

	2009-Pay 2010	2010-Pay 2011	2011-Pay 2012	2012-Pay 2013	2013-Pay 2014	2014-Pay 2015
Westfield Net Assessed Valuation	\$ 1,750,300,894	\$ 1,743,703,127	\$ 1,708,034,913	\$ 1,689,225,477	\$ 1,743,712,784	\$ 1,873,832,048
Increase/Decrease year to year		\$ (6,597,767)	\$ (35,668,214)	\$ (18,809,436)	\$ 54,487,307	\$ 130,119,264
Overall Increase/Decrease 2009-2014						\$ 123,531,154
Westfield AG Abated Net Assessed Valuation	\$ 23,121,141	\$ 22,390,632	\$ 23,204,721	\$ 22,377,301	\$ 21,915,760	\$ 21,785,851
Increase/Decrease		\$ (730,509)	\$ 814,089	\$ (827,420)	\$ (461,541)	\$ (129,909)
Overall Increase/Decrease 2009-2014						\$ (1,335,290)
Total Westfield City & AG Abated NAV	\$ 1,773,422,035	\$ 1,766,093,759	\$ 1,731,239,634	\$ 1,711,602,778	\$ 1,765,628,544	\$ 1,895,617,899
Increase/Decrease		\$ (7,328,276)	\$ (34,854,125)	\$ (19,636,856)	\$ 54,025,766	\$ 129,989,355
Overall Increase/Decrease 2009-2014						\$ 122,195,864

In 2010 Mayor Cook prepared a flyer that said:

"Attracted over \$73 million in new investment to the city in 2010 by homeowners and businesses choosing to make Westfield their home"

The economy lowers NAV, especially for Commercial/Business that has not hit the tax caps.

Property acquired by the City is no longer part of NAV.

AG abated is not a very large number and lowers when property develops, but should produce a correspondingly larger NAV for City of Westfield.

2014 AG value was increased by assessor.

Did we need \$220M increase in Westfield to meet our obligations to date?

The year 2014 pay 2015 is still open to appeals, by which any and all but usually commercial properties ask for a reduction in AV.

SOURCE: Hamilton County Auditor's Office Certificates of Net Assessed Valuations to the Department of Local Government Finance

Prepared: 10/27/14

For: Westfield City Council Meeting

10/27/14 City Council Meeting
Ordinance 14-48
161st Street Neighbors
(Linda Naas)

TRANSPARENCY – too little too late? Going back to 2009, 2010, to date looking in meetings and news articles, there have been a lot of changes. Even from the big announcement in June, this Ordinance doesn't follow.

Many have said there now needs to be year-round activities at Grand Park.

With the September 2014 announcement of the \$6M Grand Park Fieldhouse, the City will have an indoor facility to attract year round activities, basketball, volleyball, offices, café and perhaps sport-rehab provider. And they will privately manage it. They will also buy and pay taxes on the 10 acre site. This seems more the type of facility many of us hoped to attract once we started down this road.

In this 9/14 IJ article, at the same time Mayor Cook still referred to this proposed Indoor Facility as a planned private development, \$20M. If this is such a good deal, why doesn't this remain a private development and facility? But we know now by Resolution 14-130 that the "City" has decided a need exists for the Project, and the Project cannot be provided from any funds available to the City, and this Council shall proceed to take such steps as may be necessary" – to do what they are dreaming.

We also know that this Project is now slated at \$25.7M and could have more change-orders and cost as the Ord gives the Mayor that authority. We suggest the Council still have oversight and give the public financial updates on this project throughout construction and once operational. Because, we know the leases start with a Base Rent of \$53M with a limit of \$62.5M and Additional Rents which run into the millions.

Pg 10+: Tenant (City) pays all utilities, insurances, maintenance, taxes, assessments, other impositions, maintenance, repairs (even if ordered by Landlord)

Pg 19: Non-terminability of Lease

Pg 24: Landlord must approve Assignments and other transfers

Pg 26: Purchase Option

Pg 27: All improvements are property of Landlord; no alterations to rent amount

Pg 28: Ice Miller LLP is Landlord's attorney. City has used Ice Miller, hopefully, there is no conflict.

Pg 31: No Surrender During Lease Term

City doesn't own the land, owns not even half of the Grand Park. \$6-8M still owing. Where will that money come from? We are currently renting most of the land per the 4th addendum to rent agreements in addition to paying the property taxes.

Will there be any property taxes paid on this facility and land? That's been back and forth. City does not pay property taxes on City-owned property. We have a new EDD Overlay Chapter 5.4 in the newly adopted Unified Development Ordinance of Westfield.

I agree with Mayor that we need more AV, but will this give us AV and taxes? read the documents on Westfield website

The lending institution for Holladay requires City Resolution and this Ordinance to secure financing for this Project???

Bottom line - it is the risk of the City from any and all revenues but Landlord has lots of Control - not saying that's not how it should be.

Res 14-130:

Section 1. A need exists for the Project, and the Project cannot be provided from any funds available to the City, and this Council shall proceed to take such steps as may be necessary to secure (1) the acquisition and construction by the Company of the Project and all of the costs associated therewith by the Company, and (2) the leasing of the Project by the Company to the City pursuant to the Act.

(This passed 10/13/14, 5-0, Ake and Spoljaric absent.)

All along it has been clear that the City doesn't have the financial means to construct this facility.

- Excel sheet of 2009-2014 NAV
- This Project will put the City well over \$100M on a GP that was originally touted as \$60M with indoor facilities, and then talked about as \$45M and we have surpassed that in public funding.
- Let's have an accounting of the now \$49M - see Burtron comment to IndyStar.
- Did they even consider a small building to be added to later? Did they consider growing into this as the City grows? We are only 32,000 people.
- This facility will be 6 times the size of the Pepsi Coliseum at the Fairgrounds.
- There is no information on operating costs.
- There are no signed leases for the finished facility from restaurants or sports organizations.
- The City has spent considerable monies on accountants, lawyers and consultants considering this project already and yet we have no numbers from the City.
- Holladay says in the news they have been working on this for over a year, but the public just finds out from the last meeting and then it took until the end of the week to get the documents online and until the next week to get printed copies.

- Mr. Burtron in his 10/13 Council presentation was mindful of mentioning transparency, but it took a long time to get the information and then it is still missing many details. The financials were very slim.

There has been talk (County level) that Mayor is looking to increase local income tax to help cover costs and shortfalls. However, COIT funds always seem to benefit other cities and towns in Hamilton County at a much higher rate than Westfield.

The documents do talk a lot about salaries, but again are those people living in Westfield? Everything is proposed like all new employees will live in Westfield, and that doesn't bear out many times. 13 full-time and 30 part-time to be generated.

As Mr. Ake told me at a public meeting, "the City has many ways to get money" and that comment concerns me a lot. They are very creative!

How about transferring over \$6M from Water/Sewer funds to City.
(at tonight's meeting)

Was this considered in the Utilities Sale?

City could never use Utilities monies in the past, separate from City funds.

Who do these funds really belong to?

Mayor seeking to get County to now pay Westfield several \$M on our Training Facility as a source of funds.

Mayor is always opposed to those who don't speak fully in favor of GP, nevermind they make very rational arguments on economics and funding and costs.

- But we need to hear all sides. Will Mr. Craig Wood be brought in to speak in favor like the last public hearing. Never mind, he is the owner of the land on which this will be built and owner of the very largest tracts in GP yet to be paid for - conflict of interest?
- Will the Hamilton County Tourism people speak in favor since it greatly benefits the rest of Hamilton County at the cost and risk to Westfield taxpayers.
- We welcome hearing anyone who wishes to speak.

However, in recent articles both the Mayor, Mr. Burtron and others have admitted that this Project has risk. We understand risk taken by developers, but when the City becomes the developer, the risk is to taxpayers. If this were a joint venture with the public, we would know more about it, in fact all the details would be made public. Could this Project become a money pit? Based on the fact that we just had to give \$6M from Utility proceeds to shore up the Grand Park for various reasons, some foreseeable, some not, it is an example of how projected costs and outcomes do present risk. At least Burtron & Mayor are mentioning risk, they need to in case they have to fall back on that. "Like we all knew there was a risk!" response. Nice to have a disclaimer.

Based on the fact that the Resolution passed at the last meeting stated the City did not have the funds available for this project, where will we get funds for shortfalls. The numbers

presented seem to be based upon best case scenario. It would make more sense to consider this with the expectation of unknowns. Are we biting off more than we can chew? Is there any other alternative that this Council has considered?

Supposedly 6 hotels are coming to Hamilton County in the next year, Westfield has possibly one, Cambria Suites, which hopefully will replace the Comfort Inn that was razed at Hwys 31/32. Our other hotel/motel is under renovations.

This is a 25-year project, and then we truly own it, whether it needs repairs, maintenance, etc.

The hotel, McDonalds and Taco Bell are not new or drawn by the GP, they are replacing those torn down in the Hwy 31/32 Road upgrades. We are still slowly growing AV because of that project, the economy, and competition.

Read past articles in IBJ or Star and pay attention to people talking about the risk and volatile market. Skodjt wanting to build a large facility at 96 & Michigan and many are skeptical.

The funds for this Ordinance are from any and all City revenues.

Has there been an appraisal by an impartial party? Of proposed plans current value, projected 25 -year value?

And it would appear the City is still going full speed ahead on Grand Junction which they originally presented as \$50.5 Million in public funding. Where will that money come from?

We would like full and accurate disclosure on all the financials and where we are financially as a City. A list of our debt and commitments would be helpful. Are we to vote and speak in favor of unreasonable debt?

Everyone loves a dream, but somebody has to pay for it to make it reality and sometimes it is not in the budget. Sometimes you have to modify the dream or build it over time.

Burtron now admits the \$45M GP is now \$49M because of poor planning, construction and management - IBJ quoted Mayor: "gone over budget because of upgrades, problems with contractors, and sponsorships not meeting expectations". Unfortunately, most of our Westfield projects go over budget. What will be different with this project? A better builder may help but there are so many facets no one can control.

Mr. Henke has been quoted in newspapers as really in favor but expressing risk and timing concerns for attracting more businesses. Of course, he also has investments and developments that will benefit from the public funding the Grand Park.

"the Commission (Economic Development) tentatively determines that the acquisition, construction and equipping of the Project will not have an adverse

competitive effect on similar facilities already constructed or operating in or near Westfield, Indiana" "The Commission estimates that, upon completion and as a result of the Project, approximately 13 new full-time equivalent jobs and approximately 30 part-time will be created, with an estimated total annual payroll of approximately \$1,192,000 by December 31, 2015"(Report and Findings of Fact)

If the Commission is tentative and they proposed this, why should we feel so confident this is the right project, the right time, the right size for all the marbles. Mr. Ake and the Mayor believe the risk is worth it and not doing so would be worse. We don't agree. Give us details on the "worse", maybe that is information we need.

In 2010, the City had a list of Capital Improvement Projects that included the Grand Park Sport Complex at \$60M, some of which would be public investment, the Grand Junction through time of \$62.5Million in public investment, and other projects, all of these totaling over \$253M. But we must carefully weigh the public investment and project revenues from private investment which hasn't been strong over the past years as shown in the NAV from the County.

We would like to see a private investor commit to this being a private project because he believes in it and has a workable financial plan.