

**TOWN OF MUNSTER
MINUTES OF A MEETING OF THE REDEVELOPMENT COMMISSION
AUGUST 11, 2014**

A regular meeting of the Munster Redevelopment Commission convened at 8:00 p.m. on Monday, August 11, 2014, at the Munster Town Hall. Commissioners Andy Koultourides, Joseph A. Simonetto, and John P. Reed were present. Commissioners John W. Edington and David B. Nellans, and School Town of Munster Representative Judy Florczak were absent. Mr. Reed presided. Also present were Treasurer and Executive Secretary David F. Shafer, Executive Director Thomas F. DeGiulio, Assistant Town Manager Clay T. Johnson, and Assistant Attorney Steven P. Kennedy. The news media were represented by Jim Masters of *The Times*.

CONSENT AGENDA

APPROVAL OF MINUTES

Approval of the minutes of the regular meeting held on July 28, 2014

ACCOUNTS PAYABLE VOUCHER REGISTERS

Confirmation of Voucher Register #R14-7M dated 07/31/14 totaling \$8,779.13
Approval of Voucher Register #R14-8A dated 08/01/14 totaling \$750.00
Approval of Voucher Register #R14-8B dated 08/06/14 totaling \$22,186.79
Confirmation of Voucher Register #R14-8C dated 08/07/14 totaling \$18,752.67
Approval of Voucher Register #R14-8D dated 08/11/14 totaling \$6,750.00
Confirmation of Voucher Register #R14-8E dated 08/06/14 totaling \$73.59
Approval of Voucher Register #R14-8F dated 08/11/14 totaling \$2,607.73

ACCEPTANCE OF ARBITRAGE REPORT

Financial Advisor Umbaugh provided Staff with the required interim arbitrage rebate liability calculation for the Construction Fund and Debt Service Reserve Fund of the 2011 Economic Development Bonds (Lake Business Center). Based on Umbaugh's calculations, there is no payment due to the U.S. Department of Treasury at this time. The report will be placed on file.

Commissioner Simonetto moved, with a second by Commissioner Koultourides, to suspend the rules, waive the readings, and adopt the Consent Agenda as presented. Commissioners Koultourides, Simonetto, and Reed voted in favor; none voted against. The motion carried and the Consent Agenda was adopted as presented.

GENERAL ORDERS

TERMINATION OF LEASE

This item was a matter of discussion at the last meeting. Dr. Joseph G. Hofferth, a chiropractor, has a lease for 9430 Calumet Avenue. Last month Dr. Hofferth emailed Staff requesting early termination of the lease effective August 31, 2014. The lease is scheduled to run through February 28, 2015. While the Commission has an early termination policy, it was not in place when Dr. Hofferth's lease was negotiated. Staff offered options for negotiating the lease termination. Discussion ensued, after which the Commissioners agreed, by general consent:

1. Dr. Hofferth will reimburse the Town for his first, rent-free month at the then-existing rental rate of \$1,787.00,
2. Dr. Hofferth will pay all delinquent fees owed as of August 2014, and
3. The Town will hold Dr. Hofferth's security deposit, and, if the unit cannot be rented by October 1, 2014, that Dr. Hofferth will forfeit the deposit.

NEW BUSINESS

TRANSFER OF MUNSTER STEEL PROPERTY

The new Munster Steel facility is nearly complete and the business will begin moving in the coming months. The Development Agreement calls for the Developer to convey title to the Munster Steel property to the Town and the Town to convey title to the Park property to the Developer.

Munster Steel and the Developer have been in talks about the taxes resulting from the property transfer. The Developer's attorney has suggested that Munster Steel transfer the deed and donate the right-of-way and necessary easements to the Town. This is acceptable to INDOT and avoids the right-of-way acquisition process of Section 6(f) of the Land and Water Conservation Act.

The Developer is asking to delay acceptance of the Town's property and only receive title to the Munster Steel property. This allows the Town to retain the land for public use and the developer delays property taxes. An amendment to the Development Agreement has been drafted delaying the Park property transfer until the Town receives a 30-day notice from the Developer. This is subject to approval by Munster Steel.

Because the Town will be the title holder to the Munster Steel property, the Town must assume the terms of the lease between the Developer and Munster Steel.

The Commissioners were presented with the Developer's sketch of the various parcels involved in the property transfer. However, the sketch was not in accord with the Town's previous understandings. A meeting between the Commissioners and the Developer will be scheduled to resolve the discrepancies. No formal action was taken on the proposed amendment to the Development Agreement or on the proposed Assignment and Assumption of Lease.

CENTENNIAL VILLAGE AND PEPSI/LAKE BUSINESS CENTER

Under the Centennial Village development agreement, the Town has an obligation to extend 45th Street about 800' to the east of the intersection at Calumet Avenue. Three options were presented by Staff with the following being recommended. The Town will construct the 800' extension terminating east before the retaining walls are built. The Town would construct the full width of the street with a storm system. Water and sanitary extensions could be accommodated for future installation. The utilities would pay those costs and be reimbursed through tap-on fees. The western terminus at Calumet Avenue would be full width with tapers matching the other intersection legs. Traffic signal and lighting modifications will be needed. The expectation is that little of the extension would be torn up as part of the larger project. The final length would be determined in part by the needs of the Developer's equipment.

Discussion ensued but no formal action was taken.

Staff has been in discussion with both Pepsi and the developer Simborg regarding options for entering and exiting of truck traffic at the northern property line of Pepsi along Calumet Avenue. Several options have been contemplated including directing traffic out at the Fran-Lin Parkway intersection and a circulation road around the perimeter of the Pepsi property. The preferred option is a circulation road. Regular traffic will be directed to the signal at Fran-Lin Parkway. The challenge is keeping truck and regular traffic separated.

The proposed circulation road would be primarily one-way allowing trucks to enter at the north end of the property and travel to the rear of the property. In order to exit, trucks will take a new road around the west side of the property through the Munster Business Complex to access the traffic signal at Calumet Avenue and 45th Street. At this stage, directing truck traffic through this intersection will not significantly impact the intersection. In order to implement this option, the south section of buildings at the Munster Business Complex needs to be demolished as well as the former animal hospital. This is a costly option and will take time to terminate leases and move the current tenants.

Staff presented financing options including a \$2 million property tax-supported bond with a contribution from Pepsi, TIF Allocation Fund 471 cash if available, or general obligation bonds. The Commissioners were disappointed that Pepsi informed Staff that Pepsi was not willing to pay for any of the improvements.

Discussion ensued but no formal action was taken.

**FIRST AMENDMENT TO CONSTRUCTION
LOAN DISBURSEMENT AGREEMENT**

A Construction Loan Disbursement Agreement among Centier Bank, Fidelity National Title Insurance Company, 37 Hotel Munster/MD, LLC, Simborg Development, and the Town of Munster resulted from the plans to build and operate a hotel as part of the redevelopment of Lake Business Center. Centier Bank and Fidelity National Title Insurance Company now find it necessary to amend the agreement. The Town of Munster previously deposited \$2,000,000.00 from the sale of Economic Development Revenue Bonds, Series 2011, into a Hotel Construction Account to pay project costs related to the hotel to be developed, and this amount is not being changed. Because the Town of Munster is a party to the Construction Loan Disbursement Agreement, approval by the Munster Redevelopment Commission is needed for the amendment.

Commissioner Simonetto moved, with a second by Commissioner Koulourides, to approve the First Amendment to Construction Loan Disbursement Agreement as presented. Commissioners Koulourides, Simonetto, and Reed voted in favor; none voted against. The motion carried.

ADJOURNMENT

There being no further business to come before the Commission, and upon a motion by Commissioner Simonetto, seconded by Commissioner Koulourides, the meeting adjourned at 8:43 p.m.

John P. Reed, President

ATTEST:

David F. Shafer, Executive Secretary