

**CITY COUNCIL MEETING  
CITY ADMINISTRATION OFFICES**

**DECEMBER 1, 2005  
7:00 PM**

Mayor Marksberry called the meeting to order with the Pledge of Allegiance. A quorum of Council was determined with all of Council present.

**MINUTE APPROVAL**

The minutes of the November 3<sup>rd</sup> Council meeting had been previously distributed to Council for review. Clerk Gipson informed Council and Mayor Marksberry she had made corrections to these minutes and requested they take time to review the corrected minutes and address at the Year End Council Meeting on December 22<sup>nd</sup>.

**REPORTS OF COMMITTEES, BOARDS & DEPARTMENTS**

**MAIN STREET**

Tammy Elbright, Main Street Director informed all present about this years planned holiday activities. She also distributed a list of possible Main Street projects for the 2006 year. Councilwoman Siekman stated she supported the mural project for 2006. It was discussed the project could not begin until spring or summer and locations and RFP's would be necessary before actual costs could be determined. Another possible 2006 Main Street project discussed was the Presbyterian Church. There was discussion that Council had committed \$660,000 as match towards the grant application for renovation of the church and the Regional Foundation had committed \$50,000. The idea or suggestion is to see what restoration options are available with this amount of money; and if Council would agree to commit the \$660,000 for restoration without the CFF Grant funds. Councilman Padgett questioned the cost of restoration vs. the cost of a new building. It was stated there was a meeting set with Bruce Goetzman to discuss other options and costs. This information could be available at the December 22<sup>nd</sup> Council Meeting. Councilman Padgett questioned if the building is structurally sound? Elbright stated yes the building is structurally sound—we had to have that information in order to apply for CFF funds.

**RS POLICE DEPARTMENT**

Chief of Police David Hewitt reported Rising Sun had hosted a class on Meth Awareness for Regional EMS Groups. He reported there were approximately 35 people in attendance. Hewitt informed Council he was amazed at how much the kids at school knew about meth. He also gave statistics that Ohio County is the only County in Indiana that a meth lab has not been discovered. Indiana is the #1 meth capital in the nation and Bartholomew County is #1 in the State of Indiana.

## **OHIO COUNTY COMMUNITY FOUNDATION**

Peg Dixon, Executive Director of the Ohio County Community Foundation thanked Council for committing to the Ivy Tech Endowment Fund. She stated the criteria are not yet in writing for applicants.

## **PROJECT MANAGERS REPORT**

Northcutt requested Council release retainage on the Main Street Restroom project to Maxwell Construction in the amount of \$24,240.40. After discussion a motion was made by Councilwoman Scott to approve the release of this retainage, 2<sup>nd</sup> by Councilwoman Siekman; motion carried 5-0.

## **PETITIONS OR COMMENTS FROM CITIZENS**

There was no one present with comments or petitions.

## **UNFINISHED BUSINESS**

None

## **GARY ELDRIDGE—SEWAGE ISSUE**

Mayor Marksberry requested Council's pleasure in reference to the request at the November 3<sup>rd</sup> Council Meeting by Gary Eldridge to over rule the decision of the Utility Service Board and award costs of repair in the amount of \$4,581.15. Councilman Padgett stated he had spoken with Utility Superintendent Clifton who stated he has tape of the line and stands by the decision of the Utility Service Board. Padgett further stated he respects the Utility Service Board's decision and doesn't see any evidence to over rule their decision as it is ultimately the homeowner's responsibility to check the backflow preventer. Councilman Slack stated he supported the same position as Councilman Padgett. There was no other discussion or motion on this request.

## **EMPLOYEE HANDBOOK POLICY**

The proposed City Employee Handbook was distributed to Council. Clerk Gipson informed the group discussed or proposed changes had been highlighted in red. Mayor Marksberry informed Council this was not being proposed for passage this evening. It was requested Council review the handbook and contact the office with comments or concerns.

## **LIBRARY INTERLOCAL AGREEMENT—CITY/COUNTY**

Mayor Marksberry submitted the Interlocal Agreement for Council's signature. Attorney Siekman stated Council had already approved the agreement so no motion was necessary. The Interlocal will be taken to the County for signature as well.

## **GRAND VICTORIA—HOTEL EXPANSION –RESOLUTION 2005-17**

Scott Cooper and Daryl Paddock representing Grand Victoria thanked City Council for their continued support with economic development negotiations in reference to a proposed 100 room expansion of the Grand Victoria Hotel. Resolution 2005-17 had been prepared as an agreement in principle to current discussed and negotiated incentives and designations. After discussion a motion was made by Councilman Slack to accept 2005-17 as an agreement in principle between the City of Rising Sun and Grand Victoria; 2<sup>nd</sup> by Councilman Brown; motion carried 5-0.

## **MARK GUARD—GRANT REPORT—LIONS CLUB**

Mark Guard presented a grant report to Council on the Lion's Club fireworks funding. Guard stated the Lions Club had voted to not participate with the setting off of the 4<sup>th</sup> of July fireworks for 2006. According to Guard the group has too much concern for the safety of their members as well as the members of the community. The past 2 years Lions members have been involved in accidents and the group does not feel comfortable with setting off the fireworks anymore. Mayor Marksberry asked Guard if the group would still participate as sponsor of the event by interacting with a contracted company, organizing the event and such. Guard stated he would take this back to the Lions next meeting and let them know.

## **CONNIE ALTHOFF—NAVY BEAN FESTIVAL STREET CLOSINGS**

Althoff presented information to the Mayor and Council in reference to the City Event Funding Grant awarded for the Navy Bean Festival. Althoff stated the event was very successful and plans were already underway for next year's event. She requested input from Council on possible use of remaining funds as well as any ideas or suggestions for the 2006 event.

## **NAN WILLIAMS—TORNADO SIREN ISSUE**

Mayor Marksberry stated Williams was not in attendance but had contacted him with concerns about the tornado sirens covering the entire town. He also stated a few years back there was a proposal called "Reverse 911" which was discussed but never funded. Marksberry stated he will do some research and talk with Myrle White and Tom Work and bring information back to Council.

## **CECILIA FALK & LARRY BAILEY—DENVER SIEKMAN PARK**

Cecilia Falk presented information to the Mayor and Council seeking financial support for the Denver Siekman Environmental Park. Falk informed the group there were only 2 environmental parks in the State of Indiana and one is here. She stated the Park offers many diverse projects and they are partnering with different groups or agents to increase potential benefits. It was stated the County had committed \$15,000 for the 2006 year. Councilman Padgett stated the school has been using the park and he has only heard good

things from other teachers. He would like to support this group. Councilman Slack stated this is all separate from the Park Board—correct. Bailey stated the environmental park does not receive any funding from the Park Board budget. He also stated they operate through the Historic Hoosier Hills non profit. Bailey stated intentions are to have the park self sufficient in 3 years. After discussion a motion was made by Councilman Slack to give \$15,000 to the Denver Siekman Environmental Park for the 2006 year, 2<sup>nd</sup> by Councilman Padgett; motion carried 5-0.

### **CLERK TREASURER’S RECOMMENDATION OF NEW EMPLOYEE**

Clerk Gipson informed Council she had received 16 resumes for the advertised position. Six were called for interviews. Attorney Siekman participated in the interviews as well. Gipson stated after discussions with Mayor Marksberry she would like to request the position be made a 32 hour a week position with benefits. Mayor Marksberry has funds available in his 2006 budget for a Deputy Mayor and benefits which he would agree to contribute necessary funds as a transfer to the Clerk’s budget.

According to Gipson the position would share worked time on City items; such as grant writing, fixed assets and addressing issues that impact more than just the Clerk Treasurer’s Office. Councilman Slack stated he would like to see these benefits and he was concerned about hiring a fulltime employee without more information. After further discussion Councilwoman Scott made a motion to approve adding 2 additional hours to the worked position for a total of 32 hours with benefits--with the additional costs of hiring this position to be transferred from the Mayor’s budget. The position will share worked time on city items and a job description will designate duties. This motion was 2<sup>nd</sup> by Councilwoman Siekman; motion carried 4-1 with Councilman Slack being against. Councilman Slack stated he would like to have been aware of this request and had further information before making this decision.

### **MISCELLAENOUS BUSINESS**

Mayor Marksberry informed Council the Street Department had requested authority from the Board of Works to request a quote for clean up at the brush dump. A quote was received from McAlister’s Excavating in the amount of \$12,000. After discussion a motion was made by Councilman Padgett to approve this work in the amount of \$12,000, 2<sup>nd</sup> by Councilman Brown; motion carried 5-0.

Mayor Marksberry informed Council a letter had been received from the Seymour District of INDOT stating the proposed advertised signage and outdoor advertising shall not be allowed along SR 56 Scenic Byway. This affects the project currently underway through Game Day and Blue White Space. According to Marksberry there is a possibility the Chamber of Commerce could use these funds towards the same goal—but in a different focus. This could also be a benefit in making the Chamber of Commerce a stronger group. Marksberry stated he is just requesting to pursue this with the Chamber, Game Day and Blue White Space—any changes will be brought back to the Council for approval.

Mayor Marksberry acknowledged Barb Ruxton with RSOCF, RLF and Redevelopment. There was discussion that the RLF would not be able to fund future projects on a large scale without help from the City. It was stated that the groups should bring funding requests to Council on a 1 on 1 basis.

Police Chief Hewitt questioned why the Utilities have a different policy than the City policy—and why it is much more generous than the City policy. Attorney Siekman stated the Utility Service Board was formed to create consistency within the Utility and aid in planning projects vs. doing the same thing year after year because no one knew what the former Superintendent had done. The Board thus makes major management decisions for its employees. Mona Cook added as employees we work side by side—but they get more benefits.

After the reviewing and signing of claims, and with no further business; a motion to adjourn was made by Councilman Brown, 2<sup>nd</sup> by Councilwoman Scott; meeting adjourned.

Attest:

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Rae Baker Gipson,  
Clerk Treasurer

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William A. Marksberry,  
Mayor

RESOLUTION 2005- 17

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF RISING SUN,  
INDIANA AGREEING IN PRINCIPLE WITH THE TERMS OF ECONOMIC  
DEVELOPMENT NEGOTIATIONS WITH HYATT GAMING SERVICES, LLC.**

WHEREAS, Hyatt Gaming Services, LLC has approached the City of Rising Sun and the Rising Sun Regional Foundation, Inc. with a proposed 100 room expansion of its hotel facility at the Grand Victoria Casino and Resort in Rising Sun, Indiana.

WHEREAS, There is a need for certain economic incentives on behalf of the City of Rising Sun and the Rising Sun Regional Foundation, Inc. in order to encourage and assure the completion of this investment by Hyatt Gaming Services, LLC.

WHEREAS, under I.C. 6-1.1-12.1-2.5 the Common Council of the City of Rising Sun, Indiana (the "Council"), upon recommendation of the Rising Sun Redevelopment Commission, may designate an area as an Economic Revitalization Area ("ERA") and determine tax abatement incentives for such property; and

WHEREAS, At its meeting on November 16<sup>th</sup>, 2005, the Board of Directors of the Rising Sun Regional Foundation (RSRF) discussed the proposal of Hyatt Gaming Services, LLC and the impact of a \$180,000 annual credit to the Grand Victoria (or reduction in income) up to a maximum \$1.25 million over a seven-year period and determined that the Rising Sun Regional Foundation would not materially be compromised in its grant making operations in relation to the current level of the Grand victoria's Adjusted Gross Revenue (AGR) of approximately \$150 million annually.

WHEREAS, 100 new rooms will be added to the Grand Victoria Casino and Resort by Hyatt Gaming Services, LLC., i If Hyatt is able to obtain the real property tax deductions and credits from the RSRF as described; and

WHEREAS, Hyatt Gaming Services, LLC. seeks to have the Council authorize real property tax deductions in connection with the construction of the new rooms and an amendment to the Project Development Agreement allowing for such development; and

WHEREAS, the City and the Regional Foundation can join in an innovative partnership to help bring this expansion to our community. Along with an anticipated direct employment impact of about 30 new positions; the impact of having 100 new rooms of potential overnight visitors is a very positive thing for Rising Sun's business community.

WHEREAS, the Council has reviewed such information together with Hyatt Gaming Services, LLC, the Rising Sun Regional Foundation, Inc. and now desires to take actions hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED THAT, That the Common Council of the City of Rising Sun agrees in principle with the terms of the above proposed incentives to Hyatt Gaming Services, LLC and refers this matter to the Rising Sun Redevelopment Commission for review and designation as an Economic Revitalization Area ("ERA") for purposes of granting real property tax abatement(s) to Hyatt Gaming Services, LLC.

BE IT FURTHER RESOLVED THAT, That the Common Council of the City of Rising Sun further authorizes the Mayor of the City of Rising Sun along with the City Attorney and the legal counsel for the Rising Sun Regional Foundation, Inc. to negotiate and prepare an amendment to the Project Development Agreement with Hyatt upon the following parameters:

- a) A \$180,000 annual credit to the Grand Victoria (or reduction in income) up to a maximum of \$1.25 million over a seven-year period.
- b) That this income credit will begin on the same month that the new Grand Victoria hotel expansion facility formally opens to the public for business
- c) That should ownership of the Grand Victoria Casino and Resort change from that of Hyatt Gaming Services, L.L.C during this seven-year income credit period, the unclaimed credit balance of the total \$1.25 million credit commitment by the City of

Rising Sun will be forfeited and the remaining credit commitment shall become null and void.

BE IT FURTHER RESOLVED THAT, the Council has the right to reduce the length of and/or end any real property tax abatement granted for the site should Hyatt Gaming Services, LLC, its related entities, or a subsequent owner of the building not fulfill commitments made regarding the amount of capital investment, job creation/retention and salary levels.

BE IT FURTHER RESOLVED THAT, in the event Hyatt Gaming Services, LLC is sold to a new owner, the new owner of the company shall appear before the Rising Sun City Council within 90 days of closing on the purchase of the company to present information regarding the plans for the company's operations in the City of Rising Sun.

BE IT FURTHER RESOLVED THAT, the anticipated tax deductions contemplated herein are contingent upon the designation of the ERA prior to breaking of ground at the site and that this resolution is a commitment in principle and is contingent upon compliance with all requisite statutes and the approval, if required, of any State or Federal entities.

ADOPTED AND PASSED BY THE COMMON COUNCIL OF THE CITY OF RISING SUN, INDIANA THIS 1<sup>st</sup> DAY OF December, 2005.

NAY

\_\_\_\_\_  
Michael Padgett

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Gerald L. Brown

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Angel Siekman

\_\_\_\_\_  
Stephanie Scott

\_\_\_\_\_  
Steven Slack

AYE

Michael Padgett  
Michael Padgett

Gerald L. Brown  
Gerald L. Brown

Angel Siekman  
Angel Siekman

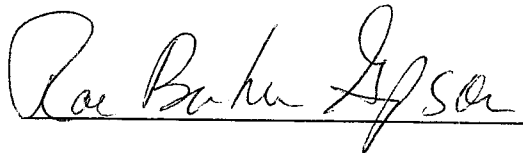
Stephanie Scott  
Stephanie Scott

Steven Slack  
Steven Slack



Presented by me to the Mayor of the City of Rising Sun, Indiana, for his approval and signature this

1st DAY OF December, 2005



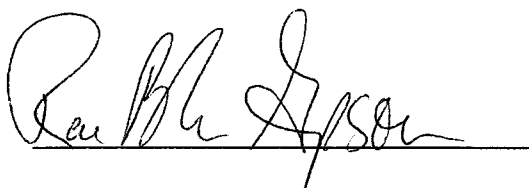
Rae Baker Gipson, Clerk Treasurer

This Resolution approved and signed by me on this 1st DAY OF December, 2005



William A. Marksberry, Mayor

ATTEST:



Rae Baker Gipson, Clerk Treasurer

## STEPS IN TAX ABATEMENT

The property where the investment is to occur must first be designated as an Economic Revitalization Area (ERA). The process requires a review and recommendation by either the economic development commission or redevelopment commission if either commission exists. If there is no commission, then application is submitted to the designating body. The next step requires two meetings by the city council. A Declaratory Resolution is approved at the first meeting and a Confirming Resolution is approved at the second meeting. The ERA designation generally occurs based upon an application submitted by a company who is requesting tax abatement. However, a local governing body can establish an ERA at its discretion to encourage development in designated parts of a community.

1. The applicant submits a SB-1 (Statement of Benefits) outlining the benefits of the proposed development, new jobs, retained jobs, payroll, and investment.
2. The local designating body must review the Statement of Benefits to determine whether an area should be designated as an ERA and whether a deduction should be allowed based upon the following findings.
  - Ø Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.
  - Ø Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation.

Whether the estimated for the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation.

- Ø Whether any other benefits about which information was requested can be reasonably expected to result from the proposed redevelopment or rehabilitation.

Whether the totality of the benefits is sufficient to justify the deduction.

- The local governing body determines the length of time to allow for the abatement plus any other restrictions they wish to require.
- Once the ERA is approved, the investment made, and the assessed value determined, the company must then apply for the deduction in assessed value.

Ø **The Application for Deduction from Assessed Valuation – New Manufacturing Equipment in Economic Revitalization Area (Form 322 ERA/PP)** must be filed with the local County Auditor and the State Board of Tax Commissioners between March 1 and May 15 of each year (unless a filing extension has been granted). This form is filed each year to obtain the full benefits of the tax abatement.

**The Application or Deduction or Structures in Economic Revitalization Areas (Form 322 ERA/PP)** must be filed with the local County Auditor before May 10 of the year in which addition to the assessed valuation is made or 30 days from the date on the Notice of Change in Assessment (Form #11). The Notice of Change in Assessment is normally sent in June or July and it reflects the assessment as of March 1st of that year. Due to this time frame, the actual application cannot be filed by May 10th but must be filed within 30 days of the notice. If the structure is partially completed by May 1st, a second filing is required the following year. In that case, the 1- year abatement would last 11 years.

- Once a year, the company must file **Compliance with Benefits form (CF-1)** with the County Auditor and the local designating body to show compliance with the Statement of Benefits.

- Ø The CF-1 must be filed within 60 days after the end of each year in which the deduction is applicable for real estate improvements.
- Ø The CF-1 must be filed with Form 322 ERA/PP between March 1 and May 15 of each year (unless a filing extension has been granted).
- Ø With approval of the designating body, compliance information for multiple projects can be consolidated on one compliance form CF-1.

The governing body must review the CF-1 and accept the status as being (1) in compliance or (2) determine that the property owner has not substantially complied with the statement of benefits and that the failure to do so was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services). If the designating body determines that the property owner is not in compliance, then a written notice is sent to the property owner with an explanation of the reasons for the termination. The letter must also state the date, time and place for a hearing by the designating body for the purpose of further consideration of the property owner's compliance.