

## RESOLUTION NO. 14, - 2012

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, PORTER COUNTY, INDIANA UPON REQUEST OF THE VALPARAISO REDEVELOPMENT COMMISSION ESTABLISHING AND DECLARING A CERTAIN AREA AS A SPECIAL IMPROVEMENT DISTRICT IN ORDER TO FUND LOCAL PUBLIC IMPROVEMENTS THAT PROVIDE SPECIAL BENEFIT PROPERTY OWNERS IN THE DISTRICT AND THAT ARE OF PUBLIC UTILITY AND BENEFIT**

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**WHEREAS**, The City of Valparaiso, Indiana (the "City") Redevelopment Commission (the "Redevelopment Commission"), the governing body of the City's Department of Redevelopment (the "Department") within the jurisdiction of the Redevelopment District of the City (the "District"), pursuant to Indiana Code 36-7-21 *et seq.* (the "Act"), at a regularly scheduled meeting held on June 13, 2012 approved and adopted Resolution No. 06-13-2012-02 as attached hereto as **EXHIBIT A** that formally requests the legislative body of the unit (the Common Council of the City) to establish the University Promenade Special Improvement District (the "UP SID") as a special improvement district for the purposes set forth in the Act; and

**WHEREAS**, The State of Indiana General Assembly finds that the redevelopment purposes for which special improvement districts may be established in accordance with the Act constitute local public improvements; and

**WHEREAS**, the Commission in accordance with the Act thoroughly studied a certain area of the City proposed to be established and designated as the UP SID and prepared a report titled the University Promenade Special Improvement District Special Assessment Report (the "Report") dated June 13, 2012 pursuant to the Act as attached hereto as **EXHIBIT B**; and

**WHEREAS**, the City Council upon review of Resolution No. 06-13-2012-02 and the Report now desires to (i) take action by resolution pursuant to Section 3(c) of the Act to approve the establishment of the UP SID as a special improvement district for the purposes set forth in the Act and (ii) to formally authorize the Commission approve the establishment and designation of the UP SID as a special improvement district according to the procedures set forth for the establishment of allocation areas in accordance with Indiana Code 36-7-14 *et seq.*, pursuant to Section 3(b) of the Act;

**NOW, THEREFORE, BE IT RESOLVED** by the Common Council of the City of Valparaiso, Indiana, pursuant to the Act as follows:

1. That in establishing and designating the University Promenade Special Improvement District, the Common Council finds that the project as described in the Valparaiso Redevelopment Commission's Resolution No. 06-13-2012-02 and the University Promenade Special Improvement District Special Assessment Report: (i) constitute local public improvements; (ii) provide special benefits to property owners in the UP SID; and (iii) will be of a public utility.
2. That in establishing and designating the University Promenade Special Improvement District, the Common Council finds that the Valparaiso Redevelopment Commission has met the requirements and provided the necessary information pursuant to Section 4 of the Act.

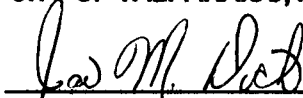
3. The Clerk-Treasurer as the secretary to the Common Council is hereby authorized and directed to:
- a. Submit two (2) original signed Resolution to the Valparaiso Redevelopment Commission for its permanent record files as it relates to the approval process to establish and designate the University Promenade Special Improvement District;
  - b. Retain two (2) original signed Resolutions for the Common Council permanent record and document files.

**BE IT FURTHER RESOLVED** that this Resolution shall have full force and effect from and after its passage by the Common Council of the City and approval by the Mayor.

**PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA,**

by a vote of 6 "Ayes" and 0 "Nays" of those Council members present on this day, June 25, 2012.

**COMMON COUNCIL OF THE  
CITY OF VALPARAISO, INDIANA**



\_\_\_\_\_  
Presiding Officer

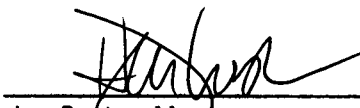
**ATTEST:**

  
\_\_\_\_\_  
Sharon Swihart, Clerk-Treasurer

Presented by me to the Mayor of the City of Valparaiso, Indiana,  
this day June 25, 2012 at 8:00 p.m.

  
\_\_\_\_\_  
Sharon Swihart, Clerk-Treasurer

This Resolution approved and signed by me this day  
June 25, 2012 at 8:00 p.m.

  
\_\_\_\_\_  
Jon Costas, Mayor

**EXHIBIT A**

Valparaiso Redevelopment Commission  
Resolution No. 06-13-2012-02

Adopted and Approved on June 13, 2012

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**EXHIBIT B**

Valparaiso Redevelopment Commission  
University Promenade Special Improvement District Special Assessment Report

Dated: June 13, 2012

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**VALPARAISO REDEVELOPMENT COMMISSION**

**VALPARAISO, INDIANA  
RESOLUTION NO. 6-13-2012-02**

**A RESOLUTION REQUESTING THE COMMON COUNCIL OF THE CITY OF VALPARAISO, PORTER COUNTY, INDIANA TO DECLARE A CERTAIN AREA AS A SPECIAL IMPROVEMENT DISTRICT IN ORDER TO FUND LOCAL PUBLIC IMPROVEMENTS THAT PROVIDE SPECIAL BENEFIT PROPERTY OWNERS IN THE DISTRICT AND THAT ARE OF PUBLIC UTILITY AND BENEFIT**

**WHEREAS**, the Valparaiso Redevelopment Commission (the "Commission") of the City of Valparaiso, Porter County, Indiana (the "City"), the governing body of the Department of Redevelopment ("Department") of the City and the Redevelopment District of the City (the "District"), exists and operates under the provisions of Indiana Code 36-7-14, *et seq.* titled Redevelopment of Areas Needing Redevelopment Generally; Redevelopment Commission; and

**WHEREAS**, the State of Indiana General Assembly finds that the redevelopment purposes for which special improvement districts may be established in accordance with Indiana Code 36-7-21 *et seq.* (the "Act") constitute local public improvements; and

**WHEREAS**, pursuant to Section 3 of the Act, the Commission may by resolution request the legislative body of the unit (the Common Council of the City) to establish a special improvement district for the purposes set forth in Indiana Code 36-7-14, *et seq.*, with said special improvement district to be established according to the procedures set forth for the establishment of allocation areas under Indiana Code 36-7-14; and

**WHEREAS**, the Commission in accordance with the Act has thoroughly studied a certain area of the City as the "University Promenade Special Improvement District" (the "UP SID") and prepared a report titled the University Promenade Special Improvement District Special Assessment Report (the "Report") dated June 13, 2012 pursuant to the Act; and

**WHEREAS**, the Commission required, as a condition of the Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010, that University Promenade LLC make certain local public improvements to the property located within the UP SID, including but not limited to, a pocket park, an informational kiosk, extra public parking, and other special improvements to University Drive and its right-of-way (the "Project"); and

**WHEREAS**, pursuant to Section 4(1) of the Act the Commission has caused to be prepared a metes and bounds description and map showing the boundaries of the UP SID, as described in EXHIBIT A attached hereto and as found in the Report; and

**WHEREAS**, pursuant to Section 4(2) of the Act the Commission has caused to be prepared a list of the names and addresses of each parcel and owner of land within the UP SID and a description of the existing land use and zoning classification of each parcel, as detailed and provided in EXHIBIT B attached hereto and as found in the Report; and

**WHEREAS**, pursuant to Section 4(3) of the Act the Commission has caused to be prepared estimates of the costs of the development projects and the benefits expected to accrue to the property owners within the UP SID, as detailed and provided in EXHIBIT C attached hereto and as found in the Report; and

**WHEREAS**, pursuant to Section 4(4) of the Act the Commission has developed a plan for application of assessment revenue to the cost of the Project, as detailed and provided in EXHIBIT D attached hereto and as found in the Report; and

**WHEREAS**, pursuant to Section 4(5) of the Act the Commission has developed a proposed apportionment of the annual assessment to the parcels of real property within the UP SID as prescribed by Section 5 and Section 6 of the Act, as detailed and provided in EXHIBIT E attached hereto and as found in the Report; and

**WHEREAS**, the Commission now desires to take action by resolution pursuant to Section 3(a) of the Act to formally request the legislative body of the unit (the Common Council of the City) to establish the UP SID as a special improvement district for the purposes set forth in Indiana Code 36-7-14, *et seq.*;

**NOW, THEREFORE, BE IT RESOLVED** by the Valparaiso Redevelopment Commission, as the governing body of the Department and the District, as follows:

1. The Commission hereby requests the Common Council, as the legislative body of the City, to establish the identified UP SID, as described in EXHIBIT A attached hereto, as a special improvement district pursuant to Indiana Code 36-7-21 *et seq.*
2. The Commission finds that the local public improvements of the Project anticipated for construction, under construction or completed as a condition of a property sale agreement:
  - a) Constitute local public improvements;
  - b) Provide special benefits to property owners in the UP SID; and
  - c) Will be of public utility and benefit.
3. The Project and plan for the UP SID conforms to other development and redevelopment plans for the City.
4. In support of the findings and determinations set forth in this Resolution, the Commission directs and authorizes the Executive Director to file and submit this resolution as duly executed to the Common Council of the City pursuant to Section 3 of Indiana Code 36-7-21 *et seq.* for its approval of the establishment of the UP SID as a special improvement district.
5. In support of the findings and determinations set forth in this Resolution, the Commission directs and authorizes the Executive Director to file and submit this resolution as duly executed to the Common Council of the City pursuant to Section 3 of Indiana Code 36-7-21 *et seq.* for its approval of the establishment of the UP SID as a special improvement district.

**ADOPTED AND APPROVED** at a meeting of the City of Valparaiso Redevelopment Commission held on the 13<sup>th</sup> day of June 2012 .

**See Signature Page**  
*[Remainder of Page Intentionally Left Blank]*

**VALPARAISO REDEVELOPMENT COMMISSION**

**VALPARAISO, INDIANA  
RESOLUTION NO. 6-13-2012-02**

**A RESOLUTION REQUESTING THE COMMON COUNCIL OF THE CITY OF VALPARAISO, PORTER COUNTY, INDIANA TO DECLARE A CERTAIN AREA AS A SPECIAL IMPROVEMENT DISTRICT IN ORDER TO FUND LOCAL PUBLIC IMPROVEMENTS THAT PROVIDE SPECIAL BENEFIT PROPERTY OWNERS IN THE DISTRICT AND THAT ARE OF PUBLIC UTILITY AND E3NEFFIT**

**SIGNATURE PAGE**



CITY OF VALPARAISO REDEVELOPMENT CO

  
\_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Laura Campbell, President

Jon Diston, Vice President

n M. Dick, Commissioner

  
\_\_\_\_\_

David P. Smith, Secretary

\_\_\_\_\_

\_\_\_\_\_  
Jon Bowker, Commissioner

**ATTEST:**



\_\_\_\_\_  
Stu Summers, Executive Director

VALPARAISO REDEVELOPMENT COMMISSION

VALPARAISO, INDIANA

RESOLUTION NO. 6-13-2012-02

EXHIBIT A

Pursuant to Section 4(1) of Indiana Code 36-7-21 *et seq.*, the Commission has caused to be prepared a metes and bounds description and map showing the boundaries of the UP SID of the University Promenade Special Improvement District.

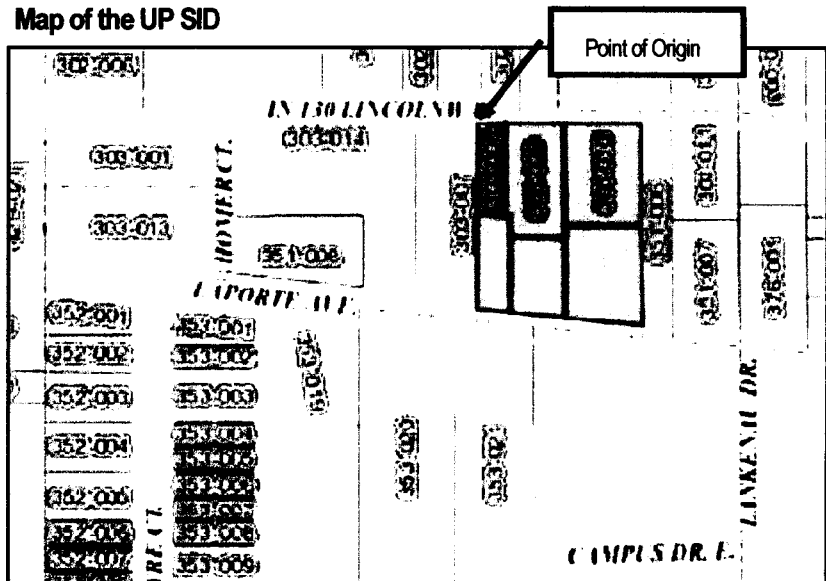
A parcel of land in Section 19, in Township 35 North, Range 5 West of the Second Principal Meridian, said area is located in the City of Valparaiso, Center Township, Porter County, more particularly described as follows:

Beginning at a point being the intersection of the south right-of-way of State Route 130 (Lincolnway) and the northwest corner of a 0.229 acre parcel (real property key number 64-10-19-303-008.000-004) as the **Point of Origin**; thence east 318.7 feet along of the south right-of-way of State Route 130 (Lincolnway) 318.7 feet to its intersection with the northeast corner of a 0.69 acre parcel (real property key number 64-10-19-303-010.000-004); thence south perpendicular to the south right-of-way of State Route 130 (Lincolnway) along the east lot line of said 0.69 acre parcel 200 feet to its south lot line being the intersection with the northeast lot corner of a 0.67 parcel (real property key number 64-10-19-351-005.000-004) and continuing south along said east lot line of said 0.67 parcel approximately 195 feet to its intersection with the north right-of-way line of LaPorte Avenue; thence northwest along the north right-of-way of LaPorte Avenue approximately 325 feet to its intersection with the southwest corner of a 0.29 acre parcel (real property key number 64-10-19-351-003.000-004); thence north along the west lot line of said 0.29 acre parcel approximately 180 feet to its north lot line being the southwest corner of said 0.229 acre parcel (real property key number 64-10-19-303-008.000-004) and continuing north along said west lot line of said 0.229 acre parcel approximately 182.63 feet, a total distance of 362.63 feet to its intersection with the northwest corner of said 0.229 acre parcel also being the south right-of-way of State Route 130 (Lincolnway), the **Point of Origin**, consisting of 2.76 acres more or less.

The UP SID consists of the following real property numbers:

- 64-10-19-303-008.000-004
- 64-10-19-303-009.000-004
- 64-10-19-303-010.000-004
- 64-10-19-351-003.000-004
- 64-10-19-351-004.000-004
- 64-10-19-351-005.000-004

Map of the UP SID





**VALPARAISO REDEVELOPMENT COMMISSION**

**VALPARAISO, INDIANA  
RESOLUTION NO. 6-13-2012-02**

**EXHIBIT B**

Pursuant to Section 4(2) of Indiana Code 36-7-21 *et seq.*, the Commission has caused to be prepared a list of the names and addresses of each parcel and owner of land within the University Promenade Special Improvement District and a description of the existing land use and zoning classification of each parcel, as detailed below:

**Names and Addresses**

The name of the owner of each parcel within the area is University Promenade, LLC. The address of the property owner is 2342 Cline Avenue, Schererville, Indiana, 46375.

**Description of the Land Use(s)**

The land uses proposed and anticipated for construction include a 2 (two) 3-story mixed use buildings 195 feet by 65 feet. The first floor of each building will consist of commercial, retail and office uses. A total of 24,000 square feet of commercial, retail and office space is anticipated. The second and third floors of each building will consist of 1,600 square foot 2-story urban loft residential townhome units. A total of 28 units including common hallway area, stairways, elevators and mechanical equipment areas are proposed to consist of 48,000 square feet.

The UP SID will include a 0.25 acre public plaza park with a "University Promenade Archway", outdoor performance stage and pedestrian way-finding signage as local public improvements.

**Zoning Classification**

The real property included in the University Promenade Special Improvement District as described and detailed in EXHIBIT A is currently zoned as General Commercial (CG) as shown on the City of Valparaiso, Indiana Zoning Map.

**VALPARAISO REDEVELOPMENT COMMISSION**

**VALPARAISO, INDIANA  
RESOLUTION NO. 6-13-2012-02**

**EXHIBIT E**

Pursuant to Section 4(3) of Indiana Code 36-7-21 *et seq.*, the Commission has caused to be prepared estimates of the costs of the development projects and the benefits expected to accrue to the property owners within the University Promenade Special Improvement District.

**Cost Estimates of Local Public Improvement of the Project**

The Commission estimates that the cost of the local public improvements related to the Project to be:

	<b>One-Time Capital Costs:</b>
• University Drive construction and improvements : .....	\$ 270,000
• Pocket Park and pedestrian way-finding signage (kiosk) .....	<u>250,000</u>
Total of One-Time Capital Costs:	\$ 520,000
<b>Annual Recurring Costs –</b>	
For the 10-Year Period of March 1, 2013 to March 1, 2022 (Pay 2014 to Pay 2023):	
• Annual Cost of the additional public parking in the UP SID <sup>1</sup> –	
Off-Street surface parking (2 areas) – total of 69 vehicle spaces .....	\$ 57,325
• .....Annual Costs: Operation and maintenance of local public improvements .....	<u>40,000</u>
<b>TOTAL ANNUAL SPECIAL BENEFIT COST: \$ 97,325</b>	

**Special Benefits**

The local public improvements of the Project anticipated for construction, under construction or completed as a condition of the Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 are unique and specific to the University Promenade development such that:

- University Promenade Special Improvement District residents and businesses will also benefit from the improvements to University Drive which traverses the University Promenade development.
- The residents and businesses of the University Promenade Special Improvement District will directly benefit from the convenient access to off-street public parking that will be available in the University Promenade Special Improvement District.
- The residents of the University Promenade Special Improvement District will have convenient access to the pocket park located in the University Promenade Special Improvement District.
- Residents and businesses in the University Promenade Special Improvement District will benefit from the wayfinding signage informational and kiosk that will be constructed in the University Promenade Special Improvement District

<sup>1</sup> Annualization of the surface parking cost pursuant to the Parking Lease entered into on August 13, 2010 by the Commission and University Promenade, LLC. The sub-total of Years 1 to 5 (at \$98,500 per year) is \$492,500; the sub-total of Years 6 to 10 (at \$16,150 per year) is \$80,750. Total 10-year cost is \$573,250. \$573,250 divided by 10 equals \$57,325.

VALPARAISO REDEVELOPMENT COMMISSION

VALPARAISO, INDIANA  
RESOLUTION NO. 6-13-2012-02

**EXHIBIT D**

Pursuant to Section 4(4) of Indiana Code 36-7-21 *et seq.*, the Commission has developed a plan for application of assessment revenue to the cost of the Project within University Promenade Special Improvement District.

Refer to the **University Promenade Special Improvement District Special Assessment Report** section titled **Special Assessment Period**, page 4 which states as follows.

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The City may impose a special assessment on property in the UP SID during a 10-year period from March 1, 2012 for a special assessment due and payable in 2013 through March 1, 2022 for a special assessment due and payable in 2023.

The City reserves the right to extend the period of a special assessment for an additional 10-year period through March 1, 2032 for a special assessment due and payable in 2033 based upon additional local public improvements, continued maintenance and operation activities by the City within the UP SID and upon consent of the 80 percent of the property owners in the UP SID.

Refer to the **University Promenade Special Improvement District Special Assessment Report** section titled **Calculation of a Special Assessment**, pages 5 and 6, which states as follows.

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The "Special Assessment Levy" shall be defined as the amount of special assessment required to reimburse the Commission for annual lease payments for the local public improvements pursuant to a Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 between the City and University Promenade, LLC, or as follows:

$$(\text{Annual}_{LP} + \text{Additional}_{SB}) - \text{Annual}_{TI} = \text{Proposed Special Assessment Levy}$$

**Annual<sub>LP</sub>** is the Annual Lease Payment for the Local Public Improvements.

**Additional<sub>SB</sub>** is the Additional Special Benefits from Local Public Improvements maintained, operated or, constructed by the City.

**Annual<sub>TI</sub>** is the Annual Tax Increment Distribution to the Commission from the University Promenade Project

If the Proposed Special Assessment Levy is less than \$0, the Commission may not impose a Special Assessment Levy in a subsequent year as a result of sufficient tax increment generated in the prior year; however, if the Proposed Special Assessment Levy is greater than \$0, the Commission shall impose a Special Assessment Levy in a subsequent year as a result of a prior year's tax increment insufficiency. A Proposed Special Assessment Levy greater than \$0 shall be the Special Assessment Levy to be imposed.

VALPARAISO REDEVELOPMENT COMMISSION

VALPARAISO, INDIANA  
RESOLUTION NO. 6-13-2012-02

EXHIBIT E

Pursuant to Section 4(5) of Indiana Code 36-7-21 *et seq.*, the Commission has developed a plan for apportionment of the annual assessment to the parcels of real property within the University Promenade Special Improvement District.

Refer to the University Promenade Special Improvement District Special Assessment Report section titled Calculation of a Special Assessment, pages 5 and 6, which states as follows.

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The Special Assessment Levy if deemed to be imposed by the City upon recommendation of the Commission to the City Council pursuant to the Act shall be allocated to real property owners in the UP SID in the following manner:

Scenario A. The process to determine a property owner's Special Assessment to be imposed shall be based upon the Gross Square Footage (the "Gsf") of the UP SID, estimated to be 120,226 gross square feet (2.76 acres multiplied by 43,560 square feet per acre). The Special Assessment Levy shall be divided by the Gsf to determine the Special Assessment Levy per square foot (as calculated and rounded to the ten thousandths of a cent or the fourth place right of the decimal). A real property owner's Special Assessment shall be the product of the Special Assessment Levy per square foot multiplied by the total square feet of each real property in the UP SID; or

Scenario B: If a condominium association or similar property owners' association exists, process to determine a property owner's Special Assessment to be imposed shall be based upon the Net Square Footage (the "Nsf") of commercial, retail, office and residential condominium space within the UP SID. The Special Assessment Levy shall be divided by the Nsf to determine the Special Assessment Levy per square foot of condominium space (as calculated and rounded to the ten thousandths of a cent or the fourth place right of the decimal). A condominium property owner's Special Assessment shall be the product of the Special Assessment Levy per square foot multiplied by the total square feet of each condominium owner's net square feet area (not including common areas) located in the UP SID.

VALPARAISO REDEVELOPMENT COMMISSION



**UNIVERSITY PROMENADE SPECIAL IMPROVEMENT DISTRICT  
SPECIAL ASSESSMENT REPORT**

June 13, 2012

Prepared by

***Cender & Company***  
L.L.C.

233 E. 84th Drive, Suite 103 • Merrillville, IN 46410  
Phone: 219-736-1800 Fax: 219-736-8465  
[www.CenderCompany.com](http://www.CenderCompany.com)

**VALPARAISO REDEVELOPMENT COMMISSION**

**VALPARAISO, INDIANA**

**UNIVERSITY PROMENADE SPECIAL IMPROVEMENT DISTRICT  
SPECIAL ASSESSMENT REPORT**

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**PURPOSE AND INTENT OF THE REPORT**

The Valparaiso Redevelopment Commission (the "Commission") has prepared this **University Promenade Special Improvement District Special Assessment Report** pursuant to Indiana Code 36-7-21 *et seq.* (the "Act") for the purpose of and its recommendation to the Common Council of the City of Valparaiso, Indiana (the "City") to establish and designate a certain area of the City as the University Promenade Special Improvement District (the "UP SID").

The UP SID as a special service area or improvement district is within the Consolidated Valparaiso Economic Development Area established as a redevelopment project area pursuant to Indiana Code 36-7-14, *et seq.* The UP SID is recommended in order to assess individual property owners in the UP SID for the direct benefit they receive for the local public improvements constructed. These local public improvements will provide special benefits to the property owners in the UP SID and will be of public utility and benefit.

The City intends to impose a special assessment on property owners in the event that: (i) tax increment generated from the University Promenade project is insufficient for the Commission to make annual lease payments for the local public improvements pursuant to a Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 between the City and University Promenade, LLC and/or (ii) the property owners receive additional special benefits from local public improvements constructed or implemented by the City. The City may impose a special assessment on property in the UP SID during a 10-year period from March 1, 2012 for a special assessment due and payable in 2013 through March 1, 2022 for a special assessment due and payable in 2023.

Pursuant to Section 5 of the Act, "Benefits shall be apportioned on a gross square footage basis or on any other basis reasonably representative of the diffusion of benefits." Therefore, it is the intent of this Report to explain the apportionment of the assessments on the basis of the benefit received by the property owners in the UP SID so that it is reasonably representative of the diffusion of benefits to the property owners.

**DESCRIPTION OF THE SPECIAL IMPROVEMENT DISTRICT**

The District is located between Lincolnway and LaPorte Avenue on the east and west side of University Drive in Valparaiso. The District's approximate area is 2.76 acres and is zoned Commercial General. The Commission has caused to be prepared a map showing the boundaries of the University Promenade Special Improvement District.

A parcel of land in Section 19, in Township 35 North, Range 5 West of the Second Principal Meridian, said area is located in the City of Valparaiso, Center Township, Porter County, more particularly described as follows:

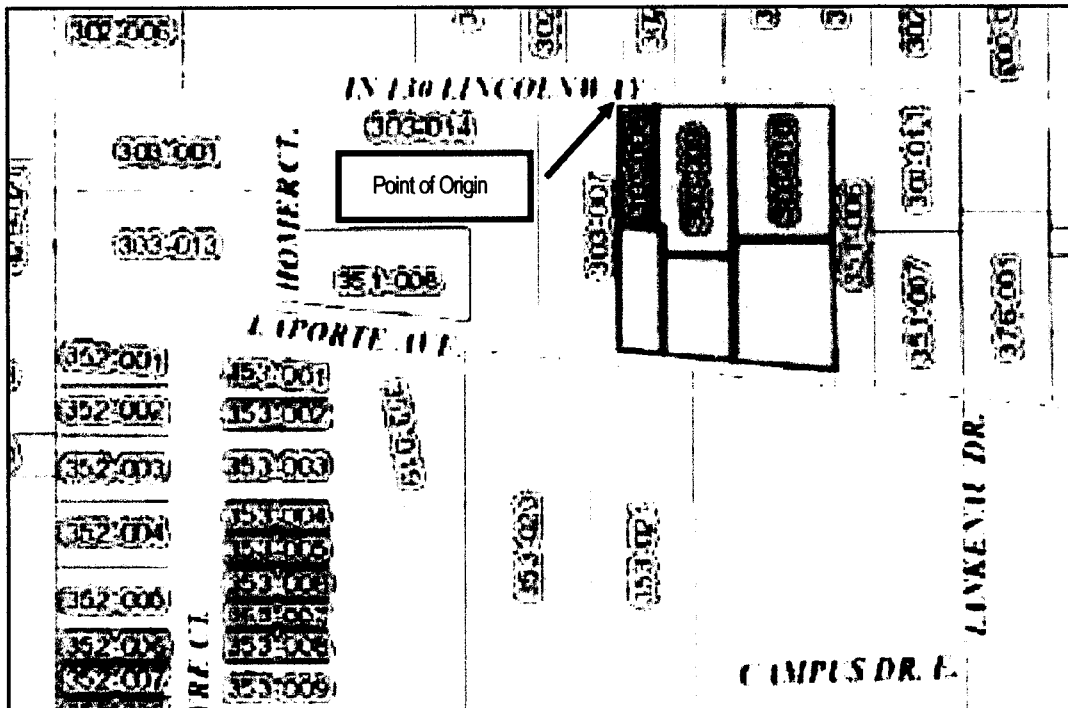
Beginning at a point being the intersection of the south right-of-way of State Route 130 (Lincolnway) and the northwest corner of a 0.229 acre parcel (real property key number 64-10-19-303-008.000-004) as the Point of Origin; thence east 318.7 feet along of the south right-of-way of State Route 130 (Lincolnway) 318.7 feet to its intersection with the northeast corner of a 0.69 acre parcel (real property key number 64-10-19-303-010.000-004);

thence south perpendicular to the south right-of-way of State Route 130 (Lincolnway) along the east lot line of said 0.69 acre parcel 200 feet to its south lot line being the intersection with the northeast lot corner of a 0.67 parcel (real property key number 64-10-19-351-005.000-004) and continuing south along said east lot line of said 0.67 parcel approximately 195 feet to its intersection with the north right-of-way line of LaPorte Avenue; thence northwest along the north right-of-way of LaPorte Avenue approximately 325 feet to its intersection with the southwest corner of a 0.29 acre parcel (real property key number 64-10-19-351-003.000-004); thence north along the west lot line of said 0.29 acre parcel approximately 180 feet to its north lot line being the southwest corner of said 0.229 acre parcel (real property key number 64-10-19-303-008.000-004) and continuing north along said west lot line of said 0.229 acre parcel approximately 182.63 feet, a total distance of 362.63 feet to its intersection with the northwest corner of said 0.229 acre parcel also being the south right-of-way of State Route 130 (Lincolnway), the **Point of Origin**, consisting of 2.76 acres more or less.

The UP SID consists of the following real property numbers:

- 64-10-19-303-008.000-004
- 64-10-19-303-009.000-004
- 64-10-19-303-010.000-004
- 64-10-19-351-003.000-004
- 64-10-19-351-004.000-004
- 64-10-19-351-005.000-004

**Map of the UP SID**



## **PROPOSED IMPROVEMENTS IN THE SPECIAL IMPROVEMENT DISTRICT**

### University Promenade Project

The real property improvements in the UP SID will consist of two separate three-story mixed use buildings. The first floor of each building will consist of commercial, retail or office space. The total commercial, retail or office space will occupy 24,000 square feet between the two buildings. The second and third floors of each building will consist of townhome residential condominium units. Each building will consist of 14 residential units for a total of 28 residential units. Each residential unit will be approximately 1,600 square feet for total residential living space of 44,800 square feet. There will be an additional 3,200 square feet of common hallway areas, stairways, elevators, and mechanical equipment areas for a gross residential area of 48,000 square feet.

### Identified Local Public Improvements

The City has identified local public improvements in the UP SID for which special benefits will be received by the property owners in the UP SID. The local public improvements pursuant to a Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 between the City and University Promenade, LLC include:

- A 0.25 acre public pocket park with a special archway and an outdoor performance stage;
- A way-finding informational kiosk to promote commercial activities in the UP SID;
- Two off-street surface public parking areas totaling 69 spaces; and
- University Drive as a public street will be enhanced with special beautification projects and pedestrian way-finding signage.

## **DETERMINATION OF SPECIAL ASSESSMENT CRITERIA**

The purpose of this section is to explain the reasonable basis of the special assessment. The reasonable basis of the special assessment is based on the following criteria:

- (i) The special benefit(s) of the local public improvements to the real property subject to the special assessments exceeds the cost of the assessments;
- (ii) A special assessment may be imposed in a particular year based on reimbursing the Commission in the event that: (i) tax increment generated from the University Promenade project is insufficient for the Commission to make annual lease payments for the local public improvements pursuant to a Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 between the City and University Promenade, LLC and/or (ii) the property owners receive additional special benefits from local public improvements constructed or maintained and operated by the City; and
- (iii) A special assessment is allocated to parcels within the UP SID or property owners on a basis that reasonably reflects the benefit each receives from the local public improvements and the maintenance, and/or operation of said local public improvements by the City.



## **DETERMINATION OF SPECIAL BENEFITS**

The local public improvements of the University Promenade Project anticipated for construction, under construction or completed as a condition of the Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 are unique and specific to the University Promenade development such that:

- UP SID residents and businesses will directly benefit from access to, ingress and egress to University Drive which traverses the University Promenade development.
- The residents and businesses of the UP SID will directly benefit from the convenient access to two (2) off-street public surface parking areas for personal vehicles, guest vehicles and for commercial, retail and office employee and customer parking convenience during regular business hours.
- The residents of the UP SID will have convenient access to the pocket park for relaxing and recreation outside of residential units.
- Residents and businesses in the UP SID will benefit from the way-finding signage informational and kiosk.

The property in the UP SID subject to a special assessment will receive a direct and special benefit from the public improvements to be provided; and this special benefit will be greater than the cost of the special assessment imposed. The local public improvements in the UP SID provide road access, a public pocket park area, off-street surface parking and general beautification of the area. The local public improvements are being provided specifically to service the interests of the UP SID in order for the use of the real property in the UP SID to be the highest and best use of said property (the use of the property that is the most valuable as defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value" [*Dictionary of Real Estate Appraisal, Third Edition*]). The highest and best use of property within the UP SID will require the local public improvements identified.

Pursuant to the Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010, the property owner(s) have consented to the imposition of a special assessment in the event that: (i) tax increment generated from the University Promenade project is insufficient for the Commission to make annual lease payments for the local public improvements pursuant to a Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 between the City and University Promenade, LLC and/or (ii) the property owners receive additional special benefits from local public improvements constructed or maintained and operated by the City.

## **SPECIAL ASSESSMENT PERIOD**

The City may impose a special assessment on property in the UP SID during a 10-year period from March 1, 2012 for a special assessment due and payable in 2013 through March 1, 2022 for a special assessment due and payable in 2023.

The City reserves the right to extend the period of a special assessment for an additional 10-year period through March 1, 2032 for a special assessment due and payable in 2033 based upon additional local public improvements, continued maintenance and operation activities by the City within the UP SID and upon consent of the 80 percent of the property owners in the UP SID.

## CALCULATION OF A SPECIAL ASSESSMENT

This section discusses how the City may and shall calculate the imposition of a special assessment on owners of real property in the UP SID that is reasonable and representative of the diffusion of the special benefits.

The City intends to impose a special assessment on real property owners in the UP SID the event that:

- (i) Tax increment generated from the University Promenade project is insufficient for the Commission to make annual lease payments for the local public improvements pursuant to a Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 between the City and University Promenade, LLC; and/or
- (ii) Real property owners receive additional special benefits from local public improvements constructed or implemented by the City.

The costs of identified local public improvements within the UP SID may be allocated to the owners of real property in the following manner deemed reasonable and representative of the diffusion of the special benefits received.

The "Special Assessment Levy" shall be defined as the amount of special assessment required to reimburse the Commission for annual lease payments for the local public improvements pursuant to a Real Estate Purchase Agreement executed on August 13, 2010 and the Redevelopment Agreement executed on August 13, 2010 between the City and University Promenade, LLC, or as follows:

$$(\text{Annual}_{LP} + \text{Additional}_{SB}) - \text{Annual}_{TI} = \text{Proposed Special Assessment Levy}$$

**Annual<sub>LP</sub>** is the Annual Lease Payment for the Local Public Improvements.

**Additional<sub>SB</sub>** is the Additional Special Benefits from Local Public Improvements maintained, operated or, constructed by the City.

**Annual<sub>TI</sub>** is the Annual Tax Increment Distribution to the Commission from the University Promenade Project

If the Proposed Special Assessment Levy is less than \$0, the Commission may not impose a Special Assessment Levy in a subsequent year as a result of sufficient tax increment generated in the prior year; however, if the Proposed Special Assessment Levy is greater than \$0, the Commission shall impose a Special Assessment Levy in a subsequent year as a result of a prior year's tax increment insufficiency. A Proposed Special Assessment Levy greater than \$0 shall be the Special Assessment Levy to be imposed.

The Special Assessment Levy if deemed to be imposed by the City upon recommendation of the Commission to the City Council pursuant to the Act shall be allocated to real property owners in the UP SID in the following manner:

- Scenario A. The process to determine a property owner's Special Assessment to be imposed shall be based upon the Gross Square Footage (the "Gsf") of the UP SID, estimated to be 120,226 gross square feet (2.76 acres multiplied by 43,560 square feet per acre). The Special Assessment Levy shall be divided by the Gsf to determine the Special Assessment Levy per square foot (as calculated and rounded to the ten thousandths of a cent or the fourth place right of the decimal). A real property owner's Special Assessment shall be the product of the Special Assessment Levy per square foot multiplied by the total square feet of each real property in the UP SID; or

- Scenario B: If a condominium association or similar property owners' association exists, process to determine a property owner's Special Assessment to be imposed shall be based upon the Net Square Footage (the "Nsf") of commercial, retail, office and residential condominium space within the UP SID. The Special Assessment Levy shall be divided by the Nsf to determine the Special Assessment Levy per square foot of condominium space (as calculated and rounded to the ten thousandths of a cent or the fourth place right of the decimal). A condominium property owner's Special Assessment shall be the product of the Special Assessment Levy per square foot multiplied by the total square feet of each condominium owner's net square feet area (not including common areas) located in the UP SID.

## CONCLUSION

This Report and its assessment of a special assessment for local public improvements within the University Promenade Special Improvement District has been prepared in accordance with the Act in a reasonable manner representative of the diffusion of the special benefits received.