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BOARD OF COMMISSIONERS
LAPORTE COUNTY

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Minutes

LAPORTE COUNTY COMMISSIONERS
SPECIAL MEETING

Wednesday, January 16, 2013

To be held at 4:00 p.m. in the LaPorte County Complex Meeting Room #3

Pledge of Allegiance was given.

Commissioner Milsap: Ladies and Gentlemen I want to welcome you all to the first joint meeting between the County Commission and the Redevelopment Commission. I also want to welcome members of our new Economic Development advisory group representative of the local chambers and EDC and last but certainly not least Mayor Meer and Mayor Milo. As you know, this County Commission has made it the first order of business to put Economic Development and job creation front and center with the creation of our new Office of Economic Development which will be housed in our Annex Building across the street, a one stop shop for business locators and site selectors. We intend to have that office be the hub of the new efforts to attract business to the county and we will have our new Economic Development Advisor Mr. Matt Reardon who will be quarterbacking our efforts. We will also be applying to the County Council to fund this office at the same level they funded for three years the Alliance and we ask each of you to support us as we seek the funding. We will be looking to build on what the Alliance has done to make the County a competitive and possible to put us in the hunt for new jobs. I called this meeting for today so that we can receive an update on one of the projects that we are going to be working with in the New Year. Our war room has been set up just down the hall from the Commissioner's Office. We'll turn it over to Matt Reardon to introduce those who will be giving us an update on the KIP project and what this potential means for the job creation in LaPorte County in the coming year. **Mr. Reardon:** Thank you Commissioners and Council members and RDC members and Economic Development Board members I appreciate the introduction but Economic Development and me are not too new to each other in LaPorte County I've done quite a bit of it, so as a principle in Engineering firm looking forward to getting back into providing a very vast, wide level of expertise to help the County tax back projects to finish those that have been started and to certainly delve deeper into new opportunities. So with that I'll turn it over to my group here to discuss the KIP project in detail, to give an update, and I assume to answer any questions that the group may have. So Brent...

Brent Halfwassen: I am one of the principles working at the developed portion of Kingsbury Industrial Park and we have got Chris McGrath who is our partner and Mr. Jeff Wagner joined us from CSX. We'll share a little bit about the progress of the project to date and then be available for any questions or comments that the Commissioners may have. I wanted to start off with a thank you, this has been an incredibly long process, people have probably been reading about it for some

time in the papers and we're finally getting on track as it were, to getting this done and we're pretty excited about that and I want to say thank you, first to the Commissioners Mr. Milsap I know you have been supportive of this in your duration on the Commission I appreciate that. Also thanks to the Redevelopment Commission and the Laporte Council that have been instrumental I want to highlight Mr. Mrozinski for a variety of things but particularly for involving Senator Donnelly to get us past a critically important issue with the army corps of engineers to resolve that to really break free the opportunity to do the construction. Obviously CSX has been a wonderful partner with us, joining in in a lot of ways that are probably new and unique for CSX and the whole county is thrilled along with ourselves IEDC has been a big player, Indiana Department of Agriculture has been very instrumental and there's a lot of folks, probably too many to name, Mr. Clingerman has been great in helping to balance the needs of the County and the project and there's many others, landowners in KIP and I could go on, but I just want to start out that we're grateful, it has taken a huge number of people to be involved and that's very important. Chris will give more details on the projects construction progress, but I just want to say I'm proud to share with folks that the great bulk, big majority of all the contracts that have been issued on this project so far, we have been able to issue them to local LaPorte County firms, using local LaPorte labor and I know that was very important to the County officials when we started the deal, but I think it also, when a compliment speaks highly to the caliber of companies that are available in the county area, we are just very pleased and couldn't be, we're really tickled by the quality of folks that we can get here on the variety of tasks that are involved, so I just wanted to acknowledge that and thank everyone for that as well. With that I'll turn it over to Mr. McGrath.

Chris McGrath: Good afternoon, thank you I appreciate the opportunity to be here to give you an update, I'm going to stick to the construction technical side of the project and kind of give you an update on where we're at, what we're doing. The two boards I have here basically represent what we refer to as the North half and the South half of the project. Each half being roughly a mile in length of track so that you have it in total going from the CSX mainline to Central road is about a mile, and that's on the bottom board, the top board is basically from Central road to Hupp road which is more or less another mile. All totaled two miles of project, two miles of rail to be constructed. A particularly engineering challenge, you know it looks pretty simple, kind of sort of a straight line right? Except from Hupp road to the CSX mainline, there's 58 feet of fall over that distance, and you don't really realize that when you're out there kinda looking around. So as I said a very particular engineering challenge to come up with areas of track where we have like for CSX we have a set off track where they actually bring the trains and literally drop off the train. Well it has to be 5000 feet long and it's gotta be flat, somehow I gotta figure out in 10,000 feet I gotta make up 58 feet from one end to the other, so it's a real engineering challenge and we've been hugely successful in the last three months, I mean you gotta bear in mind, the ground breaking ceremony, which many of you were at, was the last week of October, okay and we're now in the second week of January. The project has moved forward really, I kinda look at it as five major reason why we have gotten to where we are today. Number one, God helped us, the weather has been phenomenal I mean it's been warm, we haven't had snow, the temperatures have been perfect the times we did have rain, it's actually helped us out because the ground out there is sand, it's all Lake Michigan Dunes sand so the water actually helps our compaction and helps our grating so the weather's been a key factor in getting the things done that need to be done. Second, Brent already touched on it a little bit is just energetic and motivated sub contractors. The people that we've had out there from earthwork guys, the rail guys, sheet piling guys again, all local contractors have been kicking it in the rear end, these guys have done a great job in getting the work done and working when they can, a lot of companies this time of year they're shut down but these guys every chance they get they're out there and they're working so that's another big factor. The engineering work that has been done, the engineers did all the design work did a phenomenal job in laying it out so that when the contractors actually get out there to work they know exactly what to do, exactly how to get it done and not waste any time and not waste any effort. The fourth thing is we have been lucky there has been no surprises, given the nature of what the ordinance plant used to be you always worry about what are you going to find when all of a sudden that bulldozer hits something underneath there so, again, knock on wood, we've been really fortunate there has been no surprises, no oppses, or anything like that that's kept the project just really going on track. And really the last thing and again kudos to Mr. Clingerman, but

the pay request process has been swift, the contractors have been paid in a timely fashion which obviously gives them the motivation to get the work done, because they know they are getting paid on time, they are getting paid quickly and it works for everybody. So those are really kind of the five major reasons why the project has really gone forward quickly. Our actual status as of literally this afternoon, cuz Mr. Wagner and I were out in my Suburban driving around this afternoon, our mass grading for the whole two miles, I'm going to round things off here, roughly 80% complete for all site work out there, which is unheard of for a project right now in the second week of January, it's crazy. Stoning, first you have to grade everything level, now you have to come back a need 4 inches of stone over everything, we're about 50% complete on the stoning of the sub grade. There's some very complex work at the CSX mainline, because of the new switches that have to be cut into the CSX mainline, requires sheet piling to be driven because we have to actually widen the areas for the CSX mainline, all that sheet pile work, grading, retaining walls, stone base, all the clearing of the trees and everything is about 75% complete out at the CSX mainline. We'll actually probably be done on the CSX right of way within the next 2 weeks. Literally the ties and the rails start showing up to the project this week, and later this afternoon they start laying track out there this afternoon. It's pretty exciting from an engineering standpoint this is really exciting because the opportunity to get this much stuff done this late in the year has been fantastic. Overall, if you had to kind of put a number on the whole project to date, we're about roughly 65% complete, overall for the entire project. We're now reaching the time of the year, weather, our luck's going to run out, cmon let's be serious, you know, it's starting to get cold. It's going to start to limit what we can do so we're going to be very much weather dependant, there are some things we can do, just because it's cold doesn't mean you have to stop working. A heavy snowfall will knock us out of the box for a while. We'll see what the weather happens here for the next week or two weeks and kind of adjust accordingly. As Mother Nature kind of deals out whatever it is she deals out to us. With that I will pass the baton here to Mr. Wagner.

Mr. Wagner: Thank you Chris, first off, I want to applaud the Board's effort, with your new Economic Development organization, I've been in Economic Development for well over 20 years including working for an Engineering selection firm and to have an office staffed with professionals and the resources that they provide will go a long way to bringing projects to LaPorte County, as long as you have the site that's ready to go, and as you probably know the site out there at the Kingsbury Industrial Park was the 6th CSX selected site, what that means is that that site, truly is shovel ready and that has been validated by the Austin company an engineering firm out of Cleveland, and when we have a phone call from a perspective customer, or from a site location firm, interested in coming to a site, we can say, here's the data, the books are about this thick, here are the soil borings here are the archeological work, all the environmental work is done, everything is there. Every project is an investment decision on someone's behalf and one of the critical aspects of investment decisions is risk. And what the CSX select site program does is minimize the risk. It minimizes the risk for the company coming in and almost as importantly, it minimizes the risk for the consultant who is making a recommendation to come here, you might have seen me showing some pictures earlier, I do have grandchildren, but what I was showing pictures of earlier was of the new track that's being constructed out there, it's a beautiful thing. Everything is ahead of schedule from what we can see out there, our tracks will be built sometime this spring. I don't know when yet because that work will get programmed with all the other switches that will be installed next spring, but we fully anticipate that our tracks will be in, and in service sometime probably mid second quarter of the year and we look forward to bringing trains in here, hopefully no later than September or October and I'm open to any and all questions.

Commissioner Milsap: Thank you, first question will be from our legal counsel Mr. Friedman.
Attorney Friedman: Just some comment as Commissioner Milsap indicated when he opened up and I appreciate your comments Mr. Wagner. This Commission is so heavily committed to Economic Development and trying to make an impact with this new office of Economic Development and has charged all of us, whether it's myself as counsel or engineer or planner of the professional team with making that job one and making sure that this new office of Economic Development stands as a one stop shop for site locators, business prospects who need information on available sites, zoning, tax incentives, we want people to know that is the one stop shop and working in tandem with the existing

array of EDC's local chambers, certainly the Mayors', I think it's their hope, their charge to us, the direction from these three Commissioners was make this happen. Make job creation top priority and certainly Commissioner Milsap had said look, let's get the KIP folks in here first off the bat in terms of this joint meeting it was a great project to be able to talk about and kind of get an updated status. I'm sure others have questions and we can certainly respond to any questions that members of the audience have and can put to you all to help fill in the gaps if we could.

Commissioner Milsap: Thank you, our new County Engineer Mr. Mike Yacculo, do you have any questions?

Mike Yacculo: None, not at this time.

Commissioner Milsap: Dr. Kora?

Commissioner Kora: Not at this time.

Commissioner Milsap: Commissioner Decker?

Commissioner Decker: Brent pretty well gave us an overview earlier and then Mr. Clingerman took us out there and ran us all through there and out to the CSX tracks so we know pretty much what's out there and what's going on and we appreciate that and it gave us a better view of what's there and what the scope of this is, and it's huge. And I think going forward in the future, I think it's going to get bigger, so we applaud you and we thank you.

Commissioner Milsap: Our County Planner Mitch Bishop.

Mitch Bishop: I don't have any questions at this time.

Commissioner Milsap: I have a couple then I will give it to the audience. Mr. McGrath, what is Green express?

Mr. McGrath: Green Express is a customer that we have been working with for several years and this location is one of their key locations and we've been working with IEDC along with Green Express potentially to construct a new refrigerated facility for Green Express at (intelligible) Kingsbury. It's a project that is still in progress, still going through its internal dynamics and we're hopeful that sometime here in the next several months we can get those folks to get their own internal process finished up so we can, love to get those folks to be building their new building here in Kingsbury.

Attorney Friedman: And Chris if there is anything we can do to assist that process you let us know, okay. We want to initiate good communication with IEDC I know at one point they had talked about participation I had reassessed that, it is our sense there's been a new head of the department of congress named and it's our sense that he's going to be very receptive to this region of the state as well. If there's anything we can do from our end, the charge we've been given from these Commissioners is do what you have to do to assist this project.

Commissioner Milsap: Mr. Halfwassen did the Indiana Economic Development Corporation put aside some funds to assist this?

Mr. Halfwassen: IEDC they had some, I believe, some funding discussions with the last administration, I don't know if those were held over or not. I know some places that they were extremely instrumental for us, was from an environmental standpoint they really interfaced excellently with IDEM and helped us understand some of the hurdles there.

Mr. McGrath: Brent is absolutely correct, there was discussions with the former Secretary of Commerce with regards to specific state improvements and how, this was all wrapped up originally

with Hupp Road improvements to Hupp Road and what was the best leverage in terms of whose dollars would best have leveraged the construction of Hupp Road. At the time the County Administration felt it was easier for the County to deal with Hupp Road and IEDC and this is where we would actually ask the help, and this is more political help and support, with the new State Administration because it's an issue of transition from another administration to this administration but the opportunity that the State would help with regards to signalization at the intersection of U.S. 6, U.S. 35 and Hupp Road, because that fell more within the confines of what the State could do, versus Hupp Road fell more into the confines of what the County could do. That's an area where jointly we could work together because it's a transition.

Mr. Halfwassen: And I think if I could add one more piece to what Chris has said, the place where it was kinda left with IEDC and the State was, this is an ongoing project, where we're at right now is a phase and I know we're up against a calendar deadline, which is a political deadline, where it's left with the State is that there are still many important developments to go on in Kingsbury Industrial Park and there's a great role for the State to play here, and we'd hope that they would see the value that's going to be brought to this area and continue to participate.

Commissioner Milsap: Okay, thank you. Is there anyone else that has questions for this group? Please come to the mic and I.D. yourself.

(speaker did not identify themselves): This is not a question it's a comment because I'm on the Northwest Indiana Forum Board and I went down to Indianapolis last evening and the Forum Board had a reception for Legislators and so this was Northwest Indiana Forum which covers LaPorte County obviously, and there were a lot of Legislators there the new Secretary of Commerce was there the new IEDC Ed was there and also the Lieutenant Governor was there and I talked to her and they're all, I think, going to be quite interested, so I think it's a good time to make some progress in this area and I'd be willing to help in any way that I can.

Commissioner Milsap: Thank you. Is there anyone else with comments or questions? Just come to the mic, name address please.

Jay Fuller: I'm the President of the LaPorte, Starke, Pulaski building trades that covers this area. First of all I'd like to thank all of the County Officials and you folks for coming together with this great project. I know that building trades has been looking forward to it ever since we've been talking about it for years now, so we're very happy that you've been aggressive and do this. I'd also like to thank the Development Financing Committee for the agreement that they put together for putting into this per language that the wages on the job would be recent wage adopted by the Common Construction Wage Committee, that's very very useful and very helpful to us. The object of this is to bring good paying jobs to the County, we all understand that and to bring commerce in, so we appreciate that language. And as President of the Building Trades I would like to offer our help to you in any way we can we would like to get together and meet with you, and with the Commissioners, to make sure the rest of the project as it comes in, as the buildings are put up and because that's really going to be the bulk of the work for us and we're the people that live here and go to send their kids to school. We want to make sure those folks pay this common wage because that's what's important to us, the construction aspects of this is very important to the economy, so I'm offering our assistance to you in any way, I hope we can get together and talk and we look forward to this wonderful project. Thank you very much.

Commissioner Milsap: Thank you Mr. Fuller. Is there anyone else that has comments or questions?

Commissioner Kora: First of all thanks for a concise and excellent presentation. Mr. Clingerman took us on a tour and it was mind boggling the scope of this project and what everything we have accomplished in such a short time. We are really looking forward to its completion. Do you anticipate any, or in your mind, are you anticipating any hurdles or bottlenecks at this point that you can see that we as the County Commission can do anything to help you out?

Mr. McGrath: In terms of the current design of the rail project I would say that dye is pretty much cast, in terms of that. However, having said that, there are some ancillary things that we could sit down and discuss having to do with some of the utility re-locations that would further enhance the work that's already been done there. There is some power line issues of some old power lines that really need to be relocated so it's, I don't know if it's a County/Nipsco, how that, but again, somehow getting our arms around that and how we'd do some of that, there's some water main, working together with Kingsbury utility company who has been a great partner in the project, but nonetheless, there's some new water mains that if they were installed would significantly loop the park to where it would be more of an attractant, what Mr. Wagner was talking about, taking risk away and making the park more conducive, from a utility standpoint so there are some things like that, the budget for this project couldn't address those because we're pretty much maxed out just getting the rail put in that we need to get put in, but some of these other utility issues would definitely be a further enhancement to the opportunity to attract companies.

Commissioner Kora: A couple of other questions, you mentioned about Green Express, have they made a commitment already to be here?

Mr. McGrath: No they have not, following State statutes, until, Mr. Friedman you probably understand right what I'm saying, I'm trying to be politically correct here, they can't make any commitments until certain documents and things are done with the State and things of that nature so no they have not.

Commissioner Kora: And in your estimate how many business do you anticipate being here, in the first phase of this project?

Mr. McGrath: That's a tough question to answer, I mean, Brent and I did a calculation to go through that.

Commissioner Kora: You can give me an optimistic scenario and an average scenario.

Mr. Halfwassen: Well I think what we took a look at is what's going to be the developable land in the park and ultimately the park at its full potential probably brings in another 8 million square feet of facilities. What's the timing of those? There are some customers that need half a million square foot facilities and there are some customers that need 50,000 square foot facilities, so it's difficult to give you an estimate, but when we looked at what's realistically the build out, given the configuration of the park today and where the infrastructure is today, I think you could look at 8 million square feet under roof being constructed as a reasonable goal for Kingsbury Industrial Park when it is fully built.

Commissioner Kora: Thank you.

Commissioner Milsap: Is there anyone else that has comments and questions in reference to this project? Mayor Meer?

Mayor Meer: Yes Mr. Chairman, first of all I would like to thank the Commissioners for putting on this forum this afternoon, this meeting, it's great that 65% of this portion of the project is complete too and I think it's real important to remember as job creation occurs anywhere in LaPorte County that the benefit it has on Michigan City residents for, everyday there's people from LaPorte City and Michigan City who pass each other on the various highways going to jobs and opportunities in each other's communities, so it's very important that we look at this from the county's perspective and job creation. Also, I'm very pleased that they are trying to utilize local companies and local labor because I am a very big advocate of that. Trying to keep as many jobs in the community as possible so I'd like to thank everybody for that and the Michigan City Economic Development a Corporation, of course will work cooperatively. We have a commitment to, not only as the City of Michigan City but as I say throughout the entire county, job creations affect us all. Thank you.

Commissioner Milsap: Thank you Mayor Meer. Commissioner Decker.

Commissioner Decker: Brent when you talk about the build out of that square footage are you talking about just your land that you own or is there a possibility of that expanding?

Mr. Halfwassen: You know, I think we based that calculation based on a broader set than even what we own. We looked at what the current configuration of the rail, there are some ways to rejuvenate even more rail, and to incorporate even more areas into the park that could actually expand that number. But no we looked at a broader scope than just what we own, because I think, we're a part of what's in that park, but there's, I think we calculated about 1400 acres that could really benefit from development of which we're only a small portion of that so this is a much bigger project than just the piece we own now, we're just happy to get it spearheaded to get it started.

Commissioner Milsap: Is there anyone else? Mr. Reardon.

Mr. Reardon: This isn't specific to the KIP project unless there's any more specific questions about it, I just wanted to talk a little bit broadly about Economic Development and to add that this group is just a good approach there are other projects that are going on that are in the County that merit the same bit of attention and also can afford the Commissions an opportunity to understand where they are at, and then we could start getting into more financial discussions about how and where the County can help and as the Mayor pointed out, when projects happen it helps the entire County. So with that said, we have Burt Cook from GLEDC here and Kevin Keef from MCEDC that are working and will continue to work with our group to facilitate projects and I've said this often times and many of you have heard this that where the people live are where the jobs are, where the people live are Michigan City and LaPorte so, when we think about doing broader economic development, I would urge this group, and the advisory board to think about ways to make investments in those jurisdictions along with projects like KIP or 421 & 94 that can help facilitate jobs that can capitalize on previous expenditures whether it was a County expenditure whether it was a City expenditure or whether it was a town expenditure. That's it, you start looking where the population base is and you start making those targeted investments there you're going to see a lot more job growth and opportunity and a lot more bundling of cost, and again that's just some of the broader thoughts about economic development but I'd like to thank these guys for coming in and like I said I think this is a good format I already have a pretty good idea who I'd like to see in here next and that's the Holliday Group that's spearheading the 421 & 94 project I know there's some ongoing transportation grant issues that Mitch is working on right now and so is Mike so we can make sure that the funds are there and they get distributed in the right way and that Holliday project continues to go.

Commissioner Milsap: Mr. Reardon, thank you and just for the record, that Holliday property is number 2 on our hit list in our war room so that's coming.

Commissioner Kora: Mr. Reardon, first of all thank you for your update, I think it will be very helpful for us as Commissioners and also for our advisory group and also for the people at large to know what's happening in these various projects we'd like to be transparent and let people know what we're working on, where we are at and where we are headed and periodically, I think maybe once in six months or once a year maybe you could bring together a group of people not just for updating what's happening but what are the things that we ought to be looking out for in the future what are the things that we're not working on that we have the potential for which we ought to be looking at and I think as we move forward with this group of advisory group members who are really top notch people from various businesses who are willing to give of their time and talents for which we are very appreciative of, but I think if we can work on that, that would be very helpful.

Mr. Reardon: I'm sure PNC would be happy to spearhead that effort, one more person I'd like to introduce my colleague Nick Minnick you may know his last name his family is a substantial farm owner, land owner here and Nick's our Civil Engineer and he would be the one assisting as questions came up and as an extra set of eyes. As I mentioned about SCH we have a lot of talent there's 550

professionals that we can access that can answer questions about pretty much anything engineering, economic development finance and planning related and I believe that's part of the reason that we're on this team so we appreciate the opportunity to address the group.

Commissioner Milsap: Thank you Mr. Reardon, Nick could you please stand so we can...

Attorney Friedman: And Commissioner Milsap we may want to recognize too, Attorney Facinda is part of our Economic Development team, Carl Cender is the third part, they are the Lebron, the Duane Wade, and the Chris Bosh of Economic Development and we brought em to this County and we're pretty proud, I know how all three of you feel about bringing this team on to help spearhead things.

Commissioner Milsap: Yeah we also have an individual that is monitoring this progress of this company Mr. Clingerman could you please stand. On behalf of the Commissioners we would like to thank you for closely monitoring this project and all the expenses acquired, so thank you. Is there anyone else that has any comments or questions in reference to this project? I would like to thank you all for attending, Mr. Friedman would you give us some closing comments.

Attorney Friedman: Just that as you had indicated I think it's your desire to hold joint County Commission Redevelopment meetings along with the advisory group at different parts during the year so that you're showcasing different projects I think the Holliday property was indicated, Rose Industrial, 39 North and other locations so we'll be getting with the Commission and getting your direction on when you want those scheduled and how you want us to go forward.

Commissioner Milsap: Thank you, thank you all for attending and let's move forward, this is a big step for LaPorte County, I think everyone should do whatever they can within their powers to embrace this project and bless it with your good thoughts. Thank you.

EXAMINED AND APPROVED FEB 10 2010
BOARD OF COUNTY COMMISSIONERS
DATE
[Signature]
Auditor
STATE OF INDIANA