

FILED

AUG 29 2019

GALE A. NEULIEB
CITY CLERK
CITY OF MICHIGAN CITY



AGENDA

COMMON COUNCIL - REGULAR MEETING

Tuesday, September 3, 2019

Meeting to be held at **6:30 p.m.**, local time,
in the Common Council Chambers, City Hall Building
100 East Michigan Boulevard, Michigan City, Indiana

CALL TO ORDER BY COUNCIL PRESIDENT

PLEDGE OF ALLEGIANCE TO THE FLAG and PRAYER

ROLL CALL

APPROVAL OF MINUTES

Regular Meeting August 20, 2019

REPORTS of STANDING COMMITTEES

REPORTS of SPECIAL or SELECT COMMITTEES

Councilman Fitzpatrick – 2019 CF-1 Tax Abatement Approval – report/vote

REPORTS of OTHER CITY OFFICERS and DEPARTMENTS

Jenilee Haynes-Peterson, Economic Development Manager, Proclamation - Shady Creek 10 year Anniversary of business

Agenda September 3, 2019

Posted August 29, 2019

CLAIMS DOCKET

Fund #2042 – Riverboat – Claims - \$ 59,323.57
EFT - Claims \$ 225,000.00
Fund #2031 – Boyd Development - \$ 25,570.99

PETITIONS

COMMUNICATIONS

Correspondence received in the Clerk's Office on July 17 2019,
July 24, 2019 from DLZ - Weekly Activities
Report – ESG Energy Project

Correspondence received in the Clerk's Office on August 24, 2019
from John Kirk, DLZ – Field Observation Report on ESG's Solar
Panel projects at Fire Station #4 and Patriot Park

Correspondence received in the Clerk's Office on August 29, 2019
from Mr. Eric Smith – Police reports filed

RESOLUTION

**A RESOLUTION OF THE MICHIGAN CITY, INDIANA COMMON
COUNCIL GRANTING SANLO, INC., AN ASSESSED
VALUATION DEDUCTION (TAX ABATEMENT) FOR
DEPRECIABLE PERSONAL PROPERTY PURSUANT TO
INDIANA CODE 6-1.1-12.1**

**Introduced by: Johnny Stimley
Ron Hamilton**

ORDINANCE
1st Reading

APPROVING ADDITIONAL APPROPRIATION IN THE BUDGET OF THE LOCAL OPTION INCOME TAX (LOIT) FUND FOR THE PURCHASE OF EQUIPMENT, UNIFORMS, ATTENDANCE AT THE POLICE ACADEMY AND OTHER RELATED EXPENSES TO HIRE NEW POLICE OFFICERS FOR THE MICHIGAN CITY POLICE DEPARTMENT

**Introduced by: Ron Hamilton
Don Przybylinski**

(DECREASE Fund #2224 LOIT Unappropriated balance -\$60,000.00,
INCREASE Account #2224.202.422.037 - \$60,000.00
Police Clothing and Safety Equipment

ORDINANCE
3rd Reading

APPROVING ADDITIONAL APPROPRIATION IN THE BUDGET OF THE BOYD DEVELOPMENT FUND TO PROVIDE FUNDING FOR THE PURCHASE OF DECORATIVE TRASH RECEPTACLES FOR THE CITY

Introduction by: Tim Bietry

(DECREASE Boyd Development Fund # 2031 Unappropriated balance
\$30,000.00 INCREASE ACCOUNT: 2031.310.444.050 Capital Outlay - Other
than Buildings \$30,000.00)

NOTE: This was TABLED at the August 20, 2019 Council meeting until the September 3, 2019

News Dispatch
July 17, 2019

**Formal Public
Hearing was held
August 6, 2019**

UNFINISHED BUSINESS

Final Acceptance Certificate – Guaranteed Energy Savings
Performance Project – Street lights

Final Acceptance Certificate – Guaranteed Energy Savings
Performance Project – Barker Mansion

ESG – 5 Change Orders Documents (Attorney Meyer)

NOMINATIONS: The Common Council has one appointment to
the Board of the Zoning Appeals due to the resignation of
Mr. Michael Johns term expires: December 31, 2022

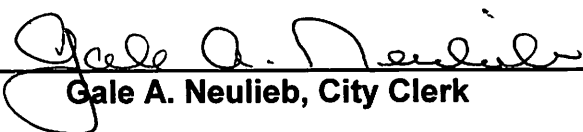
NEW BUSINESS

FYI: The Mayor is requesting advice and consent of the members
of the Michigan City Common Council regarding his appointment of
Ms. Bunny Dimke as a member of the Michigan City Human Rights
Commission; replacing former member Mr. Steve Garner (term
beginning immediately and serve the remainder of Mr. Garner's
term which expires November 1, 2019)

COMMENTS FROM THE PUBLIC

COMMENTS FROM THE COUNCIL

ADJOURNMENT


Gale A. Neulieb, City Clerk

Please contact the Clerk's Office at 219-873-1410 if you require information regarding building accessibility or reasonable accommodations. Office hours are Monday-Friday from 8:00 a.m. to 4:30 p.m.

MICHIGAN CITY COMMON COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE MICHIGAN CITY, INDIANA COMMON COUNCIL GRANTING SANLO, INC. AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR DEPRECIABLE PERSONAL PROPERTY PURSUANT TO INDIANA CODE 6-1.1-12.1

WHEREAS, a Deduction for Rehabilitated or Redevelopment of Real Property in Economic Revitalization Areas is authorized under Indiana Code 6-1.1-12.1 *et seq.* (the "Act") in the form of deductions of assessed value for: (i) qualified real property improvements under Section 3; (ii) the installation of qualified personal property under Section 4.5; and (iii) of the occupancy of an eligible vacant building primarily used for commercial or industrial purposes under Section 4.8 of the Act, each as a result of new development, redevelopment and/or rehabilitation; and

WHEREAS, Resolution No. 4733 (the "ERA Resolution") of the Common Council of the City of Michigan, Indiana (the "Common Council"), as approved and adopted on November 20, 2018, designated and established a certain area located within the City of Michigan, Indiana (the "City"), being the entire corporate municipal jurisdiction of the City, as the Economic Revitalization Area (the "ERA"); and

WHEREAS, The ERA Resolution remains in full force and effect as adopted and approved, such that the designation of the ERA and the effectiveness of the ERA Resolution expires on December 31, 2022; and

WHEREAS, Sanlo, Inc. (the "Company"), pursuant to Section 4.5(a) of the Act has filed with the Common Council a **Statements of Benefits Personal Property (FORM SB-1/PP)** (the "Statement of Benefits") dated July 18, 2019, **EXHIBIT A** attached hereto, which proposes the purchase and installation of depreciable personal property machinery and equipment ("PPME") in FYs 2019 and 2020 intended to improve existing operations as well as to increase operational capacity of the (i) Extrusion Department, including rebuilding one line and replacing a second line, and (ii) the Assembly Department, including new cutting equipment and hydraulic presses for new products in new markets in order to retire outdated and obsolete assets (the "Project") on real property located at 400 U.S. Highway 212 in the City (real property tax number: 46-01-24-251-003.000-022) consisting of approximately 9.00 acres, and

WHEREAS, the Company, upon approval of economic development incentive(s) by the City, intends to purchase said PPME as part of a capital investment plan during the period of August 20, 2019 through December 31, 2020 in a total amount anticipated to be **\$1,045,950 for the Project**, to be placed into service and first assessed on **January 1, 2020 and January 1, 2021 (the "Assessment Dates")**, which includes an estimated total replacement of PPME in the amount of \$42,000 to be reported on the Assessment Dates' appropriate FORM 103s as a result of retirement or obsolescence of assets; and

WHEREAS, The Economic Development Corporation, Michigan City, Indiana ("EDCMC") submitted to the Common Council, as the designating body pursuant to Section 4.5(a) of the Act, the following documents related to the Company's request for an assessed valuation deduction of qualified depreciable personal property within the ERA: (i) the Statement of Benefits ("FORM SB-1/PP") as completed and (ii) other supplemental information related to said request for an ERA assessed valuation deduction; and

WHEREAS, The Common Council has confirmed that the Company's facility located at 400 U.S. Highway 212 is within the boundaries of the ERA, and therefore the Common Council may make a determination pursuant to Section 4.5 of the Act, based upon the evidence, as to whether Company shall be allowed an assessed valuation deduction of qualified depreciable personal property investments made within the ERA.

NOW, THEREFORE, BE IT RESOLVED that the actions of the Common Council of the City of Michigan City, Indiana pursuant to Section 4.5(b) of the Act are based upon the evidence as presented by the Company after review of the Statement of Benefits as well as other pertinent information provided by the EDCMC and upon the following findings in the affirmative, also pursuant to Section 3(b) of the Act, that:

1. The Project is reasonable for a project of its nature;
2. The estimated number of individuals, who will be employed or whose employment will be retained (78) can reasonably be expected to be a result of the Project and the installation of depreciable personal property;
3. The estimated annual salaries of those individuals who will be employed or whose employment will be retained (\$2,917,000) can reasonably be expected to be a result of the Project and the installation of depreciable personal property; and
4. The totality of the benefits resulting from the Project and the installation of depreciable personal property is sufficient to justify an assessed valuation deduction.

BE IT FURTHER RESOLVED that, pursuant to Section 2(k) of the Act, the Common Council has confirmed, acknowledges, and recognizes that the Project is located within a designated allocation area of the City's Redevelopment District under Indiana Code 36-7-14-39 or Indiana Code 35-7-15.1-26, more specifically, the **Eastside Allocation (DLGF TIF District Code 400)** (the "Allocation Area"), for the purpose of utilizing tax increment financing as a financial resource to implement the Eastside Economic Development Area Economic Development Plan pursuant to Declaratory Resolution No. 3-15 adopted and approved on February 23, 2015 (the "Declaratory Resolution").

BE IT FURTHER RESOLVED that pursuant to and in accordance with Indiana Code 36-7-14-39(a) and (b), the Common Council has confirmed, acknowledges, and recognizes that as stated in the Declaratory Resolution: (1) Section 9(a)(ii), the Base Assessment date of the Allocation Area is March 1, 2014 and (2) Section 13, the allocation provision "shall expire on the date that is 25 years after the date on which the first obligation is incurred, if any, to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues generated in the Allocation Area."

BE IT FURTHER RESOLVED that the Common Council hereby grants the Company an assessed valuation deduction (Tax Abatement) from qualified depreciable personal property investments – machinery and equipment ("PPME") as newly purchased **limited to a cost of \$1,045,950 to be installed and placed into service by the Company between August 20, 2019 and December 31, 2020, which is to be fully assessed on the Assessment Dates, being January 1, 2020 and January 1, 2021** as stated and identified on its FORM 103-Long and FORM 104 filings for tax identification number 46-42-99-13-066-00, all in accordance with the Act as it relates to the Project and as identified in the Statement of Benefits.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction of the Project for investments in qualified depreciable personal property shall be made by the appropriate township assessor, LaPorte County, Indiana agency, review board, or State of Indiana agency.

BE IT FURTHER RESOLVED that pursuant to Sections 4.5(c) and 17 of the Act, the Common Council, based upon its affirmation of criteria pursuant to Section 4.5(b) of the Act as stated previously, hereby grants the Company an assessed valuation deduction period of **five (5) years** of assessed PPME as layered on the Assessment Dates for which said deduction percentage schedule applicable to qualified depreciable personal property over said this five (5) year abatement period, more specifically identified in **EXHIBIT B** attached hereto.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as set forth in **EXHIBIT B** during the five (5) year abatement period as layered is attached hereto in order to meet the requirements of Sections 4.5(c) and 17 of the Act.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as identified in **EXHIBIT B** shall begin upon the installation, placement into service, and the assessment of depreciable personal property as a result of the Project (anticipated to be January 1, 2020 and/or January 1, 2021) by the appropriate assessing authority, regardless of the expiration date of the ERA as established by the ERA Resolution.

BE IT FURTHER RESOLVED that the Common Council may impose a fee on the tax savings realized by the Company pursuant to Section 14 of the Act as a result of the application of an ERA deduction as calculated by the Office of the Assessor for Michigan Township, Indiana and as applied by the Office of the LaPorte County, Indiana Auditor.

BE IT FURTHER RESOLVED that, pursuant to Ordinance No. 4417 of the Common Council, adopted and approved on January 3, 2017 and having received the consent of the Company in accordance with Section 14(b) of the Act, a copy of which consent is attached hereto as **EXHIBIT C** and is made a part hereof and incorporated herein, and pursuant to Section 14(b) of the Act, for each year the Company's personal property tax liability is reduced by an assessed valuation deduction related specifically to the installation, placement into service, and the full assessment of depreciable personal property as a result of the Project, the Company shall pay to the LaPorte County, Indiana Treasurer a fee in the amount computed and determined by the LaPorte County, Indiana Auditor pursuant to the provisions of Section 14(c) of the Act (the "Imposed Fee") such that:

1. The Common Council hereby determines that **fifteen percent (15%)** shall be the percentage to be applied by the LaPorte County, Indiana Auditor for purposes of STEP TWO of Section 14(c) of the Act;
2. Accordingly, for each year the Imposed Fee is payable by the Company, the Imposed Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$100,000) or fifteen percent (15%) of the additional amount of personal property taxes that would have been paid by the Company during that year if the deductions approved in this Resolution had not been in effect, i.e., 15% of the Company's personal property tax savings attributable to a deduction from the assessed valuation from the Project; and

3. Pursuant to Section 14(d) of the Act, the Imposed Fee, as collected, shall be distributed to the **Economic Development Corporation, Michigan City, Indiana** as a tax exempt governmental (nonprofit) entity established to promote economic development within the corporate limits of the City as determined by the Common Council as the designating body.

BE IT FURTHER RESOLVED that the Company has agreed to the following imposed reasonable conditions during the abatement period upon approval of an assessed valuation deduction for PPME as herein specified and authorized under Section 2(i)(6) of the Act and to be included under Item G (page 2) of the approved FORM SB-1/PP:

Condition #1: The Company by May 10 of each calendar year during the period for which an assessed valuation deduction is applicable shall submit to the City or its authorized representatives as it applies to the Project, the FORM 103, FORM 103-EL and/or FORM 103-ERA to supplement the FORM CF-1/PP (“Compliance with Statement of Benefits”) that is annually filed with the City for each personal property assessed valuation deduction so that the City may verify and confirm the following: (i) the assessed valuation deductions reported by the Company and/or approved by the Office of the Assessor for Michigan Township, Indiana and (ii) the calculation of the Imposed Fee by Office of the LaPorte County, Indiana Auditor.

Condition #2: The Company understands and agrees that the total cumulative tax savings realized is **limited to \$42,250** during the five (5) year abatement period as a result of ERA assessed valuation deductions from depreciable personal property installed, placed into service, and assessed on the Assessment Dates, and for which ERA assessed valuation deductions are applied. The City, from the first year of assessment for which a depreciable personal property ERA assessed valuation deduction is applied and for the duration of the five (5) year abatement period as layered shall annually cause to be prepared a schedule monitoring the annual, total, and cumulative tax savings realized; such that, once this limit of tax savings realized is attained, the City’s Common Council will: (i) notify the Company and (ii) take action to terminate this ERA assessed valuation deduction prior to a subsequent January 1 assessment date.

BE IT FURTHER RESOLVED that the City agrees to comply with the privacy notices of said FORM 103, FORM 103-EL and FORM 103-ERA as confidential filings in accordance with I.C. 6-1.1-35-9 and that said documents: (i) are not statutorily required filings to the City to review a personal property assessed valuation deduction of the Company but as a reasonable condition as herein specified and included under Item G (page 2) of an approved FORM SB-1/PP and (ii) are submitted to supplement the Company’s annually filed FORM CF-1/PP for each personal property assessed valuation deduction such that the City may only utilize said forms to verify and confirm: (a) assessed valuation deductions reported by the Company and/or approved by the Office of the Assessor for Michigan Township, Indiana and (b) the calculation of an Imposed Fee by Office of the LaPorte County, Indiana Auditor; and, therefore said documents are deemed not to be public record(s) and shall not be made available to the public.

BE IT FURTHER RESOLVED that the City agrees not to exercise the discretion to impose a claw back provision for tax savings, as provided for in **EXHIBIT D** attached hereto and incorporated herein, for any tax years in which the Company reasonably complies with:

1. The Statement of Benefits, the annual filings required pursuant to the Act, the conditions of this Resolution, and the reasonable and timely payment of an applicable Imposed Fee during the five (5) year abatement period as layered for which an ERA assessed valuation deduction is applied to an assessment date.
2. The employment benchmarks and targets identified in the Statement of Benefits.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the Assessor for Michigan Township, Indiana as it applies to this Resolution and the approval of the Company's assessed valuation deduction, more specifically the following documents or information:

1. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the LaPorte County, Indiana Assessor as it applies to this Resolution and the approval of the Company's assessed valuation deduction, more specifically the following documents or information:

1. The Statement of Benefits, as approved, properly completed consistent with this Resolution, and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the LaPorte County, Indiana Auditor as it applies to this Resolution and the approval of the Company's assessed valuation deduction, more specifically the following documents or information:

1. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect from and after its passage and adoption by the Common Council and upon the signature of the Mayor of the City as the executive of the City.

ADOPTED THIS _____ DAY OF _____, 2019.

Introduced by: Johnny Stimley, Member
Michigan City Common Council

Introduced by: Ron Hamilton, Jr., Member
Michigan City Common Council

Adopted by the Common Council of the City of Michigan City, Indiana by a vote of _____
this _____ day of _____, 2019.

Don Przybylinski, President
Michigan City Common Council

Approved by me, this _____ day of _____, 2019.

Ron Meer, Mayor
City of Michigan City, Indiana

ATTEST:

Gale Neulieb, City Clerk
City of Michigan City, Indiana

MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO. _____

APPROVING ADDITIONAL APPROPRIATION IN THE BUDGET OF THE LOCAL OPTION INCOME TAX (LOIT) FUND FOR THE PURCHASE OF EQUIPMENT, UNIFORMS, ATTENDANCE AT THE POLICE ACADEMY AND OTHER RELATED EXPENSES TO HIRE NEW POLICE OFFICERS FOR THE MICHIGAN CITY POLICE DEPARTMENT

WHEREAS, it has been demonstrated to the Common Council of the City of Michigan City that it is necessary to appropriate more money than was appropriated in the 2019 Annual Budget in the budget of the LOIT Fund (formerly CEDIT fund) for the purchase of equipment, uniforms, attendance at the police academy and other related expenses to hire new police officers for the Michigan City Police Department; and

WHEREAS, the City Controller has determined that sufficient unappropriated funds are available in the LOIT FUND #2224 to be appropriated for that purpose.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Michigan City, LaPorte County, Indiana, that for the expenses of the City the following additional sums of money are hereby appropriated out of the funds named and for the purpose specified, subject to the laws governing the same:

	<u>AMOUNT REQUESTED</u>	<u>AMOUNT APPROPRIATED</u>
DECREASE Fund #2224 LOIT Unappropriated balance	\$60,000.00	
INCREASE Account #2224.202.422.037 Police Clothing and Safety Equipment		\$60,000.00
TOTAL FOR FUND	\$60,000.00	

This Ordinance to be effective upon passage by the Council, approval by the Mayor, any necessary publication, and any necessary approval by the Indiana Department of Local Government Finance.

INTRODUCED BY: _____,

Ron Hamilton, Member
Michigan City Common Council

Don Przybylinski, President
Michigan City Common Council

Passed by the Common Council of the City of Michigan City, Indiana, this _____ day of _____, 2019 by a vote of _____ to _____.

Don Przybylinski, President
Michigan City Common Council

Approved by me, this _____ day of _____, 2019.

Ron Meer, Mayor
City of Michigan City, Indiana

ATTEST:

Gale A. Neulieb, Clerk
City of Michigan City, Indiana

Prepared by Corporation Counsel Upon Request

MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO. _____

APPROVING ADDITIONAL APPROPRIATION IN THE BUDGET OF THE BOYD DEVELOPMENT FUND TO PROVIDE FUNDING FOR THE PURCHASE OF DECORATIVE TRASH RECEPTACLES FOR THE CITY

WHEREAS, it has been demonstrated to the Common Council of the City of Michigan City that it is necessary to appropriate more money than was appropriated in the 2019 Annual Budget to provide funding for the purchase of decorative trash receptacles for the City; and

WHEREAS, the City Controller has determined that sufficient unappropriated funds are available in the Boyd Development Fund #2031 to be appropriated for that purpose.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Michigan City, La Porte County, Indiana, that for the expenses of the City the following additional sums of money are hereby appropriated out of the fund named and for the purpose specified above, subject to the laws governing the same:

	<u>AMOUNT REQUESTED</u>	<u>AMOUNT APPROPRIATED</u>
DECREASE Boyd Development Fund # 2031 Unappropriated balance	\$30,000.00	
INCREASE ACCOUNT: 2031.310.444.050 Capital Outlay - Other than Buildings		\$30,000.00
TOTAL FOR FUND	\$30,000.00	

This Ordinance to be effective upon passage by the Council, approval by the Mayor, any necessary publication, and any necessary approval by the Indiana Department of Local Government Finance.

INTRODUCED BY: _____
Tim Bietry, Member
Michigan City Common Council

Passed by the Common Council of the City of Michigan City, Indiana, this _____ day of _____, 2019 by a vote of _____ to _____.

Don Przybylinski, President
Michigan City Common Council

Approved by me, this _____ day of _____, 2019.

Ron Meer, Mayor
City of Michigan City, Indiana

ATTEST:

Gale A. Neulieb, Clerk
City of Michigan City, Indiana

Prepared by Corporation Counsel Upon Request