

# MINUTES

## ANDERSON REDEVELOPMENT COMMISSION

March 28, 2023

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### **PUBLIC MEETING**

4:30 p.m.

ED Conference Room, Room #105  
120 East 8<sup>th</sup> Street  
Anderson, IN 46016

### **EXECUTIVE SESSION**

5:00 p.m.

5<sup>th</sup> Floor Conference Room  
120 East 8<sup>th</sup> Street  
Anderson, IN 46016

### **MEMBERS PRESENT**

Richard Symmes, President  
Danny McGhee, Vice President  
Kenneth Davenport, Secretary  
David Eicks  
Perry Washington

### **STAFF PRESENT**

Greg Winkler, ED Director  
Karen Soetenga, ED Dept  
Mike Austin, Commission Attorney

### **OHTERS PRESENT**

Mayor Thomas J. Broderick, Jr.  
Allie Rosenbarger, KennMar  
Thomas Pitman, Barnes and Thornburg  
Councilor Crumes, City Council  
Doug Whitham, City Controller  
Ken de la Bastide, Herald Bulletin  
Kellie Kelley, Citizen  
Angie Strickler, Citizen  
Betsy Pearson, Citizen  
Lyndsey Brown, Citizen  
Larry Savage Jr., Citizen  
Donita Thompson, Citizen  
Alice Flowers, Citizen

### **OPEN PUBLIC MEETING**

### **ROLL CALL AND DECLARATION OF QUORUM**

Mr. Symmes, at 4:35 pm., established a quorum with five (5) members present.

### **MINUTES**

Mr. Eicks moved to approve the February 22, 2023 minutes as presented. Mr. Davenport seconded. Motion passed unanimously; 5 yes, 0 no.

### **PAYING OF BILLS**

Commission members reviewed invoices.

Mr. Eicks made a motion to approve the bills totaling \$4,368,457.36. Mr. Davenport seconded. Brief discussion followed. Motion passed unanimously; 5 yes, 0 no.

### **BUSINESS**

#### **Bid Opening for Mowing, Trimming and Vegetation Spraying of ARC owned properties - Request for Quote #23.01**

Mr. Symmes stated the packet reflected a different date than the newspaper advertisement for bid opening. The newspaper advertisement stated the bid opening would be March 28<sup>th</sup> and the bid packet itself stated April 11<sup>th</sup>. Brief discussion followed. Item was tabled until next month.

#### **Bid Opening for Westside Grocery and Mixed-use Retail Development Project**

Mr. Winkler stated one bid was received for Westside Grocery and Mixed-use Development. Mr. Austin opened the bid from KennMar. Six copies, sealed, as requested, were received at 11:55am with an electronic copy submitted to Greg Winkler at 11:07am. Mr. Austin stated the bid consists of the construction of a Needler's grocery store at 2810 Nichol Avenue and as a companion, an ACE hardware. Mr. Austin informed members further review needs to take place to make sure the bid is responsive to the bid request. Mr. Austin stated a representative from KennMar, Ms. Rosenbarger, was present. Mr. Winkler stated Mr. Montgomery, KRM Architecture, will review the bid to see if it is responsive and responsible. Brief discussion followed.

Mr. Symmes stated when returning from executive session anyone who wants to speak will be allowed to speak one time with a time limit of two minutes. All speakers will be asked to give their full address.

### **RECESS FOR EXECUTIVE SESSION**

**Executive Session will be held to discuss strategy for negotiations with commercial prospects pursuant to IC 5-14-1.5-6.1(b)(4).**

### **RECONVENE PUBLIC MEETING 6:12pm**

Mr. Symmes stated an executive meeting was held to discuss strategy for negotiations regarding 2810 Nichol Avenue.

Mr. Washington briefed audience on Resolution ARC02-23. Mr. Washington stated the resolution does not put funds in the hand of the developer, instead it uses the Anderson Community Development Corporation as a pass through. The ARC will maintain control of the funds until certain line items are completed and only then funds will be dispersed to the developer. Mr. Washington stated the ARC will have a monitoring procedure in place; as they meet goals, funds will be distributed. The result will be that the City will get two stores: Needler's Grocery and Ace Hardware. Mr. Washington stated it will serve as seed stores, the start of future development. Mr. Washington stated the community will have input; the ARC will listen.

Mr. Symmes stated he was opening the floor to questions.

Ms. Pearson, citizen, asked what the contractual agreement between Needler's and KennMar was and what is in place so the City does not lose if there is a split in the relationship. Ms. Rosenbarger informed audience the real estate will have two tenants. Under the real estate arm KennMar is the developer and asset/property manager. Ms. Rosenbarger stated the real estate will be owned, 50/50, by Michael Needler and Brent Bengé from KennMar. The Needler's grocery will be owned by Michael Needler and Ace Hardware will be owned by Brent Bengé. Ms. Rosenbarger stated there will be a legal contract in place that will include a 10 year lease so it doesn't matter if something were to happen with the partnerships. If Mr. Needler breaks the contract he also is part owner in the real estate and will have to pay the rest of the lease and suffer other repercussions; Ace hardware the same.

Mr. Savage, citizen, asked why Needler's needs the City of Anderson's funds. Ms. Rosenbarger stated from a real estate prospective, it's a number issue. KennMar took into consideration the rent they can pay and construction costs and those numbers tip the scales whether they can do the deal. This deal isn't without risk. Needler's, Ace and KennMar Corporate couldn't do the deal without the City's offer because the numbers don't pencil without it. Ms. Rosenbarger stated their projects, in certain areas, need to get local support. Those projects typically are community redevelopment projects. Ms. Rosenbarger stated the funds KennMar is putting into the project are for improvements to the real estate totaling 1.89M. Brief discussion followed.

Ms. Girinatis, citizen, stated she lives on the west side and is hopeful that this is the start of additional growth and that there is a longtime commitment benefiting the whole of Anderson. Brief discussion followed.

Ms. Thompson, citizen, asked how much land KennMar is acquiring, what type of businesses are they planning on placing there and what plans are there to incorporate the community. Ms. Rosenbarger stated KennMar would like to submit additional proposals for future development if invited and does not desire to build something the community doesn't want. KennMar will be looking for community input to help determine how to plan for future development. Brief discussion followed. Mayor Broderick stated he has had conversations with KennMar about a larger plan which needs an anchor. The City is fortunate to have a good developer with established relationships to look at long term development and cleanup of the immediate area. Mayor Broderick stated the last 5 years the City has been looking to land a credible grocery offering brand name products and fresh meat and produce; Needler's meets that. Discussion followed. Ms. Thompson stated it was important to involve community in the process. Mayor Broderick stated conversations took place with KennMar about the importance of community conversation. Brief discussion followed.

Mr. Brown, citizen, thanked the Commission for the project and asked if KennMar would be going to the City Council for a tax abatement. Ms. Rosenbarger stated that is not in the plans at this time. Brief discussion followed. Mayor Broderick stated a tax abatement was not contemplated in preliminary conversations, the MOU or in the response to the offering. KennMar understands the City is offering a substantial amount and they will be paying significant taxes on their investment. Ms. Rosenbarger stated a tax abatement has not been included in their underwriting.

Ms. Flowers, citizen, stated Ace hardware in an old name and is shutting down stores so why would they revamp here. Mr. Symmes and others stated ACE hardware is not shutting down stores. Brief discussion followed.

Councilor Crumes asked what the timeline is on the project. Ms. Rosenbarger stated they would like to get the contract done as soon as possible and then would begin architectural drawings hopefully breaking ground in June and opening the end of December. Brief discussion followed. Councilor Crumes asked if drainage issues would be resolved as a result of the project. Mr. Eicks stated there is an existing drainage system under the 2810 Nichol Avenue parking lot and the problem with drainage resides on the south side of Nichol and will be addressed when the City knows what development will be there. Brief discussion followed.

Mr. Brown asked if there were going to be upgrades to the electrical infrastructure due to frequent outages. Mr. Eicks stated the reasons for outages are primarily trees and animals and that area does not have a higher rate of outages as the area surrounding the property is not grassy and would not be subject to trees or animals. Mr. Eicks state the poles and transformers are solid. Brief discussion followed. Mr. Washington stated Mr. Montgomery will be helping to determine infrastructure needs and the Commission will be addressing those things.

Councilor Crumes asked who is representing the City. Mr. Pitman stated the City would be represented by the Mayor. Mayor Broderick stated by state statute the Mayor must approve contracts, deeds and bonds. Brief discussion followed.

Mr. Savage asked what will be the median average income and how many will be employed by the project. Ms. Rosenbarger stated she could get the answer but wouldn't feel comfortable answering as she is representing the real estate side. Mr. Symmes stated he hopes they use local people.

Ms. Strickler asked if KennMar would be considering issues of diversity within their use of contractors for the project and do they consider such within the company. Ms. Rosenbarger, stated real estate companies at large do a horrible job. KennMar has a program called KennMar Cares that addresses needs of the community where KennMar projects are located. The goal percentage of deals done with minority, veteran, women or disabled owned businesses for this project has not been defined; goals for each market is different. Ms. Rosenbarger stated she sits on the Urban Land Institute that tries to increase diversity in real estate business and it is a passion of hers personally. KennMar's has a goal of 2-5% depending on the market and it's core mission is Focus on Good focusing on sustainability, obligation to community and governance.

Councilor Crumes asked if there have been discussions of putting in the contract the hiring of local individuals. Mr. Winkler stated the concern is noted. Brief discussion followed. Ms. Rosenbarger stated they are incentivized by hiring people that can walk to work; KennMar wants employees from the area and feels it is in everyone's best interest to hire locally. Discussion followed.

Ms. Kellie stated in 2020 Mr. Winker stated 70 grocers were approached and hurdles included Edgewood only bringing in only 6,000 shoppers with most grocers looking for 25,000. Ms. Kellie asked what the eureka moment was to invest 7.5M towards a grocery store and is community development coming alongside the

project. Mr. McGhee stated the Commission hasn't had funds to do a significant project but have done what they could to clear some buildings but now have the resources and feel this is something we need to invest in heavily for the community. Mr. McGhee stated the Commission will have their eye on the project and ACDC, KennMar and KRM will be involved helping to put together a solid project. Mr. McGhee stated he hopes the community can entrust the ARC with this project that will benefit the whole City and be a jumpstart for future development.

#### **ARC02-23 Resolution Pledging TIF funds to the Westside Grocery and Mixed-use Retail Development Project**

Mr. McGhee moved to approve Resolution 02-23 a resolution pledging TIF funds to the Westside Grocery and Mixed-use Retail Development Project and Mr. Washington seconded. A roll call vote was taken. Motion passed unanimously; 5 yes, 0 no.

#### **Action on Bid for Westside Grocery and Mixed-use Retail Development Project**

Mr. Eicks moved to authorize President of the Anderson Redevelopment Commission to negotiate a project development agreement with KennMar, with the advice from counsel, such agreement to be brought back to the ARC for final approval at a later date. Discussion followed. Mr. Davenport seconded. Motion passed unanimously; 5 yes, 0 no.

#### **Action on Bid for Mowing, Trimming and Vegetation Spraying of ARC owned Properties**

Tabled until next month.

#### **Renewal of Bruce Land Farms, Inc. Contract**

Mr. McGhee moved to approve a renewal with Bruce Land Farms, Inc. for the farming of ARC owned property and Mr. Washington seconded. Motion passed unanimously; 5 yes, 0 no.

#### **ADJOURNMENT**

Meeting was adjourned at 7:07 pm.