



CITY OF MUNCIE REDEVELOPMENT COMMISSION

Regular Meeting Minutes

The City of Muncie Redevelopment Commission (MRC) met on Thursday, January 20, at 9:00AM in the City Hall Auditorium, First Floor, 300 N. High, Muncie, Indiana 47305.

- I. **Call to Order:** President Brandon Murphy called the meeting to order at 9:00AM.
- II. **Roll Call:** Commissioners Brandon Murphy, Vice-President Shareen Wagley, Secretary Isaac Miller, and Jeff Howe were present.
School Board Representative Jim Lowe was also present.
Commissioner Lorraine Tomlin was absent.
- III. **Election of Officers:** Murphy stated he would accept nominations for president. Wagley motioned to elect Howe; Murphy seconded. No other nominations were made. Murphy motioned to close nominations; Wagley seconded. Howe, Miller, Murphy, and Wagley voted aye; Howe elected President.
Howe stated he was seeking nominations for Vice-President. Murphy motioned for Miller; Miller seconded. No other nominations were made. Howe, Miller, Murphy, and Wagley voted aye; Miller elected Vice-President.
Howe stated he was seeking nominations for Secretary. Wagley nominated Tomlin; Murphy seconded. Howe, Miller, Murphy, and Wagley voted aye; Tomlin elected Secretary.
- IV. **Agenda:** Howe asked if there were any changes to the agenda. Hearing none, Murphy motioned to approved; Miller seconded. Howe, Miller, Murphy, and Wagley voted aye; agenda approved.
- V. **Minutes (December Regular Meeting):** Murphy motioned to approve the minutes; Miller seconded. Howe, Miller, and Murphy voted aye; Wagley abstained; minutes approved.
- VI. **Claims**
 - a. **Regular Claims:** City Controller Craig Wright stated these were usual January claims with bond payments. Besides that, there were utilities.
Miller asked if there was anything he wanted to discuss regarding end-of-year transactions or anything out of the ordinary.
Wrights stated no, but they did close out the Hardest Hit Funds.
Miller motioned to approve the claims; Wagley seconded. Howe, Miller, Murphy, and Wagley voted aye; claims approved.
Freeman asked, since Tomlin was absent, if someone was taking notes.
Miller stated Zane Bishop always takes notes.
 - b. **Invoice of Downtown Development:** Wright stated the check will go out after approval.

Howe stated there is a contract with them, and thought the last time the MRC said this would be approved unless told there's issues.

Wright responded that that was correct.

Howe clarified that they don't need to approve it.

Freeman stated there was a contractual obligation to pay.

Murphy stated this would approve the payment in the contract.

Howe responded so we need to approve the payment.

Murphy motioned to approve the payment; Miller seconded. Howe, Miller, Murphy, and Wagley voted aye; Downtown Development payment approved.

- VII. **Annual Report:** Mayor Dan Ridenour thanked the City Council for retaining members, because bringing new people up to speed in the middle of projects is challenging, and this helps the commission do its job even better. He's also very proud of this group. There has been no new long-term bonding since 2020 and cash is being used for payments. Long-term debt was reduced from \$58.4 million to \$51.7 million, reduced by \$6.7 million. Cash increased by about \$1.8 million in the same two-year period. The bond balances are as of December 31 and don't account for January payments. The other payment is in July. The grand total of bond balances was \$51,694,078. The MRC doesn't pay on the hotel but is similar to a cosigner.

White River Lofts finished up in 2021. It's a 55-unit, market-rent apartment complex along the river, with some commercial space that's working on a couple different potential tenants. They didn't expect to rent anything over the holidays but moved six more in and now have 29 occupied. The demographic that was hoped to reach is exactly who's moving in, attorneys, Ball State employees, Ball Memorial employees, and some students. About 80% of those tenants are people that were working here but not living here. The MRC was a big part of that, doing infrastructure, putting utilities underground, and putting the plaza in.

Riverbend Flats is a workforce housing project, not government housing but the State gives credits to owners for providing rents based on income. This is a 60-unit apartment complex at the former Marsh site at Burlington and Memorial. Demolition work has begun and is nearing completion. Work on the apartments will begin once that's done. They are hoping to provide additional access by the river for green space. Because these are going up, a restaurant has bought a building across the street.

The County deeded to the MRC the former jail that's now in the hands of a developer and on the tax rolls going forward. That will provide 150 indoor parking spots which is greatly needed downtown. There are also 15 units that will be sold. The expected completion date is January 23, 2023. This is not in a TIF district and will not be added to a TIF district. The taxes will go into the general fund which are paid toward police, fire, the school, and the library.

Storer Estates is land owned by the MRC, and a committee will be working out how to sell those lots. Work is expected to begin in February or March. This is also not in a TIF. Cash was paid. Tax revenues from those homes will help the general fund, which helps the school system and library.

The MRC approved participating in helping fund Storer Woods Park through the sale of lots at the subdivision.

The D.D. Danner headquarters, 80,000 square feet, is going up on the east side at KPEP. Once that building is up and on the tax rolls, the MRC will see funds because

that's in a TIF. There is debt in that, and those funds will help go toward other projects. Infrastructure work was done years ago.

White River Lofts Phase II is in the final engineer phase. It's looking like it will be a 5-story sister building to Phase I, with roughly 10,000 square feet of commercial space on the first floor and 61 apartments on the upper floors.

The Canal District Parking lot is the full block that has site control between Franklin, Liberty, Washington, and Gilbert, except for one little house that they aren't interested in having that lady move. The surface parking lot will be built around her and she's aware of that. That parking lot will serve the needs of the growing downtown residential and retail customers.

The MRC also sold a number of lots to Miller Valentine for City View Homes. That will be a number of new housing that will go up in five southside neighborhoods, the majority being in Industry and South Central. The City came in and bought properties that were in disrepair and tore them down. The financing is all complete, there are just a couple pieces before they start, and they're also hoping for better weather.

The Buyer's Market is in the former Macy's space. The MRC didn't participate financially, but he did help them with connections and utilities to help them move in. But this helps the mall, and the mall is still the largest taxpayer in the City.

The cash position is a little over \$1 million, which was increased despite also paying cash for projects. This is a long-term view on how to help the City. The MRC has an obligation to help the school system, which doesn't mean not doing TIF or bonds in the future, but anytime cash can be used the better.

Howe asked when D.D. Danner would be completed.

Mayor Ridenour responded March. They are still working with the Plan Commission on a couple things, as right now it's one big lot and they are in the process of dividing it so there can be retail along 32.

Howe asked if they would be buying the building from the developer.

Mayor Ridenour responded that was his understanding.

Howe stated the Mayor played a role in working with the hotel on debt restructuring, and that puts them in a better position and helps the City.

Mayor Ridenour added it was a joint effort between the old and current lenders, and Howe was also a part of that. What the Arc of Indiana is doing is very important, not only with the hotel but also with the Erskine Green Training Center, which is very valuable for those kids' lives.

Wagley stated she appreciated the email with all the info so they could review it ahead of time.

VIII. Old Business

- a. **City of Muncie Update:** Mayor Ridenour reported the properties in TIF districts would generate about \$277,000 in additional revenue. Indiana pays a year behind, so it could be 2023, but should help alleviate some challenges.
Mayor Ridenour appreciates the board allowing some other projects to move forward without their control, which will generate about \$697,000 annually that will be divided between the general fund, school system, library, Center Township, and MITS.

Mayor Ridenour reported the amount that is owed to Garmong where Phase II is going is \$495,000, but the developer should be paying that. The bid hasn't gone out yet, but a local company gave a quote to demolish the buildings at Canal Square. Streetscape improvements would be the last thing to go up and would be after a couple more property-tax deposits into the MRC account. Utility relocation is something that should be worked on now, however.

Mayor Ridenour reported there are \$644,000 in area-specific funds that haven't been used since he took office. As of January 18, after the bond payments, there is \$1.679 million remaining.

Mayor Ridenour stated City View Homes is something the MRC should consider funding as there have been a lot of construction-cost increases.

Mayor Ridenour stated there is another \$25,000 committed to Habitat for their new headquarters.

Mayor Ridenour stated all the tenants have been notified that they need to be out by March 31, and he wants demolition to start in April. He wants to put aside one-third of the utility costs to put those underground. This wouldn't occur until there is a signed deal on Phase II, and that's forthcoming, as they're still working on the engineering. He estimates the six-month expenses will go down because a lot of that is utilities that will go down once it's unoccupied; it also won't need insured at the same level.

Mayor Ridenour stated he listed \$1.7 million for spring taxes, which is 90% of what's estimated to be received. Last time, \$1.89 million was received.

Mayor Ridenour doesn't know if funds for the READI grant will need used because he doesn't know if their project will be funded, and doesn't know if the State or the region makes that decision.

Mayor Ridenour reported everything highlighted in yellow totals \$1,065,000, and are things he'd like to pay cash for and not borrow. \$2.1 million in cash would remain if all these were paid, but this is a budget and budgets are subject to change. He's worked with Baker Tilly, and the MRC can easily borrow, but he doesn't want to borrow if cash can be paid. He also doesn't think more TIF districts is the ideal philosophy.

Murphy agreed wholeheartedly to reduce debt, and not bonding or taking out loans is the right approach.

Howe also agreed.

Mayor Ridenour stated the McKinley neighborhood is talking within an out-of-state developer who will be coming in February to look at some things.

Mayor Ridenour opined downtown has some parking issues. AccuTech has 130 employees and is expecting 300 by 2025. He wants them to be here and not build a branch somewhere else in Muncie or another city like Indy or Hamilton County. There are four alcohol applications for the riverfront district, and two of those are within a stones' throw of here. All of those will need parking to take advantage of the downtown area. A parking study was done in 2020 and was shared with the MRC. There's no action to take today but wanted to keep it on the radar.

Howe asked how many of the AccuTech workers will be remote.

Mayor Ridenour responded about 65% are onsite. Some are local and work remote but they try and get them in the office, but that won't always be the case. If the 65% holds true, 300 of the 500 employees by 2030 would be onsite.

Lowe stated some people work in Chicago but live elsewhere for quality-of-place.

Mayor Ridenour added he hired a company with EDIT to do something like that.

Howe asked if they've talked about apartments needing a home office or certain internet configuration.

Mayor Ridenour responded they've touted the parks Muncie has, in which there will be \$3.2 million in upgrades this year.

Mayor Ridenour reported the YMCA's current building appraisals had very different values. That building will become available at some point, and he wants it to stay on the MRC's radar because of Canan Commons and wants to make sure something right for the community goes in there.

Mayor Ridenour reported on the Yellow Brick Road project, which he said wouldn't be yellow and didn't know if it would be brick. The City owns the lot labeled as 34 and 35 on the first page and is public, two-hour parking. Miller-Valentine and the Lofts own the other lots. There will probably be a swap where the City would own what's south of the park diagonally to the hotel. This is meant to get people at the hotel to the shops along Walnut. The parking will be for the new 1925 Tap House. This would provide 21 spaces that will be new, two-hour parking. They've agreed to sell, but they're just going to transfer properties because of the convenience of locations.

Murphy asked what the estimated expense of the walking path and landscaping would be.

Mayor Ridenour stated they were looking at using Downtown Development and their 501(c)(3) for funding, hoping at least 80% would be covered by grants. They don't have estimated costs at this point.

Mayor Ridenour asked if paying cash would be the best option.

Howe responded it depended on the project, but, generally, paying cash would be best.

Mayor Ridenour added that some wanted them to borrow, but those people also get paid fees for the borrowing.

IX. New Business

- a. **225 S. Madison Street Update:** Residential Program Administrator Zane Bishop stated Rick Sprague was still interested in acquiring the building, rehabbing it, and leasing it out. He paid for a Phase I on his own dime which revealed some potential concerns and wants a Phase II. In talking with the Mayor, he believes the MRC should pay for this so they can own the Phase II in case this transaction falls through. One quote was \$9,275 from a Carmel company that did the Phase I. The other was \$7,300 from an Anderson company.

Howe asked if they agreed to the provisions in the purchase agreement.

Bishop replied they haven't signed, but were hoping to understand the environmental conditions first.

Howe if they were okay with the MRC taking the property back if the conditions weren't met.

Bishop replied he thought their only concern was the full extent of the environmental conditions and their potential liability.

Murphy asked if the MRC would have to do this regardless of who the property was transferred to.

Bishop replied yes.

Murphy asked if there was a preference on a company or one that would be more likely to finish the job.

Bishop replied they were both qualified and recommended the lower quote and local company.

Murphy motioned to go with the Anderson company; Wagley seconded.

Howe asked what that company was.

Bishop replied Hydrotech, 125 W. 11th.

Howe, Miller, Murphy, and Wagley voted aye; Hydrotech hired for 225 S. Madison Phase II.

b. **Applications, if any:** Bishop stated there were no applications this month.

X. **Board Input:** Howe thanked Murphy for his leadership, and congratulated Miller and Tomlin.

XI. **Public Comment:** Todd Smekens, Muncie Voice, wanted to apologize to Mayor Ridenour and Murphy for his behavior last month, adding that God disciplines him through his conscience. He wanted to follow up on the YWCA and their downtown building. He attended the Muncie Community Schools board meeting and talked with representatives there. In October, they agreed to let the YMCA build on their property for free. He asked for a conflict-of-interest because there's a donor that appears to be involved in all three entities. He was told it was being overseen by a law firm out of Fishers, adding that everything seems to end at DeFur Voran. He has contacted the Public Access Counselor. This board has transferred a lot to the Delaware Advancement Corporation, and they're sitting on about \$14 million worth of assets, and the Public Access Counselor says they're a public entity, but is refusing to provide information. Preston Cross, 4501 N. Wheeling, wanted to commend the Mayor and all the boards. He's a part of a little bit of everything that's going on and stated the City has looked better than it ever has in his 70 years in Muncie.

XII. **Adjournment:** Wagley motioned to adjourn, at 10:01AM; Murphy seconded. Howe, Miller, Murphy, and Wagley voted aye; meeting adjourned.

Minutes recorded by Zane Bishop.

Yonaeia K. Tomlin Secretary 2-17-22
(Signed, Printed, Title, Date)