PLAINFIELD REDEVELOPMENT AUTHORITY

July 7, 2022

5:00 p.m.

PLEDGE OF ALLEGINACE

Mr. Fine: We're going to start with the Pledge of Allegiance I guess, get the meeting going.

Mr. Fine: Thank you. Welcome to the July 7, 2022, meeting of the Redevelopment Authority.

CONSENT AGENDA

Mr. Fine: Has everybody seen the minutes of the January 25th? Can we approve that? Need a motion.

Ms. Lee: So moved

Mr. Blackwell: Second

Mr. Fine: All in favor?

(All ayes)

Mr. Fine: Alright.

(inaudible)

DETERMINATION OF QUORUM

Mr. Fine: Oh, well there's only three of us, so I guess we have a quorum.

Mr. Fine: Thank you Andrew. Everybody's here, we've got all three. And we've also passed the consent agenda for the January 25, 2022, meeting.

OLD BUSINESS

Mr. Fine: Old business, bond financing for the Plainfield Performing and Fine Arts Center.

Ms. Amspaugh: Hi, my name is Steve Dyson. No, it's not actually. Heidi Amspaugh with Baker Tilly. Steve asked if I could step in and fill in for him this evening. So, thank you for having me. I also have Nick Jones with me, he's one of our interns with us this summer. He actually lives in Clayton, Indiana, so I was like, come along to Plainfield tonight – to show him the ropes. So, thanks for having us. As you may recall, at the beginning of this year we worked through with you guys issuing the Plainfield Performing and Fine Arts Center, and those bonds we ended up pricing through a private placement. It actually got split into two series of bonds, so we had a 2022 A and a 2022 B bonds, based mainly on purchasers and wanting a piece of the pie. Bayard was the underwriter and purchaser of the $22 million portion of the A bonds. The true interest cost, the interest rate kind of over the life of the bonds was at 2.89%. The market is in a totally different situation now. So luckily, we got to the market when we did. On the 2022 bonds, the par amount of those bonds was $4,885,000. Capital One purchased those bonds and that portion was at a 3.4%. So, that deal is done. It has broken ground and is coming up out of the ground, as you all know. So, that was old business. I know probably some of the notes were in your past minutes that you read, but I just wanted to give you a quick update on that deal.

Mr. Fine: Thank you.

Ms. Amspaugh: Yes

Mr. Fine: Appreciate that. Boy, that demo came down quick too, didn't it? That was an amazing job. They didn't close the streets or anything.

NEW BUSINESS

Mr. Fine: New business, Plainfield Redevelopment Authority Taxable Economic Development Lease Rental Revenue Bonds of 2022, Series B for the new Hobbs Station project.

Ms. Amspaugh: Okay, so the next project that will be coming before you guys this evening is the Hobbs Station project. It will be – you have a form of a lease tonight in front of you, that will come back to you on August 1st for a public hearing and approval. Also recommending the approval of the lease to the Town Council – and Andy Kleinman from Taft is here and can walk through any questions that you might have related to those documents. But I do have a set of numbers that I can walk through this evening if you would like me to. The estimated bond issue that we re looking at right now is $23,925,000. They will be taxable economic development lease bonds. So, again, why you guys are involved in the project, is because it's a lease bond issue and the Redevelopment Authority plays a key role in the leasing function, to be able to do this project and issue this size of bond issue. I'm not sure how familiar you are with the Hobbs Station project and I'm sure somebody with the town can provide you with more details on the project itself, but these bonds will essentially provide proceeds, or monies that can be spent for the construction of certain infrastructure that's needed on the site. The net proceeds that come from the project will be given to the developer, for the developer to actually do the work and execute the project. I don't know if anyone from the town wants to step in, please feel free because you guys are very much more involved in the project side of things. We have sent the number – the town has decided to move forward utilizing Steeple, which is an underwriter, looking at whether privately placing these bonds with a local bank. And if he suggests to go that route, then we will probably proceed down that route if we feel like we can get a good interest rate for you guys, a competitive interest rate for you. If due to the length of the bonds or whatever it may be Steeple decides that going the private placement route is not the best route, we could put together an official statement and actually take this out to the market, get it rated, do an official statement, and that would go out to a larger pool of investors, not just local banks. So, we are working with Steeple on your behalf to kind of look at both of those options for the sale. We plan to get some kind of indication from them next week, as far as which route they think would be most successful, as far as getting the lowest interest rate for you all. The bond market, like the economy, like construction costs, is crazy right now. It has been soaring, and you have probably heard on the news every month that the FOMC who regulates interest rates, have been bumping interest rates. This last month's bump was 50 basis points, and we anticipate when they meet July 26th/27th another 50 basis points. So, we are just in an ever moving and changing market. I would say that the bonds themselves have sort of multiple sources of security behind them as far as the developer is willing to make minimum TIF payments on the multi-use portion of the development; they are going to be making PILOT payments for the garage portion of the development, and then the Redevelopment Commission and the town has decided that they are good with using some of Ronald Reagan TIF to actually pay the bonds. So, that will be the ultimate anticipated method of paying the bonds. There will be a property tax backup on the bond issue, that is essentially for credit enhancement – meaning, we put the property tax backup on the bond issue to obtain the lowest interest rates possible on your behalf, with zero intention to ever levy a property tax to pay for these bonds. I think in generalities that's probably kind of the high-level summary of deal. I don't know if I missed anything that anyone would like me to add, or if you would like to add. Any questions?

Mr. Blackwell: Where exactly is that project?

Mr. Klinger: Just a quick update. So, the location is the northeast corner of Smith Road where Township Line and Perry kind of meet there, right. So, there's the roundabout at Smith Road and Township Line. The property was previously owned by Adesa and sold to the developer. So, I don't know – have you placed it? The idea is – this is a really substantial project. It's an approximately $300 million investment and it is a true – I don't even think mixed use it the right term – but it's a comprehensive project. It involves some industrial elements to the east end, abutting the Adesa property on the east. And then includes a whole mix of other uses. There's the potential of an office building. The first phase would be a mixed-use building that would have apartments and street level retail. There's a senior housing component, and then there's also townhomes, and then ultimately single-family housing that would be delivered by Pulte. The single-family homes include both rear load housing similar to a more urban area like downtown, where your garage is in the back, and also the more traditional suburban style of single-family housing where you have a front load garage off of the street. And so, it really does provide a wide variety of housing opportunities, as well as retail, potential office, and some industrial components. And it also includes – part of the deal the town engaged with the developer includes waiver of park impact fees because they're also going to build out a 2–3-acre park as part of the project as well. So, there will be some amenities as part of the project as well. I think that's it in a nutshell. Obviously, it is a phased project; the first phase would be the mixed-use building, as well as part of the industrial. And then over time they'll build out the additional phases. The bond is a big part of what the town is helping to contribute to the project, using the tax increment to feed back into the project, but we are also doing some infrastructure work around the site. If you may recall, I don't know if you knew, but we received a state grant to extend the Vandalia Trail. So, the Vandalia Trail actually terminates at Smith Road, south of Township Line, and the Vandalia Trail extension project would go right through this site and extend all the way to Raceway Road. So, we've been coordinating with the developer on that project, so that amenity will actually go through their project, essentially. As I understand it, they're actually going to build portions of that for us as part of the project, and it's all kind of getting mixed in. So, there are portions of infrastructure that we're supporting the project with. Smith Road has needed improvements for some time, but we knew some development was coming so we've kind of been waiting for this. So, there will eventually be some improvements to Smith Road, some intersection improvements and stuff like that too. Any other questions?

Mr. Fine: The resolution gets it to the Town Council?

Mr. Klinger: Umm, what is the next step, council next?

Mr. (?): RDC

Mr. Klinger: Oh, Redevelopment Commission, which is right after you're done. The RDC will consider it, and then to the council.

Mr. Blackwell: In the materials that were sent to us, there was a temporary facility, lease facility. It looked like it was more west. Is that part of this too, or is it truly temporary and…?

Mr. Kleinman: I'm Andy Kleinman with Taft. Good question. So, the – we have to have a temporary lease premises because we have to have property that has substantial value right now. The property that's being developed obviously doesn't have the value yet. So, Tim Belcher can give you a better description, he's identified some roadways in the town that we can use as our temporary lease premises. That's really a placeholder but it's something – you know, worst case scenario, there would be substantial kind of value behind the lease. And then once the project is completed – I'm not sure if Andrew mentioned, part of the bond proceeds are going to be used to build a parking structure which will be deeded back to the town after it's completed. Once that happens, that parking structure becomes the lease premises. So, it's obviously part of the project; there's going to be an agreement for the developer to operate and maintain the garage, but it's owned by the town and will serve as the permanent lease premises once it's completed.

Mr. Blackwell: Thank you

Mr. Fine: Very good. Thanks, I didn't understand that myself.

Mr. Blackwell: And then I had one other question. This development is in Plainfield but it's Avon School District?

Mr. (?): Yes

Mr. Blackwell: Okay. Do they get any type of clawback to any revenue from the town relative to that?

Mr. Klinger: Not a clawback or anything but what we did is, the way we structured the tax increment financing for the bond, we're actually only capturing 50% of the value of the mixed-use building, just the multi-family portions of it. Single-family housing doesn't get captured in the TIF anyway. The multi-family would but we've reduced that to 50%. So, essentially 50% of the value will pass through to the schools and the library and all the other entities.

Mr. Blackwell: Okay

Mr. Klinger: So, that's part of the conversation that we had with Avon Schools about the project.

Mr. Blackwell: Thank you

Ms. Amspaugh: I would also add, Avon Schools has a pretty significant operating referendum in place and how TIF and referendums work is the TIFs can't capture the referendum portions of the rate. So, the school gets all of the captured assessed value that is created from the TIF areas, towards the calculations of their referendum. So, they are getting all of this development's assessed value, they will get added to the calculation of their referendum rate – which I think is maybe $0.35 still. So, once all of this assessed value gets added onto their tax rolls, which is $115 million, they'll get to add that to the referendum tax rate. And one additional thing I would add on the temporary lease premises is – why we are putting that into place is so that you do not have to pay interest during construction. That allows us to not have capitalized interest as a part of the bond structure, which saves millions of dollars for the town to utilize that approach, having the temporary lese premises, which is a very standard structure that the town's used.

Mr. Fine: Okay, thank you. So, the whole project is really in Washington Township.

Mr. Fine: Any other questions on this?

(Brief pause)

RESOLUTIONS

Mr. Fine: So, now we need a resolution to pass. Plainfield Redevelopment Authority Resolution No. 2022-01 – Approving a Proposed Lease with the Plainfield Redevelopment Commission, and all Matters Related Thereto (Hobbs Station Project). Do I hear a motion to approve?

Mr. Blackwell: I'll make a motion to approve the resolution.

Ms. Lee: Second

Mr. Fine: All in favor?

(All ayes)

Mr. Fine: Unanimous, Resolution No. 2022-01 has been approved and handed over to the RDC.

WISHES TO BE HEARD

Mr. Fine: Anything else then that needs to be brought upon us?

(Brief pause)

ADJOURNMENT

Mr. Fine: The next special meeting we'll be having for the bond – is that what that is for – on August 1st. Anything else that needs to be brought up? Any questions?

(Brief pause)

Mr. Fine: I suppose we need a motion to adjourn.

Ms. Lee: Motion to adjourn

Mr. Blackwell: I'll second

Mr. Fine: We're adjourned. Thank you.

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Richard Fine

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Mr. Richard Fine, President

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Lori Lee

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Ms. Lori Lee, Secretary