

**PLAINFIELD REDEVELOPMENT COMMISSION**

**July 7, 2022**

**5:30 p.m.**

Mr. Everling: Welcome all, to the Plainfield Redevelopment Commission meeting for July 7,2022.

**PLEDGE OF ALLEGIANCE**

Mr. Everling: Will you all join me in the Pledge of Allegiance?

**DETERMINATION OF QUORUM**

Mr. Everling: Brandy, will you take roll please?

Ms. Bates: Mr. McPhail – here

Mr. Angle – here

Mr. Everling – here

Mr. Kirchoff – here

Ms. Renk – here

Ms. Elston –

All board members are present, minus Ms. Elston, Mr. President.

Mr. Everling: Alright, thank you very much.

## **CONSENT AGENDA**

Mr. Everling: Alright, let's move on to the consent agenda. You got the minutes, had a lot packed in on the June 6<sup>th</sup> meeting. Do I hear a motion to approve the minutes?

Mr. McPhail: Move to approve.

Ms. Renk: Second

Mr. Everling: Alright, all in favor?

(All ayes)

Mr. Everling: Thank you

## **OLD BUSINESS**

Mr. Everling: Alright, old business. Downtown project, Todd, you want to give us an update?

Mr. Cook: Sure, I'll give you a quick update. Probably the most exciting we have is the vet clinic was able to open up and they have been really pleased with their activity so far. I think that he had participated in the Farmer's Market prior to that, and was able to generate a lot of activity based off of the Farmer's Market, so that was good to hear. And they're just really pleased, and I think they're going to get engaged in the town going forward. Also, I think Jesse is going to join us virtually and give an update on the Prewitt, but there was a report in your packet. You know, they did end up pushing their grand opening back. They've had a little bit of trouble getting their kitchen equipment and their chairs. They're coming from Jasper, and they said, you know, push comes to shove they'll go down there and pick them up. Everything is going to be delivered, they believe, by the end of August. So, that will give them some time to do some training and do a soft opening in mid-September, but they feel pretty confident that – I think September 27<sup>th</sup> is the date. I did do a walk through with Jesse yesterday actually and you know, they've got a lot of training in place. They're going to start drywalling, I think Friday. I think Jesse was going to talk to you about maybe doing the dusty boots tour maybe, I think she's got a couple of dates in later July that she's looking at. I think it really looks completely different now, so I think you'll be excited with it. As you know, town hall is long gone by now, but it will start coming out of the ground soon. That's kind of the latest on downtown but you know, I'd be happy to answer any questions anybody has about those projects.

Mr. Everling: I don't have any at this time.

Mr. Cook: I did see that Chris Petrelli put out a – he's looking for kind of, like a manager type role. I saw that on LinkedIn, I think it was on LinkedIn or Facebook. So, he's hustling. I connected him

with Mike McFarley. Mike had some ideas about a food service provider in the Arts Center. If there aren't any questions – if Jesse's joining, I haven't heard back from her, but I gave you a little bit of an overview there, and that report's in there so maybe move on to Cam.

Mr. Everling: Alright, Cam, CDC.

Mr. Starnes: Great, thank you. As sometimes happens, Todd stole some thunder by mentioning the vet opening, but that's okay.

Mr. Everling: That's what you get for going first.

Mr. Cook: It will be the last time of that happening.

Mr. Starnes: Well, that's the sad part. But additionally, I would note that the white box for the restaurant space on the other side of the parking structure is nearing completion. We expect that to be as soon as next week, and that will allow that restaurant tenant to begin their tenant improvements and build out the restaurant space. So, we look forward to that side being occupied in the nearest future as well. Also, the CDC coordinated with Butler Fairman and Suefert toward demolition of a key property that's related to downtown infrastructure improvements, called for in the downtown plan. It of course has been the main charge of the CDC, acquiring properties adjacent to Krewson, to allow for its enhancement, in furtherance of the downtown plan. That's been successful to date. A lot of acquisitions it's been able to make, to allow for that and being close to being able to then deed those portions needed for the right-of-way back to the town for construction of that road improvement. So, those have been the main opportunities. And as you know there's a project partnership with Woda Cooper on the Stanley Fertilizer property. I mentioned last month, we have some recent environmental data that shows that – that follow up on the active remediation that took place last year indicates that that was successful, and they don't have any remaining concerns, which is good. It should allow for that project to move forward. Again, we look for that to initiate construction in 2023. Any questions on that?

(Brief pause)

Mr. Starnes: Thanks, I'll stick around. Ready to move to Hobbs Station?

Mr. Everling: Sure

Mr. Starnes: Alright, that's a big one this evening. We're at the point of this project, which I know you're all familiar with, heard about maybe even more than you'd like, but we're at the point in that project, in that deal where documents are really starting to fly around. We're starting to see a lot of approvals and resolutions, populate agendas. The Redevelopment Authority met just prior to you all this evening, to consider a lease resolution as part of the bond financing process. I wanted to bring your attention to an item that's in new business, which is consent to a second amendment to the project agreement between the town and the Redevelopment Commission

and the developer. The second amendment really accomplishes a couple of primary things. One is it extends the closing date to October to allow for the bond approval and issuance process play out, as part of what the town agreed to in the project agreement. Two, it then allows for a bifurcated type of closing. Which, the interest rate pressure that's affecting the speed with which Baker Tilly and Andy are trying to get the bonds done is also affecting of course private interest rates relative to the developer's construction financing. So, they are potentially looking to close with their lender in advance of the bond closing, in an effort to lock in a rate and allow a window of time for the bond issuance to play out and those proceeds to come in, which we've discussed with town staff, and it doesn't add any risk to the town in our view. It just really allows the developer to kind of sew things up with its bank. We actually closed in this fashion on The Barlow project downtown. So, there was closing, and ancillary documents were executed, the developer closed with its bank with a condition to further funding from its bank, contingent on the bond proceeds, and then allowed that process to continue to completion. That's in the second amendment as an addition to the project agreement. And then third, as we talked about in the last meeting through conversation with the developer relative to increasing costs and interest rates, you'll note that the amount of the bonds has increased from \$17 million to \$21 million. That proceeds number is something the town vetted with Baker Tilly, and with their assistance they will identify the ability to bring proceeds from the adjacent Ronald Reagan Allocation Area to make debt service payments in the initial years of that bond, as the project comes along and begins to pay taxes. And also, has worked closely with Andy as bond council to identify temporary lease premises to avoid capitalized interest, which increases those proceeds. So, that is part of this amendment as well, to allow for that increase. It also plays into the lease resolution that is further down on your agenda that pertains to the lease rental bonds with the Redevelopment Authority. So, like I said, certainly picking up speed, trying to get through toward a closing. That gives us a bit of a roadmap and timeline in which to complete items. Happy to answer any questions about that before we get to the consent on new business. You all have adopted, I'll mention, previously adopted a resolution approving a project agreement and authorizing the President to execute documents that are related thereto, this being material change in some of the business terms that I summarized. I wanted to bring that to you to consider and consent by vote, so that we can move forward on that basis. And surely the Town Council will do the same. Tim has summarized it well for them previously and I think that the next meeting, that might be part of their agenda as well.

Mr. McPhail: Cam, on the bond placement are we looking at a private sale or more of an open market?

Mr. Starnes: I will tell you when I know. I know we've got Heidi here from Baker Tilly and Andy is here as well, if they want to fill in any gaps. But I know the town has retained Steeple to work as an underwriter toward placement of bonds. And that part of what Andy is working on, is there an avenue for private placement, which I think is how the Performing and Fine Arts Center bonds were handled. The plan B, as it were, would be to get a rating and then market them, but that's something that Steeple is actively working on, to market and try to place those bonds.

Mr. McPhail: Okay

Ms. Renk: Under the definitions, could you just explain the background, “forgivable loan” under definitions. That was one that popped up that made it seem like... could you just explain that?

Mr. Starnes: Yeah, I will. It does sound a little funny. Going back, I forget which year, there was a change in the federal tax code, after which bond proceeds realized by a private developer in a deal of this nature could be taxed as income and would then of course take a chunk out of those proceeds. And so, the workaround that’s become pretty commonplace in a lot of these projects – including, I believe, The Barlow project – is to call that a forgivable loan so that it’s not income and it doesn’t have that hit. Which I think the town’s interests and the developer’s interests are fairly aligned in not seeing that intended incentive get – or part of that intended incentive – get sucked up as taxes. So, forgivable loan allows that to be treated a different way and funded similarly. That will fund portions of the project and be forgiven at the end. Yeah, a bit of a semantic thing.

Mr. Everling: Okay

Mr. Starnes: Any other questions on that?

Mr. Everling: I don’t.

Mr. Starnes: Okay. And I’ll be brief as to the Drinkard Property. We’re still under a due diligence period pursuant to that project agreement with Strategic Capital Partners. That is allowing them to evaluate the property of course, and then we have a title commitment. The survey is the developer’s responsibility. I don’t know that I’ve seen that yet, but I trust that it’s in motion. And then of course there will be an entitlements process involving rezoning the property, etcetera. I know the town is watching for that application to begin to move forward. I don’t know that they’ve seen anything yet but that’s where we sit relative to the agreement with Strategic Capital Partners. I think the initial window is 90 days; there are two 60 extensions in there, they were pretty upfront with us. We’ve tried to, with Kent’s help, we’ve tried to keep them moving quickly; I know we want to see that developed. I think the developer was pretty clear on the front end that they anticipated needing at least one of those extensions. So, they have known that this could be a process and it could take some time. But that’s where we stand. Any questions on that?

(Brief pause)

Mr. Starnes: Okay, thank you.

Mr. Angle: Thank you

## **NEW BUSINESS**

Mr. Everling: We're going to roll right into new business. Consent Approval of Second Amendment to Hobbs Station Project Agreement. Anything else you want to add to that?

Mr. Starnes: Not unless you have any questions.

Mr. Everling: Okay, alright. Anything else on the Real Property Tax Abatement? Joe?

Mr. Jasin: No, everything is pretty much there.

Mr. Everling: Okay. Any questions on these?

Ms. Renk: I do. More of a concern than a question. I've shared this with staff already. So, we have a 6% vacancy rate in our industrial warehouse district currently. Abatements are used as incentive tools. Are we looking at this particular abatement as a given versus an incentive when we may not need it? And what's the town's position on these abatements going forward?

Mr. Klinger: Well, first of all I'll just state that, I mean, really that's a policy decision made by the Council. One is in front of the Redevelopment Commission today. It's really just whether the abatement would somehow negatively impact the Tax Increment Finance District. That's the only reason the abatement comes before the Redevelopment Commission. If it wasn't in a TIF district, you wouldn't even see it. And I don't think that there's any particular indications that this abatement would have any negative impact on our existing obligations under the new TIF. So, with that out of the way, the question about the abatement, it certainly is something that's been discussed between staff and Council. The indications that I've gotten from Council is that there's kind of a fairness element to this – and we've heard this from developers as well – that abatements have been given to previous developers who have built buildings in the community and that gives them an advantage in the marketplace in terms of negotiating with tenants, because ultimately these tax liabilities are passed to the tenant. And so, with a new building coming in, not offering that same level of abatement as what we've done with other buildings, creates an imbalance in the marketplace basically. And so, there's sort of a fairness element to this, I think, that the Council has approached these abatements with. And so, we continue to do it, but there certainly has been that discussion about how long we need to continue to do that. We have council members on here, I don't know if anyone wants to add to that but that's kind of the conversation that's been had.

Mr. McPhail: I might just add one comment. We've been very successful in attracting business because we abated buildings, spec buildings, and most of the tenants that we get – if the snack building wasn't there, we probably wouldn't have them.

Mr. Klinger: Yeah, and I will add too that – you know, you kind of just touched on it Kent – is that there's an element of just demonstrating to the marketplace that this is a business friendly community; that we're willing to work with businesses that are interested in investing in our

community. And so, I think that abatements are one of those things that we use to kind of communicate that out to the development community.

Ms. Renk: So, I want to be on record saying I'm not opposed to abatements. I do think that they are a very valuable economic development tool, but the environment in which we are in now is very different from when you set up these districts, very successfully I might add. It's working and I applaud the foresight for that, but I do think it's time to reevaluate how we're using abatements, just to update. I would hate to think that – I just don't think it's a right policy position for private developers to think it's a given that the Town of Plainfield will enact an abatement without true due diligence on the impact, and is it truly needed. If not for the abatement, will they still come.

Mr. Klinger: I will add just that we do still have a policy in place – we have a method by which we decide how much of an abatement any particular investment might get, right. So, a rubric, a matrix – that's what we call it. So, we do look at those things, right, I mean, it does depend on the level of investment. Most of the buildings that you're seeing going in, when you're talking 500,000 square feet, most of them are going to meet that threshold for abatement but we certainly have some projects that come in that get lower abatements on the matrix because they aren't investing as much in terms of property. And then the other thing to note, most of these are just on the real property, it's on the improvements. There's no abatement on the land value, it's only the improvements. And then personal property abatement is whole separate thing. So, when a tenant moves in, they might apply for a personal property abatement but again, it's going to depend upon the level of investment. And typically, personal property abatements are shorter terms just because the property depreciates and doesn't have a very long life. And so, we certainly look at all those things in terms of granting abatements. So, all those factors do still come into play; you have to invest enough money, and create the jobs, and do the things according to our matrix in order to be able to receive an abatement, for us to be able to process that abatement through the process here. So, we do look at all those things. It's not just an automatic but again, most of the big building projects, they're going to be making enough of an investment to receive that.

Ms. Renk: Thank you

Mr. Klinger: Thank you

Mr. Everling: Thank you. Jean was your question – did those answers handle the last two?

Ms. Renk: Yes

Mr. Everling: Okay, good.

## RESOLUTIONS

Mr. Everling: We have nothing under public hearings so let's move into resolutions and see if we can get those on the floor. So, the first one, Plainfield Redevelopment Commission Resolution No. 2022-07 – Approving a Proposed Lease with the Town of Plainfield Redevelopment Authority, Authorizing Publication of Notice for Public Hearing in Connection Therewith, and all Matters Related Thereto (Hobbs Station Project). Do I have a motion for that resolution?

Mr. (?): Move to approve.

Ms. Renk: Second

Mr. Everling: Any other discussion on this resolution?

(Brief pause)

Mr. Everling: Alright.

Ms. Bates:

Mr. McPhail – yes

Mr. Angle – yes

Mr. Everling – yes

Mr. Kirchoff – yes

Ms. Renk – yes

Plainfield Redevelopment Commission Resolution No. 2022-07 has been approved.

Mr. Everling: Thank you. Second resolution: Plainfield Redevelopment Commission Resolution No. 2022-08 – Resolution Approving Real Property Tax Abatement Application-Browning/PLD LLC AllPoints Midwest 9. Do I have a motion to approve that?

Mr. Angle: Move to approve.

Mr. Everling: Second?

Mr. McPhail: Second

Mr. Everling: Alright, any discussion on that?

(Brief pause)



Ms. Bates:

Mr. McPhail – yes

Mr. Angle – yes

Mr. Everling – yes

Mr. Kirchoff – yes

Ms. Renk– yes

Plainfield Redevelopment Commission Resolution No. 2022-08 has been approved.

Mr. Everling: And finally, Plainfield Redevelopment Commission Resolution No. 2022-09 – Resolution Approving Real Property Tax Abatement Application-Browning/PLD LLC AllPoints Midwest 16. Do I have a motion to approve?

Mr. Kirchoff: So moved

Mr. Everling: I'll second it. Any discussion on that?

Ms. Bates:

Mr. McPhail – yes

Mr. Angle – yes

Mr. Everling – yes

Mr. Kirchoff – yes

Ms. Renk– yes

Plainfield Redevelopment Commission Resolution No. 2022-09 has been approved.

Mr. Everling: Alright, thank you.

### **WISHES TO BE HEARD**

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

(Brief pause)

Mr. Everling: Thank you very much, we are adjourned...

Mr. Angle: Before we adjourn, let me just take a second – you know, I saw this was your last RDC, right, and so you recently mentioned this is the last time you’ll get to do a report, or whatever, and I just wanted to thank you for your time with the town and wish you good luck on your next adventure.

Mr. Cook: (not at microphone) Thank you. Jesse was driving back from Lawrenceburg and didn’t have good reception, and so she has in mind July 20<sup>th</sup> for a dusty boots tour.

Mr. Everling: Let me take a look.

(Brief pause)

Mr. Everling: Does she have a time in mind? Early afternoon, maybe?

Mr. Everling: Let’s say 2:00?

Mr. Cook: Sounds good.

Mr. Everling: Great, thank you. Thank you for your service here to the town.

Mr. Cook: Thank you very much. It has been a pleasure.

## ADJOURNMENT

Mr. Everling: Very good, we are adjourned.

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Mr. Gary Everling, President

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Mr. Lance Angle, Secretary