

CITY OF WEST LAFAYETTE
COMMON COUNCIL
PRE-COUNCIL MINUTES
FEBRUARY 27, 2014

The Common Council of the City of West Lafayette, Indiana, met in Council Chambers at City Hall on February 27, 2014, at the hour of 4:30 p.m.

Council President, Councilor Hunt called the meeting to order and presided in the absence of Mayor Dennis.

Present: Bunder, Burch [arrived at 4:36 p.m.], Dietrich, Hunt, Keen, and VanBogaert.

Absent: Mayor Dennis, Thomas

Also present were City Attorney Associate Murtaugh, Clerk-Treasurer Rhodes, Public Works Director Buck, Street Commissioner Downey, Human Resources Director Foster, Fire Chief Heath, WWTU Director Henderson, Deputy Police Chief Leroux, IT Director Newman, Parks Superintendent Payne, and Director of Development Poole.

UNFINISHED BUSINESS: None

NEW BUSINESS:

Ordinance No. 09-14 An Ordinance Concerning The Construction Of Additions And Improvements To The Sewage Works Of The City Of West Lafayette, Indiana, The Issuance Of Revenue Bonds To Provide The Cost Thereof, The Collection, Segregation And Distribution Of The Revenues Of Said Sewage Works, The Safeguarding Of The Interests Of The Owners Of Said Revenue Bonds, Other Matters Connected Therewith, Including The Issuance Of Notes In Anticipation Of Bonds, And Repealing Ordinances Inconsistent Herewith (Sponsored by Mayor Dennis)

Councilor Hunt read Ordinance No. 09-14 by title only.

WWTU Director Henderson provided an overview of two projects to be funded with this bond. The major one is a sewer main extension project that will tie into the Western Interceptor. This will allow the City to provide service to development in the annexation area near the new US 231. The second project is Phase I of phosphorus removal for the plant. This project is determined by regulations in permit limits and compliance schedule for phosphorus. He stated that being able to use these revenues for the phosphorus removal project would allow us to be ahead of the compliance schedule to ensure we are in compliance from day one.

Councilor Hunt asked for an explanation of the timetable.

Councilor Burch arrived at 4:36 p.m.

Jim Treat (O.W. Krohn & Associates) stated that in terms of the timetable, we will be using Bose McKinney & Evans LLP, the same bond counsel that the City used for the refunding bonds in 2013. This meeting will be to introduce the ordinance for the first reading and then come back in April for the second reading and adoption. After a 30-day notice objecting period which starts after the adoption, the bond sale process will begin. He stated that his firm will handle that

process and it will be a competitive sale. Information will be sent to banks, and this should be an interesting deal to banks right now. Terms will likely be limited to 15 years instead of the typical 20 years as the banks have a better appetite for that type of deal. That competitive sale will be in May, with closing in mid-May.

Councilor Hunt asked if this is different from the State Revolving Fund (SRF) Loan Program loans that we usually have.

Mr. Treat responded that it is different in several ways, but legally it is the same thing; it is a revenue bond supported by the net revenues of the Utility. It is different in that it is a public competitive sale. A notice of intent to sell bonds will be published. We will have a fixed date of sale with banks and any other interested bidders sending bids with interest rates to O.W. Krohn & Associates on behalf of the City. The bid will be awarded to the best deal that we get. SRF is a negotiated deal with interest rates subsidized well below market rates, such as the one done in 2012 for 1.5%. He explained that the Cumberland Road project does not qualify for SRF funding, as SRF does not fund projects that are primarily to serve new growth. Mr. Treat stated that the ordinance is a typical bond ordinance which does have standard references to SRF. It gives general parameters in terms of maximums, but not necessarily what we expect to do. These include that the total cost for the two projects is estimated not to exceed \$4.5 million. We are expecting to issue no more than \$4 million in bonds. He stated that preliminary engineering work has already been completed and paid. The ordinance also sets up limitations for a maximum interest rate of 6.5%, but we hope to be in the 4% range. It also explains how the sale needs to be conducted and what funds need to be established. Mr. Treat stated that in terms of numbers, we will be adding this debt payment without any impact on customers; there are no proposed rate adjustments. He noted that a schedule was provided that shows a rough estimate for a \$4 million bond over 15 years with a high interest rate. It would probably be no more than a \$380,000 annual payment, so that is what we need to plan for and show bond coverage to prospective buyers. He provided a snapshot of what is currently in the 2014 budget. Total revenues for the Utility as a whole are estimated for 2014 at nearly \$11 million. Budgeted operating expenses are \$5.1 million. Net pledged revenues, which are used to measure bond coverage, is \$5.8 million. Current outstanding bonds, which are three SRFs and one refunding bond, have annual payments of approximately \$3.1 million. After adding the \$380,000 new payment from the proposed new bonds, debt payments will be about \$3.5 million per year. With the net revenues generated by the Utility, that is 165% bond coverage, which is a very strong credit position be in to get a competitive rate.

Councilor Hunt asked if this type of bond would be a municipal tax-free bond for an individual investor.

Mr. Treat responded that they will be, but in this case it will probably be a sophisticated investor like a bank. It will be sold as a package deal, but an individual could bid to make a \$4 million investment in municipal bonds. Mr. Treat explained for Councilor Hunt that bond anticipation notes are for short-term borrowing, and we have no plans to do that.

There was no further discussion.

Ordinance No. 10-14 To Rezone Certain Real Estate Within The City Of West Lafayette, Indiana And Designating The Time When The Same Shall Take Effect (225 Northwestern PD) (Golden Paws Investments, Inc.) (CBW to PDMX) (Submitted by Area Plan Commission)

Councilor Hunt read Ordinance No. 10-14 by title only.

Director of Development Poole stated that 225 Northwestern is a development put together by Alan White who did the Wabash Commons development. This proposed plan is on the current Bar Barry Liquors site in the Village. It is five stories with the first story being commercial, and four floors residential with 56 beds total. The Area Plan Commission (APC) gave a favorable recommendation.

Dan Teder (Reiling Teder & Schrier, LLC), representing the petitioner, stated that Golden Paws Investments, Inc. would like to start developing the site this summer. This would mean razing the Bar Barry Liquors store. Completion date is anticipated for the fall of 2015. There will be improvements made to the sewer in that area, changing it from a 6-inch to an 8-inch. He stated that the project is a typical planned development with a lot of negotiation. Director Poole and Public Works Director Buck had concerns about the looks for that corner so changes and tweaks were made to the initial plans resulting in an architecturally pleasing building. Parking includes 24 parking spaces onsite and a minor-modification was done at the library to provide 10 spaces there after an agreement is done. The parking ratio is approximately 0.6, which is higher than what the City and APC have done in the past for State Street Commons and State Street Corner, both of which were in the range of 0.5.

Councilor VanBogaert, noting the mention of State Street Corner, stated that that development has been tied up with a variety of challenges since it was approved. He knows that a lot of attention was paid to the logistics of how traffic flow, parking, and loading would be handled for adjacent businesses during construction. He asked Mr. Teder if the potential for overlap of the two projects has been considered.

Mr. Teder responded that his opinion is that the State Street Corner project will be developed, but he does not anticipate that it will start construction this year, so he does not see an overlap between the two projects. He clarified for Councilor VanBogaert that he does not believe that State Street Corner will not start demolition or construction before the fall of 2015, but he does not represent that project.

Director Buck stated that he can almost guarantee that the State Street Corner project will not be starting before the fall of 2015 due to the preliminary work and utility coordination that remains. The worst-case scenario would be for the second project to start right after the first one is done and having no overlap at all. He explained that Police, Fire, and Engineering feel that some overlap is workable for that block in terms of traffic flow, though parking will be disrupted. It would actually simplify things to have some overlap.

Councilor Bunder asked if the alley by Einstein Bros would still be there. There is a driveway that is just between Bar Barry and Einstein's.

Director Buck stated that it is private property, not a plotted alley. The gap will be closed so the buildings are closer together.

Mr. Teder stated that making that area wider was discussed, but the Police felt that the buildings should be closer to keep traffic out of there.

Councilor Bunder asked about the minor modifications to the library lot. This is the second time we have had commercial parking go into the library.

Mr. Teder stated that we have never done a minor modification before. There were some spaces leased at one time. This minor modification has been approved by the APC, and they feel that there may be more spaces available but a parking study will need to be done.

Councilor Dietrich asked if the minor modification means that the spaces become narrower.

Mr. Teder responded that it does not. He explained that the library was required to have a certain number of spaces available for their project. However, the APC and Director Buck felt that 10 spaces could be released without affecting the needs of the library.

Councilors Bunder and Hunt stated they thought it meant changing some of the paint striping. Councilor Bunder asked if some of those spaces are not committed to Chipotle.

Councilor Dietrich thought that Mr. Teder had brought a previous project that uses some of that parking as well.

Mr. Teder stated that he was not involved with the Chipotle project. There was discussion about a minor modification for Chauncey Square in the future, but a parking study will have to be completed before that is done.

Clerk-Treasurer Rhodes asked for a body count of spaces for the library.

Director Buck stated that the library was initially approved for a two-level garage but a three-level garage was built, so there are extra spaces. Some on-street spaces were counted in that calculation as well as a reciprocal parking agreement with the Morton Center. After that negotiation was done in 2003, Director Buck provided the library with a memo outlining how many parking spaces were needed, how many were constructed, and how many were extra, and how many they have to work with. He believes there were 16 extra spaces, of which 6 are already leased to Chipotle. The 10 additional spaces are being proposed to be leased to this development. Since extra spaces were built, the on-street spaces are freed up, so the on-street spaces are not counted toward the parking requirement.

Councilor Hunt asked if the percentage of parking spaces is related to bedrooms and not related to employees.

Councilor Dietrich asked for clarification that it is to bedrooms and not to beds, and Mr. Teder confirmed this.

Mr. Teder stated that there is 5,200 square feet of commercial space on the first floor. There is a party interested in putting an office type of business in that space, but leases would likely not be signed until 2015. It is unlikely that a restaurant will be in that space and the liquor store may not be there. Most of the people working in that office would likely be Purdue students who would walk there.

Councilor Hunt stated that it is a concern.

Mr. Teder stated that APC felt that one space was sufficient for that commercial space.

Councilor Dietrich stated that he does not think that one space for retail is not near enough and more ample parking needs looked at, but he would like to discuss it more at the Council meeting.

Clerk-Treasurer Rhodes asked Mr. Teder what he has discussed with the City in terms of incentives offered for this development.

Mr. Teder responded that his understanding is the only discussion has been about the sewer system improvement. He stated that the development could go across Northwestern Avenue for certain costs, but Mr. Buck wants it to be in the alley and that being approved, we are in the process of working out a share on that.

Councilor Bunder asked if any TIF money was involved in this project.

Director Buck responded that the sewer is TIF funded. It serves the entire block. It is a six-inch sewer which is undersized for current use. The sewer needs to be upsized for existing conditions and certainly with the addition of this project. It will be quicker for the development to run point on doing that work, so he is looking to work with the RDC to reimburse an amount for the benefit to the remainder of the block beyond what this project benefits.

Councilor Hunt stated that this sounds like a great addition to the area, but the density is still a concern. She stated that the alley is narrow and will be used for on-site parking. She asked if the alley will still turn the corner near the end of "Gumball Alley" and if it is wide enough for trash vehicles to get through.

Director Buck stated that he does not know the size of the trucks for that private trash hauler, but there is nothing that can be done about widening that alley without buying additional width from everybody along there. Utility poles make it narrow, and the sewer work may help in cleaning up some of those poles and improve the pavement. The Gumball Alley corner is closer to the State Street project. He provided an explanation of how parking and access to the alley will work.

Councilor Hunt asked Street Commissioner Downey of his opinion on if the private trash haulers will have enough room in that alley.

Commissioner Downey responded that they are able to make that corner now and should continue to do so. Through rebuilding the alley after the sewer work is done, there are minor things that can be done to make that corner a little easier, and Director Buck is aware of those. He feels that it is taken care of.

Councilor Hunt asked Fire Chief Heath for his evaluation for the emergency vehicles.

Chief Heath stated that he has looked at the plans, and they pre-plan the approach to each new building. The alley and the back does not play much into the first-run truck. They alley would be for a second truck if needed. There are plans for sprinkler and alarm systems; this will be a fully-sprinkled building which he feels will be very safe.

Councilor Bunder asked if this block is involved in the State Street Master Plan.

Director Poole responded that it is identified that development will happen, but the Master Plan does not go this far deep as far as land-use recommendations.

Councilor Bunder stated that his constituents hope that the project looks as good as the picture. The challenge with these projects is to have buildings that actually look good, and his

constituents are hoping for buildings that do not look typical of our usual building patterns. There is a concern about making the architecture match buildings nearby.

Director Poole stated that Alan White and his team asked for opinions on how this should look. He and Director Buck requested that it not have a flat roof and that the balconies be pushed out further to be made more functional.

Mr. Teder stated that this is planned development so there will not be a deviation from the plans.

Councilor Bunder appreciates that Mr. Teder understands the people he represents and that they are interested in the look of the place. They also wonder what will go in on the first floor, and office space is interesting; they would not like three more frozen yogurt shops in that space. The challenge is to build a project that is a little less typical.

Mr. Teder feels that the petitioner is striving to do something interesting in that space.

There was no further discussion.

Resolution No. 01-14 A Resolution To Establish A Cash Change Fund For The Engineering Department (Prepared by the Clerk-Treasurer)

Councilor Hunt read Resolution No. 01-14 by title only.

Clerk-Treasurer Rhodes explained that now that the Engineering Department is located at the Morton Center, they need a cash change fund to take payments at the new site. Previously the Clerk-Treasurer's Office handled all of the remittance acceptance for the Engineering Department.

There was no further discussion.

COMMUNICATIONS

Councilor Hunt announced that we will be in the Walnut Room of the West Lafayette Public Library for the Council meeting on Monday night. Deputy Police Chief confirmed for her that the City Hall building will be free of employees starting tomorrow with all employees moved to other locations, though some items will be stored in the building while it undergoes evaluation.

ADJOURNMENT

There being no further business at this time, Councilor Burch moved for adjournment. Councilor Hunt adjourned the meeting, the time being 5:18 p.m.