

**ANNEXATION COMMITTEE MEETING
FEBRUARY 27, 2013**

President Niksch called the meeting to order at 7:05 PM. The Pledge of Allegiance was recited. Recording Secretary Gena Knapp took Roll Call. Members answering the roll call were Doug Niksch, Richard Kelley, LeAnn Angerman, Edgar Corns and David Shilling. Also present were Planning Consultant Jim Mandon, Building Official Tom Trulley, Public Works Director Greg Shook, one member of the press, and one citizen.

APPROVAL OF MINUTES

Mr. Corns made a motion to approve the September 26, 2013 regular meeting minutes, seconded by Mr. Kelley and carried by voice vote.

OLD BUSINESS

NEW BUSINESS

Election of Officers for 2014 – Mr. Corns made a motion to elect Mr. Niksch as President, seconded by Mr. Shilling and carried by voice vote. Mr. Corns made a motion to elect Mr. Kelley as Vice President, seconded by Mr. Shilling and carried by voice vote. Mr. Shilling made a motion to elect Mrs. Angerman as Secretary, seconded by Mr. Corns and carried by voice vote.

Discussion for Void on Committee – Mr. Niksch asked if anyone had any recommendations for the open position on the Committee. Mr. Shilling stated that he might have a co-worker that would be interested. Mr. Niksch asked if a member of the staff could be on the Committee. Mr. Mandon stated he was not sure and would have to look in to it. Mr. Niksch told Mr. Shilling to have his co-worker fill out an application for the Committee if he is interested.

Discussion of Goals – Pockets – South of Town towards Utilities – Property affected by Illiana – Mr. Niksch stated there has been a lot of information going around and annexation has picked up a lot of speed in Town. There are some questions still with the Illiana toll road coming in and if we want to do something to go towards that, and the property south of the American Legion with access to the railroad. There have been calls from the CSX to see if that property is in Town yet, so there still is interest there. Mr. Corns stated we need to grab whatever we can get our hands on that will not cost a lot of money. Mr. Niksch asked what does not cost a lot of money. Mr. Corns stated that the Town attorney is talking with the Cedar Lake attorney regarding how we are going to iron out the boundaries with the Illiana toll road coming in. The one thing we are going to discuss is the landfill on Monday night. We will have the votes to do that. There will be opposition, but we will have the votes. After that we are going to go after the Johnny Russell farm because he will go voluntarily since it is up for sale and it will benefit him to be in Town. In doing those, we do not have to have any utilities. If we started going down Route 2, we would be talking about millions in utilities. He stated that he spoke with another Councilman about going down 171st on the south side, getting to Route 41, and then having bare land to the exit of the toll road at 165th and Route 41. Mr. Trulley stated there would only be six houses if we go that way. Discussion followed regarding the exact route. Mr. Niksch stated that would be easy to put at the top of our list. Anything that we do here would be a recommendation to the Council.

Mr. Trulley stated that the 1099 bill that allows the Town to annex its utilities has passed through the House and Senate and is sitting on the Governor's desk. However, you cannot use that property as contiguous property to annex further. Mr. Shilling stated that the interchange on Route 41 is

extremely important to get. Mr. Niksch agreed. Mr. Corns stated a lot of people are not aware, but on the old Cummings farm there is a ten-inch irrigation well, which could be a potential water source.

Mr. Niksch stated regarding the line for the Illiana, we are close to it anyway. He asked if the Council was having conversations with Cedar Lake on that. Mr. Corns stated the attorney is speaking with Cedar Lake's town attorney. Mr. Niksch stated we could put that on our list as well and see how it ranks. Mr. Corns stated we do not want anything to interfere with the landfill yet since we are going to discuss that Monday night.

Mr. Niksch stated he would suggest beginning the annexation process for the area between the American Legion and the utilities, which would basically be the Carlson farm, and anything else that would not be a remonstrance. Mr. Corns asked if a financial study was done on Carlson's property. Mr. Niksch stated there is a draft for a larger area that includes property on the west side of Nichols. He stated he would not go through with that large of a piece, just Carlson's farm and south all the way down to the utilities. Mr. Corns stated there was a comment from some of the Councilmen about going west of Nichols Street because they feel the County should rebuild that street due to the school traffic. If we annex that, we would have to bear the cost, so we may want to stay to the east of Nichols. Discussion followed regarding where the area was located on the Annexation Map. Mr. Niksch stated if we start this process, he believes there will be a number of other homeowners that would jump on board. Since we have a draft of a fiscal plan for all of these properties, we could study them and do what the attorney calls a pro-forma, where we do not change the zoning classification of these properties. There really should not be much conversation since the property owners will not have their taxes raised, or their zoning classifications changed. Mr. Corns stated if there are people interested in that area, then we should take a look at it.

Mr. Niksch stated if we could get these properties annexed down to Belshaw, then we could immediately friendly annex our Wastewater Treatment Plant, even if that bill does not pass. Mr. Corns stated if we could get the utilities in to Town, the next time we have to do construction, we would not have to pay the County. Mr. Trulley stated the past two permits that were acquired were for \$68,000 and \$130,000. Mr. Niksch stated we also have the maps for the water and sewer that is already there so if we have to supply it in a three-year period, it would not be that difficult. Mr. Trulley asked if they were going to try to ask for a friendly annexation first. Mr. Niksch stated he spoke with Mr. Carlson and told him that we were going to proceed, and he said that was fine. They had spoken with their attorney and the attorney had told them do not do it because your taxes will shoot up. Mr. Niksch stated he had told Mr. Carlson that he could speak to our attorney to get those details. Mr. Corns asked if Mr. Mandon had gotten any feelings from the Carlson's when the Agricultural Committee had their meetings. Mr. Mandon stated he felt that they were supportive once the guarantees were in place with the Ordinances regarding zoning classifications and combines not being considered a nuisance. Mr. Corns stated he believed they were not overjoyed, but satisfied. If there is potential there, we need to go after it because we cannot sit and wait for other people to do this for us. Mr. Mandon stated the main difficulty was with utilities. We were arguing that annexation would make their property worth more money once they decided to sell the property, but they were concerned that the sewer and water capacity would not be there. We had to make them aware that we are working on trying to find other sources so that development can take place and utilities would not be a limiting factor.

Mr. Corns asked if a permit was ever received for Bergstrom's pond. Public Works Director Greg Shook stated we still need to get samples from the pond, talk to Mr. Bergstrom, and then go back to IDEM.

Mr. Kelley asked what sections on the map were in discussion to get to Route 41. Mr. Niksch stated it is a portion of O & R. We may need to take a look at the properties we are discussing using the eight by rule, and look at ways to get to Route 41 with the fewest amount of developed areas. There are a

couple of pieces out there that would be friendly, but if we had a map like that, it could be easily discussed. Mr. Mandon stated we could decide how many steps it would take, and how many parcels in each step there would be.

Mr. Corns asked what we would need to do to get the ball rolling on the Carlson Farm. Mr. Niksch stated that we should have everything we need, but Mr. Mandon could take a look at that to see if there is anything missing. We should look at the properties that are adjacent to it as well and write them a formal letter to see if they would like to be a part of friendly annexation. Mr. Mandon asked if Mr. Niksch was talking about the area north of Belshaw and east of Nichols. Mr. Niksch stated that was correct. He stated the Bergstrom property would also say yes immediately.

Mr. Niksch stated he would like to revisit the pockets that are left such as the VFW. Mr. Corns stated if we have to furnish utilities, it is a money loser. Mr. Mandon stated those pockets were looked at and we did not proceed because of the money it would cost to provide utilities. Mr. Shook stated the VFW has water and sewer, but the small subdivision between the VFW and Midwest Grinding does not have water and sewer and neither does the subdivision just south of the VFW. Mr. Niksch stated he would still like to look at it because we will eventually receive revenue from those areas, even if it is twenty years later. These pockets are utilizing our Town. Mr. Corns stated they have ambulance service, police service, and road service, but they are not paying a penny. We overlooked these areas because of the cost effectiveness. Mr. Niksch stated the thing that came out of that was; it is going to cost us \$200,000 so we cannot do it. No one looked at what the revenue would be or what the ROI could be. Mr. Kelley stated if the return on investment is not within seven years, it is not worth doing. Mr. Niksch asked how much are they costing us with all of the services we provide them, though. Mr. Kelley asked if the State could help us out at all. Mr. Mandon stated early on when the Feds and the State were concerned about pollution efforts, they offered grants for the installation of facilities to treat water properly. What they anticipated was that once the plants were built, the utility would pay for the maintenance and expansion of the systems. Once you have a utility established, it no longer makes that use eligible for grants because they anticipate the revenue source will be from your utility bill. They offer grants for things that do not have a revenue stream such as bike paths and some roadway work. Mr. Shilling stated there could be a special assessment that could be implemented through their taxes, but that would not go over well. Mr. Mandon stated it would be wise to really look at all of the pockets to see which areas would pay back the soonest and the largest. The best way to do that is to look at vacant areas that will be developed. There is not a lot of point in annexing property that will not be developed soon. That is why it is important to head west towards Route 41 because that has the greatest potential for industrial development that is close to two highways and has the rail access. If Cedar Lake and Lowell can work out where one ends and one begins, it would be beneficial for both communities. It would make sense for that line to be the Illiana toll road. Mr. Niksch stated there are other pockets that were missed that need to be reviewed. Mr. Mandon stated that he agreed and would get together figures that show the cost and payback for utilities. Mr. Kelley asked why you could not assess people for services used. Mr. Shilling stated you could but no one likes it and our whole thing has been telling people that their taxes will not go up, but if you assess them, they will. Discussion followed.

Mr. Niksch asked Mr. Trulley about the letter that was sent to the Lake County Parks Department regarding Buckley Homestead. Mr. Trulley stated he has not heard anything yet from them. Mr. Niksch asked if there was anything they could do to invite them to a meeting so we can discuss why we are looking for a friendly annexation. Mr. Mandon stated you will not be gaining revenue, but you will build more of a linear area for contiguous boundaries. That will make it easier for us to annex the north side and continue with the office park and other developments. Discussion followed about getting a response from the board.

Mr. Corns asked if the pocket on Deere Way and Nichols has Town utilities. Mr. Trulley stated that subdivision was put in before we got close to them so they still have well and septic. Mr. Niksch

asked if there was a map of the pockets available. Mr. Mandon stated there was already an existing map. Discussion followed. Mr. Niksch stated the ten pockets that came out fifteen years ago were given to our last attorney and when we annexed them, there were so many more that popped up. Mr. Mandon stated Financial Advisor, Greg Guerrettaz, did an analysis on some of the pockets. Mr. Shook stated he did an analysis on the original pockets that shows what it would cost to put the infrastructure in versus the revenue. Some of those pockets we still have. North Meadow was created as a pocket when Heritage Falls came in to Town, and there are about five houses on the east side of Freedom Park that is a pocket as well. Mr. Niksch stated there are some houses on Burr Street that fall in to a pocket as well. Mr. Mandon stated he could put together an updated map.

Mr. Niksch stated going east; we do have a water scenario there with Apple Valley Utilities, which could open up the area with Buckley. Mr. Corns stated that Mr. Guerrettaz has the records for Apple Valley Utilities, and that eventually you will see a lot of development at I-65. Mr. Shilling stated that is so far out there, though, and it is a long way to get there. Mr. Niksch stated where the annexation map ends is the line for water utilities since Apple Valley is east of I-55. Mr. Corns stated that Mr. Bergstrom has his own conservancy district, so if you buy Apple Valley, you have to buy the conservancy district. Mr. Guerrettaz has those figures for Apple Valley and is looking over them. Mr. Shilling asked if they just want to get the utilities or annex that area. Even if you took over the utilities, you still have to get there and supply everyone in between. Mr. Niksch stated if we controlled that water, no one else could annex them, so we would have time on our hands. Discussion followed regarding the amount of time the Town has to provide services once a property is annexed.

Mr. Corns stated he had invited the Wietbrock's to the Agricultural meetings, but had the feeling that they would not come in friendly. Mr. Niksch stated since we have implemented the right to farm and have the agricultural zoning, we could annex them with no harm. Mr. Mandon stated that is our position. Mr. Trulley stated if the property has to be dis-annexed, our contiguous property will stop and we cannot go further. Discussion followed regarding missed opportunities because we did not have the land in Town. Mr. Kelley stated we should go after as much of Route 41 as we can. Mr. Shilling agreed and stated that east may be too far. Mr. Niksch agreed. There are a lot of properties by Route 41 that would consider coming in friendly. Mr. Kelley mentioned the possibility of going even further west past Route 41.

PUBLIC COMMENTS

Scott Keichle, 19910 Colfax, stated he disagreed with a comment made earlier. The townships contribute to the fire and EMS funding, so the residents of the County do contribute to that. Our money and taxes also help to pave the surrounding roads and state highways as well. This is not an accusation, just pointing out that there are different revenue streams that contribute to those areas that are used.

ADJOURNMENT

With no further questions or comments, Mr. Kelley made a motion to adjourn the meeting at 8:03 P.M., seconded by Mr. Shilling and carried by voice vote.

Doug Nicksch, Chairman

LeAnn Angerman, Secretary