

VALPARAISO REDEVELOPMENT COMMISSION
Regular Meeting Minutes
March 10, 2022

The regular meeting of the Valparaiso Redevelopment Commission was called to order at 4:40 p.m. on Thursday, March 10, 2022. President Trish Sarkisian presided.

Members present were: Trish Sarkisian, Ethan Lowe, Casey Schmidt and Evan Costas. Also present were City Attorney Patrick Lyp, Interim Redevelopment Director Stu Summers, Engineering Director Michael Jabo, Planning Director Beth Shrader, and Andrew Houser from Baker Tilly. Members of the public watched remotely.

Ms. Sarkisian called the meeting to order and asked for a motion to elect Ethan Lowe as assistant Secretary.

Motion: Evan Costas motioned to approve Ethan Lowe as assistant secretary. Mr. Schmidt seconded. A voice vote was unanimously carried.

ITEM #1- MINUTES:

Mr. Lowe reported copies of the February 10, 2022 regular meeting minutes were distributed to members for their review prior to the meeting. After reviewing the minutes, all seemed in order. Mr. Lowe recommended their approval.

Motion: Mr. Costas motioned to approve the February 10, 2022 meeting minutes as presented. Mr. Schmidt seconded. A voice vote was unanimously carried.

ITEM #2 CLAIMS REGISTER AND FINANCIAL REPORT

Mr. Summers reported that the Commission was sent the February 10, 2022 Claims Register and January 2021 Financial Report prior to the meeting. Mr. Summers recommended approval.

Motion: Mr. Costas motioned to approve the March Claims Register and the February Financial Report. Mr. Lowe seconded the motion. A voice vote was unanimously carried.

ITEM #3 TRANSFER FROM ENVIRONMENTAL PROTECTION TO SPORTS PARK AND FROM THE TRUST FUND TO DOWNTOWN HOUSING/PARKING:

Mrs. Melcic stated that a budget transfer of \$140,000 from Environmental Protection to the Parks Project acquisition budget. The transfer is necessary to cover a previously approved contract. Mrs. Melcic recommended approval of the budget transfer.

Motion: Mr. Costas motioned to authorize the transfer of \$140,000 from Environmental Protection to the Sports Park. Mr. Lowe seconded the motion. A voice vote was unanimously carried.

Mrs. Melcic stated that a budget transfer of 3.5 million dollars to purchase the developer bonds for the LINC project. Mr. Summers stated this was something previously discussed, the money being appropriated so when the time comes the money is available for the purchase.

Motion: Mr. Costas motioned to authorize the appropriation of 3.5 million dollars to purchase developer bonds for the LINC. Mr. Lowe seconded the motion. A voice vote was unanimously carrier.

ITEM #4 2022 NEIGHBORHOOD IMPROVEMENT FUNDING RECOMMENDATION:

Ms. Clifton stated the 2022 Neighborhood improvement grants program started in 2018 with the goal of bringing neighborhoods together and giving residents through their neighborhood groups direct input into improvement projects throughout the City. With the support from the RDC, 59 projects have been awarded grants. Each year the reach has expanded through Grants, neighborhood walks, new signage and in 2021 block party grants were done and helped the City engage with new neighborhoods. For 2022, the timeline has been changed so the Grants are awarded in March so all projects can be completed in the same calendar year and the criteria for the application was revised to remove information not relevant to the program.

For 2022, twenty-one applications were received, three were new neighborhoods with a total of \$250,000 requested. The Committee reviewed all requests. There is a budget from the Commission is \$185,000 and \$20,000 will come from other sources, along with the matching investments from the neighborhood groups, \$275,000 will be spent towards positive impacts on the community. Ms. Clifton respectfully requests approval for the 2022 neighborhood improvement funding.

Motion: Mr. Costas motioned to authorize the Neighborhood Improvement Funding Recommendation. Mr. Lowe seconded the motion. A voice vote was unanimously carrier.

ITEM #5 FINANCIAL FORECAST:

Mr. Mouser stated an update was put together to the analysis that was previously circulated regarding funding sources for the The Linc, Downtown Parking Garage and additional funding for the Sports Park. This is to expand what was previously shown for the Sports Park financing and give different options to consider. For the Downtown Projects, a \$14.7 million of the proceeds would be funded through a \$17.8 million bond issue. With updated taxable interest rates, rates range from 2.05% on the front end and 3.7% on the long end. The rate will be fixed throughout the financing. The annual payments after construction is complete the capitalized interest would be paid in 2022 and 2023. Interest only payment in 2024 and the full payment will be paid in 2025. The structure is done to sync up with the expirations with the TIF areas and it helps accelerate the principal repayment and keep costs down. The TIF coverage would be very healthy. The coverage is well over 400% to make sure the money is there to make payments on the bond.

Two scenarios were put together for the Parks Project. The first is more similar to what was shown in the past. The scenario stretches the TIF out but the numbers do not assume additional growth. The scenario assumes just under a \$25.5 million bond issue, with similar costs to the downtown project. The difference is this scenario would reduce the cost as much as possible by removing the capitalized interest. Total funding under this scenario would be \$26.6 million. The interest rates are lower because it is a public project, the rates range from 1.55% to 3.3% on the long end. The payments will start in 2025 and decline as the TIF areas expire. The coverage under this scenario is 190% as opposed to the 400% in the first scenario.

The second scenario is a similar structure with a \$14.75 million bond issue, which is a smaller bond issue and generating smaller proceeds of \$12.2 million. The payment schedule is similar just a lower amount. The coverage would be 245% in this scenario it gives additional coverage on the debt and additional money left over per year for projects that come up. This scenario also sets aside \$1 million to use for future projects/opportunities moving forward.

Mr. Summers stated that the million dollars a year that is set aside can be used for the park or for a new Economic Development prospect. It would be up to future Commissions to allocate the money at that time. Stu asked the Commission what their thoughts are. Mr. Lowe stated he prefers scenario #2. Mr. Lowe stated that one of the strengths of the RDC is the flexibility. Mr. Lowe likes to have the \$1 million so the ability to be use it for future projects or roll it into the Park. Mr. Costas agrees with Mr. Lowe's stance. Mr. Schmidt prefers scenario #1.

Mr. Lyp stated there are certain unknowns in terms of preliminary budgeting. A preliminary review was done as to what the Parks can contribute as well. There will be charitable donations as well. This gives the RDC high and low parameters for this project. Mr. Schmidt asked if there is a time frame for getting answers to what other funds are available. Mr. Lyp stated that the Readi grant was submitted for \$5 million dollars. The City is waiting to hear if the grant has been approved.

ITEM #6-ECONOMIC DEVELOPMENT TAX CREDIT AGREEMENT WITH HG VALPO I, LLC

Removed from Agenda. The RDC does not need to be party to the agreement. It is a Board of Works Action.

ITEM #7-FIRST AMENDMENT TO LAND ACQUISITION AGREEMENT :

Mr. Lyp stated the Board President signed the extension and Mr. Lyp is asking for the agreement to be ratified.

Motion: Mr. Costas motion to approve Agenda Item # 7, #8 and #9 together. Mr. Schmidt seconded. A voice vote was unanimously carried.

ITEM #8-RESOLUTION OF THE CITY OF VALPARAISO REDEVELOPMENT COMMISSION APPROVING A FORM OF ECONOMIC DEVELOPEMNT AGREEMENT AMOND THE VALPARAISO REDEVELOPMENT COMMISSION, THE CITY OF VALPARAISO AND HG, VALPO I, LLC

Mr. Lyp stated the RDC is one of two parties in the City that will approve. If it is approved, it will go to the BOW tomorrow. This immortalizes of the term sheet and land acquisition agreement that was approved in December for the LINC agreement. The Resolution is complete. The agreement has had a few changes and a few exhibits need to be attached, but is ready to be approved. Any changes or amendments would need to come back to the RDC for consideration.

Motion: Mr. Costas motion to approve Agenda Item # 7, #8 and #9 together. Mr. Schmidt seconded. A voice vote was unanimously carried.

ITEM #9-RESOLUTION OF THE CITY OF VALPARAISO REDEVELOPMENT COMMISSION THE ISSUANCE BY THE CITY OF ECONOMIC DEVELOPMENT TAX INCREMENT REVENUE BONDS TO PROVIDE AN INCENTIVE TO THE HAGEMAN GROUP, LLC, THE FURTHERANCE OF THE REDEVELOPMENT AND ECONOMIC DEVELOPMENT AREA AND PLEDGING TAX INCREMENT REVENUES TO THE CITY FOR REPAYMENT OF SUCH BONDS:

Mr. Lyp stated the resolution is part of the Economic Development agreement and part of the incentives for the LINC. The Resolution is for the \$3 million incentive that was granted for the development and starts the bond issuance process. The Resolution will be heard in front of City Counsel on March 14th and March 28th with a closing date in early April.

As part of the bond issuance, at the February meeting a Resolution was adopted with a bond issuance not to exceed \$3.1 million, the actual amount is not to exceed \$3.3 million. A corrective Resolution is to be signed.

Motion: Mr. Costas motion to approve Agenda Item # 7, #8 and #9 together. Mr. Schmidt seconded. A voice vote was unanimously carried.

Mr. Lyp requests a motion to authorize the President to sign documents relating the Economic Development bonds the closing will take place before the April 14th meeting.

Motion: Mr. Costas motioned to authorize the President to sign documents relating to the Economic Development Bonds. Mr. Lowe seconded. A voice vote was unanimously carried.

ITEM #10-ELEVATED VALPARAISO DRAFT PLAN:

Ms. Shader stated that Fred Prasio from Context and Brent Martin from Land Design will talk about the Elevated Valparaiso Draft Plan. Mr. Prasio stated the draft includes the vision process for the current conditions including underutilized assets, opportunities and issues within downtown and surrounding areas, examining and interpreting previous planning efforts, including housing studies, revitalization plans and various reinvestment, conducting focus group interview to learn what the community needs; what the concerns, issues and desires are for the future of the downtown. Lastly, how the downtown area could improve, with priorities for redevelopment, renovations and preservation.

Mr. Martin stated the thought process for this plan is a 20-year vision plan. What is being looked at is where are the highest and best opportunities for redevelopment to happen. The report shows the best places to look for what the existing uses are, what proximity they have to existing destinations, what are the best and most logical use for the areas. The report is a tool to look at for when opportunities come up to see if they align with the future vision of downtown.

ITEM 11: Resolution

Mr. Summers stated a Resolution of the Commission establishing the policy by which members of the Commission may participate by electronic means of communication needs to be adopted. A new law passed that requires the Redevelopment Commission adopt the resolution before being allowed to meet electronically. Mr. Summers recommends approval of Resolution.

Motion: Mr. Costas motioned to approve Resolution of the Commission establishing the policy by which members of the Commission may participate by electronic means of communication Mr. Lowe seconded. A voice vote was unanimously carried.

ITEM 12-REQUEST TO BID FOR CONTRACT FOR CONDUIT PURCHASE:

Mr. Jabo stated Engineering is working on Campbell Street project in front of Journeyman. Utilities are being moved and have created a design. Conduit is being lined up underground so the aerial utilities can be moved underground within the corridor established as the public right of way. Getting the conduit in now, the work can be done now, saving both time and money. With the uncertainty of the market, the normal estimated price with \$70-80,000 range for the PVC conduit. Quotes will be received by Board of Works. Mr. Jabo is requesting no more than \$100,000 available for the conduit.

Mr. Summers stated the Redevelopment Commission will authorize Mr. Jabo to receive quotes, take the quotes to the Board of Works for approval because of the timing. Once received, the contract will be added to the April 14th Agenda for ratification.

Motion: Mr. Costas motioned to approve Request to Bid For Contract For Conduit Purchase. Mr. Schmidt seconded. A voice vote was unanimously carried.

ITEM #13 - PUBLIC COMMENT:

None.

ITEM #14 - ADJOURNMENT:

Staff said they had no further items for the Commission's consideration. Mr. Lowe motioned to adjourn the meeting with Mr. Thorgren seconding. A voice vote was unanimously carried. The March 10, 2022, Redevelopment Commission meeting adjourned at 5:54 p.m.

Rob Thorgren, Secretary