

MINUTES OF THE MEETING

OF THE COMMON COUNCIL VALPARAISO, INDIANA

May 22, 2023

The Common Council of the City of Valparaiso, Indiana, met on Monday May 22, 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, Peterson, Anderson, and Costas.

2023 City Government Academy

Maggie Clifton explained the City Government Academy. This is a seven week course where citizens hear from Department Heads and their day to day work and their role with the City. To date 140 residents have completed the program. She thanked the Leadership Team who went out of their way to present classes each week. Maggie introduced the citizens who took the current course.

MINUTES

MOTION: Councilmember Schmidt moved to adopt minutes of the May 1, 2023 special meeting for round one of the school board appointment. Councilmember Reed seconded the motion. Upon voice vote the motion passed with a 7-0 vote.

MOTION: Councilmember Schmidt moved to adopt minutes of the May 8, 2023 Council meeting. Councilmember Reed seconded the motion. Upon voice vote the motion passed with a 7-0 vote.

MOTION: Councilmember Schmidt moved to adopt minutes of the May 10, 2023 special meeting for round two of the school board appointment. Councilmember Reed seconded the motion. Upon voice vote the motion passed with a 7-0 vote.

ORDINANCE NO. 14, 2023

AN AMENDMENT OF THE 2023 SALARY ORDINANCE

Councilmember Schmidt moved that Ordinance No. 14, 2023 be read a first time and considered on first reading. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read Ordinance No. 14, 2023.

Clerk-Treasurer Taylor addressed the Council. The Clerk-Treasurer' office and Building Department both have increases to hourly wages due to retirements. In the Clerk's office the employee is retiring but staying on part time and help out with some of the duties she has been doing including RDC claims. In order to pay her a fairer wage she wants to increase that hourly rate. The same is for the Building Department. Both are covered with their budget as they are right now. They are in the process of hiring an Administrative Assistant in the Engineering Department. They are splitting those duties because RDC has become full-time. RDC will now have an Administrative Assistant also. They are adding a Chief Human Resources Officer.

Councilmember Cotton – Questioned hiring a Chief Human Resources Officer. He asked if this will be an office of one or will there be staff. He asked if it would be more beneficial to keep the Human Resource person we currently have and provide her with staff.

Attorney Patrick Lyp - A Third party consultant is helping identify an individual who would serve as Chief Human Resource Officer. Over the last 20 years the City employment has grown. A job description is being developed. Once that has been done, there will be a review of the current Human Resources Director position.

That position may be differently appropriated based on the Job Description. This is not a rush. They would like to have this approved by the June 12th meeting.

Councilmember Cotton – Will this be one person or will there be staff.

Attorney Patrick Lyp – The goal is to have a more centralized HR Department here at the City. Two positions are identified as of right now.

MOTION: Councilmember Schmidt moved to carry Ordinance No. 14, 2023 to the June 12, 2023 meeting. Councilmember Reed seconded the motion. Upon voice vote the motion passed with a 7-0 vote.

ORDINANCE NO. 17, 2023

AN ORDINANCE CONCERNING THE CURRENT REFUNDING BY THE CITY OF VALPARAISO, INDIANA, OF ITS WATERWORKS REVENUE BONDS, SERIES 2014A AND WATERWORKS REVENUE BONDS , SERIES 2014B; AUTHORIZING THE ISSUANCE OF WATERWORKS REFUNDING REVENUE BONDS FOR SUCH PURPOSE; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF THE WATERWORKS AND THE SAFEGUARDING OF THE INTRESTS OF THE OWNERS OF SAID WATERWORKS REFUNDING REVENUE BONDS; OTHER MATTERS CONNECTED THEREWITH; AND REPEALING ORDINANCES INCONSISTENT HEREWITH

Councilmember Schmidt moved that Ordinance No. 17, 2023 be read 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 Taylor read the Ordinance.

Steve Poulos addressed the Council. He was joined by Eric Walsh of Baker Tilly. At the last meeting he presented the opportunity to refinance the 2014 Series A and Series B Water Bonds per the recommendation of the City of Utilities Board of Directors. This would save the City \$300,000-\$400,000. Since they began this process, the market has moved out of favor of pursuing this. By approving this Ordinance, it positions the City to proceed with financing if and when the market moves back in our favor to at least meet the minimum target savings of 2% or at least \$310,000 after expenses.

Eric Walsh – No fees are being incurred until they move forward with the refinancing. Today they are about 40 basis points away from 2% net savings.

Councilmember Cotton – We have exceeded the 2% in refunding in the past?

Eric Walsh – Yes, the last five refundings exceeded 2%.

Councilmember Cotton – There is always a cost involved with the underwriter, placement, consulting fees and things like that.

Eric Wash - Fees are about \$100,000 to \$125,000.

MOTION: Councilmember Schmidt moved to adopt No. 17, 2023. Councilmember Reed seconded the motion. Upon voice vote the motion passed with a 7-0 vote.

ORDINANCE NO. 18, 2023

AN ORDINANCE APPROPRIATING FUNDS IN THE CEMETERY FUND AND PROVIDING

FOR PUBLICATION OF NOTICE

Councilmember Schmidt moved that Ordinance No. 18, 2023 be read 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 Taylor read the Ordinance.

Clerk-Treasurer Taylor addressed the Council. The City oversees four cemeteries. With those cemeteries comes maintenance. These funds are available but have not been appropriated. She and Brian Dishman have been talking about having volunteers help with some of the work.

Public Hearing

Mayor Murphy announced Ordinance No. 18, 2023 requires a Public Hearing. He presented Proof of Publication that at tonight's meeting the Council will hear comments and questions regarding the appropriation of money in the Cemetery Fund.

Seeing no one wishing to address the Council, Mayor Murphy declared the Public Hearing closed.

MOTION: Councilmember Schmidt moved to adopt Ordinance No. 18, 2023. Councilmember Reed seconded the motion. The motion passed with a 7-0 roll call vote.

ORDINANCE NO. 19, 2023

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, ADOPTING THE GRAND GARDNER HOTEL PLANNED UNIT DEVELOPMENT (PUD)

Councilmember Schmidt moved that Ordinance No. 19, 2023 be read 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 Taylor read the Ordinance.

Beth Shrader addressed the Council. At the last meeting she gave a presentation. She has provided the Staff report on this project. Tonight they will have second reading and vote.

Councilmember Reed – She asked if the document given at the last meeting is the same as what they are approving tonight.

Beth Shrader – The printed document distributed at the last meeting and the one tonight are the same.

Councilmember Reed – She has quite a few questions. Her questions are:

Q -Section 25, page 15 Effective Date and Suspension of Rules. The Council didn't suspend the rules. This is our second reading, correct? So, why is this here?

Beth Shrader – that is a holdover from a previous version where they thought they were going to ask for suspension of the rules but that did not happen. That can be removed.

Q - Perjury Statement, page 16. Is this statement supposed to be part of this document?

Beth Shrader – This is a statement required by law.

Todd Leeth – This is a statement required verbatim by State law to be on anything that is recorded.

Q - Section 1 Legislative intent, page 4. If the process is the same for seeking additional parcels, then it's not needed in this document, correct?

Beth Shrader – This is covered under Major Conceptual Modifications in Section 22 D that explains you have to go back to square one making a Petition to the Plan Commission. It would get the full review that is merited for a Major conceptual Modification. It has to come back to the City Council if there is an expansion of the district. That is standard in PUD Ordinance language.

Todd Leeth – They want to make sure there is plenty of flexibility in the document.

Patrick Lyp – Whether that is there or not is irrelevant because they will follow the same process anyway.

Q - Section 6, page 8 Intensity. What is the definition of intensity?

Beth Shader – Intensity is the measurement of floor area ratio.

Q - Section 15, page 10 Adjacent Alley and /section 16, page 10 Sidewalks and Pathways. This is a brand new development. We shouldn't be patching and repairing, shouldn't the developer replace the entire alley and sidewalks if damaged?

Beth Shrader – She thinks repair would be inclusive of replace. This is on the City right of way. So it would be evaluated by the Engineering Department. Then follow through with whatever recommendation is needed.

Todd Leeth – This is the last of four steps to create a PUD. It is not the last of all of the steps they have to go through to get the permits to start building. Conceptual engineering will be where they figure out replacement or repair.

Q - Section 18, page 11 Signs. Why is there a need for signage on the north side on an alley? Lighting?

Todd Leeth – Southbound Campbell will not know what this building is as they drive by.

Q - Section 4, page 7. With this being a historic building, can you elaborate more on the cap signage?

Todd Leeth - They will follow the illumination standards. It will go in a place where there is a missing stone. It will be the Logo.

Q - Section 19 page 12 Parking. The Board of Works is not approving this PUD Ordinance. The Council is approving it. The parking study should be vetted, reviewed and approved or not approved by the elected officials of this Council.

Q - Section 22, page 15. C. Major Modifications.1e. What other uses could possibly be needed?

Beth Shrader – Those are the principal permitted uses that are in 3b. The language settled on was Intended Permitted Principal Use in Section A. And B is the Plan B option. Anything in Section 3b is what would apply in 22(c) (1).

Todd Leeth - What Councilmember Reed read was the definition of a commercial lot. Beth wanted to be clear that they intend to have the Grand Gardner Hotel. That is a definition of what the hotel is. If it is not a hotel it is the things described in 3c and 3d.

Q - Same Section Item 2 – Shouldn't the Plan Commission recommend, not approve. The City Council should approve after a public hearing.

Beth Shrader – There are certain things the Plan Commission has a final decision on and certain things they make a recommendation to Council on. This is set up that the PUD framework is approved by the City Council. Certain major modifications are directed towards Plan Commission for their decision.

Q - Same Section, 22-D Major Conceptual Modifications. No major conceptual change may be made without the approval of the Common Council.

Beth Shrader – As the person who will be responsible for interpreting and enforcing this she will look to the specific elements under each subheading. The A-E are major modifications in Section C. In Section D A-C those are major conceptual modifications.

Q- C.1 A major modification is any change which alters the overall Concept of the PUD District Ordinance. Doesn't this conflict?

Todd Leeth - This language is lifted largely out of the UDO. Beth changed a lot of the percentages in 22 c. He believes there is an understanding that the definition of major modification is something that ultimately has to come here. Minor modifications are approved by staff or Plan Commission.

Beth Shrader – A is done at the staff level. B is publication with no Public Hearing. C is Plan Commission with Public Hearing. D is Plan Commission with Public Hearing and City Council.

Q - 11 Garbage - where is the plan document?

Todd Leeth – The space for that is labeled on the Plan. It probably not labeled for it. It is the western portion of the first floor. That is the service area on the Plan.

Councilmember Reed – She worries about the impact the PUD will have on the neighborhood, especially with the parking. We need to do everything we can in the preservation of this building while paying attention to the needs of the neighborhood.

Todd Leeth – We share that concern. We have been working with staff for months. They have been working on parking. If parking is not successful, the hotel will not be successful. They have to work with the City to make everything happen. The parking study might give some answers.

Councilmember Cotton – He appreciates the investment. He voted No on being an isolated TIF. Have they parsed the idea of one or two level parking? The UDO requires that parking be provided on site. They are going to have the revenue.

Todd Leeth – The TIF process already has a menu of what those revenues are going to be used for. That cannot be changed midstream. They can amend or add to that.

Councilmember Cotton – But we don't know what that is.

George Douglas – They just created the allocation area. They are in discussions with the developer as to what those allocation dollars will be used for. It will be for things that benefit the TIF area.

Councilmember Cotton – That seems like a lot of protected value for what it is suggested it will be used for. That is why he voted No. He suggested using some of the suggestions Councilmember Reed made in regard to having the accountability for major modifications. Why not have it come back to the elected body that is authorizing it.

Beth Shrader – The standard is there is a gradient of review that is required. At one end it does come back before the Council with making decisions that typically come to the Council. At the other end it goes to the Plan Commission for things typically decided at the Plan Commission level.

Councilmember Cotton – What about the parking study?

Beth Shrader – That was structured as something that needed approval by the Board of Works. That is the body that deals with parking. She feels comfortable with moving forward with a study in progress instead of complete because the City has one major lever to pull in parking which would be expansion of parking enforcement around the district. That would force the issue for the hotel to come up with parking that does not affect the neighborhood. She does not want to see new parking garages built when they could better utilize what is available.

Todd Leeth – For many years this was the Boys and Girls Club. They had 37 car parking and they conducted tournaments on the weekend with hundreds of kids and parents and grandparents attending there. Parking has been focused on this site for a long time. The parking study will be a work in progress once the Grand Gardner Hotel is up and running. They do not have to trust Todd on issues. It is in the Ordinance. They have to cooperate with the City.

Councilmember Cotton – He has dropped off kids at the Boys and Girls Club for years. It is largely drop off and go for the adults.

Councilmember Costas - He appreciates the concerns that have been brought up. The last thing they want to do is hinder the quality of life for the neighborhood. He can appreciate the desire to tighten up some of the language to make it more specific and make sure it is done right. He thinks it is important to remember who the City is working with here. This is an Urschel family project. They have invested millions of dollars in this community. Everything they do is first class.

Councilmember Cotton - This is not about the Urschels. It is about everybody else around them.

Councilmember Schmidt – This is a good thorough discussion. It is obvious they have been working together on parking for a long time. He knows the parking challenges will be worked out. He would like to hear a presentation on the parking study when it comes.

Motion: Councilmember Schmidt moved to approve Ordinance No. 19, 2023. Councilmember Reed seconded the motion.

Attorney Patrick Lyp addressed Section 25. It is inaccurate. He would suggest amending the Ordinance and striking the first section. Other suggested changes are up to the will of the Council.

Motion: Councilmember Schmidt amended his motion to include striking the first sentence of Section 25. Councilmember Reed agreed with the amendment. The motion passed with a 7-0 roll call vote.

Todd Leeth addressed the Council and thanked staff and the Council for all the hard work on this project and working together so well.

ORDINANCE NO. 20, 2023

ORDINANCE OF THE VALPARAISO COMMON COUNCIL AUTHORIZING THE CITY OF VALPARAISO, INDIANA, TO ISSUE TWO SERIES OF ECONOMIC DEVELOPMENT REVENUE BONDS, AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO

Councilmember Schmidt moved that Ordinance No. 20, 2023 be read a first time and considered on first reading. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read Ordinance No. 20, 2023.

George Douglas addressed the Council. He was joined by Karl Cender. This has been a seven-year project. They are now in the home stretch. All the projects in this area are anchors in the Barrel District and will benefit and serve the Journeyman Allocation Area and the Greater Consolidated Valparaiso Allocation Area. This Ordinance authorizes the City to issue two series of taxable economic development revenue bonds for the purpose of financing, reimbursing, or refinancing the cost of construction, renovations, or installing or equipping the project. Net proceeds will be available to the developer to finance a portion of the project. These bonds will be issued in two series 2023 A and 2023 B and will be a private placement through R. W. Baird. If approved R.W. Baird has secured a purchaser, First Merchant's Bank, and an interest rate of 5.87%. Series A bond is not to exceed \$4 Million Dollars. Maturity is January of 2040. Payment of the Bond will come from the Journeyman Allocation Area. If needed the Consolidated Valparaiso Allocation Area will be used as backup. After 10 years the developer has agreed to purchase the Bonds. Series 2023 B is not to exceed \$2 Million. Payment will be the same as Series A. When this project started it was estimated that the cost would be \$12 Million. When the project is complete the Welter investment will be in excess of \$38 Million. That is a huge increase that has affected the financing that was put in place. The Bond proceeds will go towards reimbursing the developer and allow him to finance and refinance the project as needed and stackable financing over the course of the next ten years. This is a five-step process. On May 11th the RDC Authorized the Project and requested issuance of the two Series of Economic Development Bonds. Tonight is first reading on the Ordinance. Next step is it will go back to the RDC where they will adopt a Resolution pledging the Journeyman TIF new allocation dollars as well as the Consolidated Valparaiso Allocation Area TIF Dollars and approve the minimum taxpayer agreement. The fourth step in the process will be before the Economic Development Commission on June 12th. They will have a Public Hearing and will adopt a Resolution approving the issuance of bonds. That evening it will come back to the Council for a second reading.

Councilmember Cotton – He questioned stackable debt going forward.

George Douglas – The first dollars put in were Bill Welters. Then he has gotten multiple loans to help finance the overall construction cost. So they are stacked.

Councilmember Cotton – So these are first lien Revenue Bonds.

Karl Cender – The security on these bonds is from the tax increment from the Journeyman Allocation Area and Consolidated Valparaiso Allocation as a backup. Mr. Welter will sign a Taxpayer Agreement where he agrees to pay a minimum amount that would cover the Bonds on Series A

Motion: Councilmember Schmidt moved to carry Ordinance No. 20, 2023 to the June 12, 2023 meeting. Councilmember Reed seconded the motion. The motion passed with a 7-0 voice vote.

COUNCIL LIAISON

Councilmember Cotton – There was a State Revolving Fund Public Hearing at the Utility Board.

Councilmember Schmidt - RDC meets June 8th at 4:00 p.m. Valpo High School just hired a new Basketball Coach.

Councilmember Costas – People have asked him in liquor licenses are available. Attorney Patrick Lyp replied of the initial 10 there have been 9 issued. The Governor has changed the number available to 15. This is effective July 1st. The Council can proceed with revising the process of applying for a license.

Councilmember Pupillo – The VPD station study will be wrapping up soon. The Local thanked the Community for their support of the plant sale.

Councilmember Reed – The School Board meeting was tonight. Karl Cender was appointed to the School Board.

PUBLIC COMMENTS

Brian Williams – 1308 Gibraltar Court. He discussed the School Board appointment. He discussed the qualifications of all candidates. Finance and experience is not an adequate explanation for their choice.

Deb Porter – She went before the Human Relations Council. She asked the Mayor to prepare a Petition to declare June Pride Month. She asks this because the LGBTQ community is under threat. People need to be educated.

Dawn – Michigan Avenue. She thanked Max Rehlander for fixing the manhole covers on Roosevelt.

Kenard Taylor – 306 Napoleon. He thanked the Council for passing the Ordinance for the Gardner Hotel PUD. He lives in that area. The only day there is a parking issue is Popcorn Festival Day.

Joe Frankus - 1416 DelVista Drive. He supports having June as Pride Month. It is an opportunity to celebrate the joys and successes of the LGBTQ Community, to reflect on the progress made and to come together in solidarity to continue the fight for a more equitable and inclusive world.

The meeting adjourned at 7:34 p.m.
/s/ Holly Taylor, Clerk-Treasurer