

**MINUTES OF THE MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA
February 22 2021**

The Common Council of the City of Valparaiso, Indiana, met on Monday February 22, 2021 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, Costas and Douglas.

MINUTES

Councilmember Douglas moved to approve minutes of the February 8, 2021 meeting. Councilmember Reed seconded the motion. Upon voice vote the motion to approve passed with a 7-0 vote.

RESOLUTION NO. 5, 2021

**A SPECIAL RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF
VALPARAISO AUTHORIZING CERTAIN ACTIONS AND PROCEEDINGS WITH
RESPECT TO THE FINANCING OF CERTAIN ECONOMIC DEVELOPMENT
FACILITIES TO BE KNOWN AS UPTOWN EAST APARTMENTS**

Councilmember Douglas moved that Resolution No. 5, 2021 be read and considered for passage. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read Resolution No. 5, 2021.

Attorney Patrick Lyp stated the Economic Development Commission met today and approved this project. A previous version of this Resolution was distributed to the Councilmembers. The version of Resolution No. 5, 2021 presented tonight has a change made by the City. Should the Bonds be refinanced, the commitments will still be in force and will need approval from the City Council. This is a complicated process and Attorney Lyp encouraged anyone with questions to let him know.

Councilmember Cotton asked if the Council will be expected to vote on this Resolution tonight. Attorney Patrick Lyp replied this will be voted on tonight. This starts the process.

Attorney James Crawford stated this is an inducement Resolution. This gives the City a chance to review the project. Then the group will go out and see if they can put all the pieces together. Once that is done, they will be back to the City Council for the issuance of bonds. This Resolution does not obligate the Council to issue the bonds. The developer must apply to the Indiana Housing Community Development Authority for the tax-exempt status. The application requires this Resolution.

The bonds will be both tax exempt and taxable. The IRS only allows tax exempt if the financing is for low and moderate income housing. Buildings 1 and 2 are low and moderate income housing. Financing on buildings 3 and 4 is taxable and is refinancing of the outstanding obligation.

Councilmember Douglas asked about the Building 1 and 2 land deed restricting the use. He asked if that land use restriction only applied for the duration of the Bond. Attorney Crawford replied there are two components to the land use restriction agreement. One is the Federal tax credit and one is the tax-exempt bonds. For the tax exempt status to remain the bonds have to be restricted for the greater of the time the bonds are outstanding, or 15 years from the time the bonds are issued, or if there is any Section 8 housing it has to go away.

Councilmember Cotton asked what merit is placed on low and moderate income and what would that look like. Attorney Crawford answered to determine qualifying income the unit must be occupied by a person who qualifies using the HUD scale and the income must be less than 60% of the area median income. Not all units have to meet this, but the overall average must meet the requirements.

Larry Gough addressed the Council. Buildings 1 and 2 are affordable housing. There will be a total of 119 units of which 32 will be two-bedroom units and the remaining will be one-bedroom units. They will target first time renters, students and staff at Valparaiso University. A market study has been done and this is where it shows the most need. The current group will buy out the existing partnership and renovation costs will be \$12 Million Dollars. Buildings 3 and 4 are taxable. These two buildings will be renovated. Renovation cost is \$2.5 Million Dollars.

Councilmember Cotton asked about current occupancy. Larry Gough replied buildings 3 and 4 are 90% occupied and Buildings 1 and 2 are 30% occupied.

Councilmember Cotton stated he understands the need to renovate inside buildings 1 and 2. The buildings are not that old. Why do the exteriors need to be renovated? Larry Gough replied the material used on the outside of the buildings is not holding up. It needs to be replaced. The parking lots need to be redone.

Mayor Murphy thanked all who have been working on this project to bring it to this point. He asked if there are any more questions or comments. Attorney Patrick Lyp introduced Attorney Matt Carr who has been helping the City with this project.

Councilmember Douglas moved to adopt Resolution No. 5, 2021. Councilmember Reed seconded the motion.

Councilmember Cotton discussed the change to the property. The units will still be rented. The character will change. He discussed the rentals being VU centric versus town centric. He asked if anyone else sees this as an essential change in the character.

Councilmember Costas questioned what other choice was available. He is hopeful for this project. There are some concerns with parking.

Councilmember Douglas stated this is not a substantial change. Parking was an issue but has been handled by the BZA. It will still be a rental development.

Councilmember Reed expressed her reservations because of the parking issues. She also knows this project needs to move forward or will become problematic. She wants to make sure the parking issues do not impact the neighborhoods.

Attorney Patrick Lyp stated the Eastgate Parking Ordinance will be updated and before the Council soon.

Councilmember Cotton asked what thought was given to letting the market take its course and see what happens. Mayor Murphy replied this was initially for students. It was a great project. With the unforeseen changes in Valparaiso University, with enrollment down and law school closing, changes have to be made. This is the best option moving forward.

Larry Gough added they could not lease three and four bedroom units in this area.

Upon roll call vote the motion to adopt Resolution No. 5, 2021 passed with a 7-0 vote.

Other Business

Attorney Patrick Lyp addressed the Council. He explained Seefried Industrial Properties is wanting to vacate a 60' easement on Lot 8 in The Lakes of Valparaiso. The proper way to vacate this easement is by Ordinance. The Board of Public Works and Safety approved vacating this easement at their February 12, 2021 meeting. The intent is to close on this transaction on Friday. Therefore, they are asking for adoption of Ordinance No. 3, 2021 under suspension of the rules.

Attorney Todd Leeth addressed the Council. He explained his client, Seefried Industrial Properties, Inc., is requesting a vacation of a platted 60' wide ingress, egress, drainage and utility easement located on Lot 8 in The Lakes of Valparaiso PUD. This easement was platted in 2016. The purchaser does not need this easement.

Councilmember Cotton asked what happens if the land is subdivided in the future and the easement is needed. Attorney Leeth replied that would go through the Plan Commission at that time.

ORDINANCE NO. 3, 2021

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, PORTER COUNTY, INDIANA, TO VACATE A PLATTED EASEMENT LOCATED ON LOT 8 IN THE LAKES OF VALPARAISO PUD

Councilmember Douglas moved that Ordinance No. 3, 2021 be read a first time and considered on first reading. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read Ordinance No. 3, 2021. Upon voice vote the motion passed with a 7-0 vote.

Councilmember Douglas moved to suspend the rules on Ordinance No. 3, 2021 Councilmember Reed seconded the motion. Upon roll call vote the motion to suspend the rules on Ordinance No. 3, 2021 passed with a 7-0 vote.

Mayor Murphy stated Ordinance No. 3, 2021 requires a Public Hearing. Attorney Leeth presented Proof of Publication that at tonight's meeting the Council will hear comments and questions regarding Ordinance No. 3, 2021. Attorney Patrick Lyp stated no requests have been received from the public to speak for or against this Ordinance. Seeing no one to speak on this Ordinance, Mayor Murphy closed the Public Hearing.

Councilmember Douglas moved that Ordinance No. 3, 2021 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.

Councilmember Douglas moved to adopt Ordinance No. 3, 2021 under suspension of the rules. Councilmember Reed seconded the motion. Upon roll call vote the motion to adopt Ordinance No. 3, 2021 under suspension of the rules passed with a 7-0 vote.

Councilmember Reed addressed the Council. The School Board application will be available on the City's web site. Applications will be accepted March 1, 2021 through April 23, 2021.

Councilmember Costas asked if the School Board meetings are open to the Public. The meetings are being held at Cooks Corner School because it has a larger area and can accommodate the public attending. The meetings are also virtual.

Councilmember Costas asked about the City's plan for opening restaurants. There has been a decline in covid cases. Mayor Murphy replied he is optimistic they will be able to open soon. Mike Jessen added the County is in line with the Governor's mandate.

Councilmember Cotton discussed the State legislature and the Home Rule law. This law was vetoed by the Governor and the super majority of the legislature over-rode the Governor's veto. He asked if there is support from the Council for sending a Resolution to the Legislature in opposition of this legislation so they know how we feel about this. Councilmember Cotton asked if any other Councilmembers are concerned about this. There was discussion regarding it appears this is already law. Not all of the Councilmembers have researched this issue to make an informed decision.

Mayor Murphy thanked the snow crews for doing a great job the last few days.

Public Comment

No public comments have been received for tonight's meeting.

The meeting adjourned at 6:59 p.m.

/s/ Holly Taylor, Clerk-Treasurer