



## CITY OF MUNCIE REDEVELOPMENT COMMISSION

### Regular Meeting Minutes

The City of Muncie Redevelopment Commission (MRC) met on Thursday, August 6, 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 9:00 AM
2. **Roll Call:** Commissioners Brandon Murphy (President), Shareen Wagley (Vice-President), Andrew Dale (Secretary), Dr. Cecil Bohanon, and Frank Scott were present.  

The Honorable Dan Ridenour (Mayor), Jim Lowe (School Board), Trent Conway (Controller), Ben Freeman (Counsel), Caitlin Cheek (Baker Tilly) (Zoom), Loren Matthes (Baker Tilly) (Zoom), Ed Conatser (Realtor), Zane Bishop (Residential Program Administrator), Pete Schwiegeraht (Miller Valentine), Ted Baker (Innovation Connector), Dr. John West (Land Bank), Glenn Vann (Land Bank), Brad King, Nakia McCullum, Bill Lett, Corey Ohlenkamp Vicki Veach, and two others were also present.
3. **Agenda:** Murphy motioned to add item #8. pertaining to tax-abatement requests to the resolutions from Mr. Bishop to the agenda; Bohanon seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.  

Dale motioned to approve the agenda; Scott seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.
4. **Minutes:** Bohanon motioned to accept the July regular-meeting minutes; Wagley seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.
5. **Claims:** Dale stated there were some significant amounts in the claims and asked if they were bond payments.  

Conway replied they were bond payments that are paid semi-annually.  
Dale motioned to approve the claims; Murphy seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.
6. **Tax Increment Financing (TIF) 101:** Murphy announced an information session; an in-service on Tax Increment Financing via Zoom.  

Cheek stated redevelopment commissions can exist without TIF districts, but TIFs encourage orderly growth. She stated the MRC's boundaries are coterminous with the city's limits. She added the MRC can have multiple allocation areas within an economic development area, and can also levy special-benefits taxes. If the increased assessed values from new developments would not occur but for the TIF and its incentives, then it could not be lost to the other taxing units. She added that schools have no revenue impact from TIFs, as operational funds and debt-service funds are levy-limited; if a referendum is passed, however, the TIF would be captured. Due to circuit-breakers, she reported, half of the potential tax-revenue was lost—\$17.6 million.  
Matthes stated TIFs are flexible, and can be pay-as-you-go or covered with bonds. The question is who will bear the risks. She stated that with TIF revenues only, the bonds may

not be marketable, but guarantees can be made from projected tax revenues or letters from banks. She added bonds and leases can be paid from TIF alone, or also with other funds. The least risk to the city occurs when the developer buys the bonds, and if the district is short, the developer just doesn't get paid back the whole amount.

Lowe asked if infrastructure expenditures had to be within the district.

Matthes replied they have to be in, serving, or benefiting the area, and an attorney has to make a finding.

## 7. Old Business

### A. City of Muncie Updates

- i. **White River Lofts:** Mayor Ridenour stated utility work will be done in a couple weeks, with completion in April 2020 for May leasing. They are looking for a retail tenant on the first floor that overlooks the river and commons area, and have signed a contract with Coldwell Banker to assist. He added the City owns the land and thinks leasing would help control the future uses.
- ii. **Storer:** Mayor Ridenour stated the Phase I environmental came back clear, and is proposing roughly 25 single-family homes similar to the area and open space on the lot. He will be calling a neighborhood meeting regarding the project. The Mayor added that he knows there are concerns about the grounds of property and that Andrew Dale had issued concerns as well.
- iii. **Bethel Pointe:** Mayor Ridenour reported they are expanding, adding 23 jobs and several rooms, don't want to borrow, but prefer to make it work with tax abatement.
- iv. **Munsee Meats:** Mayor Ridenour stated the new owners are wanting to expand and are asking for \$40,000 in addition to \$160,000 of their own funds. He stated EDIT or Industrial Revolving Loans funds could be used.
- v. **Chevrolet Plant:** Mayor Ridenour reported he is working on an RFQ for a solar project on the site, that two companies are very interested, and that he's presented to the neighborhood association.

Lowe asked if Indiana Michigan Power was involved.

Mayor Ridenour replied the companies have different proposals, and are also looking at placing panels at fire stations.

- vi. **Arc of Indiana:** Mayor Ridenour reported that the hotel could not make their payment due to COVID, as they lost hundreds of thousands of dollars in bookings, being a convention hotel. The Mayor spoke with Congressman Pence and Indiana's two Senators, telling them the hospitality industry needs help. Mayor Ridenour stated that the bank wants to receive the payment and not grant another deferral, and encouraged everyone to go to the restaurant and use the hotel's meeting space. It was noted that although the current situation does not demand it, if there is a default in making payments that the MRC is back-up to make payments.
- vii. **Mall:** Mayor Ridenour stated the mall is the single-largest taxpayer in the City, and they are close to having some of the space filled. He added there is an event this Saturday with bands, food trucks, and city vehicles, and encouraged everyone to support the mall.

## 8. New Business

A. **Ed Conatser Update:** Conatser stated he would defer to next month.

B. **Miller-Valentine Amendment:** Bishop stated the amendment is to cleanup parcels and extend the purchase-agreement deadline due to a changed state-application deadline.

Dale stated they would create housing units contingent on receiving tax credits.

Dale asked if the properties that the MRC has been gathering and conveying to Miller Valentine over the past two years are the same properties that Miller Valentine are submitting tax credits for and the Mayor confirmed that they were. Dale then asked the Mayor if he supports Miller Valentine project and the mayor responded that he does.

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

Schwiegeraht stated this was their third attempt to receive the credits and that they want to make impacts in these neighborhoods.

C. **Applications:** Bishop opened applications for MRC-owned properties.

- 619 N. Mulberry vacant-lot application from Joseph Flemming for \$100.
- 623 W. Memorial vacant-lot application from Rita Ashburn for \$100.
- 610-612 N. Elm vacant-lot application from Joseph & Rachael Robertson for \$100.
- 2705 N. Pauline vacant-lot application from Matthew & Danielle Russell for \$200.
- 2718 E. Jackson vacant-lot application from Spike Capital Solo 401K Trust for \$100.
- 2408 N. Wolfe vacant-lot application from Claretta Jolly for \$100.
- 610-612 N. Elm vacant-lot application from Hickory & Elm for \$200.
- 628 N. Jefferson vacant-lot application from DogTown LLC for \$200.
- 619 N. Mulberry vacant-lot application from Hickory & Elm for \$200.
- 707 N. Mulberry vacant-lot application from Hickory & Elm for \$200.
- 734 N. Walnut vacant-lot application from Hickory & Elm for \$200.
- 714 N. Walnut vacant-lot application from Hickory & Elm for \$200.
- 812-814 N. Walnut vacant-lot application from Hickory & Elm for \$200.
- 210-212 E. North vacant-lot application from ENJ Properties LLC for \$250.
- 322 E. Washington vacant-lot application from Norm & Gail Gayda for \$500.

Bishop recommended taking the applications under advisement to be reviewed by the Neighborhood Investment Committee (NIC). Murphy motioned to take the applications under advisement for the NIC; Wagley seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.

D. **Resolutions:** Bishop stated Resolution 2020-17 was to transfer three vacant properties to Muncie Eastside Neighborhood Rentals for development as apart of the KPEP project. Bishop added these lots were in the site plan as being apart of a solar field, but he wasn't sure the status of the project.

Mayor Ridenour stated they are working on acquiring funds for the factory.

Murphy motioned to approve Resolution 2020-17; Scott seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.

Bishop stated Resolution 2020-18 was to transfer five lots to their abutting-landowner applicants.

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

Bishop stated Resolution 2020-19 was to sell 1904 E. Memorial on land contract to its applicant for renovation and occupation.

Dale motioned to approve Resolution 2020-19; Bohanon seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.

Bishop stated Resolution 2020-20 was to sell 1125 W. Kilgore outright to ecoREHAB for renovation and sale to an income-qualified homeowner.

Wagley motioned to approve Resolution 2020-20; Dale seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.

- E. **Resolution Authorizing Amendments to Lease from the Arc Building Corporation and Related Matters:** Conway stated Resolution 2020-21 allowed the Arc to defer their August payment.

Dale motioned to approve Resolution 2020-21; Wagley seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.

- F. **Ontario Park TIF Distribution:** Baker stated there is \$57,193.28 in the TIF account, and he is asking for that to be transferred to the Certified Technology Park. He added there is another \$100,000 annual increment from the State that is to be sent to the City to help with the operations-side of the Innovation Connector.

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

- G. **Parking-Lot License Agreement:** Freeman stated this was from counsel at DeFur Voran regarding lots in the Village that the use was donated to the City for parking. Freeman stated the old agreement expired, but the proposed agreement automatically renews and rents for a dollar per year until the developer gives 60-days' notice. He added these are four lots the developer owns for future development, and that the MRC insures the lot and agrees to hold the owner harmless.

Dale asked if this was time-sensitive and stated he'd like to see the proposed agreement before a vote is taken on the renewal of the agreements as Freeman does not have the agreement with him to present. Dale also wanted to know what the highest and best use of the property is before voting on the agreement as well. Dale said that he cannot vote in the affirmative without reading the agreement.

Freeman stated the agreement is not currently active, and parking is the only use available to the MRC right now.

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

Dale stated that he'd like to have the paperwork ahead of time the next time action needs taken on matters pertaining to agreements, etc. and that not having documentation to review hinders the MRC's ability to be educated on what's being voted on.

- H. **Agenda:** Murphy stated he'd like to move H and I up and move the land bank to last.

- I. **Contract for Goth & Sons Excavating:** Bishop stated a \$6,000 quote to cleanup Storer was sent to the Mayor.

Mayor Ridenour stated he was going to have the Street Department do the work, but that would be instead of their regular work, and the quote was low enough that he wanted to bring it before the MRC.

Dale recommended that the MRC approve the Goth and Sons Excavating quote which could be acted upon by the Mayor only if the City Street Department cannot act on addressing the clean-up by end of the present month. Dale said the neighbors deserve action as soon as possible.

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

- J. **Tax-Abatement Request:** Bishop stated these were residential tax-abatement requests from Habitat for new-construction housing to be sold to income-qualified buyers.

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

- K. **Meeting Locations, Times:** Mayor Ridenour stated the Auditorium was reserved on the first Thursday for court, but the third Thursday was available.

Dale stated the public has an interest in knowing what's going on as the decisions are consequential and that MRC meetings should be live-streamed as other City meetings are live-streamed. Dale shared that he asked the Mayor directly and through email on occasion and during MRC meetings during the past several months and that he's received no response whether the MRC's meeting can be live-streamed for the benefit of the public.

Murphy motioned to make the regular meetings on the third Thursday of the month; Wagley seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.

- L. **Muncie Land Bank (MLB) Presentation:** West stated there are 2,400 vacant lots, 1,300 vacant structures, and 750 blighted structures in Muncie, representing \$2.3 million in lost property-tax revenue. He added 85% of all parcels are within 500 feet of a vacant property. He stated the MLB is an independent instrumentality exercising essential government functions with a board appointed by the Mayor, City Council, the Treasurer, and the board itself. The MLB has acquired properties for demolition through the Blight Elimination Program (BEP) and through Habitat. West stated a memorandum of understanding was signed between the MRC and the MLB in 2019 granting \$15,000 from the PILOT fund.

Murphy stated he hadn't seen this before, and suggested that this be taken up at the next meeting.

Wagley asked what the MLB has done for the City.

West stated it has hired staff, purchased properties, and setup office space.

Murphy requested the submission of an invoice, and the MRC would discuss how much would be disbursed.

West stated the MLB is acquiring properties and thinking about the long-term prospects of vacant land

King stated that the NIC was established because no other entity at the time could function as a land bank, adding that it was always understood that after a state-enabling statute was passed, the NIC would transition to that land bank.

Mayor Ridenour asked why this wasn't done in 2017.

West replied that the MLB has been building capacity since then, but is ready now. He added that the previous MRC kept the MLB at arms-length.

Scott stated the MLB would be more exhaustive than the NIC.

West stated that Cleveland leveraged billions of dollars in private investment by dealing with vacant properties.

Vann added that South Bend has significantly reduced the amount of blight.

West stated the MRC has other commercial and industrial work to do, and the MLB would handle the residential side.

Dale made the recommendation that a working group consisting of representatives of the MRC, Muncie Land Bank, local non-profits and Delaware County entities be formed to review the current processes of addressing blighted and vacant properties and how best to utilize the Muncie Land Bank to return blighted property to the tax rolls in a uniform and proactive way through the resource of the Muncie Land Bank. Dale also recommended that the working group meet over a ninety (90) day period to address its work and report back to the MRC.

Murphy asked if most of the residential properties are as a result of the BEP, and suggested those capacities be delegated to the MLB.

Mayor Ridenour asked what the lost-tax-revenue figure looked at.

West replied unpaid taxes and depressed values surrounding vacant properties.

Murphy motioned to add Dale to an MLB working group that would meet over the next several months; Scott seconded. Murphy, Wagley, Dale, Bohanon, and Scott voted aye; motion passed.

9. **Public Comment:** McCullum read a letter from her mother, Anita Brown, thanking everyone for helping her acquire the lot next to her to build her dream houses. Her family has lived at 1353 E. Kirby for over 70 years. She added that she hopes for a better system and protocols in the future.
10. **Adjournment:** At 11:45AM, Murphy stated the MRC is adjourned.

Minutes recorded by Zane Bishop.

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Andrew Dale, Secretary