REGULAR MEETING OF THE MISHAWAKA COMMON COUNCIL
August 20, 2018

Be it remembered that the Common Council of the City of Mishawaka, Indiana met in the Council Chambers of the Mishawaka City Hall on Monday August 20, 2018, at 7:00 p.m. The meeting was called to order by President Mammolenti all were asked to stand for the Pledge of Allegiance.

Roll Call.
Present: Mrs. Voelker, Mr. Tanner, Mr. Deal, Mr. Emmons, Mr. Canarecci, Mr. Mammolenti.
Absent: Mr. Compton, Mr. Banicki, Mr. Bellovich.

Minutes of the Regular Meeting of August 6, 2018 were approved as received from the Clerk's Office.

Chief Deputy Clerk Hazen read letters from the Board of Zoning Appeals and the City Plan Commission regarding their recommendations from their August 14, 2018 meeting.

APPEAL #18-21 An appeal submitted by Nick and Jessica Hause requesting a Use Variance for **2606 and 2608 Ewing Avenue** to allow a two-family home to remain in the R-1 Single Family Residential District.

The Board, with a vote of 5-0, recommended approval.

PETITION #18-20 A petition submitted by Beacon Health System, Inc. requesting to annex and zone **14710 State Road 23, Granger** to S-2 Planned Unit Development and amend the Northwest Capital – Toll Road Planned Unit Development.

The Commission, with a vote of 7-0, recommended approval subject to the following:

Chief Deputy Clerk Hazen read the following proposed ordinances by title and was set for public hearing at the next council meeting.

PROPOSED ORDINANCE 2018-17

AN ORDINANCE OF THE
COMMON COUNCIL OF THE CITY OF MISHAWAKA, INDIANA,
AMENDING ORDINANCE NO. 5590 REGARDING THE ISSUANCE OF ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE (1) OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED NINETEEN MILLION AND 00/100 DOLLARS ($19,000,000.00)
(Amd Hellenic Senior Living of Mishawaka, LLC)
(Petitioner requested second reading)

Mr. Canarecci made a motion to suspend council rules to allow second reading for PROPOSED ORDINANCE NO. 2018-17 second by Mr. Tanner motion carried.

Mr. Rompola, Attorney Barnes & Thornburg said the Common Council adopted Ordinance No. 5590 last September authorizing the issuance of bonds in an aggregate principal amount not to exceed $19,000,000 and approving related actions related to loaning the bond proceeds to the Borrower for the purpose of completing the project which consists of the construction of a 136-unit senior affordable assisted living facility at the Dragoon Trail site. He continued to say since that time the Borrower has been working to provide the financing for the project and had represented it was now prepared to proceed. Mr. Rompola said since last fall, a new underwriter is working with the Borrower which requires an amendment to the Bond Ordinance to change the reference to the underwriter. He said they had prepared the amending ordinance to change the underwriter reference and also to change reference to the bonds to be 2018 Bonds. Mr. Rompola assured there were no other changes to the Bond Ordinance were required to allow the Project to proceed. He said as a reminder (and as set forth in the Bond Ordinance and in Indiana Code 36-7-12 authorizing the City to issue the Bonds), the City's role is only as a conduit issuer – the City bears no responsibility for the Project or the payment of the debt service on the Bonds. Mr. Rompola said Mishawaka project was delayed by several factors, last fall the financing for the project in Elkhart, which was moving along at the same time was able to be concluded. He continued to say at the end of the year the Federal Tax Cuts came in and it changed the dynamics of the overall projects financing. Mr. Rompola explained this project was financed in part by the bond proceeds, 50% of Tax Exempt Bonds was the federal requirement and the balance of the 50% would come from the Sale of Tax Credits that the project would generate. He said the Indiana Housing and Community Development Authority approved the project for Tax Credits as well as the Bond Financing. He said with the delay in the various project issues that came up last fall coupled with the Tax Cut, the equity Tax Credit market changed significantly, so the original tax credit provider was not able to continue Hellenic, which was the developed entity for HEPA (Greek Fraternal Organization), which was also the developer for the project. Mr. Rompola said HEPA had been working since the beginning of the year trying to identify a new equity provider, NDC located out of Cleveland Ohio was willing to provide the equity and currently in their due diligence to close the financing. He mentioned NDC was partnered with Cain Brothers & Company, LLC, a division of Key Bank Capital Markets which would become the new underwriter. Mr. Rompola said the request for second reading and adoption would help the underwriters due diligence. He continued to say at this point they were proposing to close the end of September or early October.

Robert Dine, Director of Construction for HEPA gave an update on the project. He said the project was known as 1128 W. Dragoon Trail but during the course the last few months, the postal service and others had concerns, so the address changed to 1540 S. Logan Street. He explained majority of the project would continue to remain the same as proposed in last ordinance. Mr. Dine said construction cost was reaching up to 17.5 million dollars and the overall development cost would cost 27 million dollars. He continued to say they were hoping to get through the due diligence period from now through September with the hope of a closing in October. Mr. Dine said this project would be a tremendous opportunity for seniors in the Mishawaka area to live and to participate in a wonderful program. He said they have built in Albany Indiana which closed in March and was over 50% occupied, they also had a location in Indianapolis that closed around the same time and was 45% occupied. Mr. Dine mentioned their

Medicaid waiver program had reached higher than they had hoped to be, he said over 70% of their residence were in the waiver program. He went on to say at the final stage of the project they would be employing nearly 40 making 8.50 to 82,000 dollars for the managers of the building. Mr. Dine said the monthly rates would remain the same ranging from 2,800 to 4,100 dollars a month.

Mr. Emmons asked where the building would be located. Mr. Dine said the building would be located at the corner of Dragoon and Logan across the street from the school. He mentioned the arrangements to be a participant in the school getting the future parking lot area would stay the same; they made some adjustments to make everything accommodating.

Mr. Canarreci asked would they be hiring local contractors. Mr. Dine replied yes, they had an outfit out of Indianapolis who serves as their general contractor and they will come to Mishawaka to do the formal bidding process and they will draw from the local market. He said the bidding process was now underway.

Mr. Mammolenti asked was this a general contractor they previously worked with. Mr. Dine replied, yes, Shield Sexton has done their Indiana projects and they were currently under construction on the Elkhart project.

Mrs. Voelker asked where people would transition if they had to go into skilled nursing. Mr. Dine said they had an operator out of Illinois called Gardant, which was one of the largest operators in Illinois that had 40 facilities they either own or operate. He continued to say Gardant would be operating the facility. Mr. Dine explained within the Gardant organization they had service coordinators who would monitor the residence, as time changes in their lives they help them transition into other areas. Mrs. Voelker had concerns regarding the entrance to the building. Mr. Dine said they worked with the City Engineer and their Engineers to redesign the entrance. He continued to say they would widen the curbs and roadway, add lighting, and sidewalks, it would be changed accordant to traffic and safety.

Questioned was called for at 7:21 P.M. for **PROPOSED ORDINANCE NO.2018-17**
Vote: Motion carried by unanimous roll call vote (**summary:** Yes = 6).
Yes: Mrs. Voelker, Mr. Tanner, Mr. Deal, Mr. Emmons, Mr. Canarecci, Mr. Mammolenti.

PROPOSED ORDINANCE NO. 2018-18

AN ORDINANCE ANNEXING CONTIGUOUS TERRITORY TO THE CITY OF MISHAWAKA, INDIANA, AND PROVIDING ZONING CLASSIFICATION THEREFORE
(Toll Road PUD Beacon Health System, Inc)
(Assigned to Land Use Planning Committee)

Chief Deputy Clerk Hazen read the following resolution by title and was opened for public hearing.

RESOLUTION NO. 2018-16

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MISHAWAKA, INDIANA, APPROVING A PETITION OF THE MISHAWAKA BOARD OF ZONING APPEALS FOR THE PROPERTY LOCATED AT:

2606 and 2608 Ewing Avenue, Mishawaka, Indiana

Sharon McDonald, Remax 100 represented petitioners. She said the property was currently in escrow and they were under contract to sell proposed property. Ms. McDonald said the property had been a duplex since 1954 and has had separate meters since 1972. She explained they need the use variance because the lender would not loan on the property with the zoning of R-1. Ms. McDonald said if there were major damages to the property such as a fire, the property could only be rebuilt if the damage was not more than 75% of the fair market value. She continued to say if the property burned to the ground it could not be rebuilt without the use variance.

Mrs. Voelker asked was the property currently occupied. Ms. McDonald replied yes, 2606 was occupied by long term clients. She continued to say the other unit would be owner occupied.

Mr. Emmons questioned the for-sale unit 2608. Ms. McDonald explained 2608 was currently for sale but they did have a buyer for the property, and the buyer would own and live on the property as well as manage the tenants in the 2606.

Question was called for at 7:27 P.M. for **RESOLUTION NO. 2018-16 Vote: Motion carried by unanimous roll call vote (summary: Yes = 6).**
Yes: Mrs. Voelker, Mr. Tanner, Mr. Deal, Mr. Emmons, Mr. Canarecci, Mr. Mammolenti.

Chief Deputy Clerk Hazen read the following ordinance by title and was opened for public hearing.

PROPOSED ORDINANCE NO. 2018-16

AN ORDINANCE TRANSFERRING FUNDS FROM THE MOTOR VEHICLE HIGHWAY FUND AND THE LOCAL ROAD AND STREET FUND OF THE CITY OF MISHAWAKA TO THE LOCAL ROAD & BRIDGE MATCHING GRANT FUND OF THE CITY OF MISHAWAKA FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2018 AND AN ORDINANCE APPROPRIATING ADDITIONAL FUNDS FOR THE YEAR ENDING DECEMBER 31, 2018
(Transfer & Appropriate Community Crossing Grant $1,300,000)
(Assigned to Budget and Finance Committee)

Mr. Canarecci reported the Budget and Finance Committee recommended this proposed ordinance should be adopted and moved for acceptance of same upon a second by Mr. Tanner motion carried.

Rebecca Miller, City Controller requested approval for the transfer of $183,000 from the Motor Vehicle Highway Fund and $467,000 from the Local Road and Street Fund to the Local Road & Bridge Matching Grant Fund as this is their necessary match for the Community Crossings Grant. She said these funds were budgeted for 2018 for the purpose of the match. Ms. Miller continued to say this transfer along with the $650,000 grant received from the State must be appropriated. She also requested approval of the additional appropriation for $1,300,000.00. Ms. Miller explained this ordinance takes care of both the transfer and appropriation in this fund and is required every year to show proper accounting of the grant and match.

Question was called for at 7:30 P.M. for **PROPOSED ORDINANCE NO. 2018-16 Vote: Motion carried by unanimous roll call vote (summary: Yes = 6).**
Yes: Mrs. Voelker, Mr. Tanner, Mr. Deal, Mr. Emmons, Mr. Canarecci, Mr. Mammolenti.

ADJOURNMENT 7:31 P.M.

Mary Ellen Hazen /s/
Mary Ellen Hazen, Chief Deputy Clerk

Matt Mammolenti /s/
Matt Mammolenti, President