

REDEVELOPMENT COMMISSION MEETING MINUTES

March 28, 2016

The regular meeting of the City of Mishawaka Redevelopment Commission was called to order at 5:30 P.M., on Monday, March 28, 2016 in Room 205, City Hall, 600 Third Street, Mishawaka, Indiana. Commissioners Pingel, O'Dell, Eberhart, Ermeti, Whitfield-Hyduk and Pemberton were present. Also present were Mayor Dave Wood, Attorney Robert Beutter, Ken Prince, Ryan White, Kate Volker, Dave Majewski, Jim Schrader, Mike Compton, Linda Rogers, Ron Banicki, Joe Dits and Marilyn Nelums-Jones.

APPROVAL OF JANUARY 25, 2016 MINUTES

Commissioner Ermeti motioned that the minutes of the January 25, 2016 meeting be approved; Commissioner O'Dell seconded; motion carried.

APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – CITY CONSULTANTS AND RESEARCH

Commissioner Eberhart motioned that the Professional Services Agreement between City Consultants and Research and the City of Mishawaka Department of Redevelopment be approved; Commissioner O'Dell seconded; motion carried.

RELEASE OF MORTGAGE – 208 Meridian Street

Commissioner Eberhart motioned that the Release of Mortgage for property located at 208 Meridian Street be approved; Commissioner Ermeti seconded; motion carried.

REVIEW, CONSIDERATION AND POTENTIAL APPROVAL – Buy/Sell Development Agreement with Lindy's, Inc.

Mayor Wood gave opening remarks regarding this significant project which has been in the making for some years. It began in the 1980's. The Gumwood wellfield is landlocked. The City needs to build a filtration plant and we do not have the property to do so. The property there (portion of the existing Juday Creek Golf Course) is what we would turn into a wellfield. We began testing and spent months doing so. The water came back with good quality. We continued to work with the Rogers family. We would like to purchase this property for a wellfield. We can lease back to a great family owned business. When we appraised the property we found that there was a significant portion, about 23 acres that appraised for a substantial more amount by property acre. Since we didn't want a club house or golf course, we proceeded with alternatives. We began talking with the Penn family to acquire property to relocate the holes and build our filtration plant and get it out of the way. We looked at infrastructure and widening Douglas Road. We are acquiring about 40 acres to relocate 3 holes at a significant lesser amount than to buy the holes along Fir Road. This is a much more creative solution and will serve us for the very long term. Negotiations for this are complicated and the Mayor feels we could not have had a greater team and he could not be more proud of them. We are here tonight to seek the approval of the

Redevelopment Commission. This project will provide us with the water that we need, we will grow as a City, provide maintenance in the City, serve our existing customers, and it will be great for the growth of Mishawaka. It will open up several hundred acres for prime development. Water is becoming more and more scarce. Water infrastructure is critical. This will allow us to fulfill the City's objectives for a very long term. Mayor Wood believes this to be a win for everyone involved.

City Planner Ken Prince walked the Redevelopment Commission through a synopsis he prepared and the individual points of the agreement. There will be a total of 160 acres acquired and approximately 44 acres of farmland to the East. Mr. Prince stated that clean water is vital. The City could have considered other alternatives but found this to be the best. Division Street wellfield is the closest comparison which is 70 acres and the 160 acres proposed here has a great multiple use. The agreement will allow for the construction and allows it to be leased back to the Operator. When Gumwood wellfield was put in place it was planned as a supplement. As we've been improving there is a difference in the nature of improvements. Gumwood was never meant to have a filtration plant. We encountered in 2008 the condition of the water existed from day one. In 1988-1989 the plant was put in. There was nothing really there. In 2008 the Hospital was added. Pumping over 40,000 gallons of water per day, a 20-30 year development plan has no room for a water filtration plant. The new project will be for the long haul. This is significant. Because of the study and testing there was no idea if it would or would not serve our needs. We went through capital needs assessment. We need an 11 and ½ million gallon a day plant. We continued negotiations with the Rogers family and did tests on the property and found it to be the quality needed.

Mr. Prince also shared the appraisals for the facilities and acreage. Looking at the total acquisition, it is about \$25,000 vs. \$200,000 an acre at Gumwood. Knowing change is constant and having the Rogers in golf course business and we are not in that business, 30 years from now if they decide they don't want to be in the business anymore, we will make a decision as a City. We could further evaluate the property and sell a portion off and we could naturalize the golf course like Division Street and leave it as a wild life preserve. By having the 18 holes and 160 acres, there is more flexibility moving forward. There are significant infrastructure improvements being made. Completion ideally will be done in spring 2018. It would be done by design to work in the winter months as to not interfere with usage.

Mr. Prince also walked through the Juday Creek Agreement, explaining the buyer and seller obligations as set forth in the Buy/Sell Agreement.

Mike Compton, 322 Stanley Street, Mishawaka, Indiana asked if we were going to take over the operation and maintenance of their sprinkler system. Mr. Prince stated it is part of the physical improvements of the golf course. We decided to deal with it in the lease agreements. He also inquired what is the current use of fertilizer and Linda Rogers, 14770 Lindy Drive, Granger Indiana stated that there is some but not much. Mike Compton also asked how many appraisals are required by law and Mr. Prince stated 2. The Penn property will be appraised as well. Mr. Compton stated that as a Councilman he understands that we are not going into the golf course business but we are partnering in that business and if it were him he would want to see their numbers and doesn't know if that has been done and he would like to see that. He suggested that someone like Rebecca Miller (City Controller)

could sit down and report back to us if this is a good decision for the City or not. Ken Prince asked what would be the intent and Mr. Compton said for comfort in representing the citizens. He stated at what point are those numbers important or not important, how much debt is appropriate or how much is not. Mr. Compton said that he believes there are people that could make the determination with no disrespect to the Rogers family. Commissioner Pemberton stated that the City has an investment of \$20,000 fee per year for renting the property and on the city's side I would want to be assured that the lessee could make the \$20,000 payment. They are prepaying the first five years of the lease. Mayor Wood stated that while Rebecca Miller is a great government accountant, golf courses are not her expertise. We would have to hire a professional for that. Mrs. Rogers assured that they built the course and that they stay on task with what is new for golf courses. She serves on a national board for golf course owners. They have been in business for 40 plus years.

Ron Banicki, 412 West Berry Avenue, Mishawaka, Indiana asked how many acres are really needed. Ken Prince said it is better to have too much in this case. If needed, we could slice off the area by the toll road. Mr. Banicki asked how many total acres was the Penn Farm – it is 250 acres. He wanted to know why we could not buy the acreage from the farm. Ken Prince stated we took a long term look and we see on average development costs 1-2 million per acre. Reducing the purchase would in long term take value away. He questioned one of the limitations - seller shall prohibit use of underground storage tanks. We just approved across the street for use. Ken Prince said we had to draw the line somewhere. We are much more situated upstream away from any type of catastrophe.

REVIEW, CONSIDERATION AND POTENTIAL APPROVAL – Buy/Sell Development Agreement with Larry J. Penn, Becky L. Penn, Paul D. Penn (the associated revocable living trusts associated with the Penn Family Farm)

City Planner Ken Prince again walked the Redevelopment Commission through a synopsis he prepared and the individual points of the agreement.

Specifically, the City would purchase approximately 44 acres of land at \$14,990.00 per acre for an approximate total of \$656,562.00 for the property total. Improvements will be made to Douglas Road, specifically widening the road to five lanes from a point just east of Fir Road to a point just east of the "Veteran's Parkway." A public sewer and water mains will be installed within the Douglas Road improvements from its current location. Ornamental street lighting on the north side of Douglas Road shall be installed. The City would engage a golf course designer, engineer and survey professional to complete the necessary design of the widening of Douglas Road, the design of Veteran's Parkway, and the reconfiguration of Juday Creek Golf course.

Commissioner Eberhart motioned that the Buy/Sell Development Agreement with Lindy's Inc. be approved; Commissioner Ermeti seconded; motion carried.

Commissioner O'Dell motioned that the Buy/Sell Development Agreement with Larry J. Penn, Becky L. Penn, Paul D. Penn (the associated revocable living trusts associated with the Penn Family Farm) be approved; Commissioner Ermeti seconded; motion carried.

ANYTHING ELSE BROUGHT BEFORE THE COMMISSION

No other business.

Commissioner Eberhart motioned that the meeting be adjourned; Commissioner O'Dell seconded; meeting adjourned at 7:02 P.M.

Jim Pingel, President

Ken Prince, City Planner

Marilyn Nelums-Jones, Clerk