

January 11, 2022, Special Meeting Minutes HOBART ECONOMIC DEVELOPMENT COMMISSION

President Lisa Winstead called the special meeting of the Economic Development Commission (EDC) to order at 6:31 p.m. The meeting was held in the City Council Chambers at City Hall, and also via Zoom with the public issued a dial-in number to allow listening and participation capabilities. The Pledge of Allegiance was recited. Members present: Lisa Winstead (*via Zoom*), Robert Glover (*via Zoom*), Debra Rockymore, Kreg Homoky (*via Zoom*), and City Council Liaison Joshaua Huddlestun (*via Zoom*). Members absent: William Heuring. Also present: Heather McCarthy, City Attorney (*via Zoom*); Randy Rompola, Barnes & Thornburg; James Dragon, Albanese Confectionery (*via Zoom*); Beth Jacobson, Director of Development; and Dawn Hostetler, EDC Recording Secretary.

Under Approval of Agenda, a motion was made by Mr. Homoky to approve the agenda as presented; seconded by Mr. Glover. All ayes; motion carried. (4-0)

Under Election of 2022 Officers, Mr. Glover made a motion nominating Mr. Homoky as President and Ms. Winstead as Vice-President; seconded by Ms. Rockymore. All ayes, motion carried. (4-0). Mr. Homoky made a motion nominating Mr. Glover as Secretary; seconded by Ms. Winstead. All ayes, motion carried (4-0).

Regarding the Minutes of January 11, 2021, Special Meeting, Mr. Homoky made a motion to approve the minutes of January 11, 2021, Special Meeting as presented; seconded by Mr. Glover. All ayes, motion carried. (4-0)

There was no Old Business.

Under New Business, Ms. Jacobson reviewed the 2021 Annual Report of Economic Development Commission which summarizes the activities of the EDC in 2021. She stated that there were no expenditures of the EDC last year. Additionally, there were no bonds or tax abatement requests that required approval or recommendation of the EDC in 2021. This report will be filed with the City Council in accordance with I.C. 36-7-12-36. Ms. Jacobson offered to answer any questions about the report. There were no questions or comments. A motion to approve the 2021 Annual Report of Economic Development Commission was made by Mr. Homoky; seconded by Ms. Rockymore. All ayes, motion carried. (4-0).

Ms. Winstead opened the Public Hearing and asked if anyone wished to speak for or against Resolution 2022-01. No one spoke. She again asked if anyone wished to speak. No one spoke. She asked a third time if anyone wished to speak. No one spoke. Being that no one present in person or via Zoom wished to speak, the public hearing was closed.

The next item of business was Resolution 2022-01: Resolution of the City of Hobart Economic Development Commission Approving and Authorizing Certain Actions and Proceedings with Respect to Certain Proposed Economic Development Tax Increment Revenue Bonds and Related Matters. Ms. Jacobson stated that this resolution is regarding an expansion project by Albanese in which the company has a planned investment of approximately \$137 million dollars over the next several years. She said the company's plan is to hire 75 additional employees during phase 1 of the expansion project and an additional 55 employees during a later phase. She noted that Albanese already has significant investments in both real and personal property, and will be expanding the acreage of the property as well as installing additional equipment at the facility.

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She stated that the company was seeking an incentive offer from the City since it was a competitive project and needed incentives to proceed. Ms. Jacobson indicated that tax abatement as well as economic development revenue bonds were discussed with the company as possible incentives. She said both the City and Albanese agreed to proceed with the developer purchased bond option. She reported that a separate allocation area has been established within the US 30 & 69th Avenue TIF district. This new Allocation Area #2 is essentially the footprint of the existing Albanese property as well as the new property it will be acquiring to expand the facility. She said Randy Rompola from Barnes & Thornburg has been working as bond counsel and City Attorney McCarthy has been working as local bond counsel for these bonds, and both are in attendance via Zoom. Mr. Rompola stated that there is a process required when issuing economic development revenue bonds, which the City is contemplating in this instance. He said the City Council had a first reading of the bond ordinance and the EDC just held the public hearing, which is required by statute. He indicated that the next step is for the EDC to take action on Resolution 2022-01. This resolution approves the issuance of the bonds and makes a recommendation to the Council regarding the issuance of the bonds as well as approval of the bond ordinance. By adopting this resolution, the EDC is approving the report and findings of fact that was included in the meeting packet. Mr. Rompola stated that the report details the company's development plans, the number of jobs to be created, and the expected wages of these new jobs. He said the company is expected to buy the bonds and the City will receive approximately \$2.2 million at the closing of the bonds, which will be used to make certain road improvements in and around the Albanese facility to improve traffic flow. He stated that the balance of the bond proceeds will essentially be spent by Albanese to make improvements on its property. The interest rate on the bonds will be 0% effectively and the bonds will be payable solely from the TIF revenue. Mr. Rompola stated that with the creation of the separate allocation area, the TIF revenue generated by Albanese will pay these bonds. He explained that if Albanese does not make the specified investment, then there will not be enough TIF revenue and the company will simply not get paid on the bonds. He indicated that the bond documents will clearly state that in the event the TIF revenue is not generated, the City, the EDC, and the Redevelopment Commission (RDC) are not responsible for the payment of these bonds. He noted that the bonds are payable solely from the increase in assessed value that Albanese indicates will be established by virtue of the improvements to the facility. If the improvements do not produce the estimated value, the TIF will not be generated and the bonds will simply remain unpaid. Mr. Rompola offered to answer any questions from the Commission.

Ms. Winstead asked what road improvements will be made. Ms. Jacobson stated that there are several road improvements planned within or serving allocation area #2. She said the first priority is to extend 82nd Avenue from Grand Boulevard to the Albanese property. This route would allow truck traffic to enter and exit the facility at the signalized intersection of US 30 and Grand Boulevard rather than US 30 directly. She indicated that this will create safer traffic conditions on US 30. Mr. Dragon said the access to Albanese from 82nd Avenue will be for trucks and employees. Customers should continue to use the entrance from US 30 to access to the retail store. Mr. Glover asked how that will be controlled. Mr. Dragon stated that access to the facility from 83rd Avenue and 82nd Avenue will be through a guard shack with card access. Ms. Jacobson stated that 82nd Avenue would be a public road up to the Albanese property. There will be a controlled gate at the entrance to the property. She said the property is required to be secured due to food products being manufactured at the facility. Mr. Dragon said that is correct; due to the bioterrorism act and other stipulations, the facility must be secured from all public

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access. He indicated that the primary purpose for the 82nd Avenue extension is to create safer conditions on US 30 by diverting semi-truck to 82nd Avenue via Grand Boulevard to enter and exit the property. Ms. Jacobson stated that this 82nd extension is the first improvement planned for this area. Additional improvement projects consist of connecting the gaps of several frontage roads from Albanese to Clay Street.

Mr. Dragon asked if the EDC's approval of this resolution will affect the finalization of the Development Agreement. Mr. Rompola said the resolution is related to bonds and has no bearing on the Development Agreement. He explained to the Commission that the City and Redevelopment Commission will enter into an Economic Development Agreement with the company to firm up the details of the bond financing and the incentive being offered. He said the EDC does not have to approve the Development Agreement because the City Council and Redevelopment Commission will do so at a later date. He stated that the EDC's approval of the resolution will allow the Council to approve the issuance of the bonds at a later date. A motion to approve Resolution 2022-01 was made by Mr. Glover; seconded by Mr. Homoky. All ayes, motion carried. (4-0).

Under Staff Report, Ms. Jacobson stated that 2021 was an active year for development in the City. She reported that the 69th Avenue improvement project is essentially complete, and there is a ribbon-cutting ceremony planned for this project in March. She said Becknell has made substantial progress on the building being constructed on 69th Avenue and has started working on an expansion to that building. The total square footage of the structure will be approximately 600,000 square feet once complete. Ms. Jacobson reported that staff has been exploring development opportunities along 61st Avenue and Colorado Street, which is the former Ameriplex Southlake property. She said there has been quite a bit of interest from brokers and developers regarding this property as well as the property to the east of it. She stated that there are some infrastructure improvements that are needed in order to accommodate development there, so staff has been looking into different ways to accomplish those goals. Ms. Jacobson reported that Steiner Homes will be constructing a residential development on the north side of 61st Avenue, just west of Arizona Street. She said the engineering work has begun and Mr. Steiner has been working with the Plan Commission to devise a schedule for the subdivision and rezoning process. Mr. Glover recalled that there was some discussion regarding the construction of a roundabout at 61st Avenue and Arizona Street, and he asked if that is still the plan. Ms. Jacobson said that intersection is still a planned improvement, but she is uncertain about the timetable. She said the next priority project is the construction of a roundabout at 61st Avenue and Colorado Street since the 69th Avenue project just concluded and the Local Trax overpass project on Colorado Street will soon commence.

Adjournment –Meeting adjourned at 7:01 p.m.

Minutes were prepared by Dawn Hostetler, Clerical Assistant to the Director of Development.

Minutes approved by the Hobart Economic Development Commission on _____.

President:

Attest: