

**MINUTES OF THE MEETING  
OF THE COMMON COUNCIL  
VALPARAISO, INDIANA**

October 25, 2021

The Common Council of the City of Valparaiso, Indiana, met on Monday October 25, 2021 at 6:00 p.m. in City Hall. Mayor Murphy called the meeting to order. The Pledge of Allegiance was said. Present were Councilmembers Reed, Cotton, Schmidt, Pupillo, Anderson, Costas and Douglas.

**MINUTES**

Councilmember Douglas moved to approve minutes of the October 11, 2021 meeting. Councilmember Reed seconded the motion. Upon voice vote the motion to approve passed with a 7-0 vote.

**ORDINANCE NO. 14, 2021**

**AN ORDINANCE ANNEXING CERTAIN TERRITORY TO THE CITY OF  
VALPARAISO, INDIANA, PLACING THE SAME WITHIN THE CORPORATE  
BOUNDARIES THEREOF AND MAKING THE SAME A PART OF THE CITY OF  
VALPARAISO, INDIANA  
(THE “PRAIRIE RIDGE SUBDIVISION”)**

Councilmember Douglas moved that Ordinance No. 14, 2021 be read a second time by title and a third time in full and be considered for adoption and the opportunity be given for the offering of amendments. Councilmember Reed seconded the motion. Deputy Clerk-Treasurer Kerr-Cook read the Ordinance.

Beth Shrader addressed the Council. Tonight is the first available time for the Council to take a vote on Ordinance No. 14, 2021. If approved, this Ordinance goes into effect December 1, 2022. That triggers the 90-day remonstrance period. It will then go to the County Auditor. If all goes on schedule, it will be wrapped up by March. Beth’s recommendation is to approve Ordinance No. 14, 2021.

Councilmember Douglas asked when the taxes would be collected. Beth explained the effective date of the annexation is December 1, 2022. That means services need to be provided within a year of that date. Prairie Ridge residents would incur City taxes due for 2023 payable in 2024.

Councilmember Cotton asked if the remonstrance time is standard, or something extended for this annexation. Beth Shrader explained it is standard for an involuntary annexation.

Councilmember Douglas moved to adopt Ordinance No. 14, 2021. Councilmember Reed seconded the motion. Upon roll call vote the motion passed with 7-0 vote.

## **ORDINANCE NO. 29, 2021**

### **AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, PORTER COUNTY, INDIANA, ANNEXING CERTAIN REAL ESTATE TO THE CITY OF VALPARAISO, INDIANA**

Councilmember Douglas moved that Ordinance No. 29, 2021 be read a second time by title and a third time in full and be considered for adoption and the opportunity be given for the offering of amendments. Councilmember Reed seconded the motion. Deputy Clerk-Treasurer Kerr-Cook read the Ordinance.

Beth Shrader addressed the Board. This is a super voluntary Annexation. It consists of three parcels. Tonight the Council can vote to adopt the Annexation Ordinance. There also is an Annexation Agreement with Olthof Homes. Beth's recommendation is for approval of both the Annexation Ordinance and the Annexation Agreement.

Councilmember Douglas moved to adopt Ordinance No. 29, 2021. Seconded by Councilmember Reed. Upon roll call vote the motion passed with a 7-0 vote.

#### **Annexation Agreement**

Councilmember Douglas moved to adopt the Westwind Annexation Agreement. Seconded by Councilmember Reed. Upon roll call vote the motion passed with a 7-0 vote.

## **ORDINANCE NO. 30, 2021**

### **AN ORDINANCE AUTHORIZING THE CITY OF VALPARAISO, INDIANA, TO ISSUE ONE OR MORE SERIES OF ITS CITY OF VALPARAISO, INDIANA MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2021 (UPTOWN EAST APARTMENTS) AND ITS NOTE (WITH SUCH FURTHER SERIES OR OTHER DESIGNATION AS DETERMINED TO BE NECESSARY, DESIRABLE OR APPROPRIATE), IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVENTEEN MILLION DOLLARS (\$17,000,000) AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO**

Attorney Patrick Lyp addressed the Council. This matter was before the Economic Development Commission today and they unanimously voted to move forward. This is a process whereby a developer seeking state assistance can leverage the tax-exempt status of the City and then issue the debt through the City. The City has no liability with this project.

John Leurck addressed the Council. This property was built as a student housing, purpose-built asset with heavy reliance on Valparaiso University. Private financing sources from local investors and local commercial lenders were used. They have a 10-year tax abatement from the City.

Mitigating effects have rendered Uptown East incapable of supporting the current terms of financing. Alternative financing that supports the revised Uptown East program is necessary. There is a reduction in need for student housing and an increase in need for affordable housing. This is why they are remodeling/converting units in Buildings 1 and 2 to allow for low-income/workforce housing units. An outside study was done by Mitchell Market Analysts and it supports this conversion.

Larry Gough addressed the Council. The financing will be through the Federal government's Low Income Housing Tax Credit Program, using 4% tax credit bond financing. There will be continuity of ownership. A criterion that must be met to issue tax exempt bonds is they have to pay at least 50% of the cost of the land and the building for the project. They have passed that requirement. Larry presented a chart showing the Refinancing Structure. The tax-exempt bonds will be in the amount of approximately \$10 Million Dollars. The Developer is providing its development fee back into the transaction of \$1.5 Million Dollars and the existing partnership is loaning its equity back into the transaction of \$3 Million Dollars. All the four- and three-bedroom units will be reconfigured. They will be updating the bathrooms, upgrading the façade and the parking lot.

Jim Crawford addressed the Council by video. One purpose of the bonds is the creation or retention of jobs. This project meets all the requirements. This project also creates and retains business opportunities in the City. The project must create affordable/workforce, high-quality housing at affordable rates. The statute requires a Public Hearing be held. That Public Hearing was held today at the Economic Development Commission. The Bonds will be privately placed with Cedar Rapids Bank and Trust. IHEDA will approve this project later this week. The bonds will never constitute a general obligation of an indebtedness of or charge against the general credit of the City.

Mayor Murphy thanked all involved with this project. He feels it is the right thing to do. This project and the senior living project will add 240 living units to the City.

Councilmember Cotton asked if there were programs that would charge a higher rate than the 4% tax rate. Larry Gough explained there are two programs. One is a 9% program which is predominately allocated to not-for-profit organizations. Councilmember Cotton asked about investors that might already be entitled to a tax credit. Larry Gough replied there is approximately \$10.8 Million in tax credits. The investment partner, for making the investment, will own 99% of the partnership interest and in exchange will get the \$10 Million in credits.

Councilmember Douglas asked about the compliance. Larry Gough replied it is the State who determines the compliance. The City has nothing to do with it.

Councilmember Pupillo referred to the third-party study that was done. He asked if he could see a copy of that study. Larry advised he would get him one.

Councilmember Douglas moved to carry Ordinance No. 30, 2021 to the November 8, 2021 meeting. Councilmember Reed seconded the motion. Upon voice vote the motion passed with a 7-0 vote.

## **Reports**

Councilmember Cotton discussed a draft resolution he has prepared regarding voicing support of the Governor opening the State of Indiana for refugees. He asked for Councilmember opinions.

Councilmember Costas stated he feels this is a project that should be handled by the local churches.

Councilmember Douglas stated he has issue with some of the wording. Valparaiso is a welcoming community. He does not feel a resolution is needed to enforce what we believe in. This should be for the not-for-profits and churches. He hopes all residents are supportive of what will be needed at Camp Atterbury for the refugees.

Councilmember Reed stated she is in favor of something along the line of the resolution. It would do the community well.

Councilmember Cotton stated a Resolution is symbolic. He is glad the Governor did not wait on the churches to do what needed to be done.

## **Public Comment**

Mayor Murphy stated ground rules for Public Comment.

Cynthia Eriks – 309 Arbordale and Jessica Hilman -307Arbordale. They are concerned that they pay taxes, yet the City does not plow or maintain their street. Attorney Patrick Lyp stated their street is a private street. The City does not own the street. They can leave their name and phone number and staff will get with them and explain private streets.

Jessica Jepsen– 1259 Sherwood Drive. The Council should figure out a way to have accountability for the school board. They are breaking their own by-laws. They violate the Open Door Law.

Jenny Bernard – 3054 Sager Road. Porter County Parents for Freedom. The group has been bounced around. She would like to know how to get the School Board replaced. School board members do not return phone calls. They have changed the time of the meeting to make it harder for parents to attend. The Council owns the decisions of the School Board. The Council now needs to make this situation right. The group is not anti-maskers but they are pro-choice.

Len Hand - Hawthorne resident. The mask issue has become contentious and adversarial. The meeting time has been changed from 6:00 pm to 7:00 am. The kids and their families should be allowed to make a choice. Masks do not prevent germs from spreading. They do inhibit social development and teen suicides are up. There are subsequent issues coming up.

John Sutt – 2315 Blarney Stone. He is not with a group. He is a regular attendee of the school board meetings. In August he waited 2.5 hours to get into the meeting due to the crowd. Then

the meeting time changed. He is frustrated because he is not getting any answers from the school board.

Brad Hallal – 177 Amesbury Court. Please consider the fact that what the Council does is so important. There is too much blame going around. Everyone in local government has an important role.

Jarod Sequi- 405 Monroe. He is tired of hearing about the mask issue. He suggested an elected school board.

Seeing no one else wanting to address the Council, Mayor Murphy declared the Public Comment closed.

Mayor Murphy thanked everyone for their comments. He also is frustrated with the mask issue. He understands why they did it, but it is still frustrating. When School board appointments are made it is for a term. The member is not appointed until someone disagrees with them. It is a term.

Patrick Lyp explained there is no process for removing school board members. Statute is primarily written for elected school boards. There should be a level of trust and if not then at reappointment the person would not be reappointed.

Mayor Murphy stated he does not know why the meeting time has been changed. He added he saw safety issues having the meetings in the gym at the High School. He supported having the meetings in the school administration building. As far as violating policy, he is not aware of any, but it would be a matter between their attorney and the Board. The City does not run the schools.

Councilmember Douglas discussed how all are frustrated. He hopes we are near the end. He appreciated the comments about local government. He feels you will not find anyone more committed than the current Councilmembers. The Council takes the school board appointment very seriously. The school boards number one commitment is to keep the kids in school.

Councilmember Cotton said he appreciates the civic engagement. There was a time when the other side of the mask issue was making their public comments known. We should not be too harsh on the school board.

Councilmember Reed stated there are so many opinions on this matter. The school board wants to keep the kids in school without quarantine. Everyone is trying to make the best decisions possible.

Councilmember Pupillo stated he is the liaison with the school board. They have been working tirelessly to calm fears. He understands the frustration but there is no light at the end of the tunnel.

Mayor Murphy announced Simatovich school took a tour of City Hall today. They also had the Fire Department present who did a presentation on fire safety. The Police Department was present and brought a K-9 dog.

The meeting adjourned at 7:08 p.m.

/s/ Holly Taylor, Clerk-Treasurer