

June 21, 2021, Regular Meeting Minutes
HOBART REDEVELOPMENT COMMISSION

President Carla Houck called the June 21, 2021, regular meeting of the Redevelopment Commission (RDC) to order at 8:30 a.m. The meeting was held in the City Council Chambers at City Hall, and also via Zoom with the public issued a dial-in number to allow listening and participation capabilities. The Pledge of Allegiance was recited. Members present: Carla Houck, Shawn Kelly, Marsha Plesac, Matthew Claussen, Pam Broadaway (*arrived during Treasurer's Report*), and Judy Dunlap (*via Zoom*). Also present: Beth Jacobson, Director of Development; Deborah Longer, Clerk-Treasurer; Terry Butler, School City of Hobart Board of Trustees; Greg Lorig, American Structurepoint (*via Zoom*); Matt Eckerle, Baker Tilly (*via Zoom*); Greg Balsano, Baker Tilly (*via Zoom*); Kerry Wilson, Wilson General Contracting & Consulting, LLC; Jake Dammarell, Butler Fairman & Seufert (BF&S); Phil Gralik, City Engineer; and Dawn Hostetler, RDC Recording Secretary. Absent: Anthony DeBonis, RDC Attorney; and Heather McCarthy, City Attorney.

Under **Approval of Agenda**, a motion was made by Ms. Plesac to approve the agenda as presented; seconded by Mr. Kelly. All ayes; motion carried. (4-0)

Regarding the **Minutes of May 17, 2021, Regular Meeting**, a motion was made by Ms. Plesac to approve the May 17, 2021, Regular Meeting minutes as presented; seconded by Mr. Claussen. All ayes; motion carried. (4-0)

Regarding the **Treasurer's Report**, the May investment statements for Fund 406 and Fund 410, plus the most current fund & appropriation reports for Fund 406, Fund 410, and Fund 250 were distributed in the RDC meeting packet. There were no questions or comments.

There was no **Old Business**.

Under **New Business**, the first item was the **TRAX Project – Status Report**. Mr. Lorig stated that American Structurepoint has been working in conjunction with the geotechnical engineer, and they determined that a portion of the retaining wall could be eliminated and the wall height could be reduced by utilizing 2:1 embankment slopes. He said they worked with City Engineer Phil Gralik and INDOT to attain design exception approval. He indicated that this design change will reduce wetland impacts and right-of-way needs as well as provide up to \$400,000.00 in cost savings. Mr. Lorig reported that the geotechnical subcontractor Terracon completed the field work last week and is ready to begin the lab work. He indicated that NIPSCO is anticipated to be the biggest utility relocation needed, particularly in the northeast quadrant of the project where there will be some full relocations required. As proposed right-of-way lines were being set, several phone calls were made to NIPSCO to make sure there is adequate room to set poles in that quadrant. He said the right-of-way engineering has now begun, and the project is still on track with the original schedule to meet the August 10, 2022 letting date.

Regarding the 2:1 embankment slopes, Mr. Gralik said he will review the updated cost estimates in the next quarterly report, but he believes this design change will result in a significant savings to the City. Ms. Broadaway asked if the embankment slopes will affect the roadway if Colorado Street is widened in the future. Mr. Gralik stated that a four-lane foundation will be installed to accommodate the future road widening. He said his main concern with the embankment slopes

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was regarding mowing and maintenance; however, upon speaking with Public Works Director Kelly Smith and Parks Director Kelly Goodpaster, the plan is to plant vegetation that will not require regular mowing.

The next item of business was the **Façade Grant Application – 524 E. 3rd Street, Wendy Race**. The grant application is for façade improvements at Brickies Gyros. Mr. Wilson stated the simulated granite panels on the front elevation will be removed and replaced with T-1x4 wood panels, which will be painted *Double Latte (SW-9108)*. The existing front awning and window frames will be painted *Ivoire (SW-6127)*. Additionally, there are some metal brackets above the storefront that no longer serve a purpose and will therefore be removed. Ms. Hostetler stated that the submitted estimate includes work on the side and rear of the building, which is not eligible for funding according to the grant guidelines. She explained that only the front façade work can be considered for grant funding. The total estimated amount for the portion of the work that is grant eligible is \$12,025.00. Therefore, the amount of grant eligible funds requested is \$6,012.50, which is half of the total grant eligible estimate of improvements. A Certificate of Appropriateness (COA) has been received from the Historic Preservation Commission (HPC) for this work. A motion was made by Ms. Plesac to approve the façade grant application for 524 E. 3rd Street (Brickies Gyros) in the amount of \$6,012.50; seconded by Ms. Broadway. All ayes; motion carried. (5-0)

Regarding the **Annual Meeting with Taxing Units**, Mr. Eckerle introduced his associate, Greg Balsano, who will be presenting information regarding the RDC's budget, activities and future plans for each allocation area, and the impacts on the overlapping taxing units. He said the information that Mr. Balsano will be presenting is an extension of the annual TIF estimates that were presented at the May RDC meeting. Mr. Balsano first called attention to three maps showing the locations of the City's three TIF districts. He then presented a summary of the outstanding Redevelopment debt which is payable from TIF revenues. Most of the debt is being paid from the 61st Avenue and SR 51 allocation area, with the exception of the 2015 lease rental revenue bonds, which are paid from the SR 130 and Downtown allocation area. He noted that the new US 30 and 69th Avenue allocation area does not have any outstanding debt presently. The main purpose for issuing this debt is to fund various public improvement and infrastructure projects. Mr. Balsano then reviewed a summary of outstanding debt associated with other City issued bonds that are payable from sources other than TIF revenue, such as property taxes or other revenues generated by the City.

Mr. Balsano called attention to an illustration showing various taxpayer impacts and the tax levy needed if RDC projects were not funded through TIF revenues. He said that for 2021, the additional property tax rate that would need to be generated in order to pay all the debt payments currently being paid from TIF revenues is roughly \$0.1394. Furthermore, an additional \$1.80 per acre of agricultural land, an additional \$139.40 for a \$100,000.00 business, and an additional \$84.34 for a \$142,700.00 house (median value) would be needed per year of annual property tax payments if those projects were funded by property taxes rather than TIF revenue.

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Mr. Balsano reviewed a comparison of estimated tax increment and outstanding debt obligations within the 61st Avenue and SR 51 allocation area. He noted that the total estimated tax increment revenue to be received in this district is around \$2.5 million in 2021, and rises to nearly \$4 million by 2031. He pointed out that the estimated tax increment is more than sufficient to cover the debt payments for all the bonds in this TIF district throughout the life of these bonds. Mr. Balsano reviewed a comparison of estimated tax increment and outstanding debt obligations within the SR 130 and Downtown allocation area in which the only outstanding debt is the 2015 Lease Rental Bonds. He stated that the estimated tax increment revenue to be received in this district is just under \$500,000.00 per year, and the debt service payments are just over \$200,000.00 per year. Therefore, there is ample coverage to make the lease rental payments as well as fund other expenses.

Mr. Balsano reviewed the new US 30 and 69th Avenue allocation area, which was created in November 2019 and will expire 25 years from the date any debt is issued that is payable from this area. He pointed out that there are various projects identified in this TIF district's economic development plan including infrastructure to support the City's Thoroughfare Plan and utility extension plans. Some in-process development in this area includes BJ's Brewhouse, which recently opened, as well as the expansion of Albanese Confectionery Group. He noted that because this is the first year for potential tax increment, there is currently not much TIF revenue being generated in this area. However, as new development occurs, revenue is estimated to rise to a little over \$1 million within the next 10-15 years.

Mr. Balsano presented an overview of the RDC's activities throughout the last year. He noted that the Commission continues to provide a lease payment share for a new fire truck, which is a seven-year obligation. He said construction of the 69th Avenue Improvement Project is currently underway, which includes the full reconstruction of 69th Avenue with concrete, curb and gutter, as well as improved stormwater conveyance and the addition of a sidewalk along the north side of 69th Avenue. The project also includes the construction of a roundabout at the intersection of 69th Avenue and Colorado Street and the installation of sanitary sewer lines from the west of Colorado Street to the east of the railroad tracks that intersect with 69th Avenue. Additionally, this project includes the relocation of the NIPSCO overhead electric and Comcast telecom, as well as underground burial of the portion of approximately the western limit of the Meadows subdivision to the Colorado Street roundabout.

Ms. Hostetler gave an overview of the façade grants awarded in 2020, which were funded through the SR 130 and Downtown TIF. Warren and Helen Engstrom, owners of the building that houses the Dollar General store downtown, received approximately \$34,600.00 for façade work that included the replacement of cast stone panels with brick masonry as well as the installation of limestone coping and veneer masonry banding along the length of the building. Additional work included the installation of gooseneck lighting and a canvas awning over the storefront window. Toni Chitwood, owner of Wild Wood's banquet hall, received \$3,250.00 for façade work that included the installation of signage and application of paint on the façade.

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Ms. Hostetler provided an overview of the 2020 Education & Workforce Training Grants, which were funded through the 61st Avenue and SR 51 TIF. The School City of Hobart (SCOH) received approximately \$25,000.00 for their Brickie Makers program. Grant funds were used to purchase a computer science curriculum for 275 middle school students to learn how to code their own websites. Additionally, maker space supplies were purchased for use at the new elementary school; however, this portion of the program has not yet been implemented due to the pandemic. The Merrillville Community School Corporation (MCSC) received approximately \$2,500.00 for their Urban Farming program. Grant funds were used to purchase greenhouse supplies for culinary arts students to grow fruits, vegetables, and herbs that were intended to be prepared and served at the Pirates Cove restaurant inside the high school. However, schools were closed amid the pandemic, so this food source was not able to be served at the restaurant. Additionally, some of the plants were not able to be tended to and therefore died. Despite these setbacks, students learned about food scarcity and the importance of urban agriculture programs.

Ms. Houck thanked Mr. Balsano and Mr. Eckerle for their time preparing and presenting this information. She noted that the Commission was able to accomplish a number of projects despite the pandemic.

Regarding **Discussion on 3-Phase Electric – 69th Avenue Improvement Project**, Mr. Gralik stated that staff has had several meetings with Becknell, NIPSCO, and BF&S over the last several weeks. He explained that phase one of Project MC is under construction right now, and 3-phase electric will be needed for phase two of this development. He said the plan was to bury the service to this site; however, the company now requires its own privately owned substation. It would cost millions of dollars to bury the 3-phase electric. NIPSCO has indicated that each of the wires would need to be in its own 6-inch conduit encased in concrete, and they are reluctant to provide an actual cost estimate for this work unless there is a commitment for it. Ms. Houck asked why that is. Mr. Gralik said it is because of the high voltage transmission lines needed by the company to feed the new substation at that site. He explained that essentially the service needed is going from distribution to transmission, which is a much higher voltage. He said Project MC needs the 3-phase electric on site by November, and Becknell is concerned that NIPSCO will not be able to meet this deadline if the lines are buried along 69th Avenue. NIPSCO's engineers have indicated that they will not install 3-phase wires above the existing single-phase wires that feed the residential service in the corridor. NIPSCO originally planned to install another pole line on the north side of 69th Avenue, so there would be electrical poles on both sides of the road. Then, when the private substation is needed, NIPSCO could install the transmission lines along the railroad tracks, so there would be three pole lines in that area. Mr. Gralik stated that the electrical lines along 69th Avenue could be buried; however, when the additional transmission lines that would feed developments along Colorado Street are needed, he does not believe it would be financially feasible for the City to bury those lines based on the statements made by NIPSCO's engineers.

Mr. Gralik said that staff discussed with NIPSCO the possibility of running the transmission lines along the railroad tracks from the new substation on Mississippi Street east across

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Liverpool Road (near Hanson Logistics) to reach the Holladay property on the east side of Colorado Street. During that conversation, NIPSCO indicated that they are not subject to Hobart's zoning laws, and they will install an aerial line along 69th Avenue if that is the most economical route. He said the RDC could be in a position where it spends a significant amount of money to bury the single-phase and 3-phase lines, then ultimately NIPSCO could install 3-phase transmission poles along 69th Avenue irrespective of the RDC's decision and investment. However, if the RDC decides not to bury the conduit on 69th Avenue, it will impact the MBE quantities in G.E. Marshall's contract. He indicated that this is still a fluid situation.

Mr. Gralik said that NIPSCO essentially wants to install 3-phase transmission lines along 69th Avenue to Liverpool Road, which are identical to those on Mississippi Street. He reminded the RDC that they approved the installation of taller poles on the south side of 69th Avenue to accommodate the 3-phase service if a decision was made to not bury the lines. NIPSCO's engineers have now indicated that those poles are not tall enough and will need to be replaced since service will be switching from distribution to transmission.

Ms. Plesac indicated that since the electric lines needed are such a high voltage, she believes the burial of these lines would be a safer and more reliable option than installing them overhead. She cited the recent storm as perfect example of the need to bury the lines to avoid lengthy power outages. Mr. Gralik agreed that the underground power is more reliable. However, NIPSCO is focused on the initial cost of going aerial. He explained that NIPSCO will not charge the business for the initial infrastructure if this cost can be recovered within six years; therefore, they want to keep this cost low so as not to burden the business that the electric is going to. He said that NIPSCO can and will spend their own money to bury the power lines when it is in their best interest to do so.

Mr. Claussen asked if the feeder lines that will power the entire Colorado Street corridor will come from the substation on Mississippi Street. Mr. Gralik said that is correct; there is a brand-new substation at 69th Avenue and Mississippi Street, which NIPSCO has indicated will feed that whole corridor. Mr. Claussen asked why it is necessary to have power lines on the south side of 69th Avenue if NIPSCO installs the power lines along the railroad tracks. Mr. Gralik said NIPSCO does not believe they can install those lines along the railroad tracks in time to meet Becknell's November deadline. Mr. Claussen asked if the 3-phase overhead lines would be installed only in front of the development site on 69th Avenue. Mr. Gralik said that is correct; the overhead lines would run from Mississippi Street to the east side of the Project MC property frontage. Mr. Claussen asked if there was a possibility that temporary service could be installed along the south side of 69th Avenue, then be removed once lines are installed along the railroad tracks. Mr. Gralik said he asked NIPSCO if that was a possibility, but they indicated that they generally do not remove overhead lines for the purpose of aesthetics. He said from his understanding, NIPSCO's issues with the timeline of installing the lines along the railroad are the need to acquire an easement from the property at the northeast corner of 69th Avenue and Mississippi Street and also the need to gain approval from the railroad. He said the City could assist with the easement acquisition, if need be, but he believes NIPSCO also has eminent

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domain rights. Mr. Claussen asked if the lines need to be run under the railroad tracks. Mr. Gralik said they can be installed over the tracks as long as they are high enough. He said it is up to NIPSCO whether the lines run over or under the tracks, but they would likely choose to install them over the tracks. Ms. Broadaway asked how much more time NIPSCO would need to bury the lines past Becknell's deadline and what would it take to meet that timeframe. Mr. Gralik said NIPSCO will not design the 3-phase burial or provide actual cost estimates. He said they will only offer ballpark figures for this work.

Mr. Claussen recalled that when the Commission was considering the utility burial along the Becknell site on 69th Avenue, the estimated cost was about \$400,000.00. He asked if he was correct in saying that if the RDC had decided to proceed with this burial, it ultimately would not have been substantial enough to accommodate the needs of this new development. Mr. Gralik said it would have been sufficient to power phase one of Project MC, but not phase two. Mr. Claussen suggested that the cost of the 3-phase transmission service should be Project MC's responsibility since it is their timeline that the City is trying to accommodate. Mr. Gralik said if the lines are installed overhead, NIPSCO and Project MC would share responsibility for any cost associated with that work and the City would not incur any expense. However, if the City decides to bury these lines, the City would be financially responsible for this work.

Mr. Gralik indicated that the City needs to consider what the future may hold for the south side of 69th Avenue. He said that although it is currently residential, there is a possibility that it could become a different land use 20-30 years from now. In that sense, there could potentially be a benefit to NIPSCO installing the 3-phase poles along 69th Avenue for future development. Mr. Claussen recalled that the reason the taller poles were considered was in anticipation of future development on the south side of 69th Avenue. Mr. Gralik said that was a factor in that decision. He said that when NIPSCO proposed the installation of 3-phase transmission lines along 69th Avenue, they suggested installing aerial lines all the way to Colorado Street and over the new roundabout. At that point, he objected because the RDC just spent millions of dollars to bury all the utilities in that intersection. He said they ultimately came to an agreement that if aerial lines are installed on 69th Avenue, they would head north at Liverpool Road. He stated that Becknell has dedicated right-of-way between the Meadows and Project MC to the City so that an overpass can eventually be built to connect Liverpool Road in the future. He said NIPSCO's engineers do not take into account the areas that the City has already invested money into burying the utilities, so it is important to stay on top of their plans. He noted that the other utilities are all underground now.

Mr. Gralik reported that there is an upcoming meeting between the Mayor and Rick Calinski, Director of Public Affairs and Economic Development, regarding several other issues. He said he intends to take the opportunity at that time to discuss this issue with Mr. Calinski as well. He encouraged the RDC members to drive down Mississippi Street to see what the transmission poles look like so they can determine whether or not it would be acceptable for these same types of poles to be installed along 69th Avenue from Mississippi Street to Liverpool Road, then head north. He reminded the Commission that a future interchange is anticipated at 69th Avenue and

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I-65, so this should be taken into account as well. Mr. Claussen asked if all the 3-phase electric pole lines would be installed along the railroad tracks if there was not an urgent deadline to provide this service. Mr. Gralik said that is correct; there would be no need to install the pole lines along 69th Avenue. Mr. Claussen asked if the new business has been involved in these conversations. Mr. Gralik said he believes they have been looped in through Becknell. Mr. Claussen suggested that if the City could persuade the company to push its deadline back enough to allow NIPSCO to install the transmission lines along the railroad, it would eliminate the need for the transmission lines along 69th Avenue. Mr. Gralik agreed.

Ms. Houck said it would be helpful if the Commission members could see some illustrations showing the different scenarios and proposed pole line locations. Mr. Gralik said he can provide a diagram showing all the possible routes. He clarified that if the taller transmission poles are installed along the north side of 69th Avenue, there would only be one pole line for all the wires in that corridor. Once the wires are energized, NIPSCO will remove the single-phase poles on the south side of the road. He indicated that the 3-phase distribution lines could also be buried on 69th Avenue while the transmission lines could be installed along the railroad. Ms. Plesac said the Commission appreciates Mr. Gralik's time and information.

The next item of business was **Resolution 2021-09: A Resolution Establishing the Policy by Which Members of the Redevelopment Commission May Participate by Electronic Means of Communication**. Ms. Hostetler stated that this resolution has been prepared by City Attorney McCarthy and is based on recently approved State legislation. Ms. Longer stated that this resolution is to allow the continuation of electronic meetings with some restrictions based on the law. She noted that the Governor's emergency order is still in effect until July 1, so this policy would not take effect until after that date if the order is not extended. She said the resolution is written in such a way that it closely mirrors the State legislation. The City Council, the Board of Works, and the Parks Board have already passed versions of this resolution, and the Plan Commission and Board of Zoning Appeals are in the process of reviewing it. Ms. Houck said she will rely on staff to make sure the Commission is in compliance with this resolution when participation by electronic means is necessary. Ms. Hostetler stated that once the emergency order is lifted, at least 50% of the members need to be physically present. In the case of the RDC, this needs to be at least three voting members. Also, a member cannot attend more than 50% of the meetings electronically in a calendar year. There is also a clause that says a member cannot attend more than two consecutive meetings remotely. Ms. Hostetler requested the Commission members to notify staff as soon possible if there is a need to attend a meeting electronically in order to ensure compliance with this resolution. Ms. Houck pointed out that there are certain situations in which members cannot participate in a meeting by electronic means. She said the Commission, along with staff, will need to be mindful when any of these items is on the agenda to ensure there is a quorum in person. A motion was made by Mr. Claussen to approve Resolution 2021-09; seconded by Ms. Plesac. All ayes; motion carried.
(5-0)

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Ms. Hostetler reviewed the invoices on the Register of Claims. Fund 410 will be reimbursed 50% (\$413.49) of the total amount of Barnes & Thornburg invoice 2478150 from Fund 412 once TIF revenue is available from the US 30 & 69th Avenue Economic Development Area. A motion was made by Mr. Kelly to approve the register of claims in the amount of \$93,683.98; seconded by Ms. Plesac. All ayes; motion carried. (5-0)

<u>Invoice Date</u>	<u>Invoice Number</u>	<u>Claimant</u>	<u>Amount</u>
5/24/2021	2478150	Barnes & Thornburg	\$826.98
7/21/2021	RDC2021	City of Hobart	\$92,857.00
Total:			\$93,683.98

Regarding the Approval of 2020 Bond Register of Claims, Requisition No. 21 includes one payment to BF&S (Invoice 93080) in the amount of \$18,760.41 for inspection related to the 69th Avenue project. A motion was made by Mr. Claussen to approve Requisition No. 21 in the amount of \$18,760.41; seconded by Ms. Broadaway. All ayes; motion carried. (5-0)

Staff Report – Ms. Hostetler reported that the RDC has been reimbursed by the Regional Development Authority (RDA) for G.E. Marshall pay estimate #8 in the amount of \$53,401.63.

Ms. Hostetler reported that \$896.14 (Claim #20) was received into Fund 406 from INDOT as 80% reimbursement for construction inspection invoices related to the downtown streetscape project.

Ms. Hostetler distributed some notes from the June 8th RDC Work Session. She said the Zoom recording was sent to the members who were not in attendance, and asked if anyone had any questions about the meeting. Ms. Houck apologized for not being able to attend, but she was able to watch the Zoom recording. She noted that the Commission has numerous project options, which will require a decision at some point. She acknowledged Ms. Jacobson’s efforts preparing the cash flow analyses and summaries of each project.

Ms. Houck recalled that several years ago, the Commission contributed a significant amount of money (\$10,000) toward the Northwest Indiana Forum’s (NWI Forum) Regional Economic Development (RED) plan. She inquired what ultimately transpired with this plan. She noted that it would be helpful to have some reference as to how the RDC’s funds were spent so the Commission can make future financial considerations. Ms. Jacobson said she believes the NWI Forum will be utilizing the RED plan to apply for the recently announced federal funding. She said she will request a summary of the plan from Heather Ennis, President & CEO of the NWI Forum.

Ms. Jacobson reported that staff recently met with Steiner Homes to begin discussions on this development. She stated that Attorney Dave Westland from Westland & Bennett is assisting the City on a development agreement for this project. Ms. Broadaway asked when they are expected to break ground. Ms. Jacobson indicated that the timeframe for groundbreaking is not yet known

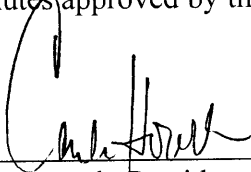
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because there is engineering work and other actions that need to be done before construction can begin.

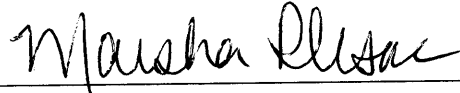
Adjournment - The meeting was adjourned at 9:38 a.m.

Minutes were prepared by Dawn Hostetler, Clerical Assistant to the Director of Development.

Minutes approved by the Hobart Redevelopment Commission on July 19, 2021.



Carla Houck, President



Attest: MARSHA PLESAC, SECRETARY