

**Albion Redevelopment Commission Regular Meeting
Minutes – September 24, 2009 - page one of two**

CALL TO ORDER: The Albion Redevelopment Commission held a meeting at 6:00 p.m. on Thursday, September 24, 2009 in the council meeting room at 211 E Park Drive, Albion.

ATTENDANCE: Upon determining a quorum was present, President Pro-tem Tina Craft called the meeting to order at 6:10 p.m. Members present were Tina Craft, Duane Simpson, John McGill, and Tim Christopher. Absent were members Steve Lemish and David Fiandt.

Also present were Beth Shellman, Town Manager; Tom Pitman of Barnes & Thornburg Law Firm; RDC Accountant Jeff Peters; Keith Leatherman; Mark Tarlton; Carol Selby; and Bob Braley of the Kendallville News Sun.

MINTUES: A motion was made and seconded (Duane, Tim) to approve the minutes of the July 23, 2009 regular meeting. A voice vote determined the motion carried 3-0 voting members and 1-0 with advisory member.

OLD BUSINESS: none

NEW BUSINESS:

- Duties & Responsibilities of RDC members – presented by RDC accountant Jeff Peters and Barnes & Thornburg Attorney Tom Pitman.

Jeff Peters explained he currently serves the RDC as their accountant who prepares the Tax Increment Replacement Levy (TIR) and oversees all necessary paperwork filings required by the state statute. He assists with preparing financial strategies of RDC groups to find areas with potential growth and TIF them. He explained that if an area starts to develop, the RDC can go back to a date of February 28th to form a TIF area and capture the revenue since the assessment dates begin March 1 of each year. Jeff questioned what the RDC currently captures in real property and personal property. Beth explained the RDC captures 50% real property and 50% personal property in the original TIF 1 and 100% of the real property in expanded TIF 1 area that encompasses two vacant Bosch parcels and the Dexter parcel with the new plant on it. TIF 2 brings in 100% real property and no personal property revenue.

Tom Pitman handed out a summary of the 2009 Legislative Updates and briefly highlighted some of the notable updates. 1.) The school board member added in 2008 may become a voting member at some point in the future and was discussed in this year's session. Tom noted the advisory member cannot make motions or second but can make his opinion known on all votes. 2.) Legislation now makes it harder to expand TIF areas. 3.) Notice must be given to the county Auditor and all taxing units in a TIF jurisdiction prior to July 15th of every year if the RDC intends to use TIF funds. 3.) The Circuit Breaker cap could affect TIF revenue if a taxpayer reaches their cap and the additional money they would have paid would have been distributed as TIF money. 4.) Town Council must approve all RDC debt. 5.) new TIF's have a maximum life of 25 years – "after" debt is incurred that is secured by TIF. 6.) Tax Increment Replacement Levies will no longer count against the town maximum levy. 7.) The Maximum term for financing public works projects was extended from six years to ten years on projects costing \$2 million or less. 8.) tax abatements in TIF areas need Council approval. 9.) It is now very difficult to amend the adopted Spending Plans for TIF areas and 10.) RDC's may only use TIF funds if the expenditure is "physically connected to" the TIF area. Previously, funds could be used if the expenditure was "in or serving" the TIF area. Beth asked for clarification if sewer and water lines or the actual sewer ponds and water plant would qualify as being physically connected to the TIF area since the lines in the TIF area connect to the ponds and plant. Tom said the legislation is pretty clear that a direct expenditure by the RDC, rather than a reimbursement, is permissible and even includes some of the old "in or serving" language. If in doubt, there should be a legal opinion before the expenditure.

Commission members thanked Jeff and Tom for their time and assistance.

- Monarch Development, Inc. – Shovel Ready certification of North Ridge Industrial Park. Preliminary discussion on a 3-year Option to Purchase Agreement between Monarch Development and the RDC.

Keith Leatherman noted he has completed the soil borings, Phase I Environmental Study and other paperwork as required in his application to the Northeast Indiana Regional Partnership (Partnership). He believes this

certification will be a good thing for Albion. The Partnership covers a 10-county region and will market the North Ridge Industrial Park property. Keith also felt state grants for infrastructure would be more likely to obtain by a developer if the town had control over the property. Having an Option to Purchase with the town assures any developer that the property would not change hands or change rules mid-stream of the site selection process. Keith offered to give the RDC 100% of the purchase price over \$10,000 per acre. The purchase price listed with the Partnership is \$13,000 per acre. Keith suggested that the roadway and sewer line extension may need to be installed using grant funds. Monarch has the engineering completed for the roads. The question was brought up about who would take over the Option if Keith sold the property to another owner. It was noted that the agreement should include language assuring that the Option would transfer with heirs and successors. Keith assured there would be no expenditure requested of the RDC up front on the Option to Purchase. However, the RDC may decide to contribute some TIF funds to assist with the infrastructure extension.

Bob Braley stated he is writing an article about the Partnership which will be in Sunday's news edition. He explained that, with the exception of Ligonier, the Albion RDC is ahead of other communities in the area. He spoke with EDC Director Rick Sherck about the Shovel Ready program and learned this is what developers want, they want to have all obstacles removed and be ready to move immediately.

- Albion Street, Sewer & Water Dept. – request for funding assistance to purchase a combination sewer vacuum & high pressure jet rodder with TIF 1 funds.

Mark Tarlton presented information he has been researching on the purchase of a new piece of equipment used by the utility departments to clean catch basins, assist with water leaks, clean sewer lift stations, etc. The town's current truck is a Vactor brand, is a 1983, and has a weak pump, vacuum and fan. As of yesterday, it now has a broken transmission.

The equipment is critical to operations. Carol, Mark and Beth have been exploring funding sources to purchase the estimated \$250,000 piece of equipment. Three departments could be used – Street, Water and Sewer – to assist with funding. A 5 or 7 year lease purchase would be about the only way it could be purchased unless the RDC loans money for an outright purchase and the departments pay it back over a course of several years. The sewer fund is currently spending more than it is bringing in revenue to support. Sewer rates have not been increased since 2000. The town council will start a sewer rate study next year and have been trying to hold off a rate increase. One of the sewage lagoons will need sludge removed in the next year. The water fund is currently paying for the improvement project along with the TIF funds. The street budget is paying on vehicles, the Total Patcher and a dump truck. All in all, about \$15,000 in funds can be found to help with a lease payment. The utility departments are requesting a commitment of TIF funds to help pay the lease-purchase annual payments estimated to be between \$35,000 and \$50,000 with a down payment of \$70,000.

Final approval of the purchase will need to be a decision of the Albion Town Council. One Vactor unit was demonstrated today and a Vacall unit will be demonstrated on October 13th. The equipment will be housed in the TIF #1 area, will serve the TIF area and meets the "physically connected to" criteria.

After some discussion, Duane noted he was present for the demonstration and agrees the town needs the proposed equipment. He also felt having nice, reliable equipment is critical in attracting and retaining industry. A motion was made and seconded (Duane, Tim) to commit \$35,000 in TIF #1 funds to assist with a down payment and to commit up to \$20,000 annually from TIF #1 for the lease-purchase as approved by the Albion Town Council. Motion carried 3-0 voting membership and 1-0 support of advisory member.

OPEN DISCUSSION: - none

SET TIME FOR NEXT MEETING: The next regular meeting will be called as needed.

ADJOURNMENT: A motion was made and seconded (Duane, Tim) to adjourn the meeting. A voice vote determined the motion carried by a unanimous margin and the meeting adjourned at 7:15 p.m.

Tina Craft,

President Pro-Tem

Timothy Christopher,

Secretary