

February 21, 2023, Regular Meeting Minutes
HOBART REDEVELOPMENT COMMISSION

President Carla Houck called the February 21, 2023, regular meeting of the Redevelopment Commission (RDC) to order at 8:30 a.m. The meeting was held in the City Council Chambers at City Hall, and also via Zoom with the public issued a dial-in number to allow listening and participation capabilities. The Pledge of Allegiance was recited. Members present: Carla Houck, Shawn Kelly, Marsha Plesac, and Stuart Schultz. Members absent: Matthew Claussen and Pam Broadaway. Also present: Beth Jacobson, Director of Development; Deborah Longer, Clerk-Treasurer; Brian Snedecor, Mayor; Ryan Cook, RDC Attorney; Heather McCarthy, City Attorney; Phil Gralik, City Engineer; Greg Lorig, American Structurepoint (*via Zoom*); Greg Balsano, Baker Tilly (*via Zoom*); and Dawn Hostetler, RDC Recording Secretary.

Under **Approval of Agenda**, Ms. Hostetler requested the removal of the **Election of Officers** since this was done at last month's meeting. A motion was made by Ms. Plesac to approve the agenda as amended; seconded by Mr. Kelly. All ayes; motion carried. (3-0)

Regarding the **Minutes of January 17, 2023, Regular Meeting**, a motion was made by Ms. Plesac to approve the January 17, 2023, Regular Meeting minutes as presented; seconded by Mr. Kelly. All ayes; motion carried. (3-0)

Regarding the **Treasurer's Report**, the January investment statements for Fund 4445 and Fund 4450, plus the most current fund & appropriation reports for Fund 4445, Fund 4450, Fund 4455, and Fund 2527 were distributed in the RDC meeting packet. There were no questions about the reports.

There was no **Old Business**.

Under **New Business**, the first item was the **TRAX Project – Status Report (American Structurepoint)**. Mr. Lorig reminded the Commission that there were a couple of outstanding documents awaiting approval from INDOT. He said these have since been approved, so INDOT now has all the final tracing documents, and the letting date is set for May 10th. He stated that the actual local match will depend on the bids that are received, but INDOT is hopeful that they can increase their contribution amount to 80%.

The next item of business was **Resolution No. 2023-01: A Resolution Authorizing a Temporary Loan from the State Road 130 & Downtown Economic Development Area Allocation Fund to the US 30 & 69th Avenue Economic Development Area Allocation Fund.**

Ms. Jacobson stated that this resolution is in regard to the federal safety project at US 30 and Colorado Street. She explained that the plan was to fund the local match for this project with revenue generated from the US 30 TIF district. However, due to an error with the TIF distribution from the county, there are not sufficient funds in this allocation area right now to pay the local match. She said this resolution authorizes a loan from Fund 4445 (SR 130 & Downtown TIF) to Fund 4455 (US 30 & 69th Avenue TIF) in the amount of \$393,000.00, which is a higher than the \$362,000.00 figure that was expected. Ms. Jacobson stated that an invoice has been received in an amount just under \$393,000.00, but further communication with INDOT is needed to clarify the exact final amount. She explained that upon approval of this resolution, the Board of Works will pay the invoice when the final correct amount is known. The RDC would then reimburse the Board of Works for this invoice. Mr. Gralik stated that this is a safety project, which is 90% federal funded, so the City was expecting to pay 10% local match.

**February 21, 2023, Regular Meeting Minutes
HOBART REDEVELOPMENT COMMISSION**

However, NIRPC used group 3 funds, which requires 20% local match to fund part of the project. Consequently, INDOT invoiced the City for 10% of most of the project, and 20% of the group 3 funds. He said NIRPC has indicated that they should have enough money to make up the difference, but he has not yet received confirmation of that. A motion was made by Ms. Plesac to approve Resolution 2023-01; seconded by Mr. Kelly. All ayes; motion carried. (3-0)

The next item of business was the **Approval of 2022 Redevelopment Commission & Redevelopment Authority Annual Report**. Ms. Jacobson stated that this report is required annually and must be submitted to the Department of Local Government Finance (DLGF) via the Gateway system by April 15th. She explained that the report summarizes the RDC’s financial information such as revenues received, expenditures by category, end of year fund balances, outstanding debt obligations, and grants that were paid out. The report also outlines the notable actions taken by the RDC and the Redevelopment Authority (RA) in 2022. Upon approval by the RDC, the report will be presented to the RA for action at its meeting later this morning. Once approved by both bodies, it will then be distributed to the City Council and the Mayor for their information as required by state statute. A motion was made by Mr. Kelly to approve the 2022 Redevelopment Commission & Redevelopment Authority Annual Report; seconded by Ms. Plesac. All ayes; motion carried. (3-0)

Regarding the **Approval of Revised October 2023 RDC Meeting Date**, Ms. Jacobson reminded the Commission that she previously discussed the possibility of shifting the October regular meeting date, which is currently scheduled for October 16th. She requested the RDC’s approval to change this meeting date to October 23rd. Ms. Houck asked Ms. Hostetler if she could send an updated Outlook invitation to the Commission for this rescheduled date. A motion was made by Mr. Kelly to approve the revised October 2023 RDC regular meeting date; seconded by Ms. Plesac. All ayes; motion carried. (3-0)

Ms. Jacobson reviewed the invoices on the **Register of Claims**. A motion was made by Ms. Plesac to approve the register of claims in the amount of \$985.00; seconded by Mr. Kelly. All ayes; motion carried. (3-0)

<u>Invoice Date</u>	<u>Invoice Number</u>	<u>Claimant</u>	<u>Amount</u>
1/12/2023	98948	Butler Fairman & Seufert	\$425.00
12/31/2022	16345M-8	Eichhorn & Eichhorn	\$260.00
12/31/2022	16340M-6	Eichhorn & Eichhorn	\$100.00
1/31/2023	16345M-9	Eichhorn & Eichhorn	\$140.00
1/31/2023	16340M-7	Eichhorn & Eichhorn	\$60.00
Total:			\$985.00

Regarding the **Approval of 2020 Bond Register of Claims**, Requisition No. 41 includes two payments to BF&S Eichhorn & Eichhorn: Invoice 16533M-7 in the amount of \$20.00 for legal expenses related to the 69th Avenue project, and invoice 16346M-8 in the amount of \$120.00 for legal services related to the Local Trax project; and reimbursement to the Board of Works for

February 21, 2023, Regular Meeting Minutes
HOBART REDEVELOPMENT COMMISSION

two payments in the amounts of \$300.00 and \$864.94 to Westland & Bennet for legal expenses related to TIF eligible parcel acquisition (Parcel 8) for the 61st Avenue & Marcella Boulevard project. A motion was made by Ms. Plesac to approve Requisition No. 41 in the amount of \$1,304.94; seconded by Mr. Kelly. All ayes; motion carried. (3-0)

Ms. Houck asked about the status of the street lights along 61st Avenue that have been damaged. Ms. Longer said the City is in the process of working with the insurance company to get them replaced. Mr. Gralik noted that there have been some extended lead times with ordering the materials, which has delayed installation. Regarding the gateway sign and decorative brick wall at 61st Avenue and Deep River Drive that was recently damaged, Ms. Jacobson indicated that a decision was made not to replace this structure since it has been struck and damaged multiple times already. She stated that the pylon sign will be removed from this location and put into storage to install at the future Marcella Boulevard roundabout. Mayor Snedecor said Public Works has removed as much of the limestone as possible, and the remaining materials will be removed in the spring.

The next item of business was the **Approval of Economic Development Revenue Bond, Series 2022 Register of Claims**, which is the 82nd Avenue construction fund for the Albanese bond. Requisition No. 8 includes a payment to Eichhorn & Eichhorn (Invoice 16699M-5) in the amount of \$20.00, and a reimbursement to the Board of Works for three payments in the amounts of \$6,657.76, \$90.00, and \$11,905.08 to NIES Engineering for engineering work related to this project. A motion was made by Ms. Plesac to approve Requisition No. 8 in the amount of \$18,672.84; seconded by Mr. Kelly. All ayes; motion carried. (3-0)

Staff Report – Ms. Jacobson called attention to a legislative alert from AIM that was distributed to the RDC. She said House Bill (HB) 1085 has a number of items that would have some serious implications for Redevelopment Commissions across the state that would greatly impact how they function. She stated that this proposed legislation includes a mandatory 20% pass through to the schools and other overlapping taxing units, and would require the RDC to file a spending plan for the following year with the DLGF describing planned expenditures. Additionally, if the excess assessed value (AV) is expected to generate revenue that will produce more than 200% of the RDC's bond obligations, a plan must be submitted to the legislative body outlining how the excess revenue will be spent in that calendar year before returning the remaining excess AV to the underlying taxing districts. Ms. Jacobson stated that the proposed legislation specifies that the RDC can only spend money during the next year on expenditures described in the plan unless they are using it to pay down debt. She noted that the passage of this legislation would limit the RDC's flexibility in TIF spending and would risk impairing existing bonds. She asked Mr. Balsano if he could update the Commission on the most current information on this bill. Mr. Balsano stated that he and Matt Eckerle have been reviewing the proposed legislation and the potential impacts it could have on TIF projects. He reported that the required pass-through percentage has changed from 20% to 10% since he last spoke to Ms. Jacobson. He said Baker Tilly has been reviewing projects that have been done in various communities to see if those projects would have still been viable if this required pass through was mandated under this proposal. In addition to HB 1085, he said there is also proposed legislation that would change the approval process for residential TIF areas. He noted that there are several proposed bills that would affect TIF, but HB 1085 would potentially be the most impactful.

**February 21, 2023, Regular Meeting Minutes
HOBART REDEVELOPMENT COMMISSION**

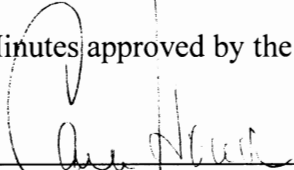
Ms. Jacobson reported that she, Ms. Longer, and Mr. Balsano had a brief call with the county regarding the TIF distribution for the US 30 & 69th Avenue district. She reminded the RDC that revenue was not received for this allocation area during the December distribution. She said the county indicated that there may be an issue with its software. She asked Mr. Balsano if he has received any further information from the county. Mr. Balsano said he has not heard anything further; however, he can address what he believes may have occurred. He stated that upon reviewing the TIF distribution for pay year 2022, the US 30 & 69th Avenue allocation area was found to have a negative distribution amount of approximately \$44,000 in the December draw. As a result, Baker Tilly reached out to the county to find out why this occurred. He said the county has been looking into the matter since early January. Mr. Balsano stated that he, Ms. Longer, and Ms. Jacobson spoke with the county a couple of weeks ago, at which time they mentioned the deficiency could be due to an issue with their software, which they are in the process of investigating. He said the county also indicated the issue could be related to the Southlake Mall appeals. He noted that as more information is received, it will be important to monitor the appeals located within this allocation area. He explained that if there were appeals that predated the allocation area, the base assessed value should be readjusted once settled. However, if the appeal was filed after the TIF was created, the base assessed value would not be adjusted. Mr. Balsano stressed the importance of ensuring that the base AV is readjusted with the net assessed value decline for all appeals that were filed prior to the creation of the allocation area in 2019. He said he is awaiting information from the county to find out if any settled appeals were a factor in the negative distribution in this area. Mr. Balsano stated that the actual revenue received for the Downtown and 130 area was about 12% less than the estimated amount, which was mostly attributed to two taxpayers who did not pay their taxes in pay year 2022. He said the hope is that these back taxes will be received along with the pay year 2023 taxes from these two taxpayers. Ms. Jacobson said she will keep the Commission informed as she learns more.

Mr. Gralik reported that the next phase of the 3rd Street project is currently out for bid. He said the first advertisement was published last week, and bids are anticipated to be opened on March 23rd. He indicated that the base bid includes 3rd Street from Ash Street to Lake Park Avenue, and there is an alternate bid that includes 3rd Street from Lake Park Avenue to the gateway sign near Park Avenue. Additionally, the City has applied for a Community Crossings grant for the last section at 3rd Street and LaSalle Street. Mr. Gralik stated there will be an 8-foot wide multi-use path in the median where the trees are currently located, and a sidewalk will be added to the south side of the gateway sign. He said he hopes to learn the status of the City's Community Crossings grant before the contract is awarded so the work could potentially be done at the same time.

Adjournment - The meeting was adjourned at 9:00 a.m.

Minutes were prepared by Dawn Hostetler, Clerical Assistant to the Director of Development.

Minutes approved by the Hobart Redevelopment Commission on



Carla Houck, President

Attest:

MARCH 20, 2023


SHAWN KELLY, VICE-PRESIDENT