



CITY OF MUNCIE REDEVELOPMENT COMMISSION

Regular Meeting Minutes

The City of Muncie Redevelopment Commission (MRC) met on Thursday, October 21, 2021, 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 Murphy, Shareen Wagley (Vice-President), Jeff Howe, and Lorraine Tomlin were present. School Board Representative Jim Lowe was also present. Commissioner Isaac Miller (Secretary) was absent.
- III. **Agenda:** Howe motioned to approve the agenda; Tomlin seconded. Murphy, Wagley, Howe, and Tomlin voted aye; agenda approved.
- IV. **Minutes (September Regular Meeting):** Wagley motioned to approve the minutes; Howe seconded. Murphy, Wagley, Howe, and Tomlin voted aye; minutes approved.
- V. **Claims:** City Controller Craig Wright stated the claims were mostly the usual, attorney fees, utilities, and maintenance fees.
Howe asked about the \$507,000 amount.
Wright responded this was a New World entry that the State Board of Accounts wanted it adjusted based on the bank statement.
Howe asked if he could elaborate.
Wright stated that when Clares does the drawdowns from the bank, that wanted New World to reflect the movement from the bank.
Howe clarified that this was just accounting for the advances.
Wright responded yes.
Wagley motioned to approve the claims; Tomlin seconded. Murphy, Wagley, Howe, and Tomlin voted aye; claims approved.
- VI. **Old Business**
 - a. **City of Muncie Update:** Mayor Ridenour stated the Muncie Sanitary District (MSD) was working on drainage issues at Storer. The streets will not be finished until April or so, but as soon as they pick a contractor, dirt will start being moved and some of the land will be raised. As soon as that's finished, the MRC will have 34 lots to put prices on and be able to sell. MSD is not doing the park. A neighborhood group of five is looking at options. They are putting together a plan and looking for grants to enhance the playground. If the MRC sells 34 lots at \$25,000 each, that would be \$850,000 total, and he'd like the MRC to put aside 20% of that for the park and the rest for potential residential projects down the road. Parks are expensive and they have limited space. One of the residents is a local architect and is putting enhancements together. They are asking for some additional lighting along the trails, which will connect to other neighborhoods.

Murphy asked when he expected the MRC could make that decision.

Mayor Ridenour responded this summer as the lots should be available in April.

Tomlin asked if it was known how much the park was going to cost.

Mayor Ridenour responded he asked them to pair it down a little. One estimate was \$180,000, then it got up to \$220,000. They're going to have to raise some additional money above and beyond what the MRC puts in.

Murphy asked if this was anticipated to be a City park.

Mayor Ridenour responded yes, and the back part will be maintained by MSD.

Howe asked if this is at a point where a small group needs to establish a process through which those lots will be sold.

Mayor Ridenour responded he's 100% on track, adding it's not premature to start that process if you want to establish a committee.

Howe commented that a lot of folks had relied on those school grounds.

Mayor Ridenour stated he would appreciate it if this board could put together two members and maybe meet with the attorney.

Murphy stated he'd be willing to serve on that committee and asked if Howe would be as well.

Howe responded yes.

Murphy motioned that he and Howe serve on that committee; Wagley seconded.

Murphy, Wagley, Howe, and Tomlin voted aye; committee members assigned.

Howe asked how much the park at Halteman was.

Mayor Ridenour responded just under \$400,000 for Halteman and Cooley. Other City employees helped on it and the splash pad alone was about \$140,000.

Mayor Ridenour reported Habitat will be moving to a new building at 1424 S. Hoyt. Four or five employees currently working at the Restore will be able to move there, but construction costs have thrown them for a loop. They've raised quite a bit of money already, but costs have gone up. Habitat has helped over 200 families become homeowners, and 75% of them are no longer on any public assistance; homeownership allows people to move up in America. He proposes committing \$25,000 in 2021 and \$25,000 in 2022 toward their new building. They've already begun construction and expect to complete it sometime shortly.

Howe stated they haven't started the campaign yet but have raised \$600,000.

Mayor Ridenour responded the campaign will begin shortly.

Murphy asked if this was something the MRC can look at next month.

Howe thought they would be eligible under ARP.

Mayor Ridenour responded he supposed they would be but that's not something appropriated out of his ARP plan. Both the City and EDIT funds have supported and continue to support the good work they do. Community Development has regularly funded them and EDIT supports them as well.

Murphy stated he'd like to see the numbers first.

Mayor Ridenour added he and his wife Sherry have been contributors for years and will be upping their support.

Wagley stated they would be able to apply for ARP nonprofit funds.

Mayor Ridenour responded he's not on the committee and doesn't know how the committee was set up with their particular restrictions.

Wagley stated that it's possible they could be receiving some funds.

Mayor Ridenour responded yes, just not from what was City Council approved.

Mayor Ridenour reported City View Homes is a project by Miller-Valentine that will build homes available for purchase. The project is expected to close soon but is teetering because of construction costs. During the time between application and bids, costs have risen. He proposes MRC money help that because, if the project doesn't go through, dozens and dozens of MRC properties won't be used. He's meeting with Council members and working to restructure EDIT.

Wagley asked for clarification on where City View Homes is.

Mayor Ridenour responded most of these will go in the South-Central neighborhood, quite a few in Blaine-Southeast, and some in the Old West End. Whatever the MRC can do to support this would be helpful, as those properties will come back to the MRC if this doesn't go through.

Howe asked what the estimate of the cost increase was.

Mayor Ridenour responded he just received this email yesterday and he's asked. It is between \$1.5 and \$2 million more than what was expected. This is individual homes, which is what South Central, he, and this board wanted.

Murphy asked if there was a deadline for construction.

MRC Residential Program Zane Bishop responded there's no deadline but they'll want to finish as quick as possible to make draws on their credits and are still hoping to begin in Spring. Original projected costs were just under \$11 million.

Mayor Ridenour reported on the READI Grant, stated this region submitted a proposal and one of the key projects was the McKinley Neighborhood. He wants to set aside some funds to handle these property acquisitions in case the funds are awarded. The project management team has members from the schools, DAC, Next Muncie, a neighborhood representative, and Gretchen from the Community Development office. The funds wouldn't be needed until 2022. They've picked four projects in the area and this would be one the MRC would provide the match on. The County is looking at internet access in rural areas.

Howe asked if there was a mechanism besides a formal TIF for Storer or McKinley or others where improvements are being made, lifting the economic and tax base, where some of that could be earmarked for further development of the area. He asked how things can get to 100% done, whatever done is.

Mayor Ridenour responded that would be a TIF. He's done everything in his power to not expand the districts. Gilman's is an example of that, as the City put in some cash but they are handling the construction costs themselves. Other entities are hurting from developments being in TIF districts, but taxes from Gilman's will benefit the school, library, Center Township, the County, and the City. Storer won't be in a TIF and will generate \$60,000 in revenue. When Delaware Dynamics was done, a designated area was created where a portion of the additional taxes are restricted to be used in the neighborhood. McKinley would be one to be considered for that, as there's not a lot of commercial

development aside from Elm Street. His expectation is that Walnut Street would be that 10-15 years from now.

Howe was thinking a portion of that would go to the area.

Mayor Ridenour wants the general fund to survive because that's what pays for most of the police, fire, and employee salaries.

Howe asked what that area is called.

Mayor Ridenour responded he'd have to look it up. In his mind, he calls it a designated area. Construction just completed so there's only \$351 in there so far, and it has to be spent within a certain area of the project. Where the solar field is designated to go is in a TIF district, but they're still negotiating the pricing.

Howe asked if the designated area has to be in a TIF district.

Mayor Ridenour responded yes, or it can be added to a TIF.

Mayor Ridenour reported the Consolidated TIF currently has \$1.261 million, and there will be tax draws and bond payments still. He wants to have the cash position reasonably high in case of emergencies. The potential READI grant would be sometime in 2022. There would also be a second Habitat draw. Also, in there is \$850,000 in revenue from the Storer. This is calculated at 90% collection but if everybody paid it'd be the figure at the far left.

Murphy asked if the hotel refinanced.

Mayor Ridenour stated yes, reducing the obligation by \$3.5 million, paying off at the same time, reducing the interest rate by 1%, with an option to pay off early.

Howe clarified that this amortizes quicker.

Mayor Ridenour responded yes. The payment was due to increase in 2024 but now that's not until 2029, which is one of the reasons he doesn't want the cash position to drop below \$500,000.

Howe asked if they had a fixed rate.

Mayor Ridenour responded yes.

Howe asked if anything was figured out on the obligation for property tax payments for nonprofit owners leasing to for-profit companies.

MRC Counsel Ben Freeman reported they do have to pay property taxes based on a portion of the real estate the for-profits are using, but it's on the nonprofit to report to the County, not the MRC. There should be some property tax being generated from Madjax.

Howe stated leases are reaching maturity and re-signing. He thinks a condition of the MRC's support be a requirement that they report that to the County.

Murphy asked if there was a standard form for reporting to the County.

Freeman responded absolutely yes. At one time, it was a biannual requirement but that's no longer the case. They should be doing it when the rent rolls change.

Murphy motioned to request from Madjax the last three years of the report.

Howe stated he would amend that to say from anyone we support, adding that Madjax seemed to indicate this was discretionary but he doesn't think it is.

Murphy motioned to request through counsel the last three years of the report for Madjax. He doesn't disagree this shouldn't be all organizations, but doesn't know

those organizations at this time; Wagley seconded. Murphy, Wagley, Howe, and Tomlin voted aye; request made to have counsel ask for Madjax's reports from the last three years on taxing its leases to for-profit entities.

Freeman asked if this would be the last three they would have filed.

Murphy responded the last three years.

VII. **New Business**

- a. **Resolution 2021-19:** Mayor Ridenour stated all of the properties for the Canal District are owned by DAC not the MRC, so it would be in the best interest that all are in the same name. DAC holds properties from the County, Sanitary District, and City and expects to not lose or gain money from the sale. This arrangement is typical across Indiana, to have a nonprofit through the chamber handle these transactions. All of the profit from Phase I went back to the MRC and 17 units are now occupied. DAC has members from the school, convention center, eight different businesses, religious sector, three government entities, two nonprofits, two from the Chamber, two from the hospital, and one from Ball State, for a total of 21 members. They are allowed to get grants that the City can't. The Riverside trail, for example, is a DAC project, and the City just has the right-of-way. They are able to fund that without using City funds through grants they received from the State. Nonprofits are often able to get grants that cities can't get. The state put together the statute to support and encourage these transactions. He asks that 303 N. High be transferred to DAC for \$0.

Murphy motioned to approve 2021-19; Wagley second. Murphy, Wagley, Howe, and Tomlin voted aye; Resolution 2021-19 approved.

- b. **Resolution 2021-20:** Bishop stated this was to transfer 425 E. Dartmouth to Bruce Holding for \$1,000 and 1224 E. Kirby to John Beatty for \$500.

Howe asked if these properties were vetted to make sure these folks are maintaining the other properties they own.

Bishop responded that's all part of the vetting process and are all additional layers compared to, say, the County tax sale.

Howe motioned to approve; Tomlin seconded. Murphy, Wagley, Howe, and Tomlin voted aye; Resolution 2021-20 approved.

- c. **Property Applications:** Bishop opened the following applications for MRC-owned properties:

- Eric Doctorow as Eric's Auto, 1701 S. Hoyt: \$1,000 offer for 225 S. Madison
- Ivan & Sandra Smith, 923 N. Brady: \$500 offer for 921 N. Brady
- Richard Sprague as JR Promotions, 430 2nd Street, Columbus, Indiana: \$20,000 offer for 225 S. Madison
- Brian Shaw, 600 E. Washington: \$500 offer for 1224 E. Kirby
- Josh & Tisha Gray, 3217 S. Hackley: \$600 offer for 225 S. Madison

Bishop asked these be taken under advisement to be reviewed first by the Muncie Land Bank (MLB) Acquisition and Disposition Committee, then to the Mayor and a member of the Commission for 225 S. Madison.

Wagley clarified that none of these were sent to the MRC members yet.

Bishop replied none have been sent, these were just receipts.

Murphy stated this was the property they asked to publish for sale, but didn't think the Land Bank would be the one making the decision on 225 S. Madison.

Murphy motioned to refer the Brady Street application to the MLB and take it under advisement and for the MRC to review the applications for Madison Street at its next meeting; Wagley seconded. Murphy, Wagley, Howe, and Tomlin voted aye; 921 N. Brady referred to the MLB and 225 S. Madison applications will be reviewed by the MRC at its November meeting.

VIII. **Board Input:** Murphy asked for any board input but saw none.

IX. **Public Comment:** Brian Shaw stated he's one of the applicants for 225 S. Madison. By trade, he's a technical writer and wants to know what the process will be for this. He asked if there's anything he could do to answer any questions.

Murphy stated this deviates from the typical process, but doesn't think a decision would be made next month.

Mayor Ridenour asked if the applications could be received from Bishop and those applicants could be invited to next month's meeting to answer questions and expedite the process to get the property back on the tax roll.

Shaw stated that helps and he's hoping to get more firm quotes.

Mayor Ridenour reported there is a billboard on that property that broke down during a storm and is coming up for a variance hearing. The billboard owner wants to rebuild it, but would need to follow current standards.

Howe asked if there was a lease, because a new owner may not want that there.

Freeman stated the billboard owner has the right to apply for a variance to rebuild. His recollection is the lease runs for 20 or so years but could be canceled if redeveloped.


Howe asked if the billboard changing hands affects the lease.

Freeman replied no.

MLB Executive Director Meghan Jennings reported they met with Freeman and the Mayor to discuss a sustainable partnership and will have a presentation and new resolution next month.

X. **Adjournment:** Tomlin motioned to adjourn at 10:14AM; Howe seconded; meeting adjourned.

Minutes recorded by Zane Bishop.



Isaac Miller, Secretary