

MAR 13 2024

Belinda Munson
MUNCIE CITY CLERKORDINANCE NO. 5-124

ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MUNCIE, INDIANA APPROVING A PILOT AGREEMENT IN CONNECTION WITH THE DEVELOPMENT AND CONSTRUCTION OF THE VILLAGE TAPESTRY HOTEL PROJECT IN THE CITY, AND AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Common Council of the City of Muncie, Indiana (the "Council" and the "City", respectively) desires to foster and encourage economic development and redevelopment of the City that will be of public benefit to the City and in connection therewith is authorized to enter into one or more agreements with project developers; and

WHEREAS, the Council has been advised by its staff and others of a proposed PILOT Agreement by and between the City and Schahet Hotels, Inc., or and affiliate thereof, the owner/operator of the Project (as hereinafter defined) (the "Company"), the form of which agreement will be negotiated and finalized by the Mayor of the City (the "PILOT Agreement"), pursuant to which the Company has proposed to develop, construct and operate a new Village Tapestry by Hilton Hotel on the Ball State University Campus in the City (the "Project"); and

WHEREAS, the Project will be undertaken on the Ball State University (the "University") campus in connection with additional performing arts improvements and development; and

WHEREAS, the PILOT Agreement shall provide for payment by the Company in an amount of \$50,000 per year for years 1-5 of operation of the Project and \$100,000 per year for years 6-10 of operation of the Project (the "Annual Payments"); and

WHEREAS, it is anticipated that the Project will be fully assessed with all tax liability assumed by year 11 of operation of the Project; and

WHEREAS, pursuant to the PILOT Agreement, the Company will agree to make the Annual Payments in lieu of taxes while the Project is entitled to property tax exemption; and

WHEREAS, the Council has considered the information provided to it by its staff and others relating to the proposed Project and finds that the PILOT Agreement will serve to foster and encourage economic and redevelopment of the City and will be of public benefit to the City;

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Muncie, Indiana, as follows:

Section 1. The foregoing recitals are hereby incorporated by reference.

Section 2. The Mayor of the City (the "Mayor") is hereby authorized to negotiate the final form of the PILOT Agreement with the Company, with the final terms of such negotiations to be included in the PILOT Agreement and consistent with this ordinance.

Section 3. The Mayor is further hereby authorized to execute and deliver the PILOT Agreement, in a form consistent with the foregoing as the Mayor deems necessary or advisable, with the advice of counsel, and the Mayor's approval shall be signified by the Mayor's execution of the PILOT Agreement.

Section 4. The Mayor, the Controller and the Clerk of the City, and such other staff members, service providers and firms as they may direct are hereby authorized and directed to take any and all other actions on behalf of the City as may be necessary or appropriate to carry out the purposes of this ordinance.

Section 5. This ordinance shall be effective from and after its passage and execution by the Mayor.

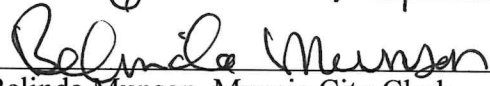
[SIGNATURE PAGE FOLLOWS]

PASSED AND ADOPTED by the Common Council of the City of Muncie, Delaware County, Indiana, this 6 day of May, 2024.

	Yeas	Nays	Abstained	Absent
Jeff Green	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Nora Powell	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Brandon Garrett	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Sara Gullion	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Jerry Dishman	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Harold Mason	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Dale Basham	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Ro Selvey	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
William McIntosh	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>


President Muncie Common Council

Presented by me to the Mayor for his approval, this 6 day of May, 2024.

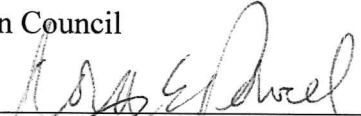

Belinda Munson, Muncie City Clerk

The above ordinance is approved/vetoed by me this 6 day of May, 2024.

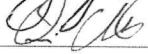

Dan Ridenour, Mayor of the City of Muncie

ATTEST:


Belinda Munson, Muncie City Clerk of the Common Council

This ordinance is proposed by Council Member 

This ordinance is approved in form by Controller 

This ordinance is approved in form by Legal Counsel 

THE VILLAGE TAPESTRY BY HILTON HOTEL



95 guest rooms, including 7 suites • Two meeting rooms

Ground floor restaurant/bar with 126 indoor seats and 56 outdoor seats

Rooftop restaurant/bar • Private dining areas



BALL STATE
UNIVERSITY



THE VILLAGE TAPESTRY BY HILTON HOTEL



PILOT request:

- Hotel owner/operator requests a 10-year payment in lieu of taxes (PILOT)
- In years 1-5 of operations, the PILOT will be \$50,000 per year
- In years 6-10 of operations, the PILOT will be \$100,000 per year
- The property will be fully assessed with all tax liability assumed in Year 11 of operations
- Based on projected assessed valuation, the total value of this PILOT is \$3 million over ten years

Impacts:

- More than \$30,000 in annual Food and Beverage Tax
- More than \$200,000 in annual Innkeeper's Tax
- More than \$32,000 in annual Local Income Tax
- More than 50 FTE employees with annual payroll of \$2 million
- 120-130 additional direct and indirect jobs added to community
- \$8 million - \$10 million in local annual spending by hotel guests
- If half of all PAC attendees purchase a drink or meal before or after a performance, more than \$250,000 of annual food and beverage spending added to The Village

