

ECONOMIC DEVELOPMENT PLAN FOR THE SOUTH 4-9 AREA

**Valparaiso Redevelopment Commission
166 Lincolnway
Valparaiso, IN 46383**

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ECONOMIC DEVELOPMENT PLAN FOR SOUTH 49 AREA

PURPOSE AND INTRODUCTION

This document is the Economic Development Plan ("Plan") for the South 49 Economic Development Area ("South 49 Area") for the City of Valparaiso, Indiana ("City"). It is intended for approval by the Common Council, the Valparaiso Plan Commission and the Valparaiso Redevelopment Commission ("Redevelopment Commission") in conformance with IC 36-7-14.

The purposes of the Plan are to benefit the public health, safety, morals, and welfare of the citizens of the City; increase the economic well-being of the City and the State of Indiana; and serve to protect and increase property values in the City and the State of Indiana. The plan is designed to promote significant opportunities for the gainful employment of citizens of the City, attract major new business enterprise to the City, provide for local public improvements in the South 49 Area, attract permanent jobs, increase the property tax base, and improve the diversity of the economic base of the City.

The Factual Report attached to this Plan contains the supporting data for the above declared purposes of the Plan.

Economic Development is defined as projects and/or processes and/or programs that add additional tax base and/or disposable income to the local economy over a stable period of time; and/or enhance existing tax bases and/or opportunities for citizens to improve their disposable income through new employment. Economic Development for the Redevelopment Commission includes public improvements needed to add the tax base and/or disposable income; and public improvements that add to general welfare, health and safety of all citizens of the community, and cannot be financed other than through the Redevelopment Commission process.

Description of South 49 Economic Development Area

The South 49 Area is generally described as an undeveloped parcel located on the east side of State Route 49 between US 30 and Division Road. See Exhibit A for a legal description of the parcel.

The objectives of the South 49 Area are:

- * To create and/or repair public infrastructure that is needed for the general health, safety and welfare of the citizens and cannot be financed through any other means (a list of specific infrastructure is included as Exhibit B)
- * To increase the economic well-being of the City and the State of Indiana
- * To serve to protect and increase property values in the City and the State of Indiana.
- * To adhere to the Comprehensive Plan particularly the Land Use and Thoroughfare chapters.

The Plan is designed to promote significant opportunities for the gainful employment of citizens of the City, attract a major new business enterprise to the City, provide for local public improvements in the

Economic Development Area, attract permanent jobs, increase the property tax base, and improve the diversity of the economic base of the City.

Procedures and projects

The economic development of the South 49 Area will proceed as follows: Phase I and II include acquisition of real property at \$1.3 million containing 64 acres more or less, a \$10.2 million 300,000 sq. ft. building, and over \$19.5 million in equipment. Phase III and IV include additional 253,000 sq. ft. \$60 million building, and \$90 million in new equipment. Phase I and II include 336 jobs, and phase III and IV include 123 jobs.

Specific list of projects in serving or benefitting the South 49 Area are described in Exhibit B.

Acquisition of Property

The Redevelopment Commission has no present plans to acquire any interest in real property. The Redevelopment Commission shall follow procedures in IC 36-7-14-19 in the acquisition of property. The Redevelopment Commission may not exercise the power of eminent domain in an economic development area. (However, the City acting as the City may acquire land for road improvements).

Procedures with respect to the Project

The Redevelopment Commission may proceed with the Projects before the acquisition of all interests in land in the South 49 Area. All contracts for material and labor in the accomplishment of the Projects shall be let under IC 36-1. In the planning and rezoning of real property acquired or to be used in the accomplishment of the Plan; the opening, closing, relocation and improvements of public ways; and the construction, relocation, and improvement of sewers and utility services; the Redevelopment Commission shall proceed in the same manner as private owners of the property. The Redevelopment Commission may negotiate with the proper officers and agencies of the City to secure the proper orders, approvals, and consents.

Any construction work required in connection with the Projects may be carried out by the appropriate municipal or county department or agency. The Redevelopment Commission may carry out the construction work if all plans, specifications, and drawings are approved by the appropriate department or agency and the statutory procedures for the letting of the contracts by the appropriate department or agency are followed by the Redevelopment Commission.

The Redevelopment Commission may pay any charges or assessments made on account of orders, approval, consents, and construction work with respect to the Projects or may agree to pay these assessments in installments as provided by statute in the case of private owners.

None of the real property acquired for the Projects may be set aside and dedicated for public ways, parking facilities, sewers, levees, parks or other public purposes until the Redevelopment Commission has obtained the consent and approval of the department or agency under whose jurisdiction the property will be placed.

Disposal of Property

The Redevelopment Commission may dispose of real property acquired by sale or lease to the public after causing to be prepared two (2) separate appraisals of the sale value or rental value to be made by

independent appraisers. However, if the real property is less than five (5) acres in size and the fair market value of the real property or interest has been appraised by one (1) independent appraiser at less than ten thousand dollars (\$10,000), the second appraisal may be made by a qualified employee of the Department of Redevelopment. The Redevelopment Commission will prepare an offering sheet and will maintain maps and plats showing the size and location of all parcels to be offered. Notice will be published of any offering in accordance with IC 5-3-1. The Redevelopment Commission will follow the procedures of IC 36-7-14-22 in making a sale or lease of real property acquired.

Amendment of the Plan

The South 49 Plan can be amended any time in accordance with IC 36-7-14-17.5. However, any enlargement of the boundaries of the South 49 Area must be approved by the Common Council.

Financing of the Project

It is the intention of the Redevelopment Commission to issue bonds payable from incremental ad valorem property taxes allocated under IC 36-7-14-39 in order to raise money for completion of the Projects in the South 49 Area. The amount of these bonds may not exceed the total, as estimated by the Redevelopment Commission of all expenses reasonably incurred in connection with the Projects, including:

- (1) The total cost of all land, rights-of-way and other property to be acquired and developed;
- (2) All reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount and supervisory expenses related to the acquisition and development of the projects or the issuance of bonds;
- (3) Interest on the bonds (not to exceed 5 years from the date of issuance) and a debt service and contingencies reserve for the projects to the extent the Redevelopment Commission determines that a reserve is reasonably required; and
- (4) Expenses that the Redevelopment Commission is required or permitted to pay under IC 8-23-17.

As an alternative to the issuance of bonds or in conjunction with it, the Redevelopment Commission may enter into a lease of any property that could be financed with the proceeds of bonds under IC 36-7-14. The lease is subject to the provisions of IC 36-7-14-25.2 and IC 36-7-14-25.3. As a further alternative, the Redevelopment Commission may use tax increment to pay debt service on bonds issued by the City.