

**MINUTES**  
**WHITLEY COUNTY REDEVELOPMENT COMMISSION**  
**Tuesday, March 10, 2020**

**WHITLEY COUNTY GOVERNMENT CENTER**  
**1<sup>st</sup> FLOOR-COMMISSIONERS/COUNCIL MEETING ROOM**

**MEMBERS PRESENT**

Jim Argerbright  
Michael Schrader  
George Schrumpf  
Kim Wheeler  
Jill Western

**GUESTS**

Steve Western

**MEMBERS ABSENT**

Frank Kessler

**LEGAL COUNSEL**

Andrew Boxberger

**STAFF**

Jon Myers  
Nathan Bilger  
Tiffany Forrester  
Mark Cullnane

**CALL TO ORDER**

Mr. Argerbright called the meeting to order at 8:00 A.M.

**ROLL CALL**

Mr. Argerbright read roll call. All members present and absent are listed above.

Mr. Argerbright recognized Mr. Schrader for fifty years of service with the Columbia Township Fire Department.

**IOTRON PROJECT INCENTIVE ANALYSIS**

Mr. Myers stated that Baker Tilly has provided an incentive analysis for the proposed Iotron project that shows what amount of tax revenue bond could be supported by their expansion. The original analysis did not include the outstanding High School project and showed a maximum bond amount of \$737,000. He provided an updated analysis showed that TIF revenues minus all outstanding commitments could support a bond of \$634,000. Jeff Blakely, Director of Operations at Iotron, had previously agreed to request a bond in the original amount of \$737,000. If the Commission moves forward, the two options are to inform Mr. Blakely of the revised amount or to recommend to County Council a tax revenue bond of the originally agreed to amount of \$737,000.

Mr. Boxberger stated that the amounts quoted do not include issuance costs, and that these could be in excess of \$100,000. Mr. Myers stated that he believed that \$100,000 is on the high end of potential issuance costs.

Mr. Wheeler asked Mr. Myers if a bond could be attained in the amount of \$737k even though the revised Baker Tilly analysis called for a bond of \$634k. Mr. Myers stated that a bond of \$737k could be attained by committing revenue above the incremental revenue from only the project.

Mr. Bilger asked if this proposed bond incorporates the existing bond or is on top of the existing bond. Mr. Myers stated that it would be on top of the existing bond. Mr. Boxberger asked if the existing bond is still active. Mr. Bilger replied that the existing bond has a couple more years on it.

Mr. Argerbright stated that his original thinking was for the Commission to grant approval today so that the County Council could consider it in April. Mr. Wheeler was slightly concerned about the news regarding the bond, and asked Mr. Myers if he would be able to provide more information to County

Council concerning the bond. He also asked Mr. Myers if they are considering a 15 year bond. Mr. Myers confirmed that they are considering a 15 year bond due to the upcoming expiration of the TIF.

Mr. Bilger stated that Iotron's existing bond had a balance of \$237,000 outstanding at the end of 2019, was issued in 2010, and is set to expire in February 2022.

Mr. Wheeler asked if Iotron would own the bond. Mr. Boxberger confirmed that it would own the bond. Mr. Argerbright added that if Iotron did not pay the Commission, they would not get paid.

Mr. Wheeler stated that he believes that Iotron's commitment to the County and willingness to continue investing in its facility warrants the Commission's approval of the bond.

Mr. Wheeler made a motion to approve a bond in the amount of \$737,000 with a term of 15 years. Mr. Schrader seconded the motion and stated that it has been a good business and that it has a good future in the County.

Mr. Argerbright stated that, if the motion is approved, the bond would go before County Council, most likely at its first meeting in April.

Mr. Wheeler asked Mr. Myers about Iotron's hiring plans associated with the expansion. Mr. Myers stated that it intends to hire an additional seven employees this year and twelve next year, with 33 new employees added by 2023 at approximately \$22 per hour.

There being no further discussion, the motion was approved unanimously by a vote of 4-0.

#### **AGA DRAINAGE**

Mr. Myers stated that he and Mr. Bilger met with Troy Gay, owner of Architectural Glass & Aluminum at 1050 S. Williams Drive, last week to discuss a drainage project at the north end of S. Williams Drive. He stated that, in the past, the Commission has discussed fixing the drainage swale that separates 1050 S. Williams Drive and 1100 S. Williams Drive. He added that Jerry Busche, owner of PDQ Workholding at 1100 S. Williams Drive has, in the past, expressed interest in acquiring Mr. Gay's property to create additional parking for PDQ. He stated that Brandon Forrester, Whitley County Highway Director, has stated that the previous Director received funds to fix the swale but instead spent them on equipment. He stated that both Mr. Gay and Mr. Busche have requested that the Commission take action to fix the swale.

There was discussion about what would need to happen to fix drainage in the area. Mr. Bilger stated that Mr. Busche was exploring the option of placing a detention pond on property directly to the west of 1100 S. Williams Drive that this swale would drain towards. He added that Anderson Surveying was working on detention plans as of 6 months ago, but did not know the current status of engineering.

There was discussion about the existence of a drainage easement for the swale and responsibility for maintaining drainage in the area. After research, Mr. Boxberger stated that there is a drainage easement in place and that the owner's association is responsible for maintenance.

The Commission discussed previous work that had been done in the area to improve drainage. Mr. Argerbright stated that he would like to see cost estimates before committing to finishing the drainage work.

There was further discussion about drainage options for the area. Mr. Bilger stated that Engineering Resources, Inc. had completed 90% plans for drainage prior to being released from the project. Mr.

Argerbright asked if a representative of ERI could potentially attend the next meeting to provide renewed input.

#### **INDIANA MATERIALS PROCESSING EXPANSION**

Mr. Myers stated that Abid Bengali, owner of Indiana Materials Processing at 5750 E. Rail Connect Drive, has approached the owner of the property and building, Mike Swinford, about financing an expansion. He stated that Mr. Bengali is Muslim and so cannot pay interest on loans and because of this, there is an alternative arrangement for Mr. Bengali's leasing of the property and building. Mr. Swinford is not interested in redoing that nonstandard arrangement for this expansion. He had spoken with other local investors about the opportunity, but they also have not been interested.

To aid in the expansion, Mr. Myers asked the Commission if it would be interested in purchasing the building from Mr. Swinford, doing the expansion, and then leasing it back to Mr. Bengali. The Commission expressed doubt about getting involved in the unconventional financing necessary. Mr. Myers stated that he would reach out to some people in Fort Wayne who are more knowledgeable about the specialized funding arrangements.

#### **RAIL CONNECT PARKING**

Mr. Myers reminded the Commission of previous conversations concerning the establishment of a parking lot in Rail Connect Park to alleviate congestion caused by the number of trucks parking along Rail Connect Drive. He stated that property owners have agreed in principle to deed the property to the Commission to construct a parking lot. He had spoken with Dawn Shaw, treasurer of the Rail Connect Owner's Association, and she indicated the Association would be open to taking over maintenance of the lot. A meeting of the owners would be needed to make the final decision. Members of the Commission concurred that they would like to see the plans for the size of the lot, lighting, and cost estimates prior to moving forward with the project.

#### **PARK 30 CUL-DE-SAC UPDATE**

Mr. Myers stated that the Director of the Highway Department, Brandon Forrester, stated that MKS should do additional borings at the Innovation Court cul-de-sac to determine if the asphalt needs redone. Mr. Forrester told him that the asphalt has too much fine particulate matter. Mr. Bilger explained that the asphalt content was to spec, but the aggregate mixture included too many fines, resulting in the crumbling pavement. Mr. Myers stated that Mr. Forrester thinks that the cul-de-sac should be redone, though he may be open to other ideas.

#### **LEASE ASSIGNMENT**

Mr. Boxberger updated the Commission on the progress of assigning the lease agreement on Whitley RC Investments II project to the RC I project as has been previously discussed. Mr. Myers stated that prospective tenants for RC I had not yet been found, though there has been a lot of interest. Mr. Bilger asked if short-term subleasing might be an option if such a tenant were identified. Mr. Myers indicated that the owner is open to creative arrangements, so that might be possible if it is necessary.

#### **BAKER TILLY TIF ANNUAL FINANCIAL REPORT**

Baker Tilly produced the annual financial report, which was distributed for the Commission's review. After a brief discussion, the Commission requested that a Baker Tilly representative be available at the next meeting to discuss the details once the Commission had an opportunity to review it.

## MISCELLANEOUS MATTERS

Mr. Bilger relayed information that Kevan Biggs had contacted him to explore the concept of a Housing TIF for the remainder of Lincoln Pointe. Mr. Bilger suggested that a Housing TIF may not be the best option given that the TIF was grandfathered in receiving increment from residential properties anyway. He explained some of the rationale of the request and suggested that a meeting be set up to better understand the purpose of the request and to come up with potential solutions. Mr. Argerbright and Mr. Schrumpf volunteered to meet with him if possible before the next Commission meeting.

Mr. Boxberger requested that his hourly consulting rate be increased from \$225 to \$240. It hadn't been raised for three years. Mr. Schrumpf said he thought that the value of the services received is a bargain even at the higher rate. Mr. Schrumpf made a motion to approve the rate increase to \$240/hour. Mr. Schrader seconded, and the motion passed by a vote of 4-0.

Mr. Argerbright provided an update on the hiring process for the EDC President position.

Mr. Myers stated that he would be meeting with the Town of Larwill on the 12<sup>th</sup> to discuss the extension of sanitary sewer north along State Road 5 to serve Red Star and the TIF area.

Mr. Wheeler brought up a concern about the assessed valuation of commercial buildings in Whitley County being much lower than surrounding counties. He suggested that the current rate here is about \$30/square foot versus \$60/square foot in other places, so a lot of potential tax revenue could have been lost. He would meet with the Assessor, but wanted to let the Commission know his concern.

## CLAIMS

Claims were reviewed and consisted of Baker Tilly, \$6,500.00; Rail Connect Owner Association, \$652.08; Northeastern REMC, \$117.00; Weigand Properties, LLC, \$45,000.00; and Carson LLP, \$1,305.00.

Mr. Bilger reminded the Commission that no official action was taken on the February 11<sup>th</sup> claims, although they were signed. Mr. Schrumpf made a motion to approve the February 11 claims. Mr. Wheeler seconded, and the motion passed by a vote of 4-0.

Mr. Schrader made a motion to approve the March 10 claims. Mr. Wheeler seconded, and the motion passed by a vote of 4-0.

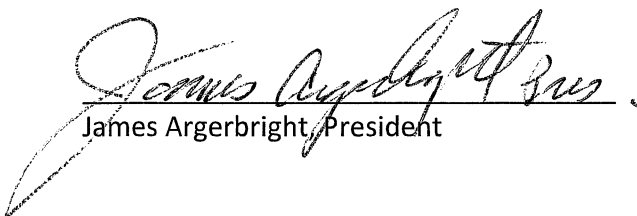
## IN THE MATTER OF MINUTES

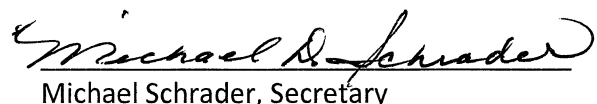
The minutes for the February 11, 2020 regular meeting were presented for approval. Mr. Schrumpf made a motion to approve the minutes as presented. Mr. Wheeler seconded, and the motion passed by a vote of 4-0.

There being no further business, Mr. Argerbright declared the meeting adjourned at 9:28 a.m.

**WHITLEY COUNTY  
REDEVELOPMENT COMMISSION**

**ATTEST:**

  
James Argerbright, President

  
Michael Schrader, Secretary