

NOBLESVILLE REDEVELOPMENT COMMISSION

FEBRUARY 8, 2019

The Noblesville Redevelopment Commission met pursuant to public notice on February 8, 2019 at 8:00 a.m. at 16 South 10th Street, Noblesville, Indiana. The following members were present: Michael Field, William Lynch, Jack Martin, and William Taylor. Sylvia Shepler represented Hamilton Southeastern Schools. John Elmer and Monica Peck were absent.

Also present were City Clerk Evelyn Lees, City Attorney Michael Howard, Economic Development Assistant Director Andrew Murray, Controller Jeff Spalding, and Economic Development Assistant Amy Smith.

1. Call to Order.

Mr. Field called the meeting to order.

2. Roll Call

The rolled was called, and a quorum was present.

3. Approval of Meeting Minutes: January 11, 2019

Mr. Taylor moved to approve the minutes as presented, second Mr. Lynch, four aye.

4. Campus Center Project:

- a. Resolution No. RC-02-08-19-A: [PUBLIC HEARING] Consideration by the Commission for confirmation and approval of an amendatory declaratory resolution to remove certain parcels from the Corporate Campus West Economic Development Area and allocation area.

Mr. Murray stated this resolution is one of multiple statutory steps in creating a new TIF district. He stated the commission adopted two declaratory resolutions on December 13, 2018; now it is time for confirmation and a public hearing. He stated the Plan Commission and Common Council unanimously approved the plan. He noted the district is being created to capture the tax increment to pledge to payment of the bonds. He stated the parcels are being removed from the Corporate Campus West TIF.

Mr. Field opened the public hearing for Resolution RC-02-08-19-A. Seeing no one from the public present, Mr. Martin moved to close the public hearing, second Mr. Taylor. Mr. Field closed the public hearing.

Mr. Martin moved to approve Resolution RC-02-08-19-A, second Mr. Lynch, four aye.

- b. Resolution No. RC-02-08-19-B: [PUBLIC HEARING] Consideration by the Commission for confirmation and approval of a declaratory resolution to create the Central 146th Street Economic Development Area and allocation area.

Mr. Murray stated Resolution RC-02-08-19-B uses the parcels removed from the Corporate Campus West TIF to form the new Central 146th TIF.

Mr. Field opened the public hearing for Resolution RC-02-08-19-B. Seeing no one from the public present, Mr. Martin moved to close the public hearing, second Mr. Taylor. Mr. Field closed the public hearing.

Mr. Martin moved to approve Resolution RC-02-08-19-B, second Mr. Lynch, four aye.

- c. Resolution No. RC-02-08-19-C: Consideration by the Commission for approval of a resolution pledging certain incremental revenues and other matters related thereto.

Mr. Murray stated this resolution is necessary to move forward with bond financing for the Campus Center project. He stated the Plan Commission and Common Council approved the resolution unanimously. He stated the bonds will be used to reimburse the developer up to \$6.5 million for land acquisition, site development, and construction costs. He stated the resolution pledges the excess Corporate Campus West TIF increment toward payment of the bonds after taxpayer payments and the Central 146th Street TIF increment. Mr. Field asked if the project will pay for itself. Mr. Howard replied it will. Mr. Murray presented the debt service schedule, including the Corporate Campus West TIF increment and taxpayer payments. Mr. Martin asked why the payments from 2030 through 2033 are so much higher. Mr. Howard stated bonds paid from the Corporate Campus West TIF will be paid in full in 2029, but the TIF district will continue for four more years. He stated the extra increment will be used to make larger payments on the bonds, which will result in substantial interest savings. Mr. Spalding noted the debt service schedule is built on revenue flows if the project does not succeed. He stated they expect much greater cash flow from the project.

Mr. Taylor asked how the bonds will be used. Mr. Howard explained as an incentive to the developer, the City will participate 50 percent in the land acquisition, site development, and construction up to \$6.75 million. He stated developer demand has been building on 146th Street from west to east, but the non-conforming use has been a stumbling block. He noted the developer is ready to clean up the site, and the developer has a good reputation. He stated the current use will expire on December 31, 2019. He stated the City is making a significant contribution, but we estimate the City will receive approximately \$700,000.00 per year in tax increment. He stated the other three corners of the intersection have interested developers. He noted the City will bring sanitary sewer to the site. Mr. Taylor asked what will happen if the developer does not complete the project. Mr. Howard replied state law allows for taxpayer payments; the City could foreclose and own the land. He noted the City is ahead of the mortgage company in a foreclosure action. He stated the taxpayer agreement is binding on the developer's successors, which motivates the developer to complete the project. He stated the same type of agreement was used for the BorgWarner, Embassy Suites, and BlueSky projects. Mr. Lynch

asked if the developer already has tenants reserved, or if the buildings will be speculative. Mr. Howard replied he was not sure, but the developer built the Community Health buildings at Cumberland Road and 146th Street, so he knows the area. Mr. Howard stated this is the first bond financing not backed by income or property taxes but by an appropriation in the General Fund. He noted the extra fees are approximately \$1,000.00 per month and gives the City great flexibility. He stated the plan was put forth by O.W. Krohn & Associates and Hilliard Lyons. Mr. Spalding stated the bonds will be taxable with an interest rate of approximately 4.5 percent. Mr. Martin asked what the timeline for the development would be. Mr. Howard stated it will be market driven, but it could open as early as January 1, 2021.

Mr. Taylor moved to approve Resolution RC-02-08-19-C, second Mr. Martin, four aye.

- d. Resolution No. RC-02-08-19-D: Consideration by the Commission for approval of a resolution concerning payment of costs and reimbursements.

Mr. Murray presented the source and use schedule for the bonds. He noted the plan is to fund the pre-construction interest and the debt service reserve fund with cash on hand. He stated extra increment from the Corporate Campus West TIF will be used to pay the bonds and will be supplemented by the Hamilton Town Center TIF and the Corporate Campus East TIF is necessary. He noted the TIF districts will be reimbursed from the Central 146th Street TIF once the project provides more tax increment than is needed for debt service.


Mr. Lynch moved to approve Resolution No. RC-02-08-19-D, second Mr. Taylor, four aye.

5. Additional Business before the Commission.

Mr. Murray stated the commission will begin approving a docket of claims in the near future.

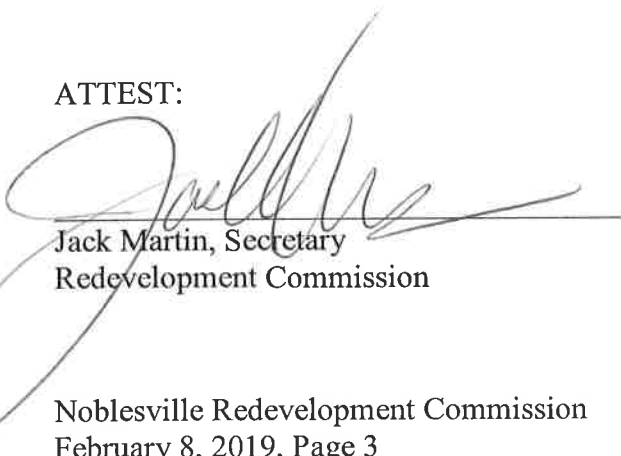
6. Adjournment.

There being no further business before the Noblesville Redevelopment Commission this 8th day of February, 2019, Mr. Field adjourned the meeting.



Michael Field, President
Redevelopment Commission

ATTEST:



Jack Martin, Secretary
Redevelopment Commission