

February 2, 2022, Special Meeting Minutes
HOBART REDEVELOPMENT COMMISSION

President Carla Houck called the February 2, 2022, special meeting of the Redevelopment Commission (RDC) to order at 8:32 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 (*via Zoom*), Shawn Kelly (*via Zoom*), Marsha Plesac (*via Zoom*); Matthew Claussen, and Pam Broadway (*via Zoom*). Members absent: Stuart Schultz. Also present: Beth Jacobson, Director of Development; Anthony DeBonis, RDC Attorney (*via Zoom*); Brian Snedecor, Mayor; Deborah Longer, Clerk-Treasurer; Randy Rompola, Barnes & Thornburg (*via Zoom*); Matt Eckerle, Baker Tilly (*via Zoom*); Greg Balsano, Baker Tilly (*via Zoom*); Ethan Frisch, Becknell (*via Zoom*); James Dragon, Albanese Confectionery (*via Zoom*); Ryan Cook, Eichhorn & Eichhorn (*via Zoom*); and Dawn Hostetler, RDC Recording Secretary.

Under **Approval of Agenda**, a motion was made by Mr. Claussen to approve the agenda as presented; seconded by Ms. Plesac. All ayes; motion carried. (5-0)

There was no **Old Business**.

Under **New Business**, the first item was **Resolution No. 2022-01: Resolution of the City of Hobart Redevelopment Commission Approving a Form of Development Agreement Among the City of Hobart, Indiana, the City of Hobart Redevelopment Commission and SIR RLJ, LLC**. Ms. Jacobson stated that this resolution is to approve the form of development agreement between the RDC and SIR RLJ, LLC, which is Albanese. She said the development agreement outlines the terms of the incentive offer and Albanese's commitments to the City. Mr. Claussen asked what the term "*form of development agreement*" means. Ms. Jacobson indicated that by approving the form of the agreement, the RDC is approving the substantial content and minor changes such as grammatical and typographical errors can be made before final execution of the agreement. Mr. Rompola said that is correct. He pointed out that paragraph one of the resolution provides the ability for the RDC President and Secretary to approve minor changes to the development agreement prior to signing the document. He stated that the agreement that was distributed to the Commission is in the substantially final form. Attorney DeBonis stated that he identified four items in the nature of unsubstantial changes, which he outlined and emailed to Ms. Jacobson yesterday evening. Ms. Jacobson indicated that these corrections will be made prior to the final execution of the agreement. Mr. Dragon said he is unaware of any changes that were made and asked what modifications were made. Ms. Jacobson said the changes advised by Attorney DeBonis are primarily corrections to typographical errors. She read the list of corrections provided by Attorney DeBonis as follows:

Page 4 under definition of "confirmatory resolution" in line 3, there is a word missing before the words "and subsequent." I'm thinking the word "approval" should be inserted.

Page 15 in Section 1.13, in the third to last line, the words "in for" should be changed to read "in or for."

Page 24 in Section 4.3, in the third line from the end, the word "enforceable" should be changed to "enforcement."

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Page 32 in Section 7.15, in the third line, the second "by" in that line should be changed to "be."

Ms. Longer asked if the revised agreement can be sent to Mr. Dragon so he is comfortable with the changes that were made. Mr. Rompola said he would like to see the changes as well. He advised that a red-lined version should be circulated prior to final execution. A motion was made by Mr. Claussen to approve Resolution 2022-01 as presented; seconded by Ms. Broadway. Roll call vote taken. All ayes; motion carried. (5-0)

The next item of business was **Resolution No. 2022-02: Resolution of the City of Hobart Redevelopment Commission Pledging Certain Tax Increment Revenues from Allocation Area No. 2 of the US 30 and 69th Avenue Economic Development Area to the Payment of Certain Economic Development Revenue Bonds of the City of Hobart for Project Talon.**

Mr. Rompola stated that this resolution follows the development agreement in pledging the increment that would be generated from allocation area number 2. He reminded the Commission that it previously created a separate allocation area to capture all of the Albanese properties into one separate allocation area within the US 30 & 69th Avenue area. He explained that the TIF from that allocation area number 2 is the revenue that is being pledged to pay the bonds that are authorized by the development agreement. Mr. Rompola stated that the resolution indicates that the TIF will be allocated toward the payment of the bonds and includes the language from the development agreement regarding any excess TIF revenue. He specified that any excess TIF collected between now and 2027 will accrue to the benefit of the RDC. In 2028 and subsequent years, the RDC will collect 50% of the excess TIF to fund various projects, and the remaining 50% will be allocated toward redeeming the bonds that are being purchased by the developer. Additionally, this resolution authorizes the RDC president and secretary to enter into a pledge agreement, which is essentially one of the closing documents that will be signed at the time of the bond issuance. Mr. Rompola explained that the pledge agreement will reflect the language in the resolution pledging the TIF for the payment of the bonds. The pledge agreement will also include language with respect to the excess TIF. A motion was made by Mr. Claussen to approve Resolution 2022-02 as presented; seconded by Ms. Plesac. Roll call vote taken. All ayes; motion carried. (5-0)

The next item of business was **Resolution No. 2022-03: A Resolution Approving and Authorizing the Execution of a Predevelopment Agreement between the City of Hobart, Hobart Sanitary District, Hobart Storm Water Management Department, and the City of Hobart Redevelopment Commission, and Becknell Industrial, LLC.**

Ms. Jacobson stated that this is a resolution approving and authorizing the execution of a predevelopment agreement between the RDC, the Hobart Sanitary District (HSD), the Hobart Storm Water Management Department, and Becknell Industrial. She said Becknell is seeking to develop the 157 acres at the southeast corner of Colorado Street and 61st Avenue. She indicated that Becknell approached the City prior to seeking rezoning, subdivision, and site plan approvals in order to gain some assurance of the onsite infrastructure costs that will be needed for the development they have proposed. She noted that exhibit A of the agreement is a conceptual site plan that will likely change over the course of the development. Ms. Jacobson said that the major infrastructure costs that the City is seeking to address in the agreement includes the roundabout at Colorado Street and 61st Avenue as well as the widening and improvement of Colorado Street south of 61st

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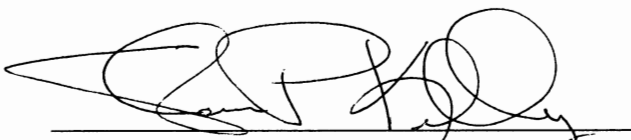
Avenue to the northern boundary of the Local Trax project. She stated that BF&S provided an initial estimate of approximately \$6.6 million for those improvements. She noted that many of these types of road improvement projects have been subjected to inflation and increased costs over the last year; therefore, BF&S was asked to provide an updated cost estimate for this work. She said BF&S was able to provide a very rough revised estimate of \$8.3 million. Ms. Jacobson stated that the predevelopment agreement indicates that Becknell is willing to contribute \$3.3 million toward these road improvements. She said this agreement does not address incentives for specific buildings or equipment, but rather it is meant to provide some assurance to the company regarding what its off-site infrastructure costs might be should this development occur. She said the company could potentially request incentives from the City once they are ready to build, at which time there would be an actual development agreement between the City and Becknell. She indicated that if rezoning and subdivision approvals are not received and the company is not able to develop the property as proposed, this predevelopment agreement is void. A motion was made by Mr. Claussen to approve Resolution 2022-03 as presented; seconded by Mr. Kelly. Roll call vote taken. All ayes; motion carried. (5-0)

Ms. Jacobson reported that the Mayor has been speaking with Lake County Commissioner Kyle Allen about possible funding options for the lift station near 61st Avenue and Arizona Street. Mayor Snedecor stated that Commissioner Allen indicated that he is trying to find a way to fully fund this sanitary sewer improvement project, which is estimated to cost around \$2.8 million. He said the County could potentially finance the project through various funding sources including federal American Rescue Plan Act (ARPA) stimulus funds. He indicated that Commissioner Allen's goal is to make payments of \$700,000 each year to the City over a four-year period. He noted that this has yet to be approved.

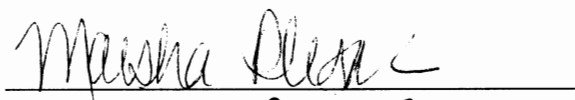
Adjournment - The meeting was adjourned at 8:55 a.m.

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

Minutes approved by the Hobart Redevelopment Commission on FEBRUARY 17, 2022



Carla Houck, President
Shawn Kelly, Vice President



Attest: MARSHA PRESAC, SECRETARY