MINUTES

WEST LAFAYETTE REDEVELOPMENT COMMISSION
609 West Navajo St., West Lafayette, Indiana
Council Chambers

January 17, 2012

The meeting was called to order at 8:30 a.m.
The Pledge of Allegiance was recited.
Secretary Sorensen called the role.
Present: Steve Curtis, Joanna Grama, Peter Gray, Larry Oates, Linda Sorensen
Dottie Rausch (*arrived at 8:57 a.m.)*
Absent: Janet Elmore

Old Business:

Minutes

Commissioner Gray moved to approve the minutes of the December 20, 2011 Redevelopment Commission meeting. Commissioner Grama seconded. The minutes were approved as written 5-0. Commissioner Curtis moved to approve the minutes of the January 3, 2012 Redevelopment Commission meeting. Commissioner Sorensen seconded. The minutes were approved as written 5-0.

2011 Annual Report

President Oates stated the yearly activity summary for the Redevelopment Commission is required by State statute. Director of Development Chandler Poole reviewed the report which included the Resolutions passed by the Commission, activities which have been completed and those still in progress within each TIF District, as well as general economic development highlights for 2011. Commissioner Gray moved to approve the 2011 Annual Report of the West Lafayette Redevelopment Commission to the Mayor and direct the Department of Development to finalize the report and present it to the Mayor. Commissioner Sorensen seconded. The motion passed 5-0.

Project Updates

Public Works Director Dave Buck updated the Commission on the following projects:

- Harrison Street - Perimeter Parkway Phase 1A, Part 1 – A small amount of work has been continued on the south side of Purdue's campus. The project is mostly idle until Milestone Contractors can resume work in the spring. The road will remain open to traffic throughout the winter.

- Yeager Road Reconstruction – Utility relocation is progressing. Sanitary work is almost completed and will be followed by the water company. Duke has begun relocation. Both utilities are off the road and in the areas of the new right of way. Vectren is complete and attempts to contact Frontier Communications are ongoing. A preconstruction meeting has been scheduled with the road contractor and INDOT for January 27th.

- Cumberland Avenue Reconstruction Phase II – A preconstruction meeting has been scheduled for January 27, 2011. Rieth Riley is under contract. Work will begin as weather permits in spring. Right of way acquisitions are nearly complete and expected to be finalized before road construction begins. Indiana American Water is making plans to move their facilities on Yeager Road. E-verify requirements are pending with Duke Energy.

- Lindberg Bridge – Project is complete with the pedestrian beacon and signage installation. A formal dedication is being hosted by the County Commissioners on Thursday, January 26th at 10:00 a.m.

Parks Superintendent Joe Payne updated the Commission on the following projects:

- Area near Lindberg Bridge – Extra fencing work has been completed near the west end of the Lindberg Bridge to control trail traffic. Prairie restoration work will continue as weather permits in the Celery Bog Nature Area.

- Wabash Heritage Trail Extension Phase I – The contract is being managed by INDOT. After Change Order No. 13 which was approved at the December 20, 2011 meeting of the Commission, the net contract amount is $1,257,204.98 - a reduction of $73,175.07 from the original contract value. Final construction records are being completed by H. Stewart Kline & Associates. A final change order for Phase I is expected and a final ruling from INDOT regarding the penalty for not performing on time is expected. Remaining project balances will be transferred to Phase II of the project.

- Wabash Heritage Trail Extension Phase II – Work is continuing as allowed by INDOT. About 25% of the footers and foundations for the big block wall have been poured on the hill up to Rose and Kingston and 142 blocks have been installed.

MetroNet Update

Commission President Oates stated a public information session was held on January 9, 2012 at the West Lafayette City Hall at which Mr. Steve Biggerstaff, consultant for MetroNet of Evansville, Indiana, presented the proposed plan and answered questions from the public. Representatives from MetroNet were present at the meeting to request approval to continue with their proposal. Richard Starkey of Barnes & Thornburg, representing the City of Lafayette, explained the process of the proposed project which is a joint project between West Lafayette, Tippecanoe County and the City of Lafayette. The City of Lafayette would act as the point Redevelopment Commission for the project. Approval of the West Lafayette Redevelopment Commission to move forward with the

project was requested. The proposal would then be presented to the West Lafayette Common Council for approval to give authority to the City of Lafayette Redevelopment Commission to act as the Redevelopment Commission for all three bodies. Pending approval by the West Lafayette Common Council, an engineering study will be performed. The project will be presented for final approval pending the results of the engineering study at which time either party can withdraw from the project. Commissioner Curtis moved to approve the concept of allowing MetroNet to build a fiber optic facility in the City of West Lafayette in conjunction with a partnership between West Lafayette, Lafayette, and Tippecanoe County. The City of Lafayette's Redevelopment Commission would be the lead Redevelopment Commission for the other governmental entities. Commissioner Curtis further moved to recommend that the West Lafayette Common Council approve the project. Commissioner Grama seconded. Questions and comments were heard.

Steve Biggerstaff, MetroNet, provided additional information in response to some of the questions including a history of the company. MetroNet, an Indiana company, formed in the 1980s by Al Cinelli of Kansas City, Missouri. Other principals mentioned were John Campbell, general counsel; Ed Corr, Vice President of Tax; Lohn Weber, Chief Financial Officer all of Kansas City, Missouri. MetroNet President, John Cinelli, and operations are in Evansville, Indiana. Vice President of Operations is Kevin Stelmach. Information and history relating to sister company, KDL, out of Kentucky was also provided. Mr. Biggerstaff also reviewed his work background and involvement with economic development in Indiana. The proposed project would be free from personal property tax during the construction. Once completed, any personal property taxes received will be used to pay off the bond. MetroNet counsel, Ed Corr provided details on the corporate structure of the company. He stated that the members of the LLC ownership for previous entities and future builds are the same. Mr. Corr said that Metro FiberNet will own the fiber system in Tippecanoe County and as well as the one in Lebanon, Indiana.

Redevelopment Commission Treasurer Rhodes questioned the possibility of marketing the bonds as an investment opportunity. Mr. Corr responded that he is not aware of these types of bonds being traded. Rich Starkey commented none of the bonds have been remarketed to date. The flow of funds within the different entities within the district was explained. Bond repayment logistics and rates were discussed. At the request of Councilor Ann Hunt, it was confirmed that the West Lafayette Common Council will have the opportunity to review the engineering study upon its completion. Legal counsel from all three of the involved entities has reviewed the proposal. Commission President Oates questioned the possibility of completing the project on a shorter payback time period, rather than twenty-five years. Mr. Biggerstaff stated that projected revenues are based on the existing businesses. The total cost of the project and bond value will be determined at the completion of the engineering study. Rich Starkey explained that the documents will provide that upon payoff of the bond, the joint allocation area dissolves and all the tax revenue reverts back to the taxing units of the various cities. Commission President Oates requested any further discussion or amendments to the original motion. Commissioner Sorensen moved to amend the motion recommendation from the Redevelopment Commission to the Common Council to add *with a limit of the TIF District to a 20 year time period.* Commissioner Gray seconded.
The roll call vote:

Aye: Curtis, Grama, Gray, Oates, Sorensen

Nay:
The motion to approve the amendment passed 5-0.

The roll call vote:
Aye: Curtis, Grama, Gray, Oates, Sorensen
Nay:
The amended motion of the West Lafayette Redevelopment Commission recommendation to the Common Council to move forward on the MetroNet Project and limited to a 20 year time period passed 5-0.

Commission President Oates noted that the next Common Council meeting will be held on Monday, February 6, 2012 at 6:30 p.m. in Council Chambers. Commissioner Sorensen recommended Steve Biggerstaff make the company background information available at the council meeting.

Other

There was no further old business.

New Business:

Review of Financial Reports

Redevelopment Commission Treasurer Judy Rhodes reviewed the financial reports which reflect the routine payments and balances of the three TIF Districts. Sufficient cash is available to pay all claims without any temporary loans. A TIF increment settlement has been received. Debt service payments from the KCB TIF District are made by the trustee whereas the Levee/Village debt service lease payments are made through a claim.

Payment of Claims

Sagamore Parkway TIF Claims **$9,204.45**
Commissioner Sorensen moved to pay the Sagamore Parkway TIF claims. Commissioner Curtis seconded.
The roll call vote:
Aye: Curtis, Grama, Gray, Oates, Sorensen
Nay:
The motion to approve the payment of the Sagamore Parkway TIF claims in the total amount of $9,204.45 passed 5-0.

KCB TIF Surplus Claims **$2,092.22**
Commissioner Grama moved to pay the KCB TIF Surplus claims. Commissioner Gray seconded.
The roll call vote:
Aye: Curtis, Grama, Gray, Oates, Sorensen
Nay:

The motion to approve the payment of the KCB TIF Surplus claims in the total amount of $2,092.22 passed 5-0.

Levee/Village TIF Claims **$509,069.09**

Commissioner Curtis moved to pay the Levee/Village TIF Surplus claims. Commissioner Sorensen seconded.

The roll call vote:

Aye: Curtis, Grama, Gray, Oates, Sorensen

Nay:

The motion to approve the payment of the Levee/Village TIF claims in the total amount of $509,069.09 passed 5-0. Department heads and project managers answered questions from the Commission.

TIF District Discussion

Director of Development Chandler Poole referred to a map *(attached to minutes)* of the West Lafayette Levee TIF District proposed expansion. The reasons for the proposed expansion rather than the creation of a new TIF District were explained. An expansion will allow the use of TIF funds that are currently being generated. A new TIF District would take several years to accumulate sufficient funds. Neighborhood stabilization includes house acquisition, street improvements, curb and gutter installation, and other infrastructure improvements within the district. Mr. Poole explained the boundaries of the expansion which include almost the entire New Chauncey neighborhood, as well as potential redevelopment opportunities on the island, the south campus area, Northwestern Avenue, Happy Hollow Park and the Morton Community Center. Commission President Oates stated although the residential section is included in the proposed expansion, increment cannot be collected from residential areas, however, since residential areas are included in the TIF District they can benefit from the increment. The underlying entities located in the proposed TIF expansion area would not lose any of the increment collected from the residential areas. Increment would only be captured from commercial districts within the proposed expansion – the area of the island, the south campus, an area of Northwestern Avenue and an area of Happy Hollow Park. The distinction of multi-unit apartment buildings and multi-unit home conversions as commercial property rather than residential property was discussed. Mr. Poole stated an analysis by financial consultant, Jim Treat, is necessary to determine the impact of the expansion to the Commission and the City of West Lafayette Common Council. Redevelopment Commission Attorney Tom Brooks, Jr. explained the process for getting the expansion approved. Commissioner Gray moved to approve the proposed expansion map for the West Lafayette Levee/Village TIF District and to direct the Director of Development to move forward on the analysis of the proposed expansion. Commissioner Grama seconded. Mr. Poole will provide updated maps to the commission as soon as they are available. *(After further review by City staff, the map is correct as presented)* There was no further discussion.

The roll call vote:

Aye: Curtis, Grama, Gray, Oates, Sorensen

Nay:

The motion passed 5-0.

Wabash Heritage Trail – Supplement No. 1 – H. Stewart Kline & Assoc., Inc.

Parks Superintendent Joe Payne explained the details of the supplement to the agreement approved by the Redevelopment Commission on July 13, 2010. The supplement provides for the total estimated additional labor and work costs. The additional request is for $98,568.22. Mr. Payne noted that with the estimated liquidated damages of $88,000, and the under-runs of approximately $50,000, approval of the supplement will be still be under the original estimated project expense. Commissioner Sorensen moved to approve the West Lafayette Wabash Heritage Trail Extension, Phase I Construction Inspection Services Agreement Supplemental Agreement No. 1. Commissioner Gray seconded. Dave Buck explained the process of the obtaining the liquidated damages which would be either by check or a credit on Phase II of the project.

The roll call vote:

Aye: Curtis, Grama, Gray, Oates, Sorensen

Nay:

The motion passed 5-0.

Other

Chandler Poole presented proposals for appraisal services from Don R. Scheidt & Co., Inc. and Cornerstone Appraisal Group for a certain area in Wabash Landing as approved at the December 20, 2011 meeting of the Commission. Two appraisals are required by state law for the Redevelopment Commission to act. Both appraisals will be providing "as is" and "future use" data. Commissioner Curtis moved to approved the two proposed appraisal companies and engage them to do work with regard to Wabash Landing for a total cost of $10,500 and to be paid from the Levee/Village TIF development incentives budget. Commissioner Grama seconded. There was no further discussion.

The roll call vote:

Aye: Curtis, Grama, Gray, Oates, Sorensen

Nay:

The motion passed 5-0. There was no further new business.

Public Comment

Public comment was requested. The next meeting was confirmed:

Tuesday, February 21, 2012 – 8:30 a.m.

(The meeting was later rescheduled to Wednesday, February 22, 2012 – 8:30 a.m.)

Commissioner Curtis expressed appreciation to his fellow Commissioners regarding the thoroughness and persistence of information relating to the proposed MetroNet project.

Adjourn

There being no further new business, Commissioner Curtis motioned to adjourn. Commissioner Gray seconded. The meeting adjourned at 10:30 a.m.

Linda M. Sorensen
Secretary

Approved:

Lawrence T. Oates
President