

Vermillion County Council
Special Meeting Minutes

February 26, 2018

6:30 p.m.

Commissioner's Courtroom, 2nd Floor, Courthouse

- I. Call to Order. The Vermillion County Council convened in a regular meeting on Monday, February 26, 2018 at 6:30 p.m. The meeting was led by Council Vice President Randy Dreher due to the absence of President Michael Carty.
- II. Pledge Allegiance to the Flag.
- III. Roll Call. Members present were William Brent Bush, Ashley James, James McLain, Randy Dreher, Robert Spence, Auditor Amy Tolbert, First Deputy Auditor Stephanie Simpson, and Council attorney Scott Craig. Michael Carty and Jill Wesch were absent.
- IV. Southern Power Agreement. Economic Development Director Dylan Riggen said the Economic Development Council gave a favorable recommendation for the revised agreement. Southern Power is proposing to build a power plant along State Road 63 in Vermillion County; it will be across from Vermillion Rise Mega Park. The Economic Development agreement would allow 80 percent of the property taxes generated by the improvements to the property for the first 20 years to be used by the company to help lower the electricity rates it offers to its customers. The remaining 20 percent that is estimated to be \$1,000,000.00 per year will be controlled by the county's newly appointed redevelopment commission. Dreher asked if they had decided where they were going build. Mike Casey from Southern Power said the company looked at locating at Vermillion Rise but that was not possible now because Vermillion Rise withdrew the economic development agreement. Casey said this is the same agreement that was offered to Vermillion Rise. Casey stated that they bring significant capital investment to the county and they need the county to be a part of this. McLain asked if the county will see much of the tax money. Dennis Otten of Bose, McKinney and Evans explained that the property tax money controlled by the redevelopment commission does not go directly to the general fund, but that the commission will decide how that money is used. Otten said it must be used for capital projects within the economic development area designated by the redevelopment commission. The boundaries of that area will be determined by the redevelopment commission. He explained that the commission can designate a larger economic development area, so that the money can be used to fund projects within a larger portion of the county. The economic development area can include any area except the city of Clinton, since the city has its own redevelopment commission. Council Attorney Scott Craig explained that even if the agreement is approved, it does not mean the company will break ground immediately. He said this is a first step in the process of locating a plant in Vermillion County, and does not guarantee that the project will go forward. Craig stated they have up to five years to let us know if they are coming. He also stated that the 80 percent, 20-year agreement is the biggest incentive the county has ever given to anyone. Les Zimmerman said he would like to have more insight as to why the company opted not to locate at Vermillion Rise. Zimmerman stated that at the Commissioners meeting Vermillion Rise Director Bob Grewe declined to address that question due to nondisclosure agreements, but said he felt the county needs to be well-informed.

Prosecutor Bruce Aukerman asked how do you negotiate something and end up at 80/20, he said it almost seems like there was no negotiation. Economic Director Dylan Riggen said the possibility of a different split had been discussed, but the 80/20 split was necessary to get some language that the Economic Development Council wanted to keep the county from funding infrastructure improvements for the project. Riggen said that the split still means \$20 million in new revenue for the county. Aukerman said he would like to see the Economic Development Agreement made available for the public to see. He said that Southern Power's parent company had assets of \$110 billion in 2016 and profits of \$2.5 billion. Aukerman said he felt Vermillion Rise would be a better place for the company to locate and he expressed concern that locating in the county would adversely affect neighbors to the plant. Aukerman said it seems like they're trying to sell the council on the idea that without 80/20 they can't make it work. Aukerman said in his opinion he thinks the numbers say otherwise. He asked how you get 80/20, why not 20/80, that would be a huge break. Zimmerman said the Vermillion Rise spent \$250,000 during negotiations with Southern Power, and that there is a perception that by looking outside Vermillion Rise, Southern Power is pitting us against ourselves. Zimmerman suggested the Council hire professional tax experts to review the agreement. John Michael Major stated that Southern Power is going to invest half a billion dollars and create 20 to 50 jobs paying \$60,000 to \$100,000. He asked what's the hold up, people in this county don't make that. He stated his concern that if the county waited too long to act, Southern Power might decide to locate elsewhere. He said "is it really a big deal if they go to the Rise? It's a half a billion dollars. Who cares whether they put it in the Rise or not? That's kind of a petty little deal, don't you think?"

Zimmerman stated the Rise is the county; those jobs will be in the county. He also said that he felt the public has a right to know what was in the nondisclosure agreement, and that the council should not make a decision without knowing that. Casey said the agreement with Vermillion Rise encountered problems involving the purchase of land. He also said that the agreement with the county has been reviewed by the Economic Development Council's attorney. He added that the company is not going to pursue a project that will be subsidized by other projects. Casey said every project has to be financially successful on its own. He stated that the agreement will not affect the company's profits at all, but will help them lower prices in order to help the project move forward. Dreher asked if the 80/20 was set in stone. Casey said it was what the company needed for the project to be successful. Dreher suggested tabling the matter and holding an executive session to discuss it further with the Commissioners and Economic Development Commission. Spence said he didn't like the idea of postponing it. He said the agreement has been worked on for a long time, he said some good questions had been raised, but he felt they should have been brought up months or years ago. Spence said Rise is not on the table. He said he has asked people in the community if they want industry and want to see new jobs and they respond with absolutely, we need that in the county and now we're going to turn around and say we don't know whether we want to do that.

James said there had been questions regarding what would happen to the 20 percent of tax money collected by the county, but she felt they had gotten clarity on that. She stated that it's unfortunate that Rise fell through, but now we decide if we want the company in the county.

Aukerman asked where he should of gone, three years ago, to talk about the 80/20 split, and Spence said that the Economic Development Council has open meetings

every month which are advertised. Aukerman said he wasn't aware of those meeting, but he was sure they had been advertised.

A motion was made by James to approve the Economic Development agreement with Southern Power, seconded by Spence. All in favor, motion carried.

V. Additional.

The Council considered additional appropriation requests as published. Vice President Randy Dreher reviewed the appropriations from the written requests submitted by Auditor Amy Tolbert. Thus, the following ordinance was adopted: WHEREAS: it has been determined it is now necessary to appropriate more money than was appropriated in the annual budget for 2018, BE IT ORDAINED, by the County Council of Vermillion County Indiana, for the expenses of said county government, the following additional sums of money are hereby appropriated and ordered set out of the funds herein specified, subject to the law governing the same:

| FUND/DEPT | AMOUNT REQUESTED | AMOUNT APPROVED |
|------------------|-------------------------|------------------------|
| Certified Shares | \$38,127.72 | \$38,127.72 |

The Park Board is requesting an additional appropriation from the LIT Certified Shares for one seasonal employee (no benefits) and for a John Deere mower. They will be collaborating with the Vermillion Trail Alliance in the formation of a new county trailhead park on county property just south of Newport. Having an additional employee will not require any additional equipment other than a mower. The current pickup will safely transport 4 passengers, the current trailer will safely haul current equipment plus the new mower. With the plan of adding modern restrooms to the parks with Miller Park and Hillsdale on the schedule for 2018, the additional mower will allow two employees to now while two are working on the restrooms in these two parks and also allow for safety as the employees will always be working in pairs, and not necessarily at the same park.

A motion was made by McLain and seconded by Bush to approve the additional of \$38,127.72 for the Park Board. All in favor, motion carried.

VI. LIT (Local Income Tax) Townships/Resolution. The Council discussed two resolutions, one for 2018 and one for 2019, establishing an application process for entities such as townships and fire departments to apply for money from the public safety LIT. After discussing changing some wording in the resolutions they decided that the deadline for the applications this year will be March 30, 2018 and for next year the deadline for applications will be June 1, 2018.

A motion was made by James and seconded by Spence to approve both resolutions. All in favor, motion carried.

Having no further business to come before the Council, the motion was made to adjourn by McLain, seconded by Bush. All in favor, motion carried.

AYE

NAY

Michael Carty, President

Randy Dreher, Vice President

William Brent Bush

Ashley James

James McLain

Jill Wesch

Robert Spence

ATTEST:

Amy Tolbert, Auditor