

REGULAR MEETING – MARION COMMON COUNCIL – JANUARY 3, 2017 – 7:00 P.M., CITY HALL

The Common Council of the City of Marion, Indiana met in regular session on Tuesday, the 3rd day of January, 2017 at the hour of 7:00 p.m. in the Council Chambers, City Hall.

On the call of the roll the following members were shown to be absent or present as follows:

Present: Miller, Homer, Smith, Cain, Henderson, Luzadder and Brunner.

Absent: Johnson and Batchelor.

The minutes of the previous regular meeting of November 15, 2016 were presented. On a motion by Councilwoman Deb Cain, 2nd by Councilman Alan Miller, the minutes were approved as presented by a unanimous vote.

COMMITTEE REPORTS: Councilman Steve Henderson told the Council that the Board of Works met today and they elected Adam Binkerd as their new President and Cindy Cunningham as the Vice-President.

Council President Jim Brunner said, if there is anyone on the Council who is not serving on a committee they wish to be on or is on a committee that they are maybe having a hard time attending the meetings and would like to maybe trade with someone, please give him that information over the next week or so and when we meet here in two weeks, we'll make the committee appointments.

Councilman Dave Homer stated that they had begun discussion, preliminary discussion on the Property Maintenance Ordinance. He has given a copy of that ordinance to Mrs. Goodman and she's going to make copies for those that do not have a copy, he thinks probably the three of them that might are on that committee, and she'll get those mailed out so that they can begin to take a look at that and then probably by the next Council meeting or before, he'll set a date for their first meeting to start with that Property Maintenance Ordinance. So, they'll get that in the mail so they'll have it, Homer said.

Council President Brunner told the Council he would ask everyone to keep Don Batchelor in their prayers. He had a nice long talk with Councilman Batchelor today. He is doing much better. He was hoping to make it to the meeting tonight but his doctors have asked him to remain vigilant and they are shooting to have him back with us the first meeting in February. But it seems like he is out of harm's way and is doing much better. Brunner said he sounded a lot better when he had a chance to talk with him at length today and he sends his regards to all of them and Happy New Year wishes to all of them and they certainly hope to have Don back, at the worst, the first meeting in February. So, keep Mr. Batchelor in their prayers, if they would.

NEW BUSINESS

RESOLUTION NO. 11-2016

The City Clerk read Resolution No. 11-2016 by title only. Declaratory Resolution of the City Council of Marion, Indiana declaring economic revitalization area for property tax deductions on real estate for Sulai Hospitality, Inc., for property located at 1000 N. Baldwin Avenue, Marion, Indiana. Joe Certain, attorney for petitioner, told the Council, for those of them who may not know who he is, he's an attorney with Kiley Harker and Certain here in Marion. He's here this evening representing Sulai Hospitality, Inc., an Indiana organization, corporation that's home based in Huntington. The principals are, primarily, Raj Chandat, Suresh Patel and with us this evening is also Mitish (sp?) Patel and also with him is Jason Miller of Randall Miller and Associates who is doing the layout for this proposed project. They're here to request the Council to adopt a Declaratory Resolution declaring certain property on North Baldwin Avenue an economic revitalization area, specifically 1000 North Baldwin Avenue and 1201 North Baldwin Avenue (NOTE: Believe he meant 1021 North Baldwin since all the paperwork submitted said 1021 North Baldwin). It was formerly the location of the manufactured housing outlet operated by Mr. James Moses who is passed away. The proposal is for an 84 to 92 room hotel with an investment cost of approximately \$4,800,000 for the building alone. They are proposing to employ eight full-time employees and 10 to 14 part-time employees, an estimated annual salary of \$275,000. He has some renderings here that he'll show the Council, which he did. He showed a drawing of the

RESOLUTION NO. 11-2016 Continued

layout of the property which he believes they had in their packet. He showed a rendering of the proposed hotel from the front and showed where Baldwin Avenue and Western Avenue would be. Then he showed a rendering of the proposed hotel from the back side and showed where Western Avenue would be, running along the back. Mr. Certain told the Council the determination of an economic revitalization area, he guessed it's formerly called a tax abatement resolution. There is, however, no significant investment in this development (inaudible) the city over several years. Not only has there not been much development, in addition to the demolition of the manufactured housing outlet, other businesses in the area that were closed that come to mind, most recently the Classic Stereo building that was there for maybe 20 years, the automotive accessory building, retail outlet next door. What was formerly the North Park Mall, now Five Points Mall, has lost Sears, JC Penney's left town, various boutique stores within the mall no longer exist. The Icehouse restaurant across the street on Kem Road is now defunct and that building in which it was located is now approximately half empty and has been for many years. Roller's Dry Cleaners on the corner up the street here is also now defunct. As he indicated, there's been no significant development in this part of town that was, not too many years ago, considered a viable and sound commercial retail area. The statute refers to what we're asking here is for a 10 year abatement. It's not really an abatement. It is a 10 year phase-in plan. The revenues for the city or the county or any of the other taxing units are not affected in an adverse fashion by this because you lose no tax revenue from this development as the real estate continues to be taxed and the taxes paid at the then whatever the assessed value is. He knows there's been some publicity, of course, the last two or three weeks that show a real estate assessment of the development of zero. He would suggest to them that is erroneous. If you will look at the SB-1 that he thinks all of them have in their packet, you will see that, toward the bottom where it says estimated total cost and value of proposed project, under that you see current value, it says zero but that is under a column of real estate improvements. Since there are no real estate improvements, this land is vacant. At the current assessed value of the real estate improvements is zero. That has nothing to do with the real estate itself. So the taxes on the real estate would continue as though the building were not there, even after the building is built. As he indicated, the taxes here that are proposed to be phased in over 10 years, a point of fact, because of the circuit breaker tax credit, which he's certainly no expert but it looks to him as though any kind of taxes would be paid in full by the 8th year. After the 7th year, there would be no effective tax abatement because of the circuit breaker tax credit. He has seen some figures on this and he will verify that with Umbaugh & Associates but he believes that to be correct. So a 10 year phase in would actually only be a seven year phase in, in addition to which he would point out that the real estate as it now is assessed generates relatively, well generates certain taxes but that would likely increase because of the increase in the assessed value of the real estate by virtue of this proposed hotel development. There would be no phase in, no abatement if you will, for any of the personal property, the equipment that would be put in the hotel, in addition to which, there would be, as soon as the hotel would be open, there would be an estimated \$84,000 per year in Occupancy Tax generated by the hotel. And he would finally point out that this proposal was placed before the Economic Development Commission of the City of Marion two weeks ago, he believes, and it was approved by a vote of 2 to 0 with one abstention and very enthusiastically accepted and recommended by the EDC to the Council. If there are any questions, he'd be glad to try to answer them although he probably won't know the answer, Certain said. Councilman Alan Miller said, just a couple of questions. The north side of the property on the map (inaudible) Baldwin Avenue, it says Moses and then the property CDW Properties. He guessed his question is is there going to be an undeveloped area between the hotel property and the Mutual Federal Savings Bank? Mr. Certain told Miller, a good portion of that, he's not sure all of it but a good portion of that is owned by the Moses Estate. This property, the purchase price here is not for the purchase of the entire Moses property. So there is an area of undeveloped property there. Miller asked, that will be undeveloped when the hotel.....? Certain told him, yes. Miller asked, who is CDW Properties? Mr. Certain said he does not know. Miller stated, so there would be an undeveloped area between the hotel property and the..... He's trying to picture what's in there now. Is there nothing? Certain replied, nothing. Well there's a structure there but it's not occupied. Mr. Miller said, one other question. He assumes the zoning on the Baldwin Avenue side of the property, the current zoning, is the same zoning that is on the Western Avenue side. Certain told Miller, yes sir, the zoning, he can't tell him what it is off the top of his head, but the zoning is proper for the development of the hotel. Miller said, so both front and back, Baldwin and Western, are at least proper zoning, whether (inaudible). Councilman Henry Smith asked, taxes, will this be anything that has to do with the city, supporting anything, or is it done by the (inaudible)? Mr.

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Certain told Smith, no sir, there would be no taxes to the city. The city's taxes would remain substantially the same although they may be increased by the increased assessment in the value of the real estate but the city would be under no obligation, no liability of any kind whatsoever. This is merely a phase in the taxes that would be attributable to the building itself. Councilman Miller said, this is probably just an editing error. It says what structures if any are on the real estate. It says all structures have been razed. Is the what he would still call the old Don Shane building still not there? Certain answered, it's there but it's not on this property that's being purchased. Miller asked, so where is that located in relationship.....? He was told on the right hand side where it says Moses. Miller said, okay, that gives him a little more perspective on how much.... Councilwoman Deb Cain told Miller, there's a sewing center on that one spot he was talking about earlier. Used to be called Sewing Center. Miller asked, does that Don Shane building, does that have offices in it? Certain replied, he doesn't have any idea. Miller said, okay, but it's still used, is it not? There seemed to be at one time there were a lot of service-type trucks. Certain stated, he doesn't believe it's being used at all. He thinks the last use on this property was maybe a year or so ago. There was one manufactured home that was not sold and it was ultimately sold. That was it. Miller said, so there's no current plan to raze that building? Certain answered, no sir, not as far as Sulai is concerned. He doesn't know what the Moses family plans. Councilman Miller then asked, is it proper to ask what the flag is going to be on the hotel or do they not know yet? Mr. Certain told Miller, Holiday Inn Express has evaluated the property and very favorable, and as far as they know today, it will be Holiday Inn Express. Councilman Dave Homer said, he just, there were two different spots here in the questions that ask how many permanent employees will be employed at or in connection with the project after it's completed. One page says six to eight full-time and then back here, there's another that says this is a commercial development that would employ 24 to 30 employees, respectively, with an annual payroll of \$250,000 to \$275,000. Certain told Homer, that's because there's going to be eight full-time employees. The rest would be part-time employees, service people, (inaudible), that sort of thing. Councilman Steve Henderson asked, are there any plans to combine these two properties and make them one address because right now, they currently have two addresses. Certain told Henderson, the 1000 and 1021, yes. It's that way because that's the way they were developed, originally purchased, from time to time, and it was never changed. He believes they will be changing that at the time the contract is closed. Henderson then said, and as far as the zoning, because it's on the By-Pass, that's automatically General Business, which is acceptable for a hotel. Just to clarify that because he checked the zoning on that. Certain told Henderson, thank you. He couldn't have told them if it was General Business or something else. Council President Jim Brunner told Mr. Homer he had a statement that they were asking him to read. Could he do that for them at this time? Homer told Brunner, yeah, he can do that. He said he received an email from Stuart Moses who is part of the Moses family. In fact, he is here this evening but he'll go ahead and read what he (Moses) had sent to them, if he doesn't mind. It says "To the Marion City Council, dated today's day, 1/3/17, hello, I am Stuart Moses, a citizen of Marion for life. My father started Grant County Manufactured Housing here in 1956 which thrived in our city for 58 years. I was actively employed there for 35 years and was an owner along with my brother. I thank you and our community for the support. Unfortunately things have changed and we've decided to sell our property at 1000 N. Baldwin Avenue. We have a buyer who is willing to invest a lot of money into the north end of Marion but he needs our communities support by passing the request for a tax abatement. I strongly urge you to pass this request as it is new growth on the north end of Marion. We all know this is needed. I believe this activity breeds activity so let's get it started. Marion, a city on the move. Sincerely, Stuart Moses." Miller said, just a final question. The area labeled proposed restaurant, is that a separate project? Is that even part of the parcel that he's (Certain) seeking abatement for? Certain replied, it is part of the parcel but the abatement is only on the hotel development. There's no current plans for a restaurant to be placed (inaudible) set aside for that purpose right now but that would be something that would develop in the future. We have no commitment one way or the other. Councilman Henderson said he'd just like to make a comment on the company that is putting up this hotel. He has checked their background and they have been very successful in hotels in a lot of other states and they are currently working on other projects in Ohio and all those projects look very good. So it's a good recommendation. Miller commented, Mr. Homer and he just realized it says Holiday Inn Express right on the map. Being no further questions from the Council, motion was made by Councilman Brad Luzadder to pass Resolution No. 11-2016. Motion was seconded by Councilman Henry Smith and carried by the following vote. Aye: Miller, Homer, Smith, Cain, Henderson, Luzadder and Brunner. Nay: None.

GENERAL ORDINANCE NO. 1-2017 1ST READING (CAN BE PASSED IN ONE READING)

The City Clerk read General Ordinance No. 1-2017 by title only. An Ordinance amending General Ordinance No. 17-2016 (An Ordinance Fixing the Maximum Salaries for Firefighters of the City of Marion, Indiana for the year 2017) and General Ordinance No. 18-2016 (An Ordinance Fixing the Maximum Salaries for Police Officers of the City of Marion, Indiana for the year 2017). Julie Flores, City Controller, told the Council, as they will recall, the contracts for the police and fire were settled after the salary ordinances were presented so, at this time, there was a change. They moved their Specialty Pay into their base salary so that was a change that they needed to make to those salary ordinances. So each of these line items were increased by \$550 per year so these were actually increased by \$21.15 per pay, increase for them, police and fire. Council President Jim Brunner asked the Council if there were any questions of Mrs. Flores at this time. There was no response from the Council. Flores stated, she believes they don't need three readings on this, do we Mr. Stephenson? Stephenson said they do not. Motion was made by Councilman Brad Luzadder to pass General Ordinance No. 1-2017. Motion was seconded by Councilman Henry Smith and carried by the following vote. Aye: Miller, Homer, Smith, Cain, Henderson, Luzadder and Brunner. Nay: None. Brunner said, and according to Mr. Stephenson, this can be passed on one reading. Council attorney Phil Stephenson added, you could as long as it was unanimous, which it was. It had to be unanimous to pass but it was unanimous so it's not a problem.

Mrs. Flores told the Council, she just has one other thing. The internal control requirement that they watch the video, she has that on most but not on all so, if they have not watched that webinar, get with her and they need to get that done this year. Well, it should have been done in 2016 but that can still be done so anybody that still needs to watch that webinar, get with her please. Council President Jim Brunner asked, is that something they can watch before the next meeting or is that too long? Flores told Brunner, oh yes or on their own time. She has instructions here on the video. Brunner asked, how long is it? Flores stated, it's about 30 minutes. Brunner asked, could we possibly have that available? Since most of them would be here two weeks from this evening, maybe she could schedule a showing for about 6:15 pm and then those who can be here at 6:15 pm who haven't seen it, is that possible? Flores said, yes, absolutely. Brunner asked, can more than one person watch that at one time? Flores replied, yes, we'll just have a computer set up here for them to watch it. Mr. Brunner asked Mrs. Kiley if she would please put a notice in their next packet that they would have that available so people can come and see that.

Clayton Andrick asked the Council, are they going to have a public hearing on this first resolution or has that already passed? City Clerk Kathleen Kiley told him that's only the declaratory. The confirmatory, the public hearing will be at the next meeting. Andrick said, okay because he had some concerns about what's going on. He thinks you guys, part of them anyway, got this city in such a debt, we're not going to get out of it and you're talking about giving a guy a 10 year tax abatement, he doesn't agree with that. If you want to give him a tax abatement, it's okay but not no 10 years. And also, he'd like for them to think about it, are we going to use some local contractors doing this work and are they going to be paid prevailing wage for like the carpenters and plumbers and electricians and stuff like that? That's something they need to think about, Andrick told the Council. Council President Brunner said, thank you Clayton, and again, he'll have that opportunity and people will have that opportunity, is that correct Mr. Stephenson? Council attorney Phil Stephenson stated, yeah, he was going to say when it came up earlier that he thinks the President does need to indicate that that public hearing will be at the next meeting. Then you pass the confirmatory which means you have a chance to reconsider the whole matter again. Brunner asked, so that would be at the next meeting in two weeks? Stephenson said, yes sir.

Councilman Dave Homer said, in their packets, they received, he doesn't know if there's anybody here that can even address this, some sort of report from Indiana Department of Environmental Management regarding a tire, looks like some sort of a tire disposal. He guessed his question would be, is the property that the disposal will take place at 2908 S. Brownlee? He's not sure if anybody can..... Council President Jim Brunner asked Mr. Stephenson if he has seen this. Council attorney Phil Stephenson said, no, Mr. Brunner, he has not. While Mr. Stephenson was looking this over, City Clerk Kathleen Kiley told Mr. Brunner, they will also need, on the next agenda, two appointments by the Council for the Redevelopment Commission. Right now it is Bill Munn and Brad Luzadder. Brunner asked, does she need that

this evening? Kiley said, well, she was told that they need to, at the first meeting in January, mention that they needed those appointments as soon as possible, she believes. Brunner asked, can we do that at the next meeting then and Kiley told him yeah but she thought he might want to just mention it. Mr. Stephenson asked, has anybody seen any of these applications or anything or is this all they got? Councilman Luzadder said, that's it. Homer stated, it looks like they've applied but it looks like they responded back saying that they needed to fulfill some more answers or something to some questions but his concern would be are they starting some kind of a recycle tire location at 2900 block of South Brownlee which is in a residential area. Stephenson said, he thinks that's a very good question to raise. It would certainly be good, he would think, for us to see some of this information here. This isn't enough to tell us anything but the permit application, some of those documents, it would be good if we could see those to kind of have a better idea of what is going on. While the permit is granted by the state, we certainly would have a right, on behalf of the city, to voice objections if we have them. From this, you can't really tell enough to know, Stephenson said. Councilman Alan Miller stated, one of the pieces of information they are missing is the list of facilities where the tires are going to be taken. Mr. Stephenson said he can try to contact IDEM to see whether or not they will supply us with copies of whatever has been submitted. If the Council would like him to do that, if he can get a hold of somebody, he'll try to circulate it as quick as he can.

Council President Jim Brunner asked, anything else to come before the Council this evening? He certainly wants to wish everyone in the audience a Happy New Year and thanked them for coming out this evening. Their next meeting will be two weeks from tonight which would be the 17th of January at 7:00 p.m. And again, he asked Mrs. Kiley, if she would remind everybody, for those who would like to see the video that night, we'll have a showing at 6:15 p.m.

Being no further business to come before the Council, on a motion by Cain, 2nd by Homer, the meeting adjourned. Time being 7:37 p.m.