

REDEVELOPMENT COMMISSION MEETING
November 22, 2011
6:00 PM

The meeting was called to order by President Niksch at 6:00 PM. The Pledge of Allegiance was recited. Roll Call was taken. Members answering the roll call were Philip Kuiper, Jim Langen, Doug Niksch, Doug Ward and Tony Muscari. Absent was Brian Sanders. Also present were Attorney Ben Ballou, Matt Reardon Consultant SEH, Director of Community Development Wilbur Cox, Councilmen – Elect Craig Earley and Don Parker, and Recording Secretary Chris Marbach.

Approval of Minutes:

President Niksch asked for a motion to approve the September 21, 2011 meeting minutes. Mr. Langen moved to approve the minutes. Seconded by Mr. Kuiper. Voting was **all in favor**.

Public Hearing:

Presentation HSA Development Medical Office Project. Jeff Ban – DVG Project Engineer introduced the Project Development Team which included Jon Boley – HSA, Development Services & Finance and Mark Tegrootenhuis – HSA, Construction Manager. Mr. Ban explained that the Developer was HSA Prime Care, Chicago, IL and the Health Care Provider is Franciscan Alliance Franciscan St. Anthony Health – Crown Point. Mr. Boley explained that his firm has been involved with the Franciscan Alliance in other projects including University of Chicago, Advocate Health Care and a number of other systems. He further explained that they have a Cancer Center being built in Michigan City and are working with the Franciscan Alliance in Coffee Creek and Chesterton. Mr. Ban explained that the project they are working on in Lowell would be called the Lowell Professional Center Phase I, which is a 20-care development, located east of Holtz Rd. This project will have to extend to utilities off site and they are looking at about One Half Million Dollars of off-site improvements. This new facility will provide Physician Services, Clinical Care, Exam and Procedure Rooms, X-ray and Physician's Lab. This project would create new jobs and adding an annual payroll of One Half Million dollars and also 50 construction jobs. Their infrastructure needs would include an off site sanitary sewer extension, which would include an 8 inch gravity sewer, a 4 inch force main and a regional pump station. They will also need an off site water main extension which would include a 10 inch water main. They are proposing a SR 2 turning lane additions, a storm water management pond and conveyance system and on site roadway and utilities. They are looking at a 12,000 square foot building to house medical services, physicians and offices; the building would be similar to the Crown Point and St John projects. The cost of this project would be off site utility extensions - \$536,600, on site public infrastructure - \$297,000, preliminary estimate of site development & building construction - \$1,680,000 that brings the total construction project investment to \$2,513,600. This project create a \$53,000 annual tax increment and will support a 20-year \$580,000 principal private activity bond. What they are asking the town to do is utilize the new Project Tax Increment, issue Tax increment

financing to support private activity bond. This private activity bond will offset ordinary off site utility costs. There will be no risk to the town. The Development Team secures/guarantees the Private Activity Bond. They are asking for the support of the Town Council, Redevelopment Commission and the Economic Development Commission. The project schedule would be as follows: Creation of the TIF Private Activity Bond – Nov 2011 thru February 2012, Subdivision re-plating, design & approval – December 2011 thru March 2012, Off site utility design & permitting – January 2012 thru March 2012, Building & site plan development approvals – April 2012, Construction begins – April 2012, Building occupancy – December 2012. Mr. Ban asked if there were any questions. Mr. Langen asked how many medical jobs were they talking about. Mr. Boley answered that he thought it would be about 6 to 8 full time jobs and these numbers were provided to them by St. Anthony's. Mr. Niksch wanted to know if there could be a way that these jobs would be given to Lowell residences. Mr. Boley stated that this would not be a problem and that they could talk to St. Anthony. Mr. Cox stated that the sewer line that they are proposing is the only one that will be going east. Craig Earley asked if this line would be able to support future development to the east. Mr. Reardon stated that with the new pump station, they should be able to support future developments. Mr. Kuiper asked if the Development Team was comfortable with this project. Mr. Boley stated that they are still working with preliminary numbers and will need TIF approval for this project so that they can get better numbers. Mr. Kuiper asked Mr. Reardon if the Town's Financial Advisor Greg Guerrettaz was up to speed with this project. Mr. Reardon stated that he has the information that the needs and they have talked about having a discussion with the Assessor.

Lisa Lee and Heather James from Ice Miller were present representing the Redevelopment Commission. Ms. Lee stated that Attorney Sobkowski has asked Ice Miller to serve as Bond and or Special Counsel that will help work through incentives that might be available, help the Town through the process, draft all the legal documents and provide the bond counsel opinion at the end. The type of bond issue that the developer has been talking about is an EDC Bond issue they call it a private activity bond. Basically how this works is that it's issued by the Town upon recommendation from the Economic Development Commission and a TIF would be pledged from the Redevelopment Commission to repay those bonds. After discussion with Greg Sobkowski and the developer did involve the developer purchasing the bond and they are not talking about a third party or a financial institution. She stated that someone had asked about representation and hiring local, there is a document which is either called a loan agreement or financing agreement and that is the contract between the Town and the Project Provider and in that document Ice Miller can negotiate the representation and covenants that they expect from the Project Provider. There are several steps that need to be taken, the Economical Development needs to make a recommendation to the Town Council that they actually adopt a bond ordinance, the Redevelopment Commission would have to adopt a Resolution to adopt the TIF to repay those bonds, the Economical Development Commission would approve this financing agreement document but it seems like the Redevelopment Commission plays a larger role in the financing and representations are going to be. Once everything is in place, it will be about a sixty day process. Ms. Lee suggested that if the Redevelopment Commission chooses to, they can

make a motion and send a favorable recommendation to the Town Council to adopt the Resolution and pledge this TIF for this project. A discussion regarding the first phase and the rest of the property in the TIF area followed. Mr. Kuiper made a motion to send a favorable recommendation to the Town Council to adopt the Resolution and pledge the TIF to this project. Seconded by Mr. Langen. Voting was all in favor.

Mr. Langen moved to adjourn at 7:00 PM.

Doug Niksch, Chairman

Philip Kuiper, Secretary

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

Christine Marbach – Recording Secretary