

The Pendleton Redevelopment Commission (RDC) met May 24, 2018 at 6:00pm at the Pendleton Town Hall, 100 W State Street, Pendleton, Indiana. The meeting was called to order at 6:00pm. Commission Members present were President Chad Wolfe, Craig Campbell, Michael Wright, Steve Davis and Jessica Bastin. A quorum was established with five of five voting members present. Representing the Town were Town Manager Tim McClintick, Assistant Planning Director Rachel Christenson, Town Attorney Alex Intermill, Planning Clerk Kate Edwards and Notary Jo DeWitt

Others in attendance were Chris Davis of Pottery Hound, Matt Bankes of 15492 Tabert Court Fishers, Matt Layman of 2828 S Main St New Castle, Robert Orr of 326 E Adams Street Tipton, Gary Meade of Park 100 Foods, Steve Denny of 303 Pearl Street Pendleton, Katie Culp and Amy McDonald of 800 E 96th Street Indianapolis and Jim Washburn of Noblesville.

MINUTES

MOTIONED BY MICHAEL WRIGHT, SECONDED BY CRAIG CAMPBELL, THE APPROVAL OF APRIL 26, 2018 MEETING MINUTES. MOTION CARRIED.

OLD BUSINESS

- **RDC Members Bond Application**
 - All application questions by the board members were answered
 - Jo DeWitt notarized each signature
 - Intermill advised board members to place any invoices in this regard in the Clerk Treasurer's mail box

- **Revolving Loan Fund Process and Application**
 - Wolfe gave an overview of the purpose the Revolving Loan Fund.
 - Christenson gave an overview of changes in this second draft of the Revolving Loan Fund process and application.
 - The application is now basically a form for the Planning staff to use for record keeping. Forgivable loan option was removed. Loan offering limits are between \$1,000 and \$25,000. Red highlighted portion of the document on Google Drive was read aloud by Wolfe regarding deviation from the approved plan or agreed to deadlines. Christenson asked for the board to consider how we plan to handle it if plans deviate from what was originally agreed on. Although Wolfe shared there will need to be some flexibility as we move forward, he believes the deviation language indicated is fine and we need to make sure we work with the lender since the lender will build their credit profile around our piece of equity.
 - Bastin shared that no construction project goes the way that you originally plan it and she would expect that the board would only concern themselves with major deviations and how do we define that.

- McClintick shared that typically when there are design guidelines, Planning staff makes sure that the project meets the intent. If Planning is not comfortable with that, they take it back to which ever board was involved and let the board make the decision on how to move forward.
- Bastin noted a typing correction needed to the end of the second line on the application.

JESSICA BASTIN MOTIONED, SECONDED BY MICHAEL WRIGHT, TO APPROVE THE REVOLVING LOAN FUND APPLICATION, WITH NOTED CORRECTION. MOTION CARRIED.

NEW BUSINESS

- **Housekeeping items – Google Drive and Town Email Addresses**
 - Christenson presented each board member with information about a town.pendleton.in.us email that was created for each, advising that we would stop using their personal emails for town business. Adding she will assist anyone needing assistance in this regard.
 - Christenson also advised that if any board member has trouble accessing Google Drive from home or office to let her know and she will help with that.
- **Tractor Supply Company**
 - McClintick addressed the board advising that Tractor Supply was here to talk about a tax abatement we have been working on for both personal and real property.
 - Matt Laymen, Operations Manager of Outbound Business and acting Site Manager for Tractor Supply addressed the board. Increased in size since 1999, adding an additional 250,000 square feet in 2004 and continue to grow every year. Currently serving 284 stores out of the Pendleton Distribution Center. Tractor Supply opens a new store across the country every three to four days with seven distribution centers in the network. 240 hourly team members with up to 60 temps as needed. They have now decided to go with only full time team members and hired over 110 full time team members since the beginning of 2018. Laymen added that in order for them to continue to grow, they must upgrade their building. Unable to increase in size, they must maximize what they have. With the anticipated growth they estimate another 50 full time team members over the next three years with an average rate of \$17.10 per hour. Proposal handed out to the board includes outline of project for up to 10.7 million: 8 million for building improvements, 2.4 million for machinery / equipment and \$230,000 for furniture and fixtures. Third Phase of their paving project is included. Concluded that they are asking for some tax abatement for this project.

- The consultant for Tractor Supply advised they had a meeting with the State about two weeks ago to introduce the project and they are working with the Indiana Economic Development Corporation. Submitted the AFI to the State and they did provide an offer, so the State is providing incentive for the project and we have been working with Tim McClintick in hopes that the Redevelopment Commission will consider a tax abatement.
- Laymen explained they are not able to expand their footprint, but they are enclosing a 50,000 square foot outdoor storage area.
- McClintick added an additional project is moving their guard shack back further on the property to prevent the semis from backing up on Enterprise Drive, helping traffic flow.
- Wolfe explained there are two components to this: a Real Property Abatement and a Personal Property Abatement. Proposed investment in the building improvements is about 8 million and of that investment we anticipate an increase in assessed value of about \$390,000. The personal property is approximately 2.72 million. From an assessment standpoint we are looking at approximately 3.11 million dollars.
- Wolfe noted that Umbaugh looked at the tax rates.
- Wolfe also noted this will be straight line staggered. A flat rate 10-year tax abatement \$61,000 and \$208,000 so we are talking about roughly \$270,000 in tax abatement on this project over a ten year period.
- Net taxes over a ten year period on the Real Property will be roughly \$50,000 and on the Personal Property our net taxes will be approximately \$1.22 million over that time period. This will help explain what they are asking for versus what the net of the project generates to the town. The Real Property will all be TIF. The Personal Property will be regular.
- Intermill advised that the Town Council will be the designating body as defined by the law to approve this. This project resides in the TIF allocation area which brings the RDC to this project. At the bottom of the SB1 form there is a cheat sheet of the four factors for the commission to consider in voting on the abatement:
 - Total amount of the taxpayer's investment in real and personal property.
 - Number of new full-time equivalent jobs created
 - Average wage of the new employees compared to the state minimum wage.
 - Infrastructure requirements for the taxpayer's investment.
- Intermill added that every year Tractor Supply will submit before May 15th a compliance form CR1, which will update the council as to where they stand at that time, providing any needed explanations for deviation. Intermill also reminded that Tractor Supply had a tax abatement when they first came to Pendleton and they made good on that and they have been a great partner and have a good track record.

- Intermill stated that he does have a resolution to memorialize the vote, if one is taken tonight. Ultimately he would ask that they vote on 18-5A.
- Steve Denny asked how many Tractor Supply employees live in the Pendleton area. The reply was that Tractor Supply has not run those numbers. Wolfe added that those numbers are typically monitored at the state level when looking at job tax credits and training grants. From the abatement standpoint we don't tie this to it, we tie it to the taxable revenue for the town. McClintick added we need to be careful when talking about the community and is that referring to just the Town of Pendleton's borders or the radius, such as including our larger school district.

MICHAEL WRIGHT MOTIONED, SECONDED BY STEVE DAVIS, TO APPROVE RESOLUTION 18-5A GIVING TRACTOR SUPPLY THE AFOREMENTIONED ABATEMENTS. MOTION CARRIED.

○ **Project Seinfeld**

- McClintick advised the board that this economic development project has been in the works for about one year, then introduced Katie Culp with Katz, Sapper & Miller, Incentive and Site Selection Group.
- Culp introduced herself, her colleague Amy McDonald, Jim Washburn the Chairman and CEO, Gary Meade President and Robert Orr the Director of Capital Improvement and National Sales. She explained the Project Seinfeld name came from the soup Nazi in Jerry Seinfeld, as Park 100 Foods is a major maker of soups. Culp went on to explain that Park 100 Foods is a privately held company with Jim and Gary being the primary owners. Summarizing their interest in Pendleton and that the company is in a position of needing to expand in order to satisfy their growing orders.
- President Gary Meade addressed the board, presenting a video of their plant. The company started in 1976 in Indianapolis with their 12 employees doing everything. Forty years later, three processing plants later, they supply soups, sauces, side dishes and chili for national chain restaurant accounts. Morristown (1988), Kokomo (2006) and Tipton (1990) Indiana plants. They employee 630. All product is distributed out of Indianapolis ending up all over the country. Products are frozen and shipped and are the same quality product six months later. Meade advised they are stretching the limits of what they can produce at their plants and they need to build or secure another facility and hope to tentatively come to Pendleton.
- Culp showed the board a video of one of their plants and indicated a longer video was added to Google Drive for their review.
- Robert Orr addressed the board. Shared that he went to elementary through graduation here in Pendleton. He is in charge of National Sales and overseeing all of the new construction of facilities. The company has grown every single year. Feels the property in Pendleton is ideal. Phase 1

they are looking to build approximately 100,000 square feet and have about a 17.5 million dollar investment in the building and about 32.5 million dollar investment in equipment and bringing in 150 jobs. The Pendleton property has the potential to allow them to grow it into their largest location. Could end up being the new culinary center as well.

- Wright asked about employee diversity. Orr advised currently they are roughly 60% male 40% female with about 50% millennials. Tipton is about 98% Caucasian. Kokomo plant is about 50% African American 50% Caucasian. Morristown is 77% Caucasian and 23% Hispanic.
- McClintick added that when touring their facility, it was amazing and one of the best parts was that these guys would call staff by name, ask how a family member was doing, and talking with them like they were family.
- Orr took his iPad over to the board members and showed them live feed from their Tipton plant. Meade adding the plants are cleaned every night. They are USDA inspected, FDA inspected, Board of Health, but the USDA, FDA and Board of Health standards are not the high standards of Park 100 Foods.
- Davis asked what the Phase 1 150 employees will be doing. Orr said primarily they will be plant jobs to include cooks, pushers, vegetable sorting, shipping and receiving, packaging, QA director and team.
- Orr advised that the company gives away scholarships every year, involved in Relay for Life, provide toys for roughly 400 kids each year for Christmas and bicycles for adults so these adults can bicycle to work.
- Wolfe summarized that he and McClintick wanted to make the Park 100 Foods introduction tonight and there are a lot of things that still need to be worked out, so we are not ready to talk absolutes tonight, but from an RDC President and Town Manager standpoint, we would like to get the board blessings to go into deeper negotiations with Park 100 Foods.
- Meade indicated that they would like to be in a position to move dirt by fall, as they are literally turning away business currently.
- McClintick advised that the parties are really close, but to get a project like this we also have to look at the road infrastructure, water, electric, storm water, and all of those have costs associated. Wolfe adding that the Town is hoping to work on this needed infrastructure at the same time considering the needs of another interested project, adding that the Town is looking at a bond for the infrastructure as it is a multimillion dollar investment and currently tweaking numbers with Umbaugh to make sure that it make sense. Hoping to have a proposed incentive package to present to the board at the next meeting.
- Intermill advised this will be somewhat different than Tractor Supply because of the Town's role in the infrastructure, on the bond financing, so there will be an added layer to the development agreement between the Town and Park 100 Foods.

MOTIONED BY STEVE DAVIS, SECONDED BY JESSICA BASTIN, TO MOVE FORWARD WITH THE PARK 100 FOODS INCENTIVE PACKAGE. MOTION CARRIED.

○ **Project SIMMONS**

- McClintick shared the combination recreational sports medical center project is now referred to as Project Simmons for Richard Simmons. Wolfe advised the Town needs to come up with an improved incentive package. They are non-binding term sheets. It does go to Town Council. But they need to present to the RDC the financials of it. This is the partnership presented to us between Community Hospital and Klipsch-Card.
- Wolfe presented a detailed review of two different incentive scenarios as prepared by Umbaugh, along with handouts to the board. The audio/visual recording of the details is available.
 - SCENARIO 1 – Give land that was given to the Town, which is a non-revenue town asset, and we only bond against our TIF, and the incremental difference of what we get will come into the Town to pay the bond back.
 - SCENARIO 2 – Use TIF and overlap with a property tax levy.
- McClintick wanted to address that much of the infrastructure needs to serve one will serve both, so if we land both of these it will be to the Town's benefit. Indicated that last year we approached the Indiana Economic Development Corporation and they committed to roughly \$1,000,000 to put towards the road infrastructure, so that would benefit both projects.
- Wolfe informed what he is looking for is the ability to pursue option 1 or option 2.

CRAIG CAMPBELL MOTIONED, SECONDED BY STEVE DAVID, APPROVING TIM MCCLINTICK AND CHAD WOLFE TO SEND OVER A NON-BINDING TERM SHEET WITH THE NUMBERS IDENTIFIED IN SCENARIO 1 TO KLIPSCH-CARD TO BEGIN NEGOTIATIONS. MOTIONED CARRIED.

McClintick reported that the Redevelopment Authority approved funding from their TIF dollars to do paving and Heritage Way was on that list and they approved up to \$220,000 to get the design and engineering process underway for the road.

The next meeting is scheduled for June 28, 2018.

Meeting adjourned at 8:05pm.

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Kate Edwards
Planning Clerk
Town of Pendleton