



News

Growth near I-69 gets boost

Mayor Seybold says it is a great day for Marion

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Two separate developments near the Ind. 18 exit on Interstate 69 won city approval Monday in a series of public meetings, which will help a gear manufacturing start-up and apartment complex finance their projects.

The city council voted 8-0 to create up to \$114 million in tax-exempt bonds for Vela Gear Systems, which plans to build a 40-foot tall, 250,000-square foot manufacturing plant south of Ind. 18 near Ivy Tech Community College.

Councilman Don Batchelor, D-5th Ward, was absent.

The council also approved a resolution pledging to be the "conduit issuer" of up to \$15 million in bonds for a 216-apartment complex by Renaissance Grove Development north of the state highway and off County Road 600 East. That resolution paves the way for the developers to apply for affordable housing credits from the state.

City officials and those involved in the projects repeatedly emphasized Marion is not "on the hook" for financing either endeavor.

The only tax money potentially at play would be whatever new property tax revenue is generated at the Vela site when the factory is built. Because the site has been designated a tax increment financing district, the new property taxes could be used to help repay the Vela bonds.

Mayor Wayne Seybold characterized Monday as a "great day for Marion."

"To have two projects coming to Marion at this time is fantastic," he said.

The council votes followed public hearings and unanimous votes to support the projects by the Marion Redevelopment Commission and the Marion Economic Development Commission.

If both projects go as smoothly as planned, the first renters would be moving into the apartments before the gear factory begins hiring, although construction on both projects could happen about the same time.

Construction could start by September, said John Hennessey, who represents the construction half of Renaissance Grove. The clubhouse and first units could be ready for occupants as early as April 2011, he said.

Councilman Steve Wright, R-At-large, was excited about the apartments. He said the community missed an opportunity the past two years as General Motors Co. has brought in about 700 workers from other states to its Marion operation.

Most of those new GM workers went outside Grant County for their housing "because we didn't have what they needed," Wright said.

The majority of the Renaissance Grove apartments would be income-restricted, meaning that renters could not earn more than 50 or 60 percent of the median area income for Grant County, which is \$53,600, said Jon Anderson, a bond and tax credit attorney working for the developers.

Marion resident James Hollingsworth, who spoke publicly at both commission meetings, said the city needs to be more specific in explaining to the public the benefits of both projects.

He wasn't convinced building apartments so close to I-69 would bring consumer dollars into Marion.

"Access to the interstate will send shoppers and paychecks zooming up and down the interstate to shop elsewhere," Hollingsworth said.

Interstate highway access is part of what attracted Vela Gear Systems to Marion, company leader Noel Davis has said.

Vela could be ready to start hiring skilled tool-and-die makers and journeyman machinists as early as the second or third quarter of 2012, Davis, said.

Eventually, the company would employ up to 163 people, mainly skilled labor earning \$24 an hour to machine the massive gears the plant will produce, although support staff would also be needed, he said.

Depending on market conditions, the plant probably wouldn't be working at full capacity until 2015, Davis cautioned.

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