

TO: BOARD OF PUBLIC WORKS AND SAFETY
FROM: JUSTIN HUBBARD, PROJECT COORDINATOR, ENGINEERING
SUBJECT: KROGER AND KROGER FUEL CENTER – NOBLE WEST APPLICATION OF ROAD IMPACT FEE CREDITS
DATE: NOVEMBER 12, 2024

At the April 26, 2005 Board of Public Works meeting, a road impact fee agreement was approved with the developer of Noble West, located at the northeast corner of 146th Street and Hazel Dell Road. Instead of paying road impact fees to the City and the City completing improvements identified in the Road Impact Fee Zone Improvement Plan Study, the developer completed the improvements directly in exchange for credits. The developer of Noble West was credited with \$5,600,000.00 of road impact fees.

This Board item is formally granting \$1,125,096.00 in connection with building permits issued for the development of a Kroger and a Kroger Fuel center in Noble West. A balance of \$203,744.00 in road impact credits remain.

I recommend the Board of Public Works approve the Allocation of Reimbursement Credit.

In advance, I greatly appreciate your consideration of this request.

Attachments:

1. Allocation of Reimbursement Credit
2. Improvement Area



NW Partners, LLC

NW Partners, LLC
272 Medical DR.
Carmel, IN. 46032

10/23/2024

VIA EMAIL: jhubbard@noblesville.in.gov
 PlanApplications@noblesville.in.gov
 cgutshall@noblesville.in.gov

City of Noblesville c/o Mayor
ATTN: Noblesville Board of Public Works
16 South 10th Street
Noblesville, IN. 46060

RE: Noble West Development - Redemption of Impact Fees for the Development of the Kroger Store Expansion Permit Application LOCP-001947-2023 and Kroger Fuel Center Permit Application LOCP-001951-2023.

Invoice (00039206) Dated 10/23/2024

Dear Sir or Madam:

NW Partners (Developer) of Noble West Retail Development at 146th and Hazel Dell in Noblesville requests the City apply \$1,125,096 of the \$1,328,840 total available credit for the reimbursement of cost of the construction of the project against the traffic impact fees payable to permit LOCP-001947-2023 for the Kroger Fuel Center and permit LOCP-001951-2023 for the Kroger Store Expansion.



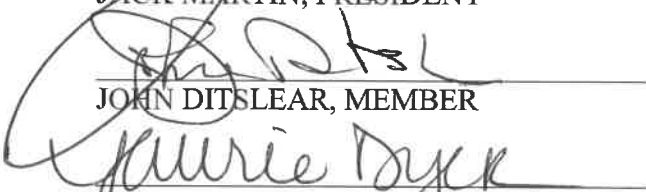
Best Regards,

John Riser
Riser Retail Group
272 Medical Dr
Carmel, IN 46032
jriser@riserretailgroup.com
www.riserretailgroup.com
317-650-3014

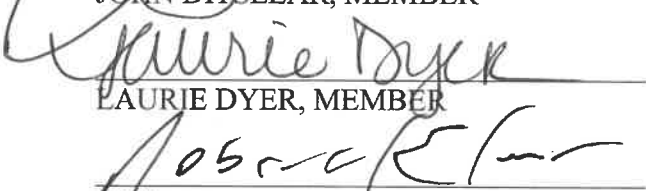
All of which is approved by the Board of Public Works and Safety of the City of Noblesville this
12th day of November 2024.



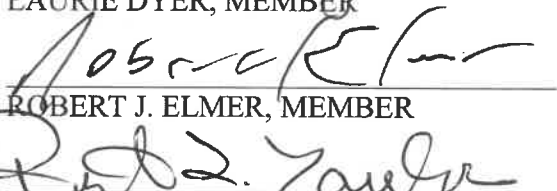
JACK MARTIN, PRESIDENT



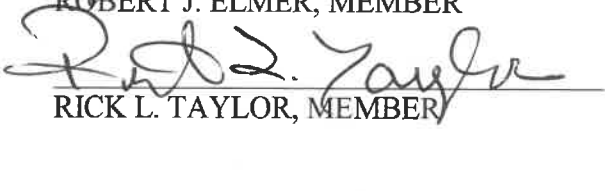
JOHN DITSLEAR, MEMBER



LAURIE DYER, MEMBER



ROBERT J. ELMER, MEMBER



RICK L. TAYLOR, MEMBER

ATTEST:



EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE, INDIANA



DEVELOPMENT AGREEMENT
CONCERNING HAZEL DELL ROAD

THIS AGREEMENT entered into by and between Noble West, LLC ("the Developer") and the City of Noblesville ("the City");

WITNESS THAT:

WHEREAS, both the City and the Developer are desirous of entering into an Agreement which would complete the reconstruction of Hazel Dell Road from State Road 32 to 146th Street; and,

WHEREAS, the City and the Developer entered into a Reimbursement Agreement ("the Reimbursement Agreement") approved by the Noblesville Common Council and the Board of Works of the City of Noblesville on October 14, 2003, for the Developer to reconstruct a portion of Hazel Dell Road from 146th Street to a point just south of the Kirkendall Creek Bridge ("the 2004 Project"), at a cost of Three Million Four Hundred Fifty-one Thousand Seven Hundred Twenty-nine Dollars (\$3,451,729); and,

WHEREAS, pursuant to the Reimbursement Agreement, the City agreed to reimburse the Developer Two Million Eight Hundred Thousand Dollars (\$2,800,000), plus four percent (4%) interest ("the Reimbursement Amount"), which represented the amount of impact fee credits to which the Developer was entitled for constructing the 2004 Project and for the southern portion of Hazel Dell Road; and,

WHEREAS, the Reimbursement Amount was to be paid solely from road impact fees generated from the Noble West development; and,

WHEREAS, since the date of completion of the 2004 Project, the Developer has been paid One Hundred Sixty-seven Thousand One Hundred Four Dollars and Twenty-

seven Cents (\$167,104.27) toward the Reimbursement Amount; and,

WHEREAS, the City's present Road Impact Fee Ordinance imposes a Road Impact Fee for Area I of Two Hundred Dollars (\$200) per trip; and,

WHEREAS, in order to facilitate the construction of Hazel Dell Road; to obtain accelerated payment of the Reimbursement Amount; and to obtain Road Impact Fee credits for the reconstruction of the balance of Hazel Dell Road, the Developer is desirous of entering into an Agreement to guarantee a portion of the lease rental payments necessary to fund the reconstruction of the remaining portion of Hazel Dell Road between 146th Street and State Road 32, and a portion of 148th Street; and,

IT IS THEREBY AGREED by and between the parties as follows:

1. The parties agree to initiate design, land acquisition, and construction of a project which will include the following:
 - a. The reconstruction of Hazel Dell Road including bridges from just south of Kirkendall Bridge to the edge of Little Chicago Road realignment project being constructed by the State of Indiana.
 - b. The construction of 148th Street from Hazel Dell Road to connect with the existing street just east of the bridge over the Kirkendall ditch.
 - c. The construction of a bridge to conduct 148th Street over Kirkendall Creek.
 - d. The construction of a traffic signal at the intersection of Hazel Dell Road and the existing road cut for the Clarian Property off of the west side of Hazel Dell Road, (all of which are hereinafter referred to as "the Project").

The preliminary costs of the Project are included in Exhibit A.

2. The City agrees to continue procedures to establish the Hazel Dell Economic Development Area ("the TIF District") to collect tax increment from all eligible parcels located at or near the intersection of 146th and Hazel Dell Road, and at or near the intersection of Little Chicago Road and State Road 32. To the extent that certain parcels of real estate at the intersection of State Road 32 and Little Chicago Road are not presently within the City limits, the City agrees to expand the TIF District to include any parcels within three-quarters of a mile of said intersection which are zoned for commercial use as said parcels are annexed into the City.

3. The City agrees to issue its lease rental bonds ("the Bonds") to finance the Project.

4. The tax increment collected from the TIF District shall be pledged as the first revenues toward the lease rental payments for the Project. The Developer agrees to enter into a Guarantee Agreement to guarantee payment of the difference between the tax increment collected from the district and the following amounts:

- a. Five Hundred Thousand Dollars (\$500,000) in tax year 2007.
- b. Seven Hundred Thousand Dollars (\$700,000) in tax year 2008.
- c. The lesser of Sixty-six percent (66%) of the lease rentals or the proportion of the lease rental necessary to pay Twelve Million Dollars (\$12,000,000) of Bonds on the Bonds for tax year 2009 and thereafter.

5. The Developer shall secure its guarantee to pay the above lease rental amounts by either:

- a. Depositing with the City a Letter of Credit in the amount of the Twelve Million Dollars (\$12,000,000), or sixty-six percent (66%) of the outstanding amount of the bonds, whichever is less; or,
- b. By granting unto the City, a first mortgage lien upon real property located with the City with a fair market value equal to one hundred ten percent (110%) of the guaranteed amount.

6. In the event that the Developer is required to make payments under its Guarantee Agreement, the Developer shall be repaid said amount from extra tax increment from the TIF Area in subsequent years. The repayment shall include interest at the average rate of interest on the Bonds.

7. The Guarantee Agreement shall terminate and the City shall release in full the Letter of Credit and any other security for the Guarantee Agreement, if, for any tax year, the tax increment derived from the TIF District exceeds 125% of the Developer's portion of the annual lease rental payments necessary to repay the Bonds.

8. The City agrees to acquire the portion of 148th Street, which will be built by the Developer prior to the issuance of the Bonds, at fair market value as established by Indiana Code 36-7-14. The parties agree that said amount is included in the anticipated construction costs, listed in Exhibit A.

9. The tax increment from the area shall be applied to the following costs in the following priority:

- a. The payment of the portion of the lease rental payments guaranteed by the Developer.
- b. The Letter of Credit fees paid by the Developer.

c. Reimbursement of amounts paid by the Developer under the Guarantee Agreement.

d. Payment toward the City's portion of the lease rental payments.

10. The City agrees to pay the balance due and owing to the Developer under the Reimbursement Agreement as follows:

a. One Million Five Hundred Thousand Dollars (\$1,500,000) to be paid by from the City's Road Impact Fee fund with said amount payable within fifteen (15) days of the approval of this Agreement.

b. The balance upon the closing of the bonds, which is anticipated to be prior to May 1, 2006.

11. The parties agree that the value placed upon the improvements to Hazel Dell Road as identified in the Road Impact Fee Ordinance and Traffic Analysis of the City is Five Million Six Hundred Thousand Dollars (\$5,600,000). The City agrees that the Developer shall be entitled to road impact fee credits with a value of Five Million Six Hundred Thousand Dollars (\$5,600,000). Said credits may be used, transferred, or sold by the Developer.

12. Up to Three Million Dollars (\$3,000,000) of the road impact credits shall be available to the Developer upon final approval of this Agreement, with the balance available when the Bonds are issued. In the event the Developer does not execute the Guarantee Agreement, and perform all other acts necessary to perform this Agreement within thirty (30) days of demand by the City, the Developer shall pay to the City the value of impact fee credits used by the Developer up to the date of said refusal. The Developer shall, as security for said payment shall post with the City a Letter of Credit, issued by a

financial institution reasonably approved by the City, in an amount equal to, or greater than the value of credits issued to the Developer.

13. To the extent that the Developer does not use, sell, or otherwise transfer all of the Five Million Six Hundred Thousand Dollars (\$5,600,000) of credits, the City agrees to redeem any outstanding credits from the Developer at full value. Said credits shall be redeemed without interest. However, said amounts shall be payable solely from road impact fees collected by the City from the issuance of building permits in the Noble West development.

14. In the event the City increases or decreases its road impact fees prior to the redemption of all credits, the credits shall be valued in terms of dollars, and not valued as trips.

This Agreement approved on the dates set out herein, and shall be effective on the date of final approval by the City of Noblesville.

NOBLE WEST, LLC

Dated: 4/25/05

By: 

Printed: Mark Siffin

Title: Managing Member

ATTEST:

By: 

Printed: Rex A. Billinger

Title: Vice President

APPROVED and signed by the Mayor of the City of Noblesville, Hamilton

County, Indiana, this 26th day of April, 2005.

COMMON COUNCIL OF THE CITY OF NOBLESVILLE

Aye

Nay

<u>Brian Ayer</u>	Brian Ayer	_____
<u>Terry L. Busby</u>	Terry L. Busby	_____
<u>Alan Hinds</u>	Alan Hinds	_____
<u>Laurie E. Hurst</u>	Laurie E. Hurst	_____
<u>Mary Sue Rowland</u>	Mary Sue Rowland	_____
<u>Dale Snelling</u>	Dale Snelling	_____
<u>Kathie Stretch</u>	Kathie Stretch	_____

APPROVED and signed by the Mayor of the City of Noblesville, Hamilton

County, Indiana, this 26th day of April, 2005.

John Ditslear
John Ditslear, Mayor
City of Noblesville, Indiana

ATTEST:

Janet Jaros
Janet Jaros, Clerk-Treasurer
City of Noblesville, Indiana

HAZEL DELL ROAD PROJECT
BUDGET
4/7/05

Additional design costs to be paid by the City	\$ 414,625	
Right of Way Services	\$ 300,000	
Right of Way Acquisition	\$ 1,700,000	
Construction Costs	\$ 9,877,000	
Construction Inspection	\$ 987,700	
Street Lighting	\$ 500,000	
Buried Electric	\$ 1,200,000	
Contingency @ 5%	<u>\$ 843,000</u>	
TOTAL	\$15,822,325	\$15,822,325
Capitalized Interest	\$ 1,300,000	
Underwriting Costs	\$ 110,000	
Bond Insurance	\$ 190,000	
Balance of Issuance Costs	<u>\$ 250,000</u>	
	<u>\$ 1,850,000</u>	<u>\$ 1,850,000</u>
TOTAL		\$17,672,325

EXHIBIT A