

FORT HARRISON REUSE AUTHORITY BOARD MINUTES

Monday, July 18, 2011

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

Ms. Ann Lathrop, President
Mr. Keith Mathews, Vice President
Mr. Jeff Congdon, Secretary/Treasurer
Ms. Audrey Smith, Board Member

FHRA Staff

Ms. Kris Butler, Executive Director
Ms. Heather Millikan, Executive Assistant

Members of the Public

Prentiss Green, National Energy of Indiana, Inc.
Bruce Hugon, Stuart Law
Kim Reeves, Browning Investments
Bob Gallant, Browning Investments
Dennis Dye, Browning Investments
Shawn Curran, Curran Architecture
Terry Hebert, Browning Investments
April Sparks Pyatt, Ice Miller
Sherron Freeman, Lawrence Council

Official Public Meeting was called to order at 5:30 p.m. by Ms. Ann Lathrop

The first order of business on the agenda was approval of minutes from the May meeting. Ms. Lathrop stated that the board had not had the opportunity to review the minutes and will table them until the August meeting. Mr. Congdon made a motion and Mr. Mathews seconded. Motion carried.

Ms. Butler presented the Executive Director's report as follows:

Administrative

- Bank balance is \$177,689.61.
- Fifth Third LOC rate is .26%
- Building 28 Tenants: Currently in negotiation with Freedom Staffing who is interested in signing a 3 year lease for 1,800 square feet in the basement at \$9.25/square.

Residential Activity

Miller Valentine: Progress to date:

- Have submitted plans for ARC review on the addition of an 8 car garage at the south side of their building separating their property from Cathy's Concepts.
- Are revising the glass front of the building to better handle 3 floors of brick structurally. Will go back to the ARC for review and approval.
- Pre-leasing begins in August.

J.C. Hart: SALES PENDING.

New Business

The first item was the approval to waive the Benjamin Harrison YMCA's monthly lease payments of \$2,000 for the next 5 ½ years totaling \$132,000 that would be pledged to meet the financial goals to build an outdoor aquatics center. Ms. Butler stated that after the 5 ½ year lease waiver is up the YMCA would resume the \$2,000 monthly lease payments to the FHRA. The offer would be null and void if the plans to build the pool should be abandoned and the pool must be completed by end of year 2012. Mr. Congdon asked what the null and void date would be based on. Ms. Butler stated it would be the date from which they determine that the pool was not going to happen. Mr. Congdon made a motion to waive the YMCA's lease payments and Mr. Mathews seconded. Motion carried.

The next item on the agenda was an update on the VLB Lien. Ms. Lathrop stated that there is a \$55,000 lien outstanding on the VLB properties on Lawton Loop. The bank has asked the FHRA to lift the \$55,000 lien so they can get a deed in lieu. Unfortunately, the bank has been unavailable to come and talk with Ms. Butler and the Board of Directors regarding this ongoing matter. Ms. Butler introduced a member from the public, Mr. Bruce Hugon, who lives in the Davis building and who has an interest in this matter. Mr. Hugon shared the history of his involvement with VLB Associates and asked the board to consider lifting the lien. Mr. Congdon moved to not lift the lien at this time because not enough information was available to make the best decision on the matter. Mr. Mathews seconded it. Motion carried.

Mr. Congdon made another motion to meet with First Financial Bank to get more information. He and Mr. Mathews volunteered to meet with the bank. Mr. Mathews seconded it. Motion carried.

The next item on the agenda was authorization to provide financial assistance to fix damage in the parking lot of Triton Brewing Company at Building 422. Ms. Butler stated that the FHRA received a \$40,000 quote by Globe Asphalt to repave and line the parking lot which has damage. Ms. Butler asked for a motion to get the Board's approval to spend the money to fix the damaged lot. Mr. Mathews made a motion and Ms. Smith seconded. Motion carried.

The next item on the agenda was authorization to provide financial assistance to Blue Ribbon Transport toward a new parking lot for Building 423. Ms. Butler stated that the FHRA's offer would be as a promissory note, giving \$40,000 to BRT on the condition that certain economic commitments are met within a certain time frame. BRT hopes to employ up to 90 people but believe it well within their ability to employ up to 65 employees within 2 years. Mr. Congdon made a motion to offer financial assistance toward a new parking lot. Mr. Mathews seconded. Motion carried.

The next item on the agenda was the Mainstreet letter of Intent to buy seven acres of land at \$200,000 per acre for the purpose of building a senior care community. The community would offer assisted living, rehabilitation, skilled nursing and senior care. Ms. Butler stated that they are a good company who are looking to redevelop an area in the city that needs redevelopment. Ms. Butler stated that they would ask for the city's bond to pay for the development. The Board collectively stated that the proposal for this use fell short of our goals to develop Lawrence Village at the Fort for the following reasons:

1. The property located at the corner of 56th Street and Lee Road is earmarked for the development of mixed use with a strong retail component. As part of Lawrence Village at the Fort, the 56th Street corridor's daily traffic count, the military's Finance Center with 5,000 employees, the Fort Harrison State Park, and Ivy Tech Community College's growing campus fully supports this goal.
2. A master plan for Lawrence Village at the Fort calls for up to 1,000 living units. Currently located within the boundaries of the Village are 750 living units, 450 of which are specifically for seniors. In addition, Greentree Assisted Living and Westminster Village North are two senior care facilities located within one mile of Fort Benjamin Harrison. As a result, the Board believes that the FHRA should focus on bringing other types of living units to the Village as per the overall master plan.
3. Mainstreet's business model of partnering with communities to redevelop urban neighborhoods is an excellent approach for other areas within the City of Lawrence. Fort Benjamin Harrison is not a redevelopment area and is in fact prime real estate that is greatly in demand.
4. Mainstreet's "cruise ship" concept within the facility is in opposition to the FHRA's desire for Village residents to be out in the Village community.

Mr. Congdon motioned to decline the proposal. Ms. Smith seconded it. Motion declined.

The final item on the agenda was the mixed use building update by Mr. Dennis Dye of Browning Investments. A recent debt capacity analysis for the FHRA showed that while the FHRA could do a bond issue to fund this building, doing so would leave the FHRA unable to provide financial incentives to any other entity for many years to come. Ms. Butler and Mr. Dye began discussions that have led to Browning's interest in developing the building. Mr. Dye presented the new proforma and shared that Yeager Properties would still be involved in this project. The mixed use building would bring in potentially \$130,000 in property taxes and a minimum of 150 employees to the building. Mr. Dye stated the building would be sold within three to five years and cash flow as well as proceeds of sale would be split 50/50 with the FHRA. Mr. Dye proposed construction not start until spring 2012.


The Board collectively stated that this seemed to be the best financing approach for moving forward in the development of a mixed use building. Ms. Lathrop asked the board for a motion to have Mr. Dye come back to the next board meeting with additional information. Mr. Congdon made the motion and Mr. Mathews seconded it. Motion carried.

Ms. Lathrop asked for a motion to adjourn the meeting. Mr. Congdon made a motion and Mr. Mathews seconded. Meeting adjourned at 6:30 pm.

The next board meeting will take place August 15, 2011 at 5:30 p.m.

Minutes Approved:


Ms. Ann Lathrop, President


Mr. Jeff Congdon, Secretary/Treasurer