

**CARMEL REDEVELOPMENT COMMISSION Meeting, Wednesday,
December 15, 2010**

President Ron Carter called the meeting to order at 6:54 p.m. Commission members Carolyn Anker, Bill Hammer, Greg Phillips and Jeff Worrell were present, constituting a quorum. Also present were Les Olds, Karl Haas, Don Cleveland, Michael Lee, Megan McVicker and Matt Worthley.

Others present:

Jim Higgins, Teresa Carusillo and Brandon Weddle; JC Hart representatives (3) and Bryan Mitchell

The Pledge of Allegiance was said.

Approval of Minutes

October 25, 2010: Moved for approval by Mr. Hammer, seconded by Ms. Anker. Passed 3-0. Mr. Carter abstained from voting as he was not present at the October 25 meeting.

November 17, 2010: Moved for approval by Mr. Worrell, seconded by Ms. Anker and unanimously approved.

Financial Matters

Mr. Higgins announced the November 2010 end of month operating balance for the CRC General Fund is \$18,141,767.

Mr. Hammer requested an update on distribution of TIF funds for the second half of 2010 that were to be received from the County Auditor. Mr. Higgins stated the total amount received was just under \$9.2 million and that the CRC will net approximately \$7.7 million of that amount. Mr. Higgins stated this number is approximately \$380,000 higher than estimated previously.

Mr. Higgins requested the Commission's approval to pay invoices for the CRC General Fund in the amount of \$3,806,195.06. Discussion ensued regarding the IHS Global Insight Report, London Witte Group's services for the Council and CRC, and Parcel 111. Ms. Anker moved to approve CRC General Fund invoices in the amount of \$3,806,195.06. Seconded by Mr. Hammer and passed unanimously.

Mr. Higgins requested the approval of PAC invoices for regular construction in the amount of \$826,576.78. This item was voted on for approval; however, no motion or second was made. [This matter was addressed and approved at the December 28, 2010 special meeting].

Mr. Olds presented six change orders totaling \$79,413 for ratification. Mr. Olds stated the change orders have been funded out of either allowance money in contracts or contingency money set aside just for these issues. Mr. Olds reviewed the listing of change orders distributed to Commissioners and explained the reasoning for those change orders.

Mr. Worrell moved to ratify the construction change order for the Palladium in the amount of \$79,413. Seconded by Ms. Anker and passed unanimously.

Approval of 2011 Budget

Mr. Worrell moved to approve the operating budget for 2011, with the following change: that the total amount is \$33,817,463, with a change under Operations/Maintenance: requesting a move of \$200,000 into the Miscellaneous category with no further changes to line items without the approval of the CRC. The Motion was seconded by Mr. Hammer. Mr. Worrell amended the motion as follows: "and cannot be re-appropriated without the approval of this body." Ron requested clarification from the CRC attorney. Mr. Haas stated that no money should be moved back into the operations line item from the miscellaneous line. The Motion was seconded by Mr. Hammer as amended. Unanimously approved.

Mr. Carter added an item, to address the numbers reported by the Star regarding the debt of the Carmel Redevelopment Commission, referencing a handout prepared by Loren Matthes of Umbaugh & Associates, detailing CRC obligations and various bonds listed.

Mr. Carter expressed his concern to staff that he was tired of hearing on TV and in the Star that the CRC had left citizens with \$400 million in debt, with no further explanation. Upon discussion with Loren Matthes, who handles the bond transaction, she was unsure of how Mr. Sikich got that figure. She prepared a sheet that stated a debt of \$388 million, of which, \$43 million are Developer-Backed TIF bonds, for which the CRC and City have no obligation. Additionally, included in this number is \$118,470,000 of COIT bonds. The COIT bonds were issued for road projects, projects that needed to be done within the community and projects that were on the drawing board for a long time. Without the CRC, there is no other entity to carry these bonds. Also we believe included by Mr. Sikich are \$28 million in Lease Rental Revenue Bonds of 2004. These bonds are for road improvements in West Clay. Mr. Carter pointed out that we, as citizens of the community, are probably not being well served by just having that figure put in the end of the articles with no explanation made. The CRC has been prudent in its borrowing and a good portion of the borrowing has been done for projects that are developer-backed or for infrastructure for things in the community like Keystone Parkway, Hazel Dell Parkway, and for other infrastructure projects of that nature. Copies of the letter will be passed along to Commissioners. Discussion ensued regarding COIT bonds

Mr. Worrell requested clarification regarding the COIT (County Option Income Tax) bonds and how they differ from other bonds.

Ron Carter explained that these bonds are issued for road projects. Mr. Hammer explained that the CRC's role in these bonds is more as a conduit, or an administrative function.

Mr. Haas continued that the CRC is a facilitator of the bonds. In every case, the \$118 Million of COIT bonds were initiated by Council. It is because of an arrangement in

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Indiana law that though they are for citywide projected, initiated by Council, they have to come to the Redevelopment Commission for approval and issuance.

Committee Reports

No updates at this time.

Update on Properties

Mr. Olds opened the floor to questions regarding properties outlined in the monthly Commissioners' packet.

Mr. Olds stated Mr. Anderson will not be present at future CRC meetings to report on the Performing Arts Center since the project is essentially completed. Mr. Olds stated they are in the process of carrying out the completion of a punchlist prepared by the architects for the project. Mr. Olds stated they hope to be significantly through the punchlist by the end of the year, allowing the first part of January for any miscellaneous items that may arise as a result of the testing of the hall.

Mr. Weddle with REI Construction, Project Manager for Parcel 7B/C, gave an update and slideshow presentation on the construction progress. Mr. Weddle stated the Certificates of Occupancy have been achieved for the Garage (dated 11/24/10) and Office Bldg/SEP Space (dated 12/1/10). Mr. Weddle stated the CRC met its contractual obligation with SEP to have the space available on December 1, 2010; though, SEP chose to delay their final move to January 3, 2011.

Old Town Arts & Design District

Mr. Olds stated the following Arts & Design District updates:

A Clarian North Gallery Walk will take place on Saturday, December 11 from 5-10 p.m. This will conclude the Clarian North Celebration Series of events for 2010.

Arts & Design District visitors can take part in a Gingerbread Scavenger Hunt throughout the District from December 4-18. Beginning at Simply Sweet Shoppe, the scavenger hunt map/clues will lead visitors throughout the District to view displays and answer questions about gingerbread houses decorated by Arts & Design District business owners and artists. Scavenger hunt hours are Tuesday-Saturday, noon – 5 p.m.

A new Italian restaurant, Donatello's Italian, will be opening at 9 W. Main Street in the Arts & Design District mid-December.

The Indiana Design Center recently announced new first floor retail showroom tenants, Holder Mattress and Santarossa Mosaic & Tile Co. Currently 80% of the Design Center is leased.

Old Business

Approval of Agreement re: 116th Street Centre by J.C. Hart/Equicor

Mr. Haas stated this is an ongoing matter with a long history and that a point was reached wherein a project agreement is in final or near final form. Mr. Haas recommended that

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the President be authorized to execute a final project agreement on terms and conditions that are acceptable to the President.

Mr. Haas stated this matter will have to come back to Commission for a declaratory resolution and other actions with respect to the issuance of the bonds.

Mr. Hammer questioned if Mr. Haas was able to work through and take care of the terms, conditions and financial problems that the Commission was concerned about previously. Mr. Haas confirmed they were taken care of.

Mr. Worrell moved to approve the agreement for 116th Street Centre by J.C. Hart/Equicor and the CRC, seconded by Mr. Hammer. Ms. Anker requested the author entertain an amendment to the motion to include "with terms and conditions that are pleasing to the President of the Commission." Mr. Worrell accepted the amendment and Mr. Hammer seconded the amendment. Passed unanimously.

New Business

Approval of Assignment of Revenue to 4CDC and Grant Agreement with 4CDC

Mr. Haas referenced a line item in the 2011 budget the Commission approved earlier in the meeting that reflected the net proceeds of a loan that 4CDC will be able to obtain. Mr. Haas stated the funds that are available from that loan will be made available by 4CDC to support the Redevelopment Commission's projects and operations. The loan will be paid from an assignment of an event parking surcharge that will be on tickets to events in the PAC and will be backed up by a grant agreement from the Commission to 4CDC.

Discussion ensued regarding the estimated number of tickets that will be sold per year, repayment of the loan and terms of the loan.

Mr. Haas stated valet parking receipts will be available to support the repayment of the loan in addition to the projected ticket sales and surcharge.

Mr. Hammer moved approval of action item #4, which is the assignment of revenues to 4CDC and a grant agreement with 4CDC, seconded by Ms. Anker. Passed unanimously.

Approval of PAC Operations Agreement

Mr. Haas recommended the Commission approve or authorize the President to enter into the necessary agreements for the management and operation of the Performing Arts Center on terms and conditions that are approved by the President.

Mr. Haas stated the actual agreement was still under negotiation and that they are working on finalizing the terms.

Mr. Worrell requested clarification on what the Commission was actually approving since there was not an agreement at the present time.

Mr. Haas stated the Commission was approving the President entering into the agreement.

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Discussion ensued with regards to the status of the agreement, pending issues and the structure of the agreement.

Mr. Hammer moved approval of authorizing the agreement for the PAC Operations with 4CDC and the Center for the Performing Arts, subject to approval of the President on terms and conditions. Seconded by Mr. Worrell. Mr. Carter questioned the timetable for completion of this agreement. Mr. Haas stated the current timetable for completion was January 31. Passed unanimously.

Approval of Purchase of Property at 457 3rd Ave SW

Mr. Haas stated that, in order to comply with the recent opinion of Attorney General with respect to installment contracts and leases, the process is underway to convert what has been a lease of the property into an installment contract which will comply with the opinion of the Attorney General. Mr. Haas stated the Commission should expect the agreement to be structured so that it has the same financial effect and ramifications for the Redevelopment Commission as the current lease arrangement under which monthly lease payments are made and there is an option to purchase it at the end of the lease term.

Mr. Worrell moved to approve the purchase of the parcel at 457 3rd Ave SW upon the terms and conditions and in a form approved the President of the CRC, seconded by Ms. Anker. Passed unanimously.

Approval of City-wide Wayfinding Signage Program Budget

Mr. Olds stated that the Redevelopment Commission has been partnering with the City's Department of Community Services, Designer Kiku Obatu and Steven Libman to develop a citywide wayfinding signage program that begins from the interstate system and leads visitors to Carmel and Carmel City Center. Mr. Olds requested approval of the total amount of the signage program in the amount of \$377,050.50 subject to the availability of funds.

Mr. Olds stated it is anticipated that the Department of Community Services, Hamilton County Convention & Visitors Bureau and possibly other partners will contribute funding to help offset this cost. Mr. Olds stated the primary focus initially is the Phase 1 \$85,000 to get the signage program started.

Discussion ensued with regards to the amount that would be reimbursed by funding from various partners, who would contribute, if formal arrangements had been made for reimbursement and the reasoning for the CRC to undertake the responsibility for funding.

Mr. Hammer requested clarification that the proposed signage would direct visitors to CRC projects and not other areas within the City.

Mr. Olds clarified that the funding for this signage is for the City Center project and surrounding area, which includes the public buildings.

Ms. Anker moved for approval of the citywide wayfinding signage program in the amount of \$377,050.50, subject to available funds. Seconded by Mr. Hammer and unanimously approved.

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Approval of Parking Management Agreement for Parcel 7C Garage

Mr. Haas stated this item relates to the garage that was recently completed on Parcel 7C and the obligations undertaken to SEP and Civic Theater with respect to parking. Mr. Haas stated the obligations need to be coordinated with the public use of the garage and presented the recommendation for professional management of the garage. Mr. Haas recommended the Commission approve a management agreement with REI Real Estate Services on terms and conditions that are acceptable to the President of the Commission.

Discussion ensued regarding the cost of services and scope of work.

Mr. Worrell questioned why the City would not be retained to take care of certain duties, such as snow removal, as has been the case for other public parking garages within the City.

Mr. Haas stated the primary reason is because the CRC has undertaken obligations to SEP and Civic Theater with regards to the maintenance and operation standards and it is not certain the City would be able to step in immediately and begin to discharge those obligations.

Mr. Haas stated the suggestion would be to have a one year management arrangement to determine it works correctly and is coordinated with all the uses. Mr. Haas also stated it could be a possibility to turn it over to City operations after the initial term of the agreement.

Discussion ensued.

Mr. Hammer made a motion to approve the 7C Parking and Management agreement between the Carmel Redevelopment Commission and REI Management, subject to review and approval by the President of the Commission. Seconded by Ms. Anker and passed unanimously.

Approval of Maintenance Agreement with Leach & Russell for Energy Center

Mr. Olds outlined the responsibilities for the maintenance of the Energy Center and requested the approval of a \$50,000 budget to cover Leach & Russell's maintenance contract for one year as well as a certain amount of replacement parts.

Ms. Anker requested clarification on whether approval of a budget amount was requested from the Commission or approval of a maintenance agreement, subject to the terms and conditions agreeable to the President, was requested.

Mr. Olds clarified he was requesting approval of the \$50,000 as a line item subject to the fact that the contract will be brought to the President for review and signature.

Funding is in place within the budget for this agreement.

Ms. Anker made a motion to approve the maintenance agreement with Leach & Russell for the management and maintenance of the Energy Center subject to the terms and conditions agreeable to the President of the Commission in a budget amount not to exceed \$50,000. Seconded by Mr. Hammer and unanimously approved.

Other Business

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None at this time.

Announcements

Mr. Carter announced his decision to depart from the CRC after being faced with the choice of resigning from City Council in order to stay a member of the CRC due to the ordinance that was passed barring a City Council member from serving on the Carmel Redevelopment Commission. Mr. Carter expressed the difficulty in that decision and his reasoning behind it. Mr. Carter thanked the commissioners, staff and consultants for their work and service to the community during his term.

Applause ensued.

Mr. Worrell, Mr. Hammer, Ms. Anker, Mr. Phillips, Mr. Haas and Mr. Olds thanked Mr. Carter for his leadership, dedication and service during his time with the Commission.

Mr. Hammer requested that the Commission move that Mr. Carter be invited as a Commissioner emeritus to participate in the various ribbon cuttings, grand openings and activities in January along with the Commission. Seconded by Ms. Anker and passed unanimously.

Adjournment

Mr. Carter moved the meeting be adjourned and seconded by Ms. Anker. The meeting was adjourned at 8:16 p.m.

The next regularly scheduled meeting is Wednesday, January 19 at 6:30 p.m.

The next special meeting is scheduled for Tuesday, December 28 at 8:00 a.m.

