

## **COMMISSIONERS' MEETING**

**September 2, 2014**

The Bartholomew County Commissioners met in regular session on September 2, 2014 in the Governmental Office Building, 440 Third Street, Columbus, Indiana. Chairman Carl Lienhoop called the meeting to order at 10:00 a.m. Commissioner Rick Flohr, County Attorney J. Grant Tucker and County Auditor Barbara Hackman were also in attendance. Commissioner Larry Kleinhenz was absent.

Catherine Greenlee from the Auditor's Office gave the Invocation and led the Pledge of Allegiance.

The first item on the agenda was the approval of the August 25, 2014 Meeting Minutes. Commissioner Flohr made a motion to approve the minutes, seconded by Chairman Lienhoop, and the motion passed unanimously.

Next was the approval of payroll. Chairman Lienhoop made a motion to approve the payroll. Commissioner Flohr seconded the motion which passed unanimously.

The next item was the weekly permit report. Chairman Lienhoop read the New Permit Report dated 8/25/14 to 8/29/14. Thirty-six (36) permits had been issued with a fee amount of \$3,974 and an estimated construction cost of \$1,699,310.

County Engineer Danny Hollander gave the County Highway Weekly Crew Report which included the following work: finished up chip and seal work and cleaned the equipment; ditched and put pipes in on 300S, 330W, Ferguson Road and 200W; placed rip rap along a culvert on 275N; placed stone along overlay roads; cleaned up trees; worked on signs; patched roads; mowed in Hawcreek and German Townships.

Engineer Hollander stated that his department has received two (2) bids for professional services for bridge inspections from United Consulting and Butler Fairman & Seufert. Deadline for bid submissions is 4:00 p.m. this day. Additionally, regarding bridgework in the County, the State will be reviewing bids for the Newbern Bridge Project and notifying the County within the next couple of weeks of the County's 20%

share of costs. Engineer Hollander also mentioned that the bridge by Anderson Falls on 300N required some repairs to the deck.

Next on the agenda was the first reading of an ordinance establishing the Bartholomew County Department of Redevelopment and the Bartholomew County Redevelopment Commission (“RC”). (*See attached*) Audience member Mike Lovelace suggested continuing this issue at a later date when Commissioner Kleinhenz could be present. County Attorney Grant Tucker reminded those present that passing this ordinance would require two (2) readings.

Jason Hester of the Columbus Economic Development Board conveyed his Board’s support for the establishment of a county-level redevelopment commission.

In place of Gary Malone of Umbaugh, who was absent due to an unexpected incident, Bruce Donaldson of Barnes & Thornburg, LLP ran through Mr. Malone’s presentation. He spoke on the creation of the RC and its role in utilizing tax abatement and tax increment financing (“TIF”) tools to contribute to the County’s budget and relieve the pressure on property taxes. The 5-member RC would be comprised of three (3) members appointed by the County Commissioners, and two (2) by the County Council. A non-voting school board representative, also appointed by the Commissioners, would serve in an advisory capacity. A key point is that tax caps from several years ago have put pressure on the budgets of local government and the only way out is to grow your way out by attracting new assessed value into the community and correspondingly creating jobs and income to increase the property tax base, which lowers your property tax rates, and in turn relieves you from tax cap issues. And then income taxes also contribute to the budget and relieve the pressure on property taxes, as well.

Incentive options are tax abatement and TIF which are employed by other counties and states to encourage growth. TIF is a tool which captures assessed value and certain new property taxes from new development in a designated area to finance incentives or infrastructure needed to induce private investment.

The Redevelopment Commission would oversee the designation of any TIF allocation area, prepare the economic development plan, adopt a declaratory resolution and seek approval from the Plan Commission prior to the County Commissioners approval of the Plan Commission order. The RC would then adopt a confirmatory resolution during a public hearing, Commissioners approve the TIF allocation area, and RC completes the filings of resolution/documents with the DLGF and the County Auditor.

Mr. Hester spoke about the advantage of having “shovel-ready” industrial sites which include roads, water, sewer, power, etc. already in place. This is one challenge that TIF could help overcome. Potential developers having multiple site options are looking to cross sites off their list. The availability of TIF is a question asked upfront by developers which can quickly eliminate a potential site. TIF is a tool which could provide funds to get sites developed to shore up a weakness, or to serve as an incentive to tip the scales in our favor.

Chairman Lienhoop opened the meeting for a public hearing.

Audience member Mike Lovelace questioned about the legal ability of citizens to file a remonstrance to stop advancement of a TIF process. Mr. Donaldson answered that there is no remonstrance process built into the creation of the RC, but there is a remonstrance process available to the public to stop the creation of a TIF area. Mr. Lovelace went on to express his disapproval of the operations of the Columbus Redevelopment Commission after his witnessing of their meetings and feels it’s a disaster and nothing more than a mayor’s slush fund.

Audience member Tom Heller appreciated the objective of growing the local economy, but questioned whether employing TIF is a robust enough tool. He suggested that utilizing TIF is a too speculative approach, e.g., predicting where to develop shovel-ready areas. He has examined how TIF has worked in Columbus and in his previous home state. His previous state of residence had a much more diversified tax base at the state, and particularly at the local level, and had taxes that this community does not have.

Mr. Heller discounted the argument that the practice of TIF can reduce property taxes. He commented that the recent history of the Columbus Redevelopment Commission doesn't support that theory. He discussed the funds not passing through to the community, thereby not reducing property taxes and possibly even causing an upward push on taxes because TIF has taken property off the tax rolls. So TIFs, if understanding the maximum levy law correctly, are being utilized while depriving the local jurisdictions of that revenue. He would like to see other more beneficial economic tools be considered.

Mr. Hester restated that economic growth in retail, services and residential purchases through job creation is attained without losing the tax base while, at the same time, growing the assessed value outside of the TIF which then helps keep the rates down.

Commissioner Flohr asked about safeguards that can be built into the RC to prevent the monies from becoming a slush fund. Mr. Donaldson referred to Senate Bill 118 and briefly discussed its provisions regarding the "but for" and noted the increased focus on pass-through decisions and provisions to limit slush fund characteristics. There was additional discussion about law amendments governing the capture of more than 200% of obligations, seeking County Council approval, and the appointment and unrestricted termination of appointees to the RC.

There was some additional discussion of other hypothetical situations and development financing tools.

Chairman Lienhoop then closed the public hearing portion of the meeting.

Chairman Lienhoop made a motion to pass and adopt on first reading an ordinance establishing the Bartholomew County Department of Redevelopment and the Bartholomew County Redevelopment Commission. Commissioner Flohr mentioned that all Commissioners held the same consensus on the matter and seconded the motion acknowledging that there would be a second reading. The motion passed unanimously.

(2-0, 1 absent). The second reading of this ordinance will be voted on at the September 8, 2014 Commissioners' Meeting.

The next agenda item was the consideration of an agreement with Barnes & Thornburg, LLP for legal services for the creation of a Bartholomew County Redevelopment Commission and the potential creation of TIF allocation areas. Fees for services would be \$250-\$535/hour and not to exceed \$12,500. Commissioner Flohr made a motion to enter into the agreement with Barnes & Thornburg, LLP for legal services for the creation of a Bartholomew County Redevelopment Commission. Chairman Lienhoop seconded the motion that passed unanimously (2-0).

Next was the consideration of an agreement with H.J. Umbaugh & Associates for legal services for the creation of TIF allocation areas. Fees for services would run between \$100-\$500/hour for senior partners/paraprofessional staff/financial analysts. County Attorney Grant Tucker advised tabling the consideration until next week or until a not to exceed amount could be written into the contract. Chairman Lienhoop made a motion to table consideration of the H.J. Umbaugh & Associates agreement until next week. Commissioner Flohr seconded the motion that passed unanimously (2-0).

Lastly, the Commissioners submitted a request to the County Surveyor to mark the right-of-way and sewer line on Illinois St. behind the County Highway Garage in preparation of building a security fence and salt barn. Chairman Lienhoop made the motion to submit the work request to the County Surveyor. Commissioner Flohr seconded the motion that passed unanimously (2-0).

There being no other business the meeting was adjourned by Chairman Lienhoop at 11:15 a.m. The next Commissioners' Meeting will be held on Monday, September 8, 2014 at 10:00 a.m. in the Commissioners' Chambers.

BARTHOLOMEW COUNTY  
COMMISSIONERS

---

CARL H. LIENHOOP, CHAIRMAN

---

LARRY S. KLEINHENZ, MEMBER

---

RICHARD A. FLOHR, MEMBER

ATTEST:

---

BARBARA J. HACKMAN

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF  
BARTHOLOMEW COUNTY, INDIANA  
ESTABLISHING THE BARTHOLOMEW COUNTY DEPARTMENT  
OF REDEVELOPMENT AND THE BARTHOLOMEW COUNTY  
REDEVELOPMENT COMMISSION**

WHEREAS, IC 36-7-14 and 36-7-25 (collectively, the "Act") authorizes the Board of Commissioners (the "Board") of Bartholomew County, Indiana (the "County") to establish a department of redevelopment to be controlled by a redevelopment commission consisting of five (5) members appointed by the Board and the Bartholomew County Council (the "Council"); and

WHEREAS, in order to pursue the public purposes of the Act, the Board now desires to establish the Bartholomew County Department of Redevelopment and the Bartholomew County Redevelopment Commission.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF BARTHOLOMEW COUNTY, INDIANA, as follows:

1. Pursuant to IC 36-7-14-3, the Board hereby establishes the Bartholomew County Department of Redevelopment (the "Department"), for the purposes and to exercise the powers set forth in the Act or otherwise granted by law. The Department will be controlled by a board of five (5) members to be known as the Bartholomew County Redevelopment Commission (the "Redevelopment Commission"), three (3) of whom shall be appointed by the Board and two (2) of whom shall be appointed by Council. Each member of the Redevelopment Commission must be at least eighteen (18) years of age and must be a resident of the County.

2. Pursuant to IC 36-7-14-6.1, the Board shall appoint an individual to serve as a nonvoting advisor to the Redevelopment Commission who must be a member of the school board of a school corporation that includes all or a part of the territory served by the Redevelopment Commission. The nonvoting advisor is not considered a member of the Redevelopment Commission for purposes of IC 36-7-14 but is entitled to attend and participate in the proceedings of all meetings of the Redevelopment Commission.

3. This Ordinance shall be in full force and effect from and after its adoption in the manner provided by law.

Passed and adopted by the Board of Commissioners of Bartholomew County, Indiana, on  
First reading, this 2nd day of September, 2014.

BOARD OF COMMISSIONERS OF  
BARTHOLOMEW COUNTY, INDIANA

  
\_\_\_\_\_  
Carl H. Lienhoop, Chairman

\_\_\_\_\_  
Larry S. Kleinhenz, Member

  
\_\_\_\_\_  
Richard A. Flohr, Member

ATTEST:

\_\_\_\_\_  
Barbara J. Hackman, Auditor  
Bartholomew County, Indiana