

MINUTES OF THE MEETING

OF THE COMMON COUNCIL VALPARAISO, INDIANA

April 10, 2023

The Common Council of the City of Valparaiso, Indiana, met on Monday April 10, 2023 at 6:00 p.m. in City Hall. Mayor Murphy called the meeting to order. The Pledge of Allegiance was said. Present were Councilmembers Reed, Cotton, Schmidt, Pupillo, Anderson, Peterson and Costas.

Presentation VU Robotic Team

Mayor Murphy recognized the Valparaiso University Robotic Football Team Collegiate Conference Champions. A video was watched showing the team. Mayor Murphy presented them with a Proclamation.

MINUTES

MOTION: Councilmember Reed moved to adopt minutes of the March 13, 2023 meeting. Councilmember Pupillo seconded the motion. Upon voice vote the motion passed with a 7-0 vote.

RESOLUTION NO. 4, 2023

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, APPROVING AN ORDER OF THE VALPARAISO PLAN COMMISSION APPROVING A RESOLUTION OF THE CITY OF VALPARAISO, INDIANA, REDEVELOPMENT COMMISSION DECLARING AN AREA IN THE CITY OF VALPARAISO, INDIANA, AS AN ECONOMIC DEVELOPMENT AREA, APPROVING AN ECONOMIC DEVELOPMENT PLAN FOR SAID AREA, AND REGARDING RELATED MATTERS

Councilmember Reed moved that Resolution No. 4, 2023 be read and considered for passage. Councilmember Pupillo seconded the motion. Deputy Clerk-Treasurer Cook read Resolution No. 4, 2023.

George Douglas addressed the Council. The Urschels have purchased the former Gardner School and have plans to remodel it into the Grand Gardner Hotel. Resolution No. 4 creates a new allocation area that will be called the Grand Gardner Allocation Area. This is not part of any other TIF District. Previous uses of the building were Gardner School and the Boys and Girls Club. Neither of them paid taxes. Three houses have been raised which paid minimal taxes. This area only includes the parcels related to the Grand Gardner Hotel project owned by the Urschel Development Corporation. The RDC has approved a Declaratory Resolution which started this process. The Plan Commission has approved the designation of a new allocation area and the economic development plan associated with it. Tonight he is asking the Council to approve the Order of the Plan Commission as well as the Declaratory Resolution of the RDC. If that is approved then it goes back to the RDC where they will hold a Public Hearing and at their May meeting they will have a final vote. They are creating the allocation area for two reasons. One, because the new allocated TIF revenue generated from this project will stay within this allocation area. Second, the RDC can use the tax increment within the area for TIF financing and other qualified project development expenditures.

Jennifer Brooks of Urschels, did a Power Point Presentation on the project. In 2021 they did a land swap with the Boys and Girls Club. They did a number of exploration options with this land. The market study supported that a boutique hotel in downtown Valparaiso would be a beneficial project. They are looking at a budget of \$39.5 Million Dollars. They anticipate breaking ground in the second or third quarter this year and complete construction in the third or fourth quarter of 2024.

Councilmember Cotton – It was said there will be a TIF. Is this related to any type of a bond? You mentioned the money would be captured for other purposes. It doesn't seem in this project like there are many other additional purposes.

George Douglas – This is creating a new allocation area. This property is not in an allocation area. It is only this project. It could be used for TIF financing or it could be used for qualified project costs associated with Grand Gardner Hotel. They do not have a development agreement. This is just the beginning of the process.

Councilmember Cotton – He feels it is premature to do this. He asked if there was an anticipated bond with the \$39 Million Dollars.

George Douglas – This is part of a Planned Unit Development. That was done at the Plan Commission. That will be at the City Council the first meeting in May. As a result of that they are also starting an allocation area. This is a \$40 Million Dollar project done in an old school. Based historically on what we have done for other projects, certainly we anticipate the RDC will be very much involved with this project.

Councilmember Cotton – They haven't asked for additional assistance above and beyond?

George Douglas – Those discussions have taken place. They are asking for incentives. We have not gotten to the nitty gritty of those details.

Councilmember Cotton – It would be nice to have the minutes from the Plan Commission meeting. Are those available?

Beth Shrader – They will not be approved until the next meeting. They will be approved before it comes to the Council.

Councilmember Cotton - It would be nice to have that discussion under our belts.

George Douglas – A Resolution was signed by the Plan Commission. He was at that meeting. There were no questions. This was well received by the Plan Commission and compatible with the Comprehensive Plan.

Councilmember Cotton – He gets that. But this is the body that makes the decision to approve it. He trusts they made a good decision.

Councilmember Reed - She has not seen the entire project. She knows parking is always an issue. How is that being addressed within this development?

George Douglas – That will be part of the Planned Unit Development that was approved at the Plan Commission. There are a couple of details to be worked out. That will be before the Council at the May meeting. At the Redevelopment Commission meeting this Thursday, George is asking the Board to support a parking demand study just for this particular project.

MOTION: Councilmember Reed moved to adopt Resolution No. 4, 2023. Councilmember Pupillo seconded the motion. Upon Roll Call vote the motion to adopt Resolution No. 4, 2023 was passed with a 5-1 vote. Councilmember Cotton voted No.

RESOLUTION NO. 5, 2023

RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, APPROVING CERTAIN AMENDMENTS TO THE PLAN FOR THE CONSOLIDATED VALPARAISO REDEVELOPMENT AREA

Councilmember Reed moved that Resolution No. 5, 2023 be read and considered for passage. Councilmember Pupillo seconded the motion. Deputy Clerk-Treasurer Cook read Resolution No. 5, 2023.

George Douglas addressed the Council. Instead of creating a new allocation area, they are amending the current Consolidated Economic Development Area and creating a subarea within that area. These parcels are already in the Consolidated TIF District. This is for the Journeyman Project. They are looking to open up this fall. He hopes to close on Building D which is the Transit Center within the next six weeks. It makes sense to split Journeyman out from the Consolidated TIF District and then create its own separate allocation area. This was a recommendation from the financial consultants. TIF resources will stay in that area. The Plan Commission voted unanimously to approve. This is compatible with the Comprehensive Plan and meets the economic goals of the City. Now he is asking the Council to affirm what the Plan Commission has already done. If approved tonight, it will go back to the Redevelopment Commission for a Public Hearing. They will then make final passage at their May meeting.

Councilmember Cotton – With it being in a TIF already, there is no demand for revenue to go elsewhere. When it insulates itself that makes it mandatory that revenue generated there stays there. The idea of a consolidated TIF was that the City take a well developed area where a lot of revenue is being generated and they did things to seed other development. If there is nothing that would compel the City to take the money that is generated from Journeyman and use it elsewhere, why is there the necessity to insulate it so if there were a need it would be available.

George Douglas – The Redevelopment Commission has the power or authority if they want to use TIF dollars in other allocation areas. This would establish a 25 year base for this TIF District. It allows the City to easily track the tax generated from this particular project and allocate those dollars specifically to this project.

Councilmember Cotton – But it does prohibit the money that is generated in the Journeyman TIF to be used outside.

George Douglas – Not necessarily.

MOTION: Councilmember Reed moved to adopt Resolution No. 5, 2023. Councilmember Pupillo seconded the motion. Upon Roll Call vote the motion to adopt Resolution No. 5, 2023 was passed with a 5-1 vote. Councilmember Cotton voted No.

RESOLUTION NO. 6, 2023

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, PORTER COUNTY, INDIANA, ADOPTING FISCAL PLAN FOR THE ANNEXATION OF PROPERTY KNOWN AS THE “FRANCISCAN ALLIANCE ANNEXATION”

Councilmember Reed moved that Resolution No. 6, 2023 be read and considered for passage. Councilmember Pupillo seconded the motion. Deputy Clerk-Treasurer Cook read Resolution No. 6, 2023.

Beth Shrader addressed the Board. This is two parcels. About 26 acres. It is surrounded by the City so there is 100% contiguity. The Petitioner is Francian Alliance and their partner Tonn and Blank. This has gone through the process and Plan Commission has recommended a zone of Business Park which is consistent with property

adjacent to it. There are no capital costs to the City because service is already provided in Eastport Centre and accessible to the petitioner who will extend them into their property as needed. Any ongoing cost to utility will be covered by the fees assessed by the utility. There are two items tonight. The first is this Resolution to adopt the Fiscal Plan. This must be adopted by the Council before they can introduce the Ordinance to annex which is the second item. This Ordinance will be read tonight. The soonest it can be voted on is the next meeting.

Councilmember Cotton – This property doesn't reside in the allocation area does it?

Beth Shrader – She is unaware.

Attorney Patrick Lyp – The answer is No. It is within the City so it could not be in an allocation area.

MOTION: Councilmember Reed moved to adopt Resolution No. 6, 2023. Councilmember Pupillo seconded the motion. Upon Roll Call vote the motion to adopt Resolution No. 6, 2023 was passed with a 6-0 vote.

ORDINANCE NO. 15, 2023

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, PORTER COUNTY, INDIANA, ANNEXING CERTAIN REAL ESTATE TO THE CITY OF VALPARAISO, INDIANA (THE “FRANCISCAN ALLIANCE ANNEXATION”)

Councilmember Reed moved that Ordinance No. 15, 2023 be read a first time and considered on first reading. Councilmember Pupillo seconded the motion. Deputy Clerk-Treasurer Cook read Ordinance No. 15, 2023.

Beth Shrader – The Ordinance clarifies this will be part of District 1. There is no new information. It is zoned Business Park as recommended by the Plan Commission. They expect an Annexation Agreement before it comes back to the Council.

Councilmember Cotton – The Council will approve the annexation prior to the Annexation Agreement?

Beth Shrader – No. This is the first reading. It cannot be approved today. By State statute there has to be a time period of a couple of weeks between the first reading and when it is considered for adoption. The goal is to have the Annexation Agreement for your approval by the time the Ordinance is adopted.

MOTION: Councilmember Reed moved to carry Ordinance No. 15, 2023 to the April 24, 2023 meeting. Councilmember Pupillo seconded the motion. The motion passed with a 7-0 voice vote.

FUNDING AGREEMENT BETWEEN THE CITY OF VALPARAISO AND PRISONER AND COMMUNITY TOGETHER, INC. TO EMPLOY A COMMUNITY RECOVERY CARE COORDINATOR

Councilmember Anderson addressed the Council. An idea came from a forum that was held regarding the opioid crisis and settlement money. A work group was formed. A Community Recovery Care Coordinator is an “easy button” for people looking to get treatment for substance abuse disorder. For a person of ample means this is an overwhelming situation. For people of lesser means, it is even more overwhelming. It ends up that it is easier to keep using than it is to get treatment. The care coordinator will make it easier by dealing with all the issues that make it overwhelming. The position will be through PACT. The City will fund PACT. They have applied for a matching grant from the State. Through that process they got letters of support from leaders in the community.

Attorney Patrick Lyp – Before the Council tonight is a version of the Agreement that is redlined. One important item was that the person hired by Valparaiso specific. These are funds the City will receive through the opioid settlement agreement. These funds will be received over the next 12-15 years.

Councilmember Anderson - There was an idea to collaborate with the other municipalities in the County and with the County. Everyone received funds. It was felt by putting all the funds together the best impact could be made. Portage did not participate in any of the meetings.

Attorney Patrick Lyp - It was felt that the Council's support was needed for this. Eventually the Council will have to appropriate the money for this project. The Board of Works will approve this at their next meeting. At the next Council meeting they will begin the process of appropriating the funds. The redlined version of the agreement makes the person to be hired more Valpo specific. Also the term of the Agreement goes from its approval to December, 2025. At that point the Agreement would renew automatically on an annual basis. Either party, upon 90 days notice can terminate this Agreement. It is important that the person PACT hires is not added to the City's payroll. The person hired has an obligation to let the City know what it is doing. On a monthly basis the Council will receive a report. Twice a year the person will appear before the Council to explain exactly what they are doing.

Mitch Peters – He has done quite a bit of work on this project. It did not get any legs to be a countywide project. He believes this is an opportunity to maximize the dollars. This is more than just getting someone to treatment. It is collaborating in the community so all know what is being done and where it is going. This proposal does that. It is the best way to maximize these dollars.

Councilmember Cotton – This Agreement gives the Valpo money to an entity that services the County. This is an employee of that County agency. That person is to help the person transition out of jail and find a bed. He also heard in a meeting that there are not enough beds. There is a que. So we are paying to have a person manage a que. We are going to use every single dollar of this money to take it outside of our jurisdiction and then depend upon someone to deliver Valpo centric. Look at some of the foundational work that is already being done in our community.

Councilmember Anderson – You are on the wrong end of the recovery spectrum. You are on the re-entry portion. The treatment portion sends people to another facility where there are ample beds.

Mitch Peters – Part of the process is there will be a steering committee. There will be accountability.

Councilmember Anderson – In the amount of time they spent in meetings, there was no other idea. Valpo is the only one who put ideas to paper and went far enough to get it to this point.

Councilmember Cotton – In the list of supporters is that money or moral support. It bothers him that more than a year ago he introduced this issue. Today the only engagement he has had was an invitation to listen to a limited panel of experts. When it comes to this being a function of the City Council, it would be premature for the Council to do anything other than now have this presented to us and recognize there is no hurry. The Council does not have to rush to do any one thing. He would prefer the Council take this information and give themselves an opportunity to parse it. He is reluctant to turn over every single dollar to an agency that is creating a service he feels is unnecessary particularly since there is no rush.

Attorney Patrick Lyp – Between the years of 2022 and 2038 the City will receive a total of \$1.14 Million Dollars. The proposal presented tonight requests \$60,000 of that entire amount to be paid through the end of this year. It will be paid in three month intervals. The notion that you are turning over \$1.14 Million Dollars, is factually inaccurate.

Councilmember Cotton – Except to say we are obligated to fund this. Even though the Council is not spending every single dollar, they are committing each dollar to this particular singular function if I am not mistaken.

Attorney Patrick Lyp – You are mistaken. Every year you will need to appropriate money specifically for this project. That is why the Agreement has two things. One says if you don't appropriate, then that position would cease to be. Secondly, at any point in time the Council can say for any reason they are not comfortable with this project and provide Notice. At worst what you are providing is 90 day increments for funding of this position.

Councilmember Reed – We are saying there is no rush. But there are people who need help. We can start the ball rolling on this while other municipalities around us haven't quite figured out what they are going to do with their funding. If they see what we are doing is working, then they might join us. We have to start somewhere. She appreciates the parameters that have been put in place that allow the Council to shift gears and change and do something different. She appreciates the work that has been put into this.

Councilmember Pupillo – People are dying from this issue every day. People have been working on this for a very long time. This will have an impact for Valparaiso.

Councilmember Costas – Thanks to all who have been working on this.

Mayor Murphy – Expressed his support for this project. It is a basic thing but when someone is in the throes of addiction the myriad of options is a daunting task.

Councilmember Cotton – Can you explain the metric by which this will be evaluated and its effectiveness. Why can't that person be pulled into our agency somewhere? Why are we jumping agencies to facilitate?

Attorney Patrick Lyp – If that question were asked of me, and I had the option of a city employee or a grant funding mechanism I would certainly take the grant funding mechanism. If the Council is not comfortable with how the money is being spent, they can pull it. There is no unemployment hearing, no concerns about anything as a City employee. You are a funding body providing grant dollars to a third party entity.

Councilmember Cotton – This is the body that should take some time and consider this. He discussed treatment and beds available. He had been told there are not beds available.

Councilmember Anderson – A halfway house transitions folks who have already been through treatment. The coordinator will send someone to a 30 day treatment facility.

MOTION: Councilmember Anderson moved to approve the Funding Agreement. Councilmember Pupillo seconded the motion. Upon roll call vote the motion passed with a 5-1 vote. Councilmember Cotton voted No.

COUNCIL LIAISON

Councilmember Cotton – Water testers go out every so often.

Councilmember Peterson – The skate park is breaking ground on Tuesday the 18th.

Councilmember Costas – RDC Thursday at 4:30.

Councilmember Pupillo- Traffic and Safety will meet towards the end of this month.

Councilmember Reed – The school board appointment applications are due by noon April 21st. There will be an executive session on April 24th at 5:00 to reduce the number of applicants down to four. Right now there are

nine applications. Once the deadline is past for submitting applications, she will get copies of all to the Councilmembers.

PUBLIC COMMENTS

Mary Jo Newland – 3005 Virginia Park Drive. She is not opposed to new subdivisions. She is opposed to not checking the drainage and sewage waste problems. She suggested the City Council work with County Surveyor Kevin Breitzke.

Brian Williams - 1308 Gibraltar Ct. He would like to congratulate the VHS students who walked out of school because of gun violence. The Council and Mayor have the ability to talk about this issue.

James Tudor – 502 Oak. A tree that is in the City right of way is pushing the sidewalk up at his house. He would like the City to look at this and put a new sidewalk in. He will be back to talk about a new curb.

Dawn Miller – 157 Michigan. False accusations have been made against her. She has tracked down who is responsible for what. Attorney Lyp suggested she should not be making accusations in a public meeting. She has an issue with Valparaiso Happenings.

Tom Davis – 56 Chicago. He discussed the parking situation at Gardner Hotel and his understanding there will be a parking garage. George Douglas replied they are doing a parking study on the parking situation. The consultant doing the study will be the same one who did the study for the Linc garage. They are not proposing a garage at the Grand Gardner Hotel. This will be discussed at the RDC meeting this coming Thursday.

The meeting adjourned at 7:24 p.m.

/s/ Holly Taylor, Clerk-Treasurer