

**ANNEXATION COMMITTEE SPECIAL MEETING
CARLSON FARM ANNEXATION
OCTOBER 9, 2014**

President Niksch called the meeting to order at 4:03 PM. The Pledge of Allegiance was recited. Recording Secretary Gena Knapp took Roll Call. Members answering the roll call were David Shilling, Edgar Corns, LeAnn Angerman, Richard Kelley, and Doug Niksch. Also present were Building Official Tom Trulley, Planning Consultant Jim Mandon, Town Council Vice-President Donald Parker, Councilman Craig Earley, Councilman Robert Philpot, Clerk-Treasurer Judith Walters, Redevelopment Commission member Jim Langen, five citizens, and one member of the press.

Mr. Niksch stated for the past five or six years there has been a lot of discussion regarding the annexation of this particular property. Since discussions began, we have never had the opportunity to just sit and talk things out between this Committee and the landowners. Over the years there has been a lot of he said/she said, so this will be a good opportunity to show the ordinances, let everyone ask questions, and decide what is right, what is wrong, and what we do and do not have available. He stated when the Redevelopment Commission started; one of the properties that they felt was an asset to this town was the property just south of Rieter. Most of that property is listed as the Carlson's property, and because it is adjacent to the CSX Railroad, the CSX Railroad had contacted us and agreed that this property was an asset to the Town. Recently the Town has taken the opportunity to change some of the ordinances in place for surrounding areas in terms of annexation. Mr. Niksch passed out a map highlighting the property that was in discussion and stated the Hallmark Group owns the small portion of land that is also highlighted. Mr. Niksch stated since we have talked, a lot of questions have come up as to what the advantage would be in annexing. We have put in the Right-To-Farm ordinance so that if the property was annexed, you would come in as agricultural and your operations would not change. If you can burn now, you can continue to burn. If you can hunt the property right now, you can continue to hunt as long as you follow the same rules and regulations that you currently have.

Mr. Mandon stated in November of 2012, we were just finishing the revisions for the zoning ordinances, and questions came up regarding agricultural property and what would happen if it were annexed. Mr. Mandon explained some of the concerns and how they were addressed such as the fact that agriculturally zoned property should be exempt from having to connect to Town utilities unless there is a change in use or increase in density. He also explained how property that is used as agricultural would come in to the Town, if annexed, as agricultural, not R-1 as a lot of ordinances state. Mr. Mandon went on to show the adoption of the Indiana Right-To-Farm Act, that zoning would not change without the property owner's consent, and that agriculturally zoned property is exempt from the minimum ten acre size requirement. Discussion followed regarding building fees for agricultural buildings that would mirror the County's, and the concern of storm water and drainage ditches and the maintenance of those ditches. Mr. Mandon reiterated that nothing would change as far as operations on the property if it were to be annexed and remain agriculture. He stated we addressed issues such as dust, noise, and hours of operation by incorporating the Indiana Right-To-Farm Act. As far as open burning, we follow the State Statute that is already in place, which permits crop clearing, and burning orchards and nurseries. There are some restrictions regarding burning for wildlife sanctuaries because the DNR wants to have a say in how often and how it is performed to make sure that it is not detrimental to wildlife.

Mr. Niksch asked how the real estate taxes would be affected. Mr. Mandon stated taxes are based on use, not whether or not it is in Town. Mr. Niksch stated he spoke with the Town's attorney and discussed the fact that if property is annexed, the Town can stipulate that our taxes will not go up, but if the taxes had gone up normally through the County or State, we would have no control over that.

There have been several people that have been interested in this property over the past few years. Mr. Niksch stated he deliberately contacted a person who was recently interested in this property, but the person stated he had lost interest because he believes the Town cannot pull off annexing that area. We do believe that this annexation would increase the effective value of the entire property. If you look at the future land use map that has been developed for that property, most of the area is zoned as residential with a small portion dedicated to industrial. However, if that is not how you would want the property to be developed, that would be your choice. Mr. Niksch asked the Carlson family if they had any questions.

Ed Carlson asked if the property on the other side of their land going down to Belshaw was being considered as well. Mr. Niksch stated it is being considered as well. That property belongs to the Hallmark Group, and if you annex, they would be willing to as well. Ed Carlson stated he was also speaking about the Phillips and Merkley farm. Mr. Niksch stated that is not part of this. Ed Carlson asked why they were being singled out. Mr. Niksch stated because you are one family that pretty much controls the CSX Railroad. Carl Carlson Sr. stated if someone were to buy our property, we would want them to be annexed in to the Town of Lowell. He asked what the advantage would be for them to annex now. Mr. Niksch stated if you are annexed, the value of your property would go up. Nothing will change as far as your use or zoning until you decide to do something with it. This would also open up the property just south of you that is available as well. We have already had CSX come out, and they have confirmed that all of the property is available for usage from the CSX. Right now, we do not have anyone in line for that property, but we have had a lot of interest. Discussion followed regarding the position of the Carlson family in regards to annexing the property once someone buys it. Mr. Niksch stated if we annex it now, since it is coming in as farmland, we do not have to provide the water and sewer utilities. If someone else comes in to re-zone the property, we do have to provide those utilities. Also, it takes longer to do an unfriendly annexation rather than a friendly. Mr. Mandon stated that was correct, and it also takes longer to do an annexation rather than just a re-zoning. One of the benefits of annexing now is that once the property is sold, it will save some time. Rather than having to annex the property and re-zone it, we would just have to go through the re-zoning process. Discussion followed regarding the time it would take to annex the property, re-zone it, and actually plan for the development of it.

Carl Carlson Sr. asked what the advantage would be to the Town of Lowell in annexing the property. Mr. Mandon stated the developer would save time if the property were already in town. Carl Carlson Sr. stated he had been involved in hundreds of developments and this has never been a problem. Allen Lucas, Carl Carlson Sr.'s son-in-law, stated part of the developer's due diligence would be to come to the town to discuss the possibility of annexation. You would know their plans long before development would start. Carl Carlson Jr. asked how the property value would increase if water and sewer was not available by the time a developer would want to buy the property. Carl Carlson Sr. stated we would not expect water and sewer lines to be run when you do not even know how the property would be developed. Mr. Niksch stated the property would increase in value simply because it would be in the Town limits. Discussion followed regarding the placement of the water lines. Mr. Niksch stated we are looking at five hundred acres that would do nothing but expand the town limits and open availability to market that area. We just became in coordination with the Northwest Indiana Forum who could market that property. Right now we are not able to tell people who are interested in moving to Lowell that we have open available property to develop. Discussion followed regarding the wetland that may not be able to be developed.

Mr. Niksch stated even if he was wrong and the property value did not increase, there is still no risk and it will benefit the Town. Carl Carlson Sr. stated he knew what Mr. Niksch was saying, but he also had to look at the actions of the Town. Carl Carlson Sr. explained various incidents where he felt the Town was nitpicking their property. He stated there have been some things that have come up that are a concern regarding the annexation. He also stated that he did not agree with the property being more valuable due to how far south it is. People have moved further north because they are further away

from businesses down here. Mr. Niksch stated he could not address the issues of some of the past disagreements with the Town, but with the potential building of the Illiana Expressway, it will change a lot including the desirability of your property. A lot of businesses are already assuming that the road is coming. Since it has been approved, the desirability for property in Lowell has increased. Discussion followed. Jim Langen, member of the Redevelopment Commission, stated one thing that has not been mentioned is the TIF District or the possibility of tax abatements. The County will not put something like that in place, but the Town can offer those breaks for development.

Councilman Craig Earley stated he believes the Carlson family understands everything that is being said, but they have asked what the advantage would be for them to annex. He stated he believes that he has not heard an answer to that question yet. Mr. Niksch stated annexing would make this property more marketable. In 2009 the CSX wanted to put it on the national account, which would have been marketed throughout the world. Carl Carlson Sr. stated they had met with CSX, they were told they could come on, and nothing ever happened. They were not that enthusiastic at the meeting we had and they told us they wanted to bring in train after train. Discussion followed regarding the Illiana Expressway and how it could affect businesses and the desirability of property in the area. Carl Carlson Sr. stated this is a large piece of property. He stated if they were to develop it, it would double or almost triple the size of Lowell, but he was not sure if the Town could handle that. Mr. Niksch explained that a fiscal study had been done for the area about three or four years ago, and it showed that it would not increase the need for police unless it was developed in to a residential area. We are not trying to pressure you in to annexing, but we do want you to understand what we would like to do, the benefits to the Town, and the benefits to the Carlson family.

Carl Carlson Jr. asked why the Town was not trying to grab the property that is in between the proposed site of the expressway and the current town boundaries. Mr. Niksch stated our plan is to go all the way up to the Illiana, west to Route 41, and east to Route 55. Part of our plan is also your property, which ranked third on the list of priorities and third on the list of desirability. Mr. Mandon stated it ranked that high primarily due to the location of existing utilities. Carl Carlson Jr. stated he would think that the Town would also go for the Phillips and Merkle farm. Mr. Shilling stated we cannot get to those properties without the Carlson property. Mr. Niksch stated if you annex, we would be in contact with them to do the same just like the Hallmark property. Mr. Corns stated properties have to be contiguous when annexing. We cannot just jump from property to property. Ed Carlson asked if there was a plan to develop the Hallmark property in the near future. Mr. Niksch stated there is not a plan. There was some extreme interest over the summer, but part of the interest died because they found another property, and another company lost interest because they did not believe the town could annex the property. He stated the CSX Railroad did come out and walk the property and said there would be no issues, but right now there is no one pounding on the door to get in there. If you decide to annex, the Hallmark property will be in right behind you. Ed Carlson stated it was his understanding that the TIF District is a special tax district. Mr. Niksch stated that was correct. We do have a TIF District currently that runs pretty much straight across Route 2. Ed Carlson asked as a special district, is it subject to different rules concerning how we are taxed? Mr. Niksch stated he was not able to speak about that. Clerk-Treasurer Judith Walters stated your rate is no different; it just goes in to a separate fund that is used for infrastructure improvements in the Town. Discussion followed.

Councilman Robert Philpot stated the way he understood it was if they annexed, rather than the property being worth, lets say, \$10,000 per acre, it would be \$20,000 per acre. Also, it would be more attractive for businesses to buy it and develop it within the Town. Ed Carlson asked if the assessed evaluation would change because if we were in the Town and our property is worth more, would they not recognize that and assess the property differently. Mr. Mandon stated the assessment is based on use, not whether or not it is in Town. Also, the TIF would only be available if the property is being developed. Carl Carlson Sr. asked if they were including the entire Carlson Farm when they spoke about annexation. Mr. Niksch stated he was only including the areas on the map that were

highlighted, but if there is other contiguous property that could be included, we could do that as well. Carl Carlson Sr. stated if we include those areas that would affect the surrounding farmers and force them to annex. Mr. Niksch stated only if they wanted to do the friendly annexation. Discussion followed. Mr. Niksch stated if the Town Council would decide to annex this property, they could begin the process if they voted that way. This Committee has already brought this property before the Council because we voted six to zero in favor of the annexation. There have been some difficulties in the past, but we can show you the ordinances that we have changed and documented, and if your attorney would like to contact our attorney, they can also discuss any concerns. Councilman Earley stated Mr. Niksch is correct in saying that the surrounding farms would not be affected if this property were annexed. The one thing it does do is allowing the next piece of property to come in friendly if they would like to. If this Committee or the Town Council decides that it wants this property that badly, we could go through the annexation process, but it costs more that way. He stated he believed the Committee was not looking at it that way, but the family needs to know what could happen. Discussion followed.

Mr. Langen asked what the difference is between friendly and unfriendly. Mr. Niksch stated if we go in unfriendly, we are committing to providing police and fire service within one year and water and sewer service within three years. If we have a friendly annexation, we would not have to worry about providing water and sewer until there was a change in use. Discussion followed regarding the differences between friendly and unfriendly annexation. Mr. Niksch stated now that we are a part of the Northwest Indiana Forum, we are looking for properties to market, but we cannot do that with this property because it is not in town. Councilman Earley stated the representatives who were down here, who are now with the South Lake County Alliance, would still be able to market that property even though it is out of Town. Mr. Niksch stated they would not be able to market it as property within the town limits. Allan Lucas asked if it could be marketed as property just outside of the corporate limits that is willing to come in to town if developed. Mr. Niksch stated it could probably be marketed as that. Carl Carlson Sr. explained that he had concerns about the property being planned as industry due to the location of the schools and the current road structure that is in place. Mr. Niksch stated that would still be the family's decision as to how that property would be developed. Discussion followed regarding the value of industrial land versus residential.

Mr. Niksch stated he would like them to take what was said to their family, answer any other questions they have, and pass on the Town attorney's phone number if there are any legal questions. We feel that this property would be a great asset to the town, and we are really working towards getting ready for the Illiana Expressway to come in. A brief discussion followed about the changes that were made due to the Agricultural Committee meetings that were held, getting a copy of the ordinances to the Carlson family for review, and also getting a copy of the land use map that is in place. Mrs. Angerman thanked the family for coming and participating in the discussion. With no further questions or comments, Mr. Corns made a motion to adjourn the meeting at 5:26 PM, seconded by Mr. Kelley and carried by voice vote.

Doug Nicksch, Chairman

LeAnn Angerman, Secretary