

PLYMOUTH REDEVELOPMENT COMMISSION

October 20, 2020

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The Plymouth Redevelopment Commission met in regular session at 124 North Michigan Street, Plymouth, Indiana on October 20, 2020 at 5:30 p.m.

As allowed by Governor Holcomb's Executive Order, Commissioners were able to attend the meeting virtually, President Mike Miley called the meeting to order. Miley, along with Commissioners Ellinger and Christiansen attended the meeting virtually. Commissioner Nancy Felde attended the meeting in person. Other attendees included City Attorney Sean Surrisi, Mayor Senter and Clerk-Treasurer Jeanine Xaver. Commission Members Tom Pedavoli and Craig Hopple were absent.

Commissioners Ellinger and Felde moved and seconded to approve the minutes of the last regular meeting of September 15, 2020, as presented. The motion carried.

TIF #1

Update on the Hoham Drive Reconstruction Project

City Engineer Rick Gaul updated the commission members on the initial property acquisition start up for the Hoham Drive project. The environmental paperwork was sent in and should be completed by the next meeting.

Update on the Pioneer Drive Reconstruction Project

City Engineer Rick Gaul updated the commission members on the Pioneer Drive Project. The ditches have been seeded and sodded and currently have straw over it. They are hoping that on Wednesday or Thursday they will be able to get some stone in and be done on the 30th of October.

TIF #2

Update on Riverpark Square Phase 2

City Attorney Surrisi reviewed his following email:

"I apologize for all the emails and not getting this to you sooner. I've been a bit off my game with all the COVID stuff going on this past week. I switched over to my gmail account because for some reason my City webmail wasn't getting through to Mike and Tom. Here's one last thing. It's a contract with Troyer Group for services from permitting through construction design, bidding, and construction administration for River Park Square Phase 2. It's a very short contract which we can go through in detail at the meeting. It's for \$45,900. It was approved by the Park Board at their meeting this month and we are sending it to you as the funding agency for the project. The initial engineers estimate for the project was \$700,000. Under Stellar, this project will be funded by OCRA who will pay for 80% of it, leaving Redevelopment with the 20% match of \$140,000. This \$45,900 will count toward the City's match total, but it be reimbursable on the 80/20 basis since we are funding it outside the scope of the project. That allowed us to directly choose Troyer Group as the consultant to have some continuity from Phase 1 of the project without the need to go through the federal procurement process to select a consultant. Again, sorry for the late addition and I'll be glad to go through this step by step at the meeting."

Surrisi explained that the contract with Troyer is stating that they will be handling services such as permitting, construction design, bidding, and construction administration. The fee for this would be \$45,900 which would be paid from TIF 2. From here the engineers estimated that the total cost of the project would be \$700,000 and since this would be under Stellar it will be funded for OCRA for 80% of the cost. The city's portion of this would be approximately \$140,000 and the \$45,900 will count toward the 20% that the city would be covering. Since this would be done outside of the scope of the project it allowed for the

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continuity from Phase 1 by choosing the Troyer group directly without going through the federal procurement process. Shannon McCloud with Priority Project Resources, Inc., has done the preliminary work for this and was in the progress of the environmental review process for the project. This allowed for McCloud to submit the application to OCRA. They were hoping to be able to begin the construction of this project in the spring or summer of next year.

Ellinger asked Surrisi if the \$140,000 was the 20% that the commission would be responsible for and if the \$45,900 would count toward this or if it would be reimbursable. Surrisi confirmed that the \$140,000 was the percentage that the commission would be responsible for and that the \$45,900 is going toward this percentage.

Felde asked if \$140,000 project that was taken into consideration from this fund earlier in the year. Surrisi confirmed this. Felde asked who was paying Priority Project Resources, Inc. Surrisi said that a certain percentage of paying Shannon would be counted toward the commission's percentage.

Felde asked if this total amount cost ended up going over the \$700,000 if the amount that the commission is responsible for would go up. Surrisi confirmed this as a possibility and added that the Stellar project is fluid in a way. As long as the total at the end of the Stellar projects the amount that OCRA has paid is 80% and the county has paid 20% of it. Felde asked if the Troyer Group were the ones who gave the original \$700,000 estimate. Surrisi confirmed the statement. Felde added that we should ask Troyer to stay within the \$700,000. Surrisi agreed and said that if this were to become an issue there is the possibility to switch out some options or cut some things to stay within the budget.

Felde asked that the Park Board keep the Redevelopment Commission up abreast on the project. Surrisi said he would ask for Mike Hite or Mike Reese to come before the commission to share these points of the construction and costs.

Commissioners Felde and Ellinger moved and seconded to approve the contract with the Troyer Group as presented. The motion carried.

TIF #3

Aquatic Center Update

At the October BZA meeting the electronic messaging board on US 30 was approved and was now in production by Vanadco Signs. This board should be installed later this fall.

Manufacturing Center Update and Lease Approval

Surrisi presented Resolution No. 2020-922, A Resolution of the Plymouth Redevelopment Commission Approving Manufacturing Center Lease. This was the amended agreement of the lease which now includes the term lessee to refer to the commission. This agreement would then be presented to the City Council for consideration at their next meeting on October 26th.

Surrisi explained that this is a 43,200 square foot manufacturing center that can be expanded out to 100,000 square foot. There will be quarterly payments starting after the building reaches water tight conditions. MCEDC has secured financing from Centier Bank for this project for approximately \$1.7 million at 1.25% APR. Interest only payments will be made only in the first 18 months along with utility payments. Once the building becomes water tight that utilities will be put into the commission's name and will be their responsibility for a short period of time. The first quarterly payment will have costs incurred during closing

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itemized which roughly totaled \$22,000. The total of the obligation for any year would be \$80,000 for the commission.

Jerry Chavez explained how the costs that would be included in the first quarterly payment were due to the banks fees and financing that was incurred during the closing for this project.

Surrisi added that the interest on the principle amount comes out to roughly \$53,000. This would make the quarterly payment about \$13,000 and the first payment being \$35,000 due to those fees. He is hoping that there is a buyer in place within this first quarter and then there would be a credit in the next quarter.

Surrisi told the commission that Chavez has accepted another position and will be leaving MCEDC. The first point of contact with Majority Builders will be Greg Hildebrand for the project. There will also be couple of members of Chavez's team who will work to guaranteeing the direction of the build.

Chavez added that this team will be responsible to answering questions and assuring the direction of the build. These members are Matt Flick who is the superintendent of Majority Builders, Mark Umbaugh, and Greg Miller.

Chavez also stated that MCEDC is working to close the RDA loan and the Centier loan by the end of the week. Then Majority builders will be on site by the end of the month.

Miley asked if the commission will be providing builder's risk insurance. Surrisi then told him no that Majority Builders will be responsible for this. As for the liability insurance for the land, it will be provided by MCEDC until the point that the building is turned over to MCEDC. At this point is when the commission will be responsible for insuring the building.

Miley asked if the commission will be named on the builder's risk insurance due to them being responsible for the project. Chavez explained that since they are only responsible for the lease they will not be responsible for the insurance until it is handed over to them. Surrisi confirmed this and explained that that will not be until the building is at a weather tight condition.

Miley asked if they would be responsible for the utilities during the buildout time. Surrisi explained that the commission would not be responsible for the utilities until "occupancy". This would be when Majority Builders takes the utilities out of their name, but during the construction it will be paid by Majority Builders. Chavez then added that the utility bills are covered under Majority Builders construction budget.

Miley asked if they get someone who is looking to buy or lease the property and are looking to build out who will cover the utilities? Chavez stated that once there is someone who wants to build out, the city's responsibly for the utilities ends. They expect the utilities to be very minimal. The one large heater that will be heating the project will be kept at a very low temperature. Chavez mentioned another project and how they have the heater set at 54 degrees and expects this to be similar.

Xaver verified that since the first quarterly payment will include financing and closing costs at approximately \$22,000, that the payment plan will not be 4 equal payments. Surrisi then stated that no they will not be equal, but the commission will be maxed out at \$80,000 for each year. The regular payments should be coming in under or around \$20,000.

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Xaver then asked would they have to pay anymore if the first quarterly payment was \$80,000. Surrisi then stated that no they would not have to pay anymore if they were to hit that max.

Commissioners Ellinger and Felde moved and seconded to approve the Resolution No. 2020-922, A Resolution of the Plymouth Redevelopment Commission Approving Manufacturing Center Lease. The motion carried.

TIF #4

Update on River Gate South Development Project

Surrisi explained that at a previous meeting they created an amendment on the agreement with River Gate South that outlined the punch list items that outlined work for \$22,000. It was decided to roughly double the amount to \$45,000 and withhold this money until the punch list items were completed. About a month and a half ago he, Commission Members Ellinger and Miley walked through the project and found that numerous items that were on the punch list were still not completed. This was communicated to the developer, Scott Sivan and a few more of these items were completed. Surrisi showed images of the completed and incomplete items that were mainly concrete fixes that were on the punch list. The only area that was not completed was the concrete slab that is used to separate a flowerbed to distinguish the park's portion and the River Gate South portion of the flower bed area. He recommended that they withhold just a bit of funding or have the park department remove the concrete piece and have it become just one large triangular bed. There was also a questionable piece of sidewalk on Lake Avenue where the repair may not be up to par. He suggested that a good idea would be to maybe withhold \$1,000 dollars for fixing these two problems. The final recommendation for this would be to release \$44,000.

Felde made a motion to accept the recommendation of the city attorney. The motion died for lack of a second. Ellinger referred to some of the other items that needed to be fixed that were addressed in the past. These items included a patch job over the painting, some pieces of siding still missing, and insulation still showing. He stated that since this job has run over about a year now, and there hasn't been as much work done on this as he believes that there should have been and that more still needed to be done.

Miley then asked if there was a number in mind that he would accept. Ellinger said no, because the cost of these items is unknown. Surrisi then agreed with Ellinger on a many of those items on the building that Ellinger hoped that Sivan would address. Yet, when he was looking at the second amendment to the agreement it outlined only the punch list items. The Mayor, Jerry Chavez and Surrisi originally made up the list of recommendations for the closing of the project with River Gate South when the punch list items were completed. He stated that with how the contract currently stood they do have an obligation to release some of the funds and that they can better refine the amount of funds based on the cast stone pieces that were still missing.

Felde then asked if the Parks Department had walked the project and if they saw these corrections as satisfactory. Miley said that he believed that all the department heads have walked the project.

Felde asked if Mike Hite had noticed the lack of curbing and if he thought this was okay. Surrisi said that he has not had that specific conversation with him regarding the curbing in the flowerbed. Felde was still concerned about this since that curbing defines the property line of what is the City's and the apartment's responsibility to maintain. She would vote for having the curbing put in unless Mike Hite says that he does not care if it is done or not.

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Surrisi stated that the cast stone was set at \$4,800 and that he would suggest withholding \$9,600 from the \$45,000 until that stonework was done.

Commissioner Christiansen agreed with Felde and stated that the compromise that Surrisi came up with does seem to be more reasonable.

Ellinger stated that he was still against it and was disappointed in the developer. He will have a discussion with the developer about the paint and siding.

Commissioners Felde and Ellinger moved and seconded to approve the release of \$34,400 and to withhold \$10,600 until the last of the punch items are completed. The motion carried.

TIF #5 – No Updates

TIF #6

Update on Centennial Crossings

Surrisi stated that this project is full steam ahead. So far, they have had a meeting on the storm drainage plans that were being made, and they were hoping to get a road into the apartments yet this year. Utilities Superintendent Donnie Davidson reported at the last Board of Public Works and Safety meeting that the work sewer lift station to service the area is coming along.

Other Business:

Annual Economic Development Agreement

Surrisi presented the following agreement and explained that this agreement is to support MCEDC in what they do to benefit the City of Plymouth.

ANNUAL ECONOMIC DEVELOPMENT AGREEMENT

Statement of Purpose and Intent

This Agreement is between Marshall County Economic Development Corporation (“MCEDC”), an Indiana not-for-profit corporation, of 2864 Miller Drive, Plymouth, Indiana 46563, and the Plymouth Redevelopment Commission (“Client”), a municipal entity, of 124 N. Michigan Street, Plymouth, Indiana 46563.

The purpose of MCEDC is to expand and diversify the economy of Marshall County and its communities by fostering investment in new and existing facilities and creating entrepreneurial capacity ensuring the economic growth of Marshall County, Indiana and conducting any and all activities consistent with the Corporation being organized exclusively as a corporation exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the “Code”).

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In furtherance of such purposes, MCEDC is providing administrative and consulting services to the political subdivisions of Marshall County to improve business conditions and promote economic growth and development in the community. MCEDC's board, advisory committee and staff are engaged in various aspects of economic development, including business recruitment, business retention, and job creation. The Client's priorities and goals include furthering economic development and growth within its jurisdiction. In order to accomplish the purposes and goals of the Client, the Client desires to engage MCEDC to provide economic development services.

Agreement

In consideration of the Client's payment of \$30,000.00, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MCEDC agrees to provide the Client economic development services, which align with MCEDC's Strategic Plan. The Client agrees that all economic development services provided by MCEDC, whether within the Client's specific community or throughout Marshall County, provide an economic development benefit to the Client. The parties agree that this Agreement will remain in effect for one (1) year from its full execution.

SO AGREED.

MCEDC

CLIENT

By, Jerry Chavez, President/CEO

By, J. Michael Miley, President

DATE: _____

DATE: _____

Clerk-Treasurer Xavier asked how this differs from the \$40,000 being paid annually to MCEDC from the General Fund of the City. Surrisi stated that since the two are a different entity it is just supporting MCEDC. This is the same type of services, but it is permissible to do this.

Commissioners Ellinger and Felde moved and seconded to approve the payment for the Annual Economic Development Agreement. The motion carried.

Approval of Redevelopment Invoices

Clerk-Treasurer Xavier presented the following invoices for the Commission's approval:

- August progress payment to Lochmueller Group in the amount of \$5,124.96 for the Hoham Drive Project to be paid from TIF 1
- August progress payment to Lochmueller Group in the amount of \$6,204.86 for the Pioneer Drive Project to be paid from TIF 1

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- Payment to MCEDC in the amount of \$30,000 for 2020 Economic Development Services to be paid from TIF 1
- Transfer of \$312,526.63 to the Local Road and Bridge Matching Grant Fund for the 50/50 Community Crossings Matching Grant for improvements to Pioneer Drive to be paid from TIF 1
- Professional services agreement with Baker Tilly for Continuing Disclosure in the amount of \$2,518.50 to be paid from TIF 1 and TIF 2
- Rivergate South Construction Development payment in the amount of \$34,400 to be paid from TIF 4

Commissioners Ellinger and Felde moved and seconded to approve payment of the invoices as presented. The motion carried.

The following communications were provided to the Commissioners:

- 1993 TIF Trial Balance – September 2020 (TIF #1)
- 2000 TIF Trial Balance – September 2020 (TIF #2)
- 2005 TIF Trial Balance – September 2020 (TIF #3)
- 2006 TIF Trial Balance – September 2020 (TIF #4)

Commissioners Felde and Ellinger moved and seconded to accept the communications as presented. The motion carried.

Other Business

The next meeting is scheduled for November 17, 2020 at 5:30 p.m. There being no further business to discuss the meeting was declared adjourned at 7:02 p.m. after a motion and second by Commissioners Felde and Ellinger. The motion carried.

Kathryn Hickman Jung,
Recording Secretary