



CITY OF PORTAGE, INDIANA
PORTAGE REDEVELOPMENT COMMISSION

**Annual Report to the Executive for
Fiscal Year Ending December 31, 2012**

(January 1, 2012 through December 31, 2012)

Dated:
January 30, 2013

Prepared by:

Cender & Company
L.L.C.

Portage Redevelopment Commission

6070 Central Avenue
Portage, IN 46368
219-764-5743

TRANSMITTAL LETTER

January 31, 2013

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

Dear Honorable James Snyder, Mayor:

Per Indiana Code 36-7-14-13(a), within 30 days after close of each calendar year, the Portage Redevelopment Commission shall file with the unit's executive 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") before January 31 after the close of each calendar year.

Therefore, enclosed is the **Annual Report to the Executive for Fiscal Year Ending December 31, 2012** as prepared for the Portage Redevelopment Commission. I have reviewed the enclosed Annual Report and find it to be complete and prepared in compliance with Indiana Code 36-7-14-13.

The Commission looks forward to our continued cooperation with the City elected officials to provide redevelopment and economic development strategies and opportunities in the City so that together we may provide opportunities for new development, economic development, redevelopment and rehabilitation in the Redevelopment District.

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 contact me or any Commission member.

Very truly yours,



John Shepherd
Development Finance Advisor

Enclosure

cc: Members of the Portage Redevelopment Commission
Lynn Reed, Deputy Clerk-Treasurer – City of Portage, Indiana and Recording Secretary to the Commission
Gregg Sobkowski, Hodges & Davis, P.C., Counsel to the Commission

**CITY OF PORTAGE
PORTAGE REDEVELOPMENT COMMISSION**

**Annual Report to the Executive for
Fiscal Year Ending December 31, 2012**

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 (the "City") Redevelopment Commission within thirty (30) days after the close of each calendar year, the Commission shall file with the unit's executive (the Mayor of the City of Portage) 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 January 31 after the close of each calendar year.¹

The purpose of this 2012 Annual Report of the Portage Redevelopment Commission (the "2012 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 which is coterminous with the corporate boundaries of the City- in accordance with the Act, titled "Redevelopment of Areas Needing Redevelopment Generally; Redevelopment Commissions" and Indiana Code 36-7-25 titled "Additional Powers of Redevelopment Commissions" (together, the "Act").

¹ Memorandum dated January 2, 2013 from Brian E. Bailey, Commissioner of the Indiana Department of Local Government Finance, to redevelopment commissions discussing new reporting requirements for redevelopment commissions.

It is the duty of the Commission in accordance with Section 11 of the Act 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 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 Act;
- Make findings and reports on their activity under the Act 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 Act; and
- Replan and dispose of areas needing redevelopment in the manner that best serves the social and economic interests of the District and its inhabitants.

The Commission is a separate, legal entity; however, the City Council serves as the legislative body, approving legislative actions of the Commission.

City staff to the Commission coordinates budget and reporting requirements, along with the preparation of the Commission minutes. The Commission retains the professional services of a municipal financial advisory consultant 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 District, and other redevelopment and economic development planning and strategic matters. The Commission also retains the professional services of 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.

QUALIFIED AND ACTING COMMISSIONERS

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

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

The terms of office shall be in accordance with Section 7 of the Act with each member, upon taking and subscribing to an oath of office as certified with the Clerk-Treasurer, serving for a period of one year from the first day of January after appointment and until a qualified successor is appointed.

The Commission is comprised of five members as appointees by the appropriate appointing authorities in accordance with I.C. 36-7-14-6.1. The following individuals were qualified and appointed as Commission members ("Commissioners") during calendar year 2012. At the January 3, 2012 meeting of the City Council, the members appointed the following members as the Commission for calendar year 2012.

<u>Commissioner</u>	<u>Appointing Authority</u>	<u>Appointment</u>	<u>Date of Appointment²</u>
1) James Snyder	Mayor	Member	January 3, 2012
2) Susan Kelly Johnson	Mayor	Member	January 3, 2012
3) Steve Nelson	City Council	Member	January 3, 2012
4) Greg Lach	Mayor	Member	January 3, 2012

² Appointments made during a regular official meeting of the City of Portage City Council meeting.

5) Sue Lynch City Council Member January 3, 2012

Furthermore, in accordance with I.C. 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.

The following nonvoting advisor has been appointed for terms ending December 31, 2013.

Representing the Portage Township School Corporation

Bill Fekete Mayor Nonvoting Advisor

COMMISSION OFFICERS

At the January 25, 2012 meeting of the Commission, the members of the Commission nominated and elected the following from its membership as Commission officers:

<u>Commissioner</u>	<u>Office</u>
Mayor James Snyder	President
Susan Kelly-Johnson	Vice-President
Steve Nelson	Secretary

The Commission further approved Lynn Reed, Deputy Clerk-Treasurer to provide administrative services to the Commission. The Commission utilizes the services of the Office of the Clerk-Treasurer to provide recordings of minutes, document retention and pay the Commission's bills.

MEETINGS OF THE COMMISSION

The Commission is scheduled to hold regular meetings as on the fourth Wednesday of each month at 4:00 p.m. to conduct official business in the City of Portage Council Chambers – 6070 Central Avenue, Portage, IN 46368.

During calendar year 2012, the Commission met on the following dates:

January 25, 2012	July 25, 2012
February 22, 2012	August 22, 2012
March 7, 2012	September 26, 2012
April 25, 2012	October 24, 2012
May 23, 2012	November 28, 2012
June 27, 2012	December 26, 2012

The 2012 meeting minutes of the Commission for consideration and approval by the Commission are on file in the Office of the Portage Clerk-Treasurer at City Hall and are available for review and inspection during regular business hours.

COMMISSION EMPLOYEES

The Commission utilizes the staff of the City of Portage to provide daily administrative, management services, property maintenance.

<u>Commission Staff</u>	<u>Position</u>	<u>Annual Salary/ Compensation</u>
Lynn Reed	Secretary/Treasurer	\$ 9,360.00
Albert Monroe	Director of Public Works	5,796.00
Paul Crum	Property Maintenance	35,199.14
Bonnie Kidwell	School Crossing Guard	2,475.00

GENERAL PROFESSIONAL SERVICES PROVIDED TO THE COMMISSION

The Commission utilized the following legal counsel services and professional advisory and consulting services during calendar year 2012 as approved at the January 25, 2012 meeting of the Commission.

<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	Karl Cender

DISTRIBUTIONS OF TAX INCREMENT IN 2012

The Office of the Lake County Auditor distributed tax increment to the Commission in Fiscal Year 2012.

<u>Allocation Area</u>	(1 st Installment) <u>June 2012</u>	(2 nd Installment) <u>December 2012</u>	<u>Total</u>
<i>Southport Economic Development Area</i>	<i>\$3,429,690</i>	<i>\$2,746,683</i>	<i>\$6,176,383</i>

COMMISSION OUTSTANDING DEBT SERVICE

The Commission had the following bonds outstanding as of December 31, 2012:

	<u>Amount Outstanding</u>	
Economic Development Lease Rentals – 1993	\$360,000	2014
Economic Development Revenue Bonds, Series 2006	\$14,355,000	2027
Tax Increment Revenue Bonds, Series 2008	7,015,000	2022
Tax Increment Revenue Bonds, Series 2010	5,530,000	2028

The above bonds are payable from tax increment. The 1993 Lease Rental Bonds are also payable from rental income the Commission receives.

SUMMARY OF EXPENDITURES

Attached to this report is a summary of expenditures from Redevelopment General Fund (Fund 406)(Non Tax Increment Fund) and Redevelopment Allocation Area Fund (Fund 407) (Tax Increment Fund) for the calendar year ended 2012.

ENDING FUND BALANCES

The Commission's ending fund balances as of December 31, 2012 are as follows:

Redevelopment General Fund (Fund 406)	\$ 52,356
Redevelopment Allocation Area Fund (Fund 407)	8,032,094
Tax Increment Revenue Bonds, Series 2010 Bond Fund	8,102
Series 2010 Debt Service Reserve Fund	570,500
Series 2008 TIF Bond Fund	308,693
Series 2006 Debt Service Reserve Fund	1,306,985
Series 2006 TIF Bond Fund	587,877

ACCOUNTING OF TAX INCREMENT REVENUE GRANTED OR LOANED TO AN ENTITY

The Commission did not grant any tax increment revenue to any entity during fiscal year 2012. The Commission made an interfund loan from its Redevelopment Allocation Area Fund to the City's CREDIT Fund of \$505,846 which was repaid on April 30, 2012. The Commission also made an interfund loan to the Redevelopment General Fund in the amount of \$536,522 which is outstanding as of December 31, 2012.

SUMMARY OF COMMISSION ACTIVITIES IN 2012

The Commission adopted and approved the following resolutions in 2012:

- Resolution Amending the Resolution of the Portage Redevelopment Commission entitled Declaratory Resolution of the City of Portage Redevelopment Commission to amend Declaratory Resolution and Economic Development Plan to designate Fronius USA LLC as the designated taxpayer for purposes of capturing increases in depreciable personal property assessed value, adopted on May 23, 2012.
- Resolution Amending the Resolution of the Portage Redevelopment Commission entitled Declaratory Resolution of the City of Portage Redevelopment Commission for the expansion of the Southport Allocation Area and for land acquisition, adopted on June 27, 2012.
- Resolution Establishing a Small Purchase Policy for the City of Portage Redevelopment Commission adopted on June 27, 2012, which outlines the procedures for purchases costing more than \$10,000 but less than \$50,000 purchases less than \$10,000.
- Resolution Amending the Resolution of the Portage Redevelopment Commission entitled Declaratory Resolution of the City of Portage Redevelopment Commission for the expansion of the Southport Allocation Area and for land acquisition, adopted on August 22, 2012. This resolution confirms the resolution amending the declaratory resolution adopted in June 27, 2012.

The 2012 meeting minutes of the Commission that outlines other activities of the Commission are on file at the Office of the Portage Clerk-Treasurer at City Hall and are available for review and inspection during regular business hours.

Appropriation Report

All History

Fund/Department 406 Thru 407

For the month of December 2012

Grouped By Fund

Ordered By Appropriation

APPROP	TITLE	FORWARDED	CURRENT	TRANSFRD	ADDL/ADJ	ENCUM	EXP-MTD	EXP-YTD	LIQ NOT EXP FWD	UNENCUM BAL	UNEXPEND BAL	% LEFT
**Fund 406												
406400040.000	REDEV GEN: TEMP LOAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
406400050.000	REDEV GEN: INVEST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
406400111.000	REDEV GEN: SALARIES	0.00	0.00	524101.04	0.00	0.00	42868.00	856445.87	0.00	-332344.83	-332344.83	-63.41%
406400211.000	REDEV GEN: OFFICE SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
406400221.000	REDEV GEN: OPER SUPPLIES	0.00	0.00	734.70	0.00	0.00	0.00	734.70	0.00	0.00	0.00	0.00%
406400311.000	REDEV GEN: PROF SVCS	0.00	0.00	32738.90	0.00	0.00	0.00	32738.90	0.00	0.00	0.00	0.00%
406400313.000	REDEV GEN: CONSULTING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
406400314.000	REDEV GEN: MARKETING (ABATE	0.00	0.00	182017.00	64068.00	0.00	0.00	8590.00	0.00	237495.00	237495.00	96.50%
406400341.000	REDEV GEN: INSURANCE	0.00	0.00	450.00	0.00	0.00	0.00	450.00	0.00	0.00	0.00	0.00%
406400344.000	REDEV GEN: INS BONDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
406400347.000	REDEV GEN: EMB ADMIN	0.00	0.00	433107.01	0.00	0.00	0.00	670154.42	0.00	-237047.41	-237047.41	-54.73%
406400348.000	REDEV GEN: EMB CLAIMS	0.00	0.00	2172.77	0.00	0.00	267442.81	300389.49	0.00	-298216.72	-298216.72	***.***%
406400361.000	REDEV GEN: REPAIRS & MAINT	0.00	0.00	4621.97	0.00	0.00	0.00	4621.97	0.00	0.00	0.00	0.00%
406400391.000	REDEV GEN: CONTRACTS	0.00	0.00	89497.20	0.00	0.00	0.00	89497.20	0.00	0.00	0.00	0.00%
406400392.000	REDEV GEN: SUBS/MISC	0.00	1083119.30	-1269440.59	322642.50	0.00	12773.74	73142.30	0.00	63178.91	63178.91	46.34%
406400441.000	REDEV GEN: EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
406400451.000	REDEV GEN: CAPITAL OUTLAYS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
SubTotal Fund 406		0.00	1083119.30	0.00	386710.50	0.00	323084.55	2036764.85	0.00	-566935.05	-566935.05	-38.57%
**Fund 407												
407410040.000	REDEV AA: TEMP LOAN	0.00	0.00	0.00	0.00	0.00	536522.19	1042368.56	0.00	-1042368.56	-1042368.56	***.***%
407410050.000	REDEV AA: INVESTMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
407410112.000	REDEV AA: HOURLY WAGES	0.00	0.00	40579.12	0.00	0.00	3851.98	40579.12	0.00	0.00	0.00	0.00%
407410221.000	REDEV AA: OPER SUPPLIES	0.00	0.00	1861.35	0.00	0.00	333.46	1861.35	0.00	0.00	0.00	0.00%
407410311.000	REDEV AA: PROF SVC	0.00	0.00	129608.12	0.00	0.00	22587.82	129608.12	0.00	0.00	0.00	0.00%
407410341.000	REDEV AA: INSURANCE	0.00	0.00	9365.00	0.00	0.00	75.00	8757.00	0.00	608.00	608.00	6.49%
407410351.000	REDEV AA: GAS & ELECTRIC	0.00	0.00	34786.98	0.00	0.00	2223.16	34786.98	0.00	0.00	0.00	0.00%
407410361.000	REDEV AA: REPAIRS & MAINT	0.00	0.00	326641.20	0.00	0.00	86042.41	326641.20	0.00	0.00	0.00	0.00%
407410381.000	REDEV AA: INDEBTEDNESS	0.00	0.00	2519699.69	0.00	0.00	707437.50	2519699.69	0.00	0.00	0.00	0.00%
407410384.000	REDEV AA: YC DEMOLITION	0.00	0.00	1325.00	0.00	0.00	1325.00	1325.00	0.00	0.00	0.00	0.00%
407410385.000	REDEV AA: PLC TECH REVIEW	0.00	0.00	10996.62	0.00	0.00	0.00	10996.62	0.00	0.00	0.00	0.00%
407410386.000	REDEV AA: UNIVERSITY CENTER	0.00	0.00	1348780.93	0.00	0.00	20458.15	1348780.93	0.00	0.00	0.00	0.00%
407410387.000	REDEV AA: STREET	0.00	0.00	4117.95	0.00	0.00	4117.95	4117.95	0.00	0.00	0.00	0.00%
407410387.001	REDEV AA: C HALL RENOVATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
407410388.000	REDEV AA: LMW PROGRAM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	***.***%
407410389.000	REDEV AA: FOUNDERS SQUARE	0.00	0.00	18730.00	0.00	0.00	18730.00	18730.00	0.00	0.00	0.00	0.00%
407410390.000	REDEV AA: CENTRAL EAST	0.00	0.00	105620.00	0.00	0.00	10475.00	105620.00	0.00	0.00	0.00	0.00%
407410390.001	REDEV AA: CENTRAL EAST	0.00	0.00	101950.00	0.00	0.00	88250.00	101950.00	0.00	0.00	0.00	0.00%
407410391.000	REDEV AA: CONTRACTS	0.00	0.00	73071.73	0.00	0.00	14313.00	73071.73	0.00	0.00	0.00	0.00%

Appropriation Report

Date: 01/21/13 04:27:22 PM

APPRACACCOUNTS.FRX

APPROP	TITLE	FORWARDED	CURRENT	TRANSFRD	ADDL/ADJ	ENCUM	EXP-MTD	EXP-YTD	LIQ NOT EXP FWD	UNENCUM BAL	UNEXPEND BAL	% LEFT
407410392.000	REDEV AA: SUBS/MISC	0.00	9916729.66	-6654547.80	3512111.05	0.00	1298.57	953155.99	0.00	5821136.92	5821136.92	85.92%
407410393.000	REDEV AA: THEATER DRIVE	0.00	0.00	21330.00	0.00	0.00	6587.50	21330.00	0.00	0.00	0.00	0.00%
407410394.001	REDEV AA: NORTHSIDE TRAIL PE	0.00	0.00	69438.20	0.00	0.00	0.00	69438.20	0.00	0.00	0.00	0.00%
407410394.002	REDEV AA: NORTHSIDE TRAIL	0.00	0.00	20012.96	0.00	0.00	0.00	20012.96	0.00	0.00	0.00	0.00%
407410395.000	REDEV AA: DOWNTOWN PHASE II	0.00	0.00	75290.00	0.00	0.00	0.00	75290.00	0.00	0.00	0.00	0.00%
407410396.000	REDEV AA: LKFT ENHANCEMENT	0.00	0.00	106782.20	0.00	0.00	6938.78	106782.20	0.00	0.00	0.00	0.00%
407410397.000	REDEV AA: US 20 CORRIDOR	0.00	0.00	11321.05	0.00	0.00	2670.00	11321.05	0.00	0.00	0.00	0.00%
407410398.000	REDEV AA: ROBBINS EXTENSION	0.00	0.00	8430.00	0.00	0.00	7480.00	8430.00	0.00	0.00	0.00	0.00%
407410441.000	REDEV AA: EQUIPMENT	340536.00	0.00	7118.99	0.00	0.00	0.00	347654.99	0.00	0.00	0.00	0.00%
407410451.000	REDEV AA: CAPITAL OUTLAYS	0.00	0.00	1607690.71	0.00	0.00	1411383.10	1607690.71	0.00	0.00	0.00	0.00%
SubTotal Fund 407		340536.00	9916729.66	0.00	3512111.05	0.00	2953100.57	8990000.35	0.00	4779376.36	4779376.36	34.71%
*** GRAND TOTAL ***		340536.00	10999848.96	0.00	3898821.55	0.00	3276185.12	11026765.20	0.00	4212441.31	4212441.31	27.64%