

**Enrolled Memorandum of the Meeting
Study Session/Meeting (Convened Electronically/Hybrid)
Twenty-Ninth Town Council of Highland
Monday, September 19, 2022**

The Twenty-Ninth Town Council of the Town of Highland, Lake County, Indiana met in a study session on **Monday, September 19, 2022**, at 8:15 O'clock P.M., in the regular place, the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana.

*This meeting was convened as both an in person and an electronic meeting. Some persons were participating remotely on a Zoom platform that allowed for real time interaction between and among all of the Town Council and supported the public's ability to observe and record the proceedings. People were able to participate in person and remotely, allowing for all councilors to be simultaneously seen and heard. When the agenda item provided for public comment, this was supported as well. Councilor Toya Smith, Councilor Mark Schocke, Councilor Tom Black, Councilor Roger Sheeman, Councilor Zemen all participated in person.

The meeting was streamed live on the Town of Highland, Indiana Facebook page and participation was supported by the Zoom on-line communication platform.

Silent Roll Call: Councilors Bernie Zemen, Toya Smith, Mark Schocke, Tom Black, Roger Sheeman, were present in person as indicated. The Clerk-Treasurer, Mark Herak was present to memorialize the proceedings. *A quorum was attained.*

Officials Present: Ed Dabrowski, IT Director, was in person.

General Substance of Matters Discussed.

Discussion: Redistricting.

Council President Zemen welcomed Derek Snyder of Nies Engineering then turned the floor over to him.

Derek said I was wondering how we could approach this and provide basically a better version which is up on the screen. I have paper copies which I will distribute later. The first slide is the current ward map that was based on the last census and is presently on file in the Lake County Election Board. They said it is current as of June of this year, however, it differs from the Highland Municipal Code. That is a mystery because it has Councilor's Zeman and Sheeman in the same ward.

Both Councilors offered to resign.

Derek said, adding to the mystery, is that the populations are out of bounds. This is what the boundaries that are on file with Lake County's Election Board. If you zoom in a little bit

to the bottom, right, you'll see that each ward is summarized by population. We have Ward One at a population of 6,200 which is high and whereas Ward Three is low at 4,200 which is not acceptable as each Ward must be within 10% of each other. So obviously, those boundaries need to be looked at.

The Clerk-Treasurer added, when we completely redistricting 10 years ago, the population of each ward was within 1% and Councilor's Zemen and Sheeman were not in the same ward.

Derek said the next map is based upon the 2022 census. As a general rule, any census block has to follow the lines and you cannot split a census block. The same would apply to precincts but it is almost impossible to do and since all the members are voted on at large, you can split precincts between wards. If you look at the map, you'll see the number 3 which signifies Ward 3 and right below it you see census block 1000 and right below that the number 100 which is the census population for census block 1000. If you look at the tab in yellow on the spreadsheet, that's all of the census plots within the town and their current population, and which ward they're currently in. As mentioned above, it is highlighted in yellow. The next two tabs, we've looked at adjusting some of those boundaries to get it approximately equivalent for each of the Wards. These boundaries are only for discussion purposes, as to where the final boundaries are placed, is up to the Council. These are just the starting points, as we tried to get the populations balanced in each Ward. Recapping, the first PDF matches the districts as they currently are. Ward 1 is generally the western part of the Town. Ward 2 is the middle or central. Ward 3 spans from the north end of town, all the way to the northeast corner. Ward 4 is the eastern part of Town and Ward 5, the southern portion of Town. With the boundaries drawn this way, the range in population between Wards would be a low of 4,750 and a high of 5,500. If I wanted to take Ward 3 and move the boundaries more to the southeast, basically having everything south of Ridge Road and all the way to Kleinman Road and then taking out the north section of Ward 3,

Councilor Schocke commented don't get me wrong, I love my people on the north side of Town but it just didn't make a whole lot of sense having that crazy snake of a district. It was wild.

Derek continued, this is just an exercise in showing how you can adjust the boundaries. If you look at the population comparing Wards 3 and 4 with this design, Ward 3 is at 4,757 and Ward 4 is at 4,755 or within 2 people. We can move the boundaries, and Ward 3 changes from 4,747 versus 4,765. Its just rearranged a little differently. You can start playing around with all kind of lines and precincts but you have to be careful to make sure you don't have congressional line problems.

Councilor Sheeman asked if Derek had any of the PDF's in handout form and he would like to take a look and study them.

The Clerk-Treasurer advised Derek not to provide samples until a contract was put in place.

Councilor Schocke agreed with the Clerk-Treasurer about proprietary information and felt if we do proceed in the direction of Nies Engineering, it would make sense to devote a full study session and invite the public and have them provide input.

The Clerk-Treasurer commented that is how the previous Council's handled the redistricting. Whereas, they didn't have sophisticated programs but rather loaded the census population unto the now Clerk-Treasurer's laptop and using excel, the redistricting was complete. The public was invited to attend and provide input and the census blocks were rearranged accordingly.

The Council asked Derek to provide the Clerk-Treasurer with a one-page letter or agreement or a contract and the Clerk-Treasurer will place it on the agenda for the 26th of September.

Council Schocke re-emphasized that he asked Derek to attend because redistricting has to be completed by the 31st of December.

The Clerk-Treasurer said he sent all of the Council a copy of the head of the Lake County Election and Registration Board's e-mail out lining the process and time frame.

Discussion: Ultra property. Jack Rosencrans of DLC Management Corporation to discuss the property located at 8401 Indianapolis Blvd.

We had an application in front of you all for a use variance to make 40% of the building self-storage. After speaking with our attorney, Dave Westland, we decided to take a step back and withdraw our petition. After withdrawing our petition, I did ask the Clerk-Treasurer to be given a chance to speak to the Council. I wanted to have an open discussion with the Council regarding our proposal. These are just handouts of what we presented at the BZA hearing. Over the past year, I had been having discussions with Kathy and attended different meetings and study session with the Plan Commission. The plan I passed out was the plan presented to the BZA. We were planning on making façade improvements, improvements to the infrastructure, storm water detention, landscaping, etc. and we weren't going to rely on public dollars. The money generated from the self-storage, which is lacking in this area, would have allowed us to make those improvements without having to rely on public dollars. In the end, this isn't what the Council wanted but it is a use that's relatively under served in this market. DLC owns some 80 shopping centers around the country. Retail is what we do. This is the property that's sort of in our bread and butter, in terms of finding retail tenants, and the reality is that this particular property, we've not been able to find. We've been in front of every national group we can imagine. They all say, we want to be down by shops on Main, or perhaps up by Walmart. But basically, we're sort of between the two roads of where the retailers are, and as a result we haven't really been able to get any interest in it. It's not a function of the physical conditions of the property. It's a matter of location. The challenge has been to find tenants and fill up space. But not just tenants, the right tenants who are

willing to pay rent that supports us making a multi-million-dollar investment. I know that Mr. Georgeff has the impression that we just want to do self-storage here but in our mind that's the solution of what financially can be afforded at this time. I welcome your suggestions.

Councilor Schocke thanked Mr. Rosencran for attending our meeting, especially flying in from NY. First of all, let me start with the things I do like about it. I love the fact that you're doing water retention and landscaping and things like that. The current image and structure are basically super outdated with regard to those things. So, I appreciate that. I think the issue and I don't want to speak for the whole council but for me, self-storage is not necessarily the crown jewel of what you want to be the gateway to your town. It is on the main drag of the Town. From an economic development and I think from our perspective, at least from my perspective, it seems like this building is kind of old and leaves some things to be desired. Not that I'm a huge fan of TIFs or tax increment financing but I'm saying, if this were a situation where some of the infrastructure could be born through a TIF, making the building a crown jewel as you enter Highland, I could go along with it. I think this is a text book example of what TIF is but not for self-storage. That is very preliminary. I don't know what you are proposing or if we could even get there.

Councilor Zemen said he would love a Trader Joe's for example.

Mr. Rosencrans said everyone wants a Trader Joe's but the question remains, who's going to be the benefit of it. As I mentioned, we had Hobby Lobby on our radar screen. They said they had Highland on their expansion map. We told them we have 50,000 square feet available. There is no other box in the area that can provide 50,000 square feet. The other could be Marshall's but being next to Michael's that was not an option.

Councilor Zemen said it is interesting to be because we're so close to the interstate. I drive past it. It's visible from the Blvd. There's high traffic. We thought we have Total Wine going into Highland Grove and they pulled out. They even applied for a sign permit. How about a Binnie's Beverage Depot?

Mr. Rosencrans responded that the first problem is there are no liquor licenses available but the bigger problem is that this is not the location retailers want to be in. We have relationships with all national regional retailers, and this location is just not exactly what they want to be. I think the Veterinary Clinic is going to help.

Councilor Sheeman asked Mr. Rosencrans a question, the left side of the property, it seems, to be coming along. I think the antique mall has been very successful. They're opening up another place and another guy wants to build on the corner property, where a car repair shop wants to go. I think DLC owns that property, right?

Mr. Rosencrans responded, we do.

Councilor Sheeman continued, so, when you say nobody wants to come here and I see what is happening on the left side, would that not induce businesses to look at the Ultra property. I know you guys have been paying taxes on this for many years, five, six years, seven years now.

Mr. Rosencrans said DLC owned the property when Ultra was there.

Councilor Sheeman continued, I know you did. You owned everything and then bankruptcy. And then you bought the property back at a really good price.

Mr. Rosencrans said we did because we thought, the property would be great for a grocery store. We have been trying to find a grocer for that location for the last 5 years.

Councilor Sheeman asked Mr. Rosencrans, have you ever thought of selling the property. I mean, you paid such a low price for it and if you took a million to the banks, its out of your hands. You don't have to pay property taxes anymore. Maybe a local developer would buy it for the right price.

Mr. Rosencrans responded at this particular time, the principles aren't interested in selling. They like this property and think its good real estate.

Councilor Sheeman asked if DLC ever thought about multi-use, where retail is on the bottom and residential on the top.

Mr. Rosencrans responded that they had. God knows we've talked to residential developers who say that the incomes don't support that. They are looking at \$2,000 per month in rent for the capital required for this type of project and the market in this area, won't support that price. Part of the problem is that for the last year and a half, construction costs have spiraled out of control. When I first came on board, I looked at every possible use. We spent a year of marketing to flex industrial and light industrial like uses. I think the location is good. I think there are physical constraints of the property. These uses require truck traffic and loading docks and I know from the Town's perspective they don't want high truck usage but also the building is triangular in shape and it's a hard layout.

Councilor Sheeman asked Mr. Rosencrans if DLC has thought outside of the box.

Mr. Rosencrans said they had. They talked with Kathy about indoor farming. It's an investment that would require \$15M and they don't pay you. You are looking at a very specific use that uses a huge amount of water.

Councilor Sheeman asked a water park or entertainment center or concert hall. I'm just throwing things out.

Mr. Rosencrans said we have hired brokers. Kathy would continue to send us opportunities. We talked with the Lake County Economic Council and had a meeting.

They had some industrial clients who seemed interested. It was real money and it just kind of fizzled. People ask about Costco or Sam's Club but the property is not big enough. You would need twice as much property.

Councilor Schocke suggested a Sam's Club Express.

Mr. Rosencrans said another challenge is retailers. There's only so many retailers looking for big boxes. So, we came up with the idea of self-storage. Self-storage would fill up the box and make it look better and the property would remain commercial.

Councilor Schocke said he was dumbfounded. By this I mean, it's not that I don't believe you've been working your yourself to death to try and find something. There's the interstate nearby, 80/94 which is like a mile away. Maybe a little over ten or fifteen years ago, that area by the Interstate was like, nothing. It was a golf course and park. And then, Hammond redeveloped the hell out of it all. And now, you've got a Cabela's, a Walmart, a Culvers. Other businesses are popping up. The same thing south of Highland in Schererville. You had putt-putt golf course and a go cart track and that's further away from the Interstate and now some 20 years later, you have developments popping up all over the place. You have Highland Grove in Highland and Shops on Main in Schererville and yet Ultra remains a dessert.

Mr. Rosencrans said he can't explain it but wanted to address Councilor Sheeman's comments regarding the Antique Mall. The owner deserves a lot of credit. They built that business. That's their business. It wasn't intended that they had to go out and solicit retailers to fill an empty box store. They had to bring their own business to the building from Philadelphia, the Buyer's Market or the Savers Market. They put zero dollars into the store other than cheap racks inside the store. The issue with the Ultra-box is that it's been occupied by a single tenant for forty or fifty years, so the infrastructure is dated and requires a lot more investment. You just can't finance that type of improvement to this building.

Councilor Schocke said what if you knocked the building down. What if we used TIF to help you bring the building down. We kick in money to demo the building or help with the infrastructure in order to put something more desirable. Make it virgin ground or something that can be literally redeveloped from the ground up. Is that something that's desirable to these companies.

Mr. Rosencrans responded no. They want to know when's their opening date and they want the building to their specs. So, when I say their specs, all of these national groups want their brand of air conditioning and this is where my bathrooms go or this is the type of bathroom fixtures I want installed. They want the landlord to build it out and I'll pay you rent. The landlord might start making money around near nine or ten.

The Clerk-Treasurer asked, given what you have told us, why don't you think your principals would be willing to part with the Ultra building. I mean, we have developers interested in the property as we speak. They have tenants supposedly already lined up

but keep telling us that DLC is unwilling to deal with them. Do you have a price for the complex?

Mr. Rosencrans said he was not ready to put a price on the building and again his principals are not willing to sell the building. He added, I can tell you we are losing money.

Councilor Sheeman said if you are bleeding money and someone is interested in buying it, as long as, it's a reasonable price allowing you to make a few bucks, that seems to solve everything to buy it from you, it might be the best decision

Mr. Rosencrans said nobody has come to me in the past year with any interest, so I'm curious to hear that there's some interest.

Councilor Schocke said if you brought the building down and to made it desirable. Maybe the redevelopment can come up with X. I don't know what X is, but if the plan is good enough, and it's attractive enough, and it finances itself. DLC pays its own bonds. I want to win here. I really want you guys to win. I want us to win.

Mr. Rosencrans said I appreciate the sentiment like you said It's a textbook case of a tiff, but its short of finding a tenant. We got to find a user to justify those types of investments. The self-storage we proposed is not a bunch of garage doors or sits in the middle of a parking lot. This looks like a first-class commercial property with other retailers there I hear you that its not want you want but it was our solution that is unacceptable.

Councilor Sheeman said maybe somebody will pay you want you want for it or maybe you can negotiate with somebody who is willing to put in retail. You have to understand that this is the wall, right here because we don't want self-storage at that sight. You are going to have to tell your principles that the Town is not interested in self-storage. I don't what to tell you or what else you can do if you can't attract retailers. Maybe its time for them to say, I don't see how we're going to get anything out of this Council and you suggest trying to sell and see what happens.

Mr. Rosencrans said I can tell you right now they are not motivated to sell so I guess we are at a standstill.

Councilor Schocke added that this property has been an eyesore to the Town for a long time and we would certainly be overjoyed to have some kind of development there as sometimes newest is the best.