**Redevelopment Commission**

**Nov. 1, 2018**

**Meeting Minutes**

1. **Opening and Roll Call**

**Members present:** Suzanne Short, Brian Hurley, Shelley Haney, Shannon Walls representing the MVCSC and Larry Longman, Council Liaison

**Members absent:** Heather Blaudow and Donetta Gee-Weller.

**Others present:** Tonya Galbraith, Town Manager; Ryan Crum, Planning Director, Gregg Morelock and Ariel Schoen, Town Attorneys and Lisa Lee, partner with Ice Miller.

Approval of October minutes – cannot approve due to a lack of members present who were at the October meeting present at this meeting. Will need to add to December agenda.

1. **Approval of Oct. 18, 2018 meeting minutes.**

Due to a lack of quorum of the attendees of these two meetings these minutes will be up for approval at the Dec. 12, 2018 annual meeting, along with the Aug. 2 and Sept. 6 minutes.

1. **Discussion of incentives on CR 600W** - Introduction of Lisa Lee – Tonya Galbraith kicked off the discussion of incentives for road improvements along CR 600W. To do a TIF or not do a TIF? Or, should we consider an abatement instead? We need to discuss what makes sense along CR 600W. Larry Longman provided his insight on various incentives. He is now finding that deals done in the development world today require some type of public contribution to the total project. We are always competing against others who want to land a big project. If you can’t offer tax abatement to a project, it will be a non-starter. When land is all lumped together in a TIF, we may want to exclude certain parcels from the TIF district in order to offer a tax abatement. Mr. Longman suggested that it may be best to not do a TIF district now but wait to see what the first developer who comes in may want to do. That will set the stage for others. There are some areas where there is a tax abatement inside a TIF, including in the County.

Lisa Lee stated that the two are not mutually exclusive and there are different reasons to give different incentives. If the developer is willing to accept an abatement rather than a 20 or 25-year TIF bond it would probably be better for the town since the abatement can only go 10 years. Even giving the abatement, you can still TIF the area and give them their abatement over the course of the 10 years. The RDC would still benefit from the TIF for the next 15 years for road improvements, etc. It could be a policy that we only do an abatement because that is a 10-year max. We are not under the gun to do anything right now – we don’t have to adopt anything by Feb. 1. Ms. Lee stated that If we believe this is the right area for us (as shown on the map exhibit), we could just form an economic development area. We would not be capturing anything, we would just be showing on the map where the next important area to the town is located. Tax abatement is a sliding scale for 10 years. First year they would be abated 100% of their real property taxes, and it slides down from there each year and ends up being about 50% of their taxes at the end of the abatement. Whereas in a TIF they are paying taxes, but they are going into a fund for improvements. Mr. Longman stressed that we don’t allow sanitary sewer improvements or water in the areas outside of our sewer territory because we would not be getting any benefit like we would a road. Ms. Lee said that we are in this spot where there is an infrastructure improvement that needs to be paid for and we might make the policy decision that we are going to TIF the area and every dollar goes to help pay for the road as has been done in some communities. Or, we could wait until some developed happened in the area. If the RDC wanted to show to the development world that we are forward thinking and that these are the boundaries that are important to the RDC we could go forward and create the economic development area, where we could one-off parcels for development. A developer could then decide on the parcels within the economic development area on whether they want an abatement or a tax allocation area. Forming an economic development area shows that the area is important to us. The RDC would go through the steps to form the area ad is done when forming an allocation area, but at that point you are not capturing taxes. This readies us for the discussion with developers on whether they want a TIF or take a shorter time frame for an abatement. It is the council that determines abatement, it is not the RDC. The RDC has nothing to do with allowing an abatement. We could make it a policy to say that before the council can approve an abatement in a TIF area it would need to be coordinated with the RDC, especially in the event of outstanding bonds. Ms. Lee advises that we do not include residential in the area. You can add area to the economic development area later. She also suggests that we let the area designated for town center wait to TIF or provide other incentives. Gregg Morelock pointed out that every TIF is in an economic development area, but not every economic development area is a TIF. If we’ve already said that this is the next important area in McCordsville, it can help with statutory findings later. Mr. Longman said that another dynamic is that TIF legislation could change again, as it often does. On another point, Ms. Lee explained that the RDC is a special taxing district and has the ability to levy a tax (which would have to be approved by the council), separate from the Town’s constitutional 2% debt limit.

Ms. Lee explained that the clock on an area doesn’t start until the first obligation is issued. Next steps – Lisa will send me an email with a list of things to put together if we are interested in forming an economic development area. There are several things she would need to know to start the process. Shelley asked if there was a downside and Ms. Lee, nor anyone on the Commission, could see any. Just because we’ve drawn lines on a map, doesn’t give us power over property. If a landowner wants to sell they can, if they don’t they don’t have to. This gives us no power over property rights.

Suzanne makes a motion for Lisa Lee to follow-up with Tonya Galbraith to get her the information she needs to proceed on the development of an Economic Development Area. Shelley Haney seconds. Motion passes 3-0.

1. **Council Liaison Report** – Larry Longman. Mr. Longman gave an overview of the Oct. 9th Council meeting.
2. **Old Business** – Ryan Crum gave an update of the Regional Stellar process. Currently putting together power-point and video. Mr. Hurley is helping with the video. The presentation will be Nov. 15th at the State Office Building conference room.

**Annual Meeting Update** – Tonya Galbraith gave an overview of the new requirement for an annual meeting for the overlapping taxing units. We will give a presentation on our TIF districts and what they are funding. We have invited Loren Matthes of Umbaugh to make the presentation.

1. **New Business** – Suzanne Short wanted to know if we should do a TIF district around Town Center. After looking at the maps it appears that much of the area is already in the Broadway TIF district. Part is not included since it was not annexed at the time the district was formed.

Shannon Walls reported that the MVCSC Board had been doing superintendent interviews all week and hope to settle on a candidate soon. They have been operating on co-interim superintendents since May.

Tonya Galbraith mentioned the ribbon cutting at Trax BBQ.

1. Adjourn – Suzanne Short made a motion to adjourn.