

MINUTES OF THE MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA

February 25, 2008

The Common Council of the City of Valparaiso, Indiana, met on Monday, February 25, 2008 at 7:00 p.m. in City Hall. Mayor Costas called the meeting to order. The Pledge of Allegiance was said. Clerk-Treasurer Swihart called roll. Present were Councilmembers Larr, Bowker, Ward, Taylor, Eisenmenger, Elwood and Dick.

MINUTES

Councilmember Dick moved to approve minutes of the February 11, 2008 meeting. Councilmember Bowker seconded the motion. Upon voice vote the motion to adopt the minutes passed 7-0.

PRESENTATION

Mr. Bavouset, the USPS Real Estate Service Contractor gave a report on relocation of the downtown US Post Office.

RESOLUTION NO. 2, 2008

RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA APPROVING RESOLUTION NO. 10-11-2007-1 OF THE VALPARAISO REDEVELOPMENT COMMISSION, ADOPTED AND APPROVED ON OCTOBER 11, 2007, AMENDING THE ECONOMIC DEVELOPMENT PLAN FOR THE CONSOLIDATED VALPARAISO ECONOMIC DEVELOPMENT AREA, AND EXPANDING THE CONSOLIDATED VALPARAISO ALLOCATION AREA FOR THE PURPOSE OF UTILIZING TAX INCREMENT FINANCING TO IMPLEMENT THE AMENDED ECONOMIC DEVELOPMENT PLAN

Councilmember Eisenmenger moved that Resolution No. 2, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Resolution. Councilmember Dick moved to adopt Resolution No. 2, 2008. Councilmember Bowker seconded the motion.

Stu Summers addressed the Council. State statute now requires the Council to approve each TIF expansion. This Resolution approves an expansion from October and one from last week. The first expansion deals with the area around the Franklin House. This is the targeted area for when the train comes to town. Grants have been applied for and approved. The TIF money will be a match to the grant money. Starting March 1st Porter Hospital will be a tax entity. This Resolution expands the TIF district to include this area.

Councilmember Larr addressed the Council. His concerns are: What happened to the Campbell Street extension. The South Shore extension does not look like it will be coming to Valparaiso soon. The 5307 grant applies to communities with 50,000 or more. Mr. Summers explained this is through NIRPC which covers 50,000 people. Councilmember Larr expressed this concern that there is an over extension of TIF Districts. He would like to see current projects completed before more TIF Districts are created. He does not want to see City Departments over extended.

Stu Summers explained the economic value of starting these projects now. Councilmember Bowker added these projects would cost more if done later. Also, if they quit working on these projects, the grant money will not be available.

Mayor Costas opened the discussion to the audience. Dennis Byron addressed the Council. TIF Districts have become a poster child for economic development. This is not what TIF was originally about. These districts will take 30 years to pay off. There has not been an economic development impact study done.

Rich Wheeler addressed the Council. He understands the Redevelopment's attempt to move the City forward. However, he feels it is too fast and spending too much money.

Mayor Costas commented that the Redevelopment Commission has been very conservative. The City has not exceeded its debt limitation of \$9 Million.

Councilmember Dick stated the City has no way of funding infrastructure improvements other than bonding and TIF. Silhavy Road needs repair. This is for the citizens' safety.

Councilmember Larr stated he is not asking that projects be stopped. He wants current ones to be finished before more begin.

Councilmember Eisenmenger discussed the improvements and higher costs if they are done in the future.

Upon roll call vote Resolution No. 2, 2008 passed with a 6-1 vote. Councilmember Larr voted no.

RESOLUTION NO. 3, 2008

RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA APPROVING RESOLUTION NO. 2-21-2008-01 OF THE VALPARAISO REDEVELOPMENT COMMISSION, ADOPTED AND APPROVED ON FEBRUARY 21, 2008, AMENDING THE ECONOMIC DEVELOPMENT PLAN FOR THE CONSOLIDATED VALPARAISO ECONOMIC DEVELOPMENT AREA, AND EXPANDING THE CONSOLIDATED VALPARAISO ALLOCATION AREA FOR THE PURPOSE OF UTILIZING TAX INCREMENT FINANCING TO IMPLEMENT THE AMENDED ECONOMIC DEVELOPMENT PLAN

Councilmember Eisenmenger moved that Resolution No. 3, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Resolution. Councilmember Dick moved to adopt Resolution No. 3, 2008. Councilmember Bowker seconded the motion.

Stu Summers addressed the Council. This Resolution deals with the area around Porter's Vale. This TIF will share assessed value. The Redevelopment Commission will take a percentage that will support the bond issue. As far as he knows, this is the first time an assessed value sharing program has been done in Indiana.

Councilmember Elwood asked about Mariposa Drive. Lauth paid for the intersection and the Redevelopment Commission will reimburse them about \$300,000. The turn lane will also be put in for Washington Highlands.

Councilmember Eisenmenger asked about the split of funds. Stu discussed the percentages and advised the Redevelopment Commission will get its portion first in order to secure the bond.

Councilmember Larr asked about the \$4,800,000 bond. He asked why the Redevelopment Commission needs 10% to cover the bond. Stu explained you have to show 125% of income in order to get approved for the bond. Councilmember Larr said it is a nice gesture of the Redevelopment Commission to share the income.

Bob of East Porter County addressed the Council. A TIF district is supposed to encourage development; not to have a developer provide infrastructure and then capture that money for projects somewhere else. There have been negotiations for a long time. However, East Porter County has not agreed to anything. He asked the Council to use the TIFs they have and not add any more.

Dennis Byron addressed the Council. He asked if there are completion dates for projects already going. He asked about the base assessed valuation of the property within the current TIF districts. And, what is the projected assessed value for the TIF in the future.

Bob of East Porter County Schools again addressed the Council. Because of homes taken by the development, East Porter County is already losing income.

Stu Summers replied to concerns.

Mayor Costas addressed the Council. He discussed working together with East Porter County to come up with a compromise that is good for them and the City. The City has accomplished most of their projects by TIF money. The Redevelopment Commission has received State and Federal grants. A TIF is leverage to get these grants. The citizens have been happy with the projects going on in the City. The City's projects are helping to keep East Porter County's assessed value high.

Councilmember Taylor addressed the Council. He would like to see the City look at their projects. TIF is a good way to fund projects for the City. He would like to see Valparaiso be a good neighbor to Washington Township. He would like everyone to find something positive out of this situation.

Upon roll call vote the motion to adopt Resolution No. 3, 2008 passed with a 6-1 vote. Councilmember Larr voted no.

ORDINANCE NO. 10, 2008

AN ORDINANCE APPROPRIATING FUNDS IN THE POLICE MOTOR VEHICLE EQUIPMENT FUND AND PROVIDING FOR PUBLICATION OF NOTICE

Councilmember Eisenmenger moved that Ordinance No. 10, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Dick moved to carry Ordinance No. 10, 2008 to the March 10, 2008 meeting. Councilmember Bowker seconded the motion.

Chief Brickner addressed the Council and explained this is a standard appropriation.

Upon voice vote the motion to carry Ordinance No. 10, 2008 to the March 10, 2008 meeting passed with a 7-0 vote.

ORDINANCE NO. 11, 2008

AN ORDINANCE APPROPRIATING FUNDS IN THE CAPITAL EQUIPMENT FUND AND PROVIDING FOR PUBLICATION OF NOTICE

Councilmember Eisenmenger moved that Ordinance No. 11, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Dick moved to carry Ordinance No. 11, 2008 to the March 10, 2008 meeting. Councilmember Bowker seconded the motion.

Mayor Costas explained the money is a transfer from the Redevelopment Commission. It is replacement levy money. It typically is used for equipment purchase.

Upon voice vote the motion to carry Ordinance No. 11, 2008 to the March 10, 2008 meeting passed with a 7-0 vote.

NEW BUSINESS

Councilmember Bowker announced the Fireworks Committee will meet every Wednesday in City Hall at 4:00. The Redevelopment Commission meets March 19th in City Hall at 7:00 p.m.

AUDIENCE

Rich Wheeler asked Stu Summers about Cumberland Crossing being turned over to the City. Stu Summers explained the contractor put in the streets. Once the development is done and the streets have been approved as City streets, the City will reimburse the contractor a pre-determined amount.

Robert Campbell discussed the South Shore Railroad. He asked to have someone tell him the total amount the School Corporation is in debt.

The meeting adjourned at 8:25 p.m.
/s/ Sharon Swihart, Clerk-Treasurer