, it seems like a long time ago, I know – thinking back to the project agreement – what we had contemplated was getting to a closing with the developer with approvals to issue bonds but waiting to issue those bonds until later this year. And that was, I think – you know, I will say Emma and company at Baker Tilly were always a little leery of that because of rate dynamics and the cost of capital. So, unsurprisingly I think they were right, and we're seeing rates go up, which has incentivized both sides to issue the bonds sooner than contemplated initially. The timing shift has come really from that, in realizing that that rate impacts the available proceeds. It does mean that once those are issued, then debt service hits a little sooner than it would if they were issued later in the fall, which is partly why the renewed analysis looking at available cash in the Ronald Reagan TIF adjacent, could be used to offset some of that, especially in the first several years there. So, I think the timing, it's sort of a double whammy, if you will, of costs jumping quite a bit, and rates are really moving upwards fairly quickly as well. So, that's kind of brought everybody to the table to be creative and lean on our experts like Baker Tilly, to look at how that could be solved.

Mr. Angle: Okay, thank you.

Mr. Starnes: Yeah, thank you.

Mr. Everling: All right, the Drinkard property.

Mr. Starnes: Last one, this is fairly simple. We're under a project agreement with Strategic Capital Partners, as you all recall, relative to the sale of the Drinkard property toward a sort of mixed-use project with commercial and residential components. We're in effectively a due diligence period of that project agreement, and I think we will anticipate filing for rezoning in the near future. That will be a major sort of contingency to get cited title prior to closing., but we have a title commitment already, I believe. It should sort of be getting underway. So, all of it's moving kind of in the background but we've got a little window here where it's hurry up and wait time. Any questions on that?

(Brief pause)

Mr. Starnes: We kept them on a fairly tight leash, so hopefully that means things keep moving. There are a couple of extensions in there that, depending on zoning, that may be needed but we're hoping that we see closing sooner rather than later because everyone wants to see that project happen, certainly.

Mr. Everling: Okay, very good. Thank you.

Mr. Starnes: Thank you.

Mr. Everling: Let's move on to new business and the TIF annual report. Emma and Sam?

Ms. Adlam: Good afternoon, everyone. I think – did you all receive copies of your very small PowerPoint presentation? I know you're all familiar with this, but this is your annual TIF presentation, and the purpose of this presentation is twofold. One, is to give you a high-level overview of the draft TIF report that you either should have just received or are about to receive. But then also to satisfy annual meeting requirements of the Redevelopment Commission. So, I'll start with some overview of TIF 101 in case there's anyone in the audience who isn't familiar with TIF, then go into your TIF areas specifically, and then talk about the impacts of your TIF areas on overlapping units. I'll try to keep it high-level – please, stop me if you have any questions – I would be happy to not talk straight for 60 slides. So, you of course are the members of the Redevelopment Commission, supported of course by Andrew as Town Manager, Todd as Redevelopment Director, and Mark as the Fiscal Officer of the Redevelopment Commission as Clerk Treasurer. So, to start with some TIF mechanics, when a TIF area is created, the Assessed Value at the time of creation does not get captured by the TIF area; it becomes the Based Assessed Value of your TIF area. It continues to go through all the overlapping taxing units, and the TIF area captures increases in Assessed Value due to new developments over the life of the TIF area. And so, that increase in Assessed Value is that green triangle, and that's what generates the TIF dollars that you use for additional improvements. And then after the TIF area expires, all of that increase Assessed Value released to the overlapping taxing units, thereby raising the Assessed Value of not only the town, but all of the overlapping units like the school, the library, and the County. So, throughout the presentation you're going to hear a couple of terms, so I just want to touch on the definitions. You're going to hear Economic Development Area, Allocation Area, and Special Benefits Tax. So, when a TIF area is created it needs two components. It needs and Economic Development Area and an Allocation Area. The Economic Development Area is the area in which you can spend your TIF dollars. The Allocation Area is the area in which you collect those TIF dollars. So, in this example town the boundaries of the town are the black borders. The Economic Development Area is the red border, and then the Allocation Area is the orange. So, your Allocation Area can be smaller than the Economic Development Area, but also can have multiple Allocation Areas within one Economic Development Area. Which you, as Plainfield, you do have that. For example, U.S. 40, you have four Allocation Areas in one Economic Development Area. So, that just gives you more flexibility in how you spend your TIF dollars; you can spend them throughout that Economic Development Area. The last term is the Special Benefits Tax, and this is a property tax that is controlled by the Redevelopment Commission, and it is a property tax that would be levied on the Redevelopment District, which is the same borders as the town. So, you have put this Redevelopment District Special Benefits Tax in place for several of your bond issues and it serves as an additional layer of security and enhances the marketability of your bond issues. So, if you pay a TIF, bond holders view property taxes as far more secure than pure TIF bonds. So, adding that Special Benefits Tax really gives you a better interest rate and rating on your bond issues. So, you're going to hear Special Benefits Tax throughout the presentation. This chart is really a reference of when the different legislation is in place at different times and why your TIF areas expire when they do. It's a little confusing – some TIF areas expire in 30 years from creation; sometimes it's 25 years from the date the obligations incurred. So, this chart is just a reference for you to kind of keep track of why certain areas expire when they do. So, a lot of your newer TIF areas, after July 1, 2008, it's 25 years bonds or leases are issued, formally payable from your TIF area. So, several of your TIF areas haven't started yet because you haven't made that formal pledge. Moving into your actual TIF areas. Like I mentioned, your U.S. 40 Economic Development Area has four Allocation Areas. So, we'll start with U.S. 40, East and Main, and then we'll talk about your two new Allocation Areas. The U.S. 40 Allocation Area was created in 1995. The Allocation Areas was expanded twice, in 1998 and 2005. You can see the expiration dates listed on the slide. In 2021 you collected $5.2 million; in 2022 your estimated TIF collection was almost $5.8 million. The 2022 estimate does account for pending appeals, so if the appeals don't get settled, you'll collect a little bit more in 2022. Your East and Main Allocation Area was created in 2019 to support The Barlow, which is Rebar's mixed-use project. The estimated TIF for 2022, and that is fully assessed, is just under $190,000 annually. One of your new Allocation Areas is the AirTech 14 Area that was created last year. That 25-year life hasn't started yet because you haven't pledged that TIF. The first year of collections is 2023, but because the building in that TIF area has an abatement, you really won't start seeing a lot of TIF until 2024 for that building. Your other new TIF area in the U.S. 40 area is the Clarks Creek Allocation Area. Also, your first TIF is 2023 but because of the timing of the building we really don't expect to see any TIF until 2024. And your currently intended to capture an office building that's under construction. So, you have four bonds outstanding that are formally payable to U.S. 40. You have two 2015 bonds that were issued to support U.S. 40 and then the Shops at Perry Crossing. These are both payable formally from U.S. 40 TIF with a Special Benefits Tax backup. And then you have a 2018 BOT Agreement that was issued for your parking structure, and that is payable just from U.S. 40 TIF. And then you have 2019 Development District Bonds that are payable form U.S. 40 TIF and East and Main TIF. That was issued to support The Barlow project. Then you also, you have four obligations that you're well aware of, that are not formally payable from U.S. 40, but you do intend to use U.S. 40 TIF to make some of these Lease Rental payments. So, it's the MADE@Plainfield project, the Government Center, and the two bonds issued for the Performing and Fine Arts Center. So, collectively, these bonds are all payable from that special benefits tax, with the intent to use available revenues of the commission. So, you have flexibility in which of the areas you chose to make your Lease Rental payments. Currently these Lease Rental payments are split between U.S. 40, Six Points, and S.R. 267. So, you're going to see references to these on the S.R. 267 and Six Points slides as well. So, this is a chart that looks at your estimated TIF, which is the shaded area in the back, compared to your debt service obligations. So, the majority of course is U.S. 40, the red on top is East and Main with AirTech 14, and then a little teeny sliver of yellow at the top which is Clarks Creek estimated TIF. And then layered on top of that are your 2015 bonds, your 2018 current BOT obligation, your 2019 bonds. And on top the red potion of the column is the contribution to those compound bond issues. So, the area in between, you have a lot of room still for pay as you go projects. So, that really flows right into your cash flow. The top of it you can see the estimated TIF coming from your four Allocation Areas. As I mentioned, AirTech 14 and Clarks Creek aren't estimated to collect until 2024. AirTech 14 is going to ramp up because there is an abatement on that building. And then you back out your annual debt payments, your contribution to those downtown lease rental payments and pay as you go projects. The details of all of those projects are on page 24 of the draft TIF report, so you can see the actual line item for all of the projects accounted for. And so, at the bottom you see in dark purple the estimated ending balance. That 137% you see at the bottom of 2023, that's an important percentage for you, particularly tonight when you make your annual pass-through determination. Tonight, you're deciding whether or not you have any excess assessed value from any of your TIF areas to pass through to the overlapping units. And so, 137%, looking at your annual revenues, all of your obligations both formal and your intended pay as you go projects. And this is comfortable covered, I'm not going to say it's a ton of excess coverage. But if you had over 200% coverage than the council actually has the ability to make that determination on behalf of the Commission, of the pass through assessed value. Moving into our I-70 Consolidated Economic Development Area, like U.S. 40 you have four allocation areas within this single EDA. So, to start with, your I-70 area was created in 1992 and your estimated TIF in 2022 is about $1,020,000. You'll see it's a little bit less than your 2021 estimated assessed value and that's because there are some appeals outstanding, and we like to be conservative and make the assumption that those appeals have been settled. Your next allocation area is the East End Area, and this was created in 2017. It was expanded last year; the 25 year clock has not started for this area. Your estimated TIF of 2022 is $734,000, but then as you'll see in that graph in a couple of slides, you'll notice it increases as abatements roll off of the East End Area. Your next area is the Southwest Quadrant Allocation Area. 2022 is the first year you're collecting TIF for this area. You'll notice it's not a lot because once again you have abatements for these buildings, but it's estimated that once these roll off, you're estimated to collect about $965,000, you know, once all the buildings have been built and the abatements roll off. Then finally is your Hartford Allocation Area. This is a smaller allocation area that was created last year. You're going to be collecting TIF from the new Starbucks; that's going to be assessed for Pay 2023. And then I believe a hotel is also under construction in this area as well. For obligations for I-70, there's just one, the 2015 C Bonds that are payable from just the I-70 Allocation Area, with the Special Benefits Tax Backup; it was issued for improvements along the Hadley and Saratoga Roads. So, this chart is – all of the different allocation areas are layered in the back, shaded in the back. So, you have I-70 TIF, East End TIF, which you can see growing since this is really the majority. Southwest Quadrant is next in green, and then that little Hartford Road portion at the very top compared to those 2015 C Bonds. So, you have a lot of availability for pay as you go projects in this TIF area. This is your cash flow that really layers into those pay as you go projects. The TIF from those four areas – going to the top, backing out those 2015 C lease rental payments and then your pay as you go projects, your estimated TIF spend downs from your balance in 2023 – as you can see, that 71% coverage, you know you don't really have the availability to pass through any assessed value in this TIF area.

Mr. Kirchoff: So what's coming in 2024?

Ms. Adlam: So, in 2024 and 2025 – I mean, really this is just a sign you'll need to realign some of your projects, possibly look at some of your bond issues from this TIF area. Page 53 has the list of all of the specific projects that are included in that pay as you go amount in 2024 and 2025. Moving on to your S.R. 267 Area, it was created in 1992, expires in 2040. Your estimated TIF collections this year are just over $900,000. You have one formal obligation payable from S.R. 267 TIF, these are your 2015 Redevelopment District Bonds. So, they, like all your other bond issues, is payable from TIF with that property tax, special benefits tax backup. And then you're also contributing the S.R. 67 TIF to your downtown bond issues as well. So, this is the chart of what the revenue to that service looks like. The shaded is the TIF, the red on the bottom is the 2015 bonds. The green portion of the columns is the contribution to Government Center, Art Center and MADE project. When you account for those projects, you can see your cash flow is also anticipated to spend down some of your bond balance in S.R. 267. So, you see the estimated TIF remaining, a couple of lines from the bottom, you are estimated to spend down some of your fund balance in the next several years, as you do pay as you go projects in addition to contributing to the downtown lease rental bonds. Moving on to your Six Points TIF area, it was created in 2003, it is going to expire in 2033, an in all of our TIF estimates in your TIF report we're assuming you continue to pass through the $100 million of assessed value that you have historically done. So, any number that you see, you take that number into account. So, in 2022 you're estimated to collect just under $9.3 million in the Six Points area. You have a couple of obligations that you use for Six Points. You have 2016 Lease Rental Bonds, and you also have an agreement with the school that you make their lease rental payments on their transportation center. And then you're also contributing Six Points TIF to those other town projects that we've already mentioned. So, when you combine those, this is what that chart looks like and even though you are making significant contributions, you still have room for pay as you go projects. The school transportation payments, 2023 is the last year, so you'll only notice the red portion – it ends in 2023. And then really, the majority is going towards the downtown lease rental payments. So, then this slide looks at your cash flow. So, you have a healthy balance in the Six Points TIF area, so while you are estimated to spend down some of your dollars, you're still estimated to have over $10 million at the end of 2025. So, to move into your Ronald Reagan Corridor Area, you have two allocation areas; you have the Ronald Reagan Allocation Area and the Hobbs Station Allocation Area. Ronald Reagan was created in 2006; you did expand it last year as well, and it's estimated to collect about $6.7 million in 2022. In 2023 we are estimating that to decrease to about $6.5 million. While you do have buildings that have abatements falling off, we are being conservative and we're showing that the former Walmart building goes to a zero assessed value in 2023, which we can see on the assessment property record cards. So, we just zeroed that out for the remainder of the TIF area. You have two obligations that you use Ronald Reagan TIF for. You have 2015 Bonds and 2021 Refunding Bonds, both formally payable from Ronald Reagan TIF with that Special Benefits Tax Backup. And then we did incorporate the Hobbs Station Area in the presentation, so this kind of gives you a sense of the bond issue that Cam was just talking about, and what that currently looks like; you'll see that on that next graph. So, it was created last year; the life hasn't started yet because we haven't formally pledged Hobbs Station TIF. That's going to collect apartments, senior living facilities, commercial/retail space, industrial space, a PILOT from the parking structure. The analysis anticipates that you would pass through 50% of the apartment assessed value, so that is going to be incorporated into the TIF estimates in this chart. We're currently estimating that you would issue the Economic Development Lease Rental Bonds this year. Based on net proceeds requested of $21 million, the estimates par amount is just under $24 million because you will need the net bond to fund of debt service reserve, and then the issuance cost as well. And this will be used to fund some infrastructure improvements in connection with that Hobbs Station project. We're anticipating it's payable from the Hobbs Station TIF, available revenues of the Commission with a special benefits tax backup, but we are expecting that you will use Ronald Reagan TIF, not just Hobbs Station TIF, for making the payments. So, this is a chart of what that looks like combined – in looking, I noticed that some of the legend at the bottom got cut off – but the chart, the blue shaded area is the Ronald Reagan TIF, the purple on top is the Hobbs Station TIF layered on top of it. And then compared to the two 2021 Refunding Bonds, the 2015 D Bonds, and then that hash mark is the Illustrative Lease Rental payments due on the proposed Hobbs Station bond issue. So, in kind of looking at that from a cash flow perspective and kind of what does that mean for your ability for pay as you go projects, your estimated Ronald Reagan TIF is on top. Hobbs Station isn't estimated to begin payments until 2025, just due to the timing of when it's constructed and then assessed, and they don't pay taxes for another year after that. The annual lease rental payment are those two lines, are those two bonds that are formally payable from Ronald Reagan, and then the illustrated lease rental payments are those illustrative bonds for the Hobbs Station project. And then layered on top of that is the estimated pay as you go projects. So, this TIF report is in draft; I know, I think Tim and Steve might have made some tweaks cause it shows to go negative in 2023. So, I think it's in draft because changes will be made to the cash flow. That is page 113 of the TIF report. Alright, moving on to your Northwest Economic Development Area, you have two allocation areas; you have Vandalia which is an age restricted housing TIF area, and then Saratoga which collects commercial TIF. You can see the estimated TIF below for Vandalia and Saratoga. You haven't formally pledged this TIF to any obligations so that 25-year life has not started yet. This is the cash flow for your Northwest Economic Development Area, layering the Saratoga TIF and the Vandalia TIF and the pay as you go projects. So, you're shown to spend down your balance in 2024 but then build it back up again in 2025. Okay, your last area is your Klondike Economic Development Area and Allocation Area. This was created in 2016 and then you designated personal property in 2017, so this is your only TIF area that you collect personal property. It's really from the UPS development; you can see the estimated TIF increasing over time as the abatements expire from this TIF area. And then in terms of cash flow, your pay as you go projects, you can see that layered on top, but you're anticipated to add to your balance the next couple of years for this TIF area. For the last section we move into the impacts on the overlapping taxing units. So, by overlapping taxing units – these are taxing units whose boundaries include the TIF areas – so, the library, county, town, township, etcetera. And so, there's a question that you often get – does TIF take away from other taxing units. In 2016, Professor Larry DeBoer did a study looking at the impact of TIF on overtaxing unit and he found that if TIF was used appropriately and you meet what's called a “but for” test – meaning that the TIF is necessary to fund the infrastructure improvements that are supporting the development – if it meets the “but for” test, if you don’t keep a TIF area longer than you need to, so once you’ve funded all your infrastructure improvements, one you’ve paid off your bonds, you could end it before the life if you have no more need for it. So, if used appropriately it just postpones other units receive the assessed value. It doesn’t really take that away from them because they wouldn’t have seen all that increased development if not for the TIF and all of the infrastructure that the TIF paid for. And then really, for Plainfield you can look at the – this is a comparison of your TIF captured assessed value to the town’s net assessed value. So, the red is captured assessed value, blue is your net assessed value, and you can see that even though you’ve been capturing TIF, your net assessed value for the town is still growing at a fairly impressive pace over the last several decades. And then this slide shows the impact of passing through $100 million of assessed value, and this is based on 2019 values, but the basic outline of this really hasn’t seen changed in the last several years. So, in Six Points you’ve been passing through $100 million, and this looks at the impact on the overlapping units from that pass through. So, other units gain about $690,000 but Six Points gives up about $2.2 million. So, while you are helping units (inaudible) reduced circuit breaker losses, you are giving up TIF capture of $2.2 million. In addition to passing through assessed value, you’ve really been helping overlapping taking units in several ways. So, first is, you pay the school’s transportation payments. With the exception of Klondike TIF, you have not been capturing personal property – so, think of all of those buildings, particularly in the All Points TIF area, and how much personal property is in those areas that you're paying for the infrastructure to support those buildings. You capture the real property but all of the personal property, all of that equipment automatically goes to the overlapping unit. So, that’s an immediate benefit while your TIF area is in existence. Also, the jobs that are coming into the town, which is increasing your local income tax revenues as well. And then another way to look at it is, with all of the infrastructure improvements the town has made from TIF, what would have happened if the town did not capture any TIF? So, you have funded approximately $200 million in bonds payable from TIF. So, if you instead turn that into a property tax levy, that would have been a tax rate increase of about $0.33. So, by capturing TIF and by using TIF to make those bond payments, you are avoiding increased circuit breaker losses that would have impacted not only the town but all the overlapping taxing units as well. So, that is a big benefit to all the overlapping units. And then finally, the referendum rates after 2009 – TIF cannot capture those rates. So, Avon Schools does have a referendum rate in place and Plainfield’s All Points and a little bit if East End TIF is within Washington Township, and so you can see the Plainfield TIF assessed value of $319 million that gets added to Avon Schools’ assessed value, to their referendum rate. And so, finally, TIF is a tool that fuels economic development; it really encourages growth, new jobs, increased tax base and is really just tool that the town has to increase its assessed value, not only for the town but all of the overlapping taxing districts. And so, once the TIF area is expired, you're really adding a benefit to your community overall. And then just to wrap up, we wanted to give you our contact information in case you have any questions while perusing the TIF report. And with that, I'll take any questions that you might have.

Mr. Everling: Thank you, that was well done. You got us through a lot of slides pretty rapidly. Do we have any questions?

Mr. Kirchoff: Not today.

Mr. Everling: Yeah, that's what I was thinking Bill, not today.

Ms. Adlam: Yeah, well you have our information, so reach out if you have any questions. The TIF report is in draft, you know, in case there are any changes that need to be made, you know, to each of the cash flows; if there's any development that we didn't know about that we need to incorporate. So, our goal is to have it finalized for your next meeting.

Mr. Everling: Great, thank you.

Ms. Adlam: Yes, thank you.

Mr. Everling: Alright, Mel?

Mr. Daniel: Good evening. We mentioned this proposed agreement last month and I know a substantial amount of time was spent on the status of the agreement at that time. I thought I'd just comment briefly about the way this project started to begin with. Poag came to the town some time ago about the closing of the Claddagh restaurant, and they were trying their best to get a new tenant in there. They had an estimate of about $1.2 million to buildout that new restaurant and asked the town to consider participating in that new buildout, and the town was not interested in participating in that fashion. But in the meantime, there was a substantial piece of real estate that actually Metropolis owns, that is a key piece of the development in that area, that the town is in the process of doing a master plan for, 6.7 acres. So, at that point the town did come back and say that they would be interested in working with Poag if a deal could be worked out to purchase that property for $900,000, so long as that $900,000 was utilized to buildout that project of the restaurant. And so, that really is where we are now; the agreement has not changed significantly since last month. The highlights are the town buys the $6.7 acres, pays $900,000 for that to Metropolis, that money is escrowed and is put in an account to buildout the restaurants there, and all of the payments from that buildout will go through the town for their approval, so that it is clear that the $900,000 is being used for that purpose. The estimate again, is $1.2 million; Poag obviously is putting in the remainder of that to be utilized also for the buildout of that property. The idea is that two restaurants will result from that; both the current restaurant owned by Cunningham, and the former Claddagh restaurant, resulting in two restaurants in the area. Poag will have six months to close the restaurant deal that is not closed at this time, and during that period of time everything will wait to see how that turns out because if the restaurant isn't closed, then the town has the ability to walk away from the deal and there is no deal. The other part of that though is, if the town chooses to – we prepared the agreement so the town can require them to go ahead and transfer that real estate for $900,000. The other part of this deal is the gap payments that have been a part of this agreement since day one. The first gap payment would be due this coming July, and as the agreement stands, that gap payment would be delayed for a year and at the time the restaurant opens, then that gap payment and any future gap payments would be dismissed, period. So, I think that's probably about 95-98% of the deal we talked about a month ago, and that's where we are today. It has to be approved by the Redevelopment Commission, and also has to be approved by the Town Council. Obviously, the first part of that is – Redevelopment Commission meets first this month, so it comes here and depending on the action of the Redevelopment Commission, it would go to the Town Council a week from tonight for their approval, or not approval, depending on what they do. I'd be happy to answer any questions you have, that we didn't go through the last month.

Mr. Everling: Mel, I do have just a question for (inaudible).

(Inaudible audio from 0:49:30-0:51:10)

Mr. McPhail: Well, you all know I've got a lot of work on this project. I do believe that future gap payments are not an issue, (inaudible). The $118,00 is an expense, there's no question there, but I've provided a lot of information that I believe supports approving this agreement, and I would move that we approve this agreement, subject to final review by legal and approval of the council.

Mr. Everling: Is that a motion?

Mr. McPhail: That is a motion.

Mr. Everling: Is there a second, or continued conversation?

Ms. Renk: I'll second.

Mr. Everling: Comments, discussion?

Mr. Kirchoff: I (inaudible)

(Inaudible audio from 0:52:21-0:53:05)

Mr. Kirchoff: I'm really on the fence on this one. I guess where I'm at Kent, the $118,000 to me is not the issue; the issue is they always come with their hand – we only hear from them when they want money and I just don't, I hate to use the word, I just don't trust them anymore.

Mr. McPhail: I have to disagree with you Bill because I know I have communicated with them on a regular basis; I know Todd has communication with them. I just feel like they have been honest about this thing, and it's been a really difficult time for them since we had this agreement.

Mr. Kirchoff: I understand. So, the other thing I would say Kent, is if we go forward with this I would expect them to give us a game plan of what they're going to do out there, instead of coming – it's like they think we're the state bank of Plainfield, and I'm really tired of hearing them just asking for money. I agree, retail is in a state of turmoil, but I think we have every right to ask them to tell us what their game plan is for long term, you know.

Mr. Everling: Beyond the restaurant, Bill?

Mr. Kirchoff: Yes

Mr. Everling: Yeah

Mr. Kirchoff: And I think maybe something getting us beyond retail. I mean, I know they have the X-Golf and that kind of thing, and I commend them for that. I just – I mean, maybe they talk to you, but they've not kept the council advised at all. Again, the only time I hear form them is when they want money. So, I see both sides but I certainly, I think we got to know where this place is going because the next time it happens… Let me tell you this, if we hadn't come up with a land deal, we wouldn't be talking about this.

Mr. McPhail: Oh, I agree.

Mr. Kirchoff: Yeah. And that's really what – when this was first presented to me, that's all this was, was the land deal, and I totally support that part of it. And if the gap payments are not really the issue, then why are they asking to waive them or eliminate them?

Mr. McPhail: Well Bill, I think they're certainly willing to come in and tell you what they're trying to do.

Mr. Kirchoff: Okay

Mr. McPhail: They're trying to restructure that mall just like everybody else is. They're trying to bring entertainment venues in, restaurants, and that type of thing. Typical retail is not going to be what is used to be.

Mr. Kirchoff: I agree; that's what I'm saying, but we don't hear from them. We've not heard one thing, other than they want money.

Mr. Everling: Did we get any kind of activity log in terms of who they've talked to?

Mr. McPhail: I'll tell you, they're pretty tight with that information because they're trying to negotiate deals all the time.

Mr. Everling: We could sign an NDA.

Mr. McPhail: Todd meets regularly with them, regularly with a local manager. I talk to her at least once a month. She'll tell me what she's working on, but she won't tell me who it is, and I respect that.

Mr. Everling: Bill, I'm trying to – I do want to – I respect your position and I want to understand it better. Is there a financial component to this that…?

Mr. Kirchoff: The $118,000 is not…

Mr. Everling: It doesn't sound like it's an issue.

Mr. Kirchoff: It's the principle of the thing.

Mr. Everling: If the property is – and I haven't seen any valuation of the property, the 6.7 acres, but if it is, I've heard $1.2 million that it's worth.

Mr. Kirchoff: I'm comfortable with the land purchase; I'm very comfortable with that, I support that whole heartedly.

Mr. Everling: Okay

Mr. Kirchoff: And that's what I thought we were doing, and then as we get farther down the road, we find out that they're putting other conditions on it that we didn't know about.

Mr. Everling: *They're* putting conditions on it?

Mr. Kirchoff: Yeah, the gap payments.

Mr. Everling: Okay

Mr. Kirchoff: I'm torn. That mall's got to stay healthy, and I understand that, but we cannot just continue to be pouring money into that thing.

Mr. Everling: (inaudible)

Ms. Renk: Can we move forward recognizing and putting on public record that there's skepticism and the council would like to see more transparency?

Mr. Kirchoff: Oh, I think they're aware of that.

Ms. Renk: But as part of the larger vision of the area, it's important to move forward with it.

Mr. Everling: I guess the question is, can you get to "yes" under certain terms that we haven't yet opposed on?

Mr. Kirchoff: It's a tough call for me.

Mr. Everling: Mel, the timing of this – is tonight, do we need to make a decision and vote on this tonight, based on the timing of the…?

Mr. Daniel: I do think the timing – this thing has been worked on for quite some time, as you well know, we've already been here a couple of times. I do think the timing, as far as the restaurant and everything, they're in negotiations right now with at least two restaurant situations, and I think the situation is pretty clear, that what the town does here will affect all of this. So, I think they need an answer from the town.

Mr. Angle: So, if you recall, when we talked at the last RDC meeting, I brought up some of my challenges with dismissing the gap payments as well, and offered up an alternative in paying the $1.2 million for the actual land, and then just continuing with the gap payment. If they need it deferred for a year, then I think I could get comfortable with deferring it for a year but keeping the gap payment language in the agreement. And then I recently understand they came back and said that that's a deal breaker. So, there's something going on there that I don't quite fully understand.

Mr. McPhail: Well, it's my opinion that if we don't agree to eliminating the gap payment, they'll pull this deal off the table. And I think the value of that land, and what it means to us in the future, means a whole lot more than this gap payment, and I would ask you to approve this agreement.

Mr. Klinger: Bill, I think you have a valid point about the master planning. I don't want to hold up this deal, because what Kent just said, that property – you know, we put this master plan together with the property south of the mall, which Poag got involved, they were part of that, they were involved in that process. You know, this deal helps us get that property in place to be able to really carry over that vison. I think we do need to go back to them, because we're already talking at a staff level about the next phase of what that master plan would be, and it would be the mall proper, plus some of the areas to the north. And so, I think we need to more aggressively engage with them and see if they would even be willing to maybe share in the cost of that next step of master planning, in terms of specifically their property, right. Because we've had two hotels come in here over the past couple of years that were not part of the original – we're still trying to kind of meld together what was the original vision for this whole area that ultimately has ended up in different owner's hands. So, I think, you know, again, I wouldn't want it to hold up this deal because I think it's a good one that will help get us moving forward with that property south of the mall, but I think we do absolutely have to press them more on working with us on the master plan for the mall proper. They've got a lot of gray field sites that we need to address. The hotels certainly have done part of that, but what's their long-term vision for the whole thing? So, I just wanted to say, I think you have a good point and I think we need to engage them more – and we need them to engage – and I think Kent can probably help secure their involvement in that process, but we need them to be more engaged. They're not going to get into the details of who they're negotiating with.

Mr. Kirchoff: I understand that.

Mr. Klinger: But we don't need that either. What we need is, what's your vision, right. You know, how are you going to utilize the existing space, how are you going to start the buildout, you know, the additional property that you have that's underutilized as parking right now. And so, having that bigger conversation – we know that they've engaged a firm that's helping them in some areas around the country, do exactly that. So, how do we get them to get engaged with us on this property?

Mr. Kirchoff: But the other point – that needs to be communicated to all of us.

Mr. Klinger: Yeah

Mr. Kirchoff: And the other thing is, like I said, it it wasn't for the land deal – we told them last time – I hope they got the message the last time, we were done. Because the council was saying last time, we were done. And so, without the land deal we wouldn't be doing this. I just think more transparency on their behalf; it seems awfully one sided.

Mr. Klinger: Well, and you're right. I mean, we essentially – and I think Mel said that too, but when this first came in, we were kind of like, we're kind of done with you guys on this, in terms of incentives. But we came up with the idea of okay, but what if we could buy that piece of property. That helps get them what they want, and it gets us what we want.

Mr. Kirchoff: I agree.

Mr. Klinger: And so that's kind of how we got to where we are right now.

Mr. Kirchoff: And I support that, I think it's very creative; I support that.

Mr. Angle: Then why is getting rid of the gap payments so important, and they won't work with us unless we get rid of it? Why?

Mr. Klinger: I think it's just a liability on their books that creates a problem for them. That isn't, in a lot of ways, it isn't even a real liability. I think after this year the likelihood that they ever actually make another gap payment is probably pretty slim. The AV shows that they're going to hit that mark, and we've got another hotel that's under construction that's going to add another $10-20 million AV on top of that. I doubt they're ever going to have to make another gap payment.

Mr. Angle: That's what I don't understand. It's a liability and they knew it was going to be a liability. So, if it's not that big of a deal then why is it a deal breaker? There's a disconnect there somewhere. Is their long term plan just to sell it. I think that's why I'm having a challenge fully supporting it.

Mr. Daniel: I was going to say, let me make two comments on that. One, I think to the extent that we're buying a piece of property for what I think everybody believes is less than fair market value, and then we're going to make them take the money that we're paying for that property and use it to accomplish what we want them to accomplish out there. That's not the same thing as writing out a check for $1.2 million and saying go do with it what you want. We've said to them, we'll give you $900,000 but it has to go in the mall.

Mr. Everling: And the town has to approve how it's spent.

Mr. Daniel: That's right. Which then improves the AV for the town. And back to what Andrew has said as well, for people who delve into and financial matters and stuff like that – I have no information on this so don't – I'm not telling you anything that I know because I don't know, but I am aware of the fact that when you're dealing with commercial property, they look very carefully at your financial situation, and to the extent there are things such as this gap payment on those financials, it does have an impact on your ability to make certain financial deals. I have no doubt in my mind that when they go through these financial deals and stuff, every time that comes up there's a lot of – most people don't even understand what that means. I'm talking about when you look at a financial statement or something, I have no doubt…

Ms. Renk: Does that include tenant recruitment?

Mr. Daniel: I'm sorry?

Ms. Renk: Does that financial review include tenant recruitment as they're looking to…?

Mr. Daniel: Probably, I think primarily…

Mr. Daniel: It could, it could. But I'm really just guessing because I know in major financial – they look at everything, and to the extent there's something in that record, especially if they don't really understand how that works, financial people are very frustrated when they look at that and say, "I don't understand this. Why is this on here at all?" And my guess is they'd like to get that off there, especially if it looks like they're not going to have to make any gap payments in the future. That's speculation on my part, but I've been in enough of these deals that when they look at financial records, that's how they look at it. But I do think Lance, back to your point, is for them so say – we're buying a piece of property for less than fair market value and then tying that money up to do something in that mall that helps the town – I think their view is they ought to get something out of it other than another restaurant…

Mr. Kirchoff: (inaudible)

Mr. Daniel: I'm sorry, Bill?

Mr. Kirchoff: They're getting $900,000 they wouldn't have gotten otherwise.

Mr. Daniel: I agree, but it’s $900,000 that they're not free to use on whatever they want.

Mr. Kirchoff: Yeah

Mr. Everling: I guess the way I look at it – and I don’t have the background and the frustration Bill that you do, and the emotion that comes with that – were getting a piece of, potentially getting a piece of property below fair market value, maybe $300,000 who knows, below market value… probably, market value – fair market value minus what we paid for it is probably going to be more than the gap payment, it sounds like. We've got a lot of strings attached to the $900,000 in terms of how they can spend it. They can't spend it without us approving it in the way that we want them to spend it. And if we had a clear vision from them, long term vision, over the next 5-10 year, how they want to manage this, grow this mall, which this town needs desperately... I don’t know, that's the way I view it. I’d probably lean on being more positive towards it given those conditions.

Mr. Kirchoff: Is there any way we can ask for more transparency from them?

Ms. Renk: I was going to ask that question. Can you include language in there contract or some sort of formalized communication with us? Would that set us up?

Mr. Kirchoff: I don’t know what it is. I just think I’d like to see them make more efforts to be more transparent.

Mr. Daniel: I don’t know whether this responds to your question or not, but Bob Rodgers has volunteered all along that he would come and talk to both the town council and – quite frankly, this is a legal transaction.

Mr. Kirchoff: I understand.

Mr. Daniel: I mean, for him to come here and stand up here and say what I’m saying – you know, I haven’t encouraged that. Not because he can't speak for himself but he’s really not here other than just it’s a legal transaction that involves the terms of the legal deal. So, you know, for him to stand up here and say here's what the deal is, I didn’t see that that was of any significance. That’s probably partially my reason that Bob Rodgers isn’t standing here talking to you about it because I said, “Well, I don’t see any reason for you to be there.”

Mr. Kirchoff: It wouldn’t help my thought process.

Ms. Renk: To Jean’s comment, can we add language, a contingency to this, that they need to provide a clear vision by a certain date, over the next several years?

Mr. Daniel: What kind of report do you want on that?

Ms. Renk: Like an annual presentation.

Mr. Everling: Yeah, I think we need to be very specific.

Ms. Renk: Yeah

Mr. Everling: So that you feel…

Mr. Klinger: (Not at microphone) (inaudible)

Mr. Everling: I don't think we're looking for an ongoing report Bill, I think maybe you're looking for a master plan, a vision plan, something with some clarity to it, that way we understand what they're thinking.

Mr. Angle: And I think to some degree that might be a little bit to the point of them needing to get that liability off their books so they can potentially do what they want to do next, which we have no idea what that is. And if they need to get a liability off their books because they really want to wrap it up in some kind of a sale, or something of that nature. That's the only thing I can think of. And to that point, I think having a representative here from Poag could speak to that intent and probably could have helped this process along quite a bit if we'd have heard that.

Mr. Daniel: Yeah, I can't speak to anything on that.

Mr. Angle: Yeah. But to do a deal with a tenant, typically the developer, the mall owner doesn't release financials to the tenant.

Mr. Kirchoff: Yeah

Mr. Angle: Sometimes there has to be proof that they can pay for capital for a buildout; that's typically built into the lease deal. It doesn't sound like the market is allowing for these types of deals to be done, or else they wouldn't be looking for $900,000 sale of the land. So, I've also had some question about how these deals are structured as well. For the short term it might be fine but what if sales continue to be mediocre for some of those spaces, which they have been in past when didn't have a pandemic. How are those tenants going to be able to afford those rents and things of that nature.

Mr. Kirchoff: Which is why we need master planning and getting a sense of what they're trying to do out there, other than retail. Because we all know retail is changing dramatically.

Mr. Everling: If we go through this deal, Mel, and they, for whatever reason, walk away from it, we get our $900,000 back, it's like nothing ever happened, right. Is that fair? Other than, I guess there's the delayed gap payment.

Mr. Daniel: Yeah, we're free to – you know, if they don't put the money into the restaurant and all that, we're able to walk away at that time, yes. The real key here is that the money is spent on those – that's where the…

Mr. Everling: Right

Mr. Daniel: …leverage of the town – the estimate is $1.2 million, so they're putting $300,000 in on the renovation as well. So, the $900,000 is not going to cover the buildout, so they've got their money in it as well.

Mr. Kirchoff: And the $900,000 starts after they put the $300,000 in.

Mr. Daniel: I'm sorry, Bill?

Mr. Kirchoff: Does our $900,000 start after they put their $300,000 in? (inaudible)

Mr. Everling: Total the $1.2 million…

Mr. Kirchoff: Isn't that right? (inaudible)

Mr. Everling: Is that part of the arrangement?

Mr. Kirchoff: They spend their money first?

Mr. McPhail: No, they spend our money first.

Mr. Daniel: Right

Mr. McPhail: But it's not our money. Once we buy the land, it's no longer our money.

Mr. Everling: Other than we get to say whether it's an approved spending…

Mr. McPhail: We just get to control how they spend it.

Mr. Everling: Right

Mr. Klinger: (not at microphone) (inaudible)

Mr. Daniel: The $900,000 is their money. I mean, we bought property for $900,000…

Mr. Kirchoff: Right

Mr. Daniel: So, it's really their money.

Mr. Kirchoff: Okay

Mr. Daniel: Or additional money in, so.

Mr. Kirchoff: Okay. I misunderstood. I thought earlier you had told us they would spend their money first.

Mr. Klinger: (not at microphone) I think that was just a reference to a reimbursement.

Mr. Kirchoff: Okay

Mr. Klinger: (not at microphone) they have to spend their own money and then they get reimbursed (inaudible).

Mr. Kirchoff: I understand. That's not what I understood – okay. Thank you.

Mr. Everling: I don't want to rush the conversation, but we've got a motion and a second. Any other thoughts, or are we ready to take this to a vote.

(Brief pause)

Mr. Everling: No comment?

Mr. Angle: I've said what I needed to say. I mean, there's a motion and a second on the floor.

Mr. Everling: Yep. Okay, Mark?

Mr. Todisco: Mr. McPhail – yes

Mr. Angle – no

Mr. Everling – yes

Mr. Kirchoff – yes

Ms. Renk– yes

Motion approved 4-1

Mr. Everling: Yeah, (inaudible)

Mr. Kirchoff: (inaudible) motion, yeah.

Mr. Everling: To share their vision as well. Thank you, Mel.

Mr. Angle: I would like to add, thank you for everyone's hard work. It's not easy and there are some emotions involved because of how long we've been working with this mall and this group. And I just want to say thank you to all of those involved for all their hard work.

Mr. McPhail: I know, it's tough. You know, but I just believe that conditions are so much different than they were before COVID.

Mr. Everling: Alright, thank you.

PUBLIC HEARING

Mr. Everling: Okay, public hearing. We have none on the agenda for a public hearing.

RESOLUTIONS

Mr. Everling: We do have one resolution. Plainfield Redevelopment Commission Resolution No. 2022-06 Making Findings Regarding the Pass-Through of Excess Incremental Revenue and Taking Certain Other Actions Related Thereto. Is there a motion...?

Mr. Kirchoff: I so move

Mr. Angle: I'll second

Mr. Everling: Mark?

Mr. Todisco: Mr. McPhail – yes

Mr. Angle – yes

Mr. Everling – yes

Mr. Kirchoff – yes

Ms. Renk– yes

Plainfield Redevelopment Commission Resolution No. 2022-06 is approved.

Mr. Everling: Alright, thank you.

WISHES TO BE HEARD

Mr. Everling: Are there any wishes to be heard this evening?

(Brief pause)

ADJOURNMENT

Mr. Everling: Very good, we are adjourned.

DocuSigned by:

Gary Everling

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Mr. Gary Everling, President

DocuSigned by:

Lance Angle

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Mr. Lance Angle, Secretary