

MINUTES OF FORT HARRISON REUSE AUTHORITY  
BOARD MEETING  
February 17, 2005

The FHRA Board met in executive session at 4:30 on Thursday, February 17, 2005. The FHRA Board met in public session at 9120 Otis Avenue, Conference Room, Lawrence, IN.

FHRA Board Members Present

Mr. Carl L. Drummer, President  
Mr. Dennis Charles, Vice President  
Ms. Cheryl Sullivan, Member  
Mr. Paul Ricketts, Member  
FHRA Board Member Absent  
Ms. Ann Lathrop, Secretary-Treasurer

FHRA Staff

Mr. Ehren Bingaman, Executive Director  
Ms. Doris Combs, Executive Assistant  
Ms. April Pyatt Sparks, Counsel  
Mr. Phil Gentos, Counsel

Members of the Public

Ms. Colleen Couch, Harrison Commerce Park  
Mr. Terry Barethier, Harrison Commerce Park  
Stan Hirsch, City of Lawrence  
Ms. Bessie Harrison, National City Bank  
Mr. Tim McCoy, YMCA  
Mr. John Hardy, LENOCO  
Mr. Tom Crouch

A copy of the published agenda is attached.

Meeting was called to order at 5:05.

1. The first item on the agenda was the approval of the January 20, 2005 board meeting minutes. Mr. Drummer called for a motion to approve the minutes. Mr. Charles made the motion and Mr. Drummer seconded. The vote was unanimous to approve.

2. The second item was appointing Mr. Ehren Bingaman to Chairperson of the Architectural Review Commission by the authority of the board. Board member Paul Ricketts will assist him in that position. The Board did not take a vote, but acknowledge that they have appointed Mr. Bingaman to that position for the information of the public.

3. Next item on agenda was Resolution authorizing sale of Theatre (Building 610) to City of Lawrence. Mr. Bingaman stated that back in November the Reuse Authority Board

agreed to enter into an agreement with City of Lawrence to transfer Building 610 which is currently the National Reserve Band Theatre. This is the resolution to authorize the Reuse Authority to execute the transfer to the City of Lawrence. Mr. Drummer made the motion to close the resolution. Mr. Charles seconded. The vote was unanimous in favor.

4. Next item was resolution authorizing sale of 3.6 acres of land to LENOCO. Mr. Bingaman stated LENOCO Technologies is building an office development on a site on 56<sup>th</sup> Street. This resolution would authorize execution of the purchase agreement with LENOCO. Mr. Drummer ask if anyone was there from LENOCO. Mr. Hardy, a representative for LENOCO, stated that they were excited to bring LENOCO to Lawrence. This will be their Headquarters, and they look forward to the board passing the resolution to bring them one step closer to closing. Mr. Drummer ask how many employees LENOCO had. Mr. Hardy stated they had 29, but are actively recruiting. And their expansion plan calls for up to 80 employees. Mr. Drummer made the motion to accept; Ms. Sullivan seconded.

Mr. Ricketts stated he felt the Reuse Authority needs to look at the abatement issue. He feels it is a good tool; but also feels it is undermining development in the Reuse area. Previous investors in the FHRA area have gone out on a limb the last few years and rolled the dice when they didn't have the pleasure of having an abatement. He feels it could undermine the FHRA in some degree. The board should look at whether abatements can be issued in the Reuse Authority area, without Reuse Authority signing off on it. Mr. Drummer ask if that was what took place. Mr. Ricketts said he wasn't even sure the Reuse Authority knew; but felt the City of Lawrence knew that the abatement was going to be granted. He indicated he was not faulting the company, he felt they had made some good promises and he hoped they followed through. Mr. Ricketts feels we (Reuse Authority) has to keep some control or be advised.

Mr. Drummer introduced Ms. Sullivan and welcomed her to board. She lives in Lawrence and is the Mayor of Lawrence's appointee. Mr. Drummer stated she would be an asset to the board.

Mr. Drummer also introduced Mr. Ricketts and welcomed him to the board; and stated the Board looked forward to working with the new members.

5. Next item is Amendment 13 between FHRA and US Army. Amendment 13 references a document in which the Reuse Authority has an agreement with the US Army from the original conveyance of the Reuse Authority land, the FHRA still owes the US Army approximately \$3M dollars for that

land. Amendment 13 does prevent FHRA from making that payment and continue to pursue the Commissary/PX project so that when the new Commissary/PX is completed and handed over to the Army the Reuse Authority receives title to land where the PX and commissary are now, and the \$3 million dollars would also be waived. Amendment 13 essentially states that the Army will not be coming to collect their money for about a year. Mr. Drummer made the motion; Dennis Charles seconded. The vote was unanimous in favor of Amendment 13.

8. Chamber of Commerce lease - The Chamber of Commerce is a partner in economic development organization in Lawrence and the greater region. They are also partners in the work the FHRA is trying to do here. To help the Chamber survive a challenging fiscal period the FHRA is going to extend them a lease where they would not pay rent this first year. Then over a period of years the FHRA will "ratchet" up the rent rate so that they would be at a comparable rate. The FHRA does not normally bring before the board building leases; this was an exception to the rule rather than the rule. Mr. Ricketts asked if common maintenance would be absorbed by Reuse Authority.

Mr. Bingaman stated in the first year "yes". Common maintenance is generally part of the fees and if the FHRA and tenants go over a budgeted amount, the FHRA would assess the tenants in this building. Those will be waived the first year. Mr. Ricketts asked if that particular waiver or no income would be distributed to other people in the building. Mr. Bingaman stated no. Ms. Sullivan made motion to accept; Dennis Charles seconded. Vote was unanimous.

9. Authorization for Executive Director, FHRA to enter into negotiations with appraisal company - Mr. Bingaman stated that the previous board meeting in January, Resolution 2005-1 was an authorization for the Reuse Authority to extend a line of credit with its bank, Fifth Third. This is an operating credit used for emergency purposes; however, because of the pace of development in the Reuse Authority area and the dwindling amount of property, Fifth Third Bank has requested that the FHRA engage in an appraisal of the remaining properties. The Board felt that was a fair deal; and also feel it is an important step in terms of financing options for the Town Center development. In its agreement with Fifth Third Bank, the Reuse Authority promises to engage the appraisal prior to May 1; so the FHRA is getting a head start with the intent to bring this before the board in March. Mr. Charles made motion to accept; Mr. Ricketts seconded. The vote was unanimous.

10. Authorization of Executive Director to enter into agreement with the Indianapolis Urban Enterprise Association was dismissed.

Meeting was adjourned.

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Dennis Charles  
Secretary/Treasurer

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Carl L. Drummer  
President