

The regular meeting of the Hammond Common Council of the City of Hammond, Lake County, Indiana was held on October 2, 2014 in the Hammond City Council Chambers.

Council President Michael Opinker presided.

City Clerk Robert J. Golec facilitated.

PLEDGE OF ALLEGIANCE was recited by all.
Moment of Silence was observed.

ROLL CALL

PRESENT: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

ABSENT: None

TOTAL: 9

READING OF THE MINUTES

None

APPROVAL OF CLAIMS

None

PUBLIC HEARINGS

None

COMMUNICATIONS

Councilman Higgs read correspondence from Nancy White thanking him for HIS ession of sympathy.

COMMITTEE REPORTS

Council as a Whole Committee - Councilwoman Venecz - Brought out 14-17, 14-34, 14-26, 14-27, 14-28, 14-29 and 14-30.

ORDINANCE 3RD READING - FINAL PASSAGE

14-17 Designating Certain Area Within the City as Economic Revitalization Areas for
Purposes of Real Property Tax Abatement - 3520 Calumet Avenue, Hammond, IN

Councilwoman Venecz, supported by Councilman Higgs, moved for final passage.

Councilman Higgs - Could the Clerk read it in its entirety?

Councilman Markovich - I know Councilman Higgs wasn't at the caucus but Redevelopment was involved in it and maybe Brian or the Mayor can just go ahead and give us a summary of what was going on. I mean, it would make more sense to have somebody talk to us instead of just reading this verbatim.

Prepared by
Robert J. Golec
Hammond City Clerk

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Mayor McDermott - In the interest of time I would second Councilman Markovich's motion. It's seems sort of ludicrous for a councilman that chose not to go to caucus to have it read to him and everybody else. It just seems..... Could I ask Mr. Poland to come forward? Brian Poland, the City Planner approach and summerize again for the council and for Councilman Higgs who didn't go to the caucus beforehand.

Councilwoman Venecz, supported by Councilman Emerson, moved to suspend the rules so that Phil Taillon and the mayor could speak to this ordinance.

AYES:

ALL

Phil Taillon, Director of Hammond Planning & Development - We are very excited about this project. This is at 3510 Calumet Avenue. You may recall, as we mentioned in caucus that back in June we had 1st and 2nd reading and we also had the public hearing for this project and we delayed until we knew for sure what the award was gonna be from the state and from the RDA. That's why we're here today for final passage, we have the award for state and RDA. This is a company out of Romeoville, Il. They've been there since 1956. They design and fabricate stairs and railings. They are very successful. Currently have 135 employees, when they move to this new facility, because of the new growth they're gonna be able to hire 45 new employees in the next three years. It's a minimum \$3 million investment. The state and RDA believe in it so much that they both are giving a \$1.725 million incentive. One as a tax credit, the other as an actual cash incentive. This is a 100% tax abatement for ten years but that's only on the increased assessed value. What they are currently paying on the site right now will remain. So they will continue to pay real estate taxes on that property. They will start some internal utility work at the end of this year but majority of the build out will start first quarter of 2015. So that's majority of the project. It's a very exciting project. This is one of the higher jobs, you know, projects that we'veyou know, job creation. If you have any questions I'll be happy to answer them.

Councilman Higgs - First and foremost, I was the one who posed the question simply so I could get a clear understanding. For the mayor to say that I done missed caucus. Well, I happen to represent the 3rd District of the city of Hammond and I have an individual that died and has no life insurance. Secondly, I was registering voters at Hammond High School as well today. So, for you to make a statement like that is very offensive, okay. We all have a life and we all have things that are going on and I happen to work for my district 365 days a year, not just at election time.

Councilman Spitale - On that address, I think you might have mentioned it's 3510. Is it 3510 or is it 20?

Mr. Taillon - I have 3510 on the actual elevation that they submitted to us.

Councilman Spitale - We have 3520 on ours.

Brian Poland, City Planner - The address difference was a source of something that when we were dealing with the paperwork the first time, according to the County records it is 3520. That would be the correct address.

Councilman Higgs - Thank you so much, Phil, for your professionalism in explaining what this ordinance pertains.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Markovich - Point of clarification, is this for American Stair only? If for some reason they back out again that this tax abatement and everything else, is that gonna go to any other company that comes in. Because I know when we backed off of this before we didn't want to open it up since they weren't coming here and that's why we stopped the tax abatement. So is this just for American Stair only and nobody else in case they back out so nobody else comes in and wants the same benefits?

Mr. Taillon - The ordinance in front of you is creating an Economic Revitalization Area for this particular property which then puts it in position to receive a tax abatement. So, potentially if they backed out and some other company came in they could try and go through the process of receiving a tax abatement as well. The reason we delayed until now was to wait until the RDA and state had approved their incentives and American Stair had told us they're 100% moving forward and that's why we're in front of you today to get this passed.

Councilman Markovich - Well, why don't we put specifically in here that it's for American Stair only then? Would that be a problem?

Councilman Markovich - Councilman Markovich, seeing that I asked for the ordinance to be read in its entirety, you can make a motion and amend anything in a particular ordinance and get a second, and if you get enough votes you can pass it.

Mayor McDermott - My view from 30,000 feet here, I think that we should be very proud that we've lured a business from Illinois to Indiana. It's a good business. It's a building that badly needs reinvestment. It's gonna create jobs. It's gonna increase revenue. Well, they're gonna pay the same tax revenue now for ten years but in year eleven you'll see a significant increase of revenue the city of Hammond receives. I think this is a great deal. It applies to American Stair. If American Stair walks away we still get the same amount of taxes from the prior land owner. Councilman Markovich we don't really recommend changing this. If you do and have the votes I guess we're gonna have to deal with it. But, I would be afraid that if we start playing games here maybe American Stair walks away again. I want to remind everybody that we first started negotiating with these people in April and it's a great deal and we did everything we could at the time. We thought we were closing the deal, they went away for the whole summer. They're back again. I don't want to play games. I don't want to play politics. I want to bring business and jobs to the city of Hammond.

Councilman Higgs - I agree with the mayor. In all due respect, Economic Development is a great incentive for the city of Hammond. But, again, I do take offense to being accused of not being in caucus because there are things going on within my district.

Councilman Markovich - So, does it cause a problem is we specifically say American Stair?

Mayor McDermott - You know, I'm a lawyer but I didn't write this contract. I don't study this type of law. I'm a lawyer but I want to tell you that it makes me nervous anytime non-lawyers are starting to mess around with documents that have been vetted by lawyers. It makes me nervous. So if you do something unintentionally, Councilman, I can tell you that we're only planning to we've never offered this type of incentive before.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Mayor McDermott cont. - This is the first of a kind in Hammond, 100% tax abatement for ten years. Obviously we want this to pass. If we start messing with this document and mess it up, Councilman, and we have to come back to you for first and second reading, and we have to come back to you a month later for third and final reading, and maybe American Stair gets mad at the city of Hammond and they go to Whiting or they go to Munster and we're all sitting here with egg on our face because and Councilman I agree, I totally agree, I get where you're coming from. If Kevin Smith could come forward, do you guys mind. Kevin could you come forward and talk about the statement of benefits, the state form?

Councilman Kalwinski - If the abatement stays with the Revitalization Area and American Stair doesn't come and another group does, would we be voting again to allow the abatement?

Councilman Markovich - I wouldn't support the abatement in that case, Councilman. Let's just say American Stair goes away and we have a smaller, not as ... a business that doesn't bring as much investment. A business that doesn't bring as much jobs. Obviously we would want that business to come to our city but I don't know if we'd be willing to give them a ten year total tax abatement. We've never done that before. In my opinion this is for American Stair only.

Councilman Kalwinski - Okay, so we would have to vote again if another company came and wanted the abatement?

Mayor McDermott - I'm gonna have Kevin come forward.

Councilman Higgs - Is Atty. Kantar here? Atty. Kantar, you're an attorney, you would know the logistics wouldn't you.

Mayor McDermott - Mr. President, could I run my own administration without Councilman Higgs?

Council President Opinker - Yes, you can.

Mayor McDermott - In this case, Atty. Kantar is outstanding, she does great work for the city. Kevin has worked on this deal specifically which is why I asked him to come forward.

Atty. Kevin Smith - Actually, Atty. Westland has worked on this as well. He is not here this evening and obviously he represents Economic Development generally. However I did have a conversation with him regarding this issue that both Councilman Kalwinski and Councilman Markovich brought up. What is before you tonight is the designation of the property as an Economic Revitalization Area, ERA. It is my understanding that you can not designate a project, you're designating the property. But on the upside, to kind of I guess whatever concern that Councilman Markovich may have on this, and I think it's a valid concern. In other words, what is we lose American Stair and someone else that we don't want in the city just roll in. Although, I guess, there is that small possibility, Councilman, we believe that because the statement of benefits are stated as such in your packet and within the ordinance, or the document, that may be very difficult. Additionally, I guess there

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Atty. Smith cont. - is a small chance that someone could come in and say we meet the statement of benefits and therefore we should get the ERA. I think the more likely scenario would be, I think the most likely scenario is that American Stair is coming. However, the more likely scenario if they do not come would be someone would want to come in, get the tax abatement, they wouldn't meet the statement of benefits and would have to come back before the council.

Councilman Higgs - Kevin, so in essence you're saying that if this process was to start all over again, it would have to come before this body for approval.

Mayor McDermott - First off, Councilman Higgs is correct. Secondly, and I want to remind Councilman Higgs, I know he was a councilman during this, we had situations come up with tax abatements in the city of Hammond while we've been in office, Councilman Higgs, if the project doesn't live to the terms of the tax abatement, doesn't meet certain requirements that they're supposed to meet, we could always bring the tax abatement back to the city council. So, I imagine what would happen is once we extend this offer to American Stair, I agree with Kevin, I think they're gonna close the deal. IADC is involved in this, RDA is involved in this, city of Hammond Economic Development are working together to make this happen as is the building owner. So, I think this deal's going down once the council does this. However, if American Stair falls apart I promise you as your mayor to bring this back before you so that we can vote it back down again. I promise you that as mayor. If American Stair falls apart I will personally carry this bill back to the Hammond City Council and we will vote it down unanimously. Assuming we all are unanimous on that. I will sign that. This is for American Stair.

Councilman Higgs - Mayor, so what are you saying? Currently the agreement that's put before us, if we should pass it and they don't hold up to the standards of this agreement that you are willing to come before this body again and take their tax abatement?

Mayor McDermott - I'm not saying that, I'm telling you that's what will happen. Because it's for American Stair, Councilman Higgs. As the mayor I am saying that. I'm saying it on the record in front of everybody. This is for American Stair. Councilman Markovich I totally agree with you, alright. Instead of jockeying with this document and possibly messing it up I would hope that the council could pass it and trust me that if American Stair falls apart, which I don't believe is likely. But if it does I will bring this back to you and we will vote it down together. Because I don't want this offer being extended to just any business.

Councilman Higgs, supported by Councilwoman Venecz, moved to return to the regular order of business.

AYES: ALL

Councilman Markovich - I know that Phil said in the caucus we're talking 120 jobs or something to that effect.

Councilwoman Venecz - 180.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Mr. Taillon - They currently are relocating approximately 135 jobs to the facility and by 2018 they plan on having 180 jobs.

Councilman Markovich - And I know I'm not trying to stop this development or anything. I know that back in May that it was stopped because they backed out and we didn't want to make this property to anybody but the only thing I got a problem with is on Section B, that the estimate of up to eight to ten individuals will be employed. That's all it's saying in this resolution.

Mr. Taillon - They're talking about in the immediate, like within the first year. We're giving an estimate here for 2018. Can I mention, Councilman, they didn't back out. We were looking for some gap financing and that's when they went back to the RDA and said would you be willing to up the ante. RDA was so excited about the project they said absolutely.

Councilman Markovich - You know, when you talk 135 - 180 people and then the ordinance says 8-10 individuals, I mean that's a big difference. Just so we got clarification here. Because in case they do back out this is set up for tax abatement for somebody to bring in a company with 8-10 individuals only. According to this ordinance they fit the criteria. That's the only thing I'm worried about, okay. I don't want to say this is a deal breaker. I don't see how this would hurt if we specifically said American Stair because if they backed out then, you know, and the mayor said that if they do and somebody else wants to come in, it's got to come before the council. I'm not gonna get involved in that, that part. But if it's for American Stair, again, just for the record, I don't know why we're not saying that. I'm a little leery about Section B, 8-10 individuals when we're talking 135 to 180 so I'm just making that known out here. I'll go along with your word and your understanding and that's the only thing we could rely on. But if for some reason down the line it falls apart then hopefully everything will work out okay.

Councilman Higgs - As I stated previously to Councilman Markovich, at any time during this ordinance you can amend in what you so choose. If you get a second and the votes it will pass.

Mayor McDermott - I'd like to get the point out that I think only a few deals from the IADC have come to Hammond and I think this may be one of the first that's closed. The RDA, this is the first time the RDA has been involved in an Economic Development Project in our city. We were stuck. We were all in, we offered 1005 tax abatement. For the city of Hammond we were all in, we couldn't do anything. The problem was there was a gap between the cost of the building and what the owner wanted to sell it for and what they wanted to pay for it. The RDA bridged that gap. All I'm trying to point out is this is a good project. Agreed upon by the IADC; which is run by Governor Pence, as agreed by the RDA; which is run by Governor Pence, and according to the city of Hammond Economic Development team; which is run by us. I think this is a great deal. I think it's a wonderful opportunity for a building that hasn't had an opportunity like this in a long time. You know, I hope you guys pass it.

Council President Opinker - Clerk Golec roll call vote.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

ROLL CALL VOTE (passage)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried

9/0/0

ORDINANCE NO. 9264 PASSED

14-34 Zoning - Petition of 6639 Columbia Ave. to Reclassify Property at 6621, 6625, and 6639
Columbia Ave. from C-2 Shopping Center District to C-4 General Commercial District

Councilwoman Venecz, supported by Councilman Emerson, moved for final passage.

Councilwoman Venecz - From what I understand in caucus, this is the Stardust building. They are looking to make a fitness center and add some shopping on the west side of the building.

Mayor McDermott - I want to point out that all the land owners involved in this, Mr. Iatrides from Legends Bar and also the Gyro shop right next door have signed off on this and given power of attorney to Mr. Torrenga who appeared before us all in caucus today. I think that says a lot about all the local neighbors support this project.

ROLL CALL VOTE (passage)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried

9/0/0

ORDINANCE NO. 9265 PASSED

14-26 2015 Civil City Budget Proposal

Councilman Kalwinski, supported by Councilman Spitale, moved for final passage.

Councilman Kalwinski, supported by Councilman Spitale, moved to amend 14-26 as amended.

Councilman Higgs - Thanks to Councilman Hinojosa he gave me the amendment. I didn't have it unfortunately because I was registering voters, again. But certainly I see there is a difference in the Environmental Mgt. personal service salary. Am I correct?

Council President Opinker - Yes.

Councilman Kalwinski - If you look at page 11 in 14-26, the ninth line down, you'll see that the change goes from \$76,966 to \$77,736 for the Waste Fuel Engineer.

Councilman Higgs - Councilman Kalwinski, is that a 2% raise or a 3%?

Councilman Kalwinski - 2%.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Markovich - The councilman made a motion as amended. We have not entered anything as an amendment as of yet. What we were given was this in the caucus. We have to go ahead and put 14-26A or something to that effect and label it as such and then introduce it as an amendment to this budget. You just can't go ahead and say we're changing this.

Council President Opinker - Go ahead and label 14-26 as A.

Councilman Markovich - The proper way then to make the amendment would be to put 14-26 as an amendment. You can't be just making comments and changes on that without properly doing it.

Councilman Kalwinski - I believe you're right. Berger, that's correct isn't it?

Council Atty. Berger - You're moving to amend? Right. You just amend by substituting.

Councilman Kalwinski, supported by Councilman Hinojosa, moved to amend 14-26 to 14-26A to indicate the amendment that we are making.

ROLL CALL VOTE (amend to 14-26A)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried 9/0/0 AMENDMENT ADOPTED

ROLL CALL VOTE (passage)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried 9/0/0 ORDINANCE NO. 9266 PASSED
(as amended)

14-27 2015 Civil City Salary Ordinance

Councilman Higgs, supported by Councilman Spitale, moved for final passage.

ROLL CALL VOTE (passage)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried 9/0/0 ORDINANCE NO. 9267 PASSED

ORDINANCE 3RD READING - FINAL PASSAGE cont.

*Prepared by
Robert J. Golec
Hammond City Clerk*

NEW AND UNFINISHED BUSINESS

Councilwoman Venecz - We discussed in caucus that there will be our regularly scheduled council meeting on October 27th.

Councilwoman Venecz, supported by Councilman Hinojosa, moved to cancel the November 10th, November 24th, December 8th and December 22nd council meetings and schedule the November meeting on November 17th and the December meeting on December 15th. AYES: ALL

Councilman Higgs - I would just like to take a moment to say hello to our judge who is in the audience. Thank you judge for attending our council meeting.

Councilwoman Venecz - I would like to take this opportunity to announce the 4th Annual Trunk or Treat event is going to be held Friday, October 31st, from 6 - 7:30 p.m. at home depot. This event is sponsored by the East Side Community Council and Edison Community Watch and in partnership with Home Depot. Last year we saw over 500 children. Home Depot generously donates a bouncy house, s'mores, hot dogs, popcorn, water. So we are looking for people who are interested in entering their car in the event so think about decorating the trunk of your car and passing out treats and promoting your organization.

Councilman Higgs - I'd just like to mention that earlier I did mention that one of my constituents did pass away. That would be Mr. Floyd Nixon. Anyone who's interested in making a donation, please see me after the council meeting. We are still trying to funeralize him.

PUBLIC EXPRESSION

Janet Venez - Felt the need to confront a situation regarding an inflammatory letter to the editor accused the city of racial insensitivity. Just because two people of different races disagree does not racism make. I told the representative from the 3rd District to hush not to shut up.

Alvin Cheeks - Racism in Hammond does exist. The lack of minority contractors and participation in the city brings you to tears that we don't get our share. Councilman Higgs cares about our district. If Charter Fitness does not have minority workers on that site I will bring five hundred people to ensure that we get our fair share of economic development in the city. However much it takes to keep our 3rd District councilmen, we will do.

Councilman Higgs - I respect all my colleagues and I expect the same as well. For you to tell a grown man to shut up or hush is unprofessional. I've never done it to you. Call it whatever you want. I don't care who you choose to want to run. I will do whatever it takes to get city business done it.

PUBLIC EXPRESSION

Councilman Hinojosa, supported by Councilwoman Venecz, moved to adjourn.

AYES: ALL

*Prepared by
Robert J. Golec
Hammond City Clerk*

Michael Opinker, President
Hammond Common Council

ATTEST:

Robert J. Golec, City Clerk

Time: 7:00 pm

cb