

REDEVELOPMENT COMMISSION MEETING
JANUARY 24, 2012
6:00 PM

The meeting was called to order by President Niksch at 6:00 PM. The Pledge of Allegiance was recited. Roll Call was taken. Members answering the roll call were Philip Kuiper, Jim Langen, Doug Niksch, Craig Earley, and Tony Muscari. Absent was Doug Ward. Also present were Attorney Ben Ballou, Matt Reardon Consultant SEH and Recording Secretary Chris Marbach. Also present were 2 media and 4 citizens.

Oath of Officer: Clerk-Treasurer Judith Walters administered the oath of office to Doug Niksch, Jim Langen, Phillip Kuiper, Craig Earley and Tony Muscari.

Election of Officers:

Mr. Kuiper nominated Doug Niksch for President of the Redevelopment Commission, seconded by Mr. Langen and carried by voice vote.

Mr. Earley nominated Jim Langen for Vice President of the Redevelopment Commission, seconded by Mr. Muscari and carried by voice vote.

Mr. Langen nominated Phillip Kuiper for Secretary of the Redevelopment Commission, seconded by Mr. Earley and carried by voice vote.

President Niksch asked if a Treasurer needs to be appointed. Attorney Ballou answered not at this time.

Approval of Minutes:

Mr. Langen moved to approve the minutes, seconded by Mr. Kuiper and carried by voice vote.

Old Business:

Update of HSA Medical Office Project (Franciscan Alliance). Matt Reardon stated he has been in contact with the developer, HSA of Chicago. They continue their due diligence, information has been traded back and forth regarding the project financing. They have provided additional specific information so that everyone can develop a better understanding of the tax impact related to the project and any potential incentives. They are also waiting for an engineer's estimate of the probable cause related to the infrastructure. He has asked the company if they would be prepared to attend the February meeting or what their proposed timeline would be to the project. Mr. Kuiper asked if St. Anthony's is still on board. Mr. Reardon answered saying that as far as he knows they were and they were working out some details between the owner of the land, the developer and the renter. Mr. Kuiper wanted to know what the next step would be. Mr. Reardon stated the next step would be to get the preferred method of project finance from HSA, they have offered two scenarios, one was a bond which is not really cost effective to do it in that matter and that a loan agreement set out by Lisa Lee from Ice

Miller, who broke out the two different scenarios would be one of the two methodologies. He has asked them to review and choose which they would prefer to move forward with and hopefully they will be able to get that done and get a preliminary understanding and agreement with them so that the commission could have the review at the February meeting. Mr. Langen wanted to know if the timeline was still the same as Ice Miller laid it out. Mr. Reardon stated the financing was two prong, they have the financing, the structure, and the lease agreement with the tenant and the deal presented to the commission for consideration and then present it to the Town Council.

New Business:

Presentation and discussion of grants for downtown Lowell. Mr. Reardon explained there was a change in the Statute 6-1.1-12.35 related to taxation, which was a change in the law to allow a jurisdiction to provide additional or special incentive for a downtown district. The essence of the statute indicates from a tax standpoint if a designated town district is established then the Town Council will have within their purview to grant a tax abatement not on just the increase in the assessed value but the gross assessed value. Before any ordinances or resolutions come out, the town attorney will review everything. An example would be if someone comes in with an empty structure to make an investment, the Town Council could grant them a tax abatement on all of the structure, which would help the owner with cash flow for a new business going in there. They will have to work with Hodges & Davis to determine the parameters of the law that would allow how far the downtown district would be and what does it mean. The goal is to help out existing property owners, to fill up empty buildings and provide a little incentive to create jobs. Mr. Langen wanted to know if this would only be for empty buildings. Mr. Reardon stated it would but the town could consider a property tax abatement to an existing business that would make an investment that could cause an increase the accessed valuation of the structure could be considered, but this is real specific to the downtown district. Mr. Earley asked about owners who want to renovate only part of their building, would they qualify. Mr. Reardon answered what it says is downtown district vacant structure and he would have to consult legal as to what qualifies as a vacant structure or what qualifies as a downtown district. President Niksch wanted to know if there were a set of standards that says what the downtown district should look like and can they expand the downtown district. Mr. Reardon stated the downtown district is up to the town. Mr. Kuiper stated this would need legal review. Mr. Langen suggested the TIF district should be included in the downtown district. Mr. Langen wanted to know if the Redevelopment Commission needs to send a recommendation to the Town Council. Mr. Kuiper suggested after legal review, a work session be set up with the Town Council and the Redevelopment Commission. Don Parker stated some other communities have attached this with a revitalization district, which is done through an ordinance; you can do the business district as one thing and designate the old downtown district as a revitalization area. Mr. Reardon stated part of the process would include designating whatever the downtown area is as an economic revitalization through an ordinance. Mr. Kuiper wanted to know what are the criteria for an existing business to get a tax abatement. Mr. Reardon explained that first there has to be an increase in the value and if there is not an increase in the value, there is nothing to abate. President Niksch suggested having a work session at next month's meeting with the Historic

Preservation Board, the Lowell Chamber of Commerce, Lowell Downtown Merchants Association (LDMA), the Main Street Association and Annexation Committee. He further stated that he would like the Redevelopment Commission to look at priorities and project that they want to accomplish for the remainder of the year and look at areas that need to be improved and need to grow. Mr. Langen wanted to see things go a little quicker than they have been going. Mr. Kuiper asked how long would legal need to look things over. Attorney Ballou stated at least a couple of weeks to deliver the options to the Town Council. A discussion followed as to when they would have the next meeting. Dawn Meadows stated her business was OK and her priority would be to get the empty buildings in the downtown area filled because it does hurt existing businesses. Mr. Earley asked if the old Globe business would come this area. Mr. Reardon stated no downtown areas include factories and that property is in the redevelopment area already and is a target site for redevelopment investment, they would fall into another tax abatement program for manufacturing or facility distribution. Carrie Austgen asked if the commission would be contacting the owners of the buildings to come to this meeting and what if a property owner does not want to participate in this program. Mr. Reardon stated property owners need to formally ask for tax abatement with a statement of benefits form. A discussion followed as to how to send the notices to the various groups and property owners. President Niksch asked the commission to think about annexation which the town has been looking at since 1967 and it has not been done yet and also think about the recommendation to the Town Council with the five phase annexation plan. President Niksch asked the commission to decide when they would schedule their regular meetings. Mr. Kuiper made a motion to schedule the third Wednesday of the month as the meeting day, seconded by Mr. Earley and carried by voice vote. The next meeting will be February 15th. Rich Meadows stated an incentive for new building owners in the downtown district would be to let the owners do their own work on the buildings and not have to hire contractors but still have the proper permits. Mr. Parker stated if the town looks into a revitalization ordinance, issues that Mr. Meadows had could be addressed.

Mr. Langen moved to adjourn at 6:45 PM.

Doug Niksch, Chairman

Philip Kuiper, Secretary

Note: The above-proposed minutes are submitted for review and approval as the official minutes by the Redevelopment Commission.

Christine Marbach – Recording Secretary