

July 9, 2018

The Ellettsville, Indiana, Town Council met for a regular meeting on Monday, July 9, 2018, at the Ellettsville Town Hall Meeting Room located at 1150 W. Guy McCown Drive. Scott Oldham called the meeting to order at 6:30 p.m. Brice Teter led the Pledge of Allegiance followed with a prayer by Scott Thomas.

Roll Call: Members present were Scott Oldham, President; Brian Mobley, Vice President; Kevin Farris, Scott Thomas and Brice Teter. Sandra Hash, Clerk-Treasurer; Darla Brown, Town Attorney; Mike Farmer, Interim Town Manager; and Rick Coppock, Bynum Fanyo & Associates, Town Engineer; were also present.

Supervisors present were: Mike Cornman, Danny Stalcup and Kevin Tolloty.

Approval of Minutes

Scott Oldham entertained a motion for approval of the minutes for the work session and regular meeting on July 2, 2018. Kevin Farris so moved. Brice Teter seconded. Motion carried.

Accounts Payable Vouchers

Scott Oldham entertained a motion for action to pay Accounts Payable Vouchers. Mr. Mobley asked questions on claims which were answered by the supervisors. Brian Mobley made a motion to approve payable vouchers. Brice Teter seconded. Motion carried.

Resolutions

Resolution 13-2018 to Preliminary Economic Revitalization Area Resolution

Kevin Tolloty, Planning Director, explained this resolution is similar to the resolution for a tax abatement that came before the Town Council in 2017. It is the same project: A 90 unit low income senior housing development on the Lenzy Hayes' property. Last year, the project did not get funded because the developer did not score enough points. So, the developer is going to resubmit their application to Housing and Urban Development. The developer is requesting an increased tax abatement of 98% per year which is similar to a request approved by the City of Bloomington.

Brian Mobley thinks ten years is a long span for a tax abatement and would prefer it be five to seven years. If that were to happen would it get the points they need? It will only employ three people.

Brian Corbell, Allied Real Estate Partners, LLC ("Allied"), thanked the Town Council for their support thus far. This project will bring extra development to the Town of Ellettsville. Construction is worth \$9.5 million. Allied will serve as the general contractor and utilize local subcontractors. Organizational oversight would be from Los Angeles. There will be three permanent jobs when built. There will be office space for use by local service providers and beauty and pet salons which will generate economic activity. The reason they're asking for a greater tax abatement is because they were five points from where they needed to be to win the funding necessary to start the project. The funding is in addition to a loan and to provide resources for the property. This year, they made a few changes such as hiring a female property manager and if they get the increased tax abatement that will get them an additional one to two points which will make them more competitive. As for the question on shortening the term of the tax abatement, scoring is done on the dollar amount of the tax abatement which is calculated over a 10-year period. He would have to do calculations to find out if it would work. If it was to be a condition they would be willing to do so if it would result in additional points. The plan is for the application to be made for the 90% tax credits. If they win the award, construction would start in April 2019 and work would be completed in March 2020. It will be for seniors and affordable housing. There will be 70 one-bedroom units, 20 two-bedroom units, amenities, spaces for services previously mentioned and the new construction will be high quality. Compared to what is on the property now, it will be quite an improvement. Total taxes per year is approximately \$14,000 and 40% would be \$5,600. The abatement is needed mostly for the benefit of the extra points to get the funding and build the project. They would like to discuss an offer to make a payment in lieu of taxes for an amount greater than what the

Town would be giving up with the tax abatement. In lieu of taxes the project could pay \$10,000 yearly. This would mean the Town would receive 2% of the existing taxes plus \$10,000, economic development from the construction, jobs and senior housing. Mr. Farris asked the amount of the estimated property taxes. Mr. Corbell answered \$80,000. Mr. Farris asked when they were before Town Council in 2017, was it about a graduated tax abatement. Mr. Corbell replied the tax abatement approved in 2017, was 100% in year one, decreasing yearly for five years until it reached 50% which it would remain at for the remaining five years.

Scott Thomas asked if payments received in lieu of taxes would be restricted in how it can be used, such as low-income projects. Mr. Tolloty does not think there would be restrictions on how it could be used. Mr. Corbell stated their intent is for the Town to use payment in lieu of taxes as they see fit. Chief Cornman asked if the abatement will be on the taxes captured from improvements or on the current taxes. Mr. Tolloty's understanding is it will go toward the improvements. Chief Cornman stated an abatement of 98% for 10 years will affect the Town's General Fund. However, if the abatement is for improvements only, the Town could handle it. Mr. Tolloty clarified the abatement wouldn't apply to the land and what is currently being taxed. It will go toward the improvements and how the land is affected after that. Mr. Farris asked Mr. Corbell if they received points for the graduated abatement. Mr. Corbell answered yes. Mr. Farris asked the difference in the points between a gradual and 98% abatement. Mr. Corbell answered one to two points. Ms. Hash asked if the tax is abated, is it just Ellettsville's portion. Mr. Tolloty does not think so, it abates all taxes. Ms. Hash asked if the value of the building will be added to the Town's assessed value. Mr. Corbell thinks it will be added to the assessed value, there will be a tax calculated and the abatement will be offset against it. There will be an abatement of future potential taxes as opposed to current taxes. The Town is giving up potential taxes on the property for a number of years in order to get it built and then the Town will get higher taxes from the surrounding properties and full tax from this property starting in year 11.

Scott Oldham asked if \$10,000 in lieu of taxes is a firm number or subject to negotiation. Mr. Corbell would be happy to discuss it. Mr. Oldham asked about the rules of a multi-tenant building such as will only a certain number of people be able to live in it. Mr. Corbell answered there are restrictions such as 62+, no children and the number of occupants per bedroom. Mr. Farris suggested making the \$10,000 graduated. Mr. Corbell agreed to discuss it but the amount would have to be close to \$10,000 because affordable properties are not big money makers.

Brian Mobley made a motion to go with the tax abatement for ten years subject to change and then to the seven-year system without damaging their point system.

Scott Thomas asked if there should be a motion to table until they get that information. Mr. Oldham asked Mr. Corbell the timeline for the abatement. Mr. Corbell is seeking approval at this meeting and then it will be formally approved on July 23, 2018. The Town has already approved a partial abatement of the \$80,000 in taxes. The abatement they're seeking at this meeting will decrease that amount by \$30,000. Mr. Oldham thinks the motion enters the Town into a pseudo partnership with Allied to get something built that benefits the community as a whole. They now have an offer of in lieu of taxes on the table so they're not risking anything. While they will have to work on the \$10,000 in lieu of taxes they're getting as much or more from that property than as it sets now. He supports the full 10-year tax abatement because the Town will not get hurt from it. Mr. Mobley is concerned about the Town not receiving any tax revenue after seven years and \$10,000 a year does not go far toward ambulance runs. Mr. Mobley asked if the Town approves the ten-year tax abatement and Allied decides they can do it in seven does it affect the Town. Mr. Corbell answered if it is the same dollar amount it doesn't affect the Town other than a three-year difference. He would have to confirm whether or not they're permitted to do less than 10 years. Mr. Oldham asked if Mr. Mobley's motion to accede to the ten-year tax abatement with the possibility in two weeks, when they revisit it to narrow it down to seven years, is feasible for all parties involved. There was a discussion on the proper motion for the resolution.

Brian Mobley amended his earlier motion to approve Resolution 13-2018 Preliminary Economic Revitalization Area Resolution. Scott Thomas seconded. Roll call vote: Scott Oldham –yes; Brian Mobley – yes; Kevin Farris – yes; Brice Teter – yes; and Scott Thomas - yes. Motion carried.

Ordinances of First Reading

Ordinances on Second Reading

Old Business

Flood Report

Brian Mobley requested to tie-in the flood report with the Request for Proposals (“RFP”) for the floodplain modeling and design and award it to Christopher Burke Engineering, LLC (“Burke”) under New Business.

New Business

Award RFP for Jacks Defeat Creek Floodplain Modeling and Design to Christopher B. Burke Engineering, LLC

Rick Coppock, Bynum Fanyo and Associates, Town Engineer, explained the total bid was \$56,000. The other proposal they received was for \$75,000. Burke is well known as a hydraulic engineering company and conducts these studies across Indiana and surrounding states. Mr. Oldham asked for an explanation of what the RFP entails. Mr. Coppock explained the Town worked with the Indiana Department of Natural Resources (“DNR”) to identify areas that may decrease the flooding in the Town. The RFP is the next phase of the floodplain program. The engineering company would do a computer model of Jack’s Defeat Creek through Town and conduct a further study of areas that might be modified or re-graded to decrease the flooding in more detail than the DNR report. The report will make recommendations as to which projects will give the Town the most for its money. Then, a schematic design will be done for those projects. That would complete the RFP. The next step would be to complete the engineering design and then the permitting phase for construction. The RFP takes care of the computer modeling which is a hydraulic model of the creek, determines the base flood elevations throughout the section from McNeely Street to the bridge at State Road 46 and the Hartstraight Road property. Then, it makes recommendations on what improvements should be designed to decrease flooding in the Town.

Kevin Farris confirmed Burke was the lowest. Mr. Coppock answered they were by \$19,000. Mr. Oldham asked if the Town acquired certain properties would it alter the parameters of the RFP. Mr. Coppock replied those properties were identified in the DNR report. Acquisition of the properties would make the projects more feasible. Mr. Oldham asked if the Town purchases those properties is the RFP necessary. Mr. Coppock answered yes because it is work that needs to be done before any changes can be made to those properties in the floodplain. The first part of getting a construction permit is doing a hydraulic model for that area. Hydraulic modeling is time consuming and tedious and that is why it is the first thing to do. Mr. Oldham asked Ms. Hash if funding the RFP would put the funds for purchasing the properties at risk. Ms. Hash answered the funds would come from the same fund but there is a \$65,000 appropriation this year and they’ve spent \$15,000 of it. There is a little less than \$50,000 in the fund this year. If they pay for the three phases it will take some of the money this year and next year. Depending on the payment plan selected to purchase the properties then it is still doable.

Scott Oldham entertained a motion. Brice Teter made a motion to award the RFP for Jack’s Defeat Creek Floodplain Modeling and Design to Christopher B. Burke Engineering, LLC. Scott Thomas seconded. Roll call vote: Scott Oldham –yes; Brian Mobley – yes; Kevin Farris – yes; Brice Teter – yes; and Scott Thomas - yes. Motion carried.

Town Council Comments

Brian Mobley explained there is an issue with some properties on Vine Street related to the flood issues. The DNR recommended the properties on Vine Street are the number one priority for reducing flooding in Town. There are issues with one of the buildings. He would like for the Town to take the two buildings by eminent domain.

Scott Oldham commented there are numerous properties setting along the tract that are blighted and are of no benefit to the Town. One such property is the old car wash on State Road 46. There have been discussions on obtaining appraisals of the properties in the past. Due to the nature of the properties and the fact nothing is happening with them, he would like to serve notice to several people that this Council intends to move forward, if necessary, under eminent domain to take the properties for the betterment of the Town, both for blight and flooding. Ms. Brown advised if they're interested in either purchasing the property or proceeding under eminent domain it would be helpful to have a resolution which would be evidence of the Council's intent to pursue a purchase of the property at the next meeting. It would also be appropriate to obtain at least two appraisals for the parcels. They can proceed under the statute that applies to the purchase of real property. Two appraisals are obtained, a resolution prepared and the offer to purchase a property has to be not greater than the average of the two. If this is pursued under eminent domain, they have to make an offer to purchase the properties before the lawsuit is filed. The statute says they have to provide the owner with the appraisal on which the offer is based. The resolution can be ready for the next meeting. Mike Farmer has sent emails to appraisers for estimates. At this time, Town Council can authorize her and Mr. Farmer to continue with this process. Mr. Farmer advised appraisals will take two to three weeks. Mr. Farris asked the addresses of the properties in question. Mr. Farmer replied 103 E. Temperance, 104 W. Vine Street and 105 E. Vine Street. Mr. Oldham added 219 N. Sale Street to the list. Mr. Farris asked how much the appraisals will cost. Mr. Farmer answered one appraiser said he can provide the fair market value of each parcel for \$1,250. Mr. Farris disagrees with eminent domain. Mr. Oldham does not like eminent domain but thinks it does a disservice to the property owners not to tell them they will do eminent domain should the Town have to purchase the properties for the fair market value. Some of these properties have set unused for over a decade, they bring down the economic vitality of the area and some of those properties could be used for flood abatement. Mr. Farmer mentioned they can only do a certain amount of improvements to the building based on the cost of the improvements. Mr. Tolloty added any improvements over 50% to the structure is considered significant and then the building has to be brought up to floodplain standards. Mr. Farris asked the name of the appraiser. Mr. Farmer spoke with Gilbert Mordoh and has contacted another appraiser. Mr. Thomas asked the thought process with 103 E. Temperance and 219 N. Sale Street, Mr. Oldham answered they're in flooded or blighted areas where they're hoping to regenerate commercial and/or residential areas. Mr. Farmer advised there is a Department of Natural Resources ("DNR") complaint against one of the properties. A current appraisal will assist the Town in determining how to negotiate for the properties. Mr. Farris asked if they're being appraised as commercial properties. Mr. Tolloty answered the two properties on Vine Street are assessed as commercial properties. The car wash has a house on the same parcel so it has split zoning. The lot can be subdivided.

Scott Oldham entertained a motion. Scott Thomas made a motion to move forward on the appraisals, as discussed, for the properties the Town would like to proceed with. Scott Oldham seconded. Roll call vote: Scott Oldham –yes; Brian Mobley – abstained; Kevin Farris – no; Brice Teter – yes; and Scott Thomas - yes. Motion carried 3-1, with one abstention.

Brian Mobley thanked the Town Council and explained when he took office, his one goal was to help the flood problems downtown. They've made an effort and he hopes they can continue to move forward to make it happen. He's proud the Town has come together and is moving forward.

Supervisors Comments

Town Manager's Comments

Mike Farmer, Interim Town Manager, met with Marty Stephens, Richland Township Trustee, this date at his new location. It is a nice facility and location. They provide support and assistance to community members.

Privilege of the Floor

Dewey Sutherlin, Richland-Bean Blossom Family Store, explained the store put a sign up without a sign permit in the right-of-way. They are seeking Town Council approval because it is in the right-of-way.

Kevin Tolloty, Planning Director, explained the reason this is before Town Council is the sign code includes a provision requiring Town Council approval for signs that hang in a right-of-way. Mr. Oldham noted this is the second time the Town Council has had to deal with this. Perhaps public education is needed for the new businesses that just opened.

Scott Oldham entertained a motion authorizing Richland Bean Blossom Family Store to have a sign in the right-of-way. Brice Teter so moved. Scott Thomas seconded. Roll call vote: Scott Oldham –yes; Brian Mobley – Yes; Kevin Farris – yes; Brice Teter – yes; and Scott Thomas - yes. Motion carried.


Dewey Sutherlin mentioned the store's step needs modified into two steps because it is too tall. Do they need a permit for this? Mr. Tolloty asked if the steps will be on the sidewalk or building? Ms. Sutherlin answered it will not affect the sidewalk. Mr. Tolloty stated a permit is not needed as long as it is not protruding into the sidewalk.

Dewey Sutherlin stated there is a tree at First and Vine Streets and you cannot see around it. The tree needs cut down. There was a discussion on what the Richland-Bean Blossom Family Store does for the community as well as an acknowledgment of their 45 years of service.

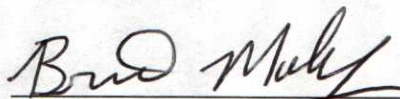
Fire Chief Mike Cornman commented the fireworks show was the best they've had in 23 years. The Ellettsville Police and Police Alliance, volunteer firefighters, Ellettsville firefighters' union as well as Richland-Bean Blossom Community Schools, who allows the use of their property, all helped. It was a good turnout and a good time.

Adjournment

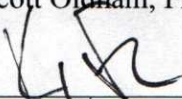
Scott Oldham entertained a motion to adjourn. Kevin Farris so moved. Brice Teter seconded. Scott Oldham adjourned the meeting at 7:30 p.m.



Scott Oldham, President



Brian Mobley, Vice President



Kevin Farris

Brice Teter

Scott Thomas

Sandra C. Hash, Clerk-Treasurer, IAMC, MMC