

AGENDA  
CITY OF SALEM  
REGULAR CITY COUNCIL MEETING  
July 2, 2017 - 6:00 PM

- I. Call to Order
- II. Prayer and Pledge of Allegiance
- III. Presentation of Petitions/Public Comments
- IV. Mayor's Report and Presentations
  
- V. City Council Action
  - 1. Consent Agenda
    - a. Approval of Minutes – June 18, 2018
  - 2. Discussion on Salem Enterprise Zone Application Revised Boundaries
  
- VI. City Manager Report
- VII. City Attorney Report
- VIII. Finance Director Report
- IX. City Council Report
- X. Adjournment

Bill Gruen  
City Manager

---

MINUTES  
CITY OF SALEM  
CITY COUNCIL MEETING  
July 2, 2018 – 6:00 pm

I. **CALL TO ORDER**

The regular July 2, 2018 meeting of the City Council was convened at 6:00 p.m., and called to order by Mayor Rex Barbee.

**Council members present:**

Councilman Nic Farley (*arrived shortly after call to order*)  
Councilman Craig Morton  
Councilwoman Sue Morgan  
Mayor Rex Barbee

**Council member absent:**

Councilman Jim Koehler (*medical*)

**Others present:**

City Manager Bill Gruen	City Attorney Mike Jones
City Clerk Bev Quinn	Public Works Director John Pruden
Public Works Asst. Dir. Annette Brushwitz	Economic Dev. Dir. Jeanne Gustafson
Chief Sean Reynolds	Members of the Media and Public

II. **PRAYER AND PLEDGE OF ALLEGIANCE**

Opening prayer was given by Councilwoman Sue Morgan, followed by the Pledge of Allegiance to the Flag.

III. **PRESENTATION OF PETITIONS/PUBLIC COMMENTS** – None.

IV. **MAYOR'S REPORT AND PRESENTATIONS**

Mayor Barbee wished the community a safe and wonderful July 4<sup>th</sup> and indicated he is excited about the Rotary and Kiwanis Clubs' fundraiser in the park that evening to benefit the Inclusive Playground.

V. **CITY COUNCIL ACTION**

1. **Consent Agenda**

- a. Approval of Minutes – June 18, 2018

***Motion was made by Councilwoman Morgan and seconded by Councilman Morton that the Consent Agenda be approved as presented. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.***

***Councilman Farley arrived a 6:04 pm.***

2. **Discussion on Salem Enterprise Zone Application – Revised Boundaries**

City Manager Gruen indicated that activity relating to enterprise zone application prep is ramping up. Gruen indicated he and Economic Development Director Gustafson are working on

scheduling public workshops to discuss different aspects of the application, and he is preparing to meet individually with taxing districts to discuss incentives associated with the enterprise zone. Gruen added that he would like to have the taxing bodies' buy-in before submitting the application the end of this year.

City Manager Gruen indicated the intent this evening is to look at a draft drawing of the revised boundaries for the new zone. Gruen added that the City will want the boundaries to take in all areas of potential development of interest to the City Council. This discussion will be a good kickoff for upcoming workshops and related enterprise zone activities.

City Manager Gruen and Economic Development Director Jeanne Gustafson went over the following talking points:

- Possible property tax abatement
  - 10-year abatement for industrial projects
  - 8-year abatement for commercial projects
  - Multi-family with 5+ units is commercial
- Will require authorizing resolution from taxing districts to be approved.
- Tax abatement kicks in when new taxable value is created. Abatements don't apply to current taxable value.
- Other EZ incentives
  - Sales tax exemption on building materials
  - Sales tax exemption on tangible personal property used in manufacturing or assembly process\*\*
  - Utility tax exemption on gas and electricity\*\*
  - Telecomm tax exemption\*\*
  - Investment tax credit and contribution deduction
  - Local incentives, like building permit fee exemption

\*\*Job creation/retention and investment minimums required.
- Current Salem Enterprise Zone already includes several residential neighborhoods
- Rarely Used currently
- Heard concern at last meeting about incentives for single family homes having negative impact on existing homes
- We've thought about whether sales tax incentives for building materials put into home renovations would help redevelop housing stock. Consideration would have to be put into requirement for City oversight/help with report to Dept of Revenue for little incentive, in some cases.
- Notes on tonight's map presentation:
  - EMPHASIS ON DRAFT
  - The current zone map is shown against new property that warrants some consideration
  - If City Council is opposed to any sort of incentives for single family to 4-unit residential, there's lots of property to be taken out of both the current zone and property to be considered
  - Lots of nooks and crannies of commercial property in Salem, there's no malice intended towards somebody left out
  - Connections to make this one "contiguous" zone are not shown
  - We want to get map ideas out for consideration and input, and we welcome City Council ideas to cover all of the bases
- What's happening next?
  - We're preparing to have one-on-one meetings with mgrs./leaders of other taxing districts to discuss the new zone and their participation
  - Jeanne is also working on scheduling our first workshop on how do we reach potential job creation to the identified in our application. Other workshops to follow.
  - PGAV is working on some things like level of incentive customization, prep for creation of shapefiles for GIS map, collation of demographic data

ED Director Gustafson indicated the current zone is approximately three (3) square miles, and we can have as much as twelve (12) square miles in a zone. The Frisco subdivision and Orchard Area

residential properties are in the expiring zone. Dir. Gustafson added that new laws require every vendor who is involved in an enterprise zone project to apply for separate certificates, which could be time consuming for staff.

Councilman Farley asked if the Brown Shoe and former Armory properties are in the draft zone. City Manager Gruen responded that the Brown Shoe property is, as it may lend itself to multi-family residential. Councilman Farley added that the Armory property might be a good consideration for multi-family housing, as well, and he would like to see it in the new Enterprise Zone.

Mayor Barbee asked if 12 square miles is the maximum size the zone can be. Dir. Gustafson indicated it is the maximum, according to the enabling ordinance. The zone can start as a 10-year zone, and be extended to 20-25 years. Additionally, the boundaries can be expanded during the life of the zone.

Councilman Morton asked why we would not include the entire City in the zone. Dir. Gustafson responded that Taxing Bodies tend to resist that.

Councilwoman Morgan asked if Beer Can Alley is in the proposed zone boundaries. Mr. Gruen responded that it is not, but it can be added. Mr. Gruen added that the connections are now currently shown, and Schmidt, Yellow Freight, Conway, Salem Tire and Kinney Blvd. are not currently in the Enterprise Zone, but they potentially can be. Additionally, the Salem Township Hospital can be added. If a business has growth potential, they can invest enough and hire enough people, the zone can provide some great benefits.

Mayor Barbee asked if we can pick and choose certain incentives for certain sections of the zone, or is it better to have multiple zones. Mr. Gruen indicated he and Dir. Gustafson will start out by meeting with the taxing bodies.

Councilman Farley asked how many jobs are required to be created within the zone. Dir. Gustafson responded, "1,000". Gustafson added that there are six oil companies located at the tank farm, and if they are included, they have the lobbyists necessary to get the zone approved. Mayor Barbee added that it is important to get the conversation started with the other taxing bodies.

Councilman Farley asked if Radiac is in the proposed zone. Dir. Gustafson responded that it is. Councilman Farley added that he feels pretty adamantly that the Armory property should be included in the zone, just in case someone wants to put multi-family housing in that location.

City Manager Gruen indicated the draft zone contains 5.75 square miles right now, not including the connecting strips. Dir. Gustafson added that a three-foot strip is required to make it contiguous. Councilman Farley asked how we will know where to expand the zone to, to the north. Mayor Barbee responded that it can be expanded to the north in the future. Councilwoman Morgan concurred and added that the zone doesn't need to include the area to the north at this time. Mayor Barbee indicated it might be useful for Henkles & McCoy, ESI, the former Bryan Manor sites to be included. Councilman Farley asked if Walmart or any of the surrounding businesses are being included. Mr. Gruen responded that they are not, at this time, but there will be additions made. Councilman Farley added that the Days Inn site should be included, as it will be ripe for development with Denny's moving out. Mayor Barbee added that Martin's and Amerigas might also be included.

Councilman Farley noted that there was an area to the west that was looking at developing, and asked if that property is included, is the City required to provide utility services. Public Works Director John Pruden responded that it is not a requirement, but is usually offered as an incentive.

Mayor Barbee thanked City Manager Gruen and Dir. Gustafson for their work on this. City Manager Gruen indicated he would put the maps up on the City's website.

**VI.     CITY MANAGER’S REPORT**

City Manager Gruen reported that NAL has a grant program that moves from site to site, and they are currently looking for a grant project in Salem and they are looking for input. Mr. Gruen indicated he has suggested a climbing wall at the SCAC. The NAL HR director indicated they might also consider the Theatre Expansion, and if City Council has other suggestions, to let her know. Mayor Barbee added that he would recommend the Inclusive Playground.

**VII.    CITY ATTORNEY REPORT – None.**

**VIII.   FINANCE DIRECTOR REPORT – None.**

**IX.     CITY COUNCIL REPORTS**

**Councilwoman Morgan** indicated she loves the improvements made to Indiana St.

**X.      ADJOURNMENT**

*As there was no further business to discuss, motion was made by Councilman Farley and seconded by Councilwoman Morgan to adjourn the meeting at 6:38 p.m. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Farley, Mayor Barbee. NAYS: None. Motion carried.*

Bev Quinn, CMC  
City Clerk

Minutes approved: \_\_\_\_\_