

MINUTES
MUNCIE COMMON COUNCIL
300 NORTH HIGH STREET
MUNCIE, INDIANA 47305

APRIL 1, 2019

PUBLIC HEARING: 7:15 P.M., 1ST FLOOR CITY HALL AUDITORIUM.

ORD. 10-19 AN ORDINANCE TO VACATE CERTAIN PUBLIC STREETS AND EASEMENTS IN THE CITY OF MUNCIE, DELAWARE COUNTY, INDIANA.

No comment. Marshall closes the Public Hearing.

REGULAR MEETING: 7:30 P.M., 1ST FLOOR CITY HALL AUDITORIUM.

PLEDGE OF ALLEGIANCE: Led by Scout Troop #1 and Troop #19 linked together by Riverside United Methodist Church. The 19th amendment allows girl scouts. They are accompanied by Scout Master Myers and Scout Master Murphy.

INVOCATION: Given by Minister Linda Smith from Destiny Christian Center International.

CITIZEN RECOGNITION: Councilperson Ridenour thanks President Marshall for creating this award. All of the members of the council really love that they get the opportunity to pick out a citizen who they feel has had the chance to help improve the city in one way or another. In honor of baseball season starting up in recent days, he is going to throw a slight curveball chooses to recognize an organization, the Cardinal Greenway. There are four board members present tonight and one did not know this was going to happen. Ridenour himself is on the board. He explains that he is going to read a letter that he wrote to the newspaper in 2013, before he was on the council and on the Greenways board of directors.

Nice Community Asset: While I was running on the Cardinal Greenway this past Saturday, I crossed paths with 72 other people on the trail. Twelve were running, 22 were walking, 37 were on bicycles and remarkably, one adult male was skipping rope. I know it's somewhat compulsive to count the number of people as I run, but my options for this two-hour training are limited. During my run, I noticed a couple who had gotten off their bikes at the map by the McCulloch Park trailhead. They seemed lost. I asked them where they were trying to go and if I could help. They said they had heard good

things about the Cardinal Greenway so they had come up from Indianapolis to ride it. They wanted to stop for coffee somewhere near the trail but nothing was noted on the map to help them. I directed them to both Starbucks and Panera Bread and they went on their way. This conversation and all the activity on the trail Saturday caused me to ponder just how blessed we are in Muncie to have the Cardinal Greenway and White River Greenway right in our own backyard. I run the greenway every week as do many other locals. But what is also encouraging to know is that this award-winning greenway is prompting people from Indianapolis, and perhaps elsewhere, to visit Muncie to take advantage of this wonderful bike trail as well. It is a nice asset to the community.”

Angie Poole, the Chief Executive Officer of the Cardinal Greenway along with board members Marta Moody and Brad King (city of Muncie’s appointment) accept the award. Since the article in 2013, some other things have happened. Cardinal Greenway has long been designated as a State of Indiana Visionary Trail system. In 2018, another national designation was added to the 62-mile trail system. The National Rails to Trails Conservancy has a program to recognize exemplary rail-trails around the country through its Rail-Trial of Fame designation. The winners are selected by a national vote and must be selected by the RTC to be included on the ballot. They select trails on merits such as scenic value, high use, trail and trailside amenities, historical significance, excellence in management and maintenance of facility, community connections and geographic distribution. It is easy to see why our Cardinal Greenway was in the running and it was a wonderful surprise that the trail in Muncie won easily by a ‘landslide” of votes. The honor already has people from across the country coming to ride the Greenway, most recently from Pennsylvania and Texas.

Angie thanks everyone and says how awesome it is to have a standing ovation. This is the first audience group she has gotten to talk to about becoming a part of the Great American Rail Trail. What that means is another national designation. If you are in Muncie, you are in the town that hosts the headquarters for a 62-mile trail system which is winning national awards over and over and over again. They are partial to the Cardinal Greenway because it is private owned, non-profit and they are able to promptly manage it but being located on it. She wants the community to share that same passion with them and to just know that they are out here for the community. On May 8th there will be a launching event celebrating the naming of an iconic trail system. She mentions how much of an honor it is to be recognized tonight and thanks the council one last time.

Powell states that Mr. Don Finnigan comes every year to promote the Indiana Run for the Fallen and had planned on being here this evening but unfortunately, has the flu. He asked Powell to relay the information about the Indiana Run for the Fallen. May 10th through May 12th of 2019, 140 people will physically run from the Allen County War Memorial Coliseum to the Veterans Memorial Plaza in Indianapolis stopping every mile to read names out loud of 488 Hoosiers who have died as a result of the War on Terror. There are eighteen core runners running in relay teams carrying four full-size flags running a marathon a day for two days and a half marathon on Sunday. This is physically and emotionally exhausting for many of these runners who serve these heroes in this way. How can patriotic citizens of Muncie help these runners? Be there. Be somewhere along the route to pay respects to the colors going by on Saturday May 11th in Muncie. It pumps the runners up, gets the staff going and it helps to get sign boards along the route. If you have a business in which you could possibly advertise something about the event, that would be fantastic. Other ways by contributing include being at a hero marker or hold flags when the runners arrive for their brief ceremony. For the details of times and stopping locations go to their website at www.indianarunforthefallen.org. For example, they will stop here, at Muncie City Hall, at 12:40 pm on Saturday May 11th so let everyone know that the run is coming through Muncie and Delaware County in hopes to promote the event. They can be found on Facebook both as "On and Remember Indiana" and "Indiana Run for the Fallen" so please go 'like' and follow their page. This year, the plan is to film a live feed and place it on their national organizations YouTube channel. Their caravan will be led by the Muncie Police Department, the Delaware County Sheriff's Department and many other first responder units (city and county) in their apparatus, equipment and uniform, and flags flying to pay their respects. Do us proud, Muncie. The route is Saturday, May 11, 2019 entering on Old State Road N. on Riggin Road by Highway Three Hardware and come south on N. Broadway (Martin Luther King Blvd), west on Wysor Street to Walnut, south on Walnut to Main Street, west on Main Street to Kilgore, and out Kilgore to the city limits ending at 1:30 pm in Muncie. Mr. Finnigan can be contacted for more details at indiana@runforthefallen.org or at 765-716-4327. He is the State Director of On and Remember of Indiana and is the Run Director for the Indiana Run for the Fallen. On a personal note, anyone that has had the opportunity to see this as it comes through town can express it is a very moving experience. They run at a brisk eight-and-a-half-minute mile and stop each mile to read off the name of someone who has died in the war on terror. Usually there is a gold star family at that stop which is someone who has lost their loved on in this battle. It is incredibly honorable and she would really appreciate if people would come out and support that. She hopes she has done Mr.

Finnigan proud in promoting the event due to him being ill and unable to be here this evening.

Brooke Kemp, Editor of the Ball State Daily News and Lisa Renze, her advisor, have a short presentation regarding the Daily News project called "The Partnership Project." After the passing of House Bill 1315, which was the merger between Ball State and Muncie Community Schools, the paper started working on how to improve coverage of MCS. They wanted to make sure the approach was in a way that would give the most complete picture of the district and everything going on. They met with district officials in December, who went into the fact that stories about all the good projects that were happening in Muncie but people weren't always being told about them. This project is a collection of stories printed in newspaper stories, along with multimedia such as video, audio and photography. The focus on the doers and innovators within the MCS and the goal is to send a copy of the paper home with any family who would like one and to also have more sponsors to be able to make this happen. Some great stories are already in the works but they would love more, especially from those that include community partners. As Ball State students, they are exposed to a great amount of the Muncie community but know they are limited to what they see. There is so much more than what they as journalists and students see that is going on. They want to hear anyone and everyone's ideas and stories and are so excited and thrilled to be able to tell these stories. If anyone would like to suggest a story idea or more information about the project, contact Brooke Kemp at editor@bsudailynews.com. This project will be done for the print at the end of April and they hope to make this the start of really pushing more toward the Muncie community and MCS to be covered better than ever before.

ROLL CALL:	PRESENT	ABSENT
Denise Moore	X	
Nora Powell	X	
Brad Polk	x	
Julius Anderson	X	
Jerry Dishman	X	
Doug Marshall	X	
Lynn Peters	X	
Dan Ridenour	X	
Linda Gregory	X	

APPROVAL OF THE MINUTES: A motion is made by Powell and seconded by Moore to Approve the Minutes from the previous meeting held on March 4, 2019. Questions called. A roll call vote showed 9 yeas and 0 nays. MINUTES APPROVED.

COMMITTEE REPORTS:

ORDINANCES PREVIOUSLY INTRODUCED:

ORD. 7-19 AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF MUNCIE, INDIANA, ECONOMIC DEVELOPMENT TAX INCREMENT REVENUE BONDS IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THREE MILLION DOLLARS (\$3,000,000) AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO.

A motion is made by Moore and seconded by Anderson to Adopt. Todd Donati, Muncie Redevelopment Commission states they had their Economic Development Commission meeting just this afternoon and voted unanimously on the resolution to support this ordinance and also voted unanimously to make the recommendation to the City Council to do the same.

Jay Edward Allardt, 1801 N. Bob O Link Dr. has been a resident of Muncie/Delaware County for fifty-nine of his sixty-some years. In his history, in terms of employment and so forth, he has been a developer of a number of different projects over the years including the Player's Club Golf Course and the Woodland Trails Housing Development, apartments in downtown Muncie, self-storage facilities around central Indiana and in addition has owned a company called American United Appraisal Company. After forty years, he sold the company to his son and another employee. In that business, they do a lot of work for developers, financial institutions and others on a consulting basis for projects similar to this one proposed adjacent to the new justice center or jail. His concern with the project is that he has not seen anything in terms of any kind of feasibility analysis as to whether this project really has a chance of working. To continue to spend money on legal notices, attorney fees and other items as well as the commitment of time, really doesn't make sense to him. The project reported to cost \$20 million and a total of 136 units. \$20 million divided by the 136 units equals \$147,058 for what would be two and three-bedroom rental houses with garages. We can't forget that this is supposed to be a market rate apartment development. By using what he knows from the appraisal and development business to establish a gross rent is to take the previous result of \$147,000 and divide it by 90, which equals \$1,634. That \$1,634 would represent the monthly rent that would be needed to support \$147,000 per unit investment, if rented at market rate. If you take the \$1,634 and multiply it by 12, that equals to \$19,600 divided by 0.30. That recognizes what a family or individual would

spend, (approximately 30% of their household income is for housing.) That results to \$65,000. There are obvious utilities in addition to that, as well. What we would be looking at is people that make a minimum of \$65,000 a year more. Also, people that are wanting to live in a housing development adjacent to a justice center or jail. Again, he has a real concern about going forward with this project without the developer providing some feasibility analysis.

Donati explains that they have done their studies and what Muncie has a shortage of is two things, houses for sale in the mid-range and up and high-end rentals. Other than Colonial Crest Apartments and some houses around the university, someone that is moving here doesn't have a lot to choose from. There are about 600 plus people that are rotated in and out of Ball State University on a yearly basis, in which most of those people look for housing here and majority of them are not local. We can either sit back and not be able to house those people (either on a transition basis whether they are looking for permanent place to stay within the community) or let them go to the nearest place such as Fishers and never look back. They might work and drive here but they don't come back to live here. The opportunity here is growing the population of this community and adding proper and high-end housing that these people could come in and rent while they are transitioning or working at (for example) the university or hospital. That needs to be available. The \$3 million that is part of the bond is for infrastructure and improvements. None of that money is going to be provided until 75% of the infrastructure is completed. In which, it will also have housing done because they will do development of the infrastructure and housing as they move along. Secondly, this bond is not backed by property tax or TIF other than the pledge of funds that are within this allocation area that has already been approved. If for some reason, the development does not provide or pay the amount of TIF money, it does not come back on the TIF. It is a responsibility of the developer and the developer is taking all the risks in this situation. We are only opening up the opportunity to allow this and support this as a partnership. It can be calculated anyway but there is not going to be too many developers that are going to willingly come here and lose money. That is not their purpose. They gain nothing from our bond on infrastructure, other than to go in there and develop. Brian Snyder is a financial partner in this project and can answer any questions anyone has regarding the financials of it. This will not be funded if there is a chance of loss, that is just a lot of money. Donati is willing to answer any questions.

Councilperson Peters asks what the monthly rent will be. Donati answer anywhere between \$1,200 and \$1,400 a month. These are two and three-bedroom houses with high-end amenities consisting of hardwood floors, granite countertops and two-car garages. It is the type of housing that we don't have in this community. Peters has some concerns because her district is on the south side of town where two and three-

bedroom houses nearly run \$400 to \$500 a month to rent. Donati does remind her to keep in mind where this would be located. Yes, it is going to be next to a justice center, which when they first started this, that wasn't the case. When asked the developers if they were still interested, they said yes. It is going to be a court/judicial system and not just a jail. Also, it is a quiet area with not much around it, one mile away from a key shopping area and a mile and a half away from the university and the hospital. This is where people want to stay, close proximity of these amenities. This area is where it was targeted.

Councilperson Powell asks about the feasibility study that was done. Donati alleviates it was a rental study and a housing shortage study that the Redevelopment Commission did a couple years back which the council should recall that because it was presented to them once completed. Powell asks about completing a feasibility analysis for this specific project. Donati informs them it is up to the developer, not the MRC, to do the feasibility. The developer is the one making the investment. Donati explains that what they did was a rental study on the lack of high-end rental property in this town. He talks to individuals all the time and unless it is student housing, there is not anywhere to live like this available in Muncie. With the housing shortage, the study noted that Muncie is over 500 homes short in various price ranges. Yes, there are a lot of empty houses and when it comes to those, some are being rehabilitated in which work will continue to be done or they are being torn down due to not being habitable. The other thing to remember is that they are rental properties. Powell asks if Donati would consider approaching the developer and asking for them to do a feasibility study. Donati is certain they have done their own feasibility study but would be happy to ask them. Powell states obviously, they want to encourage development. Donati replies he can almost stipulate it taking 90 – 120 days to do another feasibility study, which he already said was provided from a couple years ago. That study is given to the people that are looking to develop within our community. A lot of that is not going to change over the course of a few years. Another study will delay this project certainly by four months and take it out of the construction season. If that is required, he is not sure what the developer is going to do. Like Powell said, the instance of it is to try and encourage development. Powell agrees that is absolutely the case, but they also want to be fiscally responsible. Donati states they are partnering in this with the access to the bond capacity and to pledge TIF money that is within this allocation area. The council has the diagram with a yellow incased area showing the allocation. They cannot accept or receive money for their financial benefit or to pay their bond anything outside of that area. They have to create that revenue or they are responsible for the bond and what they do pay, we will pledge, but that is it. If they do not create the necessary investment, we would not be responsible for that. This is a developer backed bond, not a city backed bond.

Councilperson Gregory adds the fact that this is a twenty-five-year bond. Donati reiterates, it is up to twenty-five years. Gregory then asks what the amount is realistically. Donati states it depends on how the financials come out of it. The city is getting zero tax dollars as of now. The city is going to get zero tax dollars now that the jail has been taken over by a private company. The city is now losing about \$150,000 to \$200,000 a year in tax draws from the jail taking over that property that was turned into a business. That is about forty acres of land that is getting zero dollars on taxes. He does not know what it could look like twenty years down the road but as of right now, they are getting zero dollars and will continue to get zero dollars until they decide to do something with the area. Now, this is an opportunity to attract people to move to our community. Those people that take a job at the university or hospital could have someplace they could go transitionally to develop or stay while they build a house to move their family to. Right now, people don't have that choice. You could look at it from the stand point of trying to build on its future or just trying to continue with the zero amount of dollars that we are getting on taxes.

Councilperson Anderson does not think the audience can see the quality of home being talked about. Being in the housing area for many years, he can express there are some individuals that have that champagne taste and quality, especially young professionals. He is aware of individuals that travel back and forth from Fishers and Carmel and he knows is true as having associates that did when he was retiring from Ball State. Half of those employees do that. If they had a quality home or house, and with the money can afford it, is very well needed. There is a shortage in housing and he has seen it every day traveling back and forth on I69. In fact, he was discussing it one time and had mentioned a train going back and forth to Indianapolis so people could travel an easier and costly way. He sees the concerns as it relates to that of affordability. People have money and those that have money will eventually get over there, those that don't have, they stay out of their range. To each is own. We need homes and we need quality homes. This is a really nice project.

Donati appreciates those comments and states he deals with income-based and tax credit housing as well and the old trade school on Kilgore is now an apartment complex. That had over \$20 million invested in that. It is interesting that we can think about investing \$20 million into low-income housing or income-based housing and it is going to be successful but we can't look at market rate housing and invest the same \$20 million, in the meanwhile we are sitting up here arguing about it. It is interesting that the council has that focus. There is enough income-based housing in Muncie. We need market-rate and people that are attracted to this community if we want to grow our population. This is the perfect area to do that in reference to the university and the hospital because those employers turn over those 600 employees every year and they

have to be able to make a choice in housing. We need to stand tall and say that we've got that opportunity and we can deliver on that.

Councilperson Peters states that she believes everyone up on the council is just asking questions, she doesn't believe anyone is arguing about it.

Councilperson Ridenour brings up the base asset value, the anticipated asset value and the in-between. Donati answers that there is zero and then the \$20 million-dollar investment which raises the assessed valuation of all the property in the area. When you are dealing with tax caps, if not covering the base, you would have to pay into the assessed valuation. The city continues to lose money on the budget every year because we can't raise that assessed valuation up enough to cover those loses in the tax caps. He is not sure for this year but we have lost about 40% or more of tax-generated money coming in from, the assessed valuation from that caps. A lot of that has to do with because continuing to lose on those is because the assessed valuations are not enough to cover the loses. That needs to be increased in order to bring those loses up. That is what they try to do. When talking about adding \$20 million dollar to the assessed valuation in a year and a half, that does get brought up. What it generates is an income of close to \$250,000 to \$300,000 a year in tax rates. Depending on what the actual end result will be, it could range anywhere between \$200,000 and \$300,000. Those rentals are 2% of the tax rate. Ridenour confirms though that if it was \$20 million it would be \$400,000. Donati states it does not always come in that way because there are losses and the ratio goes down. Whatever bond is and whatever taxes come in, the city is only responsible for what it enervates within that allocation area and is not responsible for any additional costs over and above that. We are not obligated to that, we only pledge what is generated. The assessed valuation is what you want and that can only be done by bringing in high-end commodities like business development or housing developing (getting rid of some houses that are not livable – but that doesn't give much unless something is put in its place).

Ridenour had also asked how much these payments would be. Donati has not got to an exact rate because he does not know what a lockdown interest rate would be or how many years it would go. It is up to 6.5% and they cannot exceed twenty-five years on this bond. Brian Snider could explain a payment structure but still, it will vary. At this point in time, that number is still unknown. The city is not obligated anything beyond what it generates in taxes. The developer will pick up the difference.

Ridenour explains they just want to get things clarified. The structure is 136 units and there was a change in the plan a little but likes the changes he saw. The location of the playground was moved away from an area we wouldn't want a playground (along the jail border). It is good to have photographs and to get a general idea of what it is going

to look like. The council was told that the average rent was a going to cost \$1,200 to \$1,400. If charging \$1,200 a month at full occupancy, that creates \$163,000 a month in revenue to the developer. Brian Snider, 528 Financial, confirms. Ridenour states that \$195,000 at a 6.5% rate equals to about 10% for taxes just to pay the bond. It seems awfully high and asked about the studies done. Mr. Snider explains they have seen the market study and talked to capitol groups and banks around the state and understand the need for housing in a community like this to increase the workforce development. They have seen the numbers before and are in the process of issuing letters of intent for the finance on this as a review, not just on the draw-down schedule but the construction aspect of this and knowing it is going to be a profitable and successful project. Bison has done this before and been in other communities. They have a partner in knowledge in Columbia City, Wabash, and five or six of these types of rental communities in Texas. They are having discussions to help on the finance side for three other communities in the state of Indiana. It is a progressive type of project that communities have needed. Most of the risk assessment that will be done on the finance side has already been reviewed and that falls on the developer, not the city of Muncie. The TIF aspect of it, in working with Mr. Donati, is relative to what is necessary for the funding aspect of the project. That is not unusual in any community for a TIF approval and in this case, zero risk assessment for the city. The risk falls on the developer and no developer would come to your community if they didn't believe that there wasn't a viable opportunity to help progress forward if they didn't believe that they couldn't make money. They wouldn't deal with the developer on the finance side if they didn't believe a project was financeable to even bring to the table. Mr. Snider is helping Bison Properties as their finances as a consulting firm, 528 Financial. Their firm works independently with economic development around the state. They can bring probably five to ten different letters of intent to the table to get the best rates and terms for the developer to do the project. Ridenour states that on new construction, the biggest challenge is the appraised values. It doesn't always match out and that is his concern. Mr. Snider states that is legitimate but also based on the construction and long term based on stabilization for the need of the property but also helps the appraised value as it progresses itself forward. That is the plan.

President Marshall asks about money being brought in for construction and using local workforce. Donati states part of the prerequisite before they even get involved in conversations is if they are willing to use local labor, workforces and vendors. They have already met with those vendors last Thursday and was with about fifteen different vendors for about three hours to discuss how this is going to be paid out and processed. The answer is absolutely, the labor force is very valuable in these areas because it is more expensive to try and bring people in and try to pay housing of them to stay here. That is 130 units that have to be laid out and the biggest advantage of this is buying in

large quantities. Purchase of 136 refrigerators, 136 units of cabinetry, etc. helps get this cost down. Using local labor and local people to install the HVAC and plumbing is very vital. It is something that is expected to be delivered from the community.

Brian Shaw, 600 E. Washington, and property owner at 1417 W. North St and 212 N. Monroe St, says that the plans have changed with a jail and justice center going there now. He asks what you see when you look across the street from our current justice center. That is commercial property, not residential. That is 3% and not 2%. Also, since the conditions have changed, shouldn't there be a new feasibility study to look at how can we make more money as a community off of that property? So, that's 3% more money coming in to help with all the things wanted to do such as help the firefighters, police and etc. As an income generator, he wonders about doing a feasibility study for this new scenario with the justice center and look at putting residential somewhere else. As a person who once was younger and looking for a place to rent, he would never have rented beside a jail, especially when he was a single parent with two young girls. He wouldn't have spent \$1,400 a month to do so, either. He would prefer close access to trails and things like that. He is really curious when it comes to the 3% option and getting more money for the city that way.

Questions called. A roll call vote showed 4 yeas (Anderson, Marshall, Dishman and Moore) and 5 nays (Powell, Peters, Gregory, Ridenour and Polk). REJECTED.

NEW ORDINANCES:

ORD. 8-19 AN ORDINANCE AMENDING ORD. 35-18 FIXING THE MAXIMUM SALARIES OF EACH AND EVERY MEMBER OF THE MUNCIE POLICE DEPARTMENT OF THE CITY OF MUNCIE, INDIANA, FOR THE YEAR 2019.

A motion is made by Moore and seconded by Polk to Introduce.

Kevin Nemyer, City Controller, explains how this is an ordinance to amend the salary ordinance to reflect the recent city FOP contract. Questions called.

An all-in-favor vote showed 9 yeas and 0 nays. INTRODUCED.

ORD. 9-19 AN ORDINANCE TO AMEND THE CITY OF MUNCIE COMPREHENSIVE ZONING ORDINANCE FROM THE R-3 RESIDENCE ZONE TO THE BV VARIETY BUSINESS ZONE ON PREMISES LOCATED AT 614 E. STREETER AVE. MUNCIE, INDIANA.

A motion is made by Moore and seconded by Peters to Introduce.

Marshall asks if there is anyone here to speak on this ordinance and no one approaches the council. Gregory asks if anyone pertaining to this ordinance knew that they were supposed to be here. Dishman says the Metropolitan Planning Commission sends a favor of recommendation. Gregory explains that typically they expect someone to speak in favor whether it be someone with the reality company or their attorney. They can

either table it and request someone be here to present it next month or introduce it and do the same. Marshall declares to go ahead and introduce it and they can table it next month if they need to.

An all-in-favor vote showed 8 yeas and 1 nay (Ridenour). INTRODUCED.

ORD. 10-19 AN ORDINANCE TO VACATE CERTAIN PUBLIC STREETS AND EASEMENTS IN THE CITY OF MUNCIE, DELAWARE COUNTY, INDIANA.
WITHDRAWN.

RESOLUTIONS:

RES. 5-19 A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MUNCIE, INDIANA PRELIMINARY ECONOMIC REVITALIZATION AREA RESOLUTION REAL PROPERTY TAX ABATEMENT.

A motion is made by Moore and seconded by Dishman to Adopt.

Todd Donati, Muncie Redevelopment Commission, offers an amendment to this resolution on page 2 on the second number 4 to change the percentages to increments of ten, starting at Year 5 to 60%, Year 4 to 70%, Year 3 to 80% and Year 2 to 90%. Years 6 through 10 are currently correct at 50%.

A motion is made by Powell and seconded by Peters to Amend.

A roll call vote showed 9 yeas and 0 nays. AMENDED.

A motion is made by Powell and seconded by Peters to Adopt as Amended.

Gregory asks why this particular abatement be abated at the 50% rate for years 7 through 10 because that's atypical. Donati states it is atypical but because of new legislation that was passed a few years back, is allowed. Because of the area that this is going in (The Village) and because of the higher end costs, it has been adjusted to make it more obtainable for them to make this investment.

Ryan Kelly, 301 S. Buckingham, Yorktown, with NextGEN Real Estate appreciates the consideration for this and explains they are currently on phase two of the project with phase 1 being completed with no incentives or tax abatements. At that time, they did all five-bedroom units, which, is a lot more cost effective. What they have found is on campus a lot of the five and four-bedroom units are becoming more and more difficult to rent. There is a lack of one-bedroom units, with an exception of the Promenade. What they have envisioned for phase 2 construction costs will also increase as long as interest rates do. In phase 3, they are looking at doing all one-bedrooms which would be little more expensive to build and not as big of premium on the rent in that perspective. For one-bedroom units, you have obviously one kitchen per one bedroom and mechanical equipment, therefore, generally more expensive to build. They are about \$77,000 a unit and projecting about \$800 per bedroom. They have proven those rents

out and took a discount on phase 2 regarding some of the three and five-bedrooms. Really, without the abatement on that project, which is that standard sliding scale, would absolutely not work. These parcels are also gaining zero tax base with the exception of one of the parcels, gaining about \$2,400 a year in taxes. They are anticipating by year ten, that this property is paying roughly \$90,000 to \$100,000 in taxes. It is a \$4 million project with \$3.2 million permit loan and about \$800,000 of private capital. Mr. Kelly explains that as a real estate investment company, he was actually hired as a third-party management firm so they don't have direct employees with this project but will employ about 35 construction jobs as well as indirect employment for maintenance property management, accounting and administration type positions. He thanks Ridenours due-diligence in asking several questions regarding the other developers building houses on campus that did not need support. That is true but the argument there is that the eight or nine houses mentioned are not in the University Overlay. From an exterior standpoint, it is more cost effective to build. The requirements in the Overlay district extend to upgraded exteriors, brick masonry, larger windows, sustainability requirements and exterior lighting. Those types of things are things that students don't pay for but is things that as a community is wanted to see. It becomes a numbers game on how to finance this and the product that is being delivered. The first project was proven to be done without coming back and asking for help (res. 11-18). Unfortunately, interest rates and construction costs skyrocketed without enough to make up the difference. People that come to Ball State want to see secure and nice properties and hopefully that is what they deliver here.

Gregory calculates that if they are anticipating \$100,000 in taxes each year, they would save a couple hundred in taxes which could go towards a number of different things like teacher salaries and many, many library books. Mr. Kelly does not dispute that but right now it is going to pay zero. At year ten, it probably could pay two teachers salaries (MCS starting out is roughly about \$40,000). The initial request was that there were no taxes paid on years one through five so some improvements have been made there to start taxes from day one. When getting into the rental business there is only so many variables while everything else is pretty much fixed costs. That has been proven with their existing portfolio. All in all, at the end of the day the numbers have to work.

Powell asks about phase 1 and if local labor was used. Mr. Kelly confirms that everything was bid out locally. They ordered some of the materials directly from the manufacturers standpoint. MRS heating and cooling out of New Castle helped and they do a lot of work here in Delaware County as well and Jay Crew did the landscaping. There is just a bunch of groups that have been involved in all the projects. Powell asks if they plan to do the same for this phase. Mr. Kelly states yes.

Chris Hiatt, Key Enterprises 1716 N. Wheeling Ave, knows it is April 1st but does find it difficult to believe that the council is considering a private subsidy like this. This gentleman is met with the same challenges of any other investor or developer. The fact is that it unfairly subsidizes a speculative development. He knows very well what he is getting into when he comes here as far as the Overlay property is concerned so that he can have a competitive advantage over the rest of the tax-paying investors in that very same area, his neighbors, is crony capitalism at its finest. He does not think the council needs to be involved in that and is driven off nothing other than pure greed. There is a big demand in that area for housing and he has already stated that he is going to be renting it by the room, which doesn't put families in there but students. It has taken away from everything else in that area. In speaking on the Promenade, it is occupied at something far below acceptable values. If the council is so inclined to be involved in that, he has a rather large portfolio of real estate himself that he would like to find out how he can get abatements for and be put on the same level of playing field.

Questions called. A roll call vote showed 5 yeas (Powell, Peters, Moore, Marshall and Anderson) and 4 nays (Dishman, Polk, Gregory and Ridenour). ADOPTED AS AMENDED.

RES. 6-19 A RESOLUTION AUTHORIZING MAYOR DENNIS TYLER TO APPLY FOR A COMMUNITY DEVELOPMENT BLOCK GRANT AND AN INVESTMENT PARTNERSHIP PROGRAM GRANT FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD).

A motion is made by Moore and seconded by Powell to Introduce. Terry Whitt-Bailey, Community Development Director, thanks the members of the council that has provided additional assistance. She is here presenting the Annual Report/Action Plan for the Community Development block grants and the Home Investment Partnership funds. Their grant applications have been submitted and the Annual Action Plan draft was submitted to the public on March 15. The council also received a copy of that document that should have been in their email and what she is presenting to them right now is a very small snapshot of the 80-something page document. What you like to typically see are the amounts that they recommend as allocations for program year 2019 which starts June 1st through May 31st. She goes on to read the recommendations that they have for public service dollars as follows:

A Better Way	\$25,000
Alpha Center	\$8,000
Boys & Girls Club of Muncie	\$5,000
Christian Ministries	\$12,500
Habitat for Humanity	\$4,000
BHilcroft Services	\$11,500

Motivate Our Minds	\$15,500
Muncie Delaware County Senior Center	\$10,000
Pathstone	\$15,000
Teamworks	\$7,000
The Arc of Indiana	\$10,000
Unity Community Center	\$5,000
Urban Light Community Development Center	\$4,000
Whitely Community Council	\$7,000
YWCA	\$18,000

The reason the above numbers are so different is because based upon what they requested, there is a percentage based on points that they are allocated. In addition to that, they would like to recommend \$200,000 for clearance and blight, demolitions and dumpster, and program 20% of their allocation goes to administration planning. With their home investment partnership dollars, they would like to request \$183,513 for the Muncie Homeownership and Revitalizations MACC build, which is the Muncie Area Career Center, and eco-rehabs/sustainable rehabs. In addition to that, they would like to recommend \$60,000 for Habitat for Humanity on two homes that will be rehabbed. Also, another rehab with the Urban Light CDC for \$76,485.

Anderson says this is very difficult every year when those who submit for grants and a lot of the time the people do not have the proper paperwork. Some of these that were listed were not on the list last year and sometimes people forgot or don't get things turned in on time and they only have so much money. He thanks Mrs. Bailey for her work and time. Anderson likes the fact that \$200,000 went toward blight.

Questions called. A roll call vote showed 9 yeas and 0 nays. ADOPTED.

OTHER BUSINESS:

Julie Snider, AP Government Teacher from Muncie Central, attends and is accompanied by some of her students and reiterates that this was part of their civil engagement project. Marshall recommends giving Mrs. Snider a round of applause because she could be sitting at home tonight but instead is here teaching her students about getting involved. Students McKenna Davis 2912 W. Brooke Dr and Laurence Jones, 2401 N. Walnut St, state that MCS is trying to become a one-to-one school by providing a laptop or iPad with every student to take home. Unfortunately, we still have several students who have no access to wi-fi while at home. Their questions is if there is currently any program in place to help students of low-income have access to fee wi-fi to do this and if

not, is there anything that anyone could do to partner with MCS in order to provide students with that access.

The council talks amongst themselves. Gregory and Moore believe Comcast has a program called Internet Essentials. It is for low-income families that cannot afford wi-fi. Powell also believes that at the Muncie Public Library it is possible to check out a hotspot, which creates a circle of internet around you wherever you may be.

Kailyn Zackery, Library Director, states they have about 75 hotspots that they loan out and if you have a library card, you qualify. The thing is, folks don't want to return them after two weeks. Many times, they have to call and maybe turn them off until they are brought back. They also have computer labs in all four of their locations for students to come and do their homework there. They are open seven days a week at Kennedy and Marion Hunt. The downtown library is open Monday through Thursday, 10:00 am to 6:00 pm providing hotspots as well as a computer lab and Connection Corner at Centennial and Elgin Streets.

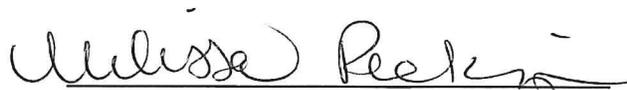
Mrs. Snider states their middle school and high school is already one-to-one, which means every kid has a device that they take home. The elementary school kids are unfortunately not there yet. She thinks that is the biggest hurdle where a lot of the families don't have wi-fi or the ability to gain wi-fi. If they could put together some kind of plan for them, the library would definitely be someplace to start. They are going to try e-learning days which is a challenge for the elementary students because they don't have the devices. When the council talks about economic development during these meetings, what better economic development than our children? That is the main thing we can invest in and if we aren't putting out a good product, we are never going to get people to come and stay here.

ADJOURNMENT:

A motion was made by Marshall and seconded by Powell to Adjourn. A vote by acclamation showed 9 yeas and 0 nays. ADJOURNED.



Doug Marshall, President of
The Muncie Common Council



Melissa Peckinpaugh, Muncie City Clerk
of the Muncie Common Council