



Village of Commercial Point  
Committee of the Whole Meeting Minutes  
August 15<sup>th</sup>, 2022

Ms. Geiger called the meeting to order at 6:00 p.m. Administrative Assistant Baldwin took roll call with the following members present: Ms. Geiger, Ms. Wolfe, Mr. Mitchem, Mr. Crego and Ms. Joiner.

Upcoming Legislation:

Solicitor Cartee called Mike Dean to discuss the third reading of the K-Nova TIF amendment ordinance. Solicitor Cartee provided an overview. He said it would increase the interest rate from 2.875% to 7.25% on the reimbursement rate that K-Nova would receive for public infrastructure improvements. He said the increase is due to financing needs and connected to the monetization deal that has been discussed. He said this rate increase is necessary if Council wishes to monetize the TIF revenues. He said the preliminary number is \$22 million dollars available for public infrastructure improvements. K-Nova agreed that \$4 million dollars would go to Village for their infrastructure needs. He said the monetization deal is not ready yet. If council passes the ordinance tonight as written, there is no guarantee that monetization will, or ever would be, completed. Mr. Dean gave an overview of the conversations they have had with K-Nova and their attorneys. Mr. Dean does think there needs to be significant updates to the agreement. He thinks the updates should increase the interest rate and add provisions about a cooperative good faith effort towards future monetization. Further amendments might be need added at that point. He said in the meantime, while we do not have a bond deal, K-Nova would promise \$4 million dollars to public infrastructure improvements at the development site. He wanted Council to be aware that the current draft will have substantial changes. Ms. Joiner asked if the 7.25% would be retroactive? Mr. Dean said that is not our position or how the agreement is currently drafted. He said everything that has been submitted would be subject to the current interest rate. The date the agreement is signed would begin the new interest rate. Ms. Geiger said her concern is that in the agreement, the Village is not promised the monetization, and it could fall through. If it falls through, there is no benefit to the Village, but there is a huge benefit to the developer. She would like to see language in the agreement where the developer would receive the increased interest rate only if the monetization goes through. Mr. Dean said he has been working with Josh on those amendments. He isn't sure that the developer could guarantee that monetization would through. Ms. Geiger said it is her understanding that there is \$22 million available, and K-Nova would get \$15 million, which leaves \$7 million left over. They have agreed to give the Village \$4 million, which leaves a few million floating around. She believes we should have more than \$4 million to help with our sewage plant. Solicitor Cartee said they did request additional monies, but the request was denied. Mr. Dean said he has been trying to get answers on that from the other parties. He asked the developers what they are actually using the money for. He said it sounds like they are planning to use the proceeds for a road construction project. Solicitor Cartee said they do not know exactly what the road project is. Solicitor Cartee said the legislation up for Council's consideration tonight does not guarantee monetization. He does believe the Village can get \$4 million in writing as a commitment to the interest increase. Ms. Joiner asked if they are allowed to amend the language before the reading? Ms. Geiger said she would prefer to have an updated copy of the agreement with the new language in her hands before voting. She said that Council could just postpone the legislation for now and not do a third reading tonight. Mayor Goldhardt directed his question to Mr. Dean. He said right now we are at 2.875% in the current agreement. If K-Nova submits \$30 million in certified TIF expenses, is it reasonable to expect to pay \$14.6 million in interest, which means we would be paying them back roughly \$44 million under the current agreement. Mr. Dean said that sounds correct. Mayor Goldhardt discussed the differences in the amount of interest the Village would to have pay if Council agrees to the new rate increase. He said if council passes this tonight as currently written, we will pay approximately \$73.6 million in principal and interest verses \$44 million under the current agreement. He said the only thing guaranteed in this agreement as currently written is that the Village will pay an additional \$25-29 million over 30 years in interest. There is nothing guaranteed in return. He then explained to Council how he arrived at the \$7 million request. There was further discussion on monetization. Ms. Joiner said the attorney for the developer brought to her attention that the Village may be able to monetize tap fee revenues. Mayor Goldhardt said he sees no benefit to the Village to monetize unless we get \$7 million upfront. Ms. Joiner asked if the proposed interest rate was to secure the Mohr Capital sale for K-Nova? Mr. Dean said the way he understands it, there are additional infrastructure improvements that Mohr Capital may have to make and that was part of the transaction that they were looking for in their agreement with K-Nova. Ms. Joiner said she knows there was discussion about making Durrett Road a cul-de-sac but also having another road going through the Mohr Capital Development to State Route 104? She asked if this is necessary. Mayor Goldhardt said the Village was told by Mohr Capital's engineers



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that they planned to construct a road through the middle of their site. The Village suggested making their private road a public road and then it would become eligible for reimbursement from the TIF monies. It would also benefit the Village by eliminating the bad intersection at Durrett Road and State Route 104. It could be a win for everybody.

Solicitor Cartee discussed the additional legislation on the agenda for the evening.

Ms. Geiger asked about the time periods for the noise ordinance. Ms. Joiner and Mr. Mitchem discussed the decibel levels and the projection of the noise. Ms. Geiger asked how we would know the decibel level? Ms. Joiner said a \$20 piece of equipment is all you would need. Ms. Joiner is going to call New Holland and ask about their process. Ms. Wolfe asked what they changed to curfew to? Ms. Geiger said 9:00 pm through the week and 10:00 pm on the weekends.

Solicitor Cartee discussed the liquor permit legislation. He sent a request to the State Liquor Board asking for a 30-day extension. Council has until September 8<sup>th</sup> to decide. Mr. Crego said his concern is if a permit can be issued at that location under state law. Solicitor Cartee said the way to proceed is to request a hearing. At the hearing, the restaurant and the day care center can voice their opinions.

Mr. Crego said speaking objectively, he would like to know why Council members voted to deny the annexation of the Struckman Property. Ms. Joiner said she has always objected to it based on the size of the project. She said she does not like the PUD, commercial and the number of houses proposed. She said the numbers provided to them regarding the TIF and NCA changed drastically from what was originally presented to Council. They also said nothing regarding an HOA. She discussed the road improvements. Mr. Crego said in the book it mentions the HOA. Ms. Joiner said the financial part provided to them recently did not mention the potential of the HOA. Ms. Geiger said she does like the project. Her concern was the NCA numbers were cut in half. She also does not like the commercial on State Route 762. She asked if the HOA would have taken care of the park area.

A motion was made to adjourn by Ms. Joiner and seconded by Ms. Wolfe. All were in favor, the motion passed, and the meeting was adjourned.

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Nancy Geiger, President Pro Tempore

*Wendy Hastings*  
Wendy Hastings, Fiscal Officer