

FORT HARRISON REUSE AUTHORITY BOARD MINUTES
Monday, December 18, 2017

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

FHRA Board Members Present

Marci Reddick, President
Jeff Congdon, Vice President
Russell Brown, Secretary Treasurer
Curtis Bisgbee, Board Member

FHRA Staff Present

Freddie Burrus, Executive Director
Heather Millikan, Executive Assistant

Public in Attendance

April Pyatt, Ice Miller
Michael Allen, Ice Miller
Kim Reeves, Browning Investments
Chris Barnett, Lawrence CDC
Peggy Blackman, resident
Jenny Burgess, YMCA
Marcy Worley, Porter Books & Breads
Bruce Hugon, LLE resident

The official public meeting was called to order by Board President Marci Reddick. Ms. Reddick introduced the board members present and FHRA staff. First item is a Secretary Treasurer's report.

Mr. Brown stated that copies of the monthly financials were available to take. He stated that year end spending was in line with what they anticipated. We'll talk about a new item under new business.

The next item of business is the Executive Director's update. Mr. Burrus stated that he did not have a report but had a few updates. The Post Office Suites completed 2017 with a 100% occupancy rate for the past two years.

Three restaurants joined the Village this year. Phaya Thai Street Food at 5645 Post, Fitzgerald's Lunch House at 9130 Otis and at Ivy Tech the City Soups and Sandwiches on the north end which is bringing in a lot of students and army folks.

Phase one consisting of 38 homes were completed and sold. Lot 7 was sold in Phase 2 last week leaving only 15 lots to complete the neighborhood of 74. Ms. Reddick stated we are talking about the David Weekley Homes for the new people here.

Also in 2017 Parcel G was sold to David Weekley for Phase 3 of the Residences of Lawrence Village which will bring 60 additional homes to the Village.

This summer Art to Remember opened up at 59th and Lee and in peak season will house approximately 100 employees.

Approximately 5 acres were sold to the Ackermann Group to add 116 units to the Fort Apartments.

Mr. Brown stated that Art to Remember was completely done in this year and they are open for business. They are doing great business and we are super happy to have them here. Ms. Reddick said they thought that parcel would be the last to be developed so they were surprised to have that happen.

Ms. Reddick stated the first item of new business on the agenda is approval of the November 20th board meeting minutes. Mr. Congdon made a motion to approve the minutes and Mr. Bigsbee seconded. The motion unanimously passed.

The next item on the agenda is approval of Resolution 2017-06 which authorizes the FHRA to amend a trust indenture, a qualified entity purchase agreement and a bond. Ms. Reddick stated that one thing we must do long term is look at our fiscal health and what's happening with the tax code and what we are trying to accomplish with the Fort property. She said that Russell Brown is spearheading the effort now to do all those things and she asked Mr. Brown to explain it to everyone.

Mr. Brown said he would try to give his layman's perspective on this but we do have people here from Crowe and Ice Miller to help walk thru the transaction in case he misstates anything. Mr. Brown stated this will allow for the advanced refunding of the 2009 series bonds that were issued to do the whole street infrastructure project in the Village. We are doing this in a very fast pace. This is debt issued thru the Indianapolis Bond Bank and after our presentation to the Bond Bank today we were approved for the refunding by their board today. This refunding is being fast tracked due to what changes that are happening with the proposed tax bill in Washington D.C. which will eliminate advanced refunding of municipal entities from being tax exempt issuances. We've been talking about this for 6 to 9 months but based on what's happening in Washington we have moved forward with this on a collapsed schedule. We started the process from start to finish since about Thanksgiving time and it would have normally been a 60 to 90 day process.

This will allow a few things. First this will release the 2009 Debt Service Reserve that is held in deposit with the Trustee and allow about \$745,000 to become available for projects. It will also eliminate the need to increase the debt service reserve fund which would be due in 2021 which would require us to fund an additional \$1 Million to that fund. It will also extend the maturity by six years which will allow for debt service payments to be at the current levels. We did an advanced refunding of 2000 and 2006 bonds in 2015 and so when we did that we did not amend any of the obligations of the 2009 series so we are doing that now. There is a net present value savings to the FHRA even though we are extending out the maturity of the funds. This will be a private placement which will allow us to release that debt service reserve for appropriate uses.

The goal of this is to allow in some capacity in future years for what might be our capstone project and to allow for the issuance of new debt if needed and eliminating our obligation to add \$1million to our debt. This will close this year and will allow us to take advantage of the current tax code and allow for savings going forward.

Mr. Chris Barnet asked what the interest rate and term is on the new bond. Angie Steeno of Crowe Horwath stated 3.08% and will mature in 2033. Mr. Brown said that does extend out our original maturity date of the original issue but doesn't extend past the new issuance debt which goes out to 2034. We also issued a bond anticipation note this year for Phase 3 of David Weekley Homes Project. He stated we honestly had several years where our coverage capacity based on our current debt service payments and obligations to the City were going to be very tight to issue new long term or short term debt so this will eliminate those tight years going forward but it doesn't prolong the potential sunset of the FHRA.

Ms. Reddick stated for new people at the meeting but what we do as an authority to facilitate development among other things is put in infrastructure to further facilitate development. This is an appropriate use of our TIF revenues to do those things. Part of this is a balancing act of making sure our fiscal house is in order to give us flexibility to get new debt and getting the lowest possible interest rate and greatest flexibility. Eliminating the debt reserve requirement is a huge thing. Any of these things would be motivation enough to do this. There were no questions or comments from anyone.

Mr. Congdon made a motion to approve resolution 2017-06 and Mr. Bigsbee seconded and the motion was unanimously approved.

The next items on the agenda was approval of the 2018 Real Estate Development Service Agreement with Browning Investments, Inc. Browning has been our development advisor and partner for many years our here. Mr. Brown made a motion to approve the Agreement and Mr. Bigsbee seconded and the motion passed.


Ms. Reddick stated our next meeting will be on January 8th by statute to elect officers to the board.

Ms. Reddick asked if there were any questions. Mr. Bruce Hugon of Lawton Loop asked if the agreement with Context was moving forward and Ms. Reddick stated that yes it was. Mr. Hugon also asked if the board had any information to announce on the staff reorganization. Ms. Reddick said nothing at this time. The board would not be speaking publicly about the reorganization, but interviews will start next week. Ms. Reddick said there is no definite time table but sometime in the first quarter.

There were no further questions or comments.

Ms. Reddick asked for a motion to adjourn the meeting. Mr. Congdon made a motion and Mr. Brown seconded and the meeting adjourned.

Minutes Approved:



Marci Reddick, President



Russell Brown, Secretary Treasurer