

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY,  
INDIANA, HELD A REGULAR COUNCIL MEETING IN THE COUNCIL  
CHAMBERS AT NEW ALBANY CITY HALL ON MONDAY, MAY 1, 2023 AT  
7:00 P.M.**

**MEMBERS PRESENT:** Council Members: Mr. Dickey, Mr. Phipps, Mrs. McLaughlin, Mr. Turner, Mr. Blair, Mr. Aebersold, Mr. Applegate, Mrs. Griffith and President Collier.

**ALSO PRESENT:** Ms. Stein, Mrs. Moeller, Mr. Duggins, Mr. Hall, Mrs. Dickey, Ms. Johnson and Mrs. Glotzbach.

**CALL TO ORDER:**

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

**INVOCATION:** Given by VFW District 8 Chaplain Darrell Neeley

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

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

**Mr. Applegate** moved to approve the Public Hearing Meeting Minutes for April 20, 2023, Mr. Phipps second, all voted in favor.

**Mr. Applegate** moved to approve the Regular Meeting Minutes for April 20, 2023, Mr. Aebersold second, all voted in favor.

**COMMUNICATIONS – COUNCIL:**

**Mr. Dickey** stated that he wanted to recognize CASA and their advocates. He said that last Friday they had their Advocates Rising Benefit and he was happy to attend that and to see that event growing because we have a lot of kids, unfortunately, that have impacted our court system. He stated that he is very pleased that we have people stepping up who are willing to help represent them and look out for their best interests. He said kudos to CASA for a wonderful event and let's remember them when we have a little extra funds, that can go to help them serve more children.

**Mr. Phipps** stated that he wanted to remind everyone that tomorrow is Election Day so get out and vote if you haven't already. He then stated that one of his pet peeves that he has been talking about for a long time is the safety of crosswalks. He said that this afternoon he was trying to cross Spring Street and had to push the signal three times and finally a New Albany Police Officer stopped and let him get across the street. He stated that he wanted to thank that officer and he wanted to get his car number but wasn't able to. He said that it really says a lot when the only person that is yielding to pedestrian signals is a police officer. He also said, folks, when you see the yellow flashers, yield to the pedestrians in the crosswalk. He stated that this is another shout out to the board of works that we need something done about that, as he has been saying for a long time.

**Mr. Blair** welcomed Mrs. Glotzbach to the council table and said that he is glad that she is up there with them.

**Mr. Applegate** stated that Election Day is tomorrow so get out and vote. He then said that we have one of the world's largest events and the world watches us this weekend so be careful, have fun, be smart and pay attention. He stated that if everyone is out there and going to the track, just be careful and look out for others.

**Mrs. Griffith** stated that she had a couple of thank yous. She said that she had very good luck with the street department and spoke with Ann over there and Whitney in code

enforcement and they have been very helpful. She stated that she knows right now is grass cutting season, so Whitney is kind of tied of up, but she appreciates both of them helping her because they really explained and got her more integrated into the city and how that works. She then thanked the council for letting her zoom in last week. She said that she knows they have a rules committee meeting coming up and she has a few suggestions for that. She stated that it was great but it was only one-way so she wasn't able to hear as much as she would've liked to, so she went back and listened to the meeting on the trans portal site. She told Mrs. Glotzbach that she does a great job but she still misses a little bit so having live streaming is important, so she looks forward to working on that this year in the rules committee.

**Mrs. Collier** stated that the new fire house opened and we have baby box there. She said that she found out since the last meeting that the funds that the donor offered to give in the amount of \$15,000.00 has not been received, so she didn't know if Mr. Turner might be able to reach out to them.

**Mr. Turner** stated that she will have to reach out to Dr. Knable on that because he did not work with him on that. She then asked Ms. Stein if she could reach out to Dr. Knable on this?

**Ms. Stein** replied sure.

### **Council Attorney Contract**

**Mr. Turner moved to amend the contract to add 10. Any vacations taken by Stein shall not interfere with any regularly scheduled council meetings. This shall not apply to ancillary meetings related to council business, notwithstanding another attorney at Stein Law may attend any meeting in her place should she be unable to attend for any reason, likewise during any absences another attorney at Stein Law shall be designated to perform her normal duties herein. Any absences shall be approved by the president beforehand., Mr. Dickey second, all voted in favor.**

**Mr. Turner moved to amend the contract to include all responses should be responded to via email within 48 hours/two business days, Mr. Dickey second, all voted in favor.**

**Mr. Dickey moved to approve the council contract as amended, Mr. Phipps second, all voted in favor.**

**Mrs. Collier** asked Ms. Stein if there were any changes in the contract? She said that she didn't see any.

**Ms. Stein** stated that there were no changes in this from last year and is exactly the same. She then said that the contract goes through April 1<sup>st</sup>, and she didn't know with a new council coming in, if anyone wanted to move that up so the new council could have their choice. She stated that if someone wanted to do that, she is okay with that change.

**Mr. Turner** stated that there are changes. He said that they may have received the wrong contract because he doesn't see the ability for Ms. Stein to take a leave of absence and have a replacement. He stated that is actually a point of contention he has this time because that was kind of snuck in last time on them.

**Ms. Stein** stated that it looks like it is cut off at number 10 so she will have to look to see what she sent Mrs. Glotzbach. She said that she doesn't know what happened there but she doesn't think that was the correct contract.

**Mr. Turner** stated that he didn't know if they should wait to vote on this because that is incorrect. He said that he also had some other questions just for clarity on this and he would like to make a recommendation to it as well. He stated that it does say in item number 1 that Ms. Stein is the sole attorney for the council and he is just curious if she

can name her replacement prior to her absence since she is the sole attorney. He said that obviously it is not in the document now that she can do that because it has been cut off. He stated that another thing he would like to add is some type of verbiage on page 3, item 8 regarding Ms. Stein getting back with council members via email. He said that he has had an email out to her for a week and hasn't had a response, so he would like to see something in writing along the lines of two business days to respond via email or whatever she thinks is reasonable. He stated that he would definitely like to ensure that they do get some kind of response in the future.

**Ms. Stein** said that is okay with her.

**Mrs. Griffith** asked if the council gets an itemized bill on the 10 hours per week?

**Ms. Stein** stated that they do not because she has never gone over that so she has never itemized.

**Mrs. Griffith** asked if she is to attend all committee meetings?

**Ms. Stein** stated that if she is included on the scheduling and the council lets her know that they would like for her to attend, she will be there. She said that sometimes she gets a notice that a committee meeting has been scheduled, but she has a prior engagement so she can't make it work. She added that she doesn't know when the committee meetings are going to be, but certainly if she is included on the scheduling and she asked to be there, she will be there.

**Mrs. Griffith** said that she would assume that she wouldn't need to be at all of them but she just didn't know how that works.

**Ms. Stein** stated that is what she sent to Mrs. Glotzbach and it was cut off. She added that she was editing it on a word document, which is not on that computer.

**Mr. Turner** stated that if she would give the verbiage to him, he would be happy to offer that as an amendment and then it can be taken care of tonight.

**Mr. Blair** stated that he thinks that it is good suggestion to itemize if she goes over 10 hours a week. He also stated that he thinks that was generous of her to offer that her contract goes through the end of the year or maybe through the first two meetings of next year, because we will have different members on the council next year. He said that he thinks it is only fair for those members to be able to elect the attorney that they want. He added that obviously Ms. Stein is free to reapply, but he would like to see that shorten to say the first two meetings in January or something to that effect.

**Mrs. Collier** asked if they wanted it to go until February 1<sup>st</sup>?

**Mr. Blair** said yes or through January 31<sup>st</sup> or something.

**Mr. Phipps** stated that doesn't give the new council much time to get somebody in place for the first meeting in February if they would want to do interviews or advertise. He said that he doesn't have a problem leaving it the way we have been doing it every year and they will just have to deal with very good representation for four months until maybe they can find someone else. He stated that he doesn't have a problem with it staying as it is.

**Mr. Turner** stated that the contract does say that it can be terminated at any time so if that was the situation, they could just have an agreement there. He said that he thinks it is fine to keep it at April as well.

**Mr. Aebersold** stated that he thinks that she needs to be here for the new group for a few weeks at least and he is just wondering if two meetings is not enough either.

**Mr. Turner** stated that Ms. Stein is a professional and has done a good job so he doesn't see any reason why she can't go over for another year while there is another council no matter what.

**Ms. Stein** stated that April was the month that she started so that's why April is in there.

**Mr. Blair** stated that is fine because it looks like he is outvoted.

**Mrs. Collier** stated that she thinks with a new council, they would have to be notified that the change needs to be made, so that way they can thoroughly research the person that they might want to have in that position.

**Mr. Blair** stated that is right because there is a search and advertising period.

**Ms. Stein** stated that just to be clear, she is not announcing a resignation she just knows that in the past there has been some hesitation with tying down a future council. She then said that she has the language and it is as follows. She said that she will just start at the beginning of 10. Any vacations taken by Stein shall not interfere with any regularly scheduled council meetings. This shall not apply to ancillary meetings related to council business, not withstanding, another attorney at Stein Law may attend any meeting in her place should she be unable to attend for any reason, likewise during any absences another attorney at Stein Law shall be designated to perform her normal duties herein. Any absences shall be approved by the president beforehand.

**Mr. Dickey** stated that he just wanted to be clear on this and asked if it includes weekends?

**Mr. Turner** replied no, it is within two business days.

**Mr. Dickey** stated that the council members are kind of on the clock all of the time and Ms. Stein does a great job of responding to us even occasionally on weekends when we have a question come up, so he wouldn't want to hold her to that same standard on a weekend.

**Mr. Phipps** added or on a holiday.

**Mr. Applegate** stated just to be clear that it can be a message stating that she received it and is looking into it and will get back with them.

**Mr. Dickey** asked Ms. Stein if she would get them a revised copy?

**Ms. Stein** replied yes.

#### **COMMUNICATIONS – MAYOR:**

**Mr. Hall** stated that Mayor Gahan wanted to let everyone know about an event coming up in Salem, Indiana, this Friday at 9:45 a.m. He said that Governor Holcomb invited Mayor Gahan, the Salem Mayor, Mr. Green as well as Radius Indiana President, Mr. Jeff Quyle and DNR Director, Mr. Dan Bortner. He stated that they will be having an event celebrating the acquisition of the Monon South Freedom Trail. He said that it will be the longest recreation trail in Indiana when it is completed, so it is a very exciting time for our region and the mayor just wanted to let everyone know about that event.

#### **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**

**Mrs. Collier** stated that there is one Elsby item kind of ahead of the New Albany Housing Authority ordinances so she wanted to ask if they can take a vote to move the New Albany Housing Authority items up on the agenda.

**Mr. Blair** motioned to move the New Albany Housing Authority ordinances up to the top of the agenda, **Mr. Phipps** second, all voted in favor.

**COMMUNICATIONS PUBLIC: G-23-02 Tax-Exempt Status for Affordable Housing Project**

**COMMUNICATIONS PETITIONER: G-23-02 Tax-Exempt Status for Affordable Housing Project**

<b>G-23-02</b>	<b>An Ordinance of the Common Council of the City of New Albany, Floyd County, Indiana Approving Tax-Exempt Status for Affordable Housing Project</b>	<b>Applegate 3</b>
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**Mr. Applegate** introduced **Bill G-23-02** and moved to approve the third reading, **Mr. Phipps** second, all voted in favor. **Bill G-23-02** becomes **Ordinance G-23-05**.

**Mr. Applegate** stated that they talked about this in the last meeting and **Mr. Duggins** is here in the audience if there are any questions.

**Mr. Turner** told **Mr. Duggins** that he was going to reach out to him for questions but he found out on his own, so he just wanted him to be off the hook for both items. He also told **Mr. Duggins** that he appreciates him.

**COMMUNICATIONS PUBLIC: Z-23-01 Vacation by New Albany Housing Authority**

**COMMUNICATIONS PETITIONER: Z-23-01 Vacation by New Albany Housing Authority**

<b>Z-23-01</b>	<b>An Ordinance for the Vacation Pursuant to a Petition Filed by New Albany Housing Authority and Dedication and/or Reservation of Permanent Utility Easements</b>	<b>Dickey 3</b>
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**Mr. Dickey** introduced **Bill Z-23-01** and moved to approve the third reading, **Mr. Phipps** second, all voted in favor. **Bill Z-23-01** becomes **Ordinance Z-23-06**.

**Mr. Dickey** stated that this is the companion piece that they discussed at the last meeting and we've essentially cleaned the slate at the site, and with the new development, we will be rededicating roads, so he would just urge everyone to move this forward so we can move the project forward.

**COMMUNICATIONS PUBLIC: G-23-03 Elsby Hotel Project Bond Ordinance**

**Mr. Scott Whalen** stated that we as the public are at little bit of a disadvantage here. He said that he did get a copy of the extended council notes and another piece of information that came in. He would first like to say if the rumored and unofficial details are true, this is going to be a great project. He stated that it saves an historic property, however, he has a little bit of an issue with the incentives, because he would rather see those provided after the completion of the project or after some well-defined milestones are met. He said that he wouldn't vote to give them the first \$3.35M. He stated that he is pleased that there is a requisition process to get reimbursed for that so someone will review those, but to risk the city's A+ financial rating, which is really a C or C+ rating if you take that to

school scale, without any of the information that is in the ordinance is not good. He said that it is good that you are going to carve out the State Street TIF so we can see exactly how this performs as it goes forward, but you are pulling it out of, at least last year, the worst performing TIF in the city. He stated that it had a 19% shortfall in revenue versus expenses and it is odd that the State Street TIF was created to improve blighted areas, yet one of the reasons for carving out is to prevent the area from being further blighted. He said that something didn't work there. He stated that the other issue is that he doesn't like when government names winners and losers. He said in this case, we have developer that is going to get a handout right off the bat while we have the Main Street folks that basically were left on their own. He stated that they came up with a little bit of a loan, but they have to pay that loan back and there is no additional recourse for them. He said that he will probably have some more comments next time once all of this comes through, but it looks like a really good project, and he is in awe of developers that risk their own money to go out and try to do something great and save a great property.

**Mr. Darrell Neeley** stated that because of the fond memories he has as far back as the early 1970s of the Elsby Building, he has hoped for the building to continue for another hundred years. He said finally there is a possible plan to make that hope come true, but does that plan need a TIF to make it happen? He stated that he agrees with the letters of recommendation that were included in the packet, but none of them say anything about TIF. He said that a TIF is used to redevelop blighted and disinvested areas where market rate development is seen as unprofitable without assistance and not generating much property tax. He stated that the area is not blighted, the area is invested. He said Hilton, Resch, Spring LLC and the city have already invested in the Elsby Building. He stated that TIF money should only go to truly necessary value-creating projects that cannot happen any other way. He said that you should not subsidize development that can be achieved by other means. He stated that if construction is planned for early summer, and Hilton as well as federal and state entities are already involved, this was planned and moved forward before a TIF was even mentioned to the public. He said the developers were promised in advance that they would get a TIF and they are going to go through with this regardless of if they get a TIF or not. He stated that the TIF would be a bonus and as Mr. Resch said, "a separate TIF District would serve as an incentive package to help out with this project". He stated that they have not had anything else planned for a while and are losing money by keeping the building empty. He said that Mr. Resch said that this is really the first step of the local government's involvement. He said no, this is the second step because the first step was 27 years ago when the Elsby Building was included under a TIF that was very much needed to get our downtown where it is today, unblighted and invested. He stated that the developer has already been incentivized and he is concerned that the majority of the council has already made up their minds to do this for two reasons. He said one is that economic development commission has already scheduled a meeting as they did for the police station. He stated that the other reason is because in the mayor's letter that is attached to tonight's packet, he urges the members to vote for this project. He stated that as a Senior Naval Officer in the Navy, he was careful not to urge his sailors, unless he wanted it done. He said that when you give your opinion or vote tonight, he asks that you answer some questions that you should have already asked yourself when deciding what your vote was going to be. He stated that Mr. Resch says that there is involvement with a state and federal loan and asked if this involvement includes money? He said that the project will still have three years of TIF money to use and he asked if that is not enough? He asked why they would need another 25 years for a total of 55 years under a TIF? He asked if the project would happen without a TIF? He stated that tax revenue issues will occur with the new TIF. He asked if they will need to raise citizen's taxes to take on additional debt for projects outside downtown? He asked if the TIF will perform well? He asked if the latest TIF performs well? He asked if it is fair for small business owners to take mortgages out to own their own business, and take a risk living the American dream, while the rich developers get millions to fund the projects that are already making them rich? He stated that if you are voting yes on this TIF, then explain to New Albany homeowners why their property taxes are seeing significant increases in the next two years. He said that it is to help make up for the city's taxes that the schools and road projects are not receiving because the money that the city government gets is set aside for the current various TIF projects.

**Ms. Laura Renwick** stated that she wanted to speak on behalf of Indiana Landmarks and say that they are very much in support of this project. She said that they feel like this would be a tremendously beneficial project for downtown. She stated that this building is obviously one of the most highly significant buildings in the downtown area, both architecturally and historically, and has been underutilized for many years. She said that they feel like this project will have far reaching impacts to improve the downtown just beyond saving this one building. She stated that she knows there are discussions about tax credits and things like that and those rehabilitation tax credits don't help with the upfront cost and are just an incentive to get a portion of it back. She said that it is a complex financing package and the TIF could be one valuable part of that in a way that the city could help make it happen. She also mentioned that on behalf of the Historic Preservation Commission they have already reviewed the preliminary plans for the exterior of the building and approved those and the preservation commission is on board and very excited about this project.

**Dr. Matt Bergman** stated that he is a neighbor of a number of the Resch properties and he is here to speak for all of the neighbors. He said that they are not looking for a TIF or tax incentive for any of their properties because they are smaller entities. He stated that they want the benefit of this property to spill over and ripple into their properties. He knows that the property that he owns directly next door is going to benefit from the hotel. He knows that the property that he owns directly across from Him & Her is going to benefit from the projects here. He also knows that the product of Terri Lynn's Catering and Café is going to benefit, again, from that project. He stated that all of the neighbors would like to say that they support this because they know it directly benefits them. He said that they are not looking for tax incentives as smaller businesses, they want those to go to the big dogs so that we get the benefits.

**COMMUNICATIONS PETITIONER: G-23-03 Elsby Hotel Project Bond Ordinance**

<b>G-23-03</b>	<b>An Ordinance of the Common Council of the City of New Albany Authorizing the Issuance of the City of New Albany, Indiana Taxable Economic Development Revenue Bonds, Series 2023 (Elsby Hotel Project), and Providing or Otherwise Making the Proceeds Thereof Available to 117 Spring Street Property, LLC, or an Affiliate or Permitted Assignee Thereof, and Approving and Authorizing Other Actions in Respect Thereto</b>	<b>Dickey 1&amp;2</b>
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**Mr. Dickey** introduced Bill G-23-03 and moved to approve the first and second readings, **Mr. Phipps** second, **Mr. Dickey**, **Mr. Phipps**, **Mrs. McLaughlin**, **Mr. Applegate** and **Mrs. Collier** voted in favor, **Mr. Aebersold** abstained and **Mr. Turner**, **Mr. Blair** and **Mrs. Griffith** voted no.

**Mr. Turner** moved to table, **Mrs. Griffith** second, **Mr. Dickey**, **Mr. Phipps**, **Mrs. McLaughlin**, **Mr. Applegate** and **Mrs. Collier** voted no and **Mr. Turner**, **Mr. Blair**, **Mr. Aebersold** and **Mrs. Griffith** voted yes.

**Mr. Turner** stated that this is a great project and he is excited about it but the council just got the packet of 141 pages of paper late last week and he would like some time to review, but most importantly, there are a lot of questions here. He said that he believes the best way they can handle this is by having a work session. He stated that he definitely wants to say yes to this but he needs to be better informed and ask some questions, so he is asking to table this tonight so he can ask those questions.

**Mr. Dickey** stated that this project is under a dedicated timeline because it has multiple pieces involving state and federal government. He thinks a tabling would be detrimental to our ability to appropriately meet that timeline.

**Mr. Blair** stated that was a lot of information provided to them in the packet but it didn't give them information on the project. He said that he is somebody who has worked on these types of projects in the past and he had trouble going through it. He stated that he read it several times and it was very hard to decipher. He said that there wasn't anything on the project like how many rooms there are going to be or what the convention center is going to be. He stated that it was very detailed in the issue of the bonds but there was no project information at all. He said that he will have a lot of questions tonight and he is hoping that the presenter will answer a lot of those questions, but even if they answer every question he has, he needs time to decipher this, think about it and maybe seek additional information. He thinks it is very unfair to throw something at them and not have complete information. He stated that he is very uncomfortable making decisions unless he has all of the information that he needs and he likes to have most of it upfront. He said that they weren't provided that luxury at this time. He stated that if they go through with it, the only responsible thing he can do is say no to the vote because he doesn't have the information to make a decision. He said that he sure isn't going to say yes unless he understands it. He added that the most important thing is how do we get repaid on this debt? He stated that they need to understand that because they are akin to an investor here and an investor wants to know about the project, what they are investing in, what the viability of the project is and what the projected success of it is before they do it. He said that the most reasonable thing they can do is sort of hold back and have a work session to get all of the answers to make sure that they thoroughly understand the details of this project before they make a decision.

**Mr. Turner** stated that they have a May 9<sup>th</sup> public hearing and he would also like to do his due diligence by allowing that to happen and hear what they have to say before he makes any decisions either. He said that there are no projections in the packet and there is a lot of data missing, as Mr. Blair said, that he would expect to see. He stated that as for the timeline, they could've been given information on this a lot earlier because this is not something that is new. He said that Indiana Landmarks has seen preliminary drawings but he hasn't seen any preliminary drawings. He stated that there is a lot of stuff that they have not received and he doesn't think that it is on the developers by any means, he just thinks this is the status quo when something big comes along and there is a deadline created by the lack of communication and that is what they have.

**Mrs. Griffith** stated that this is the first packet that she received that was that long and she read every page and does have a lot of questions. She stated that she is so for the project and thinks it will be awesome but there are just too many questions that they did not get answered. She said that she had a question regarding the letters in support because they are addressed to the council members and most of them were dated in March, but this is the first time she has received them. She asked if that is normal correspondence?

**Mr. Aebersold** stated that when he first received this, his printer wasn't working well so he tried to look at it on his iPad and everything. He said that he just got this Thursday and he had a busy weekend so he didn't have much time to go through all of this. He also said that when he first saw it all, he knew that there was no way that he could look through all of it and make a decision by Monday night. He stated that he looks at things very simply and he thinks that the project is fantastic, there is nothing wrong in that and he will do whatever he can to make that go through. He said that if someone was to come to him and say that they are going to do a project but would like to borrow some money from him if they can, he would get the information to make a decision on it. He stated that he can't make a good decision on it tonight because he doesn't think that he has all of the information that he would need. He said that he would like to go through it and discuss it with everyone after they get all of the information they need and move forward with it. He stated that he doesn't think that you will find anyone on this council that will disagree with the project that they want to do. He said he just didn't have the timeline or



the information to make a decision on it yet. He added that he would like to get a committee or a work session together to get some answers.

**Mrs. Collier** stated that she thinks this would be under development and annexation, which is the council as a whole, so that would basically be a work session. She said with this just being the first and second readings, they could have a work session before the next meeting when it would have its final reading.

**Ms. Stein** stated that she agrees with that.

**Mr. Turner** stated that doesn't give them a lot of time to make amendments.

**Mr. Blair** stated that it doesn't and also you are asking them to make a decision on something that they don't have all of the information on because they will be asked for a preliminary vote. He said that he thinks it is a great project and wants to make it work but he doesn't know how he feels about it until he gets the information, and he doesn't even want to weigh in on a vote until he has the information that he needs.

**Mr. Dickey** stated that the purpose in part of tonight was to give more information to this body. He said that there are several individuals that have been lined up including the development team, counsel and financial consultants who are all here tonight. He understands that this was a very voluminous packet and that was something that admittedly they knew was going to be a burden for everyone, but these pieces that have been put together over a series a couple of months, have been things that they wanted to be able to complete a full picture. He added that they wanted to have the securities of these pieces together so that the developer can present a full presentation to this council. He thinks that speaks to the need to move forward tonight so that we can receive that information because if we move to table, essentially what we are doing is forestalling not just a discussion for tonight, but potentially stopping the project in its tracks. He stated that he is totally understanding of everyone here and their concerns because this is a lot to go through. He said that he has been going through it with folks for a little bit now because of the connection of his role in redevelopment, but he wants to make sure that everyone understands that we are not going to move ahead if we don't have the initial discussion tonight.

**Mr. Turner** stated that for clarity, this potentially \$26M economic boom to downtown New Albany is hinged on us voting and having this passed by the 18<sup>th</sup>, so if we don't have this passed by the 18<sup>th</sup>, is it a deal breaker? He said in his line of business, he comes across deadlines all of the time and 95% of the time those deadlines are not real.

**Mr. Dickey** stated that he will have Mr. Resch speak to this more and maybe our counsel, but he thinks that part of the issue is that there are certain tax credits that have to have action by June. He said that they have been extended to help allow for all of these pieces to come together and so his concern is that if we don't start our deliberations, even if we have to schedule a special meeting for that after the 18<sup>th</sup>, we will not meet that timeline.

**Mr. Blair** stated that he sort of anticipated the urgency and the deadlines, and if Mr. Dickey recalls, he offered his services about a month ago to help flesh out questions and information that we would probably need and didn't get any response to that. He said that he wasn't asked to get involved at all and he expressed his experience and how he could help with this project and there was no offer to help. He stated that he does want to hear the information tonight because he is guessing that they will probably still have questions and maybe need to some follow up information. He then asked if it is possible for them to do the presentation without a vote?

**Ms. Stein** stated that if it is on the agenda for first and second readings, you either have to table it or you have to vote.

**Mr. Blair** asked if they can table it and still receive the presentation?

**Ms. Stein** stated that they would have to amend the agenda to do that.

**Mr. Turner** suggested tabling this and move the developer's comments to non-agenda portion so they can give their presentation at the end of the night?

**Ms. Stein** said that technically they didn't sign up before the meeting started.

**Mrs. Collier** stated that there is a three-minute time limit on comments.

**Mr. Blair** asked if they could just close the meeting and then after the meeting have a work session and have the presentation?

**Mr. Phipps** suggested taking a vote on Mr. Turner's proposal and then after that they can move forward.

**Ms. Johnson** stated that she just wants to be very clear that this had gone before the redevelopment commission in late March, it then went to the plan commission and now it is before the council today. She said that Mr. Blair was appointed in January to economic development commission, which the public hearing will be before you on May 9<sup>th</sup>, so there are opportunities for this to continue to be reviewed. She asked that tonight, while they have the developers here, that they can give their presentation. She stated that the financial advisor is here and can answer any and all questions that you have as well as our legal counsel.

**Mr. Turner** asked Mr. Blair if he was aware of that meeting?

**Mr. Blair** stated that he was not given notice of that meeting and he would assume that same process would have happened with the police station and he was never invited to that meeting.

**Ms. Johnson** stated that this is for the economic development commission and it is currently scheduled for May 9<sup>th</sup>.

**Mr. Blair** stated that he understands that but he is saying that they had a similar process with the police station with the bond issue and it went through an economic development meeting. He said that he was never notified or never asked to attend that meeting, so why is he being asked to attend this meeting?

**Ms. Johnson** stated that Mr. Beau Zoeller can answer questions related to the economic development commission and economic development area and what that process looks like. She said that she can't answer to the police station right now, but he can speak to why we are utilizing the economic development commission for this one.

**Mr. Blair** stated that he is asking why he was excluded from the police station meeting?

**Ms. Johnson** stated that she doesn't believe that there was an economic development meeting on the police station.

**Mr. Zoeller** stated that there was not an economic development meeting on the police station.

**Mr. Blair** said okay, he stands corrected.

**Mr. Turner** stated that he would like to make a point though. He said that the redevelopment packet that you send out to all council members and anyone who signs up for it is only one page and it doesn't have any of the exhibits as you guys discussed. He stated that this has been an ongoing problem since Ms. Johnson was here the first time and Mr. Staten was in charge. He stated that this is something that he has brought up several times. He said for everyone that is not aware, there are actually three

redevelopment packets. He stated that one is just the front page that gets to everyone that signed up for redevelopment that has nothing in it but the agenda. He said there is an internal packet that was accidentally sent to him a couple of years ago and he was shocked to see it and wondered where it was from. He stated that there is a third packet without the exhibits that goes on our website with the minutes on there that have been approved. He said what he sees is one page, and Ms. Stein personally gives him the internal email that has all of the exhibits on there so for them to just get any information on Thursday and now there is a deadline, that is not on them. He said that the deadline doesn't mean much to him if they haven't been given data.

**Ms. Johnson** stated that the agenda is sent out to the public that requests that and there is a packet that is then distributed to the redevelopment commission. She said that packet is also distributed to Ms. Stein and she then forwards that on to the council.

**Mr. Turner** asked Ms. Stein if she forwards that on to the entire council?

**Ms. Stein** stated that she doesn't; she just forwards it on to Mr. Turner because he said he wanted it.

**Mr. Turner** stated that Ms. Stein sent it to him on accident.

**Ms. Stein** stated that she didn't think she sent it to him on accident.

**Mr. Turner** said yes, she did because that is how he found out about it. He then stated that for as long as this thing has been in progress, they didn't get all of the information until Thursday.

**Ms. Johnson** stated that tonight they will be given all of the information that they request. She said that everyone is available here tonight for them to do that.

**Mr. Dickey** called for the vote on the motion to table.

**Mr. Turner** explained that he has 3.35M reasons to take his time for the people and the taxpayers in the city. He stated that it is not on the developer, etc., because he is for this but he is not for not having all of the data before he makes a decision. He said that is irresponsible so he will be voting in favor of the table.

**Mr. Blair** explained that he agrees with the 3.35M because we are the stewards of the taxpayer's money and we need to make careful, prudent decisions, and we need information before we make that decision. He stated that it really doesn't matter what the previous boards have voted on because we are a separate board. He said that it doesn't matter that other boards have already voted on it, and it doesn't mean that we have to do things urgently because there is some deadline that is outside of our control. He stated that we have to have that information because this is a big project and a big decision and we need information before we can move on. He said that he is voting to table it.

**Mr. Aebersold** explained that he just simply wants to make a good decision on it and he knows there is information out there to be presented to him, but he has not had a chance to look through all of the information in the packet and come up with the questions that he really wants to ask. He said that is why he is voting to table this until he can go through the whole thing. He added that they just got it a few days ago and he has just not had the time to do it and to make a good decision. He said that for the people of this community, he wants to make a good decision on it and he can't make a good decision on it with the way he has gotten through it so far.

**Mrs. Griffith** explained that this is a lot of information to digest but she is definitely for the project and is super excited about that. She said that she can't wait to see what it looks like, but without the information on the financial piece, she cannot make an educated vote tonight so she is voting to table it.

**Mr. Turner** asked how many votes it takes to defeat a table?

**Ms. Stein** stated that it takes a majority vote.

**Mr. Dickey** stated that he wanted to open up what he would call the presentation of this project. He said that we, for a long time now as a city, have worked to have a dynamic economic program. He stated that we have worked to redevelop blighted areas, we have worked to incentivize businesses and building development. He said that this project and proposal here tonight in many ways is a culmination of many years worth of hard work. He stated that shortly we will hear from the development team on this project that in large part, uses smart financing to leverage a significant, historic preservation of a major downtown building in our community. He said that there are sections of the Elsbey Building that have set vacant and are very dated and they have needed some sort of shot in the arm to revitalize that building back to its former glory. He stated that this is also an opportunity to bring good paying jobs to this community, both in terms of the construction and in terms of the service that it will provide. He said that it will bring in tourist and other individuals to our community to provide for a quality downtown and add to the good work that has already been done. He stated that he would like to now call forward the first of a few presentations from Mr. Jacob Resch who is going to speak to the project and what exactly they put together in the plans. He said following that, they will hear from some of the other staff and individuals who will give additional feedback on how this project works by pulling out the TIF, using it to support this project and essentially ensuring that it pays for itself.

**Mr. Jacob Resch, Project Manager, Resch Property Group**, thanked the council for allowing him to speak with them tonight. He stated that Resch Property Group represents 50% of this project along with the Sprigler Company. He said that there was mention a while ago of the State Street TIF, which was first established 27 years ago, and he was not aware of that because he was one year old or less when that was created. He added that he didn't know much about this building until they had the opportunity to purchase it. He stated that he has always admired it and thought it was a beautiful building but never had stepped foot into it until they purchased it. He then gave a presentation to the council. Said presentation is on file in the city clerk's office. He then stated that this is a building that really is the crown jewel of New Albany, and when it comes to getting this project done, the council's vote is really, really important. He said that they are on a very strict timeline and have already filed an extension with the state on the redevelopment tax credit, and they have until the end of June to get that passed. He stated that if this doesn't happen and they don't get this piece of pie, this project does not happen. He said that their debt that they are taking on is almost double of what the incentive package is, and without this, this project does not happen.

**Mrs. Griffith** stated that Mr. Resch said that the rooftop will host 300 and asked what the event space was?

**Mr. Resch** stated that the rooftop is not an event center, it will be another food and beverage area. He said that they will have a kitchen up there along with a bar option so it will be another restaurant. He stated that the event center will house up to 1,300 standing room occupants and they envision that for weddings, conferences, conventions and things of that nature. He added that they do envision the rooftop and the speakeasy being open for rentals as well for larger groups such as a business luncheon or something of that nature.

**Mrs. Griffith** asked about parking for the event center?

**Mr. Resch** stated that there is a 48-spot parking lot across the street. He said that they have actually spoken with Marriott, Hilton, Wyndham, Taylor Hospitality, Weyland Ventures and several different hospitality groups that did not see any issue with the amount of parking that we have. He added that they were actually going under the assumption that we had no parking.

**Mr. Turner** stated that he would like to suspend the rules for the timeframe to speak.

**Mrs. Collier** stated that as long as we are not saying the same things over and over, that is fine.

**Mr. Turner** asked what the current hotel census is here locally? He said that he thinks we have three or four hotels.

**Mr. Resch** stated that it depends on the radius that you are referring to.

**Mr. Turner** said Floyd County.

**Mr. Resch** stated that he believes it is three hotels and those are considered economy hotels not lifestyle hotels.

**Mr. Turner** asked what their yearly capacity is? He stated that he does know, because he did a little research and that for the first quarter of the year they were at 60% capacity on average, so he is curious as to what they are over time.

**Mr. Resch** stated that he does not have those specific numbers, however, he will say a good rule of thumb is roughly 70% is considered full occupancy so 60% is not far off. He said that based on Star reports that they have seen preliminarily coming in for 2022, the occupancy, average room rates and ADRs are surpassing what they were in 2019.

**Mr. Turner** asked if he could provide that information to the council?

**Mr. Resch** stated that he would happy to track down that information.

**Mr. Turner** stated that he believes in the free market and competition but he does have a concern that by us backing a project like this, because this is the government picking winners and losers, it will put us in competition with the Calumet Club or Mansion 1886 or even The Grand. He asked if this is a unique convention center?

**Mr. Resch** stated that they are making this convention center this size on purpose because some of those places, such as the Calumet Club, can't house 1,300 people so they are looking for comps over in Louisville and maybe even out towards Caesars. He said that they don't see many comps in downtown as to what they are going to offer in terms of the size, as well as the full service that they can provide.

**Mr. Turner** stated that this TIF has been around since 1996 and now today we are discussing cutting out this TIF again. He said that his concern is if the downtown area is thriving and surviving and on one hand it is blighted and we needed this TIF to be done, he doesn't understand how it can be growing if this area is blighted. He stated that he feels like we are taking on a lot of risk with this \$3.35M investment. He said you guys are the developers so you guys get to make the money and do the risk and that's great, but he would like to see the TIF used, and he would like to see it developer backed. He said that he thinks that takes away the risk from the people of New Albany and asked if that has been looked into at all?

**Mr. Beau Zoeller, Frost Brown Todd**, stated that in the information that the council received, there is a Minimum Taxpayer Agreement, so the way this will be financed is that these TIF revenues that are generated from this project will pay back the bonds. He said that Mr. Berry can speak to the projections but the TIF expectation surpassed what the bond debt service would be. He added that if at the end of the day, for whatever reason, the TIF revenues fell below what the bond debt service would be, the developer has an agreement that is going to run with the land to guarantee that they have to make up that shortfall. He stated that basically they said they are building it and the financial models are going to be TIF expectations or well above beyond debt service and even if it falls below, you have a back stop because it is developer backed.

**Mr. Turner** stated that there has got to be some kind of written agreement with Hospitality and Hilton and asked if there is any way the council can see that? He said that he is concerned about what would happen if there is an economic downturn and they pull out. He asked what would happen to the money that we are investing into it?

**Mr. Resch** stated that both agreements are filled out and signed for 20 years. He said obviously there is some nuance to those. He asked Mr. Turner if there are any specific concerns he has as far as what the terms are?

**Mr. Turner** asked Mr. Resch what happens if they bail on you guys?

**Mr. Resch** stated that he would have to refer to their inhouse legal counsel on what the terms of termination are because he does not know those off the top of his head.

**Mr. Blair** stated that Mr. Resch mentioned the cost of the structure and the funding structure and said that they are getting incentives of about \$11.5M.

**Mr. Resch** stated that is before they are monetized; it's really about \$9M.

**Mr. Blair** stated that they are taking out other financing from a lender for about \$11.5M.

**Mr. Resch** stated that will be about \$16M.

**Mr. Blair** asked how much cash they are putting in?

**Mr. Resch** stated that is something that he has to speak more to their lender about because he doesn't have that figure right off the top of his head.

**Mr. Blair** stated that he hates to say this, but you are asking the city to make a big financial commitment, so we are an investor and should have all of the information.

**Mr. Resch** stated that he doesn't have that answer himself; he would have to revert to his lender.

**Mr. Blair** asked if he could get that for them?

**Mr. Resch** replied yes.

**Mr. Blair** stated that Mr. Resch talked about occupancy and gave them some numbers so he asked him what occupancy levels he expects to operate in?

**Mr. Resch** stated that he doesn't have the proforma information in front of him right now but he believes year one was estimated at about 64% with a ramp up in year two with about 68%-69% and by year three and four stabilization it is estimated at about 70%-71%.

**Mr. Blair** asked what the average room rates are?

**Mr. Resch** stated that they are still working those out with First Hospitality. He said that it is kind of a fluid figure right now. He stated that they start off at roughly \$160.00 per night and fluctuating up to about \$170.00 per night for year one.

**Mr. Blair** asked what they based their projections on?

**Mr. Resch** stated that the most recent projections were around \$170.00-\$180.00 somewhere in that ballpark.

**Mr. Blair** asked what does that put their break-even occupancy at?

**Mr. Resch** stated that he would have to refer back to his proforma which he does not have in front of him.

**Mr. Blair** asked if the proforma is something that he can provide to them?

**Mr. Resch** replied yes.

**Mr. Blair** stated that he would very much like to see that along with the management contracts, because he thinks as Mr. Turner referred to, the concern is what covenants are in there, what the defaults are as far as termination and how long they want to manage the project. He then asked if they did a feasibility study?

**Mr. Resch** replied yes.

**Mr. Blair** asked if he could provide that study for them?

**Mr. Resch** replied yes.

**Mr. Blair** asked if they can see a commitment letter from their lender?

**Mr. Resch** stated that he will have to reach out to their lender and get a copy of that.

**Mr. Blair** stated that his concern is how we are going to get repaid. He said obviously if someone makes a loan to someone, they want know how they are getting repaid. He stated that he admires his dad's experience, in fact, he worked on a project in New Albany with him and he did a great job, but he doesn't remember Resch doing any kind of hotel development. He asked what their experience is with hotel development? He added that it is a risky thing to do.

**Mr. Resch** stated that this is their first attempt at a hotel but you have to get the experience some how and that is what they are doing. He said that is not to say that they don't have plenty of experience as ethicable and they have years of experience with institutional work with medical facilities all across Louisville. He stated that when you scale them per square foot as well as look at the comparison between guest rooms and medical rooms in the layout, they are fairly comparable so they feel very comfortable with where they stand.

**Mr. Blair** stated that you have to expect cost overruns and asked what kind of reserve they have put in to their funding projection?

**Mr. Resch** stated that he doesn't know what the percentage is right now off the top of his head, however, they feel very confident in their budget because they are the general contractors and they can run everything inhouse.

**Mr. Blair** stated that you can't control material costs.

**Mr. Resch** stated that they cannot but they can control their labor costs. He said obviously material in the last several years, with Covid throwing a wrench into everything, is hard to actually pinpoint what anything is going to cost.

**Mr. Blair** stated that he would like to know what their reserve is or what their contingencies are if there are overruns. He said that he doesn't think he has ever seen a construction budget of any magnitude that doesn't have a reserve built into it.

**Mr. Resch** stated that they do but he just doesn't have that figure in front of him.

**Mr. Blair** stated that it sounds like there is a lot of follow-up information that we need.

**Ms. Johnson** stated that the ordinance that is before the council tonight is to authorize issuance of these bonds that will make this project possible and that is really what is most

important here. She said that without this, this project is not possible. She said that if the return on investment is the concern here, Mr. Resch did go over what those economic impacts are looking like. She stated that just to quickly recap that we're looking at, just in that construction phase, 205 direct jobs with an average hourly wage of over \$26.99 and 47 indirect jobs with an average hourly wage of \$25.10. She said that this is going to result in about \$356,000.00 in state income tax revenue and over \$155,000.00 in local income tax revenue from direct jobs alone. She stated that they can go through the operations phase and look at the hospitality food and beverage sectors, and the fact is that this is going to have an immense impact on our city and this is your opportunity to be a part of that. She said that if anyone has direct questions about the financing of this project, their Financial Advisor, Mr. Tim Berry is here to answer any of those questions. She stated that if you have questions about the process about the legal side of the ordinance itself, Mr. Beau Zoeller is here to answer those questions as well. She said that in this project the bonds essentially pay for themselves. She explained that this increment by having a site specific TIF allows for that net proceed to go directly to the developer so this project can move forward. She added that they are on the hook with that taxpayer agreement no matter what, so this is what happens so we can make this project continue to move forward. She stated that she just really wants to emphasize the importance of this and the timeline with their redevelopment tax credits that they have from the state and the historic tax credits at the federal level.

**Mr. Turner** asked what New Albany's vision is for the city?

**Ms. Johnson** stated that when this went before the plan commission, they have to make sure that the business is in line with our comprehensive plan and one of the things that is in there is that we have an event center like this in our downtown. She asked what else is in our comprehensive plan and answered historic preservation, historic preservation and historic preservation. She said that is what this project is.

**Mr. Aebersold** asked how long is it going to take to get that money paid back to the TIF?

**Ms. Johnson** stated that the \$2M is the net proceeds that are needed by the developers from the city to move forward on this as part of a match to those tax credits.

**Mr. Aebersold** asked how long is that going to take to come back to the city?

**Ms. Johnson** stated that Mr. Berry has the projections on that.

**Mr. Blair** stated that you mentioned economic development and the only reason that he would be in favor of this project is if we would get some benefit from investing in this and we get other developers to come in and invest. He asked who she has in mind coming in as far as additional private developers to come in and increase the property tax base of the city?

**Ms. Johnson** stated that they are looking at the induced property tax revenues going up by about \$200,000.00 from this project alone.

**Mr. Blair** said yes, but that is going to pay the bond so that is a net zero to us.

**Ms. Johnson** said no, that is the induced property tax revenue so we are talking outside of this TIF.

**Mr. Blair** asked what is the source of that?

**Ms. Johnson** replied this development right here. She stated that when there is a \$26.6M investment like this in our downtown, there is a ripple effect that happens on the rest of our downtown and we all benefit from that.

**Mr. Blair** asked what the ripples are?



**Ms. Johnson** stated that the \$200,000.00 right there is one example.

**Mr. Blair** asked if we have like a retailer that is going to move next to them or do we have a national restaurant company moving in next to them to generate other taxes other than property taxes?

**Ms. Johnson** stated that they are already starting to see that. She said that the wine shop that moved into the Bergman's building on the corner of Spring Street and Pearl Street did so in anticipation of this project. She added that this project is supposed to be completed in 2025 and they are already starting to see that.

**Mr. Blair** stated that he can name three projects in his term here as a council person that people like Ms. Johnson have stood up in the city and said that we need to do this because there are going to be economic benefits such as additional companies and additional developments because of this. He said that we are sitting in a building now that we paid \$10M for and the whole argument was that we were going to have all of these other businesses wanting to be near city hall. He said we were told that they are going to come in and buy the properties and rehab them and increase our tax base and we have gotten nothing so far. He stated that the only thing we have gotten is a restaurant that replaced a restaurant that went out of business across the street, so it is net zero. He said that we spent \$10M and yeah, we have a nice office building and nice offices for our workers, but we did not create any economic development because of our spending there. He stated that to him that was a failure from an economic development standpoint. He said that we got a hotel out on State Street called the Fairfield Inn and in 2015, we spent \$3.5M to build a road for the developer up to the top of the hill, and said that once the road is in, we are going to sell all of these lots for commercial development and increase our tax base. He stated that we got a hotel and a Taco Bell and he would be hard pressed to say that we are getting repaid our \$3.5M for those two projects. He said so now all of a sudden, our regular taxpayers are subsidizing a failed economic development project. He stated that it was the same thing with the Colonial Manor Shopping Center on Charlestown Road. He said that we put \$1M into that property to help pay for the parking lot. He said they were told that we have a big tenant coming in and office users are going to take the old Kroger space and we have all of these other tenants coming in. He stated that we had a couple of private tenants that came but we also had to subsidize three non-profits with our ARP money in order to fill up the center. He said that we still don't have the marquis tenant in the big space and he hasn't seen any additional development around that Kroger center. He stated that if you're playing baseball, three strikes and you're out. He said those are examples of failures and asked why is this going to be any different? He asked why are we putting money into something and expecting something different to happen than what has not happened with those other three projects?

**Ms. Johnson** stated that she wouldn't call any of those projects failures.

**Mr. Blair** stated that if you've got to subsidize past the TIF dollars, those are failures.

**Ms. Johnson** stated that if you're speaking of the restaurant across the street, yes, Outcast is now open and it looks great.

**Mr. Blair** stated that there was a restaurant there before though.

**Ms. Johnson** stated that there is also a development that will be on the corner at Bank Street and Main Street. She said that she could go through all of New Albany and tell him about other projects.

**Mr. Blair** stated that they are all were going to come but they never materialized.

**Ms. Johnson** stated that the fact is there have been projections that have been done here and we know the effect that this is going to have on our community.

**Mr. Blair** asked if they can see those projections? He said that he wants to see them.

**Ms. Johnson** stated that Mr. Tim Berry is here and he can speak to what that looks like but what she is talking about here is that this is a site specific TIF, so what happens is that the increment that has been added to the assessed value of this property goes directly back to pay those bond payments.

**Mr. Blair** said right, so it's zero. He stated that we put money out and get it back so it is zero.

**Ms. Johnson** stated that there is excess.

**Mr. Dickey** stated that if they could, he would like to move on to Mr. Berry because he thinks he can give a little more on that financial projection side.

**Mr. Tim Berry, Crowe LLP**, stated that the bond provisions allowed for up to \$3.35M of bonds to produce \$2M of revenue for the developer. He said that it is anticipated to sit in a specific TIF in a new TIF allocation area where all revenues from the TIF in the new allocation area are dedicated towards repayment of the bonds. He stated that there are two provisions that are there to provide protection to the city. He said that one is the taxpayer agreement, which allows for if there is at any point in time a shortfall in TIF payments necessary to meet bond repayment, the developer will make up that shortfall within the bond documents that are provided.

**Mr. Turner** asked what happens if they go bankrupt? He asked is there a way they can get out of it?

**Mr. Zoeller** stated that it is recorded with the land so it has to be paid with the property tax.

**Mr. Blair** asked how we would enforce that?

**Mr. Zoeller** stated that it is an agreement that runs with the land. He said that he is not a bankruptcy lawyer but that would be discharged in the bankruptcy and they can't take it out.

**Mr. Blair** asked if it would be a lien applied to the property?

**Mr. Zoeller** stated that it is contractual so it is a special exception per say.

**Mr. Blair** stated that he is guessing that we are going to be subordinate to the lender so we are going to get paid off after the other lender gets paid off.

**Mr. Zoeller** asked what makes him think that?

**Mr. Blair** stated that he is saying if there is a default in the agreement with the first lender, they are going to get paid before we get paid.

**Mr. Zoeller** stated that it is still attached to the land though.

**Mr. Blair** stated that yes, but you would have a piece of property with a bunch of tax liens on it until somebody comes in and swoops it up. He said if the developer is obligated, have we looked at the developer's ability to meet that obligation?

**Mr. Zoeller** stated that we listened to all of the developments Mr. Resch said they have done as well as the Sprigler Company and he thinks their reputations prove that they are solid.

**Mr. Blair** stated so we underwrote their financial information to make sure that they have the funds to pay us and asked if we looked at all of their tax returns and all of that?

**Mr. Zoeller** stated that he is not an underwriter.

**Mr. Blair** stated that is what he is saying. He said that we have to have some assurances that we get repaid. He also said that a bank will typically take a personal guarantee. He added that if we are taking that guarantee that they would make up a deficiency, we would look at them on a personal basis. He stated that for confidentiality, he is not saying that they pass their financial information around by any means, but he would like to have some assurance from someone that has reviewed that information.

**Mr. Berry** said getting back to the bonds, they are 25-year bonds but the other protection in addition to the taxpayer agreement that protects the city is that all TIF revenues are dedicated towards repayment of bonds. He stated that when they sell the bonds, they sell the bonds under an anticipated 125% coverage. He said that they are estimating assessed value on the project based on a conservative estimate that is used within the industry of approximately 75% of hard construction costs dedicated towards the project. He stated that based upon that, they have more than ample 125% coverage. He said that would mean that if we would anticipate that those bonds would be repaid early and would be repaid withing the 13-15 year range, that would then allow the city to receive the TIF revenues on the back end after those bonds have been pledged and paid. He stated that would be additional TIF revenues for the City of New Albany. He said that those are two provisions that are placed within the documents that protect you and protect the taxpayers of the City of New Albany. He stated that they are anticipated to be paid beginning in 2026 with an assessment date of January 1, 2025 for final completion.

**Mr. Aebersold** asked if the city could possibly get the TIF funds back in 15 years?

**Mr. Berry** stated that they would anticipate based on the coverage, and they have only anticipated a 1% growth in assessed value annually, but they are currently seeing much higher than that on an annual basis, so they would anticipate in the 13-15 year range.

**Mr. Blair** stated that he thinks Mr. Berry is speaking in a best-case scenario and asked what happens in a worst-case scenario? He said let's just say on day one, no one goes to the hotel and they don't generate any revenue. He asked what happens?

**Mr. Berry** stated that this is based on property tax revenues so the assessed value is based upon the value of the property.

**Mr. Blair** said yes, but they don't have any revenue.

**Mr. Berry** stated that taxes would still be due and payable.

**Mr. Blair** stated that he gets that but where is the money going to come from to pay for it if it isn't generated from the project? He asked if they have looked at them personally to see if they have the ability to make those repayments if the hotel doesn't? He said that it has to come from somewhere.

**Mr. Berry** stated that is a process that the city would have gone through.

**Mr. Blair** asked if they should've done it in redevelopment?

**Mr. Dickey** said that he is essentially asking about their budget, correct?

**Mr. Blair** said yes.

**Ms. Johnson** stated that they have Steeple as their underwriter on this and there is a process that they go through.

**Mr. Berry** stated that they will be looking at the underwriting.

**Mr. Blair** stated that he would like a sense of that, that's all he is asking for.

**Mr. Zoeller** stated that you can't give someone's financial information for official reasons.

**Mr. Blair** stated that he does not want it and is not asking for it, but he is just saying that he would like to talk with someone that has reviewed it, underwritten it and so forth.

**Mr. Berry** stated that the bonds that will be offered will have the underlying credits of the development and the developer within that. He said that those will be offered on the market and that is the risk that they will be taking with those bonds.

**Mr. Blair** stated that he thinks one comfort level that would help is if they are providing a personal guarantee on the first mortgage with the primary lender. He asked if they are doing that?

**Mr. Aebersold** stated that we want them to take the risk and not the City of New Albany.

**Mr. Blair** said exactly, that is the bottom line.

**Mr. Berry** stated as he said, there is a taxpayer agreement as well as the anticipated TIF revenues that will exceed what we are planning for annual debt service, which would provide coverage to be able to repay those bonds early.

**Mr. Blair** said but if they don't have any money, they can't repay us. He said that is what happens.

**Mr. Berry** said that he would tell him that if you have a hotel in downtown New Albany that is complete to the standards and specifications as were provided earlier, and one developer is not able to maintain that, you are going to have others in line to take that project over.

**Mr. Blair** said maybe.

**Mr. Berry** stated that they see that in these types of projects across the state that they work on.

**Mr. Blair** said yes, at a reduced price. He stated that if you have an underperforming property, they are going to base it on the revenue flow and cash flow to do an appraisal and come up with a market value, so it would be a reduced price.

**Mr. Berry** stated that there would still be property taxes that would be coming in from the project.

**Mr. Blair** said yes, we would probably have a lien on the property tax and whoever bought it would have to satisfy that and we may end up with something different than a boutique hotel at that point. He stated that after it gets taken over by someone else then it is not what we expected and we don't get economic development and everything associated with this. He said that he knows that he is asking hard questions but we are the stewards of taxpayer's money and we have to make sure that we understand how we get paid. He stated that he doesn't want to look at a taxpayer and they say that he gave away \$3.35M of the city's money. He said that he would like to be able to explain to them intelligently what happened and here are the assurances and so forth, but to be honest, Mr. Berry is not giving him a lot of comfort level.

**Mr. Berry** asked if the taxpayer agreement does not provide that in his mind?

**Mr. Blair** said for one thing, he did not see that declaration where the company would make up a shortfall so he will have to go back and read the taxpayer agreement. He stated that they did ask them to read 150 pages of documents in the matter of a couple of

days, and they had other things going on in their lives too so that was a pretty big ask. He said that he will go back and review that.

**Mr. Berry** stated that they didn't prepare the legal documents but he believes that was in there.

**Mr. Blair** said that he believes him but he just needs to see it with his own eyes.

**Mr. Applegate** asked where are we at right now on property taxes with this facility?

**Mr. Berry** stated that the current assessed value of both parcels is just shy of \$1.5M. He said that they would anticipate that the assessed value of both parcels after completion would be right at \$15M.

**Mr. Dickey** stated that just for comparison, what the TIF currently gets for the current property is only about \$8,500.00.

**Mr. Berry** stated that he believes Mr. Dickey is right.

**Mr. Dickey** stated that in the terms of status quo, we can barely do a sidewalk with the revenue from this building currently.

**Mr. Blair** stated yes, but Mr. Resch is a savvy investor and he doesn't not have plan B. He said if we pass on this hotel, he is sure that there are other projects that can go in there, which would generate property tax and it would go into the general property tax that can be used by the city, the school corporation and so forth. He asked why give away property tax when he could put something else in there that would actually generate property tax that could be used right away on day one?

**Mr. Berry** stated that he will say that the parcel is currently in a TIF so the incremental assessed value would not be going to the municipal government.

**Mr. Blair** stated that's a good point.

**Mr. Berry** stated that would be going to redevelopment.

**Mr. Blair** said yes, it would be going to the State Street TIF which is actually underfunded right now, so we could use additional funds in there. He said that they had more expenditures than revenues last year in that TIF and he thinks there is \$70,000.00 in that TIF, so it would help that TIF if we didn't carve this piece out.

**Mr. Berry** stated that it is the State Street Parking Garage TIF that it is currently in.

**Mr. Applegate** stated that TIFs work on a different schedule year after year and are not on a normal calendar year. He said ultimately by having skin in the game, we do have some say so in what goes on with this property where if we don't, we don't know what this can be. He stated that he thinks that helps control a lot of narrative to what we look at from that ripple effect and this could be that middle piece. He also said that we would have that skin in the game along with the state and federal tax credits that make this possible.

**Mr. Blair** stated that he hears what he is saying but hotels are much riskier than say an apartment building, residential condos or county offices. He said that there are a lot of other uses for that property. He stated that the thing that bothers him is that we spent a lot of money over the last ten years, such as converting the streets from one-way to two-way, we put money into Main Street, we put money into Market Street and so forth to make downtown New Albany attractive for the citizens and also for private investors to come in. He said that for example, Mr. Matt Chaulfant took the old New Albany Inn and we got apartments and a nice restaurant there and he doesn't think that he received any incentives from the city. He stated that the new restaurant Wild Eggs just went in and he

doesn't think that the city even knew about it, but Wild Eggs said hey this is a great place to be, so we don't need the incentives because we can make it without incentives. He said that we are also setting a precedent and you can bet that the next developer is going to be in here with his hand out. He asked if that is fair because we have businesses on Main Street that are suffering because of a road closure and we gave them a loan that they have to pay back. He asked if that is fair because we are giving one business an incentive over another business and so he looks at that and asks why can't these things stand on their own? He said that we can't continue to take on this risk. He also said that he named three projects and he would dare say that we are, as taxpayers, in some way either through our TIFs or individual tax base, we are subsidizing those projects. He stated that they failed, we made a mistake and should have never done them, so what makes this one better than those three that he already described? He stated that we are a city government, we are conservative, we're not going out and taking big gambles and risks with things. He said that we do things conservatively and this is a risk. He said he doesn't know why we are taking this risk and why we are asking our taxpayers to take this risk.

**Mr. Applegate** stated that we are getting the money back and the project will be making money for itself because of the increase in the property tax.

**Mr. Blair** stated that is how the other projects were supposed to work too, but they didn't. He said that there is a beautiful lot sitting up on Daisy Summit on the corner and we can't get anyone to buy it. He asked why is that? He stated that we put a lot of money in that road to try to entice someone to buy it and build on it to get a higher assess value in taxes and reap the benefits off of the tax, but that has not happened. He added that when you start looking at occupancy in hotels, he doesn't think that 60% occupancy is very outstanding. He stated that he does realize that this is a boutique hotel and it is a different type of hotel and so forth, but there are competitors over in Louisville. He asked why would someone want to stay over here versus 21C which is just right across the bridge? He said that they are also doing new hotels in NuLu very similar to this so there is going to be some competition, and that is why that feasibility study is important to him. He stated that is the whole point of tabling this is because we didn't have all of the information that we needed tonight, so why are we even ready for a vote? He said that he doesn't feel comfortable until he sees that information.

**Mr. Berry** stated that he thinks Mr. Blair asked earlier about the balance in the State Street Parking Garage TIF and based on what he sees from the annual financial report, it shows \$307,725.68.

**Mr. Blair** said okay, and thanks for that because he was doing it from memory. He said that there was one in there that was \$70,000.00 but he doesn't know which one it was.

**Mr. Berry** stated that he doesn't see one that is \$70,000.00 but he may be missing it. He said that when Mr. Blair was talking about some of those projects that have occurred, there is a spinoff of an investment in the community that then spurs other development within the community like Wild Eggs, etc. as he was discussing. He stated that is exactly what these types of projects are meant to do which is build anchors for additional investment down the road. He said that oftentimes you are not going to see that commitment today, because the project isn't expected to open for three more years and as a result, that is when those commitments on those types of projects tend to come to fruition. He stated that once the project comes to completion, they can begin to anticipate the additional foot traffic associated with a development such as this.

**Mr. Blair** stated that we put a lot of money into our infrastructure and now we should reap the benefits and not have to continue to incentivize and subsidize projects that are coming in. He said that this is a great project but we have other hotels in the city and it's not like this is going to be the marquis structure of a project in our city.

**Mr. Aebersold** asked Ms. Johnson if we have done anymore projects like this using TIF funds?

**Mr. Zoeller** stated that the Breakwater is similar.

**Ms. Johnson** stated that we have seen huge success with that project which is right downtown.

**Mr. Blair** stated that he agrees with that. He said that he hates to brag about the Breakwater, but in that whole process, he actually met with the developer in Indianapolis and went through all of the information that he asked for here. He also did a site review as well as spent the whole day with the developer and got comfortable with the development. He stated that he wasn't given the opportunity here.

**Ms. Johnson** stated that she would absolutely invite him to do that right after the economic development commission meeting.

**Mr. Dickey** stated that he thinks that is a great point because Mr. Blair still has that opportunity. He said that Mr. Resch volunteered to provide, not just Mr. Blair, but all of the council members additional information that probably goes a little bit above and beyond what we asked on some of the other projects that we have done like Breakwater.

**Mr. Phipps** stated that he wanted to respond to some of Mr. Blair's concerns. He said that Mr. Blair mentioned that we don't do this for small businesses and he supports small businesses and shops at small businesses downtown, but many times there is a lot bigger risk for small businesses. He stated that it is something like 50% of them that fail in the first two to three years. He said that we have a project here with two known entities, Resch and Sprigler, who have track records in doing good things in this community. He stated that we have a commitment from major hotel chain, Hilton, so the risk on something like this is going to be minimal compared to what the risk would be investing in small businesses. He said that there were naysayers back before he was even on the council about the YMCA, which turned out to be a very good investment. He stated that there were naysayers when he first came on the council about spending money on our parks and on the aquatic center, it turned out to be one of the best things we did in terms of improving parks in our city. He said that he was very instrumental in the conversion of the traffic and there were naysayers but it has been a boom for the residents, neighborhoods and the development in downtown. He stated that there were naysayers on this building and it's time for New Albany to get up and make the right decisions. He said again, there is minimal risk on this so tonight let's go ahead and vote this in for the first and second readings. He stated that they will still have time to get those questions answered before the third reading. He said, "Let's move forward".

**Mr. Dickey** asked Mr. Zoeller if he wanted to give a quick reminder to the council on the bond process before they move on?

**Mr. Zoeller** stated that the bond will have the first and second readings here. He said that the economic development commission will meet and Mr. Blair is on that, then there will be a public hearing with the economic development commission as well as a bond resolution that will be passed there. He stated that the redevelopment commission will also have an approval to pledge the TIF to the bonds. He said that those are the next steps and then we will come back and the council will do a work session before the next meeting when they will have the final reading. He stated that the TIF formation process is the next resolution and we have already been at the redevelopment commission level and they passed the declaratory resolution and it went to the plan commission and they approved it, so the next step is you guys. He said that the last step is that it will go back to the redevelopment commission for a public hearing and then a confirmatory resolution will kind of seal up the process. He stated that he believes Crowe has sent out a tax impact statement to all of the underlying taxing units.

**Mr. Turner** stated that he will have a lot more in-depth questions for the work session.

**Mr. Dickey** stated that project costs \$26.6M and sources for the project are funds \$14M loan, developer equity \$3.7M and credit incentives \$8.9M. He said that the credit

incentives are Federal Historic Tax Credits \$3.3M, Indiana Redevelopment Tax Credits \$3.6M and City of New Albany bond revenue \$2M. He stated that obviously we see the increase in AV which will ripple into the revenue to support the bond issue and to pay those through the TIF. He said as for jobs, direct jobs of 205 at over \$26.99 average per hour for two years and 47 additional jobs at \$25.10 average per hour and that translates to local income tax of \$155,000.00. He stated that as for sales tax revenue, direct will be \$802,321.00 and indirect will be \$17,176.00. He said that he won't go on with all of the numbers they have gone over tonight and that are available, but this has a tremendous potential for our downtown. He stated that it is similar to, as Mr. Phipps said, the YMCA when we originally needed an anchor for downtown and similar to some of the other projects like Breakwater that have provided additional stabilization and fostering of our downtown. He said that this is the productive vision of what we want to see. He remembers several years ago as a teenager and young adult, we did not have much downtown and today we have realized a new reality. He said that this is the continuation of that growth, that economic development that will foster this community forward. He stated that is why he has put his name behind this to foster the project to foster the historic redevelopment and to make it a project that will be a legacy, not just for the next several years, but for the next 100 years for this community.

**Mrs. Griffith** stated that she doesn't think anyone up here is against this project. She said that Mr. Resch was a huge component to the growth of New Albany and Mr. Bergman was too. She stated that these guys invested before New Albany was what we are sitting at today so that, to her, is not the question. She said her question is the finance part. She stated that if we do this for these guys, and she is not singling these guys out, what is stopping us from doing another TIF District to the Robert E. Lee that is sitting vacant? She asked what percentage of vacant buildings do we have? She said that information she doesn't have so she would like to see a little more of that information, so that we don't have in the future another failure like Mr. Blair pointed out with the three strikes that we have had. She said, "Let's learn going forward". She stated that she appreciates everything that Mr. Resch and Mr. Bergman have done and the vision that they have seen for New Albany. She said again that she doesn't believe anyone up here is against that, it is the financing part that is questionable for her.

**Dr. Bergman** stated that he signed up to speak on this.

**Mrs. Glotzbach** stated that Dr. Bergman accidentally signed up to speak during the resolution for the Elsby allocation area but meant to sign up to speak during the bond. She asked Mrs. Collier if he could speak?

**Mr. Turner** stated that he does have a concern about speaking. He said when we have the public speaking moment, the people that do speak do not have any idea of the conversation that happens after they speak. He stated that there are a lot of rebuttals that could happen based on the information that the general public does not get. He stated that he does think that Dr. Bergman should have his time to speak even though he signed up for the wrong one, but he does think that he needs to keep it to three minutes.

**Mr. Blair** stated that it was an easy mistake to make. He said that he would appreciate it if Dr. Bergman would keep the comments to what he was going to say before they had this whole discussion.

**Mr. Aebersold** stated that he thinks they are all for this. He said when he first heard about this and what they wanted to do with building sounded great. He stated that the TIF thing was mentioned and said that is fine. He said that TIF money, he always thought, was for infrastructure and his comment to who he was talking to was, "We need to do whatever we can do or whatever needs to be done over there". He stated that anything they need in that area as far as infrastructure, the City of New Albany should do whatever. He said that is what he thought it was the first time, but after he got into and read it more, it is a little different and it is the first time it has ever happened. He wondered if this is going to open the door to other businesses wanting TIF money, so he



is concerned about the precedent it sets. He stated that if the city can get their money back sooner rather than waiting a long time, that would make it better.

**Mr. Blair** stated that he knows that he is coming across very negative but it is about trying to understand more and gather information and do our due diligence like we should be. He said that he is, in fact, disappointed that redevelopment didn't do this because a lot of time and effort could have been saved if our redevelopment would have asked the questions about the project and got involved. He stated that he volunteered a month ago to get involved and he was not asked to do that and he assumed something like this would happen. He said that this package, in his mind, was very poorly prepared. He stated that if you get an email and get 150 pages of legal documents and you are trying to decipher what you have; it is almost impossible. He stated that there is still a lot of information that we need. He said that he loves this project but we have \$3.35M of city funds at risk here and it is still not clear to him how we will get paid back, and under what stipulations do we get paid back. He stated that Covid could hit us again. He said that there are a lot of bad things that could happen that would prevent the repayment stream on this project, so we have to dig in and make sure that we have a satisfactory view of it. He stated that he thinks the feasibility study is the key. He said that he would like to try to understand the market demand and how many people are going to come in and pay those kind of room rates to stay in New Albany. He stated that is a big key. He said that everything that has been presented so far has been projections; it is nothing concrete and solid. He stated that we are basing our decision on forecasting and forecasts never turn out the way you expect.

**Mr. Turner** stated that he agrees with Mr. Blair that this is a lot of intentions and he wants to base this on results and that is going to take data. He said that he does look forward to having a work session because he has a lot more and he thinks it would save them some time. He stated that there is just too much risk and it is all intention based right now and he looks forward to seeing the data which could change his mind. He said that he does know that this TIF has been there for approaching 30 years and to expect a different result with no data backing it up is difficult for him to get over. He stated that when he asked about vision, he would like to see something envisioned where we, as New Albany, want to be a hub for this and we want to draw people in. He said that he didn't expect our vision to be that we want to make our old stuff look nicer and we want an event center. He wonders what draws people to New Albany because to him it feels like Clarksville and Jeffersonville are surpassing us. He stated that he is originally from Clarksville and never thought growing up that he would see the day that Clarksville surpassed New Albany and that is where we are at. He said that we are not thriving, we are stagnant. He stated that there was growth for some time and if we say yes to everything, what are we going to say no to? He stated that we can't say yes to everything and tonight he is going to say no as it stands and hopefully there is something different next week.

**Mr. Aebersold** stated that he has gotten a lot of information tonight and he really wants to think it all over. He said that he still has a few more questions and he would rather talk to the individual separately on this so he can get some answers. He stated that he thinks it is needed in New Albany and sometimes in business you have to come up with ideas and you have to go try it and make an investment in it. He said that the city is making an investment in this one and like it was said, the YMCA is great. He stated that there are a lot of things great downtown and New Albany is growing and this may be something that may really take off, we don't know. He said that it is an investment and we will find out five years from now, if it does go, what is going on down here because we have no idea. He stated that he is going to abstain right now and he still wants to get more information. He added that he is way up there a lot better than he was when he walked in here tonight so that is why he is going to abstain right now.

**Mrs. Griffith** thanked everyone for all of the information that they provided tonight and said that it was very helpful. She stated that she still doesn't feel like she can make an educated guess for this one. She said that she looks forward to the public meetings

coming, so as of now she is voting no, but in the future, she does see it. She thanked them for believing in New Albany.

**INTRODUCTION OF RESOLUTIONS:**

**COMMUNICATIONS PUBLIC: R-23-02 Elsby Allocation Area**

**COMMUNICATIONS PETITIONER: R-23-02 Elsby Allocation Area**

**R-23-02 A Resolution of the Common Council of the City of New Albany Approving the Order of the Plan Commission and the Declaratory Resolution of the City of New Albany Redevelopment Commission Dickey**

**Mr. Dickey introduced R-23-02 and moved to approve, Mr. Phipps second, Mr. Dickey, Mr. Phipps, Mrs. McLaughlin, Mr. Applegate and Mrs. Collier voted in favor and Mr. Turner, Mr. Blair, Mr. Aebersold and Mrs. Griffith voted no.**

**Mr. Turner moved to table, Mr. Blair second, Mr. Dickey, Mr. Phipps, Mrs. McLaughlin, Mr. Applegate and Mrs. Collier voted no, Mr. Aebersold abstained and Mr. Turner, Mr. Blair and Mrs. Griffith voted yes.**

**Mr. Turner moved to send this to committee, Mr. Blair second, Mr. Dickey, Mr. Phipps, Mrs. McLaughlin, Mr. Applegate and Mrs. Collier voted no and Mr. Turner, Mr. Blair, Mr. Aebersold and Mrs. Griffith voted yes.**

**Mr. Turner** stated that he would like to table this because he doesn't have enough information to make a decision tonight and this is a one vote and done deal. He said that it is pretty simple; he can't vote in favor of this when he voted no on the ordinance and he is still awaiting more details.

**Mr. Dickey** asked Ms. Johnson or Mr. Zoeller to speak to the timetable and whether a table would adversely affect the other scheduled components that need to happen?

**Mr. Zoeller** stated that the redevelopment commission will pledge the TIF. He said that they will have their bond resolution per say prior to the next council meeting. He stated that he believes that the TIF would have to be passed here so that it can get to redevelopment so they can form the TIF and then pledge it. He said otherwise, we would hit the redevelopment commission meeting and it wouldn't be past the TIF formation process here so they wouldn't be able to pledge anything. He stated as Mr. Resch mentioned, they have a timeline with the state and they could lose state tax credits if we don't close in June, so that is the reason for the aggressive timetable. He said that this resolution amends the current economic development area. He stated that it is still in the same economic development area but a different allocation area.

**Mr. Turner** stated that tonight has been, in his opinion, a colossal failure of communication. He said there was no data prior to this meeting that they can use to make a vote, Mr. Blair has been told tonight that he is to be at a May 9<sup>th</sup> meeting and has not been informed of it but it was published in the newspaper. He asked how they can vote on something without knowing data? He said that this TIF, as Mr. Dickey said, can't even pay for its own sidewalk. He stated without data, why would he expand this TIF for 25 more years when we could maybe have it done without TIF? He said that what he would like to see done is the developer pay for the bonds and we repay them back in time. He stated that he doesn't want to see the agreement and would like to see the developer up the money and take this risk away, but he would have to approve this TIF for that to happen and he is not sure why he would extend this TIF if he doesn't like the project. He said that they can just let the TIF die in three years. He stated that they are voting on something that's \$3.35M off intention. He said it is supposed to have a ripple effect and it is supposed to create growth, but he doesn't know. He stated he loves the way Colonial Manor looks, but as Mr. Blair said, we have ported jobs from the local community into

that facility and we have spent more than \$1M on that and it is all government jobs. He said we took the BMV from one part of the neighborhood and moved it. He stated that we took Child Protective Services from one part of the neighborhood and moved it. He said all of that was a cost to the taxpayer with no net jobs. He stated that is not growth, it's expense. He said that the hotel is great but he doesn't agree with the funding mechanism. He stated that if we would have to change zoning codes and do all of these things to help them along, that would be perfect. He said that he can't vote in favor of this the way it is. He stated that if they table it and do it at the next meeting, it may be different.

**Mr. Blair** asked if there was any opportunity to do tax abatements with this project or were there other structures to do incentives on this project? He said that he knows tax abatements are usually for manufacturing facilities and it is 10 years and prorated, but he doesn't know if there was any way to structure it differently than this upfront funding. He stated that the biggest problem he has is that we are advancing these funds and then hoping to get repaid. He said if there was a way that we could defer the risk back to the developer, then we could help them on the back end.

**Ms. Johnson** stated that she believes everyone here has her phone number and they were more than welcome to reach out to her with any questions after the packet was sent out. She said that there were other options looked at but this option made the most sense for this project and allows the project to happen. She stated that we are using every bit of that "but for" clause that is needed for a TIF. She said that this project does not happen without the establishment of this TIF.

**Mr. Blair** stated that is fine; he was just exploring if there were other options. He said that a developer will come to us with a maximum to their benefit and asked if there were any negotiations to structure it differently? He stated that he doesn't know because he wasn't involved in any of that, but he is sure they had it structured in the way that they wanted it done and they wanted to maximize the amount that they got from the city. He said that he doesn't blame them because he would too if he was a developer. He stated that as far as creating this allocation area, it goes hand in hand with the previous discussion and since it is a resolution, we could vote on it at next meeting too. He said that they don't have to approve it tonight and he would assume that they could do it next meeting. He stated that he doesn't see what the rush is.

**Mr. Turner** said that everything goes to committee anyway.

**Mr. Blair** asked if the resolution does too?

**Mr. Turner** stated yes, that is the rule. He said all resolutions go to committee now.

**Ms. Stein** stated that it goes to committee if someone moves to send it to committee and there is a majority vote agreeing to send it to committee.

**Mr. Blair** said that you don't vote on it at that point if you take it to committee.

**Ms. Stein** stated that is right.

**Mr. Dickey** stated that they have to remember that Mr. Zoeller just said to them that the timeline involved with this requires certain things to happen at certain points. He said that if they don't handle according to those schedules, we are effectively killing the project because those pieces won't be in place to allow them to close and do the rest of the financing.

**Mr. Turner** stated that the timeline doesn't matter because the fact is that you guys did not prepare us to meet the needs for this timeline. He said you created this timeline and now we have to make a decision without all of the facts. He stated that is a failure on whoever's part it is to get this information to us. He stated that now that we have a timeline and we don't have those facts; he is supposed to make a decision because they

are going to lose credits? He said that he doesn't know who is in charge of getting the information but if it is the city, he would stop donating to the city.

**Mr. Dickey** stated that the only thing that he would add to that is that this is a multifaceted plan with private investment with historic tax credits from the Department of the Interior from the Indiana Redevelopment Tax Credits and our own processes in which we are compelled to follow state statute with regards to the process.

**Mr. Turner** asked if they could get those tax credits without us?

**Mr. Dickey** stated that he doesn't want to speak for the developer.

**Mr. Turner** asked the developer if they could get the tax credits without our money potentially?

**Mr. Chad Sprigler** replied no and stated that he believes that they had to have the city match.

**Mr. Turner** asked Mr. Resch if they would invest in him if he came to them without any information and just told them his intentions?

**Mr. Sprigler** stated that he thought that if they came and explained the project, the council would make a decision from that. He apologized if they didn't have all the information they needed. He said that they have been working on this project for almost two years now.

**Mr. Blair** stated that he understands his point but he reached out a month ago to the city economic director and they ignored it. He said that they could have avoided some of this by getting us involved earlier, but they just plainly ignored his request or his offer. He stated that the city put us in this timeline and now they want to push us and tell us that we need to make a decision. He said that is not fair. He told the developer that it is not their fault; it is the communication and the way things are done around here and it has to stop. He added that the developer is getting the blunt of it right now.

**Mr. Sprigler** stated that he wished Mr. Blair would have reached out to them directly because they would have loved to take him through the building. He added that the lieutenant governor was down and had to stay in Louisville because there wasn't a hotel like she wanted to stay in here in southern Indiana. He said that says a lot.

**Mr. Blair** stated that at that point when he knew that they were negotiating with the city, he didn't think it was proper for him to bypass the process. He said that he is a city official so he has to work on the city's side and represent the city and the taxpayers, so he didn't feel like he should just knock on their door and say give him a tour. He stated that he knows both of the developers and worked with Mr. Steve Resch on a couple of projects, so he knows the quality of work that they do. He said he could've have reached out very simply but he was not given that opportunity, and now he is being told that there is a rush and we have to get this thing done and they can't help it that he doesn't have information, that's not their problem, but this thing has to be done. He stated that is not fair and that is not the way that city government should be run and that is not the way things should be done around here.

**Mr. Dickey** asked Mr. Blair to bear in mind that they have a work session that they are looking for next week and they have another meeting in which this will be vetted and heard. He said that they have two weeks essentially more or less in between that point, so they do have additional time, plus there is the meeting that you will be participating in.

**Mr. Blair** stated that some of us have personal lives and some of us have other commitments and a meeting was scheduled on his behalf without him even knowing about it. He said that is not right either and asked why he wasn't told that they were going to advertise for the meeting and asked if he was available for it? He said that he can zoom

in and make himself available like he has in the past. He asked Mr. Dickey why when he made that offer a month ago, he didn't get him involved?

**Mr. Dickey** told Mr. Blair that the process they discussed was to get the information together and out to him and he thinks Ms. Johnson will speak to the fact that he said he wanted to make sure that we can present them as full of a picture as we can. He stated that Mrs. Collier and he talked about it too from a redevelopment standpoint, so again, he thinks that folks are trying to meet your expectation, but just like you said, this is not the only thing that everyone has going on in their lives. He said that one of the reasons why they couldn't send it out before 11:00 a.m. was because there was an open hearing with regards to certain pieces as he recalls. He stated that he is not here to defend any of our staff but he thinks that our staff does an excellent job trying to perform for our city for our taxpayers and he thinks they have record in success. He said that he takes issue with some of the things that Mr. Blair calls failures because he certainly doesn't see them as failures, and he doesn't think that residents see them as failures. He stated that they can disagree on that but he thinks we are trying to move this forward and stay on an important timeline so that we can meet the expectations. He said that one of the things that is critical with economic development in packages like this is that time kills projects. He stated that Mrs. Griffith and he just sat in a 1st forum where that was specifically discussed by every one of the panelists that was speaking there. He said that he thinks that they have to be mindful of that because this vote is one of those pieces to keep this moving. He stated that Mr. Blair can have the additional time to receive the pieces that Mr. Resch promised him and consider the additional pieces, and we can get those answers for him and make an informed decision for a final vote.

**Mr. Blair** told Mr. Dickey that haste makes waste and he can tell him that is what it looks like is happening here. He stated that we are pushing this thing through and if we go through and don't get the information and understand what we are doing, then there is a problem. He said that part of it is that we have to look at the merit of the project. He added that this is not political for him, he just needs to decide if this makes sense for New Albany. He stated to not just rush it through in order to make a bad decision because that is what happens sometimes when you rush. He said that he agrees that there is a balance there, but again, he offered to get involved a month ago. He stated that he gave Mr. Dickey a month and now Mr. Dickey is giving him two weeks.

**Mr. Turner** stated that they don't get another shot at this particular resolution. He said once they vote on this, it is done for the night and there is no next week looking back and seeing if it is right or wrong. He said with that being said in the spirit, he agrees with Mr. Dickey and he would like to motion for this to be sent to committee because he believes the committee can just be handling this the same day that we meet next time. He added that they can have the chance to look at it all over again at their work session.

**Mr. Dickey** stated that as our counsel has explained tonight, we have a timeline and to send this to committee would risk killing the project. He said for that reason, he is voting no.

**Mr. Aebersold** stated that he hopes these guys understand that three days to come up with a decision on this particular project is not much time, he needs more information and he is getting a lot of it. He said that he is 85% there but there are issues that need to be answered and we need those answers for all of us to make the right decision on it so he is for sending it to committee.

**Mr. Applegate** stated that when he was president, he started using the committee forum and he made sure that development and annexation was council as a whole so that in issues like this, the timeline wouldn't be affected when things come from planning and redevelopment. He thinks that is the scenario that we are using right now so his vote would be no to send it to committee because we are discussing it as a whole.

**Mrs. Griffith** stated that it is on our agenda where we can give reports on committees and for us to only hear about this since Thursday, that kind of upsets her that we don't

have the communication as a council when it is not clearly on our agenda. She apologized and said that she is not trying to delay this project but she has to vote for it to go to committee for those reasons. She added that she still doesn't feel like she is educated enough to make a strong decision tonight due to those facts.

**Mr. Turner** stated that it is a real shame that we will do our due diligence to stream public meetings but won't do our due diligence to spend \$3.35M. He said this is a real shame here and there is no way he can be in favor of this.

**Mr. Phipps** stated that he is voting yes to proudly move New Albany forward.

**Mr. Turner** stated that there are a lot of outbursts in the crowd and last council meeting we got on people. He said that it has been happening all night and he thinks that we need to limit that.

**Mrs. Collier** stated that she just heard one but she didn't see who it was. She added that she thought she heard one other one but she wasn't certain. She said that the one the Mr. Turner first pointed out to her; she did not hear. She then told Mr. Nicholson that he can stop because she did hear and see that. She also told him that if he wanted to have an outburst, he can be asked to leave.

#### **COMMUNICATIONS PUBLIC: R-23-03 Neurofibromatosis Awareness Month**

**Mr. Ashton Dickey, 2106 Fairway Court**, stated that he was present tonight to support the resolution declaring May as Neurofibromatosis Awareness Month. He said that there are 125,000 Americans living with NF and he and his mother are just two of them. He stated that NF affects all populations equally and can cause terminal tumors and growths, on nerves in your body and can also lead to blindness, bone abnormalities, fibromas, disfigurement and cancer. He said that many people don't know about NF and its impact so he wants to change that. He stated that he is hopeful that this resolution can help bring awareness to the public and support the work of doctors and other professionals to treat it. He said that it is important that those suffering with NF know that they have support and value. He urged the council to support this resolution.

**Ms. Scout Hardin, Director of Development for RVR Alliance which represents Rauch and Blue River Services**, thanked the council for the opportunity to join them today and for inviting her to speak on people with disabilities. She stated that they are two non-profits that have been supporting people with disabilities in the community for 70+ years. She said that today she would like to speak on behalf of the people that they serve, people who are near and dear to her heart and people whose voices are not always heard. She stated that Rauch alone serves more than 1,400 individuals with disabilities in the community from the ages of 0-70+. She said that it may not seem like much, but even the proposition of a resolution to recognize individuals with Neurofibromatosis means the world to them. She stated that while their clients are unable to attend this evening, please know how grateful they are for you support of people with disabilities in our community. She said while some disabilities present themselves in more subtle ways than others, as Neurofibromatosis sometimes does, this doesn't discount the affect it has on the individuals living with these conditions. She stated that saying the name Neurofibromatosis and recognizing the significance of this condition is a small step as we continue to bring awareness to the community, and for that, we thank you. She said that one of Rauch's mottos is to "Imagine a Community Where Everyone Belongs". She thanked the council for helping to bring their goal to fruition and supporting those with disabilities and Neurofibromatosis. She said that she hopes the council considers proclaiming the month of May as Neurofibromatosis Awareness Month.

#### **COMMUNICATIONS PETITIONER: R-23-03 Neurofibromatosis Awareness Month**

**R-23-03 Resolution Proclaiming May as Neurofibromatosis Awareness Month**

**Dickey**

**Mr. Dickey introduced R-23-03 and moved to approve, Mr. Applegate second, all voted in favor.**

**Mr. Blair moved to suspend the rules to let her Ms. Hardin, Mr. Dickey second, all voted in favor.**

**Mrs. Collier** asked Ms. Hardin if she signed up to speak?

**Ms. Hardin** apologized and said she didn't.

**Mr. Dickey** stated that was his son that spoke, and Ashton like so many others across our nation, does suffer from Neurofibromatosis and for some time now, there has been an effort to make May awareness month, not just in select communities, but across this nation. He said that 125,000 individuals, Americans, live with NF and it has varying degrees of severity. He stated that in Ashton's case and April's case, they pass the proverbial mull test. He said that you don't know that they have it and are not impacted severely; Ashton is a star student at Scribner, but in fact, he has to have treatment every month for a brain tumor. He stated that his prognosis is excellent and his doctors have no reason to doubt that everything they are doing is effective and he will die at 90+ years old of some other ailment unrelated, in all likelihood, to NF. He said that when Ashton brought this up to him and said that he saw where May is supposed to be NF Awareness Month and asked how come we don't do that because he saw another community proclaiming this. He stated that he thought it was important that, even though he is very close to him, that we also recognize all of those others in our community and there are others. He said that as they were going through his education, one of the things that they learned was that they were educating our school corporation. He stated that from that, they thanked them a few years later because they helped pave the path for several other NF patients that have been diagnosed at Grant Line Elementary and Scribner Middle School. He said that it is a reflection that this is real and in our community. He stated that many of the folks that suffer from NF have much more severe ailments. He said that as he mentioned, there are people that have fibromas all over their bodies. He stated that there are folks that have much worst cancer and tumors, and what they want to do here today is simply make folks aware. He said that, as Ms. Hardin said, make sure that folks who are out there with this disorder know that they are seen, heard and appreciated by their community. He stated that he would be happy to take any questions that anyone might have on the resolution but he thinks that, as you can see, his purpose here is to simply give a nod and voice to those who are suffering from something that he hopes none of us have to ever deal with but which is a reality of being human.

**Mr. Turner** told Ashton that he is very brave to stand up in front of this group.

**Mrs. Griffith** thanked Ashton for his patience because she would have moved to move this up. She said she did not realize that and thanked him for coming.

#### **BOARD APPOINTMENTS:**

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

**Mr. Andrew Nicholson** stated that at the he thinks that it is really cool for Mr. Dickey to have his son Ashton come up and speak on something that is near and dear to their hearts. He said at the end of the month we are facing Memorial Day and some people celebrate Memorial Day with mattress sales, fireworks, grill-outs and pool parties. He stated that he is an Army Veteran/Iraq Veteran '06 and he celebrates Memorial Day a little differently. He said that since 2017, bi-annually, he has hosted the "Beer for Your Battle" event. His first one was on Fourth Street Live, his second one was at Pints & Union and his third one, with Mr. Turner's help, was at all of the VFWs and the American Legions here. He stated that this year he is actually hosting one at the VFW on Grant Line Road. He said that he, a few other people from the public and Mr. Turner are hosting a "Beer for Your Battle". He stated that this is an opportunity for you to remember a service member that

you may know. He said that a lot of people come up to veterans and thank them for their service on Memorial Day but that is the day that they memorialize all of their fallen brothers and sisters, so every year he buys a beer for Sergeant Cookingham who was his squad leader in Iraq. He stated that he died the way he wanted to and that was retired and at a rock concert with a cigar and a bottle of Jack Daniels, but he still likes to memorialize him because he is one of the best leaders that they had. He said that this year at the VFW on Grant Line Road, it will be all weekend long and you can come and buy a beer for a soldier that you may have known that has fallen, whether it be a family member, someone you served with or a neighbor or friend. He stated that at the end of the night, they do a final call for these soldiers and this allows the VFW to raise money for their Honor Guard, and at the same time, it is a direct representation of how many people in our community celebrate Memorial Day, in his opinion, the correct way. He invited everyone to come to that. He added that he is not a member of the VFW but he just understands that their Honor Guard does go to soldiers who have passed away and don't have family members and they give them a 21-gun salute. He said that if you can't make it down, let him know and he will definitely make sure that your soldier gets memorialized.

**Mr. Turner moved to suspend the rules to let Mr. Jeffrey Mayott speak, Mr. Blair second, all voted in favor.**

**Mr. Jeffrey Mayott** stated that he has a health condition to where too much background noise affects him and Mrs. Collier did not address that and it was going on the whole meeting. He said that shows that they are not accommodating to everyone's disabilities, so he would appreciate if in the future, Mrs. Collier would observe more. He stated that it is his understanding that it is her responsibility to pay attention to that. He added that he was not able to focus as a member of the public so he didn't get to hear everything.

**ADJOURN:**

There being no further business before the board, the meeting adjourned at 9:53 p.m.

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Jennie Collier, President

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Vicki Glotzbach, City Clerk