

CITY OF HAMMOND

Department of Planning and Development

Hammond Section 108 Loan Guarantee Final Application

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Overview

As a recipient of Community Development Block Grant (CDBG) funding, the City of Hammond is eligible to participate in the Section 108 Loan Guarantee program administered by the U.S. Department of Housing and Urban Development (HUD). Under this program, the City is able to leverage up to five times its annual CDBG allocation for large community development investments.

In its 2012-2016 Consolidated Plan, the City identified the expansion of community facilities to insure availability of services and programs as one of its goals. In an effort to meet this goal, the City of Hammond is proposing to apply for a Section 108 Loan Guarantee to fund the construction of a new wellness and recreational facility that will increase the quality of life for the City's low and moderate income population. Specifically, a community recreation and wellness center would improve the overall health of City residents and avoid preventable diseases such as Type 2 Diabetes.

Eligible Activities

If approved, the City would use the Section 108 Loan proceeds to acquire property and construct a public facility that would serve as a community recreation and wellness center. Under the CDBG regulations, this activity is considered eligible at 24 CFR 570.703 (I) as follows:

(I) Acquisition, construction, reconstruction, rehabilitation or historic preservation, or installation of public facilities (except for buildings for the general conduct of government) to the extent eligible under §570.201(c), including public streets, sidewalks, other site improvements and public utilities, and remediation of known or suspected environmental contamination in conjunction with these activities. Remediation may include project-specific environmental assessment costs not otherwise eligible under §570.205.

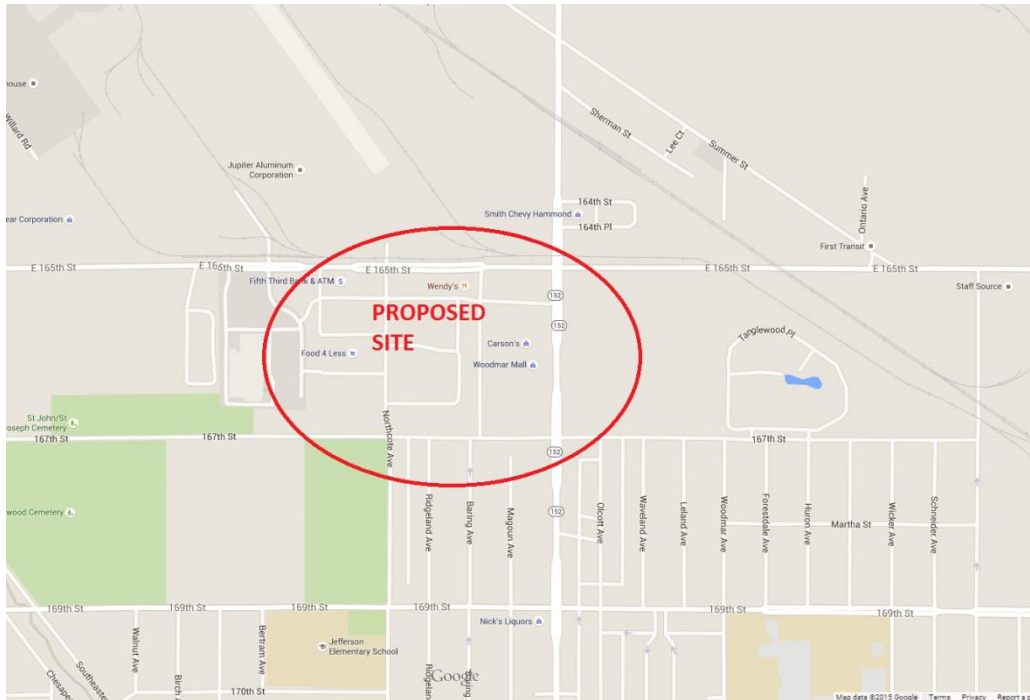
The City expects to use all funding available through this application for the specific purpose of developing the wellness facility and does not expect any funds to be made available to non-profits or other interested parties to carry out eligible activities.

National Objective to Be Met

The new recreation and wellness center would benefit the City as a whole. According to the latest Low Moderate Income Data released by HUD in July 2014, the City as a whole meets the qualification as a Low Mod Area (24 CFR 570.208(a)(1)). Based on this data set, the City's overall population is 80,765 and the City's low and moderate-income population is 41,785, which equates to a low-moderate income percentage of 51.7 %.

Proposed Location

The City has identified several properties in and adjacent to Woodmar Mall, near the intersection of 165th and Indianapolis Blvd, as possible locations for the new recreation and wellness center. This location is central to all neighborhoods within the City.



Financing

The cost of the new facility will be based on a number of factors, including acquisition costs and the conceptual plan. The City will conduct a citizen outreach campaign as part of this proposal, in part to identify the features and amenities that residents will want in the new facility. Potential features of the new facility, could include but is not limited to:

- Sports courts for basketball, volleyball, and soccer
- Health Screening offices
- Weights and fitness equipment
- Jogging track
- Healthy eating demonstration kitchen
- Juice/Healthy Snack Bar
- Community room

Based on these various factors, the City estimate to acquire the land and construct the facility is estimated to be \$15 to \$16 million.

Section 108 loan proceeds would form a key component of the financing for this proposal. In order to access Section 108 financing, the City proposes to pledge a portion of its future CDBG grants (Program

Hammond Section 108 Loan Guarantee FINAL Application

Years 2016 – 2035) as collateral for repayment. The City proposes to use the maximum repayment period allowable, twenty years, in order to minimize the potential reduction of any given year.

The City will request Section 108 loan proceeds in the amount of \$8,651,770. The remainder of funding would come from a variety of sources, including CDBG Entitlement, Tax Increment Financing (TIF) and general funds.

SOURCE	EXPECTED AMOUNT
CDBG 108 Loan Guarantee	\$8,651,770
CDBG Entitlement	\$1,200,000
TIF Funds	\$5,000,000
Fundraising/Donations	\$1,000,000
TOTAL	\$15,851,770

The City expects the new facility to generate net income in the form of activity fees and the occasional rental. The City’s feasibility analysis is not yet finalized, but based on initial estimates and a review of similar facilities within the region, the City has estimated the facility will generate \$300,000 in annual revenue. Any revenue generated over and above operating costs would be dedicated to meeting the debt service for the Section 108 loan. The City is estimating the following financing terms for the Section 108 funds:

- 20 Year term with 3% simple, non-compounding interest
- Interest only payments for the first five years
- The facility would serve as collateral for the loan. The Section 108 loan would be in first position with no other loans secured by the facility.

Year	Interest	Principal	Total	Year	Interest	Principal	Total
Year 01 – 2016	\$259,553	\$0	\$259,553	Year 11 – 2026	\$155,732	\$576,785	\$732,517
Year 02 – 2017	\$259,553	\$0	\$259,553	Year 12 – 2027	\$138,428	\$576,785	\$715,213
Year 03 – 2018	\$259,553	\$0	\$259,553	Year 13 – 2028	\$121,125	\$576,785	\$697,909
Year 04 – 2019	\$259,553	\$0	\$259,553	Year 14 – 2029	\$103,821	\$576,785	\$680,606
Year 05 – 2020	\$259,553	\$0	\$259,553	Year 15 – 2030	\$86,518	\$576,785	\$663,302
Year 06 – 2021	\$242,250	\$576,785	\$819,034	Year 16 – 2031	\$69,214	\$576,785	\$645,999
Year 07 – 2022	\$224,946	\$576,785	\$801,731	Year 17 – 2032	\$51,911	\$576,785	\$628,695
Year 08 – 2023	\$207,642	\$576,785	\$784,427	Year 18 – 2033	\$34,607	\$576,785	\$611,392
Year 09 – 2024	\$190,339	\$576,785	\$767,124	Year 19 – 2034	\$17,304	\$576,785	\$594,088
Year 10 – 2025	\$173,035	\$576,785	\$749,820	Year 20 – 2035	-	\$576,785	\$576,785

Additional Information

The City will follow its adopted Citizen Participation Plan to receive citizen input on this proposal. The City will undertake the following activities that will allow citizens to participate and comment on the proposal.

Public Hearing

The City held a public hearing regarding this proposal at City Hall on December 14th, 2015 at 6:00 PM in City Council Chambers. A Spanish-speaking City staff person will attend to provide Spanish translation, if necessary. The City will attempt to accommodate translation for other languages and persons with disabilities if a request is made at least three days in advance. If the City cannot accommodate translation, the City will make alternative opportunities available for non-English speaking persons and persons with disabilities to participate.

Public Comment Period

The City accepted written public comments regarding this proposal from October 30th to November 30th, 2015. All comments received were considered when preparing the final application to HUD and are included as an attachment.

Comments may be emailed to millero@gohammond.com or submitted in writing to:

City of Hammond Community Development
ATTN: Ms. Owana Miller
5925 Calumet Avenue
Hammond IN 46320

For additional information regarding this proposal, please contact Ms. Owana Miller, Community Development Director, at 219-853-6358 ext. 2.

Upon completion of the public participation process, the City will consider the input received, amend the application accordingly, and publish the final application before submittal to HUD for review.

Summary of Public Comments Received

Comment

This is great. So many non school activities in Hammond are not available because of the lack of facilities or the red tape you have to go through to access facilities that may be available. Increase in access will certainly increase events and programs designed to make positive use during non school hours for the youth of Hammond.

Comment

This is a great idea! I hope there is a pool/hot tub and sauna as well!
This would be great in the old walmart as it looks terrible sitting empty and would liven up the area as the mall is about dead.

Comment

I think it's a great idea to have a facility like this, but feel it is somewhat redundant with the Civic Center, YMCA and the community center, both of which only offer minimal services. A field house is a great idea in the sense that it offers the community a place to workout, party rooms, and sports facilities. I was under the impression that these things were already available at the community center and the civic center, although both are lacking attractive facilities, convenience and classes for kids.

If this field house is going to be built, it needs to offer classes for children such as dance, karate, indoor soccer, art classes etc., as well as programs for adults. It needs to offer something that the other facilities in town don't offer. If the field house will provide additional services, then that is not clear in the proposal above.

The proposal also doesn't lay out a strong case for the revenue stream the field house will bring to the city. Before moving forward the city should be able to get soft commitments from traveling sports teams who would use a facility in the area. There should be a chart explaining the revenue streams and where they would come from (memberships, classes, teams, etc.) and note how anything being offered at this facility is any different that what is already offered at the aforementioned places. Perhaps instead of building something new the town can instead revamp the existing buildings and create new programs at those locations.

The old WalMart building is a great location, but it needs to be built up in a way that makes sense for the town and brings in solid revenue streams and upscale services. The town needs more restaurants, coffee shops and upscale retail (not discount stores) to bring in not only revenue but homeowners. I think that area would be better utilized for a movie theater, retail and restaurants, especially since there is already a strong retail footprint in the surrounding area.

Hammond Section 108 Loan Guarantee FINAL Application

Hammond needs to focus on revenue generation and making the city more upscale, not creating more of the same underutilized buildings in yet another part of town.

Comment

Please make it free or discounted for Hammond residents or free for those who live in that neighborhood. Also, it would be greatly appreciated if we had gymnastics, roller skating, or ice skating. The area does not have any of these and I feel the city would greatly benefit from them. A multipurpose hall for party rentals could also help with the finances.

Comment

I think the use of the space would be beneficial for the community in a positive aspect. It's better use than another store. It gives youth something to do and keeps them from trouble. Keeps the community healthy

Comment

I would like to see this place have a pool and sauna along with a fitness center

Comment

Please, Please Hammond make a soccer complex of some sort. Soccer is the beautiful game of the world and its time hammond pays attention to that. As a city of Hammond resident since 2001, it is time we get a decent place to play soccer. The best we have is Pulaski Park located in the northern part of hammond and even that, there is no nets nor a decent field to play on. The City of Hammond installed a new skate part a couple years ago at Pulaski Park, I don't see why the residents of Hammond can't also get a decent soccer park. It keeps the kids out of trouble and soccer is a very physical sport so its a good way to be fit and healthy. Proposed would be beneficial for every resident of hammond!

Comment

This sounds like a fantastic idea as long as it's adding to the benefits of the Y and not taking away from them. My biggest concern on the traffic front is that Northcote is already a highly utilized street, we expected less traffic after Walmart closed, but it has remained steady with streams of speeding cars. There is a school and many children that live on the street. Adding additional community centers is great idea, but we need to shift Northcote to local traffic only so people are not using it as a shortcut. I would like to see the 167th and Northcote entrance blocked to prevent an increase in traffic on the street.

Comment

This is a great opportunity for the city of Hammond for economic development of an area in need of revitalization. With limited space within the city, this location is perfect for such a project. The opportunities for nationally recognized sporting events and new businesses in the area are just a few advantages of a sport complex.

Hammond Section 108 Loan Guarantee FINAL Application

Comment

A rooftop vegetable or zen garden would be great. There are very few quiet and green spaces in the area that feel safe to go to. An outdoor park (similar to Centennial Park in Munster). An indoor playground. Cannot stress this enough! In the winter or on rainy days, there is no place to go with the kids. I would limit the number of basketball courts. In my experience, basketball courts can often bring fights and an undesirable crowd. Ideally, it would be kids playing ball and having fun, but that is rarely the case. A combination between OMNI 41 and Centennial park in Munster, out door walking and green space is something I'd love to see. I live only a few minutes from this area and I am really excited for this development!

Comment

I think that would be a fantastic idea! We need something like that for the families, around this area. I support this with you Mr Mayor.

Comment

I would love to see some baseball training put in the building. Some batting and pitching cages that the public can use for private use or lessons. We have no public cages in our area. They are all owned by the leagues. The closest ones to use are in EC and that is just too dangerous of an area to take your kids.

Comment

I think this is a great idea. Our community needs a facility like this. We do not have any indoor soccer fields in hammond. I would like to be involved if possible. Thanks

Comment

I think this is a great idea. I love the idea of including sporting areas in the recreational center. Currently my family and I drive to dyer's indoor soccer sporting arena. But we would gladly stay in Hammond if they offered an alternative. This might be able to attract some neighboring communities as well. I also like the idea of a community garden on the roof.

Comment

I would love an indoor walking track for use during inclement weather, as well as an indoor playground for the local kids to use during the colder months. An area that would allow for free play that is difficult to find in this area when the weather is poor. I think this is an excellent idea and I am so excited to see this come to my neighborhood.
