

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA,  
HELD A REGULAR COUNCIL MEETING VIA ZOOM.COM ON THURSDAY,  
AUGUST 19, 2021 AT 7:00 P.M.**

**MEMBERS PRESENT:** Council Members: Mrs. Collier, Mr. Caesar, Mrs. McLaughlin, Mr. Turner, Mr. Blair, Mr. Aebersold, Mr. Applegate, Dr. Knable and President Phipps.

**ALSO PRESENT:** Amy Stein, Josh Staten and Vicki Glotzbach

**CALL TO ORDER:**

**President Phipps** called the meeting to order at 7:00 p.m.

**MOMENT OF REFLECTION:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:**

**Dr. Knable** moved to approve the Regular Meeting Minutes for August 2, 2021, Mr. Caesar second, all voted in favor.

**COMMUNICATIONS – COUNCIL:**

**Dr. Knable** asked Mr. Phipps if they are going to get a paving update on the schedule as well as some mechanism for input. He said that he requested that at the last meeting.

**Mr. Phipps** stated that he will request that.

**Mr. Turner** asked if anyone knows about the Terry Lane project and where it stands on completion because he thinks it was supposed to be completed on July 27<sup>th</sup>, but he saw that they were still out there working this past week.

**Mr. Phipps** stated that he hasn't heard anything.

**Mr. Turner** stated that someone asked him about when the St. Joe Road and Kamer Miller Road intersection was going to get started so he asked Mr. Staten if he had any update on that.

**Mr. Staten** stated that they are in the right-of-way engineering phase right now but they are still on pace to start that early next year or spring of next year, so bidding will probably go out late this year or early next year.

**Mr. Turner** stated that masks and vaccinations are a big thing right now and he was thinking that maybe the city should try to partner with the Floyd County Health Department to get the Johnson & Johnson vaccine (since it is a one-time shot) to the homeless at Bicknell Park. He thinks that would be a great opportunity for them to have the option to get the vaccine and to get shots in arms.

**Mrs. McLaughlin** stated that she wanted to touch on the road construction that is going on with the milling and paving and sidewalks being laid. She said that her constituents on Schell Lane are really happy that they are getting their sidewalks extended. She stated that her husband Pat had worked on that for a very long time so she is happy to see that coming along.

**Mr. Caesar** stated that everything is going well with Caesars Casino, everything is going well with the foundation and Dr. Josh Kornberg is doing a great job leading them. He said that the only thing really coming up is that the fall grants will close on August 31<sup>st</sup>.

**Mr. Phipps** stated that he wanted to remind people that the COVID rates are pretty high in Indiana and Kentucky as well as in our local area, so please wear a mask when you are around other people and if you haven't been vaccinated, please get vaccinated. He then stated that he wanted to announce the opening of the new city hall. He said that two open houses are tentatively scheduled for Friday, September 17<sup>th</sup> and Saturday, September 18<sup>th</sup> and then Monday, September 20<sup>th</sup> will be the first working day in the new building. He stated that as long as all goes well, we will be moving toward that goal quickly. He stated that the council members received an email from Ms. Connie Moon about the animal shelter and if he recalls correctly, Mrs. Collier, Mr. Aebersold and Mr. Caesar met briefly with the county council and it sort of ended in a stalemate. He said that it may be good for them to do that again this year if those three would be willing to meet with them and discuss the budget. He stated that if it starts moving towards changing the terms of the agreement, the conversation has to stop at that point because we, as the council, are not authorized to enter into agreements. He said that they want to make sure that they follow their requirement of meeting with them once a year concerning the budget. He then asked the three that he mentioned if they were willing to do that again.

**Mr. Caesar** replied yes.

**Mrs. Collier** replied yes.

**Mr. Aebersold** said that is fine with him.

**Mr. Phipps** stated that he will call County Councilman Brad Striegel to let him know and he will probably reach out to you, or you could reach out to him to schedule the meeting. He said that the three members can report back to the council after the meeting.

**COMMUNICATIONS – MAYOR:**

**COMMUNICATIONS – OTHER CITY DEPARTMENTS OR CITY OFFICIALS:**

**REPORTS – COMMITTEES, BOARDS OR OTHER OFFICIALS AS REQUESTED BY A MAJORITY VOTE OF THE COUNCIL:**

**APPROVAL OF CF-1 FORMS:**

**INTRODUCTION OF ORDINANCES:**

**READING**

**INTRODUCTION OF RESOLUTIONS:**

**COMMUNICATIONS PUBLIC: SAZERAC/NORTHWEST ORDINANCE**

**COMMUNICATIONS PETITIONER: SAZERAC/NORTHWEST ORDINANCE**

**R-21-09 Resolution Concerning Statement of Benefits for Sazerac of Indiana, LLC DBA Northwest Ordinance Distilling**

**Applegate**

**Mr. Applegate introduced R-21-09 and moved to approve, Mr. Blair second, all voted in favor with the exception of Mr. Turner who voted no.**

**Mr. Applegate** stated that this resolution is concerning indoor improvements of over \$9M and almost \$40M in personal property which is equipment. He said that with this expansion, they are looking at adding 50 employees with yearly salaries that total almost \$2.4M, which is roughly right at \$48,000.00 and is well above our average income for the city and that is great. He stated that Northwest Ordinance Distilling initially came and brought 110 jobs and they surpassed that last year so they came in for a second time last year and added 50 jobs. He said that they have surpassed that and are now getting ready to add 50 more jobs to make a total of 210 jobs. He stated that they have outperformed what they initially set forth and have brought \$153M total, with this included, into that facility that was sitting there vacant. He added that \$125M of that has been equipment alone. He stated that is a large staggering number and he appreciates Northwest Ordinance Distilling coming to New Albany and following through with everything that they said they would do. He said that Mr. James Hartman is on the meeting as well as Mr. Matt Hall with 1si and he has only heard wonderful things that are going on from the city level and everything else. He stated that the expansion was brought up today and the local neighbors did reach out and say a few things about living next to an industrial zoned area. He said that he wanted to thank Mr. Hartman on a council level and on a personal level for being involved in the district and for replying to everything they said. He stated that Mr. Hartman had the neighbors over and discussed everything that they had mentioned to him and even came up with some solutions or areas that he would look into. He said that he wanted to thank Northwest Distilling Ordinance for being in New Albany and for being a good neighbor and he expects that will continue. He also said that from the city side, he wants them to let us know how we can help because there is that zoning area that doesn't have a buffer from industrial to residential which is typically not the case.

**Dr. Knable** stated that he wanted to hear more about the meeting that Mr. Blair and Mr. Applegate had just to hear some of the concerns that were brought up. He said that he wasn't able to make that meeting because of a dental appointment but he reached out to some people that lived there and he just wanted to see if he needs to add anything to the list.

**Mr. Blair** stated that as the council representative for the 6<sup>th</sup> District, a couple of residents reached out to him yesterday with some concerns they had with living next to an industrial site. He said that as Mr. Applegate stated, it is not ideal to have industrial zoning right next to residential zoning and when you do, there are going to be issues but fortunately we have good neighbors on both sides. He stated that Rolling Creek Drive actually has an HOA President, Mr. Roy Bennett and they met with him this afternoon and walked to the site and saw what the issues were. He said that one of the issues is the noise because one or two of the houses are backed up to where semi-trucks load and unload and the noise from the trucks' backup alarms is very disruptive. He stated that he thinks there are ways to alleviate or dampen that noise. He also stated that he spoke with Mr. Hartman today and he thinks there are some things that the plant can do and that the city can do to work together to alleviate some of those issues. He said that the second biggest issue is that there was some release of iron into the creek. He stated that Mr. Bennett contacted IDEM because of the discoloration of the creek, the sludge forming in the creek and the foul odor coming from the creek. He said that IDEM did some testing and said it was iron leaching in from the rain/storm water runoff which was causing those situations. He stated that it is coming from the Northwest Ordinance property but it is not discharged from the plant; it is discharged from the environment. He explained that the plant was built at a time when they were not required to build a retention basin and properties that size are now required to retain the runoff of their property. He said that IDEM tested it and said that it was iron that was causing that but did not give Mr. Bennett a solution or any mitigation on how to resolve. He said that they told Mr. Bennett that if that ever happens again to contact storm water so they can check it out. He added that Mr. Hartman had some solutions for it. He then stated that the third issue is that when we

did our storm water study in 2010, Rolling Creek Subdivision was designated as severe flooding or flooding problems. He said that they suggested to put a retention pond on the Pillsbury property, but we couldn't get cooperation from Pillsbury at that time. He said that in talking with Mr. Hartman, there may be a way for the city to enter into a joint partnership with Northwest Ordinance Distilling to finally get that retention pond in. He stated that the neighbors have said that no houses have been flooded in the last two years, but before then, houses were flooded. He also stated that he was really impressed when he met with Mr. Hartman and that he also met with three people from the homeowner's association and they toured the plant and talked about the issues.

**Mr. Applegate** wanted to be clear that when the incident happened with the creek which was on August 2<sup>nd</sup>, IDEM just happened to be in town and was able to be there on August 3<sup>rd</sup>, so there wasn't a period of time that it cleared out. He said that the homeowner even said that they didn't have any remediation or anything so he would read that as there is no issue in some of that. He then stated that Mr. Blair said that in the last couple of years the drainage has gotten better in the area and that would probably be because of what Northwest Ordinance Distilling has done.

**Mr. Blair** stated that he disagrees with Mr. Applegate and it is because they haven't had a significant rain event that would cause that amount of water to go into those neighborhoods. He added that he is not putting any blame on Northwest Ordinance Distilling, but it has nothing to do with anything they have done.

**Mr. Applegate** stated that he is good with that but the issue about the stream is the one that he wanted to bring up. He added that it was important for him to hear that the response with IDEM was there right away.

**Dr. Knable** stated that he called a few people that he knows that lives in that area today and they said that they felt they were being listened to and was in the presence of good neighbors that wanted to help out. He said that the only thing that he would add to the list is that sometimes there are delivery trucks that wind up back in the neighborhood.

**Mr. James Hartman, Northwest Ordinance Distilling**, thanked the council for having him and stated that he has a ton of respect for what the council members do. He said that he has been in New Albany now for 14 months and he moved his family out here from California and it has been awesome. He stated that Northwest Ordinance Distilling wants to be great partners and build great relationships. He said that one solution they are looking into regarding Rolling Creek is for them to keep more flow with their own water and to have fresh water going into the creek to keep it flowing so it doesn't stay stagnant. He stated that they are also looking at things like vegetation, trees, sound absorbent walls, etc. He said that he wants to be sure that they are good stewards, not only for the environment, but also with their neighbors and with the city. He stated that he really appreciates everything that the city and the council are doing for them and hopes to continue to build the relationship. He said that from that standpoint, they will take all of the actions and continue to work on solutions for the problems with their neighbors.

**Mrs. Collier** stated that she wanted to thank Northwest Ordinance Distilling for coming to our community and she is thankful for the investment they have made here. She said that she is so grateful they are willing to be a good partner to the neighboring community as well as the city. She said she just wanted to go on the record and thank them for everything they are doing.

**Mr. Phipps** stated that he would like to go on the record for that as well.

**Mr. Turner** asked what they do with packaging and bottling if they have a defective label on a bottle or it doesn't meet their specks.

**Mr. Hartman** stated that they actually capture any raw materials so if they have something that doesn't have any juice in it, they recycle that. He said that if it is out of speck or bad product, they actually send that out to a third party that disposes of it correctly. He stated that the other thing is that the whole distillery actually has a wastewater treatment plant that they brought back to life so if they do have anything that hits their drains, it goes through their process drains and is captured and treated before it ever goes out to the city.

**Mr. Turner** stated that the reason that he asked that is because we have several craft distilleries in town as well as several micro-breweries and he thought that maybe Sazerac could in some way partner with the community in recycling. He said that Sazerac's recycling would be a huge a benefit to them and New Albany is into that stuff. He then asked what Sazerac gives back to the community other than growth and jobs. He asked if they have a grant process.

**Mr. Hartman** stated that they actually just launched a community relations program and they got some interns this week so they are looking at multiple things. He said in his first 14 months here with COVID, they have just been working to make sure that team members are safe. He said that they have been working with 1si a little and he has spoken with the mayor a little as well. He stated that he is huge on community relations programs and he wants to team up with the city to see what they can give back to the community. He also asked that the city send him anything that they want them to be involved in or committed to that they haven't committed to yet because they want to be a part of those activities.

**Mr. Turner** stated that he wanted to thank them for being here and that New Albany has proven to be a pretty effective site. He said that there is a UPS Hub here and New Albany is the place. He then asked Mr. Staten what the metric is that is used to decide which tax abatements we should go for.

**Mr. Staten** stated that a lot of it depends on the project because there are some companies that the tax abatement just makes sense for them. He said that there was a formula set by the council which is 10 years for real estate and 5 years for personal property regardless of the size of the project. He added that if it is a big company like Northwest Ordinance Distilling, a tax abatement makes more sense than some type of upfront development agreement.

**Mr. Matt Hall, 1 Southern Indiana**, stated that one of the things they talk about on the frontend of all of these projects is what they are doing to our average wage as far as if they are increasing it or lowering it. He said that they are obviously trying to increase the average wage to lessen the burden on government. He stated that they also look at how this increases the tax base. He said that he is a life-long citizen of Floyd County and he is very grateful for the investments that Northwest Ordinance Distilling have brought to New Albany as well as the jobs they have created. He stated that he was so concerned both as a citizen and an economic developer that we would be looking at a vacant building for a long, long time and that it would eventually become a big burden on the community.

**Mr. Staten** stated that the new leadership at the state level has made a big emphasis on state incentives not going into projects that are below the county average wage. He said that is the big piece of this because it is over that.

**Mr. Turner** stated that he is not going to be in favor of this tonight because he doesn't always think about it as just job creation; he thinks about wealth as a whole. He said that when he looks around our city, he sees two fire trucks that are over 20 years old and a

police department and a fire department that are understaffed. He stated that when a big project comes to him at his career/job, he first asks what if they do nothing on this. He said in this situation, he believes that tax abatements should be used to get business brought into the community. He kind of sees it as a sign-on bonus and you don't continuously give out sign-on bonuses and he is not sure that we need to have a tax incentive here because Northwest Ordinance Distilling has an incentive as far as demand. He said that is the main reason that he will be voting against it. He stated that he believes New Albany is a great site and he thinks it has benefitted both parties to be here and he does believe that this growth is going to happen without a tax abatement. He then thanked them for everything.

**Mr. Aebersold** told Mr. Hartman that he really appreciates all of his efforts and for Northwest Ordinance Distilling moving into New Albany. He stated that he has been around for a long time and he sees other areas around us prospering like crazy because they have a lot a land. He said that we had a large business leave us and that building was just sitting there and you guys came in and now you want to expand it. He stated that he is in 150M%. He said that he thinks they are doing a great job and he appreciates what they are doing and would hope that everyone on the council would be behind them 100%.

**Mr. Caesar** thanked Mr. Hall and Mr. Hartman for raising the bar in New Albany with a good solid company that pays a good wage. He stated that they are exactly what we were looking for and it just couldn't have worked out better.

**BOARD APPOINTMENTS:**

**COMMUNICATIONS – PUBLIC (NON-AGENDA ITEMS):**

**Mr. Andrew Nicholson** stated that he wanted to bring attention to how over populated the State Street Kroger is and how they have no workers. He said that he wanted to touch on that due to the food desert that is in downtown New Albany since Sav-A-Lot left. He stated that with Sav-A-Lot leaving, it caused a concentration of people to go to State Street, especially the lower income people that used to go to Sav-A-Lot. He said that they now have to find ways to get to the State Street Kroger. He stated that State Street is a corporate mess and as we continue to invest in these corporations that technically don't have anything to gain here other than profit, you see an influx of their employees leaving. He said that they are leaving because they are not paid enough and are actually coming to downtown businesses and picking up two part-time jobs that pay \$15.00 per hour compared to the minimum wage they got at their other jobs. He stated that he wants them to keep this in mind because what he sees happening on State Street is what you see happening on Charlestown Road which is rundown development. He said that on October 15<sup>th</sup> there is a minimum wage strike that is like nationwide. He would like for the council to look into this and see how that affects the State Street area specifically. He then asked if we could please stop developing State Street and move on to somewhere else in the city.

**ADJOURN:**

There being no further business before the board, the meeting adjourned at 7:44 p.m.

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Greg Phipps, President

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Vicki Glotzbach, City Clerk