

**REDEVELOPMENT COMMISSION MEETING
FEBRUARY 28, 2013**

President Niksch called the meeting to order at 6:00 PM. The Pledge of Allegiance was recited. Recording Secretary Gena Knapp took Roll Call. Members answering the roll call were Doug Niksch, Anthony Muscari, Phillip Kuiper, Craig Earley, and School Representative Timothy Cottingham. Jim Langen was not in attendance. Also present were Building Administrator Tom Trulley, Planning Consultant Jim Mandon, Matt Reardon from SEH, one press, and four citizens.

APPROVAL OF MINUTES

Mr. Kuiper made a motion to approve the January 24, 2013 regular meeting minutes, seconded by Mr. Muscari and carried by voice vote.

OLD BUSINESS

Amend Resolution #2011-03 – Mr. Niksch explained that the terms of the bond have changed from 20 years at 5% to 22 years at 6% interest. Mr. Kuiper made a motion to approve the amendment of Resolution #2011-03, seconded by Councilman Earley and carried by voice vote.

Criteria list for Downtown Revitalization District – Tom Trulley – Matt Reardon, SEH, stated he had put together some criteria for the Downtown Revitalization District per Tom Trulley's request. The first area talks about the overview of IC 6-1.1-12.1, which is the property tax abatement statute. He stated that real property, manufacturing equipment, research and development equipment, logistics equipment, and IT equipment is all allowed in the tax abatement. There is also now a fee of \$250 if someone would like to apply for tax abatement. Mr. Reardon reviewed the local process of applying for tax abatement which included a completed tax abatement application, preliminary economic revitalization area resolution, final economic revitalization area resolution, a completed statement of benefits form, and then the ordinance or resolution to approve the statement of benefits. He stated the level of the benefit is different for those in the Downtown Revitalization District than a normal abatement. It allows for up to three years on existing buildings that are being remodeled. The unique feature is it allows you to abate the gross assessed value, which means the previous and the new. If there is a building worth \$100,000 and the owner puts in \$100,000, the Town can abate \$200,000 worth of assessed value if the Council chooses. Also, at the discretion of the Town Council, they can allow for additional benefits to a regular abatement, meaning you can adjust the schedule. Mr. Reardon went on to include examples of an adjusted schedule. Mr. Kuiper asked if this abatement was strictly on the property and not the business itself. Mr. Reardon stated he would refer to Mr. Westland to make that decision, but he has done it where the tenant puts in the money and you grant the abatement based on what happened. Mr. Kuiper stated he understood that, but wondered about retail spaces because under regular real estate abatement, you cannot grant those on the retail. Mr.

Reardon stated there is an extra process that the Council would have to go through by designating the area where they would like to grant those and keep to that area. This abatement makes more sense when you have a building that has a tenant in it, but if you have an owner that wants to put \$100,000 in to the building, you can always grant him a year to get a tenant in there. Often times building owners wait until they have a tenant to fix the place up, where as this will give them that draw if you can give them a break for one or two years to do it now instead of waiting.

Mr. Niksch stated he remembered when they first started talking about this, the building had to be vacant. Mr. Reardon stated that is correct, but if you have someone who wants to put a lot of money in to the building, then you can still chose to grant it. Mr. Niksch asked if that was up to the Council. Mr. Reardon stated that was correct. Mr. Niksch asked about the buildings with apartments upstairs and if they could use this to fix up the apartments. Mr. Reardon stated as a general rule, he did not recommend residential abatements as good personal policy. There are stricter rules when you go in to residential, and it is a difficult thing to do unless your goal is to promote residential growth in a specific area. With what we have talked about, however, it seems that your goal is for more commercial and business uses. Mr. Niksch asked if there is a recommendation that needs to be made to the Council for this. Mr. Reardon stated that was correct. He stated he also has the abatement law in the hand out, and that it is the Council's decision to collect a 15% fee annually based on the net savings of the company. He stated he recommends negotiating with the company a lump sum fee based roughly on the 15% with a discount factor applied, otherwise you will be chasing down 15% annually from the Lake County Auditor's Office. Mr. Kuiper asked if it was 15% of the savings. Mr. Reardon stated that was correct. You can set up whatever fund you would like to put that in. He stated the biggest suggestion he has is to be mindful of who you are handing the abatements to because the Town will not be getting paid these taxes for however many years you decide.

Mr. Cottingham asked if someone were to come in and put a business in the Legion Hall, which is currently tax exempt, would you be able to grant an abatement. Mr. Kuiper stated it would probably depend on ownership. Mr. Reardon stated if you rent a building out as a business, it is taxed as a business structure, and you can apply abatement. Mr. Niksch asked if you could also include new structures. Mr. Reardon stated that you could. He stated once you sit down and look at the application and look at the tax benefit, you would come to the conclusion of the fact that usually something is better than nothing. A vacant building is never good for the Town or the building's neighbors. Mr. Kuiper asked Mr. Trulley if there have been any business inquires lately. Mr. Trulley stated there have been a couple of people. The Board discussed and made the decision to look everything over before a recommendation is made to the Council.

NEW BUSINESS

Update on HSA Professional Center – Matt Reardon Status of Bonds – Tom Trulley Status of Planning – Mr. Reardon stated the bonds are ready for sale, but there are some outstanding real estate matters that are being dealt with. The bond work, however, is all

ready to go. Mr. Trulley stated they did receive final approval from the Plan Commission as far as all of their requirements except the infrastructure, which they will issue a performance bond for. Currently they are ironing out some engineering work, and then they will be able to get their building permits. Mr. Nicksch asked if Mr. Trulley knew when they were going to start construction. Mr. Trulley stated hopefully in a few weeks. Mr. Kuiper asked for Mr. Trulley to continue with the updates as far as Family Dollar, the nursing home, and George's. Mr. Trulley stated Jeff Bann, who is working on Family Dollar as well, has just resubmitted everything to their corporation for approval. Once they approve it, it will come to us. They will more than likely be starting at the end of March. He stated they will be coming in front of us again to see if they can vacate the small road that comes between them and Demotte State Bank and goes back in to Eastview Terrace. We will be asking Eastview Terrace if they would like for that road to run back and connect to their private drive, which we are pretty confident that they will not want that. He stated the nursing home is taking in bids right now and we do have all of their engineering work completed. We just need their contractors so that they can submit for their permits. Mr. Trulley stated that the foundation is in for George's, but with the weather, we have run in to frost so that is being held up until the frost clears out. Mr. Kuiper commended Mr. Trulley on the job he has done with these new projects, especially Family Dollar because of the eight variances that were needed to even approve them coming in. Mr. Nicksch asked about CVS Pharmacy. Mr. Trulley stated corporate has told him that they are not doing any work in Illinois or Indiana this year because Walgreens has stopped building for right now. There are a couple of people interested in buying the old Red Line automotive store, but the owner of the building would not disclose who that was. Mr. Trulley stated there is also a Taco Bell in the works as well, which is still at corporate level. Mr. Cottingham asked if the access land behind KFC is owned. Mr. Trulley stated that is owned by KFC. Mr. Cottingham stated that would be a nice way in and out of those businesses. Mr. Nicksch stated hopefully Mr. Trulley can give us this type of update every meeting.

Prioritize 2013 Projects – Review past agenda topics – review new topics of need – potential funds from income tax model - % for economic development projects – northwest Indiana regional development authority – review developments and needs of Tri-Creek Schools – critique – Mr. Nicksch stated this Commission has been in tact for going in to three years, and we have accomplished a lot, but there is still more to go. We need to be prioritizing where we want to go and what we want to do. He handed out a pamphlet of topics to discuss from the first few meetings of the Redevelopment Commission. He explained the hand out and stated that the only thing he came up with on his own was the headings and that everything else was directly from past notes. Mr. Kuiper asked Mr. Reardon about promoting the Reiter and Ashland buildings and if it would be worth the Town's time to do so. Mr. Reardon stated as long as we understand the land use, that is something we could do. A discussion followed on potential parcels for light industrial spaces. Mr. Reardon stated it is always good to reach out and ask what we can do to help them sell, but stay out of the middle of a private transaction. They may say there is nothing for you to help with or they may give you a list of things to help with, which you could then determine what areas you can or want to help with. Mr. Kuiper stated along with promoting those areas we could promote the TIF area. Mr.

Reardon stated that is what should be happening here. He discussed some places that still need help selling so they are not vacant and what should be put in those places according to the land use map. Mr. Kuiper stated there might be things that are going on right now that we do not know about as well. Mr. Trulley stated right now, both of those businesses, Rieter and Ashland, have clients that are interested in buying. They are both in the works, but they do not want to disclose who they are yet. Mr. Reardon stated it is still something that you can offer help on.

Mr. Earley stated he had talked to Mr. Reardon before about two or three different websites that advertise. Mr. Reardon stated you could update your site and have a site catalog and use NIPSCO as well to promote your vacant structures. The more information you can get online, the more apt these people are to pick up the phone and call Mr. Trulley. Mr. Reardon suggested having a work session to come up with ideas to update the Redevelopment planning doc with new challenges and targets. Mr. Earley asked how far off we were with the land use map. Mr. Mandon stated the land use map is complete. Mr. Earley stated he believed that was something that needed to be in place before we could start with new ideas. Mr. Niksch asked the Commission to look over his list before the next meeting and highlighted some areas that he would like to further discuss at the work session. A discussion followed on when the meeting should take place and the Commission settled on Wednesday, March 13th at 6:00 PM.

OATH OF OFFICERS

Clerk-Treasurer Judith Walters administered the oath of office to Doug Niksch, Phillip Kuiper, Craig Earley and Tony Muscari.

ELECTION OF OFFICERS

Mr. Cottingham left the meeting due to a scheduled meeting at the school.

Mr. Kuiper made a motion for Doug Niksch to remain President, seconded by Mr. Muscari and carried by voice vote. Mr. Kuiper made a motion for Jim Langen to remain Vice President, seconded by Mr. Muscari and carried by voice vote. Mr. Earley made a motion for Anthony Muscari to be Secretary, seconded by Mr. Kuiper and carried by voice vote.

Mr. Niksch asked when the Redevelopment Commission would start receiving some of the TIF funds. Mr. Reardon stated that fund would be separated out as part of the tax draw assuming that the County established the correct TIF fund. Mr. Niksch asked if that would come to a fund for the Redevelopment Commission. Judith Walters, Clerk-Treasurer, stated that was correct. Mr. Niksch stated we should be receiving funds from Speedway this year then. Mr. Reardon stated that depends on if everything was set up correctly and at what time of the year that property was assessed. A discussion then followed on the potential of the Income Tax model and what that money could be used for if it is passed. Mr. Reardon stated we will not know anything for sure until May 1st of

this year, and then it will be enacted in July, and you may receive funds next year depending on what passes.

Mr. Niksch asked if we should start looking in to participating with some of the other developmental authorities in Lake County. Mr. Reardon stated you could apply for money from the RDA, but you just have to have the right project in order to get the money. Mr. Reardon explained what type of projects could potentially be approved for money from the RDA.

Mr. Niksch stated that he wondered, when we talk about our website and advertising properties on it, if the school system has a class that we could partner with to help us update or website and start that advertising. Mr. Earley stated he was wondering the same thing because the school does have a large technology department and they are very advanced. He stated he would like to talk to Mr. Cottingham about the possibility and also to Mrs. Walters since this will be something her office will be involved in. Mr. Niksch stated he would like to have that ready for the meeting on March 13th. Mr. Earley stated he would get information from the school by then.

PUBLIC COMMENT

None.

ADJOURNMENT

With no further questions or comments, Mr. Kuiper made a motion to adjourn the meeting at 7:02 PM, seconded by Mr. Earley and carried by voice vote.

Doug Niksch, President

Anthony Muscari, Secretary

Note: The above-proposed minutes are submitted for review and approval as the official minutes by the Redevelopment Commission.

Gena Knapp - Recording Secretary