



**CITY OF PORTAGE, INDIANA
PORTAGE REDEVELOPMENT COMMISSION**

**Annual Report to the Executive:
Fiscal Year Ending December 31, 2014**

(January 1, 2014 through December 31, 2014)

Dated:

March 16, 2015

*Prepared Pursuant to
Indiana Code 36-7-14-13(a) through (d)*

Prepared by:

Cender & Company
L.L.C.

**CITY OF PORTAGE, INDIANA
PORTAGE REDEVELOPMENT COMMISSION**

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TRANSMITTAL LETTER

March 13, 2015

The Honorable James Snyder, Mayor
City of Portage
Portage City Hall
6070 Central Avenue
Portage, Indiana 46368

Dear Honorable James Snyder, Mayor:

Pursuant to Indiana Code ("IC") 36-7-14-13(a), not later than March 15 of each calendar year, the City of Portage, Indiana Redevelopment Commission shall file with the City's executive body (the Mayor of the City of Portage) a report setting out Commission activities during the preceding calendar year. In addition, in accordance with IC 36-7-14-13(d), a copy of the report as filed under IC 36-7-14-13(a) must be submitted to the DLGF in an electronic format under IC 5-14-6 titled Electronic Transmission of Reports to the General Assembly. The DLGF requires that the Commission submit its report through the Indiana Gateway for Government Units ("Gateway").

Therefore, enclosed is the **Annual Report to the Executive: Fiscal Year Ending December 31, 2014** as prepared for the City of Portage, Indiana Redevelopment Commission by Cender & Company, L.L.C. I have reviewed the enclosed annual report and find it to be complete and prepared in compliance with IC 36-7-14-13 subsections (a) through (d).

Cender & Company looks forward to our continued cooperation with the City of Portage, Indiana Redevelopment Commission members, the City's elected officials and your administration to provide redevelopment and economic development strategies and opportunities so that together you may provide opportunities for new economic development and redevelopment projects to create opportunities for gainful employment and business opportunities not only in the City of Portage but also as a benefit to the health, safety and general welfare of the citizens of Porter County.

If you should have any questions or need additional information as it relates to Commission activities during the preceding calendar year, do not hesitate to John Shepherd as the Economic Development Consultant to the City of Portage or me.

Very truly yours,

A handwritten signature in black ink that reads "Dan Botich". The signature is written in a cursive style with a large, stylized 'D' and 'B'.

Dan Botich
Executive

Enclosure

cc: Members of the Portage Redevelopment Commission
Albert "A.J." Monroe, Director of Community Development of the City of Portage
John Shepherd, Oak Hill Partners - Economic Development Consultant Redevelopment Commission
Greg Sobkowski, Attorney – Hodges & Davis, P.C., Counsel to the Commission

**CITY OF PORTAGE, INDIANA
PORTAGE REDEVELOPMENT COMMISSION**

**Annual Report to the Executive:
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PURPOSE OF THE REPORT

On March 19, 2012, Governor Mitch Daniels signed into law Senate Enrollment Act 19 (“**SEA 19**”), which amended Indiana Code (“**IC**”) 36-7-14-13 and specified additional reporting requirements for redevelopment commissions and required redevelopment commissions to submit copies of required reports to the Indiana Department of Local Government Finance (the “**DLGF**”).

As amended, pursuant to IC 36-7-14-13(a), the City of Portage, Indiana (the “**City**”) Redevelopment Commission before March 15 of each calendar year, the Commission shall file with the unit’s executive (the Mayor of the City) a report setting out its activities during the preceding calendar year.

The report shall include, in accordance with IC 36-7-14-13(b) the following information:

- The names of the then qualified and acting commissioners;
- The names of the officers of the Commission;
- The number of regular employees and their fixed salaries or compensation;
- The amount of the expenditures made during the preceding year and their general purpose;
- An accounting of tax increment revenues expended by any entity receiving the tax increment revenues as a grant or loan from the Commission;
- The amount of funds on hand at the close of the calendar year; and
- Other information necessary to disclose the activities of the Commissioners and the results obtained.

In accordance with IC 36-7-14-13(d), a copy of the report as filed under IC 36-7-14-13(a) must be submitted to the DLGF in an electronic format under IC 5-14-6 titled Electronic Transmission of Reports to the General Assembly. The DLGF requires that the Commission submit its report through the Indiana Gateway for Government Units (“**Gateway**”) before March 15, 2015.¹

The purpose of this Annual Report to the Executive: Fiscal Year Ending December 31, 2014 (the “**2014 Annual Report**”) is to meet the statutory disclosure and filing requirements in accordance with IC 36-7-14-13.

INTRODUCTION

The Department of Redevelopment of the City of Portage, Indiana (the “**Department**”) is administered and managed by the Portage Redevelopment Commission (the “**Commission**”). The Department and the Commission were created by the City Council in 1989 to overcome and alleviate conditions that create areas needing redevelopment in designated areas of the City through new development, redevelopment and rehabilitation activities designed to improve economic and physical conditions under its jurisdiction (the “**Redevelopment District**”) – which is coterminous with the corporate boundaries of the City– in accordance with IC 36-7-14, titled “Redevelopment of Areas Needing Redevelopment Generally; Redevelopment Commissions” and IC 36-7-25 titled “Additional Powers of Redevelopment Commissions” (together, the “**Acts**”).

¹ Memorandum dated January 9, 2014 from Micah G. Vincent, Commissioner of the Indiana Department of Local Government Finance, to redevelopment commissions discussing new reporting requirements for 2014 for redevelopment commissions.

It is the duty of the Commission in accordance with IC 36-7-14-11 to:

- Investigate, study, and survey areas needing redevelopment within the Redevelopment District;
- Investigate, study, and determine, to the extent possible, combat the causes of areas needing redevelopment;
- Promote the uses of land in the manner that best serves the interests of the Redevelopment District and its inhabitants;
- Cooperate with the City, its departments and other governmental entities and agencies in the manner that best serves the purposes of the Acts;
- Make findings and reports on their activity under the Acts and to keep reports open to inspection by the public at offices of the Department and/or the Commission;
- Select and acquire the areas needing redevelopment to be redeveloped under the Acts; and
- Replan and dispose of areas needing redevelopment in the manner that best serves the social and economic interests of the Redevelopment District and its inhabitants.

The Commission is a separate, legal entity; however, the City's Common Council serves as the legislative body, approving legislative actions of the Commission pursuant to the Acts.

Commission staff coordinates budget and reporting requirements, along with the preparation of the Commission minutes. The Commission retains the professional consulting services to provide Commission reporting and project implementation services to supplement Commission staff, including but not limited to:

- (i) Legal counsel to provide guidance and advice to the Commission as it relates to legal opinions, recommendations, and review of official documents and actions of the Commission;
- (ii) Municipal financial advisory services to provide guidance and advice to the Commission applicable to financial matters, financial reporting as it relates to tax increment in designated allocation areas of the Redevelopment District, and other redevelopment and economic development planning and strategic matters;
- (iii) Engineering consulting services to assist with the planning, scheduling, design, survey, mapping and cost estimates for identified public capital investment projects of the Commission.

2014 QUALIFIED AND ACTING COMMISSIONERS

Qualifications to be a member of the Commission include, in accordance with IC 36-7-14-7(d):

- Members must be at least 18 years of age; and
- Members must be a resident of the City.

The Commission is comprised of five members of appointees by the appropriate appointing authorities in accordance with IC 36-7-14-6.1. The terms of office shall be in accordance with IC 36-7-14-7 with each member, upon appointment as certified by the City's Clerk-Treasurer and upon taking and subscribing to an oath of office as notarized by the recording secretary, serving for a period of one year from the first day of January after appointment and until a qualified successor is appointed.

The following individuals were qualified, appointed and took an oath of office as Commission members ("**Commissioners**") during calendar year 2014.

- **The Honorable James Snyder**, Mayor of the City of Portage
- **Steven Nelson**
- **Susanne Lynch**
- **Greg Lach** and
- **John Cannon**

Furthermore, in accordance with IC 36-7-14-6.1(a) the municipal executive shall also appoint an individual to serve as a nonvoting advisor to the Commission beginning July 1, 2008. Pursuant to Section 6.1(d), the nonvoting member must also be a member of a school board of a school corporation that includes all or part the Redevelopment District, serving for a term of two (2) years or until a successor is appointed and at the pleasure of the appointing authority.

Representing the Portage Township Schools Corporation Board of School Trustees

Rhonda Nelson

2014 COMMISSION OFFICERS

<u>Commissioner</u>	<u>Office</u>
James Snyder	President
Greg Lach	Vice-President
John Cannon	Secretary

MEETINGS OF THE COMMISSION

The Commission is scheduled to hold regular meetings as to conduct official business in the City of Portage Council Chambers – 6070 Central Avenue, Portage, IN 46368

During calendar year 2014, the Commission met on the following dates:

- January 22, 2014 (Regular Meeting)
- February 26, 2014 (Regular Meeting)
- March 26, 2014 (Regular Meeting)
- April 24, 2014 (Regular Meeting)
- May 19, 2014 (Special Meeting)
- May 21, 2014 (Regular Meeting)
- June 26, 2014 (Regular Meeting)
- July 24, 2014 (Regular Meeting)
- August 28, 2014 (Regular Meeting)
- September 25, 2014 (Regular Meeting)
- October 23, 2014 (Regular Meeting)
- November 25, 2014 (Regular Meeting)
- December 18, 2014 (Regular Meeting)

The minutes of the regular and special meetings of the Commission during calendar year 2014 as approval by the Commission are on file in the Office of the Portage Clerk-Treasurer in Portage City Hall and are available for review and inspection during regular business hours of the City.

COMMISSION STANDING COMMITTEES AND MEMBERSHIP

The Commission has not established any standing committees to research or provide advice to the full Commission.

COMMISSION STAFF

The Commission utilizes the certain staff to provide daily administrative and management services related to assisting the Commission in implementing its duties, responsibilities and goals. The following individuals are deemed to be staff to the Commission for which a salary was paid during fiscal year 2014.

<u>Commission Staff</u>	<u>Position</u>	<u>Fixed Salary/ Compensation</u>
Lynn Reed	Secretary/Treasurer	\$ 11,424
Albert Monroe	Director of Community Development	6,089

GENERAL PROFESSIONAL SERVICES PROVIDED TO THE COMMISSION

The Commission utilized the following professional consulting services during calendar year 2014 pursuant to contractual agreements between the Commission and the identified professional consulting firm(s), each as approved during regular meetings of the Commission in 2014.

<u>Firm</u>	<u>Type of Professional Service</u>	<u>Contact</u>
Hodges & Davis, P.C.	Local legal counsel	Gregg Sobkowski
Oak Hill Partners	Development finance consulting	John Shepherd
Cender & Company L.L.C.	Municipal financial advisory and economic development consulting	Karl Cender & Dan Botich
Ice Miller	Legal and redevelopment matters	Thomas Downs
Barnes and Thornburg LLP	Legal and redevelopment matters	Thomas Pittman
Capitol Assets	State related redevelopment matters	Rick Cochrum

DISTRIBUTIONS OF TAX INCREMENT IN 2014

The Office of the Porter County Auditor distributed tax increment to the Commission in fiscal year 2014.

<u>Allocation Area</u>	<u>(1st Installment) June 18, 2014</u>	<u>(2nd Installment) December 23, 2014</u>	<u>Total</u>
Southport Economic Development Area	\$3,650,449.34	\$3,739,956.45	\$7,390,405.79

Source: FORM 22-TIFs from the Office of the Porter County, Indiana Auditor as provided to Cender & Company, L.L.C. for June 18, 2014 and December 23, 2014 tax increment distributions to the Portage Redevelopment Commission.

COMMISSION OUTSTANDING DEBT SERVICE

The Commission had the following outstanding debt service for principal and interest due from distributions of tax increment in Fiscal Year 2014.

City of Portage, Indiana Economic Development Revenue Bond, Series 2006 (AmeriPLEX Project)			
\$16,765,000 for economic development in Southport Allocation Area			
Interest Rate: Varies, 3.60 percent to 5.00 percent			
<u>Payments Due</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Fiscal Total</u>
January 15, 2014	\$ 265,000.00	\$ 342,049.00	\$ 607,049.00
July 15, 2014	265,000.00	336,219.00	601,219.00
			\$ 1,208,268.00
<u>As of December 31, 2014</u>			
Outstanding Principal Balance Due:		\$13,325,000.00	
Final Maturity Date:		January 15, 2027	
Remaining Bond Life (Years):		12.5	
Remaining Semi-Annual Payments:		25	

Redevelopment District Tax Increment Revenue and Refunding Revenue Bonds of 2008

\$8,875,000 for economic development in Southport Allocation Area

Interest Rate: Varies, 3.50 percent to 5.00 percent

<u>Payments Due</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Fiscal Total</u>
January 15, 2014	\$ 300,000.00	\$ 148,425.00	\$ 448,425.00
July 15, 2014	340,000.00	142,425.00	482,425.00
			\$ 930,850.00

As of December 31, 2014

Outstanding Principal Balance Due:	\$ 5,795,000.00
Final Maturity Date:	January 15, 2022
Remaining Bond Life (Years):	7.5
Remaining Semi-Annual Payments:	15

Redevelopment District Tax Increment Revenue Bonds of 2010

\$5,705,000 for economic development in Southport Allocation Area

Interest Rate: Varies, 4.75 percent to 7.75 percent

<u>Payments Due</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Fiscal Total</u>
February 1, 2014	\$ 70,000.00	\$ 189,813.00	\$ 259,813.00
August 1, 2014	75,000.00	188,150.00	263,150.00
			\$ 522,963.00

As of December 31, 2014

Outstanding Principal Balance Due:	\$ 5,245,000.00
Final Maturity Date:	January 15, 2028
Remaining Bond Life (Years):	13.5
Remaining Semi-Annual Payments:	27

Economic Development Revenue Bond, Series 2013 (Fronius Project)

\$4,915,000 for economic development in Southport Allocation Area

Interest Rate: Fixed, 5.00 percent

<u>Payments Due</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Fiscal Total</u>
January 15, 2014	\$ 0.00	\$ 122,875.00	\$ 122,875.00
July 15, 2014	0.00	122,875.00	122,875.00
			\$ 245,750.00

As of December 31, 2014

Outstanding Principal Balance Due:	\$ 4,915,000.00
Final Maturity Date:	January 15, 2034
Remaining Bond Life (Years):	19.5
Remaining Semi-Annual Payments:	39

Redevelopment District Bonds, Series 2013

\$5,720,000 for economic development in Southport Allocation Area

Interest Rate: Fixed, 3.75 percent

<u>Payments Due</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Fiscal Total</u>
January 15, 2014	\$ 0.00	\$ 47,667.00	\$ 47,667.00
July 15, 2014	145,000.00	107,250.00	252,250.00
			\$ 299,917.00

As of December 31, 2014

Outstanding Principal Balance Due:	\$ 5,575,000.00
Final Maturity Date:	January 15, 2029
Remaining Bond Life (Years):	14.5
Remaining Semi-Annual Payments:	29

COMMISSION FUND BALANCES FOR 2014

The Commission currently utilizes the following funds for its general operating expenditures and for the receipt and disbursement of tax increment for qualified expenses as approved by the Commission, more specifically:

Fund 404 – Recovery Bond 2010			
(January 1, 2014)			(December 31, 2014)
<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
\$ 9,273.58	\$ 871.45	\$ 9,273.58	\$ 871.45

Fund 405 – Recovery Bond Debt Reserve			
(January 1, 2014)			(December 31, 2014)
<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
\$ 570,500	\$ 0.00	\$ 0.00	\$ 570,500.00

Fund 406 – Redevelopment General			
(January 1, 2014)			(December 31, 2014)
<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
\$ 441,044.87	\$ 504,470.86	\$ 477,188.41	\$ 468,327.32

Fund 407 – Redevelopment Allocation Area			
(January 1, 2014)			(December 31, 2014)
<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
\$ 8,345,441.29	\$ 8,215,708.04	\$12,627,537.66	\$ 3,933,611.67

Fund 408 – 2002 TIF Bond Series A			
(January 1, 2014)			(December 31, 2014)
<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
\$ 2,092.82	\$ 0.00	\$ 0.00	\$ 2,092.82

Fund 409 – 2002 TIF Bond Series B			
(January 1, 2014)			(December 31, 2014)
<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
\$ 1,303.79	\$ 0.00	\$ 0.00	\$ 1,303.79

Fund 411 – 2008 TIF Bond			
(January 1, 2014)			(December 31, 2014)
<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
\$ 297,124.58	\$ 7,497.01	\$ 7,200.00	\$ 297,421.59

Fund 413 – 2006 Ameriplex Debt Service			
(January 1, 2014)			(December 31, 2014)
<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
\$ 1,307,163.21	\$ 13.68	\$ 0.00	\$ 1,307,176.89

Fund 414 – 2005 Ameriplex Bond			
(January 1, 2014) Beginning Balance	Receipts	Disbursements	(December 31, 2014) Ending Balance
\$ 607,054.77	\$ 1,211,475.06	\$ 1,208,267.50	\$ 610,262.33

Fund 432 – 2013 TIF Bond			
(January 1, 2014) Beginning Balance	Receipts	Disbursements	(December 31, 2014) Ending Balance
\$ 5,131,088.03	\$ 0.00	\$ 3,834,522.05	\$ 1,296,565.98

Fund 433 – 2013 TIF Bond Debt Reserve			
(January 1, 2014) Beginning Balance	Receipts	Disbursements	(December 31, 2014) Ending Balance
\$ 505,563.00	\$ 0.00	\$ 0.00	\$ 505,563.00

SOURCE: Fund and Appropriation Reports made available by Recording Secretary for the City of Portage, Indiana Redevelopment Commission. All reports are on file and available for public inspection at the Office of the City of Portage Clerk-Treasurer.

ACCOUNTING OF TAX INCREMENT REVENUE GRANTED OR LOANED TO AN ENTITY

Fund - 406- Redevelopment General Fund:

• Portage Chamber of Commerce:	\$ 6,000.00	
• Porter County Community Foundation:	10,000.00	
• Housing Opportunities	<u>10,000.00</u>	
Sub-Total:		\$ 26,000.00

Fund 407 – Redevelopment Allocation Area Fund:

• Portage Economic Development Corporation	\$ <u>61,500.00</u>
TOTAL:	\$ <u>87,500.00</u>

SUMMARY OF COMMISSION RESOLUTIONS IN 2014

Resolution No. 14-01: Lease agreement and public hearing for the Fire and Police Station renovations.

Resolution No. 14-02: Amending the Southport Economic Development Area to include the Fire Station, Police Station and other infrastructure improvements.

Resolution No. 14-03: Contract for purchase of real estate with Catalyst Lifestyles LLC.