

ANNUAL REPORT
2007
HIGHLAND ECONOMIC DEVELOPMENT COMMISSION

The Highland Town Council approved Ordinance #1324 on July 10, 2006, which established the Economic Development Commission (“Commission”, “EDC”). The Ordinance is attached to this annual report. The Town Manager, Richard Underkofler, staffed the Economic Development Commission and the Redevelopment Commission Director, Cecile Petro, assisted the Town Manager. The EDC did not have a budget nor did it encumber any costs during 2007. Additional compensation was not provided for staffing.

The first organizational meeting of the new Commission occurred on January 31, 2007. Commissioners present included David Beanblossom, Matthew Reardon, and George VandeWerken. Mr. Beanblossom was nominated by the Lake County Council and appointed by the Town Council on December 12, 2006, and will serve until February 1, 2008. Mr. VandeWerken, the legislative appointment, was appointed on August 23, 2006, and will serve until February 1, 2009. Mr. Reardon, an executive appointment, was appointed on January 3, 2007, and will serve until February 1, 2010. The members did not receive any compensation for their service.

Minutes of the January 31, 2007, meeting are attached. In summary, the Commission elected the following officers: Matthew Reardon, President; George VandeWerken, Vice President and Liaison to the Redevelopment Commission; and David Beanblossom, Secretary. President Reardon provided information on the function and purpose of the Commission and explained the various “tools” available to the Commission. The EDC will meet on an ad hoc basis in the future.

The second and last meeting of the Economic Development Commission for 2007 was held on May 20, 2007 to designate an Economic Development Target Area that would be coterminous with the boundary of the Highland Redevelopment Area. This would allow tax abatement for retail uses within that circumscribed area. A motion to designate the Redevelopment Area as an Economic Development Target Area was approved by unanimous consent. These minutes are attached.

On May 14, 2007, the Highland Town Council adopted Resolution No. 2007-23 designating an Economic Development Revitalization Area coterminous with the boundary of the Highland Redevelopment Area.

On June 25, 2007, the Highland Town Council adopted Ordinance No. 1359 designating an Economic Development Target Area within an Economic Revitalization Area that is coterminous with the boundary of the Highland Redevelopment Area to enable property tax abatement for retail uses.

The Highland Town Council on July 23, 2007, approved the first application for Property Tax Abatement for the proposed construction of a new medical office building at 8032 Kennedy Avenue, Dr. Joe P. Spott d/b/a Marilaur Properties, LLC.07 with Resolution No. 2007-33. A previous Resolution (No. 2007-28) passed by the Town Council on June 25, 2007, fixed Monday, July 23, 2007, as the date for a Public Hearing on the application for Property Tax Abatement for this proposed construction.

The Town Council on September 10, 2007, passed Resolution No. 2007-46 approving a \$5,000 reduction in the \$13,500 tax abatement fee for Dr. Spott. The reduction was offered as an incentive for incorporating a Mid-Twentieth Century Modern design theme at his proposed medical offices to be constructed at 8032 Kennedy Avenue.

Respectfully submitted by:

Cecile L. Petro
Redevelopment Director
March 19, 2008

ORDINANCE No. 1324
of the
TOWN of HIGHLAND, INDIANA

AN ORDINANCE to AMEND THE HIGHLAND MUNICIPAL CODE BY ADDING A NEW CHAPTER, NUMBERED TWO HUNDRED SEVENTEEN AND STYLED AS ECONOMIC DEVELOPMENT COMMISSION, PURSUANT to IC 36-5-5 AND IC 36-7-12 ET SEQ. AND OTHER RELEVANT STATUTES.

WHEREAS, IC 36-1-3-2 and IC 36-1-3-6(b)(1) confer upon all local units the powers that they need for the effective operation of government as to local affairs and prescribe the manner and form of enactment for any such exercise of power;

WHEREAS, The Highland Town Manager has recommended and the Town Council has determined that the authorization and establishment by ordinance of an economic development commission is an exercise of local authority consistent with the provisions of IC 36-1-3 et sequitur, and IC 36-7-12 et sequitur and necessary or desirable in the conduct of its affairs;

WHEREAS, It would be and is in the best interest of the Town of Highland to enact an ordinance to amend the municipal code and authorize and establish an economic development commission as set forth in IC 36-7-12;

NOW, THEREFORE, BE IT HEREBY ORDAINED AND ENACTED BY the Town Council of the Town of Highland, Lake County, Indiana, as follows:

Section 1. That Highland Municipal Code be hereby amended by adding a new chapter to be titled *Economic Development Commission*, which said chapter shall read as follows:

CHAPTER 217: ECONOMIC DEVELOPMENT COMMISSION

Section

General Provisions

- | | |
|----------|---|
| § 217.01 | Declaration of Public Purpose |
| § 217.02 | Economic development department and commission; creation |
| § 217.03 | Commission members; appointment; terms of office |
| § 217.04 | Commissioners; selection and nomination; successors in office |
| § 217.05 | Commissioners; failure to nominate; vacancies |
| § 217.06 | Commissioners; oaths; certificates of appointment |
| § 217.07 | Commissions; organizational meetings; officers |
| § 217.08 | Commissions; rules; meetings; quorum; approval of actions; records |
| § 217.09 | Removal of commissioners from office |
| § 217.10 | Commissioners; expenses and per diem |
| § 217.11 | Commissioners; pecuniary interests in matters considered by commissions |

- § 217.12 Commissions; investigatory duties
- § 217.13 Other powers
- § 217.14 Bonding powers
- § 217.15 Special tax levy; transfer of money to department of economic development; adoption and submission of proposed budget
- § 217.16 Commissions; annual reports

Sec. § 217.01 Declaration of public purpose

The financing of single, identified economic development or pollution control facilities and the provision of a program to finance multiple, unidentified economic development or pollution control facilities that promote a substantial likelihood of:

- (1) creating or retaining opportunities for gainful employment;
 - (2) creating business opportunities;
 - (3) providing reliable water services;
 - (4) the abatement, reduction, or prevention of pollution; or
 - (5) the removal or treatment of substances in materials being processed that otherwise would cause pollution when used;
- serve a public purpose and will be of benefit to the health or general welfare of the unit proposing to issue bonds for the financing or program or of the unit where the facilities that are to be financed are located.

Sec. § 217.02 Economic development department and commission; creation

Since it is necessary to finance economic development or pollution control facilities under IC 36-7-12, there is hereby established a department of economic development, to be controlled by a commission known as "the Town of Highland Economic Development Commission, to be governed by IC 36-7-12 as amended.

Sec. § 217.03 Commission members; appointment; terms of office

(A) The members of the economic development commission shall be appointed by the Town Council President, who is the municipal (town) executive. One (1) of the members shall be selected by the town executive, one (1) shall be nominated by the fiscal body of the county in which the town is located, and one (1) shall be nominated by the town fiscal body.

(B) The economic development commissioners shall take office upon their appointment, and their terms run from **February 1** after their original appointment, for a period of:

- (1) three (3) years, if selected by the town executive;
- (2) two (2) years, if nominated by the town fiscal body; and
- (3) one (1) year, if nominated by the county fiscal body.

Sec. § 217.04 Commissioners; selection and nomination; successors in office

(A) After the adoption of an ordinance establishing a department of economic development, the clerk-treasurer shall promptly notify the, the Town

Council President, the Highland Town Council and the Lake County Council of their requirement to make selections and nominations by this chapter.

(B) The officers required to make selections and nominations shall do so within fifteen (15) days after receiving that notice. Each selectee and nominee shall be appointed by the appropriate executive officer within ten (10) days after he receives the nominations.

(C) At the expiration of the respective terms of each of the original economic development commissioners, their respective successors shall be selected and nominated, before the expiration of the term, in the same manner as the original commissioner, and each succeeding commissioner shall serve for a term of four (4) years. A commissioner shall hold over after the expiration of his term until his successor is appointed and has qualified.

Sec. § 217.05 Commissioners; failure to nominate; vacancies

(A) If a fiscal body fails to make a nomination within the time specified by IC 36-7-12-9 and this chapter, the town executive may select and appoint a person without a nomination.

(B) If a person appointed as an economic development commissioner fails to take the oath of office required by IC 36-7-12-11 and this chapter within ten (10) days after the notice of his or her appointment is mailed to him, or if any commissioner, after qualifying, dies, resigns, vacates his office, or is removed from office, a new commissioner shall be appointed to fill the vacancy in the same manner as the commissioner in respect to whom the vacancy occurs was appointed. A commissioner appointed under this subsection shall serve for the remainder of the vacated term.

Sec. § 217.06 Commissioners; oaths; certificates of appointment

Before beginning his or her duties, each economic development commissioner shall take and subscribe an oath of office in the usual form, to be indorsed upon the certificate of his appointment. The certificate shall be promptly filed with the clerk-treasurer.

Sec. § 217.07 Commissions; organizational meetings; officers

(A) An economic development commission shall meet within thirty (30) days after its original appointment, at a time and place designated by the executive of the unit, for the purpose of organization, and shall meet to reorganize in February of each succeeding year.

(B) At the meeting required by section 217.07(A), an economic development commission shall elect one (1) of its members as president, one (1) as vice president, and one (1) as secretary. Each officer shall serve from the date of his election until January 31 after his election, and until his successor is elected and qualified.

Sec. § 217.08 Commissions; rules; meetings; quorum; approval of actions; records

(A) An economic development commission may adopt the bylaws, rules, and regulations that it considers necessary. Regular or special meetings shall be held at times and upon notice fixed by the commission, either by resolution or in accordance with the bylaws, rules, and regulations adopted.

(B) A majority of the members of an economic development commission constitutes a quorum.

(C) Actions of an economic development commission must be approved by a majority of the members of the commission.

(D) The records of an economic development commission are public records.

Sec. § 217.09 Removal of commissioners from office

An economic development commissioner may be removed from office for neglect of duty, incompetency, inability to perform his duties, or any other good cause, by the executive or fiscal body that selected or nominated him. The commissioner removed may obtain judicial review of the removal by filing a complaint in a circuit or superior court in the county, and the burden of proof is upon the executive or fiscal body that removed the commissioner. The cause shall be placed on the advanced calendar and be tried as other civil causes are tried by the court, without a jury. The court's judgment may be appealed in the same manner as any civil action.

Sec. § 217.10 Commissioners; expenses and per diem

An economic development commissioner is not entitled to any salary, but is entitled to reimbursement for expenses necessarily incurred in the performance of his duties and a per diem allowance for each day he attends a commission meeting, if that allowance:

- (1) does not exceed the per diem allowance for members of the general assembly; and
- (2) is authorized by the fiscal body that established the commission.

Sec. § 217.11 Commissioners; pecuniary interests in matters considered by commissions

(A) An economic development commissioner shall disclose any pecuniary interest in any employment, financing agreement, or other contract made under this chapter before any action by the commission on it, and shall not vote on any such matter, pursuant to IC 36-7-12-16.

(B) Notwithstanding any other law, a member of the fiscal body of a unit may have a pecuniary interest in any employment, financing agreement, or

other contract made under this chapter if he discloses his pecuniary interest before any action by the fiscal body on it and does not vote on any such matter.

(C) If any property in which an economic development commissioner or member of a fiscal body of a unit has a pecuniary interest is property required for the purposes of this chapter, that property may be acquired, but only by gift or condemnation.

Sec. § 217.12 Commissions; investigatory duties

(A) The economic development commission shall investigate, study, and survey the need for additional job opportunities, industrial diversification, water services, and pollution control facilities in the unit, and shall recommend action to improve or promote job opportunities, industrial diversification, water services, and availability of pollution control facilities in the unit.

(B) As part of an investigation under Section § 217.11 (A), an economic development commission may participate in the financing of business appraisals and financial feasibility studies of the possible purchase of a business with operations in the commission's jurisdiction by the employees of that operation through an employee stock ownership plan (ESOP). The employees must agree to repay the commission's contribution to the cost of the appraisals and studies if such a purchase is successful.

Sec. § 217.13 Other powers

(A) The economic development commission may:

(1) enter into agreements concerning, and acquire by any lawful means, land or interests in land and personal property needed for the purposes of this chapter;

(2) exercise its power of eminent domain to acquire unimproved land, unoccupied economic development facilities, or pollution control facilities and the land relating to those facilities, for the purposes of this chapter;

(3) purchase, lease as lessee, construct, remodel, rebuild, enlarge, or substantially improve economic development or pollution control facilities, including land, machinery, or equipment;

(4) lease economic development or pollution control facilities to users or developers, with or without an option to purchase;

(5) sell economic development or pollution control facilities to users or developers, for consideration to be paid in installments or otherwise;

(6) make direct loans to users or developers for the cost of acquisition, construction, or installation of economic development or pollution control facilities, including land, machinery, or equipment, with the loans to be secured by the pledge of one (1) or more taxable or tax-exempt bonds or other secured or unsecured debt obligations of the users or developers;

(7) enter into agreements with users or developers to allow the users or developers to wholly or partially construct economic development or pollution control facilities to be acquired by the unit;

(8) issue taxable or tax-exempt bonds under this chapter for single or multiple, identified or unidentified, economic development or pollution control facilities to accomplish the purposes of this chapter, and secure their payment as provided in this chapter;

(9) establish reserves from the proceeds of the sale of taxable or tax-exempt bonds, other funds, or both, to secure the payment of the principal and interest on the bonds;

(10) lend or deposit the proceeds of bonds to or with a lender for the purpose of furnishing funds to the lender for the purpose of making a loan to a specifically identified developer or user for the financing of specifically identified economic development or pollution control facilities under this chapter; and

(11) reimburse from bond proceeds expenditures for pollution control facilities or economic development facilities.

(12) exercise powers or make recommendations related to *economic development target areas* as provided in IC 6-1.1-12.1-7.

(B) This chapter does not authorize the financing of economic development facilities for a developer unless any written agreement that may exist between the developer and the user is fully disclosed to, and approved by, the economic development commission or the fiscal body of the unit, all pursuant to IC 36-7-12-18.

(C) In addition to those particularly described in this code, the economic development commission may also exercise any and all powers or conduct any and all activities described in IC 36-7-12 et seq.

Sec. § 217.14 Bonding powers

The economic development commission may initiate a program for financing economic development or pollution control facilities for developers and users in Indiana through the issuance of taxable or tax-exempt bonds. In furtherance of this objective, the economic development commission may do any of the activities outlined in IC 36-7-12-18.5

Sec. § 217.15 Special tax levy; transfer of money to department of economic development; adoption and submission of proposed budget

(A) The Highland Town Council as fiscal body the Town may levy a special tax to pay the costs of operation of the economic development commission, but this tax may not be used to pay any of the costs attributable to the acquisition and leasing or sale of economic development or pollution control facilities, except for advancements to be reimbursed from bond proceeds.

(B) Any money possessed by the Town raised by taxation for any type of industrial aid or development as authorized by any other statute may transfer that money to its department of economic development to carry out the purposes of this chapter.

(C) Before a tax is levied under §217.15 (A) or money is transferred under §217.15 (B), the economic development commission must:

- (1) adopt a proposed budget for the use of the money it will receive from the levy or transfer; and
- (2) submit the budget to the fiscal body of the unit that established the commission.
- (3) The fiscal body may review and modify the proposed budget.

Sec. § 217.16 Commissions; annual reports

In order to (1) disseminate information describing the benefits of all economic development commissions, (2) provide for efficient operations of all commissions; and (3) allow the department of commerce, on a recommendation basis, to assist all commissions in their endeavors; the economic development commission shall file a report, within thirty (30) days after its initial meeting and on each subsequent January 31, with the Town Council (fiscal body) and with the director of the department of commerce or its successor agency. These reports must be in writing on a form prescribed by the department of commerce or its successor agency and must contain all information required in that form.

Section 2. That the provisions set forth in this ordinance shall become and remain in full force and effect thereafter, immediately following the date of its passage and adoption upon its signature by the executive in the manner prescribed by IC 36-5-2-10(a).

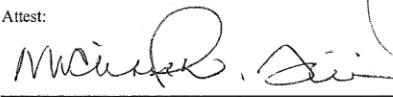
Introduced and Filed on the 26th day of June 2006. Consideration on same day or at same meeting of introduction was not entertained pursuant to IC 36-5-2-9.8.

DULY ORDAINED and ADOPTED this 10th Day of JULY, 2006, by the Town Council of the Town of Highland, Lake County, Indiana, having been passed by a vote of 5 in favor and 0 opposed.

TOWN COUNCIL of the TOWN of
HIGHLAND, INDIANA


Joseph A. Wszolek, President (IC 36-5-2-10)

Attest:


Michael W. Griffin, Clerk-Treasurer (IC 33-16-4-1; IC 36-5-6-5)



**HIGHLAND ECONOMIC DEVELOPMENT COMMISSION
PUBLIC MEETING MINUTES
WEDNESDAY, JANUARY 31, 2007**

The Highland Economic Development Commission (“EDC”, “Commission”) met for the first time on Wednesday, January 31, 2007, at 6:35 PM for a Public Meeting in the Council Chambers of the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana. The meeting was called to order by Town Manager, Rich Underkofler and minutes were recorded by Redevelopment Director Cecile Petro.

ROLL CALL:

Present on roll call included Commissioners David Beanblossom, Matthew Reardon, and George VandeWerken. Also in attendance was Town Council Vice President Joseph Wszolek, Redevelopment Commissioner Rich Garza, Redevelopment Director Cecile Petro, and Mr. Michael Lopez, a member of the public.

MINUTES OF THE PREVIOUS SESSIONS:

This was the first meeting for the EDC.

REPORTS AND COMMUNICATIONS:

Mr. Underkofler introduced members and others in attendance. He handed out the agenda, contact and term of service information, Ordinance No. 1324 of the Town of Highland which establishes the Economic Development Commission, and a portion of the Indiana Code which references Economic Development.

Commissioner Reardon provided information on the function and purpose of the Commission. He explained a number of tools available to the Commission including Industrial Development Bonds, Tax abatement, and Special Assessment Districts. He also answered questions regarding the differences between an Economic Revitalization Area (ERA), a Residentially Distressed Area (RDA), and an Economic Development Target Area (EDTA). These designations refer to the Tax Abatement tool. An ERA is a designation by the town and can include the entire town or any portion of the town. A town must have an ERA in order to create the Economic Development Target Area and a Residentially Distressed Area. RDAs allow tax abatement for residential areas and are limited to 15% of the jurisdiction’s land area. Economic Development Target Areas (EDTAs) allow tax abatements for commercial development and are limited to 10% of the jurisdiction’s land area. (This information was also provided by Cender and Company.

SPECIAL ORDERS:

Election of officers

After discussion regarding a slate of officers, Commissioner VandeWerken nominated Matt Reardon for President, himself for Vice President, and Commissioner Beanblossom for Secretary. Commissioner Beanblossom seconded the motion. **The motion passed upon unanimous consent.**

COMMUNICATIONS: None

UNFINISHED BUSINESS AND GENERAL ORDERS: None

NEW BUSINESS:

The Commission members provided information about themselves and why they were interested in this appointment. Commissioner VandeWerken suggested that the Economic Development Commission hold joint meetings with the Redevelopment Commission when issues arise that impact both commissions. Commissioners agreed that this would be a good idea, and until that time, the EDC should have a liaison to the Redevelopment Commission. Commissioner Reardon made a motion to select Commissioner VandeWerken as an EDC Liaison to the Redevelopment Commission. Commissioner Beanblossom seconded the motion. **Motion carried by unanimous consent.**

Commissioners discussed times and days of the week for future meetings. Since the EDC does not meet regularly, Commissioners offered days and times that they would be available. All members could meet during normal business hours on Tuesdays, Wednesdays, and Thursdays with at least two weeks notice.

BUSINESS FROM THE FLOOR: None

CLAIMS: None

NEXT MEETING: Not established at this time

ADJOURNMENT:

The meeting was adjourned by general consent at 8:07 PM

**HIGHLAND ECONOMIC DEVELOPMENT COMMISSION
PUBLIC MEETING MINUTES
THURSDAY, MAY 31, 2007**

The Highland Economic Development Commission (“EDC”, “Commission”) met on Thursday, May 31, 2007, at 9:05 AM for a Public Meeting in the Upper Conference Room of the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana. The meeting was called to order by Commission President, Matt Reardon. Minutes were recorded by Redevelopment Director Cecile Petro.

ROLL CALL:

Present on roll call included Commissioners David Beanblossom, Matthew Reardon, and George VandeWerken. Also in attendance were Town Council Vice President Joseph Wszolek, Town Manager Rich Underkofler, Redevelopment Director Cecile Petro, and Rex Burton, a member of the Sanitary District Board. President Reardon stated that a quorum was present.

MINUTES OF THE PREVIOUS SESSIONS:

Commissioner VandeWerken made a motion to approve the minutes. Commissioner Beanblossom seconded the motion. **The motion passed upon unanimous consent.**

REPORTS AND COMMUNICATIONS: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

The Town Manager presented information on the Economic Development Target Area (EDTA) designation. He stated that this designation would allow retail establishments to apply for tax abatement. The proposed area is co-terminus with the 2006 Redevelopment Area and the Economic Revitalization Area (ERA). All applications will be routed to the Redevelopment Commission (RC) for their review. The Redevelopment Commission will examine the application to be sure that it is consistent with its design and architectural standards and guidelines which are currently being developed. The Redevelopment Commission will make a recommendation to the Town Council and the Town Council will decide whether or not the abatement will be approved.

The Economic Development Commissioners discussed the meaning of retail and requested clarification of the term. President Reardon explained that retail is considered an establishment that sells goods.

The Economic Development Commissioners also discussed the implications of the 15% limit on the area for establishing the EDTA. Commissioner Reardon stated that the proposed area could be modified or reduced in the future. Also, another area of town can be added until the 15% is reached. If this measure passes, the EDTA will make up about 4% of the town. Approval of the abatement and the designation of the area should be the same timeframe.

Commissioners also requested clarification on the repercussions for the applicant if he/she does not meet the tax abatement requirements after a tax abatement has been granted. President Reardon stated that the Town could negate the tax abatement for the next year. The Town Council can also limit the amount of abatement in the future.

Applicants for tax abatement may be required to provide 1% of the total project costs to the Redevelopment Commission for their use in the redevelopment of the town. The Redevelopment Commission will make a recommendation to the Town Council for the disposition of the monies and the Town Council will make the final decision.

Commissioner VandeWerken made a motion to designate the Economic Development Target Area, which will be co-terminus with the boundary of the 2006 Highland Redevelopment Area, in order for tax abatement to be available for retail uses. Commissioner Beanblossom seconded the motion. **Motion approved by unanimous consent.**

BUSINESS FROM THE FLOOR: None

PUBLIC COMMENT: None

CLAIMS: None

NEXT MEETING: Not established at this time

ADJOURNMENT:

At 9:36 AM, Commissioner Beanblossom made a motion to adjourn the meeting. Commissioner VandeWerken seconded the motion. **Motion approved by unanimous consent.**