

MINUTES
WHITLEY COUNTY REDEVELOPMENT COMMISSION
Tuesday, November 12, 2019

WHITLEY COUNTY GOVERNMENT CENTER
1st FLOOR-COMMISSIONERS/COUNCIL MEETING ROOM

MEMBERS PRESENT

Jim Argerbright
Frank Kessler
Michael Schrader
George Schrupf
Jill Western
Kim Wheeler

MEMBERS ABSENT

None

LEGAL COUNSEL

Andrew Boxberger

STAFF

Jon Myers
Nathan Bilger
Jana Schinbeckler
Tiffany Forrester
Mark Cullnane
Kennedy St. George

GUESTS

Steve Western

CALL TO ORDER

Mr. Argerbright called the meeting to order at 8:00 a.m. and read roll call.

IN THE MATTER OF MINUTES

The minutes for the October 29, 2019 regular meeting were presented for approval. Mr. Argerbright asked the Commission if it had comment on the minutes. Hearing none, Mr. Kessler made a motion to approve the minutes as presented. Mr. Schrader seconded, and the motion passed by a vote of 4-0. Mr. Argerbright was not at the October 29, 2019 meeting and abstained from the vote.

ADVANCED ASSEMBLY PROJECT UPDATE

Mr. Myers presented a Training Reimbursement Agreement between the Commission and Advanced Assembly. He stated that the terms of agreement had been reviewed by Mr. Boxberger and legal counsel for Advanced Assembly. Mr. Myers reviewed the original agreement and the revised agreement. He stated that all training must be completed no later than three years from the date of the agreement, with reimbursement totaling \$110,000 over three years, not to exceed \$50,000 per year. Mr. Myers stated that Advanced Assembly plans to invest approximately \$2,400,000 in 2019 and 2020 to establish a second location at 1665 S. Progress Court, Columbia City, Indiana 46725. This new location will employ 29 full-time permanent jobs on or before September 30, 2021.

Mr. Bilger asked Mr. Myers if §3.04 of the training reimbursement agreement was included at Mr. Boxberger's request. Mr. Myers stated that Mr. Boxberger pointed out that §3.04 is required by state law.

Mr. Argerbright asked the Commission if it had questions or comments regarding the Training Reimbursement Agreement. Mr. Kessler made a motion to approve the Training Reimbursement Agreement between the Commission and Advanced Assembly. Mr. Wheeler seconded, and the motion passed by a vote of 5-0.

IOTRON EXPANSION

Mr. Myers stated that he has a meeting next week with Iotron regarding a potential expansion. He stated that the expansion is tentatively set at \$17,000,000 and 25 new jobs.

RAIL CONNECT SPEC BUILDING #2

Mr. Myers stated that Rail Connect Spec Building #2 is progressing. 150,000 sq. ft. of space is expected to be leased sometime during Spring 2020. Mr. Myers discussed the occupancy status of Rail Connect Spec Building #2.

PROJECT BEAR

Mr. Myers stated that a Texas-based company has expressed interest in 70,000 sq. ft of space in Rail Connect Business Park. The company is considering a \$20,500,000 investment that would create 25 jobs. Mr. Myers stated that he expects to have more information for the Commission by the end of the year.

PROJECT SHOTGUN

Mr. Myers stated a potential project involving a publicly-traded company was provided to the EDC by the state. The company is involved with re-shoring jobs from abroad and is interested in a property along CR 100 South. Mr. Myers stated that the company has expressed an interest in beginning operations by the end of next year, and that he may come to the Commission with a request for assistance with funding for infrastructure improvements.

My. Myers stated that he will have more information on the Iotron Expansion, Rail Connect Spec Building #2, Project Bear, and Project Shotgun in the future.

Mr. Boxberger arrived at 8:09 a.m.

The Commission briefly discussed the projects outlined by Mr. Myers.

PROJECT CUP

Mr. Myers introduced Steve Rozow, general manager of a medical device warehousing and shipping company that is interested in locating a facility in Whitley County. Mr. Myers stated that the company would phase-in 132 jobs with an average wage of \$37.50 per hour. The company plans to utilize intellectual property developed locally by Sites Medical, and is awaiting FDA approval. Mr. Myers discussed the potential of awarding the company a rent abatement to defray up front expenses.

Mr. Argerbright asked what could be done prior to FDA approval. Mr. Myers stated that dirt work could be completed prior to FDA approval.

Mr. Myers stated that the Commission could assist by contributing funds toward dirt work and utilities. He added that, in lieu of tax abatements, the Commission could lease the building from the builder during construction. This would help defray some of the up-front costs of the project.

Mr. Boxberger stated that state law requires there to be an explicit benefit described in the lease agreement. In this instance, the agreement could stipulate that the Commission will lease the land in exchange for the construction of the building. Mr. Boxberger added that such a lease agreement would have to receive approval from the County Council. Mr. Boxberger stated that, alternatively, the Commission could bid out the project.

Mr. Schrupf asked Mr. Boxberger which option would be best for the Commission. Mr. Boxberger stated that a lease agreement is likely to be easier for the Commission to manage.

Mr. Schrupf asked Mr. Boxberger whether the lease would be short term or long term. Mr. Boxberger stated that the lease would be for one year.

Mr. Myers, Mr. Boxberger, and the Commission discussed the Commission's options under a potential lease agreement.

Mr. Schrupf asked Mr. Boxberger if the Commission would be leasing from the builder. Mr. Boxberger stated that the Commission would be leasing from the builder, who is also the landowner.

Mr. Myers stated that the Commission's exposure to risk is less under the lease agreement than if the Commission were to bid out the project.

Mr. Myers, Mr. Boxberger, and the Commission continued discussion of the Commission's options under a potential lease agreement.

Mr. Argerbright asked Mr. Boxberger who is the builder/landowner. Mr. Boxberger stated that Weigand is the builder/landowner.

Mr. Shrupf asked Mr. Wheeler whether he felt County Council would view a lease agreement favorably. Mr. Wheeler stated that County Council would likely view a lease favorably, but that it would need to review the lease before making a decision.

Mr. Kessler asked Mr. Myers about the proposed timeline for the project. Mr. Myers stated that Weigand would like to move forward quickly.

Steve Rozow, San Diego, California, stated that the company's target move-in date is October 1, 2020, with business operations commencing shortly thereafter.

Mr. Boxberger and the Commission discussed a potential timeline of actions to be taken to ensure that the company has ample time to meet the target move-in date.

Mr. Myers, Mr. Boxberger, Mr. Bilger, and the Commission discussed other lease agreements to which the Commission is currently engaged.

Mr. Boxberger reminded the Commission that it does not need to begin making lease payments until a project has reached substantial completion.

Mr. Bilger and Mr. Boxberger discussed the Commission's exposure to risk in the event that the Commission were to perform dirt work, but the building does not get constructed. Mr. Boxberger stated that the property owner would have a buildable site, but no building. He added that the site would likely not be shovel ready, but that it would be close.

Mr. Argerbright asked Mr. Rozow to share more information about the project with the Commission. Mr. Rozow stated that he has extensive family and friend connections in the region.

Mr. Rozow discussed his experience in the medical device industry. He added that he has experience getting manufacturing plants up and running. He stated that this project is intended to address inventory issues that face the medical device industry.

Mr. Kessler asked Mr. Rozow if he has researched or requested information concerning the local labor pool, and if he feels that qualified workers can be obtained locally. Mr. Rozow stated that the local labor pool possesses adequate manufacturing competence. He added that the local labor market is tight, but that this is case everywhere.

Mr. Rozow stated that the company intends to rely heavily on automation. Heavy reliance on automation would result in increased productivity per worker, resulting in a relatively competitive average wage for production employees.

600 EAST WATER TOWER

Mr. Bilger stated that he has heard that the water tower at 600 East was repainted to say "Columbia City" instead of "Whitley County." Mr. Bilger stated that he was unable to find documentation demonstrating that the tower was officially transferred from the Commission to the City. He added that the original agreement expired in 2015. Mr. Bilger stated that Mr. Schrupf had mentioned before the meeting that he recalled the transfer was completed in 2017. Mr. Bilger asked Mr. Boxberger if he remembered this to be the case. Mr. Boxberger stated that he recalled something to that effect, but was not certain and would want to look into it. Mr. Schrupf added that he did not recall any action being taken regarding the land upon which the water tower is located, but he does recall deeding the line and the tower over to the City.

Mr. Bilger asked the Commission if it wanted to keep ownership of the land upon which the tower is located.

Mr. Bilger stated that the original deed by which the Commission acquired the property upon which the tower is located states very plainly that "Whitley County" or "Whitley County, Indiana" should be on the tower.

Mr. Bilger stated that Planning staff will continue to search for records related to the transfer of the water tower.

RAIL CONNECT SIGN ON US 30

Mr. Myers stated that he recently received a call from Gene Donaghy concerning maintenance of the landscaping around the Rail Connect sign along US 30. Mr. Myers stated that he and Mr. Donaghy were uncertain who has responsibility for maintaining the landscaping around the sign.

The Commission and Mr. Myers discussed responsibility for maintaining the landscaping around the sign. Mr. Argerbright stated that the Commission would research the issue.

COUNTYWIDE BROADBAND

Mr. Myers stated that Northeastern REMC has been studying broadband connectivity in Whitley County. He stated that REMC is interested in expanding broadband coverage throughout Whitley County, and has been looking into acquiring utility easements.

LARWILL ECONOMIC DEVELOPMENT PLAN ("EDP") AND ECONOMIC DEVELOPMENT AREA ("EDA")

Mr. Bilger reviewed revisions made to the Larwill EDP. He stated that the property that contains the former Whitko Community School Corporation middle school building (710 N. State Road 5, Larwill, IN 46764) is now used for administrative purposes only, and that this could allow portions of the property to be developed in the future. This change is reflected in "Figure 3. Map of EDA and Allocation Area 1" and "Appendix A." Mr. Bilger stated that "Appendix B," containing a legal description of the boundary of the EDA, was added to the EDP.

TENTATIVE ANTICIPATED APPROVAL TIMELINE

Mr. Bilger reviewed a tentative approval timeline with the Commission. He stated that plan is to have the Plan Commission review the Declaratory Resolution on November 20, the County Commissioners on December 2, the Larwill Town Council on December 12, and then the Commission will hold a public hearing on the Resolution and adopt a Confirmatory Resolution on December 23. The Confirmatory Resolution could be recorded on January 23. Mr. Bilger stated that these dates are tentative and subject to change in the event that any step in the process is delayed.

BAKER TILLY TAX IMPACT REPORT

Mr. Bilger stated that state law now requires an impact statement outlining expected impact on tax revenues of various taxing units that are located within the proposed allocation area. Baker Tilly provided the county with a contract and scope of services for preparing the impact statement, with a cost not exceed of \$7,500 if attendance at the public hearing is required and \$5,000 if attendance at the public hearing is not required.

Mr. Bilger stated that, for comparison, recent impact statements prepared by O.W. Krohn and Associates for Columbia City and South Whitley each cost around \$3,500. He added that the difference in price between the work done for Columbia City and South Whitley and that proposed by Baker Tilly for the County results from the larger scope of the work being performed for the County.

DECLARATORY RESOLUTION 2019-06

Mr. Argerbright introduced a Declaratory Resolution declaring an area as the Larwill Economic Development Area.

Mr. Argerbright asked Mr. Boxberger if he had any comments on the Declaratory Resolution or the contract and scope of services from Baker Tilly for the required impact statement. Mr. Boxberger stated that he did not have any comments.

Mr. Argerbright asked for questions or comments from the Commission.

Ms. Western asked if school boards would alternate members to represent their respective school corporation on the Commission. Mr. Boxberger stated that it is up to the County Commissioners to determine who the school board appointee is. Mr. Boxberger added that there is no state requirement that, if there is more than one school district in the EDA, both school districts are represented. There is only a requirement that a school board be represented and that the representative be appointed by the Commissioners.

Mr. Kessler asked if there have been discussions with Larwill town officials. Mr. Argerbright stated that Mr. Myers has been in contact with town officials and that they had expressed a desire for the Commission to oversee the administration of the EDA.

Mr. Boxberger stated that the statute states that a municipality can contract with the County to perform redevelopment services. He added that the statute goes on to say that, if there is no redevelopment commission in the municipality, the county becomes the redevelopment commission by default. Mr. Boxberger stated that, since Larwill has not established a redevelopment commission, the county will by default perform redevelopment services on behalf of the town. Mr. Boxberger added that Larwill Town Council's approval of the declaratory resolution is not required in this instance, but that it is a good idea to involve them in the process so that all parties are aware of what is happening.

Mr. Wheeler asked Mr. Boxberger how long Larwill would have to establish their own redevelopment commission to administer the EDA. Mr. Boxberger stated that they could establish one at any time, but that it would not have the power to administer the EDA once TIF revenues have been encumbered with a bond or some other instrument. Mr. Bilger stated that there is a process by which Larwill could assume the bonds. Using the South Whitley Redevelopment Commission as an example, Mr. Bilger discussed the steps that Larwill would have to take to establish its own redevelopment commission.

Mr. Wheeler asked Mr. Boxberger if Larwill could assume responsibility of and revenues derived from the EDA at any time. Mr. Boxberger stated that he assumes the process is similar to when a municipality performs an annexation, but that he is uncertain and would research the question.

The Commission and Mr. Boxberger discussed potential scenarios in the event that Larwill would want to establish its own redevelopment commission and assume responsibility for any bonds encumbered by TIF revenues.

Mr. Argerbright introduced Declaratory Resolution 2019-06 declaring an area as the Larwill EDA, with the area also including an allocation area, and the introduction of the Larwill EDP.

Mr. Argerbright asked the Commission if it had any questions or comments. Hearing none, Mr. Argerbright asked the public if it had any questions or comments. Hearing none, Mr. Argerbright closed the public hearing.

Mr. Schrupf made a motion to approve Resolution 2019-06, Declaratory Resolution of the Whitley County Redevelopment Commission. Mr. Schrader seconded, and the motion passed 5-0.

BAKER TILLY TAX IMPACT REPORT

Mr. Argerbright introduced the contract and scope of services from Baker Tilly to perform an impact statement related to establishment of the Larwill EDA.

Mr. Schrupf stated that Baker Tilly, formerly Umbaugh, have always done a great job and are familiar with the County.

Mr. Argerbright asked the Commission if it had any questions or comments. Hearing none, Mr. Argerbright asked the public if it had any questions or comments. Hearing none, Mr. Argerbright closed the public hearing.

Mr. Schrader made a motion to approve the contract and scope of services from Baker Tilly to perform an impact statement related to the establishment of the Larwill EDA. Mr. Wheeler seconded, and the motion passed 5-0.

BAKER TILLY REPORT

Ms. Schinbeckler reminded the Commission that Baker Till, formerly Umbaugh, has for the past several years provided an annual report to the Commission forecasting anticipated TIF revenues. Ms. Schinbeckler stated that the contract and scope of services with a cost not to exceed of \$7,500.

The Commission discussed past annual reports provided by Baker Tilly and whether one should be commissioned this year.

Mr. Kessler stated that it would be prudent to commission the report based on the amount of activity being overseen by the Commission.

Mr. Kessler made a motion to approve the contract with Baker Tilly to provide an annual report forecasting anticipated TIF revenues. Mr. Wheeler seconded, and the motion passed 5-0.

2020 MEETING SCHEDULE

Mr. Bilger introduced the proposed 2020 meeting schedule. The Commission and Mr. Bilger discussed the proposed meeting dates.

Mr. Schrupf made a motion to approve the 2020 meeting schedule. Mr. Kessler seconded, and the motion passed 5-0.

2019 USDA FARM SERVICES AGENCY ("FSA") BALLOT

Mr. Bilger stated that the Commission received a ballot from the USDA Farm Services Agency for electing a representative to the County FSA Committee.

Mr. Argerbright stated that Mr. Kessler and he would select a representative and submit the ballot.

IN THE MATTER OF CLAIMS

There were no claims to review.

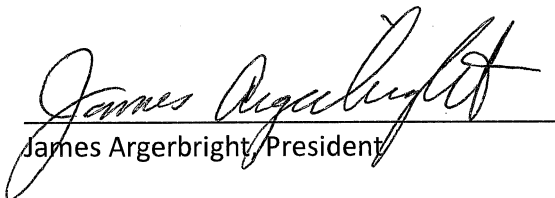
MISCELLANEOUS MATTERS

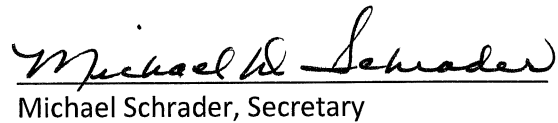
Mr. Wheeler asked Mr. Bilger if the ownership of the water tower and water line at 600 East is something that the Commission needs to investigate and possibly take action. Mr. Bilger stated that he wanted to research the ownership conditions of the water tower and water line. Mr. Wheeler asked Mr. Boxberger if the Commission has liability for anything that would happen property. Mr. Boxberger stated that the Commission could be sued if something bad happens. Mr. Boxberger stated that the Commission should probably sell the property if it no longer has a need for the property. Mr. Boxberger stated that he would collaborate with Mr. Bilger to research the issue. The Commission, Mr. Bilger, and Mr. Boxberger discussed the history of the Commission's involvement with the water tower and water line.

There being no further business, Mr. Argerbright declared the meeting adjourned at 9:01 a.m.

**WHITLEY COUNTY
REDEVELOPMENT COMMISSION**

ATTEST:


James Argerbright, President


Michael Schrader, Secretary

