CITY OF WEST LAFAYETTE
COMMON COUNCIL
MINUTES
APRIL 2, 2018

The Common Council of the City of West Lafayette, Indiana, met in the Multi-Purpose Room at the Morton Community Center on April 2, 2018, at the hour of 6:30 p.m.

President Bunder called the meeting to order and presided.

The Pledge of Allegiance was recited.

Present: Peter Bunder, Nick DeBoer, Steve Dietrich, Jonathan Jones, Gerry Keen, Larry Leverenz, David Sanders, Gerald Thomas, and Norris Wang.

Absent: None

Also present: Mayor John Dennis, Corporation Counsel Eric Burns, Clerk Sana Booker, Interim Parks Superintendent Pennie Ainsworth, IT Director Brad Alexander, Street Commissioner Ben Anderson, Director of Development Erik Carlson, Facilities Director Tim Clark, Human Resources Director Diane Foster, City Engineer Ed Garrison, City Controller Peter Gray, Fire Chief Tim Heath, WWTU Director David Henderson, Building Commissioner Chad Spitznagle, and Police Captain David VanVactor.

MINUTES
Councilor Keen moved for acceptance of the minutes of the March 1, 2018, Pre-Council Meeting, and the March 5, 2018, Common Council Meeting. Councilor Leverenz seconded the motion, and the motion passed by voice vote.

REPORTS OF CITY DEPARTMENTS ON FILE IN THE CLERK'S OFFICE
There were no comments.

REPORT OF THE APC REPRESENTATIVES
Councilor Keen noted that the Sagamore Commons project, Ordinance No. 02-18, is continued to next month. Councilor Leverenz reported that the APC April agenda will include the Purdue TIF topic, approval of the US 231 Corridor Plan, and a rezone of 304 West State Street.

PUBLIC RELATIONS: None

FINANCIAL REPORT
This report is on file.

LEGAL REPORT
This report is on file.

SPECIAL REPORTS:
2017 WWTU Annual Financial Report
Jim Treat (O.W. Krohn & Associates) provided the 2017 Wastewater Utility Annual Report. He began by speaking about the Net Position Statement, which shows the Utility's major assets and liabilities at the end of 2017 as compared to the end of 2016. At the end of 2017, the Utility had a total of $17 million in cash investments, and about $95.8 million in capital plan investment.

There was a decrease in restricted assets, a lot of which is cash, and that is contributable to the spenddown of construction funds that were wrapped up in 2017. There are also changes in the capital asset section related to those, most notably under infrastructure, with an almost $20 million increase and a corresponding decrease for construction in progress. The bulk of that was our CSO project and the Auburn Meadows Regional Lift Station project, which were completed in 2017, adding to the infrastructure number. Under liabilities, the long-term bond debts are the major items. That total went down by $3.5 million, mostly due to scheduled payments, but also in relation to the refunding of the 2006 SRF bonds. That refunding reduced our payments by about $373,000 after all expenses. Moving to revenues and expenses, Mr. Treat stated that the overall operating revenues went up by about $760,000, but there were some shifts. One of the most notable shifts was in the wastewater user fees, which had a decline in the treatment fee. We hit our targets on rate increases, but because of that, the University has done some programming to save and cutback on their flows to cut their budget a bit. That has cut down on the billings to Purdue, and that is probably the main item there. We will be keeping an eye on it going forward. He stated that it is one of the reasons that he wants to point out that when we did the rate increases for the 2016 bonds, the bulk of it was the new CSO charge. That charge was a flat-rate charge not related to flows. If we would have made our entire increase tied to the treatment rates, users cutting down on their usage would have had a lot bigger impact on the Utility. That proved to be a good strategy. He also noted that the expected expansion and development in the US 231 Purdue TIF area and other long-term projects will benefit the Utility in terms of increasing flows and providing their own infrastructure for those flows. When we talk more about that project later in the meeting, those things should all be good for the Utility. On the expense side of things, expenses were up by about $300,000, which was right in line with the budget. In non-operating expenses, 2017 was the first time in a long time that we had a nice bump in the payment in lieu of taxes, which increased by about $150,000. That is basically support from the WWTU to the City's budget. The bottom line, or net income, is still over $2 million, so it is a consistent and solid performance. Mr. Treat moved to the details of the operating expenses. He noted that, thanks to WWTU Director Henderson and his staff running such a tight ship, the actual expenses were close to what was budgeted. He spoke briefly about the summary of the combined debt services, noting that we have refunded everything that we can refund. This is a good thing, because the new tax law has eliminated the opportunity to do advance refundings. He spoke about the rate comparison chart, which shows that after all of the rate increases were put into place, the total bill for 5,000 gallons is just over $40 per month. That is just a bit higher than Lafayette at $38.19, but it is around the middle of the group. These are nearby utilities, as well as other cities with comparable populations and utility sizes in Indiana. The final page of the report provides a comparison of the budgeted and actual revenues, the revenue requirements, and bond coverage. That shows that the actual 2017 revenues were in excess and did meet all of the revenue requirements, and has about a $440,000 margin for reserves and unexpected contingencies. We are budgeting a similar outcome for 2018, with about a $600,000 margin. We want a minimum of 125% bond coverage, and it was actually 154% in 2017. If everything holds true with the 2018 budget, it will be around 145%. That is another area where, if we get additional revenues from all of the development, and some has already been factored into the budget, it will help defer or minimize future increases. Mr. Treat concluded by saying that the Utility is in good shape overall, and he invited questions from the Council.

Councilor Keen stated that he spoke to Director Henderson about the Purdue revenue decrease before the meeting, and Mr. Henderson indicated that Purdue is not intentionally trying to make things go bad for us; they are just being prudent in what they are doing to try to conserve their costs. He asked how that may impact our overall statement if that trend continues in future years. He also asked about the bond coverage, asking if Mr. Treat expects a similar result for 2018, where the actual percentage is above the projected number. Mr. Treat stated that the best he can say now is that it will probably be close to 145%. Part of the difference was from dropping the payments down, and the number is based on net revenues and actual debt service. Since we did the refunding, we cut payments below what had originally been budgeted. He explained that figuring that amount is part of the process done when looking at the five-year projected budget.

Director Henderson noted that he wants to assure everyone that with the improvements that we have done to the Utility, we have plenty of capacity for any projects that may be happening to the west of Purdue. Councilor Dietrich asked what impact Director Henderson expects the growth to have on the current CSO issue that we are running into, or if that is in a different area. Director Henderson responded that, depending on the route that it takes to the plant, some of those flows will probably go into the western interceptor. That interceptor is basically separate sanitary that goes to the plant, and it cannot be diverted as a CSO event. We still have CSO projects planned through 2027 at this point, so there will be more improvements that we will have to make at the plant in the collections system. He does not see that as exacerbating the CSO problem. He confirmed for Councilor Dietrich that the route should bring it right to the plant with no CSOs.

Councilor Keen asked if, in relations to CSOs, we have an end date to where there will be no more CSO events. Director Henderson responded no; per our approved plan with IDEM, by September 2027, when we have all of our projects done, we should be able to take a 10 year, 1 hour storm, which is about 2.1 inches of rain per hour, and not have any CSO events. That is what we are building toward. It is not a complete elimination, and there are very few municipalities that are looking at complete elimination of CSOs. There is a point in the CSO regulations that once you have built out with the design storm approach, as we are, they know that there will be events that are beyond anything that anyone has designed for. Those events will happen. With the shifting climate patterns in the area, there may be some from that as well. Councilor Keen stated that he knows that West Lafayette is so far above the scale, as far as being prepared for these events, compared to many other cities in the State, and he appreciates the work that Director Henderson has done.

President Bunder stated that, to be clear, we anticipate new revenue from development in the TIF 2, but we have no new expenses—we are not laying new sanitary or stormwater pipe. Mr. Treat confirmed that this is what has been talked about; most of the infrastructure is what PRF is going to be putting in. He cannot say that there will not be anything until we know what is going where and get engineering design information. If we do have to finance some infrastructure, it will have an impact, but presumably, the additional flows and revenue will support at least the capital costs that we would have to incur. We would look at that as it comes to fruition.

Joint Board Report
Councilor DeBoer reported that the Joint Board meeting has been rescheduled to April 19, 2018.

UNFINISHED BUSINESS:
Ordinance No. 21-17 An Ordinance Regulating The Operation Of Unmanned Aircraft Systems In The City Of West Lafayette, Tippecanoe County, Indiana (Sponsored by Councilor Dietrich) Continued from the August 7, 2017, Council Meeting.

President Bunder noted that Ordinance No. 21-17 was withdrawn at the March 29, 2018, Pre-Council meeting.

There was no further discussion.

Ordinance No. 02-18 To Amend Certain Portions Of The Unified Zoning Ordinance Of Tippecanoe County, Indiana, Designating The Time When The Same Shall Take Effect. (Sagamore Commons, LLC) (OR to GB) (Submitted by Area Plan Commission) Continued from the March 5, 2018, Council meeting.

President Bunder noted that Ordinance No. 02-18 has been postponed to the May Council meeting.

There was no further discussion.

Ordinance No. 03-18 An Ordinance Requesting An Additional Appropriation To The 2018 Budget (General Fund, Parks & Recreation Fund) (Submitted by the City Controller) PUBLIC HEARING

Councilor Keen read Ordinance No. 03-18 by title only.

Councilor Keen moved for passage of Ordinance No. 03-18 on second and final reading, and that the vote be by roll call. The motion was seconded by Councilor DeBoer.

Controller Gray noted that this is not increasing our actual budget; it is working with spending that we did not spend in 2017, so we can spend it in 2018 for the 2018 budget.

Councilor Keen moved to open a public hearing on Ordinance No. 03-18. The motion was seconded by Councilor DeBoer, and the motion was passed by voice vote.

There were no comments.

Councilor Keen moved to close the public hearing on Ordinance No. 03-18. The motion was seconded by Councilor DeBoer, and the motion was passed by voice vote.

There was no further discussion.

Clerk Booker called the roll call vote:

Councilperson	Vote
Bunder	Aye
DeBoer	Aye
Dietrich	Aye
Jones	Aye
Keen	Aye
Leverenz	Aye
Sanders	Aye
Thomas	Aye
Wang	Aye

Clerk Booker stated that the vote was 9 AYES and 0 NAYS.

President Bunder announced that Ordinance No. 03-18 passed on second and final reading.

NEW BUSINESS:
Ordinance No. 04-18 An Ordinance To Amend Ordinance No. 24-17 (Amended), To Fix The 2018 Salary Schedule For Appointed Officers, Employees, And Members Of The Police And Fire Departments Of The City Of West Lafayette, Indiana (Presented by the Controller)

Councilor Keen read Ordinance No. 04-18 by title only.

Councilor Keen moved for passage of Ordinance No. 04-18 on first reading, and that the vote be by roll call. The motion was seconded by Councilor DeBoer.

Controller Gray explained that a number of the changes to the salary ordinances are administrative, including changing a few position titles. One of the major changes is to add the position of Deputy Controller. This is to enable to Finance Department to not only work on the overall financing of the City, but also at the same time to delve down into the day-to-day transactional operations of the City as well. We need another person to be able to do that efficiently. He stated that the notes on Page 4 of the Ordinance include the addition of Polygraph Operator and Narcotics Unit Members to the designation of special duty in the Police Department. Also, in the past, the Field Training Officer was paid $250 per year, but because of the increased number of training sessions that they perform now, it is being increased to $250 per training session. Between those two items, the annual increase is less than $2,000.

Councilor Jones asked Controller Gray to explain more about the Deputy Controller position in regards to delving into the finer details of the daily transactions. He asked what variables have changed to justify that position. Controller Gray responded that it would include being able to go into the Munis system and delve into that and make our transactions more efficient. We have a number of transactions that we have been doing the same way for decades. One of the things with the Munis implementation is that we can now utilize the system, but we need to be able to understand the transactions. We need to be able to analyze what Munis can do for us, analyze our actual transactions, and see where we can meld those two together. That will be the transactional side. He explained that he will be spending more time on the overall City financial side of operations, or strategy piece of it, while the Deputy Controller will be working on the day-to-day details. Councilor Jones asked if any cities of comparable size have a position equivalent to a deputy controller. Controller Gray responded that there are a number of deputy controller positions around the State, including Lafayette.

Councilor Thomas asked for more information on the timing of the new position. Controller Gray responded that we are working out the details, so it will probably be over the next few months. We wanted to get the position on the ordinance while we are making the administrative changes.

There was no further discussion.

Clerk Booker called the roll call vote:

Councilperson	**Vote**
Bunder	Aye
DeBoer	Aye
Dietrich	Aye
Jones	Aye
Keen	Aye
Leverenz	Aye
Sanders	Aye
Thomas	Aye
Wang	Aye

Clerk Booker stated that the vote was 9 AYES and 0 NAYS.

President Bunder announced that Ordinance No. 04-18 passed on first and only reading.

Ordinance No. 05-18 An Ordinance To Amend Ordinance No. 25-17 (Amended), To Fix The 2018 Salary Schedule For The Wastewater Treatment Utility As Submitted By The Board Of Public Works And Safety For Approval By The Common Council Of The City Of West Lafayette, Indiana (Presented by the Board of Public Works and Safety)

Councilor Keen read Ordinance No. 05-18 by title only.

Councilor Keen moved for passage of Ordinance No. 05-18 on first reading, and that the vote be by roll call. The motion was seconded by Councilor DeBoer.

Controller Gray stated that this is similar to Ordinance No. 04-18. A portion of the Deputy Controller position will be paid out of the Utility since a lot of the work will be done on the billing and Utility side. It works out to be 40% on the Utility and 60% from the City budget. There are also a couple of administrative items on here, including a title change.

There was no further discussion.

Clerk Booker called the roll call vote:

Councilperson	Vote
Bunder	Aye
DeBoer	Aye
Dietrich	Aye
Jones	Aye
Keen	Aye
Leverenz	Aye
Sanders	Aye
Thomas	Aye
Wang	Aye

Clerk Booker stated that the vote was 9 AYES and 0 NAYS.

President Bunder announced that Ordinance No. 05-18 passed on first and only reading.

Ordinance No. 06-18 An Ordinance Providing For Temporary Loans (Police Pension Fund) (Sponsored by the Controller)

Councilor Keen read Ordinance No. 06-18 by title only.

Councilor Keen moved for passage of Ordinance No. 06-18 on first reading, and that the vote be by roll call. The motion was seconded by Councilor DeBoer.

Controller Gray stated that this is to cover a few death payouts that we had to make during the first part of the year. We do get reimbursed by the State pension, but we have to make the expenditures first, so this is a temporary loan to cover that.

There was no further discussion.

Clerk Booker called the roll call vote:

Councilperson	Vote
Bunder	Aye
DeBoer	Aye
Dietrich	Aye
Jones	Aye
Keen	Aye
Leverenz	Aye
Sanders	Aye
Thomas	Aye
Wang	Aye

Clerk Booker stated that the vote was 9 AYES and 0 NAYS.

President Bunder announced that Ordinance No. 06-18 passed on first reading.

Ordinance No. 07-18 (Amended) An Ordinance Authorizing The Entering Into Of A Conditional Project Expenditure Agreement Of The City Of West Lafayette, Indiana (Purdue/PRF TIF Projects), And The Lending Of The Proceeds Thereof To Purdue Research Foundation, And Authorizing And Approving Other Actions In Respect Thereto (Submitted by Department of Development)

Councilor Keen read Ordinance No. 07-18 (Amended) by title only.

Councilor Keen moved for passage of Ordinance No. 07-18 (Amended) on first reading, and that the vote be by roll call. The motion was seconded by Councilor DeBoer.

Director of Development Carlson stated that we have an overview of the plans for the Purdue western TIF area, which is a natural evolution of the State Street project to look at starting to bring the Discovery Park District into the western end of the City. We have Steve Schultz, legal counsel for Purdue and PRF, and Adam Chavers from Browning Investments to provide a presentation of the district. We also have RDC President Larry Oates, Richard Starkey from Barnes & Thornburg LLP, and Jim Treat from O.W. Krohn & Associates to answer questions and give an overview of what this proposal would entail.

Mr. Schultz stated that he is pleased to be here representing PRF tonight, and he explained that Browning Investments is PRF's master developer partner on the planned 450 acre development on the west end of the Purdue campus. He shared, on behalf of the entire University and PRF team that has been involved in this transformational and historical endeavor, how excited they are to be in an ongoing partnership with the City, of which this proposal represents just the latest chapter. He presented a slideshow to the Council, and began the presentation with a reminder of the partnership launched in 2015 for the State Street Redevelopment Project (SSRP). That project was made possible by the completion of the US 231 corridor to the west of campus and by the leadership of City leaders, including members of the Council, Mayor Dennis and his team. The project cost was $122.7 million, associated with the design, construction, financing, and ongoing operation and maintenance over the lifecycle of the project. After a procurement process that garnered national attention, largely because of the unique town-gown relationship that we enjoy, we broke ground in June 2016 and the project continues to be on schedule. He noted that both Director Carlson and Counsel Burns have quipped about the number of names that this new area goes by, but the official name is the "231 Purdue Economic Development Area." However, for both purposes of State Street and tonight, it has become common parlance to refer to it as "TIF 2," with the Levee/Village TIF being referred to as "TIF 1." Mr. Schultz stated that this TIF was created in connection with the 2014 annexation, which was again, a credit to the vision and leadership of this Council and Mayor Dennis to bring this about and tie it back to that initial vision. It is helpful to go back and put this in perspective at times, because those of us who deal with this regularly tend to have myopia about it. When you go back to the original documents from 2014, this is perfectly consistent with what was contemplated from the beginning. In fact, Exhibit C, which is the Public Works Exhibit to the Interlocal Agreement, that formed the Joint Board between the University and the City, said that these new TIF districts will provide economic development incentives for future Purdue and PRF projects, as well as other public and private projects. That time is at hand. He explained that there is no real estate tax increment being generated today in this TIF, so it is essentially empty. This is in contrast with the existing and very healthy TIF 1, where a lot of development is coming out of the ground right now and infrastructure already exists to support it. The vision for the Discovery Park District, which was originally called the Purdue Innovation District when it was announced in June 2016, is as a tax-generating, economic growth-inducing, job-creating real estate development that benefits the City, the region, and its stakeholders, including Purdue and PRF. Ultimately, this will be a vibrant tax base that will redound to the City in perpetuity once the TIF expires in 2040. We are involved in an effort to do this development and bequeath this to the City eventually. Mr. Schultz stated that the tax-generating development follows infrastructure, and this district currently has very little usable infrastructure. Roads and streets need to be upgraded or built, public utilities need to be installed, and new parking garages are actually, under current ordinances, legally mandated to accommodate that anticipated growth. The type of growth that we are contemplating is very modern, urban, dense development. We want to create a live, work, and play environment where we attract companies who will hire our graduates and work with our researchers. Mr. Schultz explained that compounding this situation, from a development perspective, is that standard sources for infrastructure investment are not currently available in TIF 2. The SSRP has the first claim on the TIF 2 revenues, based on how we structured that project and proposed to pay for it. There is no other cash available from the City. Also, TIF 2 is empty; it does not have current tax increment to fund or finance infrastructure improvements like there would be in other TIF developments around the State. Therefore, PRF is stepping into this extraordinary role to fund the entire Discovery Park infrastructure in lieu of current public sources of funds to do so. This role entails $30 million for Phase 1 and approximately $106 million over the next 30 years. It entails roads, streets, utilities, parking facilities, sidewalks, bike paths, and so forth over four phases. He stated that PRF is willing to play this role because, the CEO of PRF, Brian Edelman, considers this to be the future front door for the University's technology commercialization activities. When all of these projects are completed, the Office of Technology Commercialization, the Purdue Foundry, the Office of Corporate and Global Partnerships, and all of the functions at Purdue that interface with the private sector and attract sources for research and investment will be located at this new front door on the west edge of campus. In addition, it will provide the Discovery Park and related Aerospace District with infrastructure-supported land to encourage investment by these companies that are interested in coming here to create businesses, create jobs, and help our community to attract and retain talent. Again, this is the live, work, and play environment that we have been talking about for almost two years. He stated that, as a reminder, the tax increment for TIF 2 has already been spoken for; it will be used first to satisfy the State Street obligations, including the availability payments and to repay PRF back for monies that it advanced to fund the initial construction of State Street. Mr. Schultz stated that in exchange for this unique role and infrastructure investment, PRF is requesting that, if enough real estate tax revenue is generated in TIF 2 to cover the SSRP obligations, and if TIF has not yet expired, then PRF would like to be reimbursed for the cost of approved infrastructure investment that would have otherwise have been publically funded if there had been a public source of funds available. He noted that the diagram on the slideshow provides the following sequencing: PRF first invests in the infrastructure to build out the Discovery Park District, which will then generate real estate taxes, which will cover the TIF 2 SSRP obligations. Hopefully, there will be additional tax increment available, which in our agreements is referred to as “excess TIF 2 revenues.” If that excess money is there, and if TIF 2 has not yet expired, then the excess revenue would be used to repay PRF for this vital infrastructure investment. He stated that Adam Chavers will describe some visuals of how this future development may look.

Mr. Chavers stated that the Discovery Park District is over 400 acres, which is a lot of ground. It will be developed over a very long period of time. We are going to see multiple economic cycles, multiple real estate cycles, and multiple property-type real estate cycles. The vision for the development is a forward-thinking dense mixed-use area that is walkable and bikeable—an appropriate setting at the edge of campus. He explained that the current slideshow image is of an approved project that came before the Council last fall as a PDMX rezone [Ordinance No. 29-17], and construction has already started. Included in the broad spectrum of projects over a long period of time would be office projects. He showed an example with a planned development that they filed last week with APC, which has ground-level retail, and opportunity for a private industry to engage with the University to bring private industry and daytime population to this end of campus. Structured parking is an important component for any plan in the exercise of developing our own brand of density. We did not want to begin with a suburban style approach here, so there will be structured parking. Mr. Chavers stated that there are about 200 acres on each side of US 231. He presented an image that shows State Street running off to the left and Airport Road to the south on the right. It shows an artistic representation of the level of density that is being discussed. Another artistic image shows how it may look when looking back towards campus, hovering over the airport, to give the sense of development on the east side of US 231 and a completed view of the 30-year timeframe.

Mr. Starkey stated that he will walk through a bit about the legal steps that the Council has seen for this project. The main task that he was given was to find out how we could do this in the most simple way, so that we can do this one time without coming back for each project that is done here, so that we can be as efficient as possible. The model that we are going to be using will probably be seen in the future with other developments as well. If you think of PRF and Purdue as a developer, because that is what they are doing—they are putting all the infrastructure in and developing the project—other developers would probably use the same model. That model, under the Indiana Code, is to use the Economic Development Commission (EDC) to approve and recommend to this Council that a certain project be done, and then the RDC actually utilizes TIF as a pledge to reimburse a developer for costs that it expends up front. In this case, we are taking all of the projects together as one, and we are asking PRF what they would want to do in the best-case scenario. PRF responded by giving us a number that, if all things were together, they would build $105 million worth of infrastructure. We do not think, and Jim Treat does not think, that the TIF will support that much, but as TIF is generated, the commitment is to reimburse Purdue/PRF for that infrastructure. Therefore, whatever that number is, we are going to put in a maximum amount number even though we do not think we will hit it. To the extent that development does happen, and we get up to a number that the TIF will support, then that is what the number will be. He noted that there are some blanks in the documents, and that is because we will take a big number and add some amortization schedules in there that may or may not ever come to fruition. Basically, the idea here is that, as TIF is generated, we will reimburse Purdue/PRF for those expenses for that infrastructure that they put in. If that number turns out to be zero then we give them zero. If it turns out to be $30 million, we give them $30 million. If it turns out to be $50 million, we give them $50 million. Again, doing this in a way that we do not need to keep coming back over and over was the goal. Having said that, each time that Purdue has a project that they want to do, it will come before the RDC. If there is any platting to do, then it will go to the APC and the Council. The RDC will approve the projects before they are actually built, and then as

Purdue/PRF builds and expends money, it will come back before the RDC to approve the expenditure of the TIF money that is available to reimburse them. In a way, there are three bites to this apple. There is the initial project list that is before the Council. There will be a subsequent list when Purdue has a project on the table that they want to pursue that will go for that approval. Then, when they actually finish the project and show their expenditures, that credits them to the TIF, and under the agreement, we pay them that amount for those expenditures. Under this process, we go before the RDC to ask for a declaratory resolution, which has already been done. We then go to the EDC, which met today to approve their recommendation to the Council to approve the projects and begin the process. It will then go to the APC for their approval. Then it comes back to the Council for approval of the APC's order. We will then publish a notice for another public hearing that goes before the RDC to finalize the actual project list and the idea of the agreement.

Councilor Dietrich asked for a point of clarification. He asked if it is correct that with the maximum expenditure amount still being blank and being a moving target, we are talking about the amount still not exceeding the approximate $106 million. Mr. Starkey responded that that number is not blank anymore; it has been inserted, but the blanks that remain will not exceed that amount.

Councilor Keen asked if this will go before the APC as one large project as a master plan, and Mr. Starkey responded that it would. Councilor Keen asked if the $106 million that the City is, in some ways, lending to Purdue to do this project has an interest rate attached to that at the end if we do have to start paying it back. Mr. Starkey responded that there is not, and there does not really have to be because, whether you call it principle or interest, it is the same amount of dollars. It is basically the amount of TIF that is generated. He noted that the agreement is for 90% of the TIF 2, with 10% going back to the RDC for their coffers for miscellaneous things that need to be paid.

Councilor Keen asked how much of this entire master plan project will be generating tax for the City. Mr. Starkey responded that he believes all of it will be—as much as we can. The plan is to not have non-profits not paying taxes. Mr. Schultz added that there will likely be some University-occupied space out there that will be co-located with the companies that we try to attract. However, their whole incentive is to have as much revenue-generating property as possible to allow PRF to be reimbursed. Councilor Keen asked if there would be any consideration for payment in lieu of taxes for properties that have any non-taxing entities. Mr. Schultz responded that they have not given that consideration at this point.

Councilor Keen asked if there is any idea, thinking way out there, of a kind of dollar estimate of the total assessed value would be of this project once it is complete. Mr. Treat responded that we are looking in the range of $700-$800 million. It could be more than that, it could be $1 billion. For every $100 million in new taxable captured assessed value, we get about $2 million a year in tax increments. That is the benchmark that we have been working with on figuring out the sizing.

Councilor Wang asked if it is correct that Purdue/PRF is trying to attract as many businesses for the project as they can, and Mr. Starkey responded that is correct. Councilor Wang asked if they would be asking for any tax abatements. Mr. Starkey responded that they do not think so, because obviously a tax abatement would decrease the increment. He has heard discussion that in certain extraordinary cases, if there is a developer that we want to bring because they have 3,000 engineering jobs, then it would have to go before the City along with PRF and Purdue. It would be a work in progress if something were to happen as a one-off basis. It is possible legally, but it is a matter of how everyone would want to proceed as a team. Councilor Keen asked if it is possible that abatements would be requested on equipment and employees versus real property. Mr. Starkey stated that it would be a possibility as well, but he is not aware of it being discussed.

Councilor Dietrich asked if it is correct that the impact would be as great on Purdue/PRF as it would the City if it were to happen, and Mr. Starkey confirmed that is correct.

RDC President Larry Oates stated that there are a couple of things he wants to make sure we highlight. The first is that it is true that the APC will approve one big project, but they are also going to be involved along the way in addition; if it is a planned unit development or they want to change the zoning on anything, it does have to go back to the APC. He believes that because parking will come in stages, they will have to talk to APC ahead of time on that issue. Once something goes to the APC, it has to come to Council. The over-arching project is going to get approved at this point with APC, but it still has to come back to APC and Council if there are changes to the smaller portions of the project. Changing zonings would trigger that. Director Carlson added that what is going to APC now is solely for the economic development plan. If there is going to be a full rezone or planned development, it would come forward as normal.

Mr. Oates stated that another thing he wants to highlight is that when it comes to tax-generating property, whether or not Purdue/PRF put tax-generating property out there is to their own detriment. That TIF district now has approximately $15,000 of tax revenue right now. If they put properties out there that would only be for University buildings, then, number one, it does not pay State Street back. Number two, it does not pay the indirect costs of State Street back. Number three, there would be no money to pay them back for any infrastructure. Therefore, at the end of the day, they would end up with nothing. They have to put in tax-generating properties for this whole thing to work for their benefit. From the City's standpoint, it works for our benefit. Even if they put all non-tax-generating properties out there, we still end up with all of the infrastructure at the end of the day. At the end of 2039 or 2040 the TIF sunsets, and when the TIF sunsets we do not owe any more on that project. There is the possibility they will have some office space out there, but they will try to maximize the amount that is designed to be for-profit for the revenue rolls. They are looking to try to get themselves paid back. This concept is the best of a win-win situation. We are incentivizing them to move forward, which we did with the State Street plan from the start. We are also now incentivizing them to go ahead and put the infrastructure in so that they can generate more real estate taxes with the possibility of them getting paid back. We are retaining a portion of that money to go back into the TIF district, at the 90/10 split. We took a look at all of the TIF districts and about 10%, on average, of the dollars are used for things besides infrastructure. They are used for things like public art, pay our consultants, and buy equipment. These are things that we need to have for day-in and day-out usage within the City itself. By setting it up the way we have done, the incentive is for Purdue to move forward and get this project going. There are other municipalities around the State that wonder how we got this going, because they would love to do this. Most TIF districts out there have next to nothing in them, and they are hoping to attract businesses so that they can start building the infrastructure. We have a big brother, or a rich uncle, that is going to put that infrastructure in for us, with their request that, at some point, we pay them back—if, in fact, they generate revenues off of that before 2040. He stated that he does not think it gets any better than this as far as financing within city government.

Councilor Keen asked what the downside is to the City. Mr. Oates responded that there is none. At first blush, it may seem to that the City does not have any control over what happens to the TIF revenues, but that is wrong. Right off the bat, every project has to come to the RDC for approval. If they were "Developer B" coming in to ask the RDC to ask for help with infrastructure, the answer would be yes; the only difference is that we have this over-arching vision that is out there already. This declaratory ordinance is dealing with that over-arching vision, so that we know what the path is that we are heading down. After they build the approved project, they will come back to the RDC for the reimbursement request. Mr. Oates stated that this is great stuff.

Councilor Thomas stated that when we did not have the details on what was going out there, he admits that he was lost. When Mr. Oates came to Pre-Council and gave a similar overview as this evening, it finally hit. He stated that he spoke with the Mayor after the meeting and commented on how Larry is really looking after the City of West Lafayette. He said that Mayor Dennis looked at him and said that the Mayor and Larry are both looking after the City. Councilor Thomas stated that this is a beautiful project, and it is on PRF and Purdue to make this happen out there for their benefit. We really do not have any exposure in this; this is all good for us. He thanked Mr. Oates for working on our behalf.

Mr. Oates stated that it takes a lot of people to make this happen. It takes the City staff, the whole RDC, and the people at PRF and Purdue. A lot of work goes into these projects before it ever shows up. Mr. Oates noted that the reason that the RDC did not approve this at their meeting this month was because there were still too many questions out there. They did not have the numbers, and they did not think it was prudent to make a decision on a very quick basis without actually having the numbers in place to make it happen. As we sit here today, though, we do not want to stifle the development that we know is coming forward. We have to get this going so that Purdue has the benefit of time. That time is from when this gets approved until the end of 2039. The time does not get any longer; it is going to end in 2039. When that happens, they are done; that is the end of the revenue stream potential from the TIF. He noted that this is only the first approval from the Council. In between Council approvals, the RDC will also look at this again, and at that point, they will consider it and decide if it goes. If it does not, then it is easy at that point for the Council to decide not to approve of it if the RDC does not approve of it. By moving forward at this point, we are keeping that timeline in place so that we can make it as good of a situation as we can for our friends at Purdue and PRF so this development can get started. We do not want to delay it and have a situation where we miss out on something. He repeated that this is great stuff.

Councilor Dietrich stated that some of the documents still have blanks in them, and asked for confirmation that, by procedure, we did pass for that same number to be filled in for all of the documents. Counsel Burns confirmed this is correct. He noted that not all of these documents will receive the signature of the Council, but all of these documents come under the umbrella of the ordinance, and are all approved in form. To the extent that there are any blanks after a dollar sign, those are all $105,975,037.

Councilor Dietrich stated that he has a question about the ordinance itself, under Section 4 (b). He asked for confirmation that there is no other money besides TIF money coming in and that it is only TIF dollars that are at risk, so to speak. Mr. Starkey confirmed this is correct. Councilor Dietrich stated that further in the ordinance, under Section 6, it talks about the Mayor and Controller having complete control on behalf of the City for signature. He asked if that, without further approval of Council or EDC, would ever come back to RDC under those circumstances. Mr. Starkey responded that we usually put this caveat in there in case there is a scrivener's kind of error that we need to change. Nothing that is material would be changed, or that is not the intent in any case. He confirmed that any changes to the financing agreements would not be numbers; it would only be logistics. Councilor Dietrich stated that the Expenditure Agreement itself mentions that it was approved by RDC on March 21, which is not a true statement. Mr. Starkey stated that it will be changed; it was drafted before they decided to table it. Councilor Dietrich asked if the EDC did, in fact, adopt it today and have a public hearing today, and Mr. Starkey responded yes. Councilor Dietrich asked about the Financing Agreement being dated June 1, and Mr. Starkey explained that the document is always dated the first of the month when we expect to close on a transaction, so it is "as of," and we expect to close June 26, 2018.

Councilor Keen asked what type of impact this may have on the Utility's finances, given the current status of the Utility and with the projected influx of over $700 million of assessed valuation within this area. Mr. Treat responded that he can probably not say accurately in terms of dollar amounts, but we would hope that in terms of the concept, with the additional flows from the buildings over the next 15 to 20 years, that it would be a substantial increase. The positive thing is that if they are paying for the bulk of the infrastructure, then we do not have a lot of capital costs. The chemical costs and other marginal costs of treating those flows, since the infrastructure would be in and we already have the capacity of the plant, are pretty insignificant pieces of the total operating costs. A significant portion of it would be for profit and helping us minimize future rate increases, improve our bond coverage, and those kind of things. He stated that that is the way he is seeing it, but until we get into more specifics, he cannot put numbers to it yet. Councilor Keen asked if Mr. Treat sees any downside to the City with this project, as far as the Utility is concerned. Mr. Treat responded that there is not, from what we are aware of, but we will be looking at it as the details are fleshed out.

Mr. Oates stated that the approximate $106 million does not include any sewer work; all of the sewer work is going to be paid by PRF or Purdue, without reimbursement by the RDC. He explained that the RDC does not typically pay for sewers, and we are not going to do so here either. Therefore, all of that infrastructure will be done by them in order to hook up to the WWTU's infrastructure that is already in place.

Councilor Dietrich stated that he notices from the pictures that Horticulture Park got quite a squeeze. He knows that these are artist renderings, but he would like the same reassurance that we got in the beginning of this that Hort Park will survive and will remain very close to what it is now. Mr. Starkey responded that they have not touched that Park in any way. Mr. Schultz stated that the reason that the University's commitment to State Street is more than the City's is due to the Todd's Creek relocation, so they are not going to disrupt all of that investment that they just put into doing that. That relocation was, in large part, to improve Horticulture Park and related amenities.

Councilor Keen stated that one of the slides shows that development on Newman Road will go out some distance behind the aerospace building, and he asked if anything will be done with the railroad bridge in that area. Mr. Oates responded yes; it is part of that $105 million. He stated that when talking about the concept of western lands, the TIF district actually goes across US 231 and includes the Aerospace Park. Any money coming out of the aerospace district is still a part of TIF 2. We are doing what we can to entice companies to also come out and build in the aerospace district in addition to the others.

Councilor Sanders asked what the current endowment is of PRF. Mr. Oates stated that he does not know. Councilor Sanders stated that one of the justifications that we hear at Pre-Council for why we need to do this, and why there is a rush to do this, was that it might improve the interest—which is a valid reason, but given the size of what he thinks the size of the endowment is, would make that unnecessary. Mr. Oates stated that his understanding is that PRF is not necessarily using endowment funds for this; they are actually going to go out to the marketplace for financing opportunities. Councilor Sanders stated that he understands that, but the idea was that by backing this with TIF funds, then we would potentially get them a lower rate of interest. If they have an endowment, which he guesses is much larger than this amount, then it becomes comparatively irrelevant. Mr. Oates responded that it actually does not, from a financing standpoint. When it comes to something that can make bankers even more comfortable with you, then that always brings on better results for you. Councilor Sanders stated that it is nice to see pictures of the development, but he would have preferred to see projections regarding money spent and resulting revenue. We are being asked to approve additional TIF funds to support this developmental infrastructure. He stated that Mr. Treat made a perceptive comment at Pre-Council, saying that PRF already has to make a required investment in order to get their power back for the State Street project. He is, therefore, not sure what the additional benefit is of our entering into this agreement when that is already necessary. The problem is that we are being sold this at several levels. We are being sold this on it lowering their interest rate, which is valid if it is true. We are being sold on this that there really is no cost, unless it starts generating a ton of money. However, if he understands correctly, it does reduce our capacity to talk to other developers and potentially give them TIF funds. Mr. Oates stated that the entire TIF is owned by PRF or Purdue, so we do not have an ability to talk to others. He confirmed for Councilor Sanders that this would change if the land were sold. Councilor Sanders stated that he is just saying that there are costs associated with this that are potentially important in the future. Mr. Oates stated that Mr. Treat provided a number earlier that is the number he works off of. That number is that \$100 million in new development out there will produce about \$2 million in increment. On that basis alone, if Purdue and PRF put in just \$100 million, then they will more than cover what they need to pay off the State Street project. They would not have any incentive to do more than that, but since they own all of the land out there, we are trying to incentivize them to do more. Instead of stopping at \$100 million, they would stop at whatever the potential for that site could be at the end of time. That is the additional funding coming from this, but again, it does not happen unless they do something.

Councilor Sanders stated that in the Appendix A document, we are being requested to reimburse for the demolition of Purdue Village, and that is a substantial amount. He asked why we should reimburse for demolition. Mr. Oates responded that demolition is a part of development costs that have to go on there. As far as why we should reimburse, it is the same questions as why we should pay for a road, or why we should do anything else. It is because putting the ground to a point where it is developable is a part of making the whole thing happen. As long as Purdue Village sits there, that is not developable because nobody else is going to step in to take care of it. Mr. Oates stated that just because PRF and Purdue own the land, does not mean that they are going to be the ones to build the buildings that go on the land when it is done. He assumes that they have hired Browning to put together a master plan so that they can attract other developers so that they can use other people's money as developers come in. To be able to incentivize that, you have to have land that is basically shovel-ready. When talking about buildings that are the age of Purdue Village, there are probably some problem areas, including asbestos, which runs up demolishing costs.

Councilor Jones stated that the Purdue Village is not currently generating revenue for the City, and it will not until the expiration of the TIF. However, if that land is turned into shovel-ready land, and development does go in there, then it does benefit the City in terms of revenue generation past 2039. He stated that in terms of models, if the Council is curious on specific numbers for that, Mr. Treat provided him with a cash-flow model that elucidates a lot of the details and all of the moving numbers. It shows the benefit for the City. He reviewed that in depth and it looks very good for us. If the model is correct and up to \$800 million of development does go out there, then there would be over \$13 million in revenue generated after 2039.

Councilor Sanders stated that he was less interested in what happens afterwards, but what happens during. Depending on the level of investment and how much the TIF is actually going to produce, he presumes that people have generated these models, and that is what this is based on. Mr. Treat stated that we have done that, and he can share the spreadsheets with the Councilors. He stated that it shows exactly what Councilor Sanders is describing. It starts with 2020 at a couple of million dollars per year, up to the \$13 million in 2039 that Councilor Jones mentioned, and everything in-between. It shows the phases gradually building up. There are different things going on. There is the infrastructure phase, and then the construction phase that hopefully follows with the increment that follows that. Councilor Sanders asked, given that model, how much will be left for this after paying for State Street. Mr. Treat responded that there are a lot of variables, so he did some conservative assumptions to get a range, and he compared that with the estimates put together by PRF. He stated that we are talking about somewhere between \$130 and \$165 million in total increment over this timeframe of 20-plus years. There is roughly \$90 million in State Street for the availability payments, interest on borrowings from PRF, and then the indirect costs. It will leave between \$35 and \$75 million for this \$105 million. If the City keeps 10% of that for ongoing costs, it leaves between \$32 and \$65 million to go toward this \$105 million reimbursement. That is why we say that it will probably not all come back to PRF, but who is to say what is going to happen over the next 20 years—a lot, we hope. Realistically, when dividing this up into segments of five-year developments, once you get past this first phase, it is a long-range targeting of development of acreage, which is not as reliable. The City will be looking at it on an ongoing basis, but that is how the numbers flow.

Councilor Sanders asked what the downside would be of committing to a fifty-cent agreement, rather than a dollar commitment; as an example, the City would reimburse \$50 million of \$100 million. Mr. Treat responded that the downside would be that they would not be very incentivized to do this whole project, generally speaking. Councilor Sanders asked about 75%. Councilor Dietrich stated that they will not be getting 100% anyway. Councilor Jones stated that it is really the City in totality—normally infrastructure like this would be 100% from the City fund, so the fact that they are willing to front it at all— Councilor Sanders asked if it is correct that that is how a TIF works. Mr. Treat stated that the more willing to make available for potential reimbursement, the more motivated they are going to be. He does not know if he can shave it down to percentages like that, but he has seen similar deals in a couple of places, where there is a split between the developer and TIF for available revenues, although never on this scale.

Councilor DeBoer stated that he wants to take a step back to give thanks to everybody in the room for what they are doing. He noted that he has told this anecdote before, but he remembers when he got here in 2006 and was put in McCutcheon dorms, and he looked at all the fields and wondered why this is just all farmland out here. To finally be a part of this, and to be a part of the steering project of getting State Street in here, the long-term vision of building businesses and apartments and homes and new areas to work, play, and live in this area is exciting. He is thrilled to be a part of this. He thinks that this is another step in the State Street project, and this was envisioned from the beginning. This is exactly what we wanted to do and had in mind when this started.

Mayor John Dennis stated that Councilor DeBoer said exactly what he was going to say. It is true. When we first started this, this is what we wanted to do. We wanted to grow our City. Things have changed in government since those early days, 11 years ago. Our options of raising taxes have been taken away. We now only generate revenue through development. We only generate good revenue through good development. He stated that he has never been exposed to a project as good as this one. He noted that he occasionally meets with other mayors, and we are the envy of the State. People want to know how we did this, or how we pulled this off. The fact of the matter is that this is a deal that is going to create an environment for both the University and the City to make it a destination point. One of the things we talked about early in the administration was having a sense of place with West Lafayette, and having a personality for West Lafayette. This is going to get it done. He stated that he has never heard of this type of investment happening, and he has never heard of this kind of great partnership with a university before, but we brought them into the City, and they came voluntarily. That relationship has blossomed now into one of the largest and probably one of the most prestigious projects in the State.

Thomas Kesler (479 Maple Street) stated that he has two comments to make. First, let us remember that estimates of revenue are going to be pressured by requests for tax abatements, so that estimate is very soft. Second, he asked if Mitch Daniels has a long-term vision for expanding the University, and will that vision of expansion affect the vision that we have seen tonight about the use of this land. Supposing a dean comes to Purdue's president and says that they would like to expand their department or college, he asked if that pressure would then direct attention to the land that is being proposed for this activity. He asked if anyone can give an indication of what Mitch Daniels is thinking about with expanding the University itself.

Jan Myers (1909 Indian Trail Drive) stated that there was discussion about this being primarily revenue generating, and yet she did hear that Purdue would be using or saving some for labs. She asked if that is going to be defined as no more than a percentage of the land and the investment there. She thinks that is an open-ended potential on the revenue not being there.

There was no further discussion.

Clerk Booker called the roll call vote:

Councilperson	**Vote**
Bunder	Aye
DeBoer	Aye
Dietrich	Aye
Jones	Aye
Keen	Aye
Leverenz	Aye
Sanders	Abstain
Thomas	Aye
Wang	Aye

Clerk Booker stated that the vote was 8 AYES and 1 ABSTENTION.

President Bunder announced that Ordinance No. 07-18 (Amended) passed on first reading.

Resolution No. 04-18 A Resolution Appropriating Insurance Recovery Received For Damage To City Property (Police) (Submitted by the Controller)

Councilor Keen read Resolution No. 04-18 by title only.

Councilor Keen moved for passage of Resolution No. 04-18 on first and only reading, and that the vote be by roll call. The motion was seconded by Councilor DeBoer.

Controller Gray explained that we have received two insurance checks for damage to vehicles, and this resolution is to appropriate those funds to be able to put that money toward another vehicle.

There was no further discussion.

Clerk Booker called the roll call vote:

Councilperson	Vote
Bunder	Aye
DeBoer	Aye
Dietrich	Aye
Jones	Aye
Keen	Aye
Leverenz	Aye
Sanders	Aye
Thomas	Aye
Wang	Aye

Clerk Booker stated that the vote was 9 AYES and 0 NAYS.

President Bunder announced that Resolution No. 04-18 passed on first and only reading.

REPORT BY THE MAYOR

There was no report.

COMMUNICATIONS

►President Bunder reported on the My Water Pledge event with Mayor Dennis and the Go Greener Commission. The pledge invites people to help the world save water and help West Lafayette win the National Mayor's Challenge for Water Conservation for cities of our size with a chance to win prizes. Details are on the West Lafayette Go Greener Commission's Facebook page.

CITIZEN COMMENTS

►Ms. Myers stated that she wants to remind everyone that it is now spring weather, and she has invited anyone to go on a walk with her on round feet. She can go to the Councilor's specific districts or she can choose some other areas. *The Exponent* had an article about what fun it is to have round feet on certain pavements. Ms. Myers expressed concern that we seem to be losing some transparency by saying that the reports are on file. There used to be at least a comment or two by committee, and that is not going on. She noted that she has to use the website without fingers, and it is not easy to get to the information. She was the only "public" at the public hearing for the EDC today and the recent CDBG hearing, so it is obvious that it is not being reached. Ms. Myers commented on State Street, saying that parking up at the EDC hearing today. She stated that the designated parallel parking near Panera Bread require her to put her ramp into the mud and grass. There is no way for her van to be parked there and get her round feet out on the right side. She stated that she urges us to understand what universal design is and correct some of the things that are not very welcoming at this point.

►Mr. Kesler stated that last November he put the concrete on hold because of the cold weather, and he restarted it last month. He is walking through the alleys looking for chunks of concrete to collect and get out of the New Chauncey neighborhood. At one intersection he collected a chunk of concrete the size of a dinner serving platter. He wonders why anyone would leave a chunk of concrete like that in a heavy pedestrian area. He has been on litter patrol in the alley behind his home, and each time he went back 24 hours later there was a toppled trash can and new litter on ground. Mr. Kesler stated that he got an email last February from Mitch Daniels, that was a "see something, say something" letter. The sentence that really struck him was that nobody should fear repercussion for saying something, and he would like to share an experience he had when he was working at Purdue, which was a long time ago under a different administration, so maybe things have changed, but he said something. He found himself in his supervisors office with a representative from human resources, and they did not discuss the topic he went there to discuss. He eventually realized that this was all about shutting him up. As the meeting got a little long, he said that he would never do this again, and the meeting quickly ended. When he read Mr. Daniels' note, he wondered how much it could be trusted. He stated that he just wanted to share that little Purdue experience with the Council.

►Councilor Sanders things have not changed all that much. Regarding Mr. Kesler's interest in concrete, Councilor Sanders stated that he is interested in tire treads. Indiana is the dumping ground for the nation's tire treads. There are tire treads discarded along 65 every 100 feet. He stated that he believes that aliens teleport their used tire treads onto our highways. He just wanted to say that there are other things as well that are left as refuse in our public spaces.

ADJOURNMENT

There being no further business at this time, Councilor DeBoer moved for adjournment, and President Bunder adjourned the meeting the time being 8:17 p.m.