

The Pendleton Redevelopment Authority met on August 22, 2018 at 7:00pm at the Pendleton Town Hall, 100 W State Street, Pendleton, Indiana.

The meeting was called to order and roll call taken. In attendance were Jessica Smith and Michael Romack. A quorum was established with two of three members present.

Others in attendance representing the Town were Town Manager Tim McClintick, Town Attorney Alex Intermil and Planning Clerk Kate Edwards.

## **MINUTES**

**MOVED BY MIKE ROMACK, SECONDED BY JESSICA SMITH, THE APPROVAL OF MINUTES FROM MAY 23, 2018 MEETING WITH THE CHANGE FROM PAGE 3 THIRD LINE 'QUOTE' TO 'QUITE'. MOTION CARRIED.**

### **4.1 OLD BUSINESS – Heritage Way Extension South**

McClintick addressed the board. As the minutes state, the RDA had committed part of the bond funds to Heritage Way. He added that things have moved and changed and was now asking the RDA to approve all of the funds to be used towards the Heritage Way extension, stating that the Town's commitment to Klipsch-Card is to build the road and intersection to the end of the Klipsch-Card property line. These funds will not cover all of this project and Town is looking for additional funding sources. He reported that the Town projects at the Interstate and State Street are coming in under budget so the Town should have some of those funds to use.

**MOVED BY MIKE ROMACK THAT THE REMAINING FUNDS IN THE REDEVELOPMENT BOND ACCOUNT BE UTILIZED FOR THE HERITAGE WAY EXTENSION SOUTH AS FAR AS THE FUNDS WILL GO.  
SECONDED BY JESSICA SMITH. MOTION CARRIED.**

### **5.1 Wellness Center Agreement**

Intermil addressed the board advising the board members will have a proposed Resolution and then an Exhibit to the Resolution is the Development Agreement as it stands today. All the major issues have been agreed upon save for one item that arose today which is the timing of funding the \$1,000,000 to Klipsch-Card. They want it when we close on everything. The bonds won't be closed until late November or December 7<sup>th</sup> or so, but that will be worked out.

Intermil went on to address that the Resolution is asking for is that the RDA to approve and authorize Jessica Smith to sign this as President of the RDA in substantively the same format and the RDA can lean on him to make sure that it is.

Romack asked why the RDA has a sign off on this. Intermil explained the RDA is a safety net as another possible means of funding the project. We don't think the RDA will be necessary, as we think we can do this through the economic development commission, a building corporation that will be established and move through that process, but we wanted to keep the RDA linked in in case there was another way to fund. The funding being 2.45 million, with 1 million upfront and 1.45 over 15 years, which is all in the Agreement in Section VI. Town Payments.

Intermil went on to explain that when the facility is built it will be assessed, then taxes paid in arrears will have a year where the town will have to make that 12 times \$8,000. Clerk Treasurer has reported those funds are available.

He also talked on the importance of Section V. Covenant Not to Appeal. Part of the negotiations in the incentive package was that the Town agreed to off-set, for a period of 15 years, their real estate taxes. \$285,000 a year times 15 years equating to 1.45 million mentioned earlier in the Town Payments review. In exchange, since we are relying on the real estate taxes to fund the debt on the bonds that will be used to make those payments, we can't have a situation where Klipsch-Card builds, the assessor assesses and then Klipsch-Card appeals to try to knock it down. So this Covenant Not to Appeal addresses that piece of it. Now it is very clear that the assessed value that they agree not to challenge is only tied to the initial Wellness Center project and the land, so if they sell off an out-lot to build the medical office or whatever, that is conveyed real estate and if someone builds something on that, that doesn't increase the town's obligation to pay more than the \$285,000. In the event that the assessed value for the Wellness Center project and the entire 25 acres of dirt that their real property taxes for those two pieces is more than \$285,000, the town has agreed to increase its monthly payments by 1/12 of whatever that excess real estate property tax increment is. Intermil spoke with Brian Colton at Umbaugh at length and Colton is comfortable that the Town is in a fine position to agree to that. This Covenant Not to Appeal goes through 2036 which is when the bonds will expire. After that they can appeal as they wish.

He also explained that once the Town conveys the property there is no claw back provision. Klipsch-Card will be locked into using this property for the intended uses and that is defined. If they default, the Town would have remedies under this contract to go after them and force their hand.

They also need to rezone, which will be an RDC issue because when they rezone to Planned Business that will kick that zoning authority away from the RDC and put it under the Plan Commission. All of these different moving parts will come together at about the same time, from mid-October to early December.

Section IX Rental of Facilities Klipsch-Card will give a 25% discount to not-for-profit groups on using the tennis courts.

Klipsch-Card is hoping to open third quarter 2019.

Romack stated it appears we pay for everything on our side in Section 1A. Intermil confirmed that is just for the Town's portion of the infrastructure, such as road, water, power, etcetera, to the property line. The town did agree however to offset Permit, Inspection Fees and those items that the Town controls.

Smith asked about the Dispute Resolution section and if there was any wording about the non-prevailing party paying attorney fees. Intermil advised that the way it is worded currently is that both sides bare their own attorney fees. Smith added that this will not prevent her from signing off, however, it might be nice to have that added. Intermil agreed.

Intermil advised he was asking for a motion to adopt the resolution which would authorize Jessica as President of the RDA to ultimately sign this agreement in its final form. Once we have the final copy Smith will sign it on behalf of the RDA, the President of the RDC will sign it and then President of the Town Council. Then the Klipsch-Card signatures will be obtained and this piece of the project will be done.

**MIKE ROMACK MOVED THAT THE RDA ADOPT RESOLUTION NO 2018-01.  
SECONDED BY JESSICA SMITH. MOTION CARRIED.**

**NEW BUSINESS – None**

The next meeting is September 26, 2018 at 7:00pm.

Meeting adjourned at 7:30pm.

Kate Edwards  
Planning Clerk  
Town of Pendleton