

VALPARAISO REDEVELOPMENT COMMISSION
Regular Meeting Minutes
August 11, 2016

The regular meeting of the Valparaiso Redevelopment Commission was called to order at 4:28p.m. on Thursday, August 11, 2016 at City Hall Council Chambers, 166 West Lincolnway, Valparaiso, Indiana. Rob Thorgren presided.

Members present were: Rob Thorgren, Rick Urschel, Jon Diston, John Bowker, Matt Murphy and Tim Bucher. Also present were Attorney Patrick Lyp, Stu Summers, Lauren Orchard, Emily Singer, Eric Zasso, Brian Scott, guests, citizens, and representatives of the press.

ITEM #1-MINUTES:

Jon Diston reported that copies of July 14, 2016 regular meeting minutes were distributed to Members for their review prior to the meeting. He has reviewed the minutes and found them to be accurate.

Motion: Jon Diston made a motion to approve the July 14, 2016 regular meeting minutes as submitted. John Bowker seconded the motion. A voice vote was taken and unanimously carried.

ITEM #2- CLAIMS REGISTER:

Stu Summers reported that copies of the August claims register were distributed to Members for their review prior to the meeting. Approval as submitted is requested.

Motion: John Bowker made a motion to approve the August claims register as submitted. Rick Urschel seconded the motion. A voice vote was taken and unanimously carried.

ITEM #3-FINANCIAL REPORT:

Stu Summers reported that copies of the July financial report were distributed to Members for their review prior to the meeting. Approval as submitted is requested.

Motion: John Bowker made a motion to approve the financial report as submitted. Rick Urschel seconded the motion. A voice vote was taken and unanimously carried.

ITEM #4-NIRPC MATCH FUNDS:

Stu Summers reported that the City's Engineering Department has asked for two change orders in the Burlington Beach road project. These change orders include the addition of a temporary signal to accommodate Flint Lake School traffic and general construction costs. Stu noted that these change orders have already been approved by NIRPC's 80% federal share, with engineering requesting a 20% RDC match at \$30,595, with funds coming out of the MOTD project.

Motion: John Bowker made a motion for the Commission to authorize and direct the Executive Director to sign these change orders. Rick Urschel seconded the motion. A voice vote was taken and unanimously carried.

ITEM #5 –FIBER UPDATE:

Patrick Lyp reported that conduit has been installed throughout the community and in September or October, fiber will be threaded through this conduit. However, Mr. Lyp and the ValpoNet team still project the actual installation date to be January 2017. Following this brief summary, Mr. Lyp introduced the project manager, Brian Scott from Tech Dynamics.

Mr. Scott continued with an overview of the fiber construction process noting that there have been no material issues and all fiber and conduit are on site. Mr. Scott also emphasized that all engineering has been completed on the project and that Rohl networks has submitted engineering drawings for the permits required by City, State, and Rail Road authorities. Following this summary, Mr. Scott presented ValpoNet change order requests.

ITEM #5.5-VALPONET CHANGE ORDERS:

Brian Scott reported that the original agreement between the Commission and Rohl networks only addresses the construction of the ValpoNet “Backbone”, but does not cover the addition of “legs” extending from the core network. Brian emphasized, however, that legs are vital to network usability as they connect customers to the core network. Currently, Rohl networks has submitted cost estimates for the construction of two legs; one that will provide access to a main cross connect in downtown Valparaiso and the other providing access to a main cross connect North of the downtown. Brian Scott is requesting that only one of these change orders be approved: the cross connect site in downtown Valparaiso. The other leg may be brought to the commission at a later date, contingent upon customers that sign up for ValpoNet service. Brian Scott requests that this change order be approved at a cost of \$31,520.60.

Rob Thorgren: Do you think the other change order north of the downtown will be more than the change order you are requesting for the main downtown cross connect?

Brian Scott: Yes, the other change order for the north of the downtown will be \$110,000

Rob Thorgren: And that is because it is a longer build out?

Brian Scott: Yes.

John Bowker: Where does the cross connect go? In the Chamber?

Brian Scott: Yes, and this is where Golden Tech will house their monitoring equipment

Commissioners thanked Brian Scott for his presentation, and Patrick Lyp offered a special thanks to Technology Dynamics for their coordination with Rohl Networks throughout the construction process.

Motion: John Bowker made a motion to approve these change orders and authorizes and directs the Executive Director to sign this change order agreements. Robert Thorgren seconded the motion. A voice vote was taken and unanimously carried.

ITEM #6-ECITY UPDATE:

Eric Zasso was welcomed by the Commission for a presentation of his work with the eCity project. Mr. Zasso described the success of his outreach to local businesses, non-profits and the community at large, emphasizing methods used to bring more Valparaiso businesses and non-profits online. Mr. Zasso also mentioned the positive side effects of his outreach including recruitment efforts of young talent through Downtown Professional events and his future plans to visit college campuses. In addition to this report, Mr. Zasso proposed what he would seek to accomplish in the coming months if given approval of the Commission to move forward with the project.

Rob Thorgren: How receptive are businesses to getting an online presence? Are they nervous about getting online?

Eric Zasso: Yes, from what I've seen businesses are nervous and it's usually an issue of trust as it relates to who's trying to get them online. So, we've been encouraging local web developers to get together to help overcome this issue of trust between local businesses and web developers.

Rob Thorgren: I would like to compliment you, Eric, for your hard work on this project. This has obviously taken some time and I think we should move forward with this project.

Patrick Lyp: I would like to remind the Commission of the initial agreement with Eric that says if you're satisfied with his output thus far we will continue on for the remaining two thirds of the project. And I see definite value in Eric's work.

John Bowker: How many businesses have signed on since the start of the eCity initiative?

Eric Zasso: Well, I don't want to take all of the credit for businesses getting online, but since our first recording of businesses with an online presence, we've seen an increase of thirty new businesses getting an online presence. But I'm not sure if that's correlation or causation.

Stu Summers: So, without taking credit, over the last three months, which is how long you've been working on this initiative for the Commission, 30 more businesses have either gotten a website or a social media account?

Eric Zasso: That is correct.

John Bowker: How did you get the non-profit list to conduct your outreach?

Eric Zasso: The list was based on the United Way list and person to person outreach.

John Bowker: Is the 43% out of 200 businesses, that you presented as businesses with an online presence, a high number? How does it compare to other communities?

Eric Zasso: That number is about average for the nation, but we consider it low for the community and would like to see this improve.

Upon completion of the presentation, Mr. Zasso asked for approval of the remaining funds for an extension of six months working on the eCity project. Patrick Lyp asked that the Commission approve \$12,500 for the eCity project until January of 2017, at which time Mr. Zasso will again present his progress. Stu Summers reiterated that this funding would come from the Economic Development Budget.

Motion: Rob Thorgren made a motion to approve Mr. Lyp and Mr. Zasso's request for \$12,500 to fund continued work on the eCity project. John Bowker seconded the motion. A voice vote was taken and unanimously carried.

ITEM #7-GARMONG UPDATE:

Patrick Lyp presented an update on the Garmong Shell Building project reporting that all documents have been finalized and permits will be approved for the groundbreaking. Mr. Lyp also reminded the Commission that the groundbreaking for the shell building will take place on August 24th at 11:30 am with box lunches provided by the Pines Village Retirement Community Catering.

ITEM #8-ADVANCED COLD BAR TECHNOLOGIES:

Patrick Lyp updated the Commission on the status of Advanced Cold Bar Technologies (formerly NUCO Steel). Mr. Lyp reported that there is dirt moving in East Port Center and the building must be completed by the end of the year because equipment is set to arrive in the first quarter of 2017.

ITEM #9- ITEMS RELATED TO THE TOD:

ITEM #9.5-LEGAL DESCRIPTIONS

Stu Summers reported that as part of funding requirements related to the TOD, legal descriptions of parcels to be acquired will be needed. The legal descriptions of identified parcels are estimated by StructurePoint to cost \$4,500, which is available in the TOD Budget. Stu recommended that the Commission approve this expense.

Mr. Urschel commented that this is a relatively low expenditure for this service.

Motion: Rick Urschel made a motion to authorize and direct the Executive Director to approve the commissioning of legal descriptions from StructurePoint. John Bowker seconded the motion. A voice vote was taken and unanimously carried.

ITEM # 9.6- ENVIRONMENTAL ASSESSMENTS

Stu Summers reported that as part of funding requirements related to the TOD, environmental assessments of parcels to be acquired will be needed. The phase I environmental assessment of identified parcels is estimated by Amerco to cost \$12,200, which is available in the TOD budget. If needed, these parcels may also require a phase II environmental assessment. In this case, the commission will be asked again for approval. Stu recommended that the Commission approve the phase I expense

Motion: John Bowker made a motion to authorize and direct the Executive Director to approve the phase I environmental assessment from Amerco. Jon Diston seconded the motion. A voice vote was taken and unanimously carried.

ITEM #10- POLICY ON EDUCATION GRANTS:

Stu Summers presented a policy on awarding education challenge grants to the Valparaiso School Corporation and East Porter School Corporation. Mr. Summers explained that the Valparaiso Redevelopment Commission was the first to implement the Education Challenge Grants and, in 2012, was awarded the Local Government Cooperation Award by IACT for starting this program. However, Mr. Summers went on to mention the lack of a current policy for awarding these grants. Mr. Summers therefore recommended that the Commission approve the policy set before them to clarify the process for both School Corporations and future Commissioners.

Tim Bucher: I understand that there was a question on the odds and ends of the last Challenge Grant Application, and it's nice to finally have this policy in place and the schools have no issue with this.

Motion: John Bowker made a motion to approve the Education Grant Policy presented to the Commission. Rick Urschel seconded the motion. A voice vote was taken and unanimously carried. A copy of this policy is attached hereto and made a part hereof.

ITEM #11- ANCO REPORT PROPOSAL:

Patrick Lyp presented the Commission with a proposal from Holladay Properties to do a report on 258 Campbell Street, commonly called the ANCO property. This property is located east of the City's TOD, and Holladay's proposal would present information that would help the Commission make educated decisions related to the property. This proposal from Holladay would provide an environmental assessment, project renderings, various use options, and pricing models for proposed actions. This report has been quoted to not exceed \$40,000 without prior

approval from the RDC's Executive Director. Mr. Lyp recommended that the Commission approve this report with funds coming from Economic Development.

Rick Urschel: \$40,000 seems a little high for a report.

Rob Thorgren: And are we planning on just tearing down this property? If so, this seems like a waste.

Patrick Lyp: This amount for this report was described to me as a Not to Exceed limit rather than as a quote, and it includes consideration for saving structurally sound buildings.

Rick Urschel: Well as long as this is a Not to Exceed, I'm alright with this.

Motion: John Bowker made a motion to approve this proposal and authorize and direct the Executive Director to sign this agreement with Holladay Properties. Rick Urschel seconded the Motion. A voice vote was taken, four yea, with Rob Thorgren opposing.

ITEM #12- BOND RESOLUTION PUBLIC HEARING:

Stu Summers reported that in the July 2016 RDC meeting, the Commission decided to adopt the preliminary Bond Resolution authorizing the refinancing of Series 2006 and 2009 Bonds. In this meeting, Commissioners decided that the savings of \$200,000 from this refinancing, estimated by Cender & Company, will be used to prepay bond debt. City Council approved a resolution regarding the issuance of new bonds on August 8th, 2016. To continue with the refinancing process, the Redevelopment Commission held an appropriation hearing on the prepared bond and appropriation resolution. Mr. Thorgren asked if any member of the public would like to speak on this issue.

No one signed up to speak on this issue, so Mr. Thorgren closed the hearing.

Mr. Thorgren commented that he thought this was very prudent of the RDC to pay off debt with this refinancing.

Motion: Matt Murphy moved to approve the Bond Resolution. John Bowker seconded the motion. A voice vote was taken and unanimously carried.

ITEM #13- FAREWELL TO EMILY SINGER:

Lauren Orchard reported that this will be Emily Singer's last meeting with the Redevelopment Commission, as she leaves her internship tomorrow. Emily has worked diligently on creating documents related to Tax Abatements and she's been an asset to the office. Thank you, Emily!

ITEM #12- PUBLIC COMMENT:

None.

Additional Comments from the Commission:

Mr. Summers reminded the Commission that at the September Redevelopment Commission, Addendum #8 on TIF districts will be addressed, including the consolidation, expansion, and personal property addition to the TIF. Mr. Summers highlighted that Education Challenge Grants will increase significantly and make up for these changes.

John Bowker mentioned the issue of the September meeting's time during popcorn week and expressed an issue in changing the date. All members expressed availability on the Wednesday preceding the regularly scheduled Thursday meeting. Therefore, the next RDC meeting will take place at City Hall, Wednesday September 7th with executive session beginning at 4:00pm.

Patrick Lyp also reminded the Commission that Bryan Baker (Comm Control) from the ValpoNet team would present at the September meeting, as will Bryan Schuch from Cender & Company as it relates to TIF districts and Addendum #8.

ITEM #13-ADJOURNMENT:

A motion was made by Rick Urschel to adjourn the August 11, 2016 Redevelopment Commission meeting. Jon Diston seconded the motion. A voice vote was taken and unanimously carried.

The August 11, 2016 Redevelopment Commission meeting adjourned at 5:18 p.m.


Jon Diston, Secretary

Policy Statement

Policy Title: Education Challenge Grant
Effective: August 11, 2016
Approved By: Valparaiso Redevelopment Commission
Last Updated: August 11, 2016

Introduction

The following Policy Statement defines the acceptable use of Education Challenge Grant (“Grant”) funds provided by the City of Valparaiso Redevelopment Commission (“Commission”) to both the Valparaiso and East Porter School Districts.

Policy Statement

The Valparaiso Redevelopment Commission reimburses schools districts through grants for project-based capital acquisitions which enhance the problem solving, collaboration, and analytical skills needed for 21st century jobs. Based on this objective, funds awarded by the Commission may only be used for capital-based expenditures that have an estimated lifespan of no less than three years.

Background

In 2012, the Valparaiso Redevelopment Commission (“Commission”) established a funding priority to make funds available to both the Valparaiso School Corporation and East Porter School Corporation for technology based capital acquisitions. The Commission believes assisting local school districts in this area furthers its legal mandate to engage in redevelopment activities.

Legal

Pursuant to Indiana Code § 36-7-25-7, the Commission, with certain limitations, may use tax increment funds for the purpose of funding the Educational Challenge Grant program.

Procedure

Reimbursement Grants are for one-time, project-based expenses. The project must use advanced methods or technologies that offers students an education that is competitive in the global economy.

The school district may submit an application for reimbursement by May 30th of each year. The application must describe the project and explain how expenditures have enhanced the problem solving, collaboration, and analytical skills of its current students. The application must also be signed by the Superintendent of the school district.

Each school corporation may apply up to \$3,000 of its Grant funds to the Arts as a match to State grants. If a state grant is not awarded, the funds may only be used for capital-based expenditures that have an estimated lifespan of no less than three years.

Upon receipt and review of an application, the Commission will notify the schools district if the project meets the objectives of the Grant program and is approved. On or before May 30th, the school district must submit receipts evidencing that funds were paid for items identified in the approved application. Failure to file with the Commission either a timely application or receipts may render the project ineligible for funding. The Commission reserves the right to seek additional information relating to the project prior to reimbursement.

Grant funds cannot be used to subsidize ongoing operating expenses, salary add-ons, personal expenses, or travel expenses. Any training expenses the school district wants to be considered for reimbursement must be submitted for pre-approval at least two months in advance of the grant application deadline.

Disclaimer

Grant funds are subject to available funding in the Commission's annual budget and are provided at the sole and absolute discretion of the Commission. Grant fund availability is also subject to any limitations as provided in bond covenants, resolutions or applicable federal, state and local laws.