



CITY OF MUNCIE REDEVELOPMENT COMMISSION

Regular Meeting Minutes

The City of Muncie Redevelopment Commission (MRC) met on Thursday, July 21, 2022, at 9:00AM in the City Hall Auditorium, First Floor, 300 N High St. Muncie, Indiana 47305.

Call to Order: President Jeff Howe called the meeting to order at 9:00AM.

- I. Roll Call:** President Jeff Howe, Commissioners Isaac Miller, Lorraine Tomlin, and Shareen Wagley all present. School Board Jim Lowe was present. President Howe stated Commissioner Brandon Murphy has resigned his position with the commission due to his practice schedule.
- II. Approval of the Minutes:** Shareen Wagley moved to approve the minutes from the June 16, 2022, MRC meeting. Isaac Miller provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed. Shareen Wagley asked legal counsel if the board needs a signed copy of the minutes. Legal counsel stated it is not required but may be good practice for the minutes to be signed by the secretary.
- III. Claims:** Craig Wright, City Controller, stated the larger claims were payments of bonds. No questions or comments from commission members. Lorraine Tomlin made a motion to approve the claims. Isaac Miller provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.
- IV. City of Muncie Update – Mayor Dan Ridenour** – Mayor Dan Ridenour stated the demolition contract for Phase II Riverfront had gone out, we are waiting for a response. The City Engineer is handling that process. The timeline is expected to be short. Mayor Ridenour reported that all tenants have moved out, all utilities have been shut off, and meters have been pulled out.
 - **Hotel Feasibility Update** - Mayor Ridenour stated his last conversation with consultant was on July 8th. At that time, they indicated it would be two weeks for the completed report. The two-week deadline would be either today or tomorrow. Based on the conversation, it appears positive for us. We hope to have the study results soon.

Based on the City Council vote on July 11th to approve the proposed \$3.5 million bond issue, the funding approved by the MRC at its last meeting subject to the failure of the passage of the bond will now be funded by the bond.

The Southway Plaza project that was authorized has been started. We are working on the READI grant funding for the McKinley neighborhood across from Muncie Central. The traffic study came back positive, with no indication of substantial increases in that area. The City Engineer is reviewing the traffic study. The public space area at Phase II Riverfront, is money that will not be spent for some time. By the end of August of 2023, the intent is for the building to be up and running.

President Howe clarified the roughly million dollars approved by the MRC at its last meeting will now be replaced by bond funding. Mayor Ridenour confirmed that clarification.

He stated the READI grant is a reimbursement match grant that will be used with other funds that will be allocated for certain areas. The bond will also provide money to hopefully match a grant for Till Pond. An application has been submitted for a grant. There is other work on nine various parks, those will be listed out, starting next month, by the dollar amount for each park. A lot of activity will be started in 2022 and into 2023. Lorraine Tomlin asked if we are pursuing a grant for Till Pond. Mayor Ridenour stated yes, from the DNR. The DNR grant was brought to our attention by the DNR and is exactly the type of project they are looking to fund. DNR has a fund and a certain amount of money they can give away each year. They have had difficulty finding communities that meet the requirements of the fund. The original donor said it must be used for a certain type of water project. Our project fits the requirements as we are planning ADA accessible ideas, public fishing access, and a walking path. Lorraine Tomlin asked the timeline associated with the grant. Mayor Ridenour indicated we should know by November if we received the grant. Shareen Wagley asked whose name the grant is in and who is preparing the request. Mayor Ridenour stated it is in the City's name and he is pursuing other ways to help fund the match.

Shareen Wagley thanked the City Council for voting the bond through. Mayor Ridenour stated the vote ended up 7-2 so three members ended up adjusting.

- **Budget** – See attachment #1
- **Proposed Accutech Incentive** –Accutech moved from Yorktown to Downtown and currently has about 120 employees. They are anticipating hiring an additional 161 employees over the next three years. They have already made a positive economic impact with the redevelopment they have done, that the city helped them with, at 115 S Walnut. This is their current building, it now has a second and

third floor that have their offices. The first floor is The Clubhouse which includes digital golf and other gaming area for other activities. This redevelopment of the old Sears building by Accutech means that the assessed value went from \$416,700 in 2021 before redevelopment, to \$2,248,900 at its current state. They have added another restaurant to downtown, bought a river front liquor license, and added an entertainment complex. Their move to downtown and adding the restaurant and created a challenge of needing 160 parking spots.

Accutech and the owners of the former jail are in discussions for parking. The reason for the incentive request is that he sees a similar return on the building and property taxes for the next building project that Accutech has planned. The plans for the new Accutech building anticipate costs of about \$4.75 million and includes two new restaurant opportunities. If we see the same appreciation as their last project, the current building's assessment of \$198,800 would increase to \$1,072,000. Through this development, Accutech will add 161 new full-time employees earning on average of \$26 per hour or \$54,000 annually. Mayor Ridenour stated by the time they get 161 new employees that is \$8.694 million in additional income tax. That is about \$130,000 per year for just the growth of new employees. Accutech is looking at hiring 45 new employees in 2022. Mayor Ridenour stated that the incentive package has a claw back in the agreement that require them to payback a portion of the incentive if they don't meet projected hiring and payroll. Our interest in the project is the high paying jobs, livable wages, and provide an opportunity for that company to grow. He stated in 2023 they are looking at a 36-employee increase, in 2024 a 45-employee increase, and in 2025 a 35-employee increase. He stated that he would be happy to answer any questions and that President Howe may be open to answering questions as they have worked on this together. President Howe stated just for clarification the entity that this agreement is with Accutech, the employees will all be Accutech employees. At one time this could have been restaurant employees. Mayor Ridenour stated it is Accutech umbrella, those could be any employees that fall under the Accutech umbrella. President Howe stated that Council needs to make sure the agreement covers that because the agreement specifically states Accutech. President Howe asked if a piece of this was MRC money and some of it EDIT money. Mayor Ridenour stated the EDIT money is only \$100,000. President Howe stated we built in the recoveries for the MRC, the city, and this is passing through DAC to MRC. President Howe stated they must hit their targets, if they hire fewer people but have higher incomes, they can still hit their targets, but they are weighted equally. We are most concerned about the creation of jobs and there is a recovery if they do not hit targets. Shareen Wagley stated the budget states \$1 million, and the agreement is written as \$1.25 million. Mayor Ridenour stated that is what the agreement currently says. Shareen Wagley asked if they have considered any other funds, like funds from the revolving loan fund. Mayor Ridenour stated we worked with them to try to go through the state. He thought

they applied through the state but does not know the result. They are looking at whatever sources they can because this is pricy. The building is a historical area and historical building which is why the cost is higher. Isaac Miller asked what the means of holding them accountable to reaching these employment milestones. Mayor Ridenour stated we get a letter every year from several companies that have received funds in previous years. He stated this calls for at the end of the year they must do an accounting with us including the number of jobs created and the average income of those jobs. It is applied to the formula at the end of every year. They may have to pay one year and not the next, it is a yearly figure for 2022, 2023, 2024, and 2025. President Howe stated if they fall short one year we recover part, and once it is recovered it stays recovered. Shareen Wagley stated she would like to support this, but it is a lot of money. It is figured in at \$1 million under the budget the mayor provided. Mayor Ridenour stated last month it was at \$500,000 because at that point we did not have the bond. Isaac Miller stated the selling point is the redevelopment that Accutech has already done, they have already proven themselves to a certain extent. He stated it would be nice to hear from someone at Accutech as to what their vision is. Shareen Wagley asked if they could do with less. She stated we would still have a good number at the end of the year even with doing a million. Shareen Wagley stated she sees all the financial requests that come through. President Howe stated it was \$500,000 last month. Mayor Ridenour stated yes, a lot of things were pulled out. The hotel, and a lot of other things could go with that. This could end up being something we have to figure out how to manage, in a positive way. He stated the subdivision is important with the addition of all the jobs. Mayor Ridenour stated if you look at the 2023 budget, that is the reason for the \$1 million. He stated that he understands, some things take time and some things do not go through. Shareen Wagley suggested that we give them \$750,000 and they could go to the revolving loan fund, they could get to that \$1.25 million. She stated assuming the revolving loan fund has the funding for that. Mayor Ridenour stated it does. Shareen Wagley stated that would keep \$250,000 in our budget as well as the \$100,000 in EDIT funds. Shareen Wagley made a motion to accept the incentive with the offer of \$750,000. President Howe stated that Commissioner Tomlin will abstain her vote on this item. President Howe provided second. Isaac Miller stated the point is not bad at all, he does not know much about the revolving loan fund to be fair. President Howe stated the revolving loan fund is a good program and is Muncie centric. Vote in favor Commissioner Shareen Wagley and President Howe. Vote opposed Isaac Miller. Lorraine Tomlin abstained. Motion passed (2-1). Mayor Ridenour stated we will adjust the agreement and Richard Ivy, Deputy Mayor, is the one who runs the revolving loan fund. He will do an introduction to Accutech and to Richard Ivy.

- **Update on Storer properties** – Mayor Ridenour stated we have some displays of the earthwork that has occurred in the Storer estates. Twenty-two of the lots are

now available for the board to approve the request for bids. There is a process where we will publicly ask for bids for these lots. The bids will be opened publicly at the August meeting. We will put two notices out and promote this on social media. These lots are not available to build on right now. The sewer work must be finished, the dry retention pond must be built, and the streets must be built. The only lots that are available are the top portion. The others are currently in a flood zone, measures have been taken to get the lots out of the flood zone, but we must send that off for approval from FEMA due to elevation. The two previous appraisals did not include those other lots. The FEMA evaluation is a four-to-six-month process. The sizes range from 0.23 acres and 0.29 acres. The average price that we must put in the packets range from \$31,250 for lots 18 and 17, lots 1-4 are \$32,750, and all other lots are \$33,750. That is the average from the two appraisals and with legal counsel that is what the minimum bid we can accept. After the bidding process it can change, legal counsel provided, after 30 days. After 30 days the price could adjust. We have a notice to bidders that will go out and a packet that will be made available with the minimum price for each of the lots. This is for 22 of the 34 lots. He asked for authorization to place these lots out for bid. Isaac Miller moved to allow Mayor Dan as our director place these lots out for bid. Lorraine Tomlin provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.

Mayor Ridenour stated an additional item of discussion, he would like someone to volunteer for this, due to Brandon Murphy leaving the commission the Mayor needs a new volunteer. Mayor Ridenour stated the current YMCA building downtown is going to be available. He and Brandon Murphy felt that this is a key location in downtown, and a map has been provided with long-term plans for the property. We have shown these to some companies already and it will be occupied by the YMCA for about three years until their new facility is done. Mayor Ridenour is requesting that one commissioner work with him and the YMCA to negotiate a price and a leaseback to the Y. This will help with their fundraising and long-term planning to know that it is resolved. President Howe stated he would be happy to help.

Mayor Ridenour stated we received a request from Suzette Kitselman for a property application for 805 N. Jefferson Street and has made an offer for \$1,000. The lot is next to her current property and the current property has two houses on it that is a challenge. Suzette cannot do what she wants to do with the way it is set up. The Mayor has had conversations with her and with Marta Moody about taking the two lots and changing the direction of them. Mayor Ridenour stated Suzette provided a packet with funds and plans for the property. President Howe stated the lot would split vertically. Mayor Ridenour stated yes. President Howe stated without the new lot she cannot flip because she would be right on the

property line. Mayor Ridenour stated correct. President Howe asked if she currently owns the two lots, 11 and 12. Mayor Ridenour stated she has them under contract and is due to close. He stated that she would like quick action on this. Mayor Ridenour stated this property was put out for bid years ago and nothing happened. President Howe asked if the city maintained the lot now. Mayor Ridenour stated yes. President Howe clarified that the city has for years. Mayor Ridenour stated yes for a few years. He stated typically we send these to the Land Bank and was hoping to avoid that this time. Shareen Wagley stated she has met Suzette Kitselman and talked to her. Suzette has a few other properties throughout Muncie that she has rehabbed. She has been doing work here and comes back often and intends to continue to invest more here. She has a stake rather than just an absentee owner. President Howe asked normally these would go to the Land Bank? Mayor Ridenour stated yes that is the normal process. Shareen Wagley made a motion to approve the sale of the 805 N Jefferson Street property. Isaac Miller provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.

V. Other Business

- **Muncie Land Bank – Nate Howard.** Nate Howard reported on the bid for the 1001 and 1005 N Blaine properties. He stated we have done our vetting process and the recommendation is to approve that bid. Shareen asked if this was empty lots or structures. Nate Howard stated these are empty lots. Shareen Wagley asked what the intent is for the lots. Nate Howard stated the long-term plan is to build a house contingent on getting the lot between these two that is on the tax lean sale. The short-term plan is to clean it up and maybe put a garden on it. He would like to give a month-to-month report. He stated since April the Muncie Land Bank has acquired 13 new properties, five of those are vacant, and eight have structures. Seven of those were awarded by the Delaware County Commissioners through a Resolution passed on June 21st. We also bought a property last week at the deed sale. Nate Howard stated they have processed and vetted 14 bids through the online auction. We have sold and/or transferred eight properties to local buyers. We have acquired and are onboarding a new property management software that was designed by one of the most successful land banks in the country, the Cuyahoga Land Bank in Ohio. Recently Kyle Johnson, who works with the County in different capacities, was appointed to serve on the Land Bank board by the Mayor, which we are very excited about and thank both the Mayor and Kyle for that. President Howe stated his appreciation for Nathan Howard's update and appreciates all the things the Land Bank does.

Mayor Ridenour stated based on the positive comments from the Land Bank can you authorize the transfer the property to the bidders of 1001 and 100 N Blaine. President Howe asked for clarification. Mayor Ridenour stated the Land Bank reviews the bid instead of the board reviewing it. President Howe entertained a

motion to transfer to those owners of 1001 and 1005 N Blaine. Isaac Miller moved to approve. Lorraine Tomlin provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.

VI. Commission Member Comments – None.

VII. Public Comment (3 minute each): No public comments.

VIII. Adjournment: Jeff Howe motioned to adjourn at 10:05AM.

The Muncie Redevelopment Commission will meet again on August 18, 2022, at 9:00AM

Respectively prepared by,

Maggie Bales

Respectively submitted by,

Commissioner Lorraine Tomlin