

JOHN R. MCNAMARA, P.E., L.S.
County Surveyor
JESSICA J. CLARK, P.E.
County Engineer
WILLIAM S. SCHALLIOL, ESQ.
Executive Dir. of Economic Development
ABBY E. WILES, AICP
Executive Dir. of Area Plan Commission



ST. JOSEPH COUNTY
ESTABLISHED 1830

DEPARTMENT OF INFRASTRUCTURE, PLANNING & GROWTH

BOARD OF COMMISSIONERS
ANDREW T. KOSTIELNEY
District 1
DEREK D. DIETER
District 2
DEBORAH A. FLEMING, D.M.D.
District 3

MEETING MINUTES
March 9, 2021, at 9:00 a.m.

**REDEVELOPMENT
COMMISSION**

Member Present on Zoom: Dennis Jordan, Jessica Clark, Thomas Gryp, Jason Critchlow, Larry Beehler
Staff Present: Bill Schalliol, Chris Brown, Jamie Woods (By Zoom), Samantha Keultjes

MEMBERS

Brian Pawlowski
President
Board of Commissioners Appt.

Dennis Jordan
Vice-President
Board of Commissioners Appt.

Jessica Clark, P.E.
Secretary
Board of Commissioners Appt.

Thomas Gryp
Member
Council Appointment

Jason Critchlow
Member
Council Appointment

Larry Beehler
Advisory Member
PHM School Corporation Appt.

Jamie Woods, Esq.
Counsel

1. Meeting Called to Order by Dennis Jordan
 - a. Virtual Meeting Policy – Resolution R-5-C-2021 (Audio Position: 2:15)

Bill Schalliol explained that the Resolution R-5-C-2021 was passed by the Board of Commissioner’s on February 16, 2021 adopting a policy for virtual meetings. Jamie Woods added that it does not limit public comment. The contents were shared with the Indiana Public Access Counselor and he approved the policy.

2. Approval of Minutes (Audio Position: 3:45)
 - a. February 9, 2021 – Meeting of the Redevelopment Commission

Upon a motion by Thomas Gryp, being seconded by Jessica Clark and unanimously carried, the minutes from the February 9, 2021 Redevelopment Commission meeting were approved.

3. Economic Development Area Updates (Audio Position: 4:10)
 - a. General Redevelopment Commission

- i. Budget Information (February report)
 1. Wyatt EDA – Fund 4300
 2. New Carlisle EDA – Fund 4301 (AA #2)
 3. New Carlisle EDA – Fund 4302 (AA #1)
 4. New Carlisle EDA – Fund 4303 (Special Taxing District)
 5. Capital Avenue EDA – Fund 4401
 6. Northwest Cleveland Road EDA – Fund 4402
 7. General Redevelopment Commission – Fund 4403
 8. Double Track Bond – Fund 4404

Bill Schalliol stated that the February budget report is provided in the packet for the Commission members to review and accept the reports.

Thomas Gryp: On page 27, under Expenditures last month for Fund 4302 totaling just under \$1.2 million. Could you just explain the expenditures like the two-nineteen for the IEC, multi-service facility, that kind of thing. For February it was \$90,000 for the IEC and then \$90,000 for the multi-service facility.

Jessica Clark: If you go to page 21 which is the actual specifics of that particular fund, it breaks down the information into more of the project type that we're accomplishing within this fund. So the multi-service facility is our contract with DLZ. Originally we were looking at consolidating our County Highway garages and two specific TIF areas and we had started that contract, taking a look at the northeast side over by McKinley and Bittersweet and then assigning a new facility within the New Carlisle Economic Development Area and we have since settled on now looking at a northern barn within the Portage Manor Campus Area and so that contract is basically a carry-over contract from a previous year that we still have effort on and the monies that the RDC approved to spend on that project are still being contributed. It's not fully funding that effort but the County is also sharing in that cost, but those would be the monthly invoices that we are receiving from DLZ for that effort. The IEC line item consists of work that Lehman & Lehman have been completing with respect to land use, ordinance amendments, those contracts that again have been previously approved by this board, it's just that continuing effort.

Upon a motion by Jason Critchlow, being seconded by Jessica Clark and unanimously carried, the January budget reports were accepted and approved.

- ii. Annual Report of the St. Joseph County Redevelopment Commission for Fiscal Year Ending December 31, 2020
(Audio Position: 13:00)

Steve Dalton presented the Annual Report of the St. Joseph County Redevelopment Commission for 2020.

Upon a motion by Jessica Clark, being seconded by Jason Critchlow and unanimously carried, the 2020 Annual Report was accepted and approved.

- iii. **Resolution 2021-04** – Resolution of the St. Joseph County Redevelopment Commission Concerning the 2021 Budget Year Determination For Tax Increment For the St. Joseph County Redevelopment Commission Allocation Areas
(Audio Position: 9:25)

Steve Dalton: The Resolution determines your decision as to whether or not you intend to keep all tax increment that will accrue to the Redevelopment Commission and its allocation areas in 2022. So you're looking forward into next year and this Resolution, if you choose to adopt it, once adopted will end up being a letter that will be written to the Auditor telling the Auditor you're intentions to keep the tax increment. You could release assessed value to the underlying taxing units if you felt like you had too much money on your hands and you did not need it for the debt service payments that you're committed to or the projects that you have under way within those allocation areas. It's my recommendation that you keep the increment in 2022 as you have in each of the allocation areas for the last number of years.

Thomas Gryp: Will there be any excess?

Steve Dalton: Excess is an interesting term defined by different people different ways. It's my recommendation that there is no excess due to your debt service schedule that you must make payments on and the projects that you have committed to. I do not believe that in 2022 you will have excess. There would be some that would argue that if you have a couple million dollars in your reserves that you have excess but I think we all know that we have projects that are multi-year projects that will make use of those funds that have been budgeted by this Commission. As you look forward on those budget by actual reports, we look forward as many as four years and many of the funds begin to droop down to zero reserves over the next three or four years as they finish these multi-year projects.

Thomas Gryp: I think we just have to be aware of the fact that by doing this we are taking money away from other things that could be done. I'm not saying we shouldn't do this but it's a decision we're making to keep it in the first bucket and not sharing it with the second bucket. I just wanted to make sure we all do that with our eyes open.

Steve Dalton: One way to look at it is that even if you released substantial amounts of assessed value, the benefit would mostly accrue to taxpayers, which is not necessarily a bad thing, as their tax rates would be reduced. The benefit in most cases will not accrue to the overlapping units because they are levy maxed. They can only increase their levies at the statewide growth rate so therefore it's not like it's magic money to the underlying units, it would be magic money to the tax payers who would have a smaller tax rate.

Upon a motion by Jessica Clark, being seconded by Jason Critchlow and unanimously carried, Resolution 2021-04 was approved.

b. New Carlisle Economic Development Area (NCEDA) (Audio Position: 25:15)

i. Option Agreements

1. **Resolution 2021-08** - Option C (Kaminski)

Bill Schalliol: At the last Redevelopment Commission meeting, we had presented two Option agreements for property owned by the Sebasty family. Those options related to Option area A and B. Option C relates specifically to property owned at the northwest corner of SR 2 and Larrison Blvd by the Kaminski family. 152.8 acres of property. What we're asking to do today is to obtain an Option agreement on this property for one year the amount of \$30,000 and then an additional year if all parties agree to move forward at an additional \$6,000. So a total of \$36,000 for two years of Option Agreement on this property. In the report it details the difference between the Option that we had last year and the values on that Option versus the Option value that we have this year. I will tell you that this is property that has been rezoned to Industrial. It is property that we have contemplated putting into the site certification process. At our last meeting we had taken some actions related to moving forward site certification and so it would be advantageous for us to take these properties under Option. The other thing, and one of the things we've been working on with the State and with Lochmeuller Group, is the intersection improvement design for the SR 2 and Larrison intersection. So that this point in time the county own the northeast corner. If we accepted this Option we would have an Option right on the northwest corner. The southwest corner of this intersection is owned by

the Sebasty family and we obviously have a relationship with them. And the southeast corner is owned by the Zarembka family who we've previously acquired property from under a mutually agreeable acquisition process. So the intersection improvement is really the number one project before the IEC and before the area, as far as a need in that area so taking this Option really does a lot of good things for moving a lot of projects and project related elements forward.

Thomas Gryp: You said that there were changes in the nature of the Option agreement between before and now. Did the purchase price change?

Bill Schalliol: The purchase price of the Option, yes.

Thomas Gryp: No not the Option, the underlying purchase price?

Bill Schalliol: No, the purchase price remains at \$55,000 an acre in this new Option.

Thomas Gryp: So the only change was the terms of the Option Agreement?

Bill Schalliol: The terms of the Option payment and then terms within the Option Agreement itself. We stripped out a lot of the developer specific Option agreement language that was in the Option that we took last year in 2020. So the Option agreement language here mirrors exactly what we just did with the Sebasty's last month but it strips out a lot of those extra provisions that were somewhat onerous but specific to a project that we were working on in 2020.

Thomas Gryp: So this has more to do with the road improvement rather than trying to control the land to sell to a developer for a silent buyer coming in?

Bill Schalliol: It actually ties to both but really again I think it's a stronger case in this particular, because we are moving forward with design at this point in time, so having the land tied up does help with the design element and removing some of those hurdles as we talk about design and layout.

Thomas Gryp: Isn't the first phase of the Option Agreement just until the end of the year? So it's really, the first part the \$30,000 is only for nine months. Is that right?

Bill Schalliol: That would be correct.

Thomas Gryp: If that's the case, why don't we just enter into contract to buy the thing?

Bill Schalliol: Buy the whole piece of property?

Thomas Gryp: Well it's an option to purchase it anyway, and if we're going to have to do that for the road development, why spend the money on the Option?

Bill Schalliol: So the property is 152 acres. We probably are going to need the minimal amount of land for the intersection improvements. It could be up to 10 acres. It could be a little less depending on design criteria. So we don't need the whole piece of property for the intersection improvement, but we'll need some element of it for the intersection improvements.

Jason Critchlow: We had an Option with the Kaminsky family last year and we terminated it so we didn't have to pay them.

Bill Schalliol: The reason we terminated it was because we were in a position where we would have been required to make the \$75,000 payment to continue the Option. We terminated with the plan to then enter into a new Option with the smaller Option payment values.

Jason Critchlow: The \$55,000 an acre, how did we arrive at that number?

Bill Schalliol: That was established by two independent appraisers reviewing the site based on zoning, the ability to have utilities and have access to a highway. That was an established appraisal value for the larger site. So that \$55,000 was based on an aggregated site of Option A, B and C together.

Jason Critchlow: For this parcel in particular, if it's both for potential development and for intersection improvements, the Kaminsky family owns it, we have this Option but they're going to have to give up part of the land for these improvements. Who comes along and buys that part of the land? Is that the state? What would that look like? So the developer would not purchase that right? Some government entity would.

Bill Schalliol: Right, which is why we're pushing ahead design elements now so that we understand what that potential impact on that corner could be. As far as who would buy that land, that's what we would still need to work through with the State or is it a County acquisition so that we hold the land when the State and partners are ready to come forward with the move. We have had offline conversations that did not make it into the Option agreement that that land would be considered at a different value, more commiserate with what the land would be paid for in an acquisition by the State. So it would not be at \$55,000 an acre. It would be at presumably a lesser value per acre for that taking of land for that intersection improvement.

Jason Critchlow: We did these Option agreements with the other property owners at our previous meeting. Why was this one separate? Why wasn't this negotiated? Were we just not done with this one? Was there more to be done? What makes this one different?

Bill Schalliol: No, it was just a matter of getting the three family members and the parties available to put the Option together. There were some timing issues that we were not able to get this ready for the last meeting. But ideally all three would have come to you at the same time.

Upon a motion by Dennis Jordan, being seconded by Jessica Clark and carried 3-1, Resolution 2021-08 was approved.

b. New Carlisle Economic Development Area (NCEDA) – continued

(Audio Position: 34:25)

ii. Farm Leases / Release and Indemnification Agreement

1. **Resolution 2021-05** - Farm Lease

Inland Parcel (Lease with Sebasty Jr)

2. **Resolution 2021-06** - Farm Lease

31917 State Road 2 (Lease with Sebasty Jr)

Bill Schalliol: Resolution 2021-05 and Resolution 2021-06 relate to land that the Commission owns. So last year we had purchased land that had agricultural use on it. It has been our contention that if we have land that has the ability to be farmed, it will continue to be farmed until it's use moves forward. This year, we received two independent reviews of what land values, or what farm lease values would be. The average value for farm lease that is not irrigated is \$137.50 per acre. So what we have done is put together a Resolution and then a Farm Lease for a piece of property at the southwest corner of Walnut and Edison. The Sebasty family who has farmed that for over 15 years has put in a lease request on that property at \$137.50 per acre. The next Resolution then is related to property that the Commission purchased at the northeast corner of SR 2 and Willow and that property is approximately 20.1 acres of farmable ground non-irrigated and would have the same per acre lease value.

Thomas Gryp: Could you explain again, why did the lease price go from \$50 to \$137? That's a nice jump to the benefit of the taxpayer. I need to get a better sense of why it almost more than tripled?

Bill Schalliol: Last year when we did these leases, we did them in June. We had the farmers actually in the fields and what we did is we continued the rate that they had been paying on the previous ground because we didn't have meetings in March, April, or May we were kind of behind the curve a little bit on leases and getting that land under lease. So we just accepted the lease value that they had had the previous year with the land owners. What we did this year based on state statute is got two independent appraisals of farm lease values. We got the appraisals done on irrigated land versus un-irrigated land. They looked at this area and specifically and the average value for non-irrigated land was \$137.50.

Jason Critchlow: Where is the money going for the County government?

Bill Schalliol: This money will go back into the Redevelopment Commission General Fund because it's a lease.

Upon a motion by Jason Critchlow, being seconded by Thomas Gryp and unanimously carried, Resolution 2021-05 and Resolution 2021-06 were approved.

3. **Resolution 2021-07** - Release and Indemnification Agreement (Audio Position: 38:18)
31991 Edison Road (Stevens)

Bill Schalliol: The property at 31991 Edison Rd is property that the Commission has owned for a couple of years. It was purchased in anticipation of a rail spur lead track coming off of the Norfolk Southern Line. On that property though is a hayfield that the Stevens family has collected hay for local farmers and for local groups that use hay for horses or their other animals. We have for a number of years just done an indemnification agreement with the Stevens. We haven't put any value on their work because they're doing it as kind of a charitable effort and it keeps the hay cut and everything. Last year the Commission just required that there be a certificate of indemnification and we approved that in our June meeting last year and ask that we do that same thing this year.

Jason Critchlow: Does it grow wild?

Bill Schalliol: It's about a 6.5 acre field of just wild hay that they come out and cut 2-3 times a year.

Upon a motion by Jessica Clark, being seconded by Jason Critchlow and unanimously approved, Resolution 2021-07 was approved.

iii. Professional Service Contracts (Audio Position: 40:30)

1. Antero Group – Addendum 2: SBN Freight and Logistics Strategy

Bill Schalliol: The Antero Group has been working with us on both the IEC as well as the South Bend Freight and Logistics Park at the southwest corner of the airport. We've had a lot of great work with the airport over the last six months as we've made some headway on the Double Track Project regionally as we've made some strides in the relocation design for the South Shore to the airport as we talk about one track and two trains, as we look at design for a freight and logistics center in the southwest corner of the airport. The proposal before you today is for \$7,495 to complete this contract, finalize out this master report, so as the airport starts to move forward with some of it's work to do real estate and land management and some target property acquisition in the southwest quadrant of the airport, to move some of these projects forward. This report will be a basis and guide for them to help with that. This is Addendum 2, we've been working on this for a couple of years, it's nice to get to a point where we're ready to start moving forward and actually seeing some progress in this area.

Thomas Gryp: When will this project be complete?

Bill Schalliol: So this report should be complete in the next couple of weeks. The airport has actually started doing some infrastructure work to start the larger industrial park development in the southwest quadrant. As a related note, we the regional group, the South Shore, the airport and the County have filed a notice with FAA to move forward review of the South Shore Project with FAA to make sure that we can get the train under the south end of the runway. So there are a lot of pieces all coming together at the same time and this report is actually, when finalized will be a supplemental document to that FAA review. So a lot of pieces coming together to move this project area forward for the airport.

Thomas Gryp: So you expect this to be the last amendment to this contract?

Bill Schalliol: I do indeed, yes.

Upon a motion by Jason Critchlow, being seconded by Jessica Clark and unanimously carried, the professional service contract with Antero Group – Addendum 2: SBN Freight and Logistics Strategy was approved.

c. St. Joseph County Economic Development Area No. 3 (AM General EDA) (Audio Position: 43:27)
i. County Connections Project Update

Bill Schalliol: The County Connections information in your packet relates to a project that the Commission has agreed to fund with Elkhart County. It's a study of the area between the City of Mishawaka, City of Elkhart, and kind of that no-man's land in between the two as we look at

infrastructure, design and development and development opportunities. We had a kick-off meeting back on February 23, 2021, I just wanted to share this packet information with you to give you some additional information on that project. This is more just informational, no action needed. Thank you Jason for being a part of this committee. We'll have a report, I believe they're anticipating a draft report early summer on this project.

ii. Request to file for South Bend-Elkhart Regional Cities Initiative, Round Three Fund Allocation

Bill Schalliol: We've been working with a number of groups on design and project planning for the Capital Avenue Corridor. Recently funding has become available through the South Bend-Elkhart Regional Partnership as part of the Regional Cities Project. They had one project, the Choco-Dino World that Mark Turner was working to develop. It is a little delayed and because they're delayed, about \$862,000 of funding has become available for a project that they're trying to get the partnership, the Regional Cities partnership is trying to get funded and on the road and under construction by June of this year. If we don't get the money funded and we don't get the project funded this year, they lose the money back to the state so we'd like to have a project happen in St. Joseph County, we'd like to have a project quality of life project move forward. We have been working on the Capital Ave Corridor. We have a section that really will bridge the north and the south infrastructure pieces together and that's a section of trail about 2,100' of trail that needs to be constructed on the west side of Capital Ave, north of the bridge and south of Jefferson. That project funding amount at this point in time is estimated at \$1.35 million with contingencies. What we'd like to do is get Commission authority to apply for this grant. The grant application is actually due this Friday. What we'd like to do is apply for all the \$862,000 of the project money and then we could be in a position to have the project have bid openings on June 1 and have a groundbreaking before the June 15 deadline.

Thomas Gryp: If we get this grant, do we have the money to make up the difference?

Bill Schalliol: We do. Because we'd be getting a July allocation and actually have more money, this goes back to a comment Steve had made earlier. Because SF Motors didn't pay their taxes, we'll get that tax payment in July and so we'll have that additional amount of money to be able to cover the shortfall between the grant amount and the project award. We don't anticipate that the project is going to cost \$1.35 million but the estimate is \$1.2 million and then a 10% contingency or so. So we'll have bids available first of June and really know where we're in a position. But we will have cash on hand to be able to cover this. We won't have cash on hand if we don't get the grant and then we'd have to look at how we would pay for that.

Upon a motion by Jason Critchlow, being seconded by Thomas Gryp and unanimously carried, the request to file for South Bend-Elkhart Regional Cities Initiative, Round Three Fund Allocation was approved.

d. Wyatt Economic Development Area No. 1 (Wyatt EDA) (Audio Position: 48:00)

No updates at this time.

e. Northwest Cleveland Road Economic Development Area (NWCR EDA) (Audio Position: 48:04)

i. Professional Service Contract

1. DLZ, Inc. – Olive Road Master Planning, Supplemental Agreement No 1

Bill Schalliol: At our last meeting we did have a proposal that we approved with DLZ to do an Olive Road Master Plan Project. There's a map in the packet that shows the study area for the Olive Road Master Plan as it relates to the adjacent Northwest Cleveland Road Economic Development Area. Since we got the approval last month to move forward with this study, Holladay Corporation has come in with a rezoning request to rezone the 52 acres south of Cleveland Rd which is located within the Economic Development Area for the purposes of developing a freight and logistics building up to 800,000 square feet. The request is to add some additional funding to the Olive Rd Master Plan so that we can do specifically an intersection study at the intersection of Olive Rd and Old Cleveland Rd/Nimtz Parkway for a traffic signal. There was a recent announcement, ABC 57 covered a story of a new Amazon Center that's in the building that sits at the northwest corner of that intersection. They're a large item delivery fulfillment center, so with that use, with General Stamping and Metal Works with a new freight and logistics center at this site, the ability to do an additional piece of study for a traffic signal at this intersection is key. If an 800,000 square foot building were to be built in this center, it would throw off additional increment. That additional increment would go into the Northwest Cleveland Fund, which could then allow for that bond to be paid down sooner because we'd have more revenue into that fund.

Upon a motion by Jessica Clark, being seconded by Dennis Jordan and unanimously carried, the professional service contract with DLZ, Inc. – Olive Road Master Planning, Supplemental Agreement No 1 was approved.

4. Additional Business

- a. Division of Economic Development 2020 Annual Report (Audio Position: 51:05)

The Annual Report is still being finalized and will be circulated when available.

5. Public Comment (3 minute limit) (Audio Position: 51:55)

Martha Ray, residing at 29360 Lynn St., New Carlisle, IN asked for an update on the fiber project.

Bill Schalliol: We'll be starting construction within the next two weeks. That project will be moving forward. The kickoff date officially was March 1, 2021. We're in the window where they're gathering materials now and that work will be progressing here shortly.

Chris Brown: Anticipated to finish late summer this year.

Thomas Gryp: Regarding the fiber, last time we spoke it was rather vague whether or not there's money in the project to connect the dark fiber to schools, hospitals, to the ultimate users in the New Carlisle community. Has that been resolved yet? One of the things I'm really worried about is to have this cable go right through town and having to pay for the hookup out of their own pocket.

Chris Brown: We have been in conversation with Choice Light and they have a residential provider that they work with that's Surf Broadband. We have not had any conversations about what the prices of those connections are but I can make a point of this month to inquire to see where we're at from a ballpark standpoint of what it would cost to take that spur off the back bone and at least give us some time to get some estimates as to how we approach that. If there's money in the TIF account of the general fund,

finding ways of how we could look at that better. Happy to do that this month.

Thomas Gryp: Could I ask that you put it on next month's agenda?

Chris Brown: Yup.

6. Adjournment

Jessica Clark took a moment to thank the Redevelopment Commission members for their service and to announce that she is stepping down from the Commission.

Upon a motion by Jason Critchlow, being seconded by Jessica Clark and unanimously carried, the March 9, 2021 Redevelopment Commission meeting adjourned at 9:57 a.m.

Next Meeting Date: April 13, 2021 at 9:00 am
(Virtual or 4th Floor – Council Chambers)

The Title VI Coordinator has made available at this meeting/hearing a voluntary Public Involvement Survey to collect demographic data to monitor and demonstrate St. Joseph County's compliance with its non-discrimination obligations under Title VI and Federal Regulation 23CFR 200.9(b)(4), and more importantly, ensure that affected communities and interested persons are provided equal access to public involvement. Compliance is voluntary. However, in order to demonstrate compliance with the federal regulation, the information requested must be documented when provided. It will not be used for any other purpose, except to show that those who are affected or have an interest in proceedings or the proposed project have been given an opportunity to provide input throughout the process.