



CEDAR LAKE REDEVELOPMENT COMMISSION PUBLIC MEETING
Cedar Lake Town Hall, 7408 Constitution Avenue
June 21, 2021, at 6:00 pm

CALL TO ORDER:

Mr. Nathan Vis called the regular meeting to order at 6:07 pm., on Monday, June 21, 2021, with its members attending on-site and remotely. All recited the Pledge of Allegiance.

ROLL CALL:

Members Present: Nathan Vis, President; Doug Spencer, Secretary; Jolie Covaciu, Member; Randy Niemeyer, Member. A quorum was attained.

Also present: Tracy Haskell, Hanover School District Liaison; Robert Carnahan, Town Council Liaison; Rick Eberly, Town Manager; David Austgen, Town Attorney; Jennifer Sandberg, Clerk-Treasurer and Margaret Abernathy, Recording Secretary Pro Tem.

Absent: Eric Burnham, Vice-President, and Brian Smith, Crown Point School District Liaison.

PRESENTATION OF “EXPLORE EVERYDAY COMMUNITY RECOGNITION” AWARDS

Mr. Vis explained that Mr. George Poponas of Cedar Lake Kitchen was unable to attend this evening’s meeting and that his certificate and letter would be presented to him at the July meeting.

CONSENT AGENDA:

Mr. Vis advised the next item on the agenda is the Consent Agenda for the May 17, 2021, Regular Meeting Minutes and the monthly claims, Fund No. 404: \$0 and Fund No. 804: \$47,236.32.

A motion was made by Mr. Spencer and seconded by Ms. Covaciu to approve the consent agenda. Motion carried unanimously by roll-call vote:

Jolie Covaciu	Aye
Doug Spencer	Aye
Randy Niemeyer	Aye
Nathan Vis	Aye

NEW BUSINESS:

A. Explore Everyday Community Recognition Nomination:

Mr. Vis asked the Commissioners if they would like to select a new recipient or hold off until the next meeting to make another nomination since they will be presenting the recognition for Cedar Lake Kitchen.

A motion was made by Mr. Niemeyer and seconded by Ms. Covaciu to defer nominating another Explore Everyday recipient until the July meeting. Motion carried unanimously by roll-call vote:

Jolie Covaciu	Aye
Doug Spencer	Aye
Randy Niemeyer	Aye
Nathan Vis	Aye

B. Façade Grant Extension Request - #21-3 Henn, 13212 Wicker Avenue

Mr. Vis asked the petitioner to come to the podium and state the reason for the extension request.

Mr. Richard Henn explained that the site work became more intensive than they had anticipated. He noted that the roof, windows, and siding are complete; however, there is still much work to be done on the interior. They will not receive final inspection approval until the interior is completed.

A motion was made by Mr. Niemeyer and seconded by Mr. Spencer to approve the three (3) month extension for the property at 13212 Wicker Avenue. Motion carried unanimously by roll-call vote:

Jolie Covaciu	Aye
Doug Spencer	Aye
Randy Niemeyer	Aye
Nathan Vis	Aye

C. Façade Grant Funds – Policy Discussion

Mr. Vis advised that the next item on the agenda is to discuss implementing a policy regarding Façade Grant Funds and accepting applications for same when the funds are low.

Mr. Eberly advised that this is relative to the balance left in this year's funds to be awarded and as to whether or not they wished to accept more applications. Last year when the funds were low, the Commission decided to hold off on taking applications for 2021, until January of 2021.

Mr. Vis asked what the Commission's pleasure is since the remaining funds left are \$2,178.58. Mr. Niemeyer stated that this is a good time to turn the focus on 2022 and start planning for some of the larger projects that will take place that require TIF funding, such as the Lake Eco-Restoration and other infrastructure projects.

A motion was made by Mr. Niemeyer and seconded by Mr. Spencer to wait until there are at least \$10,000 in revenues that can be awarded before accepting another Façade Grant Application. Motion carried unanimously by roll-call vote:

Jolie Covaciu	Aye
Doug Spencer	Aye
Randy Niemeyer	Aye
Nathan Vis	Aye

Mr. Vis requested that financial planning be added to the October agenda for 2022 projects, which allows time to assess how much to dedicate to the Façade Grant Program next year. Mr. Niemeyer asked if that should be discussed in September since the budget-adoption process takes place in October. After a short discussion, Mr. Vis requested that the item be added to the September agenda.

PROJECT UPDATES:

Clerk-Treasurer's Funds Report: Ms. Sandberg stated that the reports are in the packet for review. At this time, she is waiting for the reports to come in to know what the settlement looks like for the spring. Everything so far this year has been a pleasant surprise, and she is hoping the same for the RDC TIF settlement.

Mr. Carnahan asked if the \$1,501,033.54 is already obligated. Ms. Sandberg responded that there are funds that are already obligated and some road projects coming up that anticipate use of TIF funds as well as other things. Mr. Carnahan asked if the \$270,000 is included in this report. Ms. Sandberg responded that it is not included in the report.

Mr. Vis asked if the upcoming road projects are anticipated to be paid out this year. Ms. Sandberg stated that 133rd Avenue and King will be paid out this year. She deferred to Mr. Eberly to report on road projects.

Mr. Eberly stated that he does not have the report in front of him; however, the Parrish Avenue project is anticipated to be a major project. The engineering is probably another 75 days out, and the project is going to be about \$1.2 million in cost, greater than originally thought. We had applied for Community Crossing Grant funds for that project this year and were unsuccessful for 2021, when it was only projected to be about \$800,000, we were going to try to still pursue it in 2021. At \$1.2 million, he believes it would be advisable to try to submit it for CCMG funding consideration in 2022, and perform whatever repairs we need to get it through the winter. It is being moved to 2022, in hopes of getting a 50-50 match to lessen the TIF funds needed for that project. The expenditure for TIF this year will include only the 133rd and King project, which should come in just under \$175,000.

Mr. Vis requested that Mr. Eberly provide a penciled sketch of anticipated road projects that the RDC is expected to contribute towards and what the amount might be

Mr. Vis asked Ms. Sandberg what the other sources of revenue are available in addition to tax revenue. Ms. Sandberg stated that there is Casino, Garbage, and Storm (to a lesser extent). Mr. Niemeyer recommend looking at the Sustainability Plan. Ms. Sandberg concurred.

Hood – LUST Damages: Attorney Austgen explained that this matter is ongoing.

Industrial Park Property Roadway: Attorney Austgen advised that negotiations are ongoing.

Façade Grants Updates: The Commissioners reviewed the report document. Ms. Abernathy reported that Mr. Perfetti would be submitting his reimbursement as soon as he receives the final receipt he has been trying to obtain.

Light Pole/Banners: Discussion continued from the last meeting about how often to change the banners, cost of obtaining banners, and the like.

Mr. Vis stated his only question is if the Town has the time to do this project. Mr. Eberly stated that it is based upon how often the banners would be changed. Once a year is easy; a monthly basis would be too time consuming; a quarterly basis to semiannual basis would be doable. There are 120 light poles around town. It will take a considerable amount of time to change those banners. The initial installation is the most time consuming. Once that is complete, changing the banners is not as difficult. Mr. Eberly recommended not changing the banners any more than quarterly.

Discussion ensued. The general thought is to start with only the one banner honoring veterans this year, and bump up the number of banners in 2022.

The RDC Commissioners requested that this item be moved to an action item for the July meeting.

Sustainability Report: Mr. Vis stated that Mr. Niemeyer emailed the Members a copy of the Sustainability Report for review. He recommended for the members to familiarize themselves with it. Mr. Niemeyer concurred and mentioned that the report will guide the Town in everything to be done, noting it is being used heavily where budgeting items are concerned.

TIF Analysis: Mr. Niemeyer stated that they need to look at extending the TIF District to capture the commercial park on U.S. 41 that is working with the Plan Commission. It is another part of the analysis that needs to be done and action items developed quickly. Once that is approved, we want to set that baseline for a maximum capture on it.

Attorney Austgen advised that the TIF redistricting will be done through the RDC. When the approval kicks in as to where they are in their improvements and doing it sooner before or at the groundbreaking time is very important. He will get together with Mr. Eberly, and the schedule will be circulated within the next week.

Summer Winds Reimbursement Financial Analysis: Mr. Vis advised that at the last meeting, it was recommended that we go through our financial advisors and have them assess the agreement that was reached.

Mr. Eberly advised that Mr. Corby Thompson reviewed the information and responded that it could decrease the amount that the Redevelopment Commission could bond for by \$335,000 on a ten-year bond or \$600,000 on a twenty-year bond. Debt service constitutes the first service against TIF revenue, so the true bonding capacity would not change.

Mr. Eberly noted that he had not had a chance to speak with him directly, and he is on vacation this week, or he would have invited Mr. Thompson to be at this meeting. Mr. Eberly stated that he spoke with Sue Hasse about this matter, and she felt that what Mr. Thompson was referencing was because debt service constitutes the first pledge against TIF revenues, which might impact our ability to cover the debt service.

Mr. Niemeyer stated that if the funds are not there to cover the payment, a property tax back or bond insurance must be used to cover the same. Mr. Eberly concurred and stated that it was more of a coverage issue that Mr. Thompson was referencing.

Mr. Niemeyer stated that it is a stiff interest with the \$270,000 becoming \$335,000 in value, if that were to be viewed as a bank note.

Mr. Eberly stated that Mr. Thompson did point out that there is cash available to make that payment if the Commission wishes to do so. However, you will reduce your net revenues on an annual basis by that \$38,500 which has that impact that Mr. Thompson pointed out.

Mr. Eberly expressed that he would like to have Mr. Thompson explain to the Commissioners what he is referring to in his assessment and that it would be advantageous to have Mr. Thompson join us at the next meeting via Zoom.

Mr. Niemeyer recommended having Mr. Thompson present at the September budgeting session to advise us how to invest in certain things to maintain a certain level of budget neutrality wherever possible, looking at how to fund and finance things to keep the coverage that we need for larger projects and still be able to do smaller projects that are important.

Mr. Eberly stated that Mr. Thompson is treating this as though there is no positive impact from the development of that property. The tax revenues that will be generated by this project will be far greater than \$38,000 a year. However, he was not asked to look at potential income generated in a given year and compare it that way. Mr. Eberly further stated that what came to mind for him was the Façade Improvement program is great; but if \$38,500 is having that much of an impact, what does \$100,000 do, which is 2.5 times more than \$38,500. Mr. Eberly advised that they think about that for the September budgeting session. Over a period of time, the assessed value grows, and eventually that money should be coming back to the Town. There is a potential shortfall to the bonding.

Mr. Niemeyer stated that the Façade Improvement program is kind of a tax rebate, in a way, because the TIF taxpayers are the beneficiaries of the façade improvement. He further stated that we get to capture all of it instead of the revenues being parceled out. It does take a bit of time to see that benefit. It is more of a benefit to the taxpayers to reinvest into the community for a long-term benefit. It may be harder to measure a façade grant improvement, but you can look at the outlay on a year-to-year basis to balance what else you are trying to do. Some years, you may want to reduce the amount spent on the Façade grant approval to balance the whole approach.

Mr. Vis stated that this is a really interesting exercise as he did not realize that our bonding capacity was determined by the perceived debt that was on our books of future monies that we would owe. Over the next two months, we need to start talking about the expectation of what monies need to be generated for what projects so that we can have the conversation in September to get more creative with labeling within our budget so that it will not negatively impact our bonding capacity when we go out for bid.

Mr. Niemeyer commented that he was talking about just that understanding with the Sustainability Report, to create guardrails to ensure that we know the impact of what we do here on the entire plan of the community. Without the TIF District monies, 133rd Avenue would likely be a two-lane "horse-and-

carriage path." He further commented that it is critical that this Commission have a good grasp around the huge items that are multi-decade investments.

Ms. Covaciu noted that connectivity needs to be addressed so that people can get to various points of interest around the community. Mr. Niemeyer stated that it is important that the infrastructure is in place so visitors and residents can patronize the business district that will help to create sustainability in the community. When there is more business investment in the community, the net assessed value goes up, and the tax rate drops, which yields more financial flexibility to those taxing entities.

Attorney Austgen stated that the TIF revenue stream has a "mushrooming effect", with layering upon layering. The West Side Commercial Corridor is exactly that. People's Bank is about to go in, and there will be three or four banks in that area. It would not have happened without the first speculative engineering band for a space in that project. Mr. Niemeyer greatly expressed a holistic approach to ensure proper investment that promotes growth and sustainability. Attorney Austgen advised that the U.S. 41 Corridor project is a target area, and the RDC involvement in that project is a crucial component.

Mr. Niemeyer stated that when the RDC invests in TIF Districts, it helps make everything more sustainable. If those same dollars were parceled out in normal tax distribution, you would not see the same net benefit through higher assessed values and lower tax rates. The lower tax rate gives the school more room to operate, and it gives the Town and County more. In the communities that have properly used their TIF Districts, the entire community wins because continued improvement can be sustained.

Mr. Vis advised that there would be a planning session with the Town Council and Plan Commission in July to collaborate on future goals as well as general policies and guiding principles to help guide the Redevelopment Commission along with the Town in the coming years. Mr. Vis asked that they all share their ideas via email.

Ms. Haskell reported that Hanover Community Schools have a lot going on. The varsity baseball team is going to state. They play tomorrow night at 5 p.m. Mr. Niemeyer stated that the opposing team has a baseball player on it named Colson Montgomery that is supposed to be a second-round draft pick for the MLB Draft.


WRITTEN COMMUNICATIONS: None was had.


PUBLIC COMMENT: Mr. Carnahan reported that The Dock, a previous Explore Everyday recipient has closed. Mr. Brian Kubel held a client appreciation day this past Saturday, and the place was so packed, people were driving around two or three times to find parking. Summerfest right around the corner, and fireworks will be done on July 2 and 3. It is anticipated that it will be packed.

Ms. Haskell stated that if anyone is interested in volunteering, they are looking for volunteers.


ADJOURNMENT: A motion was made by Mr. Spencer to adjourn the meeting. Mr. Vis adjourned the meeting at 6:55 p.m.

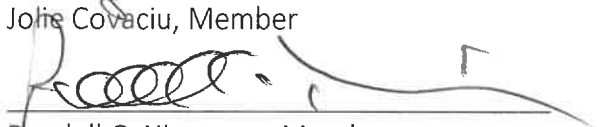
TOWN OF CEDAR LAKE REDEVELOPMENT COMMISSION



Nathan D. Vis, President

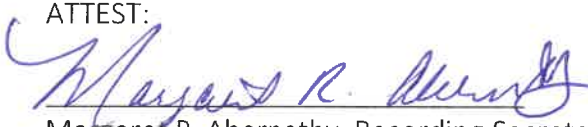
Eric Burnham, Vice-President

Doug Spencer, Secretary

Jolie Covaciu, Member

Randell C. Niemeyer, Member

ATTEST:



Margaret R. Abernathy, Recording Secretary

The Minutes of the Cedar Lake Redevelopment Commission Public Meeting are transcribed pursuant to IC 5-14-1 5-4(b), which states:

(b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.*
- (2) The members of the governing body are recorded as either present or absent.*
- (3) The general substance of all matters proposed, discussed, or decided.*
- (4) A record of all votes taken, by individual members if there is a roll call.*
- (5) Any additional information required under IC 5-1.5-2-2.5.*

Cedar Lake Redevelopment Commission: Minutes of June 21, 2021

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