Pulaski County
Economic Development Commission
Tuesday, 30 April 2024
Winamac Municipal Utilities Complex
Winamac, Indiana

Meeting Minutes
Thursday, 29 February 2024
Winamac Municipal Utilities Complex
Winamac, Indiana

Members present: President Claude LeMere (Winamac Town Council), Vice-President Blake Kasten (Council), Secretary Christian Smith (Board of Commissioners). Department of Community Development (D.C.D.) Executive Director Nathan P. Origer, D.C.D. Assistant Taylor Bailey.

Members absent: None.

Guests present: Dave Mrowzinski, Vice-President, IGS Energy, joined virtually at 5:30 *p.m.* Eric Levenhagen, Senior Manager, RSM US, LLP, joined virtually at 5:34 *p.m.* Both guests departed at 5:55 *p.m.*

Call to Order

President LeMere called the meeting to order at 5:00 *p.m.*.

Consent Agenda

With no requests for extraction having been made, the Consent Agenda passed. Director Origer asked the members if, going forward, they would like to receive director's reports from him as part of the Consent Agenda, as the Community Development Commission does; they agreed to leave this to the director's discretion on a case-by-case basis.

Motion: President LeMere; second: Secretary Smith; no discussion; approval: all.

Old Business

Housing projects — Willow Creek Villas: The I.H.C.D.A would be announcing the LIHTC awards 25 April. As a part of the application process, each developer had been asked to self-score the application based on the given criteria. Four projects were submitted; based on the self-scoring, the Winamac project came in third. There would only be two allocations; however, this was based solely on the developers' interpretations of the rubric, and two of the projects had been submitted for the same town. Director Origer noted that the State may be hesitant to invest all of the money into that one market and also added that there had been some excitement throughout the community about the potential for new housing opportunities. President LeMere questioned if there would be any ranch style units to accommodate the senior citizens; the director replied that he would look back at the drawings with an eye toward senior-friendly units. Director Origer had already confirmed that individuals on a fixed income would qualify for the program. Vice-President Kasten shared his worry that the project might displace or disrupt the existing rental market for some time once completed, the development would contain 34 units.

Housing projects — Pleasant View Village: The County's attorney had signed off on the pre-development agreement, and it had been sent back to the Housing Resource Hub. Once the Hub's attorney had reviewed and approved the agreement, the director would send it to Winamac's attorney before appearing again before the Winamac Town Council.

Director Origer had received the media and partner packets from the Hub for the Hoosier Homes down-payment–assistance program. The county commissioners had executed a resolution in late 2023 allowing the Fort Wayne Housing Authority to operate in Pulaski County for the purposes of this program. Club 720, a sibling-company to the Hub, would partner with local banks, providing the opportunity to certain qualifying homebuyers; assistance would range from two to five percent, based on household income and related criteria. Director Origer would be reaching out to the banks in the county to familiarize each of them with the program and then begin marketing the program within the community. Vice-President Kasten asked if this program could be used on existing construction or only for new construction; the director confirmed it can be used on both new and existing homes. All members were in agreement that this is a positive program for the members of the community. The vice-president also noted that the program would have a positive reassuring impact on builders and developers. President LeMere noted that he had spoken with a representative of Eastern Pulaski School, who claims the school could only take on about 80 more students without having a need for expansion.

New Business

Virtual attendance policy: Director Origer presented Pulaski County Resolution 2024-E.D.C.-01, which would establish a policy for virtual attendance, allowing a member to attend meetings via Zoom if needed. Based on State statute, the resolution includes limitations to discourage habitual physical absences, permitting a member to attend no more than two consecutive virtually, requiring a member to attend at least half of all meetings in person, and requiring a majority of the members to attend any one meeting in person; meeting minutes would reflect who attended virtually or in person and which electronic means had been used. The Commission adopted the resolution.

Motion: Secretary Smith; second: President LeMere; no discussion; approval: all.

Tax-abatement basics: Director Origer provided a brief overview of how assessed-value deductions ('tax abatements') work: deductions are applied to the gross assessed value; the net assessed value is then added to the County's entire net assessed value (NAV), which is used along with the various levies to determine each individual tax rate and the overall rates for each unit in the county. Local units of governments do not typically lose revenue due to abatements, the exceptions being rate-driven funds and highly specific circumstances involving after-the-fact approvals of deductions. Though this does not usually impact revenue to the local government, it does affect taxpayers. There is a tax-rate increase every year; new taxable value created by projects helps to minimize the tax-rate increase, while abatements remove that new value from the NAV. In short, abatements do not increase tax rates, but correlate with such climbs because they prevent new assessed value from slowing rate growth, and local budgets are seldom affected by abatements.

Tax-abatement process — rules and scoring criteria: The County Council and E.D.C. must determine an appropriate application fee or tier of fees. Director Origer proposed two options for scoring the applications; both would score projects on a 100-point scale. The first would weigh investment the most, then the average project wage based on minimum wage, then job creation/ retention: 40 points for investment, 0.5 points for each $50,000 and caps at >$4,000,000; 35 points for average project wage based on minimum wage, 0.5 points for each 5% tier that starts at 155% and caps at 500%; and 25 points for job creation/retention, 0.50 points for each new job and .3333 points for each retained job, caps at >50 new jobs or >75 retained jobs. The second option would score investment at the same rate as average project wage and average job creation/retention; 50 points for investment,0.05 points for each $50,000 which caps at >$5,000,000; 50 points (25 after averaging) for average project wage,0.5% for each 5% tier starting at 155% and caps at >400%; and 50 points (25 after averaging) for job creation/retention, 1 point for each new job and .6667 points for each retained job which would cap at >50 new jobs or >75 retained jobs.

Director Origer noted that he believed the second option would be better because a project that pays well but only creates one job or creates a lot of jobs that pay poorly may be giving too much credit under the first option. President LeMere suggested that job retention is really critical and may be more important than job creation; Vice-President Kasten noted that retention is easier than creation. Secretary Smith suggested the best option would be to use the average of the job retention and job creation and give them equal weight; the vice-president agreed, adding that job creation and retention are equally as important as investment. Real and personal property would be assessed together due to it being a capital investment either way.

Discussion ensued regarding possible bonus points and deductions. Vice-President Kasten emphasized rewarding using local labor and materials in projects. A deduction would be enacted if the project would have negative environmental impacts or cause an increase in demands on local, County, and co-op roads, streets, or utilities. Director Origer would be working with the Assessor to see if the Council has the authority to cancel or to shorten an abatement in the event of loss of points due to failure to comply with agreed conditions. The members decided to table confirming the schedule of points until Director Origer could dive a little deeper into some of the questions posed.

Tax-abatement process — Pulaski County Resolution #2021-06: This County Council resolution, establishing clawback procedures for annual tax-abatement–compliance review, was presented to explain the Council's power to penalize applicants that receive support and then fail to meet expectations or leave the community.

Tax-abatement process — application: Indiana law does not require a formal application form for tax-abatement requests, but clearly permits a unit to adopt one. Director Origer had used the City of La Porte's application as a guide to develop the application he presented. The director noted that the application provides an opportunity to address some questions regarding bonus points, as well as answering the question of why should the abatement be granted. Discussion ensued.

President LeMere suggested adding a question regarding when a project would be cash-flow positive. This would not disqualify a company from receiving an abatement, but might give a better estimate of how long the abatement should last. The application allows for discretionary judgment of the possible abatement while still following the point schedule. Director Origer noted that he would be adding the questions regarding if local materials would be used and potential environmental impact. The president suggested adding a question regarding potential downstream benefits of the project beyond job creation and capital investment.

E.R.A.-designation/tax-abatement request: LD Monterey Biogas, LLC: Dave Mrowzinski, Vice-President of IGDB Biogas, and consultant Eric Levenhagen joined the meeting virtually at 5:30 and 5:34, respectively, to address the details of the LD Monterey Biogas project and to answer any questions. IGS Energy is a privately held, family-owned company based in Ohio with a primary focus in retail energy. Dairy farms are a major contributor to greenhouse gasses by creating methane; odors and create a better fertilizer. IGS builds, owns, and operates; the company would be the general contractor, capital investor, and long-term operator of this site. The construction of the project will last around five months. Local businesses would be hired for most of the construction when possible, with Jerry Gutwein providing site-work and excavation services. Logansport-based Core Mechanical would be completing the mechanical work. IGS had still been seeking an appropriate electrical contractor; the president offered help locating a local business for the job, and Vice-President Kasten suggested contacting Complete Electric in Francesville.

President LeMere inquired about the number of jobs created and who would fill those positions; the IGS representative stated that there would be one full-time position created with the possibility of a second, and that IGS would hire a local operator for the digester. The project would entail a $7-million investment. ISGS strives to partner with small- and medium-sized farms; being privately operated allows the company to bring value to smaller farms in a way not as easy for larger energy companies.

Instead of going straight into the on-site lagoon, manure would first be processed by the digester, which would accelerate the decomposition of the organic matter; the methane produced by the process would then be captured, compressed, and transferred to a truck, which would deliver the methane to a centralized site. This process prevents trucking the manure itself and minimizes truck traffic; with this business model, there would be one truck load every three of four days.

This abatement would not affect the dairy farmer in any way, as IGS would be leasing a part of the land and seeking the deduction only on installed personal property. The footprint of the project would be between one and 1.5 acres once completed. The farmer would receive a small percentage of the revenue from the sale of the bio-gas.

Secretary Smith inquired as to the lifespan of the equipment; without any need for major replacement or refurbishment, the machinery would be 30 to 40 years. Safety inspections would be performed daily to uncover any possible leaks or any other issues. President LeMere requested that periodic safety reports be sent to the County to keep officials up-to-date; local fire departments would be invited to the site to become familiar with the system and its safety protocols.

After significant deliberation, the E.D.C. recommended that the County Council approve a seven-year deduction following the standard, 10-percent–phase-in schedule for the LD Monterey Biogas anaerobic-digester renewable–natural-gas project. The Council hearing would be held on Monday, 11 March.

Motion: Vice-President Kasten; second: Secretary Smith; no discussion; approval: all.

Other Pertinent Business

2024 Pulaski County Economic Development Summit: The Annual Pulaski County Economic Development Summit would be held on Tuesday, 23 April, in Winamac. The exact location had not yet been determined. There would not be a meeting before the Summit, as in previous years, allowing the event to begin at 6:00 *p.m.*, rather than 6:30.

Next meeting: Secretary Smith noted he would be unavailable during the week of 17 March. The director proposed scheduling a meeting for late March or early April; all members agreed.

President's reflection: President LeMere expressed that the meeting was very positive with many questions asked and answered.

Public Comment

None.

Adjournment

Motion: President LeMere; second: Vice-President Kasten; no discussion; approval: all. 7:10 *p.m.*

Respectfully submitted,

Taylor Bailey, Assistant/Recording Secretary
Christian Smith, Secretary