

**MINUTES OF THE MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA**

August 27, 2018

The Common Council of the City of Valparaiso, Indiana, met on Monday August 27, 2018 at 7:00 p.m. in City Hall. Mayor Costas called the meeting to order. The Pledge of Allegiance was said. Present were Councilmembers Murphy, Douglas, Hoffman, Reed, Hudson, and Porter. Councilmember Cotton was absent.

MINUTES

Councilmember Hudson moved to approve the minutes of the August 13, 2018 meeting. Councilmember Reed seconded the motion.

Upon voice vote the motion to approve the August 13, 2018 minutes passed with a 6-0 vote.

Presentation

Redevelopment Commission Downtown Housing Policy

Patrick Lyp addressed the Council. This policy was presented to the Redevelopment Commission on August 9th. It was approved to bring to the City Council for consideration. Since that time a full copy has been on the City's web page. On August 21st a presentation was given to the ValpoNext organization.

This policy is not the Mayor's housing policy nor is it an ordinance or resolution. For any project to move forward it must be presented to and receive approval from the Redevelopment Commission, Plan Commission and City Council. Approval of this policy does not approve any particular project. This allows a project to be brought to the Redevelopment Commission. If approved there it will be brought to the City Council.

As currently drafted the policy focuses on downtown. The policy can be extended beyond the downtown area. This is not being presented to address the affordable housing issue. The goal is to provide the City with another tool to encourage development. This policy incentivizes developers and minimizes risk for the City. There is no upfront money from the City. All risk is on the developer and all costs are on the developer.

Mayor Costas asked what this allows the Redevelopment Commission to do that it could not before. Patrick replied, this allows them to work with a developer and with the City Council to issue Developer Backed TIF Bonds. This would be paid with future taxes collected from purchasers.

Mayor Costas discussed what has been done downtown and now people want to live in the downtown area. He discussed the Thormahlen project and St. Paul Square project and how it was in the City's best interest to help the developers which in turn will increase taxes.

Mayor Costas opened the meeting for public comment:

Drew Wenger - 611 Center Street. Is this an expansion of the current TIF District? It has been said there is a lack of housing inventory downtown but does this take into consideration current projects.

Reply: There is one TIF District. Whether or not this policy is adopted that will remain the way it is. If an area is identified as a project and is not in the TIF District, one would have to be created. This allows the City to use the bonding for housing rather than commercial development. The RDC has not identified any specific area that needs developing. It will be a developer that comes to the RDC that will start the procedure.

Walter Grey - 205 Wayne Street. Are there specific boundaries for downtown?

Reply: He was shown the map in the Hyatt Palma report that defines the downtown area. There is one consolidated TIF District downtown. It is shown on the City's web page.

Lois Reiner - 401 Lafayette. Is there anything in this policy to incentivize affordable housing?

Reply: The RDC waits for projects to come to them. There is nothing on the front burner currently. For example, a project of studio apartments that are more affordable would be a welcome project. This is a tool that can be used for a lot of different types of projects.

Paul Schreiner – 505 Lincolnway. How would the population and income level of the people who could be served by this policy be described? Hyatt Palma says downtown should be “quality” housing. Is there a consistent direction of the upper income or lower income housing?
Reply: It is market driven. People want to live in downtown. There is a lot of different types of housing. Particularly if you walk within three miles of the near downtown there are a lot of modest homes. Trying to build new development at affordable rates is a challenge. The policy is agnostic. Once a developer presents a project, the RDC, Council and Plan Commission can go from there with it.

Tim Leitzke – Kickbush Dr. He is not sure why there is a push to give abatements. The Hyatt Palma says to push for quality housing. Where does everyone else fit in.

Reply: There are many goals as a city. This is a large city. There are a lot of places in the city to live. There are a lot of modest homes within walking distance of the downtown that are not being threatened by this. There are a lot of older homes around and a lot of apartments. We have a diverse housing stock.

Walt Breitinger – 608 Academy. These projects need to save the older trees on the property.

Melanie Trowbridge – 2701 McCord Rd. If there is an increase in demand why are incentives necessary.

Reply: There are market forces that make a project not doable. This helps the developer by getting them over the challenges that have stopped the development to that point. This also results in a tax paying entity.

Councilmember Porter – Her observation is that developers appear to be doing ok on their own with building high end homes. This should help the developer who wants to build a more affordable home because it will help absorb some of the costs he cannot recoup because of selling at a lower price.

Reply: Most large projects these days need help from the City they are located in. This does bring down the overall cost of the project and lets the developer sell for less.

Spencer Skinner – 2409 Jonathan Drive. A high-end development and a modest development have totally different set of challenges. Is the City looking at other opportunities so there is a full tool box of tools available?

Reply: The City is always looking for any means it can to enable business to come to and do well in Valparaiso.

Councilmember Porter – Questioned about projects outside of the downtown TIF district.

Reply: Another TIF District could be created to cover any project outside of the current district.

Councilmember Douglas – Does the policy need to be amended now or taken care of when a project comes to the RDC.

Reply: If the policy is received favorably, it can be amended now. It can also just wait until there is a project where it is necessary to do another district.

Councilmember Murphy – thanked everyone for their work on this policy.

Councilmember Murphy moved that the Policy be accepted with the language added that other districts can be created if needed because they are not within the downtown district.

Councilmember Douglas seconded the motion. Upon roll call vote the motion passed with a 6-0 vote.

ORDINANCE NO. 15, 2018

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, ESTABLISHING REGULATIONS GOVERNING PARKING IN THE EAST GATE AND UNIVERSITY PROMENADE AREAS

Councilmember Hudson moved that Ordinance No. 15, 2018 be read a first time and considered on first reading. Councilmember Reed seconded the motion. Clerk-Treasurer Swihart read Ordinance No. 15, 2018. Councilmember Hudson moved to carry Ordinance No. 15, 2018 to the September 10, 2018 meeting. Councilmember Reed seconded the motion.

Patrick Lyp addressed the Council. This Ordinance adds an application to be filled out. This way the City knows who is getting the permits. Approval from the Board of Works for renewal is not required. The person picking the new permits up must show they are with Uptown/Promenade and they will be able to get permits. The fees are now consistent with what is charged by the City. Valparaiso University is ok with this Ordinance.

Councilmember Porter moved to suspend the rules on Ordinance No. 15, 2018. Councilmember Reed seconded the motion. Upon roll call vote the motion passed with a 6-0 vote.

Councilmember Hudson moved to hear Ordinance No. 15, 2018 for a second time by title and a third time in full and be considered for adoption and the opportunity be given for the offering of amendments. Councilmember Reed seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Hudson moved to adopt Ordinance No. 15, 2018 under suspension of the rules. Councilmember Reed seconded the motion. Upon roll call vote Ordinance No. 15, 2018 passed with a 6-0 vote.

COUNCIL REPORTS

None.

AUDIENCE

Paul Schreiner – 505 Lincolnway. He sees market demand is there for downtown housing. There also is an equal need for affordable housing. Over regulation can increase costs. He would like to see the City make every effort to help developers work around the impossible challenges of developing affordable housing.

The meeting adjourned at 8:15 p.m.

/s/ Sharon Swihart, Clerk-Treasurer