



CITY OF MUNCIE REDEVELOPMENT COMMISSION

Regular Meeting Minutes

The City of Muncie Redevelopment Commission (MRC) met on Thursday, December 17, 2020 at 9:00AM virtually, via Zoom.

- I. **Call to Order:** Murphy called the meeting to order at 9:02 AM.
- II. **Roll Call:** Commissioners Brandon Murphy (President), Andrew Dale (Secretary), Shareen Wagley (Vice-President), Dr. Cecil Bohanon, and Frank Scott were present. Jim Lowe (School Board Representative) was present.

The Honorable Dan Ridenour (Mayor & Acting Executive Director), Ted Baker (Innovation Connector Executive Director), Dr. John West (Muncie Land Bank (MLB) Chair), Glenn Vann (MLB Executive Director), Ed Conatser (3417 W. Bethel), Zane Bishop (MRC Residential Program Administrator), Chandra Parks (City Communications & Media Director), and Ben Freeman (counsel) were also present.

- III. **Agenda:** Murphy stated Downtown Development's presentation was delayed until January, and motioned to remove the item from the agenda; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

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

- IV. **Minutes:** Bohanon motioned to approve the November 19, 2020 regular meeting meetings as submitted; Scott seconded. Bohanon, Dale, Murphy, and Scott voted aye; Wagley abstained; motion passed.

V. **Claims**

- A. **Regular Claims:** Dale asked what the EDIT Building Corporation claims were for as two amounts are shown, \$59,400 and \$25,000, totaling \$84,400.00.

Mayor Ridenour stated there were challenges with COVID in City Hall, and the Controller, Deputy Controller, and two others in the department were in quarantine, but the claim was for the MRC's semiannual share of the bond for the convention center's parking garage.

Dale stated that the claim for Vandewalle & Associates did not have an hourly or monetary itemization of costs and that he would like it requested of Vanderwalle & Associates to provide that information going forward and as requested during previous MRC meetings when approving claims.

Dale asked who was on the review committee.

Mayor Ridenour responded that the committee consisted of utility companies, the developer, Downtown Development, the City, the construction management committee (HWC), and, sometimes, the arts committee. Also included is Vanderwalle & Associates.

Dale asked if an updated riverfront district map was available.

Mayor Ridenour replied that it wasn't, yet. He is also looking at something that would cover the river across the entire city to spur economic development, including properties on

Kilgore that back up to the river, the Kitselman area on the eastside along 32, and the MLK area, but nothing's been finalized at this point.

Dale asked if any portion of the Vanderwalle & Associates invoice covered work related to the proposed development of the YMCA at Tuhey Park.

Mayor Ridenour replied that Tuhey wouldn't be a part of the district.

Dale asked how the MRC was aligned with the Industrial Revolving Loan Fund as Fund 903 indicates reimbursement for First Merchants related cost.

Mayor Ridenour stated he'd have to look into it.

Dale asked if the MRC could have a cheat-sheet for each bond, including payment schedules and the various types, in order to understand the liabilities and overall picture; specifically bond funding for hotel, Sustainable Muncie, KPEP, etc.

Mayor Ridenour stated the MRC received some of that information from the presentation in the spring, but Baker Tilley will present a review in January. It will be on the January MRC agenda and will make presentation.

Bohanon stated he'd like to know the MRC's budget and its various sources of funding.

Mayor Ridenour agreed and stated there is a lot of debt with the City and shared that the MRC general fund is down to \$8,000 presently due to awaiting receipt of second tax draw.

Dale stated, again, that having a fairly straightforward summation of status of bond payments is appropriate and helpful for the citizens of Muncie to have knowledge of.

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

- B. **Muncie Innovation Connector Request:** Baker stated the City would be receiving money from the Certified Technology Park fund, and the MRC is the pass through for that fund. A \$10,411.73 bill from Pridemark for the Kilgore-Jackson gateway project that was paid in anticipation of these funds. Other expenditures would include signage, and Baker would like pre-approval knowing the amount wouldn't be more than \$60,000.

Mayor Ridenour stated he received the amount, and it was lower than expected at \$41,165.39. There is a current balance of \$17.23 in that TIF fund. The consolidated TIF will be receiving \$1,934,668.35 any day.

Baker clarified that he wasn't asking for an advancement of funds, just pre-approval.

Mayor Ridenour stated the MRC was looking to use general fund money for the MLB.

Wagley asked what the general fund amount was supposed to be.

Mayor Ridenour stated tax payments go to the TIF funds and rent payments go to the general fund.

Dale motioned to pre-approve the transfer of these funds when they come in; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

VI. Update of Downtown Development

See above under III Agenda.

VII. Old Business

a. City of Muncie Update

1. **White River Canal District:** Mayor Ridenour stated that this is not a good time for restaurants, nationwide, and one in five have closed, most of those being COVID-related. The restaurant he hoped for the district is on hold right now, but the lofts are

proceeding well. They are looking to lease units for May and have received a lot of interest, with 19 of 20 parties not currently living in Muncie. Phase II proposals are being put together. Utilities are all underground and live.

2. **Housing Projects:** Mayor Ridenour stated he was talking with more developers about housing projects, and will hopefully have something soon.

3. **Storer Site:** Mayor Ridenour stated this development is much firmer. He is working with the Street Department and has contracted a company to put pricing estimates together based on preliminary designs. Once pricing is available, he will be going to the neighborhood and other stakeholders before proceeding ahead.

Dale recommended communicating the update with the neighborhood.

Mayor Ridenour replied that there's nothing additional to share but that he's awaiting to have additional information to share.

Dale reiterated that he thinks that it's important to communicate with the neighborhood even if no additional information is available

Mayor Ridenour stated that he's been in communication with several neighbors.

b. **Muncie Land Bank 20 Property Pilot Project:** Dale gave a recap of the work done to this point by the Working group, and stated two models were being presented for 20 MRC-owned properties—an ownership model and a broker model.

West stated the proposed properties have no structures. The MLB received a Vectren foundation grant to acquire properties in the 8twelve Coalition area and will help the MLB to hire a staff member to market properties. In addition, a streamlined process is being developed to receive bids for available properties and a process to insure that conveyed properties are developed as successful bidders have asserted to be developed. The MLB's preference is the ownership model.

Vann added that under the owner model the need for the MLB to come back to the MRC for changes to property conveyance is negated.

Bohanon asked if a report will be given. He also asked how these lots were chosen, if there was any current action on these properties, and what the plan for them was.

Vann stated the MLB believes in total transparency, its board meetings are open to the public, and a report could also be given to the MRC.

Dale stated that the MLB has mayoral appointments and that it is expected that communication will be maintained.

West stated there were three mayoral appointments to the board, and all processes were open to the public, and that the MLB follows all required disclosures and state requirements. The properties were compiled by Vann and Bishop and concentrated on clusters in the Old West End, and 8twelve area. These properties have been offered and marketed by Bishop and nothing has come of them.

Vann added that the Twenty Property Pilot Program is desired to work as a fluid total so that there's always twenty (20) properties available within the program's existence and that should a problem be unable to be sold that exchanges can be made but always maintain the count of twenty (20) being a running total.

Bohannon stated his support and that we should go for it. He then asked what's the payment process from the MRC.

West stated it depends on the on model selected and that the MLB is flexible to how distribution of funds from the MRC to the MLB is structured. Under the broker model the MRC continues to support maintenance costs.

Conatser asked if the MLB has considered having a broker on the board.

West stated the MLB has a broker on the board, Melanie White.

Murphy asked if the properties were offered again, if there'd be movement.

Bishop stated he didn't believe so, as they have already been offered, but no one has called about them or submitted applications for them.

Murphy asked what some of the complications of the properties with houses were.

West stated the MLB is a startup and doesn't have the funds to demolish additions or repair roofs.

Vann stated that in the future the MLB does seek to take on properties with structures.

Dale stated the third component of the Working Group was to track the program and perfect the residential land banking model and that the longer actions to address blighted residential property in the city of Muncie are forestalled the worse the situation is going to become.

Murphy asked if any of the MLB's properties had been disposed of yet.

Vann stated these properties were only recently acquired, and are all listed on the website, and that the MLB is getting its processes together to sell properties.

West stated disposition procedures are up for approval at the MLB's board meeting tomorrow, and they're aiming for a procedure that's fair, transparent, and fast.

Scott stated he appreciated the MLB's ability to move properties quickly, citing that it took three years for Anita Brown to acquire a property from the MRC because it was tied up in the current system. There's now a lot of activity in the area because of that lot.

Wagley congratulated the MLB on the Vectren grant, and asked what the maintenance costs are for vacant MRC lots.

West stated those costs were in Appendix A.

Wagley asked if the MRC had funds for \$50,000 plus maintenance.

West clarified that under the owner model, the MRC would only pay upfront, not also for ongoing maintenance. The broker model would then include MRC covering maintenance costs.

Dale added that under the broker model 50% of the sale price is returned to the MRC.

Wagley asked if we have the money.

Mayor Ridenour stated there was \$155,675 in the general fund. He asked if there was any negotiation to bring down the maintenance allotments to one year only. Expenses will need paid by the MRC to close out the Blight Elimination Program, and questioned if this was the best use of funds, and suggested that pricing constructs of the two models be negotiated and wait until Baker Tilley reports to MRC in January. He does not like the broker model but is willing to hand over the twenty (20) properties and that the City might be able convey the properties themselves. He does think that the owner model is best but doesn't want to pay the MLB for maintenance costs more than necessary. He stated that the City MRC are subject to future financial constraints he hopes Covid will go away and stated that the MRC does have the funds.

Bohanon stated the MLB can provide marketing that Bishop doesn't have the time for.

Dale stated this information was provided well in advance, so it's difficult to negotiate now, in the eleventh hour when everyone, including the mayor, has had the information for review and questioning all along. Why are these questions only now being asked? We need to start placing emphasis on blighted properties and neighborhoods are suffering from realizing their greater viability. This a small step forward toward a long-term solution and Muncie is the size city that can get ahead of its problems unlike a larger city like Indianapolis. We have the funding and we can do this and the question is are we going to move forward. Why is this concern being shared at such a late time when we've been discussing this opportunity for a few months?

Wagley stated do we know if we can do this and if the money is within our budget?

West stated the MLB has done its homework costs to maintain the properties and on the details of the payments haven't been determined, so they could be paid in installments. Basically, payments can be spread out over three years from the MRC to the MLB.

Mayor Ridenour stated that would give him a lot more comfort. The current process is burdensome, and he's 100% behind the 20-property pilot project. He hopes the property-tax issue is temporary, as hospitalizations are down and the vaccine is coming. He hopes the light is at the end of the tunnel with this COVID thing.

Dale stated that at the heart of the MRC's mission is to take underperforming properties and make them viable. Earlier this year, the MRC was asked to pay \$100,000 for one property with no structure on less than a quarter acre of property that was purchased for a lot less at \$27,000 only a few years earlier, thankfully the MRC did not end participating in the sale, while this program is a \$50,000 expenditure that involves twenty (20) properties to tax dollars back to the tax rolls and make neighborhoods better.

Murphy stated his preference was for the broker model because the MLB is young.

Murphy motioned to take a vote between the two models; Scott seconded. Bohanon, Dale, and Scott voted for the owner model, Murphy voted for the broker model, and Wagley abstained, stated she didn't know at this point.

Dale motioned to move the owner-model resolution.

Conatser stated he had appointments and asked to go ahead and give his report.

- c. **Report of MRC Liaison Ed Conatser on Sustainable Muncie:** Conatser stated Madjax is a component of Sustainable Muncie, but also own 608 E. Main, which is currently occupied by an artist group. Sustainable Muncie also owns the parking lot at 500 BLK E. Jackson and the Madjax building at 514 E. Jackson, consisting of 81,000 square feet, of which a little less than 50,000 is currently occupied. They have made great strides this year to put financial forms together, but have a long way to go. Lease income is budgeted at \$21,000, but a considerable amount of that is delinquent. He recommends an executive session between the MRC and Sustainable Muncie.

Dale stated his complete support to conduct an executive session meeting between the MRC and Sustainable Muncie for the purpose of fully understanding that status of Sustainable Muncie's operations and viability.

Murphy believe that it's a good idea and that it can be made to happen.

Conatser added that such as executive session could be scheduled to occur either before or after the MRC's January 2020 regularly scheduled meeting so that plans can be made for the future.

Murphy motioned to have an executive session between the MRC and Sustainable Muncie in January; Dale seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

- d. **Resolution 2020-30:** Murphy motioned to approve Resolution 2020-30—the owner model—as provided and moved by Dale; Scott seconded.

Bohanon asked about amending the resolution or exhibit to include payment details.

Bohanon motioned to amend the motion, stating that one-third of the amount would be paid in 2021.

West asked for assurance that the MLB would receive payment in full by the third year.

Dale stated the resolution is written that the model is perfected together and that to the question of exactly how payments are to be made be outlined within the first quarter of 2021 that the MRC and MLB.

Murphy asked Bohannon if a payment model to MLB of January 2021, January 2022 and January 2023 works and Bohannon affirmed that he's in agreement.

Bohannon asked if the arrangement of dispersing payments is acceptable and West responded affirmatively.

Dale reiterated that the resolution states that both parties will work in good faith to continue to perfect the model and do so under salutary understandings.

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

Dale motioned to approve Resolution 2020-30 as amended; Scott seconded. Bohanon, Dale, and Scott voted aye; Murphy and Wagley voted nay; motion passed.

VIII. **New Business**

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

- Applications from MDJ Construction, LLC, for the following properties: 322 E. Washington, 308 W. Washington, 415 W. Washington, 302 E. North, 215 E. North, 210 & 212 E. North, 206 E. North, 214 E. Gilbert, 220 E. Gilbert, 314 E. Gilbert, 306 E. Gilbert, 300 E. Gilbert, 627 N. Madison, 631 & 633 N. Madison, and 225 S. Madison;
- Application from Kimberly Stonecipher for 2124 S. Mulberry;
- Application from Djuane McPhaul for 1424 W. 9th;
- Applications from TevFro Land Company, LLC for 631 N. Madison and 903 N. Mulberry;
- Applications from Ocean Life for Me, LLC, for 719 N. Mulberry, 804 N. Jefferson, and 707 N. Mulberry; and
- Applications from Matthew Gilpin for 215 E. North, 206 E. North, and 210 & 212 E. North.

Murphy motioned to refer the matter to the MLB; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

- B. **Storer Cleanup Update:** Bishop stated the cleanup was still occurring, but should be finished by next month.

- C. **Resolution 2020-27:** Bishop stated this was to transfer 746 N. Elm to the Muncie Sanitary District, as it is within their retention pond in McKinley.

Wagley motioned to approve Resolution 2020-27; Dale seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

- D. **Resolution 2020-28:** Bishop stated this was allow the 22 listed properties to be offered directly to abutting landowners instead of going to public sale, and that it was not to transfer them at this point.

Dale motioned to approve Resolution 2020-28; Wagley seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

- E. **Resolution 2020-29:** Bishop stated this was to split right-of-way from these parcels and transfer the right-of-way to the City.

Dale motioned to approve Resolution 2020-29; Bohanon seconded. Bohanon, Dale, Murphy, Scott, and Wagley voted aye; motion passed.

Murphy asked Bishop if he had any other business to bring before the MRC and Bishop stated that the Addictions Coalition is seeking a representative from the MRC to serve on the Coalition at their quarterly meetings and that he's willing to serve. Murphy stated that he's also been contacted (and Scott as well) and suggested that it be taken up at the MRC next meetings as it makes sense to have a member of the MRC involved.

IX. **Public Comment**

- A. **Parks:** Parks stated questions on the livestreamed were asked regarding the MLB proposals, but that she would refer those questions to the MLB.

- B. **Dale:** Dale stated he hoped the MRC meetings could continue to be livestreamed due to the virus. He also asked if the MRC was anticipated to pay for first-responder vehicles next year.

Mayor Ridenour stated he didn't anticipate that.

Dale stated he received information about bond payments in the mail.

Murphy stated those should be submitted to the City.

- X. **Adjournment:** Bohanon motioned to adjourn; Scott seconded.

Minutes recorded by Zane Bishop.

Andrew Dale, Secretary