



## MUNCIE REDEVELOPMENT COMMISSION

### Regular Meeting Minutes

February 6, 2020, 9:00AM, Mayor's Conference Room, 300 N. High, Muncie, In.

The City of Muncie Redevelopment Commission (MRC) met on Thursday, February 6, 2020 at 9:00AM in the Mayor's Conference Room, City Hall, 300 N. High, Muncie, Indiana 47305.

Commissioners Cecil Bohanon, Andrew Dale (Secretary), Brandon Murphy (President), Frank Scott, and Shareen Wagley (Vice-President) were present. Mayor Dan Ridenour, Jim Lowe (School Board Representative), Ted Baker (Innovation Connector & Ontario Certified Tech Park Executive Director), Trent Conway (Controller), Jennifer Greene (Co:Lab Director of Operations), Dr. John West (Muncie Land Bank Chair), Ed Conatser (Realtor), David Smith (Executive Director), Nakia McCullum (Citizen), Anita Brown (Citizen), Zane Bishop (Residential Program Administrator), Ben Freeman (Counsel), Andrew Popp (Citizen), Gretchen Cheesman (Community Development Director), Dustin Clark (Grant Writer), Brad King (Community Development), Isaac Miller (Muncie Land Bank Director), Corey Ohlenkamp (Star Press Reporter), and Deb Wise (Muncie Land Bank Director) were also present.

1. **Call to Order:** Murphy called the meeting to order at 9:01AM.
2. **Consideration of Meeting Minutes:** Wagley moved to approve the January 9, 2020 regular meeting minutes; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.
3. **City of Muncie Updates:** Mayor Ridenour spoke regarding the White River Canal District, stating that the lot where the yellow building on the document labeled Exhibit B has been cleared, financing received, and the construction process will soon begin. This building will be a four-story apartment complex with some parking and a retail space. He added they are seeking some type of breakfast and lunch restaurant with coffee like a Le Peep. WS Development is out of Bloomington, and has completed a number of projects around IU and in Fishers. Phase I also includes street improvements, a public area, and Riverwalk. Mayor Ridenour added that the overlay district requires public art when public funds are being used. They are working on finding someone through the Muncie Arts and Culture Council (MACC) to do a sculpture, preferably one that's tall and has glass, so that it can be featured on the Indiana Glass Trail.

Lowe suggested reaching out to the Glick Center.

Mayor Ridenour responded saying they're leaving it up to MACC. The Mayor added that they have a restaurant selected, who wants to be open when the apartment building opens. He also stated that WS Properties will be completing the Phase II as well.

Dale asked about the exclusive restaurant arrangement, and if it had been completed previously.

Mayor Ridenour responded saying it was completed by the previous administration.

Dale asked how the arrangement happened, if it was with Todd Donati alone, or additional individuals.

The Mayor replied that the arrangement was made when they took office, and involved the Delaware Advancement Corporation, the MRC, and Next Muncie. He added that site control has not been achieved for the Naze Insurance Building, and that they're hopeful for occupancy in October, that pre-leasing has already begun, and that a local management company is being used.

4. **Certified Technology Park:** Baker stated he is the Executive Director for the Innovation Connector and the Ontario Certified Technology Park. He stated the General Assembly established Muncie's certified technology park along with 21 others around the state; this happened prior to him being Executive Director. Baker stated the idea behind a tech park was to be an innovation tech area for the community, to grow and build jobs, and to be a safety net for organizations with the incubator space. As a tech park, the state has allowed \$5 million to be awarded or earned. The park needs certified every four years, the funds are overseen by the state, the total payroll in the park over 10 years was just over \$437 million, and the average salary was \$67,300, with just under 966 people working in the park. Baker stated they are working to build another building in the park. He stated there's \$164,814.22 left over from the \$5 million originally available. He wants to empty those funds and provide them to the tech park through the Innovation Connector, and would ask that the MRC approve the expenditure so they can use it to expand jobs.

Murphy stated the letter said \$168,000.

Baker replied that he was pretty sure it's \$164,000.

Lowé asked if the 1,000 people live in the community.

Baker stated no, they don't all live in Muncie. He added that Ball State provide a lot of in-kind services to the tech park, and that the Innovation Connector is at capacity.

Dale asked how much capacity was left in other buildings.

Baker replied that Townsend has about 2,000 square feet remaining. He added that additional funding has passed the Senate and is heading to the House, with support from the Governor's Office; likely \$100,000 would be coming.

Dale stated that the MRC services as a pass-through for this funding.

Wagley stated she assumes this funding is in an account waiting for them.

Conway stated yes.

Dale motioned to transfer the funds; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Baker stated the Innovation Connector has a 30-day policy allowing them to ask a tenant to leave, as their goal is not to provide a home forever, and they never turn any new tenant down. He added they could have a satellite location, which would be a part of next year's legislation, and they have a few designs for expanding.

Wagley asked if there was anything they could do to assist with the request for the expansion of funds.

Baker replied that, with a short session, sometimes bugging the legislators less is better.

5. **MadJax:** Greene stated that MadJax is best known for taking on the 83,000 square foot building at Madison and Jackson, comprising an entire city block. Their first tenant was Tribune Showprint, the oldest operating press in the United States. Greene stated the project was originally labeled as a maker's space, but is now referred to as a maker's force, more than a place to get access to equipment, but a hub for connecting with makers. Ivy

Tech, Ball State, and Purdue are all partners, there is a huge student base, six year-round STEM programs. She continued, stating MadJax targets school-aged children and seniors, serves five nonprofits, and has eight artist galleries and shops. They have a partnership with Beyond I Can, who are MadJax's newest residents and largest buildout to date, taking close to 4,000 square feet. Beyond I Can employs adults with handicaps, who create art that they showcase and sell. Greene had been the sole staff member since 2016, until they recently hired an experienced manager. They will soon by transforming the loading dock into a public space, and the truck sign will pay homage to Cintas and Midwest Metals, the building's former tenants. The Design Lab will soon be open on the second floor, the first public facet of the of MadJax. They will be opening with beta membership for two months, and the lab will feature 3D printers, laser cutters, graphic design software, vinyl plotters, and sewing machines. The Ball Brothers Foundation, through their Future of Work initiative, is partnering with MadJax and Purdue Polytech to fill deficits regarding hires, including applicants that can't pass a drug test and don't have specific skills sets.

Bohanon asked what the financial model of MadJax was, and what the Commission could do to support it.

Greene stated they hold a city bond for capital improvements, but the tenants provide the primary revenue source; they also have received funds via grants and sponsors. She added that their coworking and private office spaces break even, but they are at full capacity currently.

Mayor Ridenour asked what the timeframe for the outdoor space was.

Greene replied that the build commences next week, and the target goal is the May Artswalk.

6. **Muncie Land Bank (MLB):** West stated the mission of the MLB is to acquire abandoned and blighted property, preserve it, and provide it to the public for strategic redevelopment. West continued, stating the MLB is interested in taking care of the nearly 4,400 properties that are either vacant houses or lots. He added they have calculated that blighted properties reduce property values within 150 feet by 15% costing Muncie \$66 million in lost value, or about \$2 million annually in property taxes. The MLB is tasked with taking care of the parts of the community that are causing direct harm to people living near them. West stated the MLB is not fully funded, and they are not prepared to acquire all of the 4,400 properties at once. He added there was not a funding mechanism in the 2016 statute. The board of the MLB is appointed by the Mayor, City Council, the Treasurer, and the board itself. Funding is currently provided by the Ball Brothers Foundation, the Community Foundation, the Vectren Foundation, EDIT, and the MRC. The MLB will soon be hiring an Executive Director.

Dale asked what the name of the organization is.

West responded that it's the Muncie Land Bank.

Dale clarified that this was not the Land Banking Task Force.

West replied no.

Dale asked what his opinion was on land-value tax versus property tax.

West stated that land-value tax was not allowable in Indiana, but it does encourage improvements on land and helps spur development.

Bohanon asked if the properties didn't have value, why wouldn't they come down.

West replied the decision would be made on a case-by-case basis.

Dale stated the people had interest in the properties next to them, and one suggestion was working in tandem with the MLB to ensure the best outcomes for all concerned parties.

West stated a key element of the MLB was having disposition control, as Muncie sees a lot of speculative land purchases, where people buy properties with no plan for the future and them let them rot. The MLB will work with applicants to try and ensure that the work will get done.

Conatser asked how many of the vacant parcels had structures on them.

Bishop stated that roughly one-third have structures and two-thirds are vacant lots.

7. **Payment of Claims:** Smith stated that they are catching up with claims, and there were several claims that were past due. The claims that were past due have now been paid, but still need approval.

Dale stated there wasn't much description on the Barns & Thornburg and Vandewalle claims.

Smith stated they will be seeking more detailed billing.

Bohanon asked if there was an obligation to pay previous bills.

Smith replied they have already been paid.

Conway stated the top page is checks that would be mailed out this week, and everything else is bills that have already been paid.

Wagley asked if a resolution could be passed allowing bills up to a certain point, along with utility payments, to be paid immediately so they're not late and no extra meetings need called.

Smith stated there will be a complete financial audit completed, which should help with claims going forward. He added there is a lot of information missing from files.

Dale stated HWC Engineering was awarded a lump-sum contract for \$19,500 for paperwork oversight, and they were later awarded a contract not to exceed \$115,000 for construction observation, for a total of \$134,500 in additional funds.

Lowé stated that normally only INDOT projects require significant observation.

Dale stated the \$134,000 contract doesn't appear to have been signed, and asked if the City Engineer could provide this service.

Smith replied that this is a part of the file-building process. He added that he is retired state police officer specializing in government oversight and corruption.

Murphy asked Dale if he would like the HWC issue to be discussed at the next meeting.

Dale replied yes, asking if construction observation was necessary, if the contract was ever approved, and, if the work was straightforward, if the City Engineer could complete the work.

Smith stated that this is something he's looking into and taking charge of, and he will also be looking at the amounts that have already been paid.

Bohanon stated that the MRC could go back and sue, but that it may not be worth it for small amounts.

Dale motioned to approve the claims; Wagley seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Wagley motioned to have counsel draft a resolution allowing the controller to pay utility bills; Murphy seconded.

Dale stated that utilities and common maintenance items should be included.

Murphy asked if there should be a monetary cap.

Conway replied there is already a cap of \$5,000, but that only relates to capital goods, not project expenses.

Murphy stated that the individual bill should be no more than \$1,500. He added that the motion is now for utility and regular maintenance bills up to \$1,500. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

8. **Privilege of the Floor:** McCullum stated her mother is a homeowner at Kirby and Blaine, and their family has been there at least 70 years. They are interested in the lot at 1317 E. Kirby, which Bishop told them was being held for development for new housing. They questioned why the developer is interested in this lot and not the other vacant properties in the area.

Scott stated this happens in Whitely, where the abutting landowner mows a vacant lot for years and then someone outbids them in the tax sale.

Bishop stated the developer was interested in lots where houses had been demolished through the Blight Elimination Program and lots within a close proximity to each other. He added he has already reached out to the developer about removing this lot from the Purchase and Sales Agreement. Bishop also stated that Scott's point was to what West was speaking about with the MLB and how important disposition control was.

## 9. **Business Development Updates**

- A. **Kitseleman Pure Energy Park (KPEP):** Smith stated the owner is in South Carolina and, due to legal issues, the project is at a standstill.
- B. **Muncie Arts & Culture Trail (MACT):** Smith stated the trail is planned to run from the west side of Muncie, through Downtown and to Heekin Park, with a connector to the Cardinal Greenway. He added there may be some modifications along Madison.
- C. **Accutech Systems:** Smith reported that everything seems current and on-time.
- D. **Kilgore/Jackson Gateway:** Smith stated that tree and landscaping were going in at the gateway, and that everything so far was on schedule.

Bishop stated that the project was completed.

- E. **White River Canal District:** Smith reported that WS is the developer building the complex, and they will be working on rebuilding the files for the project. He added that WS received certification from the County committee for the plans and that all is on schedule. Their plan is to break ground within the next 45 days, with a goal for occupancy in December.
- F. **Storer Elementary Site:** Smith stated that the demolition is complete and cleanup is in progress, adding that he needs to check in with the contractor.
- G. **Hubler Ford:** Smith reported that the dealership is complete, with plans to have the Hyundai dealership and Quicklane Center open by fall.
- H. **Intersection:** Smith stated that the MRC has a contract for Intersection to work 10 hours a month for the MRC to update the website.
- I. **Tillotson & Cornbread Properties:** Smith stated that the County has asked about purchasing right-of-way near their jail project from the MRC—\$11,000 off of Cornbread and \$22,000 for frontage along Tillotson. He stated they are looking at either selling property to and buying property from the County, or simply swapping properties near the new jail for properties the County owns in the Canal District. Smith also stated the MRC has the ability to acquire a parking lot within the district from Naze Insurance Company.

Popp stated the property near the jail the MRC owns had been for the Bison home development.

Conatser stated that trading some properties and including a purchase amount may be a good way to look at it.

Smith stated that current values of parking lots downtown are from \$20,000 to \$50,000, and Naze is asking \$30,000. He added there is money in the current bond to make the purchase, or grant funds may be available.

Clark stated this piece of property has been identified for a grant with AEP.

Conatser stated he compared four lots, which average from \$30,000-\$40,000. 424 W. Main is for sale that is the same size, that \$30,000-\$35,000 is a fairly accurate comparable, and that he's a commercial broker working on behalf of Smith and the Mayor.

Murphy asked if acquiring this property without the money in hand would be a problem.

Clark stated the grant would supersede the MRC's money.

King asked if two appraisal had been obtained.

Bishop stated that from what he's looked at and forwarded to Freeman and Smith, it seems two appraisals need obtained and the offer cannot be higher than the average of the appraisals.

Dale motioned to table Resolution 2020-05 until next month and obtain two appraisals prior to the next meeting; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Clark stated he would submit a draft and continue to move forward with AEP.

Dale motioned to approve this; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Clark stated that the deadline is February 28, and would make the wording appropriate to what Cheesman decides on.

Bishop stated that an appraisal for a commercial property would be at least \$500 per appraisal.

Murphy stated that, at this point, he would not be in favor of obtaining additional appraisals.

10. **Recess:** Murphy called for a recess at 11:12AM. Meeting resumed at 11:18AM.

#### 11. **Neighborhood Investment Committee**

- A. **Resolution 2020-01:** Bishop presented Resolution 2020-01, to allow the listed lots be offered to their abutting landowners.

Dale asked if resolutions had to be advertised.

Murphy replied that resolutions can be dealt with within the meeting.

Scott motioned for passage of the resolution; Dale seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

- B. **Resolution 2020-02:** Bishop stated Resolution 2020-02 was to transfer three lots to Habitat for new construction of housing.

Dale motioned for approval of Resolution 2020-02; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

- C. **Resolution 2020-03:** Bishop stated Resolution 2020-03 was to sell 2318 S. Hackley to Pathstone for meth cleaning and rehab of the house.

Dever stated that Pathstone would clean the meth contamination and complete the rehab, and then sell to a first-time homebuyer. She added they did this for a house on Shipley and will soon be closing on it.

Lowe clarified that they are allowed to restrict the sale to a first-time, low-income homebuyer.

Dever replied that the HOME and NeighborWorks funding restricts the sale.

Lowe asked if the funding offered down payment assistance funding.

Dever stated yes, down payment assistance is available through another application, but doesn't cover up to 20% of the costs due to local restrictions, but their homeownership classes allows for lower rates.

Dale motioned for approval of Resolution 2020-03; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

- D. **Resolution 2020-04:** Bishop stated these were properties for which applications were received last month, after having been reviewed by the Neighborhood Investment Committee. Bishop stated there were a couple of applications not on this list due to taxes being owed or awaiting a development plan.

It was asked about the restriction recommendations on 2101 and 2105 S. Gharkey. Conatser stated the zoning didn't appear to allow mobile homes, but it's not up to the MRC to do their business for them.

Wagley motioned to amend Resolution 2020-04 as presented, to strike the Gharkey properties from the Resolution; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Scott motioned to approve amended Resolution 2020-04; Wagley seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Bohanon motioned to table 2101 and 2105 S. Gharkey until next month; Dale seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

- E. **Application Received:** Bishop handed a received application to counsel to read into the record.

Freeman stated the applicant was Jollophey Branson at 1202 N. Petty for 2317 S. Hackley.

Bishop stated this application should be reviewed by the NIC.

Bohanon motioned to take this application under advisement and take it to the NIC board; Dale seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

12. **Blight Elimination Program (BEP):** Bishop stated that the MLB was recently approved as a program partner, and they will be taking on their first properties—to be included in the program—soon. Houses for MRC, Habitat, St. Lawrence, and an individual will be demolished as well this year.

Murphy asked if the MRC would be asked to take on additional properties for the BEP.

Bishop replied yes, potentially.

Murphy asked if that would take the form of a resolution.

Bishop replied yes.

13. **2020-2021 Recommendations:** Dale stated he had recommendations for the MRC.

Smith stated that the Mayor and he spoke about the recommendations, and asked if he could prioritize them.

Murphy asked if the recommendations could be discussed at the next meeting.

Dale stated he was a former economic development director in Pennsylvania, and read aloud his recommendations that were included with the packet.

14. **Bond Insurance:** Smith stated he emailed everyone the application for the bond insurance coverage, and added there were forms to sign.

15. **White River Canal District:** Murphy stated that counsel brought to his attention the need to modify a contract.

Freeman stated that late in the prior administration, the closing of a sale within the Canal District occurred in coordination with the Delaware Advancement Corporation (DAC). He added that funds were allocated that were not used, and DAC would like to transfer that money back. The second amendment to the contract states that the proceeds less the out-of-pocket costs would be remitted to the MRC.

Bohanon moved to approve the amendment; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

16. **Adjournment:** Scott motioned to adjourn at 12:01PM; Dale seconded.

Minutes recorded by Zane Bishop.

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Andrew Dale, Secretary