

FORT HARRISON REUSE AUTHORITY BOARD MINUTES
Monday, August 15, 2016

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

Ed Treacy, President
Jeff Congdon, Vice President
Marci Reddick, Member
Curtis Bigsbee, Member

FHRA Staff Present

Mr. Freddie Burrus, Executive Director
Ms. Heather Millikan, Executive Assistant

Public in Attendance

April Pyatt, Ice Miller
Sr. Jackie McCracken, Village of Merici
Sherron Freeman, Lawrence Common Council - 3
Will Worley, Porter Books & Bread
Bruce & Nancy Hugon, LL residents
Matt Culbertson, Boston Commons HOA
Kathy Culbertson, Boston Commons
Judy Byron, PFL
Tom Marten, LLW HOA
Carol & Dick Schwartz, LLE residents
Cam Starnes, City of Lawrence
Kim Reeves, Browning Investments

Official Public Meeting was called to order by Mr. Treacy at 5:41 p.m.

Mr. Brown was not able to be in attendance but Mr. Treacy stated there are financials at the front for people to see. For the record if there are any questions please state your name.

Mr. Burrus gave an Executive Director's update. Mr. Burrus stated Friday's at the Fort is continuing on August 19th at 6:00 p.m. at Civic Plaza with Partnership for Lawrence.

The Post is at 100% occupancy with only 1 vacancy to date and Envoy at 5723 Birtz Road is now at 70% occupancy.

David Weekly Homes started with 38 lots for sale in Phase I now has 3 lots left for sale and Phase II will start this week, weather permitting with 36 lots available for sale. Hopefully HIS can start tomorrow.

Otis Avenue extension has been staked out and marked. There will be two roads going to the north. That will be very instrumental in marketing the projects. They have a lot of trouble when they are doing tours because the marketing people cannot visualize how it will be laid out. So this should be very advantageous.

RFP's have been sent out for Parcel J. They have received numerous RFP responses but the board has not had a chance to renew them.

Mr. Hugon stated that he thought the deadline was September 1. Mr. Burrus said no that this was the deadline for Parcel J and not the PX.

The next item of business is approval of minutes from the July 18th meeting. Mr. Congdon made the motion to approve the minutes and Ms. Reddick seconded. The motion unanimously passed.

The next item of business was Resolution 2016-07 approving the Lawrence City Services and Payment Agreement. Mr. Treacy read a statement related to the City Services and Payment Agreement that was prepared by the FHRA Treasurer, Russell Brown in his absence. He said Senate Bill 151 was passed earlier this year and as a result of that a requirement for the City of Lawrence and the FHRA had to reach an agreement as to the services that we collect taxes for and that the city does deliver such as police and fire. So there have been a series of amiable meetings between the city and the board.

Mr. Brown's statement read:

The City Services and Payment Agreement negotiated by myself and Russell Brown with the city of Lawrence has recently been completed. The agreement increases the payments we are making to the city in excess of our current levels but does so in such a way that we believe at the end of this agreement will be in conformance with Senate Bill 151 passed earlier this year. The rationale on these numbers is that each year we will evaluate the tax rate applicable to the operations of the police and fire of the city as it applies to the FHRA AV. That will comprise a payment obligation going forward. We've been able to negotiate a phase in of the amounts over a five year period hopefully allow us to complete a variety of projects without bankrupting our cash reserves. However this will constrict cash. We will consider making some operational changes sooner than later. Some of these things could be the efficiencies of making FHRA employees leased employees from the city potentially decreasing some of our payroll and HR benefit costs. It may include some other changes to operations that need to be explored. When we first informally talked about this concept two board meetings ago the informal conclusion was that trying to get this phased in over a number of years starting at approximately 75% of the total value which would be due under SB 151. We were able to achieve this thru negotiations and as such I would like to encourage the board to adopt this at the Monday meeting. As a reminder statute provides that if we don't come to an agreement by August 1st we essentially go thru a process of financial analysis where a number is assigned to the FHRA obligation. Russell and I executed a short extension of this deadline with the City extending it to August 15th. My understanding is the City Board of Works is considering this matter at the meeting tonight at 8:11. Additionally, the City Services Agreement for consideration tonight is a result of several months of good faith discussions between the City of Lawrence leadership and members of the FHRA Board. This agreement for approval tonight is a five year agreement. It gives certainty for the FHRA Board of Directors for budgeting and planning purposes and does the same for the balance of Mayor Collier's term in office as well as the next mayor selected or re-elected by the citizens of our city. This was the goal of everyone thru these negotiations and I am pleased

that the goal was achieved. The agreement is different than previous years based on the passage of SB151 and this years legislature and we appreciate the cooperative way Mayor Collier's team worked with FHRA leadership to come to an agreement which allows both the FHRA and the City of Lawrence to continue to have a cooperative relationship and work together in the completion in the shared vision of the village. Mr. Brown apologized for not being able to attend tonight but he appreciates everyone's concern in making this happen. Additionally, what this will call for is the current payment we are making to the city is \$475,000 per year. That will increase to \$691,947.00 per year and it will increase depending on the AV going up over the next five years.

End Statement

Mr. Cam Starnes with the City of Lawrence stated that he would like to reiterate that the discussions and negotiations between the FHRA and the City of Lawrence were very productive and positive. They all realize there is important work going on here and so we were minimal to phasing in the City Services Agreement over the period of five years allows the FHRA to continue to operate and seek good projects. They know proposals are coming in for Parcel J and it is a big project and appreciate that. They feel like this gets them to the point of having an enduring agreement on how those services are calculated year after year for the next five years and beyond. He thanked the FHRA board and supports the agreement as it is written.

Mr. Treacy asked for a motion for approval of Resolution 2016-07. Ms. Reddick made the motion and Mr. Congdon seconded and the motion passed unanimously.

Mr. Tom Marten asked what the increase will be year after year and if there is a cap or a maximum. Mr. Treacy stated it depends on the AV each year.

Mr. Starnes stated the cap is designed to eventually hit the assessed value of the property in this area times the public safety costs which is the public safety tax rate which is essentially what would be coming from the city if this weren't a TIF where there is no tax base.

Mr. Treacy stated we will look at the AV each year but then it goes up the first year at 75% then 81%, 87%, 93% and 100% in five years.

Mr. Congdon stated that in five years whatever the AV is we will be remitting 100% of the agreement on whatever the assessed value is.

Ms. Reddick stated that for example the contract says the incremental assessed value right now is \$169,657,275.00 so if we had gone with 100% of that value it would be \$922,596. But instead thru the negotiations starting with the legislation in January, we are now at a payment of \$691,947.00. Ms. Reddick said from her perspective as a board member each year they get a request from the city but what was requested was not nailed down very well. So what goes into this brings certainty for the City.

Mr. Treacy stated that what the Mayor wanted was this to go beyond his term so that the next person in as Mayor would not have to start off with a negotiation but will already know what that number will be and continue on and everyone can budget. Everyone was pleased at the end result on this.

Mr. Bruce Hugon asked about the procedures about the proposals on the PX building. He asked if there are regulations that govern the procedures involved with reviewing those proposals or timeframes or what will be disclosed.

Ms. April Pyatt said that the parameters were received but have not been seen and reviewed by the board members. The FHRA and Browning the consultant will review them. Ms. Pyatt was corrected and it was stated they are talking about the PX building and not Parcel J. She said the RFP for the PX is due September 1.

Ms. Reddick said there are no statutory requirements how we review them. Ms. Pyatt stated they are subject to the normal public bidding laws. Mr. Reddick said the deliberative process is not subject to those laws for construction projects. Ms. Pyatt stated the military base reuse statute is pretty liberal with what the reuse authority can do with private development.

Mr. Hugon said so then you have the digression to have a discussion about the proposals. Mr. Treacy said that is not normally how we would do business. Ms. Reddick said in the proposals the private sector is disclosing some private financial information and that would not be discussed in an open forum. Mr. Hugon asked what would be discussed in an open forum. Ms. Pyatt and Mr. Treacy stated the decision would be discussed.

Mr. Hugon stated do you intend on coming in and saying we are now taking a vote on one of the proposals. Mr. Treacy said the board has not made the decision yet. Ms. Reddick said sure we could do that. Ms. Pyatt said that the vote would be public session.

Mr. Hugon wants everyone to be on the same page as what to expect. Mr. Treacy we have a professional consultant and another realtor that will probably work on this to take a look at the feasibility of the proposals that come in. What is real and who can fund what they say they can fund and what is completed. We have to take a look at what is compatible with all the neighbors. There will probably be a subcommittee of the board to work with the professionals and to come back and let everyone else take a look at. Once we review this we will have to go back to the people who have submitted and ask them to clarify what was submitted to us.

Mr. Hugon asked if they will disclose with the public what the board has received. Mr. Treacy said the board would have to discuss it. Ms. Reddick said they haven't in the past. Some bidders wouldn't want others to know that they were the loser.

Ms. Reddick asked if it would be fair to say that anyone that would receive the winning bid for the PX or parcel J that they would come and make a presentation to the board. Mr. Treacy said we will plan to have a discussion in an open forum like we did last month for Art to Remember.

Mr. Hugon said so then the expectation is you will have decided on someone for the PX and what we will hear is the winning bidder's presentation on what they will do before you vote on it.

Mr. Treacy said who knows if we will even receive anything.

Mr. Hugon said our sole expectation is that at the meeting that you are going to vote on a company and that company will be here to make a presentation.

Mr. Congdon stated the normal procedure is that if someone is building something new that they're exposing to us what their plan is at the same time. There is no great presentation. The building is sold, they put their business there and it's the end of the whole situation.

Mr. Treacy stated that the other thing that make it different and that is everything else that is going on around there. All of these things will come into play. If there is ever going to be a road there someone will have to pay for that road to go thru. Our job is to figure out what to do and there is still some land in there to be obtained and that still hasn't happened. So there are still a lot of pieces to go together before anything does happen.

There were no further questions.

Mr. Treacy asked for a motion to adjourn the meeting. Mr. Congdon made the motion and Mr. Bigsbee seconded. The motion passed unanimously and the meeting adjourned.

The next meeting will be September 19, 2016 at 5:30 p.m.

Minutes Approved:



Edward Treacy, President

Russell Brown, Sec/Treasurer



Jeffrey Congdon, Vice President