

MINUTES OF THE FORT HARRISON REUSE AUTHORITY  
BOARD MEETING

APRIL 23, 2007

The FHRA Board met at 7:30, April 23, 2007 at 9120 Otis Avenue, FHRA conference Room, Lawrence, IN.

Board Members Present

Mr. Carl L. Drummer, President  
Mr. Dennis Charles, Vice President  
Ms. Ann Lathrop, Secretary-Treasurer  
Ms. Cheryl Sullivan

FHRA Staff

Mr. Ehren T. Bingaman  
Ms. Doris Combs

Members of the Public

Mr. Phil Genetos  
Ms. April Pyatt  
Ms. Virginia Basham  
Mr. Brett Todd, RQAW  
Mr. Richard Dick  
Mr. Bill Rudal  
Mr. Pat Chesebrogh  
Mr. Courtney Chesebrogh  
Mr. Tom Ritman  
Mr. David Alexander

A copy of the public agenda is attached

Meeting was called to order at 8:02.

1. The first item on the agenda was the consideration of the March 2007 minutes. Mr. Drummer called for a motion to approve the minutes. Mr. Charles made the motion and Ms. Sullivan seconded. The vote was unanimous to approve.

2. The second item was consideration of PUD for Lawrence Village at the Fort. FHRA will file petition April 24, 2007 to amend and create a new PUD for the Lawrence Village. The action comes before the board authorizing the Executive Director to proceed with the filing of the petition. Mr. Drummer called for a motion. Ms. Lathrop moved and Ms. Sullivan seconded. The vote was unanimous for approval.

3. The third item on agenda was consideration of extension to Coastal Properties for option of 1.8 acres on East 56<sup>th</sup> Street. Coastal Properties has already developed two acres on 56<sup>th</sup> Street and need two additional weeks to close on the 1.8 acre option. This is a request to the board to accept an amendment to the standard purchase agreement to May 30, 2007. Mr. Drummer called for a motion. Ms. Lathrop moved and Mr. Charles seconded. The vote was unanimous to amend the purchase agreement.

4. The fourth item on agenda was an update from VLB Associates regarding progress on Lawton Loop condo project. Mr. Bingaman stated VLB Associates has been working to develop the east side of Lawton Loop. A letter from FHRA was sent to Ms. Basham requesting her presence at the board to give an update on the project.

Mr. Brett Dodd, RQAW introduced Ms. Basham, Bill Rudal, VLB Associates; Pat Chesebrogh and Courtney Chesebrogh, Marketing Firm/Century 21; and Richard Dick who represents Ms. Basham in matters that become a concern. Mr. Dodd stated the board was sent an overview of the project a few months ago giving the background and history. A lot was learned about what happened with the last project with what came up and several challenges. The new construction team for the project is Gilliatte Construction and financing for the project that is not dependent on sales so there is more fluid cash flow. There will be full time supervision of qualified personnel and will also have subcontractors experienced with the building. The team will be more involved in the project with RQAW Corporation; architectures and engineers will also be involved in quality control and oversight. There are five governing agency on this project. A schedule has been developed which VLB is committed to showing the project completed in May 2008.

An overview of the project is Moorhead and Brooks Buildings have been completed. The Davis building is our next project. Building 622 is anticipated to become a single family dwelling; Building 669 will become a duplex; Buildings 670 and 671 will be the same as what was done before; Building 672 will be looked at as an office/condo.

Mr. Dodd stated that Gilliatte had done a lot of similar projects and with a very expeditious schedules. The key issue is Gillette has related project experience with historical restoration. Mr. Tom Ritman is the President and will oversee the project; David Alexander is the project manager; Larry Bowling will be the site superintendent full time.

Everything that is done will first go through the Fort Harrison Reuse Authority and will then be disseminated from

there. Demo will run simultaneously and will be from one building to the next. The key to the project is having enough labor force and having it done simultaneous; also the cash flow that is necessary which is not contingent upon sales. The developer is working with Regents Bank and anticipates that being finished by May 1. The team is geared up to break ground as soon as financing is approved.

Mr. Dodd stated law suits were an issue; but VLB Associates met the litigants last Thursday to go through the final list of their issues and present it. It was the general consensus of that group that the law suit could be dropped this week. VLB is waiting for a draft of the covenants; they (the litigants) want it to be defined as an independent association. Mr. Dick is working on the format. According to a letter from Landmark Title Company, they know of no liens on these projects.

Ms. Basham was advised by her tax attorney to not pay taxes because they were unfairly assessed. The taxes Ms. Basham received were based on the units being sold, fully developed. Ms. Basham should be receiving a credit.

Mr. Drummer asked if VLB had a signed contract with Gilliattee effective today (April 23). Mr. Dodd responded that a contract cannot be signed until financing is complete. Mr. Drummer asked if financing would be complete in May; Mr. Dodd replied first week of May. Mr. Dodd also stated that Ms. Basham had several different options on finance - National City, Regions. Both banks wanted to fund the whole project; they don't want to do one piece at a time. Regions seem to be giving Ms. Basham the best option and she is hoping to have a letter from them this week. But they are still in the process of working out the details and approval.

Mr. Drummer asked a hypothetical question - if National City, Regions, whomever financing doesn't come through in May 1, where do you go from there? Mr. Dodd stated the developer has a private investor who could finance the project.

Mr. Bingaman asked the marketing group what type of activity they were having? Are you having agents actually bring people out or are you having to do most of the outreach to bring people in? A Century 21 rep, Pat Chesebrogh, stated they came on board January 12, 2007 and recognized immediately that no one knew this project existed. They contacted various realtors on the north side. Century 21 is manning the model seven days a week, 11:00-5:00, and started inviting realtors, two at a time, and showing them the project. Realtors are now showing the project.

Ms. Lathrop asked how many units had been sold since they started showing them. Mr. Chesebrogh stated 3 were sold in March; 3 pre-sales pending; and are in negotiation with a client on the price of a unit. Two offers were turned down.

Mr. Drummer stated that Gilliatte's schedule projected May 8 but the actual schedule is May 25 for the project to be completed. Mr. Ritman stated that date was obtainable.

Ms. Sullivan suggested that since we were a year away from the deadlines perhaps the full board or the executive director could get regular updates on the project.

Mr. Ritman stated Gilliatte would be holding weekly project meetings and they could provide the board/FHRA with monthly reports. Mr. Bingaman asked if he could be notified of dates of weekly meetings.

Mr. Bingaman stated they were three items which the board would like to see:

- Formal notification of lawsuits withdrawn by condo owners;
- Formal notification when VLB receives financing;
- Formal notification when contract is executed with Gilliatte

Mr. Bingaman suggested when contractors were working on Buildings 670, 671, 672, could there be some kind of safety fencing around the building? It would be a demonstration of good faith, particularly for people on the Loop. Mr. Ritman replied that was a possibility and that Gilliatte had done a site survey on Thursday and secured all the buildings.

Mr. Charles asked if the board could get a revised schedule of the timeline and if any key dates were missed to please notify the board right away and what remedy would be used to keep it on schedule. Mr. Ritman replies they would have a much more detailed schedule once they start on the project.

Mr. Bingaman reminded the board of the grand opening for Commissary/PX on June 20, 9:00 AM.

Meeting was adjourned.