

**ST. JOHN REDEVELOPMENT COMMISSION
JUNE 12, 2014 – SPECIAL MEETING
10955 W. 93RD AVENUE, ST. JOHN, INDIANA**

**Mark Barenie, President
Michael Forbes, Vice-President
Larry Bustamante, Secretary
Greg Volk
Ken Gembala**

**Attorney David Austgen
Sherry Sury, Clerk-Treasurer
Steve Kil, Town Manager**

CALL TO ORDER:

Mr. Mark Barenie called to order the St. John Redevelopment Commission special meeting for June 12, 2014, at 7:22 p.m.

(The Pledge of Allegiance was said.)

ROLL CALL:

Ms. Sherry Sury, Clerk Treasurer, took roll call with the following members present: Mark Barenie, Michael Forbes, Ken Gembala and Gregory Volk. Larry Bustamante was absent. Attorney David Austgen was present. Staff: Steve Kil and Chief Fred Frego were present. Citizen member Dr. John DeVries was present. Citizen member James Sakelarlis was absent. Recording Secretary, Susan E. Wright was also present.

PUBLIC HEARINGS:

- A. TO RECEIVE AND HEAR REONSTRANCES AND OBJECTIONS FROM ALL PERSONS INTERESTED IN OR AFFECTED BY THE PROPOSED PROJECTS AS SET FORTH IN THE AMENDING RESOLUTION AND AMENDED RESTATED PLAN FOR ST. JOHN ECONOMIC DEVELOPMENT AREA ONE.
(RESOLUTION #14-06-12 RDC, A RESOLUTION CONFIRMING THE AMENDED AND RESTATED PLAN, AND RESOLUTION FOR ST. JOHN T.I.F. ONE – ECONOMIC DEVELOPMENT AREA ONE).

Mr. Barenie noted that *Item 3A* on the agenda *was to receive and hear remonstrances and objections from all the persons interested or affected by the proposed projects as set forth in the amending resolution and amended and restated plan for the St. John Economic Development Area One.*

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Mr. Barenie asked Attorney Austgen if the Proofs of Publication were in order. Attorney Austgen noted that the public hearing was properly advertised and the Proofs of Publication are evidence of the same. He stated that the proofs will become a part of the record, and the public hearing could be appropriately conducted tonight.

Mr. Barenie asked Mr. Kil to elaborate on T.I.F. District One. Mr. Kil directed the audience's attention to a map. He stated that when looking at the larger map, there are colored areas along the U.S. 41 Corridor. He stated that Route 41 is the primary commercial corridor through Town, and defined as T.I.F. Area One.

Mr. Kil directed the audience's attention to the location of the Gates of St. John, the corridor along U.S. Route 231. He stated that the T.I.F. Districts have been isolated along Route 41 and Route 231. Mr. Kil stated that the tax increment financing means that the T.I.F. monies will give the Town the ability to work with commercial development by providing an incentive for them to locate in Town.

Mr. Kil stated that the T.I.F. will allow the Town to take and issue debt to do certain infrastructure improvements in the event of new commercial development has a need for it. Mr. Kil remarked that without the T.I.F. the Strack & Van Til/Target project could not have been built. He further stated that the debt for this project is already retired.

Mr. Kil noted there would be a net zero impact on any residential property that falls within a T.I.F. District. He explained that any bond/debt that is issued is paid for out of the development of the T.I.F. District. He stated that the debt repayment is made out of the increased taxes that are paid from a commercial development and not the tax amount that is currently paid.

Mr. Kil reiterated that the T.I.F. Districts have been isolated to the commercial corridors in Town in hopes of future economic development. Mr. Kil stated that there is a McDonalds going up next to Eenigenburg Water, and Eenigenburg Water and the McDonalds are included in the T.I.F. District.

Mr. Barenie stated he would open the public hearing. He asked all individuals who wished to speak to state their name and address for the record.

PUBLIC HEARING

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Joe Hero, 11723 South Oakridge Drive, St. John

Mr. Hero stated he wished to remonstrate against Resolution #14-06-12 RDC. He stated that his remonstrance was in reference to Economic Development District One. He opined that the only individuals that will benefit from the T.I.F. District are the developers and the corporations that are going to develop the land.

Mr. Hero stated that come July 1st, the Clerk-Treasurer will become the treasurer of the T.I.F. money. He stated that the T.I.F. money will pass right through in order to pay the bonds off. Mr. Hero stated that the services rendered to the people located in the T.I.F. District will cause the residential taxpayers to have to pay increased taxes for the “*free ride benefit*” of the T.I.F. District.

Mr. Hero stated that another issue is that the existing businesses in Town will have competitors and they will be paying taxes to support competitors. Mr. Hero opined that the T.I.F. is bad for the existing businesses in Town. He stated that T.I.F. Districts should never be done in St. John, Indiana, which is a growing and attractive community where developers already want to come in. Mr. Hero reiterated that the T.I.F. District is giving a free ride to developers as the tax dollars pass through and the developers don't pay for the services that the Town provides.

Mr. Hero stated that this area covers two schools, Hanover and Lake Central, and the schools will not receive the tax money. Mr. Hero stated that the money will go to the infrastructure for the redevelopment areas in the T.I.F. Districts.

Mr. Hero stated this is just a “*bad deal for all of the people in St. John.*” He stated right now the Board has the power to control this. Mr. Hero stated that next year the voters in Town will have the power to control the Board members' re-election. He promised the Board that if the T.I.F. resolutions are passed, he would work to make sure that they are not re-elected.

Kurt Knabenhans, Knabenhans Motor Sales

Mr. Knabenhans stated that his business is located north of the Shrine of Christ's Passion. He stated he is more worried about the infrastructure being brought into St. John, causing the Town to upgrade all of their utilities. He named one infrastructure in particular, the lift station across the street from his business.

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Mr. Knabenhans stated that his property was surveyed yesterday without his permission. He mentioned a resolution related to the installation of two 12” pipes that may run through his property to accommodate the expansion of St. John. Mr. Knabenhans stated that five years ago, his father gave the Town twenty feet behind his shop to support the Watts subdivision. He stated that now the Town will be wanting to take another 20-30’ of the frontage of his business. Mr. Knabenhans stated that his business is finally coming into its prime after 50 years of being in St. John.

Mr. Knabenhans stated he is utterly appalled by this action. Mr. Kil stated he spent two hours going through this matter with Mr. Knabenhans.

Mr. Forbes stated that two completely separate items are being discussed. Mr. Forbes remarked *“do not confuse the T.I.F. District with the expansion of our lift station.”* Mr. Forbes stated that the expansion of the lift station and the T.I.F. Districts have nothing to do with each other. Mr. Forbes instructed Mr. Knabenhans to address his concerns about the lift station with the Sanitary Board which meets in two weeks.

Kevin Knabenhans, Knabenhans Motors

Mr. K. Knabenhans noted that his business is right in the middle of the T.I.F. District. He noted everyone can see that there is redevelopment going on all over the area. Mr. Knabenhans stated his location has three entrances. He stated with the infrastructure that the Town intends to do, there have never been any plans that have been discussed in detail as to where the infrastructure will go.

Mr. Knabenhans noted the map that was shown earlier and asked what kind of infrastructure or economic development the Town is planning on doing. He wanted to know what plans there were to build in the redevelopment district. Mr. Knabenhans noted more resources will be needed with the redevelopment and there are multiple items that go along with redevelopment and increased businesses.

Mr. Knabenhans asked the Board how the sanitary/lift station is not a part of the redevelopment of the T.I.F. District. Mr. Forbes explained that T.I.F. is a financial tool that is used to draw commercial development to the Town. Mr. Forbes stated that Lift Station One needs to be increased, repaired and/or replaced mainly because the Town of St. John is a growing community. He stated whether or not the Town gets even one additional commercial property on Route 41, it will not matter because

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so many houses are being built in Town. Mr. Forbes reiterated that the lift station infrastructure needs to be increased based on the fact that St. John is a growing community.

Mr. Knabenhans asked if the redevelopment district wasn't a plan to bring in businesses. Mr. Forbes stated that the reason the T.I.F. Districts were started is because the Town does want to bring in commercial business to St. John. Mr. Forbes reiterated that Lift Station One would need to be improved, enlarged and/or replaced regardless of whether any commercial development happened in St. John.

Mr. Barenie noted that the proposed lift station improvements are due to the Town's residential growth. Mr. Forbes concurred.

(General discussion ensued.)

Mr. Knabenhans noted that there are many properties in St. John that are not sold. He stated that there are vacant lots with no houses. Mr. Knabenhans noted that there is a lot of property sitting vacant with no houses being built. He asked why areas are being redeveloped if nothing is being changed.

Mr. Forbes summarized that what the Town is trying to do is attract businesses to St. John that are wanted in St. John. He stated that rather than waiting until Route 41 fills up with strip malls, the Town is desirous of drawing *"high-end businesses to St. John."* Mr. Forbes stated that businesses settling in St. John need to be businesses with services and products that the residents of St. John want.

Mr. Forbes stated the T.I.F. District expansion is not a ploy to force people to move off of Route 41 or rezone peoples' properties, which is something he has heard. He stated that the T.I.F. is a tool to entice a commercial business to come to St. John.

Mr. Forbes stated, for example, they are trying to fill the K-Mart. Mr. Knabenhans stated would like to purchase the K-Mart. Mr. Forbes stated that the T.I.F. is a great tool to get someone into the K-Mart property.

Mr. Barenie noted that a couple of years ago the Town's water towers had to be repaired and expanded due to the capacity level. Mr. Barenie stated that this is a similar type of investment in the Town's infrastructure. Mr. Barenie explained that every once in a while

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infrastructure has to be redone and enhanced so there are not bigger problems down the road. He stated that the Town is trying to strike a balance between commercial and residential growth given the resources that they have.

Antoinette Pritchard, 10727 Forestdale Street, St. John

Ms. Pritchard asked if the Town was talking about further development of Route 41. Mr. Forbes stated that the Town would like to see further development on both Route 41 and Route 231.

Ms. Pritchard asked if there would be motels/hotels built near the Shrine of Christ's Passion. Mr. Forbes stated he had no answer for this question at the present time.

Mr. Pritchard asked who was in charge of all of the redevelopment besides the Town of St. John. Mr. Forbes stated that the redevelopment is entirely at the behest of the Town Council.

Ms. Pritchard noted that the Board knows the location of her home. She asked if the Board was aware of how dangerous it is for her and others in her neighborhood to get out onto Route 41. She stated that individuals in her neighborhood take their lives in their hands every time they try to get out on the road. Mr. Kil stated he was aware that there it was difficult to get out onto Route 231. Ms. Pritchard stated she is talking about getting out of the neighborhood by Dick's Restaurant (Route 41).

Mr. Kil noted Ms. Pritchard has the option of going out onto Route 41 or Route 231 from where she lived. Ms. Pritchard stated that she does not get on Route 231 due to the high speed of the cars coming over the hill. Ms. Pritchard stated that the people who come over the hill are dangerous; she stated she has had friends killed there.

Ms. Pritchard stated if she needs to go to Walgreens she goes to Cedar Lake because it is too dangerous to get across Route 41. She stated she has spent 25 minutes trying to get across Route 41. Ms. Pritchard stated that her little neighborhood is an island and it's extremely dangerous to try and get out onto the roads. Ms. Pritchard stated she knows a traffic light will never be installed.

Ms. Pritchard stated that the Town needs to consider the little neighborhoods, not just her neighborhood but the neighborhood across from her. Ms. Pritchard asked how people were going to get across

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Route 41 from McDonalds. She stated getting out of the Dairy Queen is dangerous.

Mr. Kil stated that the tax increment that was paid on the undeveloped portion stays with all of the taxing units, the schools, the county, the libraries. Mr. Kil stated that without the investment in the infrastructure the properties will sit vacant. Mr. Kil stated when T.I.F. District bonds are paid off then more money that is generated stays with the Town.

(General discussion ensued.)

Jim Buchannon, St. John:

Mr. Buchannon stated it seems to him that this a good way to keep money in the Town of St. John rather than have it get spent around the whole state.

Mr. Kil reiterated that the Town gets to keep all of the tax money that is generated off of the businesses stays in the community and is used to pay off the debt. He stated this is kind of a deferred gratification process. The Town gets to keep all off the tax money to incent the development on the front end, but after approximately 10 years, the monies get released to all of the taxing units at a higher rate.

Mr. Kil stated that the Town does not blindly do projects or hand out incentives. He stated that there would have to be a really nice development that comes into the community that requires assistance. Mr. Kil stated just because someone is located in the T.I.F. District does not mean it will become a T.I.F. project. He stated that one hundred percent of the taxes have to be paid in the T.I.F. District or else the debt cannot be paid off. Mr. Kil stated that St. John does not do tax abatements.

(General discussion ensued.)

Mr. Barenie acknowledged an audience member's remark that St. John is a great place to live and a great community. He stated that St. John does not have quality businesses knocking at the door; he stated that the Town must hustle and compete for them. Mr. Barenie stated that the Town has to work very hard to get businesses into Town.

Mr. Kil reiterated that the Strack & Van Til/Target development was a nice addition to the community and the debt was paid off seven years

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early. He stated that the Town was able to use T.I.F. funds to help make this development come to fruition.

Mr. Barnie called for further public comment. There was no further public comment. Mr. Barenie closed the public hearing on St. John T.I.F. District One.

Mr. Barenie asked for a motion on Resolution #14-06-12 RDC. *A resolution confirming the amended and restated plan, a resolution of St. John T.I.F. Number One, Economic Development Area One.*

Mr. Forbes made a motion to adopt Resolution #14-06-12 RDC, *“a resolution of the St. John Redevelopment Commission confirming a resolution of the Redevelopment Commission amending prior resolutions of the Commission establishing a consolidated economic development area and allocation areas therein by expanding the boundaries of the consolidated economic development area and consolidating the expansion of the allocated areas therein amending the consolidated economic development plan for the area and all matters related thereto.”*

Mr. Volk seconded the motion. The motion was carried by voice vote (4/0). Ayes --- all. Nays --- none.

**B. TO RECEIVE AND HEAR REMONSTRANCES AND
OBJECTIONS FROM ALL PERSONS INTERESTED IN OR
AFFECTED BY THE PROPOSED PROJECTS AS SET FORTH
IN DECLARATORY RESOLUTION AND ECONOMIC
DEVELOPMENT PLAN FOR ST. JOHN ECONOMIC
DEVELOPMENT AREA TWO.**

**(RESOLUTION #14-06-1A RDC, A RESOLUTION CONFIRMING
DECLARATORY RESOLUTION FOR ST. JOHN T.I.F. TWO,
ECONOMIC DEVELOPMENT AREA TWO.**

Mr. Barenie noted next on the agenda was *“to hear remonstrances and objections from all persons interested in or affected by the proposed projects as set forth in Declaratory Resolution and Economic Development Plan for St. John Economic Development Area Two.*

Mr. Barenie asked Attorney Austgen if the Proofs of Publication were in order. Attorney Austgen noted that the Proofs of Publication are in order and the public hearing could be properly appropriately conducted tonight.

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Mr. Barenie asked Mr. Kil for opening remarks. Mr. Kil stated that there are two separate public hearings, the first public hearing was for T.I.F. District One and the second public hearing was for T.I.F. District Two, Route 231 between Parrish and Cline Avenues. Mr. Kil stated that the only difference is that there is a separate public hearing for each district.

Mr. Barenie opened the public hearing for public comment.

PUBLIC HEARING

Joe Hero, 11723 South Oakridge Drive, St. John

Mr. Hero remonstrated against Resolution #14-06-12A RDC.

He stated he would incorporate all of his previous comments from his remonstrance in the public hearing on T.I.F. District One.

Mr. Hero stated what he sees happening is “*smoke and mirrors.*” He stated that the bottom line is that the residents of St. John are going to be paying for the services for this large area of the two T.I.F. Districts. Mr. Hero stated he knows of no other community that has so much acreage devoted to T.I.F.s. He stated that the taxes of the residents of St. John will be affected.

Mr. Hero opined that this matter of the T.I.F. Districts have been “*sugar-coated*” to “*deceive the public.*” He reiterated his comment that if the Board votes on the T.I.F. Districts he will oppose them in the next election and remove them from office.

Mr. Barenie called for additional public comment. There was no further public comment. Mr. Barenie closed the public hearing for T.I.F. District Area Two and brought the matter back before the Board.

Mr. Barenie asked for a motion to adopt Resolution #14-06-12A RDC. “*A Resolution declaring the Declaratory Resolution for St. John T.I.F. Two, Economic Development Area Two.*”

Mr. Forbes made a motion to adopt Resolution #14-06-12A RDC. “*A resolution of the St. John Redevelopment Commission confirming a resolution declaring an area in St. John, Lake County, Indiana, as an economic development area and approving an economic development plan for said area and all matters related thereto.*” Mr. Volk seconded the motion. The motion was carried by voice vote (4/0). Ayes --- all. Nays --- none.

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NEW BUSINESS:

- A. RESOLUTION #14-06-12B RDC, A RESOLUTION APPROVING A PROPOSED LEASE WITH THE ST. JOHN REDEVELOPMENT AUTHORITY AND AUTHORIZING PUBLICATION OF NOTICE OF PUBLIC HEARING IN CONNECTION HEREWITH.

Mr. Barenie noted “*Resolution #14-06-12B RDC, a resolution approving a proposed lease with the St. John Redevelopment Authority and authorizing publication of Notice of Public Hearing in connection herewith,*” was the next item on the agenda. Mr. Barenie stated he was looking for a motion to adopt Resolution #14-06-12B RDC.

Mr. Forbes made a motion to adopt “*Resolution #14-06-12B RDC, a resolution of the St. John Redevelopment Commission approving a proposed lease with the St. John Redevelopment Authority and authorizing publication of Notice of Public Hearing in connection therein and all matters related thereto.*” Mr. Volk seconded the motion. The motion was carried by voice vote (4/0). Ayes --- all. Nays --- none.

REPORTS AND CORRESPONDENCE:

Mr. Barenie moved on to Reports and Correspondence.

Ms. Sury had no report.

Attorney Austgen had no report.

Chief Frego had nothing to report.

Mr. Kil noted that the next action of the St. John Redevelopment Commission will be held on June 26, 2014.

Mr. Barenie asked the councilmen if they had anything to report. The councilmen had nothing to report.

PUBLIC COMMENT:

Mr. Barenie opened the floor to public comment. He asked if there was any public comment related to the St. John Redevelopment Commission.

Joe Hero, 11723 South Oakridge Drive, St. John

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Mr. Hero stated that what was done here tonight is not in the best interests of the residents of St. John. He stated that these actions will have a severe impact on their taxes. Mr. Hero stated that what the Commission has done is give special interests a special good deal, and for that reason the Commission made a big mistake tonight.

There was no further public comment. Mr. Barenie closed the floor to public comment.

ADJOURNMENT:

Mr. Barenie stated he would entertain a motion adjourn. “*So moved,*” by Mr. Gembala. Mr. Volk the motion. The motion was carried by voice vote (4/0). Ayes --- all. Nays --- none.

(The meeting was adjourned at 7:57m.)

A TRUE COPY

Susan E. Wright, Recording Secretary
St. John Redevelopment Commission