



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

**Annual Report to the Executive for
Fiscal Year Ending December 31, 2013**

(January 1, 2013 through December 31, 2013)

Dated:

March 14, 2014

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

Prepared by:

Cender & Company
L.L.C.



TRANSMITTAL LETTER

March 14, 2014

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 for Fiscal Year Ending December 31, 2013** 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 Indiana Code 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 Lake 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 contact me or John Shepherd as the Economic Development Consultant to the City of Portage.

Very truly yours,

A handwritten signature in black ink that reads 'Dan Botich'.

Dan Botich
Executive

Enclosure

cc: Members of the Portage 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 for
Fiscal Year Ending December 31, 2013

T A B L E O F C O N T E N T S

TRANSMITTAL LETTER	i
Purpose of the Report	1
Introduction	1
2013 Qualified and Acting Commissioners	2
2013 Commission Officers	3
Meetings of the Commission	3
Commission Standing Committees and Membership	3
Commission Employees	4
General Professional Services Provided to the Commission	4
Distributions of Tax Increment in 2013	4
Commission Outstanding Debt Service	4
Commission Fund Balances for 2013	5
Accounting of Tax Increment Revenue Granted or Loaned to an Entity	5
Summary of Commission Resolutions in 2013	5

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

**Annual Report to the Executive for
Fiscal Year Ending December 31, 2013**

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, 2014.¹

The purpose of this 2013 Annual Report of the Portage Redevelopment Commission (the “**2013 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 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 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 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 Common Council serves as the legislative body, approving legislative actions of the Commission pursuant to the Act.

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 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.

2013 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 City.

The Commission is comprised of five members of appointees by the appropriate appointing authorities in accordance with I.C. 36-7-14-6.1. The terms of office shall be in accordance with Section 7 of the Act with each member, upon appointment as certified by the City 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 2013.

The following Commission members were appointed to be members of the Commission:

- **The Honorable James Snyder**, Mayor of the City of Portage
- **Susan Kelly-Johnson**
- **Steven Nelson**
- **Susanne Lynch**
- **Greg Lach**

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.

Representing the Portage Township Schools Corporation Board of School Trustees

William Fekete

2013 COMMISSION OFFICERS

<u>Commissioner</u>	<u>Office</u>
James Snyder	President
Susan Kelly-Johnson	Vice-President
Steve Nelson	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 2013, the Commission met on the following dates:

- January 23, 2013 (Regular Meeting)
- February 11, 2013 (Regular Meeting)
- February 27, 2013 (Regular Meeting)
- March 27, 2013 (Regular Meeting)
- April 10, 2013 (Regular Meeting)
- April 24, 2013 (Regular Meeting)
- May 16, 2014 (Special Meeting)
- May 22, 2013 (Regular Meeting)
- June 26, 2013 (Regular Meeting)
- July 24, 2013 (Regular Meeting)
- September 6, 2013 (Regular Meeting)
- September 18, 2014 (Special Meeting)
- September 25, 2013 (Regular Meeting)
- October 23, 2013 (Regular Meeting)
- November 20, 2013 (Regular Meeting)
- December 18, 2013 (Regular Meeting)

The minutes of the regular and special meetings of the Commission during calendar year 2013 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 EMPLOYEES

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 in 2013.

<u>Commission Staff</u>	<u>Position</u>	<u>Fixed Salary/ Compensation</u>
Lynn Reed	Secretary/Treasurer	\$ 9,576.00
Albert Monroe	Director of Public Works	5,166.22

GENERAL PROFESSIONAL SERVICES PROVIDED TO THE COMMISSION

The Commission utilized the following professional consulting services during calendar year 2013 pursuant to contractual agreements between the Commission and the identified professional consulting firm(s), each as approved during regular meetings of the Commission in 2013.

<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

DISTRIBUTIONS OF TAX INCREMENT IN 2013

The Office of the Porter County Auditor distributed tax increment to the Commission in Fiscal Year 2013.

<u>Allocation Area</u>	<u>(1st Installment) June 4, 2013</u>	<u>(2nd Installment) December 18, 2013</u>	<u>Total</u>
<u>Southport Economic Development Area</u>	\$3,641,841.72	\$3,050,010.49	\$6,691,852.21

Source: FORM 22-TIFs from the Office of the Porter County, Indiana Auditor as provided to Cender & Company, L.L.C. for June 4, 2013 and December 18, 2013 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 2013.

<u>Bond Name</u>	<u>Amount Due</u>	<u>Final Year</u>
Portage Redevelopment Authority Economic Development Lease Rentals – 1993.....	\$ 192,372	2014
City of Portage, Indiana Economic Development Revenue Bonds, Series 2006 (AmeriPLEX Project).....	1,200,330	2027
City of Portage, Indiana Redevelopment District Tax Increment Revenue and Refunding Bonds of 2008.....	893,256	2022
City of Portage, Indiana Redevelopment District Tax Increment Revenue Bonds, Series 2010.....	524,613	2028
City of Portage Economic Development Revenue Bonds, Series 2013 (Fronius Project).....	87,378	2034

COMMISSION FUND BALANCES FOR 2013

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:

<u>Fund Name</u>	(December 31, 2013) <u>Ending Balance</u>
Redevelopment General Fund (Fund 406)	\$ 553,311.95
Redevelopment Allocation Area Fund (Fund 407)	8,805,465.12
Tax Increment Revenue Bonds, Series 2010 Bond Fund	1,539.00
Series 2010 Debt Service Reserve Fund	578,855.63
Series 2008 TIF Bond Fund	296,822.18

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

From the General Fund:

- Portage Chamber of Commerce - \$6,000.00
- Porter County Community Foundation - \$10,000.00
- Housing Opportunities - \$10,000.00

From the Allocation Area Fund:

- Portage Economic Development Corporation - \$82,000.00 (for 2013)
- Portage Economic Development Corporation - \$20,500.00 (paid in 2013 for 1st quarter of 2014)

SUMMARY OF COMMISSION RESOLUTIONS IN 2013

Resolution No. 13-01: Temporary loan to the City's general fund \$536,522.19

Resolution No. 13-02: Pledge of tax increment for Economic Development Revenue Bonds related to the Fronius Project

Resolution No. 13-03: Indiana Housing & Community Development Authority block Brant Disaster Relief II

Resolution No. 13-04: Amending the declaratory resolution of the Commission adopted July 27, 1990 for an amendment to the Economic Development Plan of the Southport Economic Development Area

Resolution No. 13-05: Preliminary bond resolution

Resolution No. 13-06: Confirming the amendment to the declaratory resolution and Economic Development Plan of the Southport Economic Development Area

Resolution No. 13-07: Authorizing the issuance of bonds for certain improvements & appropriating the proceeds.