

FORT HARRISON REUSE AUTHORITY BOARD MINUTES
Monday, March 16, 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. Keith Mathews, Member
Mr. Quake Pletcher, Member

FHRA Staff

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

Members of the Public

Sherron Freeman, Lawrence City Council District 3
Guy E Waddy, Board Member Historic Standish Estate HOA
John A Pappas, Acorn Group, Commercial Real Estate
Angela Gilmer, Standish Estates HOA
Charles Thompson, Boston Commons HOA
Dave & Linda Colip, Lawton Loop East
Dr. Bob Pychinka, 5755 Lawton Loop East
Kim Reeves, Browning

A copy of the public agenda is attached.

Official Public Hearing was called to order at 5:33pm.

Ms. Lathrop called to order the public hearing as it relates to the FHRA's bond debt financing. Ms. Lathrop asked the audience if there was any one who wanted to speak on that issue. No response was given. She asked the question a second time and no comments were made. Ms. Lathrop asked if there were a Board motion to close the Public Hearing. Motion passed.

The Public Meeting then began with the first item on the agenda being the approval of the January 5, 2009 & February 16, 2009 minutes. Ms. Lathrop asked if the members had a chance to review. All replied that they had. Ms. Lathrop asked if there was a motion to approve. Motion passed unanimously.

Ms. Lathrop welcomed the newest member of the Board, Mr. Jeff Coats who was appointed by the Mayor of Lawrence.

Mr. Coats gave us a little of his background stating that he has been a resident of Lawrence for 11-12 years. He is married with 3 children that attend Lawrence Township schools.

Mr. Coats is replacing Mayor Ricketts on the FHRA's Board.

The next item on the agenda was the Fiscal Update. The Secretary/Treasurer spoke and said we are trying to forecast the future. He said we know what we've spent in the past years. Mr. Congdon said the revenues of the Reuse Authority are so indefinite. He is projecting one sale of property this year. With the sale and the rental income, the FHRA's expected revenue this year will be about \$141,000. The FHRA will spend about \$402,000 with a net deficit of \$261,000. This will hit the FHRA mid 3rd quarter unless we have more real estate sales. Mr. Congdon encouraged everyone at the meeting to help sell some land. Ms. Lathrop asked if anyone had questions. Ms. Butler added that we have 3 vacant spaces currently in the building. She said that we have several people interested but no "bites" yet. With that, we stand to make under \$50,000 this year in rental income. If the FHRA were to fill the rental space we would stand to make up to \$92,000 in rent. Ms. Butler said the FHRA needs interest in renting the building as well.

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

Ms. Lathrop reminded everyone that the Director's report is always available at the Reuse Authority's office for review.

Browning and Ms. Butler have been interviewing Broker Developers in light of the recent departure of Zickler. They found to better market the property, specifically retail; it would be a great idea to partner with a Broker/Developer. Browning and Ms. Butler have been interviewing candidates. This agreement would be based on commission instead of monthly fees.

The TIF Revenue Bond was approved by the Lawrence Council today, the Indianapolis Bond Bank Board approved the Indianapolis Bond Bank doing the revenue bond and giving us a moral obligation on that bond up to \$12,000,000. The next steps will be to present to the Economic Development Committee and then based on the outcome of that, then City-County Council will vote.

Ms. Butler reminded us that the review of parcels owned by the FHRA is still on-going. The Marion County Assessor has parcels listed that we no longer own. Fortunately, we are not paying taxes on that land but we still need to get that corrected.

Ms. Butler stated that Ms. Baker has been diligently going thru all our contracts with vendors reviewing them and making sure we are getting the best deal for our money.

Ms. Butler stated that Ms. Baker has obtained 7 roofing estimates. It is mandatory that we replace the flat portion of the roof. The best estimate seems to be from Horning Roofing. The FHRA is prepared to go with them. The cost will be \$18,900 which will be paid from TIF. We are also in the process of getting estimates for window replacements. Replacing the windows would greatly reduce utility costs and will be paid from TIF as well.

Ms. Lathrop thanked Ms. Baker for reviewing all the contracts with vendors. She understands this is a very tedious task and they've needed reviewed for many years. Mr. Congdon added to Ms. Lathrop's comments and said that he believes that due to the due diligence of Ms. Butler & Ms. Baker that we are cutting expenses by 20%.

Ms. Lathrop asked for questions or comments regarding the Executive Director's report. There were none.

The next item on the agenda required a board vote for the Preliminary Bond Resolution. This vote authorizes the issuance of tax increment revenue bonds for the purpose of providing funds to be applied to pay for certain expenses in connection with the first phase of infrastructure for Lawrence Village at the Fort. The FHRA will proceed with the issuance of its 2009 Bonds not to exceed \$12,345,000. Ms. Lathrop reminded this is not an extension of time on the TIF and is able to maintain our debt service coverage without increasing or taking any additional dollars. Mr. Congdon said that he believes if we do not move forward with this bond it will be very difficult to complete the Village Project. Ms. Lathrop agreed and said we are in a very difficult to market. Ms. Lathrop asked for questions from the board. Ms. Lathrop asked if there was a motion to approve. Mr. Congdon moved to approve. Mr. Mathews seconded. The vote was unanimously approved.

The next item was FHRA vs. VLB. The board has agreed on the best remedy regarding the default of VLB's purchase agreement for the Lawton Loop Condominium project. The remedy is that the board will move forward with filing a default judgment based on the assessment that the board has already provided to VLB. An evidentiary hearing will be held to reevaluate our ability to collect those funds from VLB. FHRA is also trying to balance the legal fees against the default amount. The maximum amount of legal fees that should be incurred for those two actions is \$4,500. Ms. Lathrop asked if there were any questions related to FHRA vs. VLB. There were none.

The next item was the Burns Development Purchase Agreement that the Board agreed to continue to negotiate pending the submission of some final paperwork which was received today. There have been no other changes to the purchase agreement since last discussed. Ms. Lathrop asked if there was a motion to approve the final agreement. Mr. Mathews moved to approve the motion. Ms. Lathrop asked for a second. Mr. Pletcher seconded. Motion passed.

Ms. Butler gave us the Infrastructure Project update. She told us that the pre-bid meeting took place this morning as well as a tour of the area. She said that questions and addendums will happen over the next two week. She said the bid date will probably be moved back from 4/6/09 to 4/14/09 which will better coincide with the bond issuance. By April 14, 2009 we will have the bids in and will determine who the lowest and most responsive bid is. At that time a Special Board Meeting will be called to approve the contract. Construction should begin mid-late April. Ms. Butler offered just as general information; the construction manager is planning the best way to close our roads as to not inconvenience our neighbors. Ms. Butler said the project should be completed by the end of November 2009.

Ms. Lathrop asked if there was any concern of the Stimulus driving up construction costs. Ms. Butler said there is risk of that so that is why the FHRA is moving forward quickly to get contracts in place before contractors receive infrastructure stimulus money from the federal government.

Ms. Butler gave an update on the Skate Park and assured us it will be completed this year. The project was sent out for re-bid. Bids are due back March 20. Ms. Butler was told by April that construction will begin on the skate park located in Lawrence Community Park.

Ms. Lathrop asked if there were any public issues or comments to come before the board.

A member of the public had a question about the Master Plan and where she can review it. Ms. Butler offered to show the Master Plan to her. She also asked if any changes can be made in regards to the standards and content. Ms. Butler explained that changes are possible and the board is willing to remain flexible. Ms. Butler stated that the project in total, will increase property value as well as increase tax dollars that will benefit area businesses.

A member of the public asked about the budget and wanted to know why the accounting fees are so high. Mr. Congdon explained this is due to the annual certified audit. The forecasted accounting fees in 2009 will be \$36,000.

Ms. Lathrop asked if there were any other comments from the public. There were none.

Ms. Lathrop asked for a motion to adjourn the meeting. Mr. Congdon made the motion. Meeting adjourned at 6:00pm.