

**November 16, 2020, Regular Meeting Minutes**  
**HOBART REDEVELOPMENT COMMISSION**

President Carla Houck called the November 16, 2020, regular meeting of the Redevelopment Commission (RDC) to order at 8:33 a.m. The meeting was held via Zoom with the public issued a dial-in number to allow listening and participation capabilities. Staff was present in the City Council Chambers at City Hall. The Pledge of Allegiance was recited. Members present: Carla Houck, Shawn Kelly, Marsha Plesac, and Judy Dunlap. Members absent: Matthew Claussen and Pam Broadaway. Also present: Beth Jacobson, Director of Development (*in person*); Anthony DeBonis, RDC Attorney; Heather McCarthy, City Attorney; Brian Snedecor, Mayor (*in person*); Deborah Longer, Clerk-Treasurer; Phil Gralik, City Engineer; Brandon Towle, Butler Fairman & Seufert (BF&S); Jake Dammarell, BF&S; Dan Botich, SEH; and Dawn Hostetler, RDC Recording Secretary (*in person*).

Under **Approval of Agenda**, a motion was made by Ms. Plesac to approve the agenda as presented; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

Regarding the **Minutes of October 19, 2020, Regular Meeting**, a motion was made by Ms. Plesac to approve the October 19, 2020, Regular Meeting minutes as presented; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

Regarding the **Treasurer's Report**, the October investment statements for Fund 406 and Fund 410, plus the fund & appropriation reports for Fund 406, Fund 410, and Fund 250 were distributed in the RDC meeting packet. Ms. Longer indicated that she is eager to see what the tax distributions will be in December. There were no questions regarding the reports.

Under **New Business**, the first item was the **3<sup>rd</sup> Street Streetscape Project Status Report**. Mr. Towle reported that the electric relocations that were in conflict with the masonry signs have been completed, and installation of the masonry signs will soon begin. He stated that there is still a utility conflict with Frontier, which will be worked through rather than around. He said that striping will likely be added along 3<sup>rd</sup> Street to deter motorists who have been parking where they are not supposed to. Additionally, the word "SLOW" will be added to the speed bump because motorists are traveling over it too quickly, which has resulted in damage to the asphalt from vehicles bottoming out. Mr. Towle indicated that close out documents, including any outstanding change orders, should be received soon. He said he believes the only outstanding change order involves some storm sewer work that was removed from the bridge project and added to the streetscape project to take advantage of the 80/20 state funding with INDOT.

Regarding the **69<sup>th</sup> Avenue Improvement Project – Status Report (Projects A & B)**, Mr. Towle stated that G.E. Marshall has installed the street lights, which are now in operation. The conduit related to change orders 5 and 7 has been ordered and is ready to be installed within phase 1 limits as soon as the Becknell easement is secured. Phase 2 is delayed because the right-of-way for one parcel has not yet been acquired, but is anticipated to be secured around mid-December. He said that he is doubtful that the contractor would start work on phase 2 right before the holidays, but would instead start clearing the jobsite the first week of January. Mr. Towle stated that G.E. Marshall plans on working through the winter. He said that Frontier and Comcast are both ready to begin their utility work in phase 2, which is dependent on the right-of-way acquisition of the one outstanding parcel. NIPSCO gas is finalizing plans for phase 2 gas relocations and is anticipated to start this work within the next month.

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Regarding project B, Mr. Towle reminded the Commission that there had previously been some issues with the restoration work, which the contractor has since reseeded. He said he expects there will be some settlement over the winter and will need to be redressed in the spring. He indicated that backfill was only used near the roadway. He stated that the project is complete with the exception of any restoration that is needed in the spring. Mr. Towle reported that the project is currently about \$6,000.00 under the original contract amount including change order #1 for the upgraded pipe required by the Indiana Department of Environmental Management (IDEM). He indicated that a walk-through will be conducted within the next couple of weeks. He said that the sewer testing is complete, so the Merrillville Conservancy District (MCD) can start letting residents connect to the new sewer. Mr. Kelly asked if the spring restoration is included in the base contract amount or if there will be a change order for this work. Mr. Towle stated that he anticipates that there will be a change order for some of the redressing and reseeded. However, he expects MCD to bear some of the cost since they opted not to use structural backfill, which saved them tens of thousands of dollars.

The next item of business was the **Approval of Pay Estimate #6 (G.E. Marshall) – 69<sup>th</sup> Avenue Improvement Project (A – Road)**. Mr. Towle stated that this pay estimate is for road work completed by G.E. Marshall between September 28<sup>th</sup> and November 1<sup>st</sup>. The total amount for pay estimate #6 after the retainage deduction is \$443,675.49. Ms. Jacobson stated that although this invoice is included on the register of claims for this meeting, staff will refrain from submitting for payment to G.E. Marshall until payment for pay estimate #5 is received from the Regional Development Authority (RDA). A motion was made by Ms. Plesac to approve Pay Estimate #6 (Project A) in the amount of \$443,675.49; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

Regarding the **Approval of Pay Estimate #4 (Grimmer) – 69<sup>th</sup> Avenue Improvement Project (B – Sanitary Sewer)**, Mr. Towle stated that the total amount of pay estimate #4 is \$69,885.20, which is also the amount due to Grimmer Construction since the retainage for this project has already been met. He said that this will be the final pay estimate from Grimmer Construction for this year. A motion was made by Ms. Plesac to approve Pay Estimate #4 (Project B) in the amount of \$69,885.20; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

The next item of business was **Resolution 2020-09: A Resolution Authorizing the Transfer from the Board of Public Works and Safety of a 59.5 Acre Parcel of Real Estate Located at the Northwest Corner of 61<sup>st</sup> Avenue and Arizona Street to the Redevelopment Commission for the Purpose of Marketing and Sale of the Site for Use as a Residential Development**. Ms. Jacobson stated that this resolution is to transfer the approximately 60-acre property from the Board of Works to the RDC. She said that the RDC's ownership of this property will allow for more flexibility in negotiating with a potential developer or developers for the eventual sale of the property. She explained that if the property were to remain under the ownership of the Board of Works, they would be obligated to sell the property for no less than an average of two appraisals. The City is seeking a project that meets the standards outlined in the request for proposals (RFP). Ms. Jacobson said that the resolution states that the proceeds from the sale will be reimbursed to the Board of Works, but the property would remain under the

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ownership of the RDC until such time that is transferred to a developer. The legal description and the warranty deed were not included in the meeting packet because there was an issue with the legal description that needs to be resolved. Once finalized, the legal description will be incorporated into the warranty deed.

Attorney McCarthy stated that as she was preparing the warranty deed, she noticed some issues with the legal description. She said that Mr. Gralik solicited Abonmarche to assist with the modification of the legal description. She indicated that the revised legal description has been received, but Mr. Gralik has not yet reviewed. Ms. McCarthy stated that she has prepared a draft warranty deed, which needs to be reviewed internally before the RDC and Board of Works can execute. She indicated that resolution can be approved by the RDC today and the Board of Works later this week. Then, the presiding officer of each committee can execute the warranty deed once it is finalized.

Ms. Houck asked if there would be any fees related to the sale or ownership of the property that could impact the RDC's budget. Ms. Jacobson said that a soil test was recently completed on the property, which the Mayor agreed to pay for since the parcel is not located within any of the City's TIF districts. Attorney DeBonis stated that there are various expenses that could be incurred, such as the cost of survey. However, the RDC has the right to recover those expenses from the proceeds of the sale. Ms. Houck asked if that clause is specified in the resolution. Ms. McCarthy indicated that there is a paragraph in the resolution which references the proceeds from the sale will be transferred to the Board of Works, less any costs associated with the closing. She said that the RDC would not be expected to compensate the Board of Works for those costs. Ms. Jacobson stated that responses to the RFP are due on December 1<sup>st</sup>.

Mayor Snedecor stated that the City does not expect the RDC to incur any fees associated with the ownership of this property. He said that the City will continue to pay for various charges related to the property. He stressed the importance of the RDC taking ownership of the property to allow for more latitude to negotiate with developers and to give the City an opportunity to advance a suitable project on this parcel. He said that he appreciates the RDC's consideration of the transfer of ownership and for allowing Ms. Jacobson to take the lead on this project.

A motion was made by Ms. Plesac to approve Resolution 2020-09; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

Regarding the **Education and Workforce Training Grant – Award of 2021 Grant(s)**, Ms. Hostetler reported that four applications were received from three organizations for the 2021 Education & Workforce Training Grant. The Center of Workforce Innovations (CWI) submitted a request for \$9,400.00 for teacher wages and testing fees to help English language learners improve their English language skills, help individuals earn High School Equivalency (HSE) diplomas, and provide skilled training for adult students to earn various certifications. The Merrillville Community School Corporation (MCSC) submitted two separate grant applications. The first request was for \$6,669.95 for the purchase of a welder, wire feeder, and cart to expand the Welding Technology Program, which is part of the Career & Technology Education (CTE) program at the High School. The second request from MCSC, was for \$4,567.25 to purchase building materials for high school Construction Technology students to build miniature homes to

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scale, which will prepare them for careers in the Building Trades. The total amount requested from MCSC is \$11,237.20. The School City of Hobart (SCOH) submitted one application for three initiatives. The first request from SCOH was for \$10,618.95 to purchase STEM activity kits, mobile maker storage carts, and Makedo cardboard construction sets to expand makerspaces in the kindergarten and the middle school buildings. The second request was for \$7,554.00 to purchase updated biomedical supplies for the Biomedical Program, which is part of the Project Lead the Way (PLTW) program at Hobart High School. The third request from SCOH was for \$9,194.00 to purchase additional 3D printers and software for all the elementary schools as well as the middle school. The total amount requested from SCOH is \$ 27,366.95.

Ms. Hostetler stated that the members of the grant committee reviewed the grant requests and agreed on a recommendation to the RDC, which includes both grant requests from MCSC in a total amount of \$11,237.20, and the two highest priority requests from SCOH in a total amount of \$18,172.95. The combined total of these grant requests is \$29,410.15, which is less than the budgeted amount of \$30,000.00 for the 2021 Education & Workforce Training Grant.

Ms. Houck said that the Grant Committee is pleased with the programs selected to recommend to the RDC. She noted that there is some cushion between the combined total of the grant proposals and the amount budgeted for this grant program to allow for any additional modest request from either of these recipients. She said she is glad the RDC is able to support the school systems that serve the Hobart community. Ms. Hostetler said that she will prepare the grant agreements for the RDC to execute at their December meeting.

A motion was made by Ms. Plesac to approve 2021 Education & Workforce Training Grant funding to the MCSC in the amount of \$11,237.20; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

A motion was made by Mr. Kelly to approve 2021 Education & Workforce Training Grant funding to the SCOH in the amount of \$18,172.95; seconded by Ms. Plesac. Roll call vote taken: All ayes; motion carried. (3-0)

Ms. Jacobson reviewed the invoices on the **Register of Claims**. She noted that Invoice 2020-1116 is a reimbursement from RDC Fund 410 to the Board of Works for one right-of-way acquisition related to the 69<sup>th</sup> Avenue project. Fund 410 will be reimbursed through the 2020 bonds via resolution. Invoice 90628A from Butler, Fairman, & Seufert, will be submitted to INDOT for 80% reimbursement once it is paid in full. A motion was made by Ms. Plesac to approve the register of claims in the amount of \$532,616.45; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

<u>Invoice Date</u>	<u>Invoice Number</u>	<u>Claimant</u>	<u>Amount</u>
10/15/2020	90628A	BF&S	\$944.26
10/23/2020	BTMA7237	Baker Tilly	\$2,450.00
11/15/2020	Pay Est. #6	G.E. Marshall	\$443,675.49
11/15/2020	7635	Grimmer Construction	\$69,885.20
11/16/2020	2020-1116	Board of Works	\$15,661.50

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**Total:**

**\$532,616.45**

Regarding the **Acknowledgement of Pre-Paid Invoices**, Ms. Jacobson stated that the pre-paid register of claims includes two invoices (#54325 = \$7,314.53 and #54353 = \$43.99) totaling \$7,358.52 paid to Walsh & Kelly for materials related to the 3<sup>rd</sup> and East Street parking lot, and two payments totaling \$3,250.00 to Wild Wood's (Toni Chitwood) for signage (\$1,000.00) and façade (\$2,250.00) grant reimbursement for 619 E. 3<sup>rd</sup> Street. These expenses were approved by the RDC at the October 19<sup>th</sup> meeting, but were not included on the register of claims for that meeting. A motion was made by Ms. Plesac to acknowledge and affirm the pre-paid register of claims in the amount of \$10,608.52; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

Regarding the **Approval of 2020 Bond Register of Claims**, Requisition No. 14 includes payments to Austgen Electric (Invoice 17992) in the amount of \$11,876.00 for residential electric service conversions related to the 69<sup>th</sup> Avenue project, BF&S (Invoice 90676) in the amount of \$18,410.01 for inspection related to the 69<sup>th</sup> Avenue project, BF&S (Invoice 90828) in the amount of \$21,290.00 for engineering related to the 69<sup>th</sup> Avenue project, and BF&S (Invoice 90830) in the amount of \$5,497.50 for engineering related to 61<sup>st</sup> Avenue & Marcella Boulevard improvements. A motion was made by Ms. Plesac to approve Requisition No. 14 in the amount of \$57,073.51; seconded by Mr. Kelly. Roll call vote taken: All ayes; motion carried. (3-0)

**Staff Report** – Ms. Jacobson stated that G.E. Marshall pay estimate #5 in the amount of \$314,676.57 was submitted to the RDA on November 2<sup>nd</sup>, and she anticipates that payment will be received by December 1<sup>st</sup>. Once this payment is received from the RDA, pay estimate #6 will be submitted to the Clerk-Treasurer's office for payment to G.E. Marshall.

Ms. Jacobson pointed out that Dan Botich of SEH is in attendance via Zoom. She said that she recently met with Mayor Snedecor, Attorney McCarthy, Ms. Houck, and Mr. Botich to discuss the possibility of SEH providing some consulting services to the RDC. She explained that she would like Mr. Botich's assistance with reviewing and analyzing various tax abatement matters in addition to general consulting services. Ms. Jacobson stated that Mr. Botich has provided a draft contract, which will be reviewed by Attorney McCarthy and Attorney DeBonis. She said she would like to give Mr. Botich a chance to speak to the Commission since he is on the line.

Mr. Botich introduced himself as an associate and senior economic development professional with Short Elliott Hendrickson, Inc. (SEH) at the east region office located in the Munster, Indiana. He said that SEH offers a complex but unique professional service, which involves reviewing all types of tax abatements and tax increment financings to verify that a developer or property owner is receiving no more and no less than what was abated. He indicated that there are many instances when errors occur by no fault of the auditor's office, so it is beneficial to review each abatement. Mr. Botich stated that SEH also provides tax abatement monitoring services, which involves examining the prior years as well as the remaining years of each tax abatement or assessed valuation deduction to illustrate how the tax rates are impacted by those deductions, what those deductions are anticipated to be, and what any levy implications to the deductions are. He said that if a municipal client has a prospective development, SEH can

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provide an economic development analysis that shows what the potential for tax abatement would be as well as if there are any tax increment financing options available so that the City has the most accurate data to negotiate a financial incentive. Mr. Botich disclosed that he is not an attorney; however, he does have experience drafting resolutions and assisting with negotiations and development of financial incentive packages. He said that he typically prepares the resolutions for tax abatement, then provides a draft to the City and/or RDC Attorney for final review and approval.

Ms. Jacobson stated since many of the existing abatements are located within the City's TIF districts, she felt that additional review of existing and future abatements is warranted. Mr. Botich stated that he provided Ms. Jacobson with a report that SEH prepared for another client as an example for reference. He said these reports are very helpful to City administrations, Redevelopment Commissions, Common Councils, and Clerk-Treasurers because they provide information regarding how assessed values roll off over time as well as anticipated impacts to the levy. Ms. Jacobson stated that she will send the sample report to the RDC members prior to the next meeting.

Ms. Houck said that it was a pleasure meeting with Mr. Botich. She said she understands the need for municipalities to rely on consultants in various areas of expertise; however, she would like to evaluate and gauge the value of the RDC's consultants. She acknowledged that return on investment (ROI) is not always monetary, but noted that there should be a means by which to measure the value of a consultant's advice and expertise in terms of a dollar amount. She asked Mr. Botich if he could calculate the ROI for his services and provide to the RDC. Mr. Botich stated that the ROI is essentially the rate of investment and return on the value provided as a service. He suggested that any one of the municipalities that SEH works with could attest to the value of their services. He cited the City of Gary as an example, in which U.S. Steel negotiated a financial incentive package between \$750 million and \$1.5 billion dollars. He indicated that SEH's fees for work associated with that project was about \$25,000.00. He said that although the value of service may be calculable in terms of a dollar amount, the actual value is immeasurable in the amount of jobs and investment that occurs.

Ms. Hostetler reported that a payment in the amount of \$450,534.83 was received from the RDA for G.E. Marshall pay estimate #4 on October 29<sup>th</sup>.

Ms. Hostetler called attention to Change Order #7 in the amount of \$9,200.00 related to the cost increase of the conduit for 69<sup>th</sup> Avenue. She reminded the RDC that this change order was approved at their last meeting so that the materials could be ordered right away, but the actual change order had not been prepared at that time.

Ms. Jacobson asked if the Commission would like to keep the current regular meeting schedule, which is at 8:30 a.m. on the third Monday of each month, for 2021. She indicated that there are a few dates that may need to be shifted due to conflicts if the RDC decides to adhere to this same meeting schedule. She pointed out that the third Monday in January falls on Martin Luther King Jr. Day in which City Hall is open, but inquired if the Commission members have other commitments for that day. Additionally, the third Monday in February is Presidents Day, and City Hall will be closed. Ms. Jacobson noted that the December regular meeting is during the

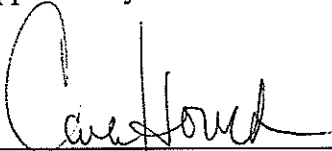
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same week as Christmas, so she requested that this meeting date be shifted as well to avoid any potential conflicts due to holiday vacations. Ms. Hostetler stated that the RDC will approve a regular meeting schedule for 2021 at their December 21<sup>st</sup> meeting, but staff wanted to bring it to their attention now to get a sense of what dates the Commission members are available. The Commission agreed to keep the current regular meeting schedule, with the exception of the February and December meeting dates. Ms. Houck requested a proposed meeting schedule be sent electronically to the RDC for review prior to approval at the December meeting. Ms. Hostetler said that she would prepare the proposed schedule and distribute to the Commission.

Adjournment - The meeting was adjourned at 9:27 a.m.

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

Minutes approved by the Hobart Redevelopment Commission on DECEMBER 21, 2020.



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Carla Houck, President



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Attest: MARSHA PLESAC, SECRETARY