

FORT HARRISON REUSE AUTHORITY BOARD MINUTES  
FEBRUARY 25, 2008

The FHRA Board met in public session at 9120 Otis Avenue, FHRA conference room, Lawrence, IN at 5:32 PM.

FHRA Board Members Present

Ms. Ann Lathrop, President  
Ms. Kris Butler, Vice President  
Mr. Quake Pletcher, Secretary/Treasurer  
Mr. Keith Mathews, Member

FHRA Staff

Ms. Cassandra Ashley-Jordan, Executive Director  
Ms. Doris Combs, Executive Assistant

Members of the Public

Mr. Phil Genetos, Ice Miller  
Ms. Kim Reeves, Browning  
Mr. Joe Desormiers, Browning  
Ms. Tina Cannon, Historic Landmakers Foundation of IN  
Mr. Roger Reason, Resident, Lawton Loop E.  
Mr. Bob Pychinka, Resident, Lawton Loop E.  
Dave Calip, Resident, Lawton Loop E.  
Mr. Arthur Baskin, Resident, Lawton Loop  
Mr. & Mrs. Pat Omelly, Resident, Lawton Loop W.  
Mr. Jeff Congdon, Resident, Lawton Loop  
Ms. Kelly Horst, Resident, Lawton Loop  
Ms. Judy Byron, Resident, Lawton Loop  
Mr. Mike Osterling, Resident, Lawton Loop W.  
Mr. Robert Overton, Overton Architectural Services  
Mr. Jim Kane, Resident, Lawton Loop  
Mr. Tom Crouch, City of Lawrence  
Mr. Brett Dodd, RQAW  
Mr. Adam Horst, Resident, Lawton Loop

A copy of the public agenda is attached.

Ms. Lathrop stated there were several items on the agenda; and many of them are informational. It is to give visibility to the public as related to the process. There are a

lot of documents that are available in draft form and more than likely will be discussed in the March meeting. FHRA is trying to get these issues out in the public domain

1. The first item on the agenda was the approval of the January 28, 2008 minutes. Ms. Lathrop called for a motion to approve the minutes. Mr. Pletcher made the motion and Ms. Butler seconded. The vote was unanimous to approve the minutes.

2. The second item on the agenda was the presentation of draft of 2008 Operating Budget for FHRA. Ms. Lathrop asked Ms. Ashley-Jordan to talk about the assumptions in the budget and the next steps that will be brought before the board in March.

Ms. Ashley-Jordan stated she had a draft 2008 operating budget which contains the following assumptions and considerations. When the budget was put together it was assumed there would be no parcel sales of land. Of course, FHRA believes there will be some parcels sold, but Ms. Ashley-Jordan stated the board needed to see the impact of the worse case scenario in case parcels are not sold. Second assumption is that all Fort Harrison Reuse Authority insurance coverage, except the board bonding, is included under the board insurance which includes general operating insurance, building insurance, auto insurance, excess and criminal. Also, the sanitary sewer expense will decrease when the Assessors Office updates it records. Finally, there are February expenditures that are still coming in. FHRA has a PERF credit of \$3,000.00 which was applied to the 1st Quarter of 2008 and therefore is not represented on the budget. Ms. Ashley-Jordan will meet with FHRA Secretary/Treasurer to discuss and finalize the operating budget which will be presented at the March 2008 meeting.

Ms. Lathrop stated there were two budget at FHRA. The first is the operating budget which is funded from the rental income which comes from the tenants in Building 28 and a couple of other buildings FHRA owns and any land sales. That is what keeps the operation going. The infrastructure that gets paid for and the capital improvements is usually done through a TIF bonding. When Ms. Ashley-Jordan made the assumption that no pieces of land sold it shows the board how much it costs to operate the Reuse Authority and the minimum number of land sales FHRA needs to make to keep the doors open. Ms. Lathrop asked the board members to review the draft and get any questions to Ms. Ashley-Jordan and Mr. Pletcher before the March board meeting.

3. The third item on the agenda is the status of Capital Budget which are for infrastructure improvements that the Reuse Authority can use. FHRA does not have a finalized capital budget; FHRA is working with Browning and will be spending quite a bit of time in the next 30 days on this topic. There are a lot of changes that are going to happen related to property taxes at the General Assembly which will have an impact on FHRA's ability to do financing for the future through tax increment planning. FHRA is going to hold off for the next 30 days and take a look at the infrastructure needs. Ms. Lathrop stated this was an action item from the last board meeting and will be discussed at the March meeting.

4. The fourth item on the agenda is consideration and update on looking at the current debt outstanding at the Reuse Authority and doing a rate swap which would be converting some of FHRA's variable rate debt into a fixed rate debt. Looking at marketing conditions the interest rates have gone down and FHRA is looking at what the viability of this. FHRA's executive director is working with the financial advisor firm to run some models and get some scenario's. There probably will be part of FHRA's variable rate debt that is going to be converted to fixed rate and you will see that at the March board meeting.

Mr. Congdon, a member of the audience, asked if there were two bond issues.

Ms. Lathrop stated there were two and this bond issue is the one FHRA has with 5<sup>th</sup> Third. This is our H Series at the variable rate.

Mr. Congdon asked Ms. Lathrop if FHRA was talking about a rate swap on one or more of the two. Ms. Lathrop stated the second bond was fixed. There is a of how long FHRA would want to fix something, how much of it and how many years without extending the debt period.

5. The fifth item on agenda is YMCA amendment to lease agreement. FHRA does not have the final lease. The item will be tabled. This came before the board in December, but because new officers have been elected the board has to take a second look at the amendment.

6. The six item on the agenda is an update from VLB. Ms Ashley-Jordan stated that in February VLB had stopped construction so they can get total ARC approval of their site plan. FHRA met with VLB last week and they were able to comply with the requirements of the implementation strategy in the Master Plan. There were a couple of issues that needed to be clarified – very minor. FHRA has conditionally approved their proposed improvements to Building 666 with the caveat that VLB would provide clarification that the ARC requested within 30 days. Ms. Ashley-Jordan asked Mr. Brett Dodd, RQAW, architect for VLB, to give an update on the project.

Ms. Lathrop asked if the City of Lawrence stopped the construction because they did not have the architectural review committee (ARC) approval; and if this was the piece that had been resolved at this point. Ms. Ashley-Jordan replied "yes". Ms. Lathrop asked if there was any change to the agreement to get the buildings done by a specific date when the ARC gave that approval to move forward. Ms. Ashley-Jordan stated that was correct.

Mr. Congdon stated there were two stop work orders on the front door. One said no City of Lawrence approval and one said no permits. Is that all the same or two separate stop work orders?

Ms. Ashley-Jordan replied that it was her understand that there was one request that VLB cease improvements until they get ARC approval. That was on the City's initiative.

After they satisfied the ARC request for clarification there were able to resume construction.

Mr. Dodd stated the confusion really began when the City originally approved permits. The permits were issued based on ILP which was approved sometime ago when the Reuse Authority gave approval for all three north buildings. So 5813 was listed on the ILP and it was done by Lynn Boese. The City was acting on an IPL which approved all three buildings and they issued a permit, so somewhere along the line the City heard or understood VLB was resubmitting all this documentation through the new Reuse Authority. It has been three generations – Lynn Boese, Ehren Bingaman and Cassandra Ashley-Jordan. VLB was submitting these plans again to a new authority, a new group who has not seen them because this project had gone through three administrations. Mr. Dodd stated he though the confusion was there was an IPL out there that the FHRA did give approval at one time for all three North Garrison buildings. VLB went through the process again to bring the new administration up to speed; and they had a different set of requirements. The outstanding items are the contractor wants to paint some more blocks to upgrade the dumpsters. Some of the split faced block will be changed to match the limestones.

Mr. Congdon asked is SHIPO was in on this project.

Mr. Dodd replied that he had worked with Mr. Duvall. Mr. Duvall had two issues. One was he wanted to see the final Master Plan. VLB made an agreement with FHRA three or four years ago that VLB would not do anything with SHIPO until receiving FHRA's approval first. VLB just got approval of the Master Plan last week and it will be send to Mr. Duvall. The other issue Mr. Duvall had was he did not want to see any exposed brick in the remaining buildings. VLB needs to confirm that brick walls will be out and drywall will be used instead. VLB could not send this to SHIPO until receiving approval from FHRA because that was the agreement. FHRA will be the first point and then it will be sent to SHIPO.

Ms. Ashley-Jordan asked me to present the Master Plan that VLB has been working on for sometime. This is fairly consistent with what VLB has been working