

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA,
HELD A REGULAR COUNCIL MEETING VIA ZOOM.COM ON THURSDAY,
SEPTEMBER 9, 2021 AT 7:00 P.M.**

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

ALSO PRESENT: Amy Stein, Josh Staten, Warren Nash, Linda Moeller and Vicki Glotzbach

CALL TO ORDER:

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

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

Mr. Caesar moved to approve the Regular Meeting Minutes for August 19, 2021, Mr. Aebersold second, motion carries.

COMMUNICATIONS – COUNCIL:

Mr. Phipps reminded everyone that the ribbon cutting of the City Hall building will take place on September 17th at 4:00 p.m. followed by an open house for everyone to tour the building. He added that there will be a second open house on September 18th from 9:00-11:00 a.m. He addressed a question that Dr. Knable had about the paving schedule and stated that he did contact the street department/Mr. Thompson and he was told that they don't like to publish the paving schedule because weather, availability of materials plays a part in how much of the list they can get done. He added that they don't want to needlessly disappoint people if their street was on the list and they were unable to get to it. He stated that Community Crossing Grant streets have to take precedence because if not, the city can lose that money. He added that if they have any requests they can forward them to Mr. Thompson or the street department. He stated that even though the list was based on the study that was done several years ago where they rated the streets based upon their severity, a lot of factors can come into play that can delay the ones that are intended to be completed. He explained that tonight they will be dealing with three items that are all related but they will discuss each of them independently and separately. He added that as a personal announcement he would like to encourage everyone to please wear their masks and get vaccinated. He stated that the rates are very high in the state, community and nation so everyone needs to do their part to get through this.

Mr. Turner asked who takes care of the new building with regards to maintenance and custodial duties.

Mr. Staten stated that he is not the point of contact for that project but he can ask Mr. Gibson and relay that back to him.

Mr. Turner stated that the repairs on Charlestown Road look great and they did a wonderful job of getting the work done quickly. He asked when the councilmembers will have access to the new building.

Mr. Phipps stated that the first work day for city employees is going to be September 20th.

Mr. Turner stated the two resolutions on the agenda tonight seem as though they are contingent upon the passing of the ordinance which takes two readings and asked if they should table those until the third reading of the ordinance.

Mr. Staten explained that the ERA is declaratory and there is a confirmatory that will follow up in October that they have to approve as well, which will be after the third reading. He stated that the other is a proven physical plan for the annexation and will be pending the final approval of the ordinance, either way.

Mr. Aebersold reported that they had a meeting for the Caesar's Foundation yesterday and he wanted to reiterate that the process of the Cherokee Tribe that was taking over the Caesar Casino was finalized late Friday. He added that nothing will be changing as far as the support for the community from the foundation. He reminded the council that the 9/11 memorial service will be held at Bicentennial Park on Saturday starting at 9:00 a.m.

Mr. Blair stated that he continues to get calls regarding speeding issues in his neighborhood and they are very concerned about the safety issues that is resulting from this. He added that they need to keep this issue in the forefront and put some effort towards it.

Mr. Applegate stated that tomorrow night at the riverfront Schmitt Furniture is having a birthday celebration for their 85th year with music and food. He congratulated them on the years they have spent in New Albany and added that he is sure they would love to see support from anyone that would like to check out the event.

Dr. Knable stated that it is good to know that they can add their list of concerns regarding paving with the street department and while he acknowledges their reluctance to release the list, he doesn't understand or accept it out of hand. He explained that it is tax payer money and they have a reasonable right and expectation to know where their property falls with regards to a schedule of repairs. He added that the average person he has dealt with can handle the disappointment that may come from a reasonable delay.

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

COMMUNICATIONS PUBLIC: X-21-01 RAGAINS ANNEXATION

No one signed up to speak.

Mr. Phipps closed public comments.

COMMUNICATIONS PETITIONER: X-21-01 RAGAINS ANNEXATION

X-21-01	AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF NEW ALBANY, FLOYD COUNTY, INDIANA	Applegate 1&2
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**ANNEXING CERTAIN REAL ESTATE
INTO THE CITY PURSUANT TO PETITION
FOR VOLUNTARY ANNEXATION**

Mr. Applegate introduced Bill No. X-21-01 and moved for the first and second readings, Mr. Caesar second, all voted in favor.

Mr. Applegate explained that they approved the PUD for this project earlier in the year for an assisted living facility on Grant Line Road. He stated that a part of the PUD that was approved is that they would voluntarily annex into the city and this is the beginning of the process for that.

Mr. Staten explained that Scott Wood was part of this project and went through each step with them and added that it is a pretty simple annexation that was required as part of the PUD approval.

Mr. Caesar stated that he is very excited about this project and it is a fantastic opportunity for the community to add a \$20M project with a piece of ground that has numerous challenges that the owners are going to overcome.

Mr. Blair asked how far along they are on a fiscal plan to annex a larger area.

Mr. Staten stated that he doesn't have the answer for that but the state did recently change their laws on annexation so he would need for Mr. Wood to elaborate more on that.

INTRODUCTION OF RESOLUTIONS:

COMMUNICATIONS PUBLIC: R-21-10 RAGAINS ANNEXATION

No one signed up to speak.

Mr. Phipps closed public comments.

COMMUNICATIONS PETITIONER: R-21-10 RAGAINS ANNEXATION

R-21-10	A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF NEW ALBANY, INDIANA ADOPTING FISCAL PLAN FOR ANNEXATION ORDINANCE ANNEXING CERTAIN REAL ESTATE INTO THE CITY PURSUANT TO A PETITION FOR VOLUNTARY ANNEXATION	Applegate
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Mr. Applegate introduced R-21-10 and moved to approve, Mr. Caesar second, all voted in favor

Mr. Applegate stated that this is a follow up to the previous ordinance accepting the fiscal plan.

Mr. Staten stated that this talked about non-capital services such as police and fire protection as well as capital services such as road improvements.

COMMUNICATIONS PUBLIC: R-21-11 ECONOMIC REVITALIZATION

No one signed up to speak.

Mr. Phipps closed public comments.

COMMUNICATIONS PETITIONER: R-21-11 ECONOMIC REVITALIZATION

**R-21-11 A RESOLUTION OF THE COMMON Applegate
 COUNCIL OF THE CITY OF NEW
 ALBANY, INDIANA DECLARING AN
 ECONOMIC REVITALIZATION AREA
 AND FOR REAL PROPERTY
 TAX ABATEMENT**

Mr. Applegate introduced R-21-11 and moved to approve, Mrs. Collier second, all voted in favor with the exception of Mr. Turner and Mr. Blair who voted no.

Mr. Applegate explained that this project/land is an assisted living facility with a memory care unit, which is lacking in this area. He stated that this is going to be a first-class facility and a campus-like facility. He explained that to achieve this goal there is some development issues that cause problems when talking about the land that needs to be addressed, and that is where the ERA comes into play. He stated that there is a small pond that needs to be addressed, seven buildings that are in complete disrepair and the ground itself has never been developed. He stated that when you get the opportunity to get a first-class facility and to be able to work with the company headquartered in New Albany, it is a unique opportunity. He added that everyone involved has looked this over meticulously and the answers keep coming back that yes, this area is an area that fits for the ERA. He stated that they have a company that is willing to invest \$20M into this area and a company that is willing to put in a first-class facility. He added that one thing that appeals to him is that this is a long-term project so this isn't a project that will be left vacant in a few years.

Mr. Staten stated that this is a complicated project which requires a complicated process. He explained that they are looking at a declaratory resolution to declare the Economic Revitalization Area (ERA) and if they are to approve of this resolution, there would be a public hearing for the declaration and a resolution to confirm at the October 4 meeting. He stated that if this resolution is not adopted today, the petitioner does have the ability to withdraw the annexation prior to the third reading. He explained that they have been through this process before, with the exception of a few of the new members, and this is the same process as before. He added that he has Mr. Zoeller on the call if anyone has questions about the ERA

Mr. Zoeller explained that the DLGF gave local units of government the discretion when designating the ERA intentionally.

Mr. Staten stated the council has the authority to designate the ERA and this property fits within the parameters for that designation. He explained that in addition to what Mr. Applegate touched on earlier, there are designated wetland areas that they are working on and there will be a large detention basin that will need to be completed. He added that there was an attempt at multi-family on this back in 2015 and that project was not able to move forward.

Dr. Knable stated that the concern he has is the declaration of the ERA and asked if the sightline issues has been mitigated from 2015.

Mr. Staten stated that the sightline issues has been addressed.

Dr. Knable asked for the name of the General Counsel person that he spoke with at the DLGF.

Mr. Zoeller stated that her name is Emily Chrysler and recited the definition of what designates an ERA. He explained that an Economic Revitalization Area is within the corporate limits of the city which has become undesirable for or impossible of normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, substandard buildings, or other factors which have impaired values or prevent normal development property or use of the property(IC 6-1.1-12.1-1). He added that there are other pieces that are throughout the Indiana Code as well that include finding an estimate or value and whether there is employment.

Dr. Knable asked how long the property has been sitting there for development.

Mr. Staten stated that the Ragain's bought the property in 2012 and have since tried to develop it but he doesn't know how long the buildings have been there.

Gary Joy, Patoka Capital, he stated that the Ragain's had a PUD for multi-family approved in 2015 and he believes she acquired it during a distressed property sale so there is probably some other development that has tried to occur on this beforehand. He explained that they couldn't get the density on site for the multi-family project because of some of the characteristics.

Dr. Knable asked for any nuances he could give regarding the undesirables of the land that haven't been discussed already.

Mr. Joy mentioned that they are waiting on the environmental impact study and assume they will be dealing with asbestos in some of the buildings as well as some petroleum from farm equipment. He mentioned the wetlands and grade issues that have been mentioned previously. He stated that there are some concerns regarding traffic on Grant Line Road but he doesn't believe that this project will be much of an impact on that.

Mr. Caesar added that at that time the speed limit was also significantly higher on Grant Line Road along with the sightline issue and now both of those things have been addressed.

Mr. Blair asked about the ratio of memory care beds to assisted living.

Mr. Applegate stated that there will be 56 assisted living beds and 23 memory care beds with a total of 79.

Mr. Staten stated that there are also 16 independent villas.

Mr. Blair asked if they have done this type of declaration for other service type business before.

Mr. Staten asked if he was asking regarding abatements or incentives in general.

Mr. Blair stated both and added that abatements are typically the ones with highest incentive.

Mr. Staten stated that he can only speak to the ones that he was part of. He explained that through a partnership with the Redevelopment Commission they put some TIF into Optum for infrastructure improvements and there were partnerships with the Mansion on

Main with both redevelopment and the Urban Enterprise Zone. He added that similar abatements have been used for these facilities throughout the state on multiple occasions including Columbus, Merrillville and Monroe. He asked Mr. Zoeller if he had any conversations with DLGF in terms of ERA's and abatements for this type of facility.

Mr. Zoeller stated that there is precedent for this and explained that it is taxed as non-residential and given that designation and that it is a 24 hour staffed nursing facility, it is considered more like a medical facility.

Mr. Blair stated that this is the first time they have done it in New Albany and could be setting a precedent for future facilities. He added that it looks like they would be foregoing over \$1M over an eight year period so he would like to know if this is something that would still be done without the abatement and what the cost would be to develop the site. He stated that all of the issues they have talked about regarding the petroleum, dilapidated structures, and grading issues are all relatively common or issues that have been dealt with before, but he would like to know what the incremental costs are for issues like the wetlands.

Mr. Applegate stated that as of right now they have not received any property taxes so if this goes through, in year two the city makes more than they ever have, along with the 49 jobs and services it will provide.

Mr. Caesar stated that all of Mr. Blair's concerns are the exact reasons this property hasn't been developed before and if they want to make those same reasons a reason not to do this project, they will just end up scrapping every project that takes this on and never do anything with it.

Mr. Blair stated that this is a recently growing area and he would expect it to continue to be developed, which is one reason that they wanted to annex the entire area. He asked again about the cost to develop the property because if the city needs to help them because there is something unique to the property, he would like to understand exactly what the additional costs are. He stated that they discussed worker retention early and it sounds as though a lot of their workers would on average be under \$38,000.00. He said that he just saw a commercial for Northwest Ordinance, who they just did a tax abatement for, and they are advertising jobs at \$50,000.00-\$70,000.00.

Mr. Staten stated that this is a potential area for growth but that particular parcel has decreased in land value every year since 2014. He asked Mr. Joy if he would like to address the question regarding construction costs.

Mr. Joy stated that he doesn't have the detailed breakdown of cost but on average they are looking at ~\$125,000.00 per acre for development and with site improvements he believes it is ~\$250,000.00, which does not include the wetlands mitigation that could run anywhere between \$250,000.00-\$400,000.00 depending on what has to be mitigated.

Mr. Blair asked if anyone from the city has reviewed their cash flow statement to make sure it is necessary for them to develop this property. He stated that there is precedence for the city to do this in the past like they did with The Breakwater.

Mr. Staten explained that The Breakwater Apartments was a bond deal that they took an equity stake in so they had to make sure that the project would bring in tax dollars to pay off the bond or the city would be on the hook. He added that they typically do not ask for cash flow statements for abatements because the abatement would be due on what is actually built out there or a percentage of the future assessed value of what is built on the site.

Mr. Blair stated that he doesn't recall seeing the financials for The Breakwater until he asked for them.

Mr. Staten stated that he wasn't with the city during The Breakwater project so he doesn't know who asked for what but he is just explaining why it was done that way. He explained that abatements are a percentage on the ending assessed value and it is not collecting tax money. He added that there is a difference between giving them capital and not collecting a certain amount of tax dollars.

Dr. Knable stated that taking Mr. Joy's estimates they are looking at ~\$1.5M above and beyond what they would normally incur.

Mr. Applegate stated that they also need to consider the street work on Grant Line Road

Mr. Joy stated that they have not yet determined the final design on the Grant Line Road Improvement so he isn't sure what that number will be.

Mr. Turner stated that one of his main concerns is the average salary because it is about 10% lower than the state average wage. He added that this area has seen some growth with the school, an industrial complex and housing and he thinks the issues they have discussed would be a standard hurdle when expanding in Indiana. He stated that with the low wages and not being production or manufacturing is a big concern long-term for him. He added that they are also placing this type of facility so far away from everything and a lot of the elderly community don't have vehicles so this doesn't seem like an efficient site for this type of facility.

Mr. Aebersold stated that he has looked at this property and it isn't an easy property to develop with a lot of work. He added that nothing has been done with it for years and they even had someone go in to try and develop it and it didn't work. He stated that if the city doesn't do anything with it while they have someone that really wants to develop it, it may sit there for another ten years. He added that they aren't getting any tax dollars out of it now as it is and while what they want to put in is very different, he thinks it would be to the city's advantage to go ahead with this project. He stated that he thinks it would also be an advantage to the city to help them as much as they can to develop this piece of property as they are taking the risk, not the city. He added that he doesn't know much about this company but there is always the possibility that this will work out incredibly well for them and they would want to come back and want to do another project in the city. He stated that what he is looking at is that it is absolutely nothing now and has been for a long time and they have someone interested in developing it now, so it is a win-win situation with the city having nothing to lose but a lot to gain. He stated that he understands the concerns about the wages but he is sure that the employees that have an opportunity at a job will be grateful to have that salary, and we need to start looking at how to help the entire community, which this kind of operation will do. He stated that he thinks it is a fantastic opportunity and he is behind it 100% and added that he has been involved with the tax abatements for the industrial park and every one of them works.

Mr. Phipps asked Mr. Applegate to take the chair for a moment so that he may speak.

Mr. Applegate accepted the chair position.

Mr. Phipps stated that he thinks this is a win-win situation as well. He explained that when he first came on to the council in 2011 he was of the mindset that tax abatements were corporate welfare and a total waste of money. He stated that now that he understands how they work he is 100% behind them. He agreed that this is a difficult property to develop but they have someone that wants to do this while providing a great community service. He stated that there are some things you can't put a dollar sign on

and caring for our senior citizens is one of those things. He added that the graying of America is going to continue over the next 15 years and they will see a significant increase in the senior citizen population. He stated that he is an advocate of having people make a decent salary, and while this may not be at the level many of them are accustomed to, it is a heck of a lot better than \$7.25/hour. He added that if they really want to support workers in American then they should be supporting a living wage at both the state and federal level.

Mr. Phipps resumed his chair position.

Dr. Knable stated that the health care industry itself is ~\$9T per year with a 7-8% growth rate since 2014 and he believes the free market is going to catch up before legislation and they will see that the average wage will be significantly greater than what it was stated. He added that the topography makes this undesirable for him and all of the other points they talked about for the last 40 minutes is what makes it desirable.

Mrs. Collier pointed out with the recent closing of the Robert E. Lee facility on Elm Street, she knows that there are several workers in this industry that were struggling to find a new job in the New Albany area and a project like this would service those types of individuals. She added that she knows it won't be immediate but there is definitely a need for people in that industry in this area.

Mr. Blair stated that this is a worthwhile project and he hopes it gets done but he questions whether they need to subsidize it in order for that to happen. He explained that assisted living facilities are built all the time and this isn't the specialty type unit that he thought it would be with the memory care being only about 1/3 of the beds. He added that this also sets a precedent for this activity for other operators in the future. He stated that he thinks it is a great project and will be good for the community but they are doing something out of character for what they have done in the past and not being equitable to other companies that have done these types of projects.

BOARD APPOINTMENTS:

COMMUNICATIONS FROM PUBLIC (Non-Agenda):

Andrew Nichols stated that the project they are talking about is trying to create jobs at wages they are already having problems filling as he knows local staffing agencies that average \$14.00/hour with hundreds of available jobs. He stated that New Albany is in need of public transportation more than most people realize and with the shutdown of the TARC lines, he thinks there is only one that goes to Louisville. He added that the entire industrial park area could use some type of public transportation and with the funds that they have coming in, there should be a way to add more stops. He stated that there is also a food desert for the downtown area with a bunch of lower income individuals having to resort to going to a gas station for food because of the lack of access to public transportation.

ADJOURN:

There being no further business before the board, the meeting adjourned at 8:14 p.m.

Greg Phipps, President

Vicki Glotzbach, City Clerk