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August 30, 2024

Mr. Patrick Hickey
Evansville Regional Economic Partnership
Innovation Pointe
318 Main Street, Suite 400
Evansville, IN 47708

RE: Semi Annual Report and Financial Statements to Vanderburgh County
Commissioners by Evansville Regional Economic Partnership ("E-REP")
Vanderburgh County - Evansville Regional Economic Partnership
Our Client No. 2019.088

Dear Mr. Hickey:

As a follow-up to your E-REP presentation to the Board of County Commissioners (the "Commissioners") at the August 13, 2024 meeting (the "Meeting"), I have been tasked with seeking the information sought at the meeting which you were to provide. Accordingly, I have provided the following excerpts from the minutes of the meeting:

1. Commissioner Musgrave:... I don't see University Parkway, a major corridor in the county and a major access to a great university as part of your sites... why University Parkway, with its rail, highway access is omitted. It's also a TIF District.

Patrick Hickey: That's a good question. I would have to get back to you with a better answer.

Commissioner Musgrave: Alright, could you submit a report for us, or come back soon?

Patrick Hickey: Absolutely. I will come back at the next Commissioners meeting... next month we will finalize a draft version of the CEDS...

2. Commissioner Musgrave: Will revenue be siphoned from City or County Council and put into this?

Patrick Hickey: I would find that hard to believe. It's not-

Commissioner Musgrave: I would like to know.

3. Commissioner Musgrave: Well, it concerns me a great deal that we're being required to come up with private money for a government building. I would like to understand how we can ever possibly meet that.

Colten Pipenger: Yeah, it is one of the drawbacks to the READ! program, and Lilly being closely tied with the READ! program, it's just the way that the state and legislation has tried to infuse private dollars into regions in our state.

Commissioner Musgrave: I would wonder if we could get a waiver from that, and how a waiver process might work, so that that private contribution could be transferred into a local government contribution. It's unreasonable to expect government to ask the private sector for additional money.

Colten Pipenger: I'm not aware of any waiver possibilities, but we will definitely explore that option with the state.

Commissioner Musgrave: I request that you look into it, that you actually write a request for a waiver, even if there is no actual process for that. I know that you would probably work with Commissioner Elpers on the reasoning and the language for that.

Colten Pipenger: Yeah, absolutely.

4. David Jones: ...in your audit report, financial statements, you've got an investment in 5th & Main Properties, LLC under Other Assets, but it doesn't state what the nature of the investment is. It's not identified, for instance, as a note receivable. Was that an equity interest in that property?

Colten Pipenger: I am not 100% positive on the official terminology from a financial standpoint. I will have our finance team get back with you.

5. David Jones: Well, here's the follow up... under Changes in Net Assets they are showing an impairment of investment in 5th & Main Properties of \$2,814,865, but nowhere in the footnotes by the CPA firm does it identify what the impairment is. So, how did that investment lose or impair \$2.8 million?

Colten Pipenger: I would have to get with our finance team to get a specific answer on that. I don't have that answer... the 5th & Main development is a private project.

6. David Jones: So, how does it get this money and then this investment is impaired, but that project is still going on?

Colten Pipenger:...E-REP through DECDC, Downtown Evansville Community Development Corporation, was the original kind of force behind 5th & Main to implode the tower, have site control, so that's why you see it in E-REP activities through that DECO Corporation. We've then been able to transfer that ownership over to CRG Residential who will actually develop the property. So, in the most simple terms, and again I don't have the right answer for this question, but the EDC exists to acquire key properties in downtown areas to be able to have private developers come in, close their financial gap and actually develop the parcel.... I don't have a correct answer without consulting with our finance team and the CPA.

7. David Jones: So, the impairment comes from the public contribution and not to the private developers?

Colten Pipenger: I couldn't answer that question without consulting with our finance team.

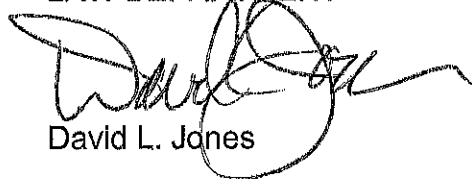
8. Colten Pipenger: I know that the city bonded some things, there's a lot of moving pieces and tax credits that were involved in that project and I don't know the specifics off the top of my head.

Commissioner Musgrave: If you could fold that into the answer.

Please provide the information requested at your earliest opportunity.

Very truly yours,

VANDERBURGH COUNTY
LAW DEPARTMENT



David L. Jones

DLJ/cdh

cc: County Commissioners