

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY,
INDIANA, HELD A REGULAR COUNCIL MEETING IN THE COUNCIL
CHAMBER AT NEW ALBANY CITY HALL ON THURSDAY, MAY 15, 2025 AT
7:00 P.M.**

MEMBERS PRESENT: Council Members: Mrs. Collier, Mr. Phipps, Mr. FitzGerald, Mrs. Gohmann, Mr. Blair, Mrs. Griffith, Mrs. Murphy, Mr. Unruh and President Dickey.

ALSO PRESENT: Mrs. Manning, Ms. Johnson, Mrs. Moeller, Mr. Gibson and Mrs. Glotzbach

President Dickey called the meeting to order at 7:05 p.m.

MOMENT OF REFLECTION:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

Mrs. Murphy moved to approve the Regular Meeting Minutes for May 5, 2025, Mr. FitzGerald second, all voted in favor.

COMMUNICATIONS – COUNCIL:

Mr. Unruh stated that Friday, May 30th starts the 2025 Bicentennial Park Summer Concert Series for the community and is from 6:30 p.m. to 9:30 p.m. He said it runs every Friday from May 30th to July 25th. He hopes that a lot of people come out and enjoy that. He said that on May 24th River Run Family Water Park opens, so summer's here.

Mrs. Murphy stated that today is Peace Officers Memorial Day, so let's keep all of our peace officers in our minds; those gentlemen and ladies who've given their life for us. She added it's also National Peace Officers Week and it's kind of late in the week to celebrate, but thank you to all of our officers that take good care of us. She then said congratulations to all the high school graduates that will be coming up. She thinks by the time the council gets together again, they'll all have graduated, and hopefully they'll become involved, knowledgeable, educated citizens and help our city move forward.

Mrs. Griffith said thank you to, like Mrs. Murphy said, all of our police officers. She stated we appreciate everything that they all do on a daily basis, especially since we've had a couple incidents recently and another incident this past week. She said that has just been heavy on her mind and she would like to see how we can be a little bit more proactive. She stated that we have this public safety tax coming in, and she's hoping with the budget season coming up that we're looking at different ways of being more responsive. She said that everybody did an awesome job and she is just saying what can we do to be better? She is sure there are plenty of different things out there. She stated she still would love to see something that we implement when there is an emergency, so that we can all get a text or whoever's in that area. She knows that there is a shot spotter, which she had never even heard before. She stated that when a shot happens, it automatically calls the police, and it can cut down time that the police get there, which if it normally takes 10 minutes and they can get here in two, that's huge. She added that not that we have an issue, she just understands we have crime, but what can we do to be proactive? She said that with budgets coming up, she's really looking forward to seeing what our police chief feels is best, and hopefully we can move forward with some of those. She then said Happy Memorial Day to everyone. She stated that there are two events. She said that the VFW Post 1693 is doing a memorial at the Veterans Place Memorial at 11:00 a.m., and then the Bonnie Sloan Post 28 is having one at 1:00 p.m. at the New Albany National Cemetery.

Mr. Blair stated that as we all know we're in the process of revising our comprehensive plan and our zoning ordinance, and for those like him who aren't directly involved on one of the committees, he'd like to get a copy of the zoning ordinance in whatever draft form it's in. He is particularly interested in the existing neighborhoods. He said we have a lot of discussion initiatives around new neighborhoods, but what are we doing in order to make our existing neighborhoods attractive? He stated that he is facing a couple issues in some neighborhoods with some neighborhood disputes and so forth, and he thinks our zoning ordinance can be a little clearer on some of those issues if we revise them. He said he is just trying to get a heads up or get a pre-read on what our zoning ordinance is and asked if there is somebody he needs to contact for that?

Mr. Dickey said that he doesn't know that we've got a clean draft ready yet but he would refer back to Ms. Johnson on that.

Ms. Johnson stated that they plan on having a presentation from both the consultants on the comprehensive plan and the consultants on the zoning ordinance to provide that draft to this body. She thinks we would go to the Planning Commission for a public meeting first and we could invite everyone on the council to that also. She stated that it's currently still being drafted under Scott Wood right now, and he's going through some of those definitions, so she is not sure if he would feel comfortable sharing it in its form right now.

Mr. Blair stated that he wants sufficient lead time because a lot of times we're given something the same day of a vote, and he'd like to have at least a little bit of time to review it, think through it and maybe look at what other communities are doing and so forth. He'd like to have additional time to review it and he thinks as a council member, he sort of earned that right by being voted in.

Mr. Dickey said he thinks, and asked Ms. Johnson to correct him if he's wrong, but the schedule for the zone change is not until October, November, correct?

Ms. Johnson said she thinks so but as soon as she gets a date, she can let the council know it in plenty of time.

Mr. Blair stated so Scott Wood would know if we already have a pre-draft or a drafted document, correct? He stated it sounds like maybe we don't have a draft yet.

Ms. Johnson said there's a draft, but Scott Wood is going through details and definitions, things like that. She feels that he would probably appreciate the opportunity to finish that before sharing that draft.

Mr. Blair said Okay and thanked Ms. Johnson for the information.

Mrs. Gohmann stated that Greyhound Bus Line works with the National Runaway Safe Line, which their number is 1-800-Runaway, and they provide a free ride home to anywhere in the U.S. for a runaway kid. She said that every year they help about 400 kids get home, so it's a really good program that they do. She then stated that this Saturday, May 17th, Hope Southern Indiana will have a free wheelchair repair and cleaning event from 11:00 a.m. to 2:00 p.m. at their location at 1200 Bono Road. She added this is as part of the Christopher and Dana Reeve Foundation, and while we're talking about Hope Southern Indiana, they're in need of donations of essential items. She stated things such as canned tuna, mac and cheese, boxed cereal, pasta sauces, etc., as well as hygiene items, diapers and those sorts of things. She said they'd appreciate any donations we can give them.

Mr. Fitzgerald stated that he wanted to reiterate the Police Week announcement that was already in. He then said in addition to the high school students, he also wants to give his congratulations to all of our students at IUS on their commencement. He then said just a reminder that this Saturday the city is sponsoring the dumpster drop-offs located at the Billy Herman Park, the Budd Flynn Center, and the River Run Water Park as well. He stated that all of that can be found on the webpage for the city.

Mr. Phipps stated that he didn't have anything new, just echoing that Memorial Day is approaching and the Peace Officer Day as well as the Police Week.

Mrs. Collier stated that a constituent that lives in the downtown area had an issue with public safety yesterday, actually in Mr. Phipps' district, and was nearly hit by a car for the second time trying to cross Spring Street at E. 7th. She said that everybody is getting out and about and enjoying the nicer weather that we are now finally getting, our crosswalks are going to be more and more of an issue. She told him that she would specifically bring that up being it was the second time and thankfully, it didn't end differently, but it's certainly concerning. She then stated that she did want to give her appreciation to our police department and all of their efforts that they're going through right now dealing with the situation that happened on Thursday. She greatly appreciates them and the fire department, as they always do just go above and beyond and get the job done, and she appreciates it. She said that there are some fun events that are coming up. She saw that the Wine Shop is doing a silent book club every Thursday. She also saw that the Doghaus on every Thursday is doing their rendition of the Family Feud, and she thinks that would just be super fun because she personally loves the old ones. She said they have prizes such as gift cards. She stated that the Carnegie Center has stuff going on as well, so there is a lot going on and she encourages everybody to get out and enjoy what we have going on right here.

Mr. Dickey stated that he did want to obviously echo the Police Peace Officers Memorial Day, which is today, as well as National Police Week. He said as coming from a family that has a number of public servants in law enforcement, that obviously is something near and dear to him personally, and he certainly appreciates all the hard work that our officers do. He added that most people don't realize the situations that they get sometimes put into and rush into, and we want to obviously take a moment to remember all those who unfortunately did not get to come home after serving their watch. He would also like to echo the neighborhood cleanup. He thinks that's a great opportunity if you are somebody that has been holding up on cleaning out your garage or your neighborhood needs to do some general cleanup and wants to take that to the dumpsters, again, for free as long as you're a city resident. He wanted to stress it is for city residents and you will be asked to show your ID. He also wanted to touch on the amphitheater. He stated that in talking to the administration and flood control, the bathrooms are probably going to be closed for a good while. He said that the expectation is they will not be up for the July 3rd reflection at this point, so we will have porta pots and other things available. He just wants to make sure, again, that the public is fully aware that there will be some repairs and refurbishment done as a result of the flooding. He then stated that his last point is that he had gotten some information on the update with regards to the transparency portal and complying with the July 1st deadline. He said that we do have a contract with Granicus to provide us the hardware and related software. He stated they are one of the top providers for those services in the state and we use their services for some other areas of city government. He said we have received the first hardware this week and the expectation is more will be arriving in short order. He stated there will likely be a testing period, but everything is on schedule to have that up and running for July 1st, so our first meeting in July will comply accordingly with the revised state law.

COMMUNICATIONS – MAYOR:

COMMUNICATIONS – OTHER CITY DEPARTMENTS OR CITY OFFICIALS:

ADMINISTRATIVE ITEMS:

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

APPROVAL OF CF-1 FORMS:

INTRODUCTION OF ORDINANCES FOR FIRST READING:

INTRODUCTION OF ORDINANCES FOR SECOND READING:

INTRODUCTION OF ORDINANCES FOR THIRD READING:

COMMUNICATIONS PUBLIC: G-25-03 Budd Road Bond

COMMUNICATIONS PETITIONER: G-25-03 Budd Road Bond

G-25-03 Ordinance Authorizing the City of New Albany, Indiana to Issue its “Economic Development Revenue Bonds, Series 2025 (Budd Road Project)” and Approving Other Actions in Respect Thereto Collier

Mrs. Collier introduced Bill G-25-03 as amended and moved to approve the third reading, Mr. Phipps second, all voted in favor with the exception of Mr. Blair and Mrs. Griffith who voted no. Bill G-25-03 becomes Ordinance G-25-08.

Mrs. Murphy moved to amend the bond ordinance for Bud Road Project to reflect the TIF revenues pledged for the payment of debt service shall be limited to the State Street allocation area and any references to other allocation areas and debt obligations outstanding that are not the 2015 B bonds or the 2022 BOT obligations shall be removed, Mr. Phipps second, all voted in favor.

Mrs. Collier stated that she feels this is an important piece to get these bonds issued and stay on our timeline so our financing for them stays what we expect it to be. She said we have folks from the developer here and Mr. Zoeller to answer any questions or specific details anybody might have. She stated, but again, this is an important project to stay focused on for our plan to meet our goals for single-family housing, and this will certainly help with that.

Mr. Dickey stated that he knows there was a supplemental packet that Ms. Johnson provided us and he will turn to her or Mr. Zoeller in case they want to add additional comments in reference to that packet or related information on this. He said that we also have our financial advisor, so if there are any comments or questions to or from him, he's also here.

Mr. Zoeller stated that he would request that the council consider an amendment to this tonight. He said that we've had additional conversations with the Indiana Finance Authority and we were able to negotiate down and reduce your risk and exposure on what you're pledging right now as the ordinance stands. He stated that all allocation areas in the city are pledged and we are now reducing that to just the State Street allocation area. He said the Indiana Finance Authority has signed off on that so it leaves all of your other TIFs untouched. He added that is much better deal for the city with much more flexibility going forward so he would recommend that there would be an amendment that would remove the name of all of the allocation areas except for State Street, and the residential allocation area that we're going to form in each respective resolution. He added that we should also remove the mention of any of the outstanding debt obligations of the city except for the 2015 B bonds and the 2022 BOT obligations, which are secured by the State Street TIF, so they need to be mentioned given that TIF is going to remain.

Mr. Blair asked why did we pick the State Street one to encumber and not the other?

Mr. Zoeller said it's your longest running TIF and it has your best coverage.

Mr. Blair asked what's the expiration date on that one?

Mr. Zoeller replied 2039, and asked Mr. Gutierrez if that is that right?

Mr. Gutierrez stated that if you look at the memo that was provided on the supplemental, you will see that 2039 is when that expires. He said just for background, we are going to the Indiana Finance Authority to get a reduced loan at 3.15% and it is the

lowest interest rate for this type of loan that you could probably get that he has seen. He stated that the state requires 125% coverage in order to avoid capitalized interest and a reserve fund, so this is the best way to optimize that. He said we originally were pledging everything that the city had to show a lot of coverage, and when the state said we would like to have control or we would like to have a say on what the city does in the future in regards to debt, then we were able to negotiate. He stated that we said if you're going to ask for that, then we would only like to do something that shows the 125% and they said they were okay with that, so that's what we're showing State Street because that gets us the coverage that they require. He added it has the coverage and the upfront years, and when the housing TIFs start to kick on, then it gets it to be much healthier. He also added to specifically answer your question, 2039 is when that TIF expires.

Mr. Blair asked does that also give us flexibility if we want to retire a TIF district early, say we want to do that on Charlestown Road or Grant Line Road or maybe even release some of the partials and pare down the TIFs? He stated that the one thing he was concerned about is if we encumbered all the TIFs over a 15-year period, we probably don't have any flexibility to do anything with those TIFs until that bond is paid off.

Mr. Gutierrez said so you have outstanding obligations, he believes, on all your TIFs. He stated that removing the other TIF areas from this ordinance gives you lessened restrictions that the state would otherwise have and gives you more flexibility with them.

Mr. Blair asked Mr. Gutierrez if that is that something that he sees? He added, as we all know, there's been some property tax relief from the state government and we may be searching for revenues and so forth. He said obviously we've got a lot of tax revenue that's being covered in our TIFs and asked if is there a way to pare those back and try to get some of that tax revenue released to the city and to the school systems before the expiration dates and get them done earlier?

Mr. Zoeller stated that he has never seen a unit of government do that with a TIF before, but you can do it under statute.

Mr. Gutierrez stated that he has not had that experience, but he wouldn't say that it has never been done before. He then said that Mr. Blair is referring to Senate Bill 1 and some of the property tax relief right. He stated that we have conducted a study and we're still going through additional future impacts of options that will take place regarding local income taxes that we will be able to provide the administration, once that analysis is completed, what the effects will be hopefully for your budget time to make those decisions. He said that in regards to the TIF, collecting tax increment revenue is the most advantageous way for the city to operate because you are ultimately keeping everything outside of referendum within the city for city projects. He said, but again, these are all policy decisions between the fiduciary body, the fiscal body, and the administration, so he has not yet seen it done, but not to say it can't or it hasn't.

Mr. Blair stated that he is just sort of thinking outside the box with what's going on with tax relief and so forth. He said obviously we have to have revenue to operate as a city, so that could be a possibility and he just wants to make sure that we're not hindering ourselves by encumbering all the TIFs. He thinks this is a positive move to only have one TIF encumbered. He then stated that the other thing that he noticed at the last meeting we had a debt schedule and a coverage schedule that wasn't even paying off for 15 years and thinks there was a revision made to the math or there was a mistake made in that schedule, and now it looks like it's more of a five-year payback. He added the TIF districts will generate enough tax revenue in order to pay back the debt service over a five-year period.

Mr. Gutierrez said it's still a 15-year obligation. He stated that they we were asked to run it for the full 20 years, and just to clarify, the city will have the benefit of all 20 years of the housing TIF. He said there's roughly \$350,000, he's rounding down, of projected revenue from the housing TIFs, so if you just take the \$350,000.00 over five years, you're looking at \$1.75M that will come back to the city as a benefit to the city for potential

additional infrastructure improvements around that area. He added that you will still benefit from those additional five years of revenue.

Mr. Blair stated that what he is saying is there won't be reliance on the other TIF districts.

Mr. Gutierrez said we just have to show the coverage to the state.

Mr. Blair stated that he was just trying to think of our payback.

Mr. Gutierrez stated that once the project is fully constructed, they're self-sufficient and they have sufficient revenues to self-fulfill the obligation.

Mr. Blair asked if they looked at any scenario on 10-year bond issue versus a 15-year?

Mr. Gutierrez stated this was what we felt was the most advantageous to get the most revenues that the state would approve. He said we were trying to actually ask for additional funds and the state reduced it to this many so we backed into what the state allowed.

Mr. Blair asked if they analysis on 10 years or if they could even do 10 years?

Mr. Gutierrez stated that you could have done it in 10 years, but the project wouldn't be self-performing. He said at 15 years once all the houses are sold and those owners are paying their property taxes; the city will not have to subsidize that revenue to pay this obligation. He stated that if we were to reduce it to 10 years, those annual payments would have to go up and it would exceed the \$350,000.00. He said yes, we could have done that, but then we would be asking you guys to actually not just pledge TIF revenues, but actually use those TIF revenues to subsidize the project. He believes that the intent of the administration was if we're going to do this project, it has to stand on its own to repay the obligation.

Mr. Blair stated that he is just reacting because we have sufficient cash flow and our TIFs are healthy. He asked if there is an advantage of paying this debt off early? He stated that these TIF districts weren't put out there to last forever. He said they were to finance whatever project we were doing and then expire, but it seems like they just can have a continuous life to them. He would like to be able to be in a position we could let them expire or terminate and we could then release that money back to the school system or back to our general fund.

Mr. Gutierrez stated just to reiterate, he looks at the State Street pledge as a credit enhancement similar to him co-signing for his 16-year-old son to buy a car. He said he is simply co-signing and it is not his intent for him to make that payment. He wants him to pay for that based on his job, so it is more of a credit enhancement than really the intended payment source.

Mr. Blair said that he gets it, the project should support itself.

Mr. Gutierrez said he doesn't believe that the conversation that the administration had with the developer was to actually get funds beyond what they could generate. He added that would have been a policy decision to be made.

Mr. Dickey asked Ms. Johnson if we have clean copies with the revised language for this?

Ms. Johnson replied yes, she has one clean copy of each document.

Mrs. Griffith stated that she had a clarification, if possible. She said she first wanted to thank Ms. Johnson for sending the packet last night because it was nice to be able to print it out and look through it, which helped a little bit. She then asked if it is a 20-year bond

or a 15-year bond? She stated that on page 12, it says 15 years to maturity. She asked if that is the difference, because it's 15 years to maturity?

Mr. Gutierrez stated that council had asked for us to show the full 20 years, but we're only obligating 15 years. He said we're just demonstrating that this will exist for 20 years and will generate roughly that \$1.75M of additional revenues that will be unencumbered and eligible for use in 15 years by a future administration to see fit how it gets used for the housing TIF.

Mrs. Griffith said okay, so 20 years is what they normally run?

Mr. Gutierrez said that is correct.

Mrs. Griffith said there's no way to get that to retire early like Mr. Blair asked. She asked if there is a way to amend that once it's paid off because that would make it a little easier for a yes vote from her?

Mr. Gutierrez stated that he will say that housing TIFs are a new tool, and that is because it's very difficult for developers to do single-site homes because mathematically, they're not the best deal. He said that he, as a developer, could come in and build multi-family housing and get paid 2% TIF on that, he gets to depreciate assets over time and then sell it to investors. He stated that it is a good investment for single site parcels because he has to cash flow all the homes, build them and then when he sells them one at a time, he has to declare real income and pay taxes on that. He said so these are difficult deals to do and this is a new tool that the state has enacted maybe in the last three four years that has become active, and the fact that we're going 15 years is pretty remarkable thanks to this tool that IFA has offered. He added most people doing a housing TIF are usually only pledging the housing TIF and then they have to use all 20 years, but then they have to spend a lot of those proceeds on things that we're avoiding by doing the co-signing or credit enhancement through State Street. He said we're hoping that benefit will be to the city in the future rather than wasting on interest costs or other things. He stated so this is just a good deal that was made with the state that has allowed this additional five years and he knows Mrs. Griffith is asking what do we do with those five years and he doesn't have an answer. He said it is for this body and the administration to discuss in 15 years.

Mrs. Griffith stated that she read that applicants are limited to two active projects at a time. She asked if we are the applicants as the city or is it the developer the applicant? She asked if we say yes to both of these tonight, then that's all we can have?

Mr. Zoeller stated that's referring to the developer, not the unit of government. He added that they don't want developers getting too many incentive deals like this.

Mr. Gutierrez stated that the IFA has reviewed and signed off on his numbers as well as the legal documents that the council has seen.

Mr. Blair asked when you say sign-off, what information did you have to provide to IFA?

Mr. Gutierrez stated that in terms of the approvals and the attachments to the exhibits, that's what he provided them. He said that their legal counsel reviewed that and he negotiated that.

Mr. Blair said okay, but they didn't do any credit underwriting or anything in that sense?

Mr. Gutierrez stated that when you say underwriting, they're underwriting this financing and this financing alone.

Mr. Blair stated that they're underwriting the city's ability to repay, not the developer's ability.

Mr. Gutierrez said they're looking at both, but only in regards to property taxes being paid in regards to the project. He stated that this is unlike a multifamily where you have to show this many units at these rental rates and occupancy rates and all these other things. He said these are for sale units, so they're only looking at how many you are going to build, when are you going to build them and when these people are going to start paying taxes. He added whether they sell them or not, the property taxes are due and they're relying that either the developer or the bank will pay their property taxes before it goes to the sheriff's sale. He stated that's kind of their underwriting because they know that the property taxes for these will be paid either by the developer, the homeowner, or the bank holding the mortgage. He added that if he is the bank, he is paying that mortgage rather than letting the entire asset go to the sheriff's sale, so that's sort of how they're looking at it for this specifically.

Mr. Blair stated that Mr. Gutierrez said if he were a bank, he would pay this debt off in order to get to the property.

Mr. Gutierrez said no, not the debt, he would pay the property taxes. He said if he is holding a \$300.00 mortgage and he has a \$3,000.00 tax bill, if he is the bank, he is going to pay the \$3,000.00 rather than let it go to a sheriff's sale and lose his entire asset. He added that the government always has first lien over the bank.

Mr. Blair then said, but that's where you're coming with that taxpayer agreement because it is requiring the developer to pay the tax if it's not generated.

Mr. Zoeller replied yes and said we're going to work with IFA and we're going to require them to pay a minimum amount, so if property taxes are below that amount, they have to pay that amount out of their own pocket. He stated that in addition to the LLC that owns the land, there will be a backstop guarantee from the individuals that own the LLC.

Mr. Blair said but again, there wasn't any credit underwriting on the developer.

Mr. Gutierrez said no, he means we're not financing their project, and the state doesn't care about their project financing.

Mr. Blair stated that if we got to the point where the developer had to pay the taxes, that is important.

Mr. Zoeller said to answer Mr. Blair's question on prepaying these, these bonds can be prepaid at any time as long as the authority consents to it, so the city and the authority would have to agree to it. He stated that there's no standard 10-year call, you can't prepay.

Mr. Blair said okay, so no penalty or anything?

Mr. Zoeller stated that he is sure the authority might try to negotiate a penalty if you did, though.

Mr. Blair said okay, that's good to know.

Mr. Dickey said to keep this on track, he did think they were kind of deviating now off the amendment. He said he wants to get us back to the amendment at hand, which is to amend the document.

Mr. Blair stated we have to have this incentive in order to make the project successful, and he realizes there are some circumstances in each project that makes it a little harder to develop. He also stated we're trying to keep price points to a certain point, but he would think that we would want to see a cash flow analysis from the developer showing that, yes, they need, in the one case \$2 million, the other case \$2.5 million in order to make this project work. He said that he believes the developer, but we usually verify through documentation and through analysis, and apparently, we're not receiving that

information. He thinks it's important because, in the one case, \$1M may be too much money, and we're just giving the developer additional profit, or it may be too less, and it's still straining the developer. He would like to see the analysis, and he believes that's the type of analysis that they're applying for financing, and that's the type of analysis any lender would want to see. He stated it's a partnership and we're borrowing money, so he would think we would want to see that same information and apparently, we're not receiving it. He asked for it at the last meeting and again after he received the package and still haven't received it. He did appreciate the information, and appreciated getting it ahead of time. He said it was good information but he can't support something that he doesn't have all the information he needs to make a decision. He just thinks it's prudent to understand the cash flow and understand where the developer is. He stated that he expects the developer to make a market profit, but where is the document showing that? He asked where the profit level is going to be with and without the incentive? He said that Mrs. Griffith had to pull out what the amounts were out of the documents because we didn't get that answer from the administration last week. He also said she had a conversation and found out why it was \$1M and \$2.5M million. He stated it was \$25,000.00 per lot. He added we're just not getting information to make a decision. He feels like probably one of the more important pieces is that cash flow analysis to understand where the developer is going to be from a profitability standpoint or if it is really necessary to have this incentive in order to make this project work. He said we've got other residential developments going on in our community that we're not incentivizing, so why are those working and these we have to incentivize? He said if that's the case, he'd like to be able to see at least on paper and see the analysis behind that.

Mrs. Griffith stated that along the lines with Mr. Blair, she thinks that's her biggest issue. She is all for progress and to have more homes built, and she appreciates all the information that she has been given. She said her biggest fear is that we are going 20 years out, and we're going to have more issues down the road after we've had 900 homes added, and how many of those are going to be the TIF districts? She asked if our general budget is going to be able to support that? She is just making sure that we're not setting ourselves up for failure 10, 15 years down the road because a lot could happen, and if we have all our monies tied up in a different fund, it's not going to be beneficial.

Mrs. Collier stated now that we have this tool for residential TIFs available to us, she certainly appreciates if a developer is able to do the project that they want to do without utilizing that tool, but she thinks it's a great tool to have for the developers that it makes or breaks a project, especially when our goal is to increase our housing stock for single-family homes in the city. She said it's a great tool to have and make available especially considering the minimal risk it is to us to use this kind of funding mechanism, and she thinks we can work together to accomplish our goals and they can have a successful project. She added we get good housing stock added to what we have here in the city and it's a no-brainer to use the tool since we have it available.

Mr. Dickey stated from his standpoint, he is pulling from one of the supplemental submissions here because he thinks it underlines what we're doing here, but once complete, this particular development will generate \$3.1M in new annual household income, \$43,468.00 in annual LIT revenue, \$21,890.00 in sales tax, 13 new indirect jobs with an average wage of \$2,457.00, and \$32,545.00 in annual property tax revenue. He said that our public share is 10% and the private share is 90%, and we're talking about vertical home construction of \$7M, which meets critical need that we've all determined from the housing study that there is not only demand for, but significant need for in this city. He thinks we've got safety precautions built in. He doesn't think that there's probably anything that is ever absolute, but he feels confident with what we're receiving versus what the obligations are. He thinks this will be a net benefit for our community and thus a positive element, and more importantly, if this also helps to address the infrastructure issues that we all observed are there, and also holds down the price of those homes, making them more affordable for the average individual who would want to purchase a single-family home in the city, he thinks those are both advantageous and laudable goals.

Mrs. Collier stated that her thoughts on the residential TIF kind of echo her thoughts about the tax abatement tool that we have for businesses. She said think of all the tax abatements that we have here in the city and how much revenue is generated because of those businesses thriving and doing their business here in New Albany. She said many of them have been here for decades and continue to generate taxes and other income sources for our community. She stated that this is just another tool made available to us, and just like she has said before with tax abatements, since they're available throughout the entire state and even in other states, a business, if they want to continue to do business here and we have the tax payment available to them but we don't approve them to utilize that tool, they are going to go to another community that will allow them to do it. She said that's the same respect for developers with the residential TIFs. She stated that we are trying to get good quality housing stock at a reasonable price in our city to accomplish our goals on that issue. She added if we have this tool available to developers and they're asking to utilize it and we can accommodate that, she thinks we should do it so unless there's a reasonable reason to not do it. She said if we don't, they'll go to a community that will.

Mr. Blair stated first of all, he agrees. He said there are a lot of benefits, and he appreciates the administration putting together the benefit list and so forth, but he just wonders if we could achieve those benefits without doing the incentive? He stated that we've got other developments in the community that we're going to receive benefits from, but yet we're not doing this type of incentive for them, and if that's the case, if we need the incentive, he wants proof. He wants information showing that the incentive is necessary. He said just because we have money doesn't mean we have to spend it. He thinks they've got to be prudent in the way we go about doing our business and the way we use taxpayers' dollars. He added that these are taxpayer dollars that are being used for this property because they're being diverted and not going to the general fund and the school system, so we've got to be very careful how we do that. He stated that we have to have analysis and information. He said we can't just say, oh, yeah, this is a great deal, let's just give them the money and move on. He does agree with Mrs. Collier on the commercial and manufacturing because it seems that everybody does this, so we're in the position to do that. He stated that's not the case with the residential TIFs. He said we've got other residential developments going on without incentives, so why are we incentivizing these? He also said he agrees with the benefits but just wonders if we could get the benefits without doing the bond issue? He then asked who's building the houses on Bud Road?

Mr. Scott Adams, Director of Real Estate for DC Develop, stated they are a project manager affiliated with the LLC developing the property and we currently do not have a builder under contract. He said they are in negotiations with Arbor Homes, which is a national home builder out of their Louisville division office.

Mr. Blair asked how they are going to keep the prices down below market rate if you don't even have the builder set up? He asked if that is a stipulation in the contract?

Mr. Adams said it's not a stipulation in the contract. He stated they have a product line that targets first-time homebuyers in the range of \$225,000.00 to \$275,000.00.

Mr. Blair said but they're going to earn their regular profit on that, so the builder's not passing any kind of benefit on to the buyers.

Mr. Adams stated there's no boost in profit to the builder or the developer related to the TIF. He said that is a misconception possibly among some of you or the public. He stated it allows us to meet the market where the market stands. He also stated that if we didn't have TIF, and we didn't have a builder willing to kind of go that distance with us with this specific product line, these homes would be well in excess of \$300,000.00. He added that we can do that almost on any street corner in the state but we're trying to hit the affordable first-time homebuyer, and that's the most pressing need for every community in the state of Indiana, and he could probably make that case in every community in the entire nation. He said the TIF is a tool that allows us to be very specific and target specific markets with an affordable housing product.

Mr. Blair asked what happens if you cannot contract with a home builder?

Mr. Adams stated that he feels confident that they will have a builder and could have a contract signed within a week he believes with Arbor, and in the event for some reason that would fall apart, he believes they have other builders who can work with them there.

Mrs. Murphy stated that she wanted to say she agrees with her colleague Mrs. Collier and providing incentives for businesses and for homes go hand in hand. She said we want people to come to our city and not go to other cities, and they have that opportunity to do so.

COMMUNICATIONS PUBLIC: G-25-04 Fox Run Commons Bond

COMMUNICATIONS PETITIONER: G-25-04 Fox Run Commons Bond

G-25-04	Ordinance Authorizing the City of New Albany, Indiana to Issue its “Economic Development Revenue Bonds, Series 2025 (Fox Run Commons Project)” and Approving Other Actions in Respect Thereto	Collier/ Dickey
----------------	--	----------------------------

Mrs. Collier introduced **Bill G-25-04** as amended and moved to approve the third reading, **Mr. Phipps** second, all voted in favor with the exception of **Mr. Blair** and **Mrs. Griffith** who voted no. **Bill G-25-04** becomes **Ordinance G-25-09**.

Mrs. Murphy moved to amend the bond ordinance for Fox Run Commons project to reflect that the TIF revenues pledged for payment of debt service shall be limited to the State Street allocation area and any references to other allocation areas and debt obligations outstanding that are not the 2015 B bonds or the 2022 BOT obligations shall be removed, **Mr. Phipps** second, all voted in favor.

Mrs. Collier said again, she thinks this project is an important piece to accomplish our goals as far as providing affordable single-family housing here in the city. She said this also has quality homes that people want to come to our community to get and helping provide these bonds to cover just a fraction of the infrastructure costs for the total project is reasonable. She said she asks for the council's support to use this tool since we have it available to help accomplish this goal. She also said we have Mr. Elder here as well as Ms. Johnson and Mr. Zoeller to answer any questions.

Mr. Fitzgerald asked if this has to go through amendment as well?

Mr. Zoeller replied yes, same amendment. He said as mentioned in the last meeting, these ordinances are substantially similar. He stated it'll still just be a State Street pledge and all other allocation areas are removed from the ordinance. He also stated that the only two outstanding obligations of the city that will remain in the ordinance will be the 2015 B bonds and the 2022 BOT obligations; all other obligations will be removed from the ordinance as well, just like the last one.

Mrs. Griffith asked why the State Street allocation area and not Charlestown Road? She said she was assuming it was closer to Charlestown Road. She was thinking that made sense with Bud Road, but Reas Lane is a little closer to Charlestown Road.

Mr. Zoeller stated that Reas Lane is off of Green Valley and connects into State Street, so yes, it benefits and serves the TIF area. He said that these are houses and they provide for people that work in the TIF areas and that spend money in the TIF areas. He added it's pretty simple for housing projects.

Mrs. Griffith stated that she just wanted to explain her vote really quick. She does love the project that Fox Run has put together, and she kind of wish that these two were separate instead of the same night, because she thinks she is having a hard time wrapping her head around that with the TIF area, so that's the reason why her vote is no.

INTRODUCTION OF RESOLUTIONS:

BOARD APPOINTMENTS:

COMMUNICATIONS – PUBLIC (NON-AGENDA ITEMS):

Ms. Cisa Kubley, 1926 Ekin Avenue, stated that she was present on behalf of Hoosier Action, and our clergy chapter would like to invite all of the council members to attend the dedication service for the cooling centers they will have set up this summer that will run from June 1st through August 31st, when the temperature is in excess of 100 degrees. She said that the dedication is going to take place at Culbertson Baptist Church, which is at 4007 Grant Line Road, on Tuesday, June 3rd, 6:30 p.m. to 7:30 p.m., and we would really encourage all of you to attend.

ADJOURN:

There being no other business before the board, the meeting adjourned at 8:09 p.m.

Adam T. Dickey, President

Vicki Glotzbach, City Clerk