

FORT HARRISON REUSE AUTHORITY BOARD MINUTES
Monday, August 17, 2009

The FHRA Board met in public session at 9120 Otis Avenue, FHRA conference room, Lawrence, IN at 5:30 PM.

FHRA Board Members Present

Ms. Ann Lathrop, President
Mr. Jeff Congdon, Secretary/Treasurer
Mr. Jeff Coats, Member
Mr. Quake Pletcher, Member

FHRA Staff

Ms. Kris Butler, Executive Director
Ms. Jennifer Baker, Executive Assistant

Members of the Public

Mr. Phil Passen, Meyer Najem
Mr. Guy E Waddy, Historic Standish Estates HOA
Mr. Charles Thompson, Boston Commons HOA
Mr. Bob Gallant, Browning
Mr. Phil Genetos, Ice Miller
Mr. Arthur Baskin, IIT Corp

A copy of the public agenda is attached.

Official Public Meeting was called to order at 5:35pm by Ms. Ann Lathrop.

The first item on the agenda was the approval of the minutes from the July 20, 2009 board meeting. Mr. Pletcher made a motion to approve the minutes. Mr. Congdon seconded. Motion passed.

The second item on the agenda was the Fiscal Update given by Ms. Butler. Currently the FHRA has about \$89,000 in its operating account. The approval for the line of credit to sustain operations is still forthcoming from Fifth Third.

The 2008 Audit is very close to completion.

Ms. Lathrop pointed out that the new windows that were installed in the building earlier this year have already saved the FHRA just over \$900.00 in electricity costs.

The third item on the agenda was the Executive Director's Report.

The new vending machine will be delivered this week. If we can sell a certain amount of product each month, we will be given a percentage of sales which could help supplement our petty cash needs.

Ms. Butler stated that the FHRA building is full and that we have been contacted by someone who may be interested in renting the board room as additional office space. We are entertaining that idea and in that event, we would need to finish the basement so it could be used as our board room/conference room. We have rented out the board room for conferences and meetings from time to time to help supplement building maintenance costs.

We are still holding a "garage sale" in September with other Fort business owners to sell furniture that's no longer needed. Proceeds from this sale will be used to supplement costs associated with finishing basement space.

Ms. Butler stated that at this time, we have no word on the VLB lawsuit.

Ms. Lathrop asked if there were any questions regarding the Director's Report. There were none.

The final item on the agenda was New Business.

Ms. Lathrop called for a vote regarding:

1a. Use of TIF Revenue

This vote agrees that the continued upkeep and maintenance of grounds and structures at the Fort constitute a local public improvement and can therefore be paid for through TIF revenue.

As the operating budget continues to dwindle; and prior to using a line of credit for basic operating functions, we have explored other financing options. After careful review of the Authority's statute on the use of TIF revenue, we have learned that the continued maintenance of property and grounds can be considered local public improvement and directly benefiting the allocation area. Therefore, TIF revenue can be used to pay for grass mowing along 56th Street and within the Village as well as for building maintenance. Mr. Pletcher motioned for approval. Mr. Congdon seconded. Motion passed unanimously.

1b. Reimbursement from TIF into Operating

This vote directs the executive director to authorize the reimbursement of previous expenses and expenditures as a result of continued upkeep and maintenance of the grounds and structure located in the Allocation Area. Since the majority of expenses began in 2008 as a result of ongoing work to improve the infrastructure and appearance of Fort property, we are recommending that reimbursement commence January 2008. As a result, approximately \$87,000 of costs paid for out of FHRA operating budget would be reimbursed to the operating budget from TIF revenue. Mr. Coats motioned for approval. Mr. Congdon seconded. Motion passed unanimously.

1c. Authorization to allow Ice Miller's lobbying group to begin preparations for the 2010 general assembly

This vote allows the FHRA to pursue a contract with Ice Miller to research, prepare and lobby on our behalf at the 2010 general assembly regarding an amendment to the statute for use of excess TIF as it relates to FHRA operations.

C 36-7-30-25 (b)(2) provides that TIF can be used to pay bonds, establish a reserve, pay lease financing, reimburse other governmental entities for expenditures that serve or benefit the TIF area, pay the property tax replacement credit, pay expenses for local public improvements and structures, and reimburse for training grants. Further, it says "the allocation [TIF] fund may not be used for operating expenses of the authority".

The FHRA needs to develop a legislative plan to request an amendment specific to this statute for use of excess TIF for operating and explain to local legislators why it is needed. Ice Miller believes that we will be given a fair hearing on this if properly presented. The FHRA has existed a long time without any tax support for operations, but now needs it as property sales become less frequent, particularly in this economy. Mr. Pletcher motioned for approval. Mr. Coats seconded. Motion passed unanimously.

Mr. Genetos of Ice Miller will draft the fees associated with the 2010 General Assembly costs by October and present them to the board.

The second item of New Business was the construction update given by Mr. Phil Passen. Mr. Passen shared that the contingency amount increased by \$30,000 last month due to a change order. However, there was a negotiation of material costs made and we actually received a credit of \$36,000.

Mr. Passen said the construction process is looking good. Liming the new roads should start around August 18 with curbs starting around August 23. They should have pavement on roads done by September 23.

Poindexter has hauled off 3 truck loads of contaminated soil from the corner of Hawkins and Birtz Roads. They are still waiting for the test results to tell us the extent of the contamination; however, the environmental engineer has told them they see no reason for concern.

Construction of the footers for the Ravine's boardwalk will start August 24. They will start construction of the boardwalk on September 14 and should be finished around October 23.

Completion of Phase I is scheduled for November 13.

59th Street and Wheeler Road will close on September 28. That's when Phase II starts. Completion date is still December 18, 2009.

The next item of New Business was the Marketing Update given by Mr. Bob Gallant. Mr. Gallant stated that he is hoping for a Letter of Intent from one of the prospects in the next couple of weeks. He stated there is a meeting scheduled with a restaurant owner this week. The goal of the FHRA is to start pressing on more retail.

Ms. Lathrop asked if there were any other questions or comments to come before the board. There were none.

Mr. Pletcher made a motion to adjourn the meeting. Mr. Coats seconded. Meeting adjourned at 5:55 pm.