



## CITY OF MUNCIE REDEVELOPMENT COMMISSION

### Regular Meeting Minutes

The City of Muncie Redevelopment Commission (MRC) met on Thursday, July 2, 2020 at 9:00AM in the Mayor's Conference Room, Third Floor, City Hall, 300 N. High Street, Muncie, Indiana 47305.

1. **Call to Order:** Murphy called the meeting to order at 9:01AM.
2. **Roll Call:** Commissioners Dr. Cecil Bohanon, Andrew Dale (Secretary), Brandon Murphy (President), Frank Scott, and Shareen Wagley (Vice-President) were present.  
Mayor Dan Ridenour, Jim Lowe (School Board), Zane Bishop (Residential Program Administrator), Ben Freeman (Counsel), Trent Conway (Controller), Corey Ohlenkamp (Reporter), Anita Brown, Nakia McCullum, Joe Rhetts, John Brooks, James King (Commissioner), Brad Bookout, Ralph Smith (Councilor), Vicki Veach, Traci Lutton, Cameron Grubbs, Ed Conatser, and Brad King were also present.
3. **Agenda:** Dale motioned to move Resolution 2020-15 after the minutes; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.
4. **New Business - Resolution 2020-15:** Bishop stated Resolution 2020-15 was to transfer the five lots to their applicants, applications having been received by the MRC in June and reviewed by and recommended for approval by the Neighborhood Investment Committee. Bohanon motioned to approved Resolution 2020-15; Dale seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.
5. **Minutes:** Wagley motioned to approve the June 18, 2020 regular meeting minutes; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.
6. **Claims:** Conway stated there was nothing in particular to bring to the board's attention. Dale stated there were exorbitant expenses for the Village parking garage's elevators. Lowe stated he would look into it. Conway stated they didn't charge anything for the second service call. Dale motioned to approve the claims as presented; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.
7. **Informational Session – Tax Increment Financing (TIF) 101:** Dale stated he had suggested these in-services, and had understood Baker Tilly would be presenting. Murphy stated it was discussed at the last meeting the difficulty of getting Baker Tilly with two weeks' notice. Bohanon stated his understanding of TIFs are areas where future tax revenues are pledged to create a bond. Bookout stated he's been working with the County Redevelopment Commission for many years, and the County has several TIF districts. He stated actions with TIF funds have to serve and benefit the district, and funds can be used outside the district if it's determined it benefits the district; resolutions backing those actions qualify for State Board of Accounts audits. He added TIF money cannot be used for operations. Bookout stated schools are a part of economic development, as is paving, and that the purpose of TIF is to build the tax base.

Lutton stated that TIF funds can be used for capital projects and marketing the district, adding that future projects can be financed by building up funds.

Mayor Ridenour stated that he understood—based on a text—that Baker Tilly was going to be present to present on TIF financing today.

Bookout stated that municipalities can only tax up to the maximum levy, but amounts over that can be collected with TIF, adding that in some instances, municipalities lose out on revenue without having TIFs.

Dale stated his impression was that the goal of TIFs was to improve quality-of-life, which, in the long-term, builds the tax base.

Lutton stated that when employers are looking to establish, they look for TIF districts.

## 8. Old Business

A. **City-County Property Transfer:** Bookout stated this is a proposal to transfer properties the MRC owns north of the jail, adding the County has taken an active role to expand quality-of-life on the south side by removing overgrowth and dead trees, paving, demolishing Maples Motel, handling environmental concerns, working in the Industria Centre, bringing in INOX, and adding a public trail. He added the County Redevelopment Commission has the capacity to develop the properties in the jail area.

Brooke stated the city has indicated a desire to receive the properties the County owns on East and West Washington and at Jackson and Lincoln.

Bohanon stated the MRC's properties are currently generating zero property-tax revenue.

Bookout stated the plan for the properties is a project that would create tax revenue in the area, which could be housing or commercial development.

Brooke stated the exact details are unknown, and can't be known until the County owns, adding that there is some need for residential, commercial, and light-industrial development.

Dale asked what the County's intended uses are for the MRC's properties. Bookout stated that the plan is develop projects that would create tax base stating that projects could include housing or commercial entities. Dale stated that can even a general idea be provided because when the property swap request came before the MRC the previous month that no information nor any individuals involved in coming up with the property exchange were present at the meeting. Dale when on to say that it's important for the MRC to understand what the intentions of the County are so that the best outcome can be achieved. Dale went on to state that at the heart of what the MRC does is develop and convey property in the interest of the citizens of Muncie.

Bookout stated they are conducting environmental assessments of the Industria Centre and there are some issues, but the extent isn't known.

Dale asked if a TIF would be established that includes the MRC's properties.

Bookout stated the City's permission would be needed if one were to be established, adding that the City has asked the County in the past to take on a TIF.

Mayor Ridenour stated there's potential to do something when properties are lumped together, adding this is a fair trade, will help build our tax base, and that it would be very difficult for the City to do this development.

Dale asked why can't the City and County work in partnership with the City retaining control of the properties it currently holds being considered in the exchange. He stated the assessed-value comparison is \$83,000 for the County's properties versus \$288,000 for the MRC's properties. Dale went on to stress that there are a couple of ways to go about

working together and that one way is for the MRC to develop the properties and that the County address infrastructure improvements around the site(s) or that the County convey another or other properties to even up the monetary value of the property exchange. Dale shared that with the County pulling out the County justice system from downtown Muncie is leaving an economic hole and that the County's purchase of the new Justice Center site took a taxable property off the tax roll. Dale when on to ask Bookout if he would make this same deal as a former business owner.

Bookout replied he doesn't want to go down the dollars and cents side of things, because the County is spending millions within the City limits on trails. He added this is a simple request.

Dale replied as the County should be given that the City is a part of the County.

Brooke stated that value has different meanings to different people, and this is fair trade.

Dale stated that the jail area used to be taxable and the Justice Center leaving downtown creates economic concerns. He said that this action is injurious to the city.

Wagley stated everyone has had individual meetings, that this has been on two agendas, and the MRC wants these properties.

Wagley motioned to approve Resolution 2020-16; Murphy seconded.

Dale stated until there is true strategic planning, ideas like this are difficult to support. The Southside of Muncie deserves better planning and that he's willing to continue the discussion regarding the question of the exchange of properties so that the best possible outcome for all concerned can be realized. He went on to say that he cannot support the request of the MRC based on the current information provided.

Bohanon stated waiting until a fully-formed plan is developed means nothing gets done.

Grubbs stated there isn't a need to have riverfront development if nothing's downtown.

Veach stated this swap will benefit downtown.

Dale stated he appreciates what Ms. Veach shared but that rarely, if ever, does the MRC receive exhibits and information that detail what a request's impact is on the city. He went on the say that there's little no preparation prior to the MRC's meetings. In the case of the current question of the property swap we can do better regarding the question of what types of development will best serve the residents of the Southside of Muncie.

Scott stated the MRC isn't interested in doing any development out there.

Councilor Smith stated he was speaking for Councilor Ray Dudley and the entire Southside of Muncie, and asked if the County was ready and prepared to develop the parcels.

Commissioner King replied yes.

Councilor Smith asked if the City was prepared to develop the downtown parcels.

Mayor Ridenour replied yes.

Commissioner King stated when the County was asked to give up property for the car dealership, it was given. He added, as a Southside person, he wanted to see "my" area grown and developed. He also stated he's tired of hearing that he and the Mayor don't work together.

Mayor Ridenour stated it was time for a vote.

Bohanon, Murphy, Scott, and Wagley voted aye; Dale voted nay; motion passed.

## **B. City of Muncie Updates**

- i. **316 W. Washington:** Mayor Ridenour stated that 316 is now owned by the Delaware Advancement Corporation, and—once the County property is transferred—the whole block will be under site control.
- ii. **Build Grant Details:** Mayor Ridenour stated he wasn't sure if the funds would be awarded, but the pool of cities seeking grants did shrink this year.
- iii. **White River Lofts Update:** Mayor Ridenour reported that construction has begun, and they are starting to lease now for May 2021.
- iv. **Riverfront Restaurant Update:** Mayor Ridenour stated WS Properties was chosen to build the restaurant, that he went to one of their restaurants at Clay Terrace, and that the common area and the trail is the City's only investment in the restaurant.

Dale stated it wasn't in the City's best interest to be involved with picking a restaurant, but the private market's.

Veach replied it wasn't for a specific restaurant.

Dale stated the City's MRC notice listed an Irish-themed restaurant.

Mayor Ridenour replied the City just connected the restaurant group with the developer.

Murphy made a point of order and asked that Mayor Ridenour be able to conclude his comments.
- v. **Storer Site Discussion Regarding Mint Management:** Mayor Ridenour asked for input, stated there have been challenges with getting Mint Management to complete their work, adding that they're sending legal notices back and threatening a number of things. He stated the site is not completely cleared, but the Street Department could finish so things can move forward. Mint Management sent the deed to put the property back in into the MRC's name. He added that Mint does owe the Industrial Revolving Loan Fund, and the City will seek the remaining 40 percent owed through the personal-guarantee clause.
- vi. **Indiana Stamping (North American Stamping Group):** Mayor Ridenour stated there was an agreement to close this 10 years ago. The state has approved the environmental plan, which was paid for out of EDIT. Indiana Stamping stated they did not want to do the environmental work, but are still interested in purchasing the property back.
- vii. **McKinley-Area Properties Owned:** Mayor Ridenour stated that the Muncie Sanitary District had purchased properties for levy work and the MRC acquired properties for demolition and blight. He added that the area is ready for something, and he is serious about figuring out what that something is.
- viii. **MVAH Infill Sites:** Mayor Ridenour stated that Miller Valentine is looking to do a Low-Income Housing Tax Credit (LIHTC) affordable-housing infill project.
- ix. **Closing on 415 W. Washington:** Mayor Ridenour stated that 415 is owned by Dick Naze, and is across the street from their facility and the apartments that are going up. AEP granted \$25,000 toward the \$30,000 purchase price, with the remaining \$5,000 coming from the MRC.
- x. **Information on Potential Items for August 6 Meeting:** Mayor Ridenour stated he wants to help all three LIHTC proposals in some way. One is a single-family, lease-purchase development in Heekin Park, Miller Valentine's is similar, and the third is a two-to-three story apartment building at the Marsh site at Memorial and Burlington, which would remain as rentals.

Regarding the Storer contractor, Wagley asked if their invoices had been paid. Mayor Ridenour replied that they weren't paid, as all the debris wasn't removed.

Wagley asked about billing the contractor for the Street Department's work.

Freeman stated that the cost to sue versus pay for cleanup isn't so much the issue as is timing, since the law works slowly and could take years, adding that the point is to never make verbal agreements.

Conatser stated that a deed-in-lieu-of-foreclosure makes the most sense and allows the Mayor to development.

Lowe stated that most contracts allow the work to be taken over and billed to the contractor if notice is given and the work hasn't been completed.

Dale motioned to accept the special warranty deed if the executive ensures there are no environmental concerns; Scott seconded. Bohanon, Dale, Murphy, Scott, and Wagley motioned aye; motion passed.

## 9. New Business

### A. **Property Applications:** Bishop opened applications for MRC-owned properties.

- 1315 E. 5th vacant-lot application from Barry Zachary for \$100.00.
- 2110 N. Brady vacant-lot application from Monte Murphy for \$100.00.
- 121 N. Hodson vacant-lot application from Muncie Eastside Neighborhood Rentals for \$100.00.
- 207-209 N. Hodson vacant-lot application from Muncie Eastside Neighborhood Rentals for \$100.00.
- 209 ADJ N. Hodson vacant-lot application from Muncie Eastside Neighborhood Rentals for \$100.00.
- 2718 E. Jackson vacant-lot application from Lowell Cain, Sr. for \$1,500.00.
- 2727 S. Macedonia vacant-lot application from Larry & Julia Flowers for \$700.00.
- 1904 E. Memorial vacant-house application from Carl Long for \$2,000.00.
- 1904 E. Memorial vacant-house application from Drake Noble for \$2,000.00.
- 609 W. Memorial vacant-lot application from Devin Walker & Natasha Taylor for \$100.00.
- 2217 S. Pershing vacant-lot application from Michael & Nicole Robey for \$250.00.

Bohanon motioned to take these applications under advisement to be reviewed by NIC; Dale seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

### B. **Public Comment:** Conway stated he has an amendment to the resolution passed at the last meeting, as the Nebo TIF does have debt associated with it, and it is the intention not to give the amounts back to underlying units.

Wagley motioned to amend Resolution 2020-14; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Dale Mayor Ridenour asked if 414 W. Washington needed an appraisal.

Mayor Ridenour stated he would look to see whether appraisals were already received.

Dale believes an appraisal needs completed.

Freeman stated that, based on the purchase price, appraisals are not required. He will research if an appraisal needs conducted.

Grubbs stated there are a lot of citizens concerned about transparency, live broadcasts, and the availability of documents and TIF information.

Mayor Ridenour replied that a state website lists all the districts, and any reports are made available to the board.

Grubbs replied these should be made accessible to anyone without having to ask.

Mayor Ridenour stated he is spending over \$29,000 out of EDIT for a new website where new documents would automatically flow-in, similar to the websites of Franklin, Greenfield, and Noblesville.

Dale asked, as Secretary of the MRC, who is to receive approved MRC minutes so that they can be uploaded to the MRC's website. Mayor Ridenour stated to the approved minutes should be provided to Zane Bishop.

Murphy stated he received a request to provide documents related to Waelz from Brian Preston.

Mayor Ridenour stated he sought the documentation out, but couldn't find anything signed by both parties. He went on to state that a confidential letter of intent was found but was signed only by the former MRC director and that a final document would be executed later. It appears that nothing had been followed up with regarding the first letter of intent was generated.

Ed Conatser inquired if two particular parcels of property one pertaining to an adjoining property and the other for open bids on properties; both of which he read about in legal notices. He asked if both were due today as well to be opened. He asked what the next steps are involved now with regard to the adjoining property. Bishop stated that offers can now be submitted which will then be reviewed at the MRC's next regularly scheduled meeting.

10. **Adjournment:** Wagley motioned to adjourn at 10:46AM; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Minutes recorded by Zane Bishop.

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Andrew Dale, Secretary