

CITY OF EAST CHICAGO
ECONOMIC DEVELOPMENT COMMISSION

COMMISSION MEMBERS

Jesse Avitia, President
Leon Valdez, Vice President
Ezell Foster, Member

Regular Meeting Minutes
Thursday, May 27, 2021 @ 4:30 p.m.
Reported for Fissinger & Associates
By: Lisa Pena

CALL TO ORDER: 4:30 p.m.

Roll Call: Present: Jesse Avitia, Ezell Foster.

Staff Present: Richard Morrisroe, Douglas Powers, Ateria
Allen.

PLEDGE OF ALLEGIANCE:

APPROVAL OF MINUTES: Thursday, April 22, 2021.

Motion to approve April 22, 2021 Regular Meeting Minutes made
by Jesse Avitia. Second by Ezell Foster.

Questions/Comments: None.

Roll Call: "All in Favor": All Abstain: None.
Opposed: None Motion Carries.

OLD BUSINESS: None.

NEW BUSINESS:

MR. AVITIA: Let's continue on with New Business.
Mr. Powers, can you lead us into that?

MR. POWERS: Absolutely. We're here today for the Bond
Hearing for the Lakeshore Manor Multifamily Housing Revenue
Bonds. We have with us James Crawford as well as Ezra
Burdix.

Mr. Crawford, would you like to start off this
conversation?

1 MR. CRAWFORD: Certainly. The EDC and the Council were
2 kind enough to approve the \$22 million in bonds for this
3 facility back in the spring of 2020.

4 The EDC held a Public Hearing at that time. Gave
5 interested persons from the public a chance to speak for or
6 against the project. No one appeared at that hearing.

7 The Internal Revenue Code says that in order for
8 the bonds to be tax exempt from federal income tax purposes
9 bonds have to be issued within one year after public approval
10 is given for the bonds.

11 And public approval is defined as holding a Public
12 Hearing with at least seven days notice after which approval
13 is given by the Mayor for the project.

14 Due to Covid plus just the legerities of doing
15 these kinds of deals and HUD the bonds will not be issued
16 until later this summer which is past the one year time.

17 So in order for the bonds to be tax exempt which
18 was intended by everybody we need to open a supplemental
19 Public Hearing.

20 The notice for this hearing appeared in the NWI
21 Times on the 19th. Thereby meeting our seven day Internal
22 Revenue Code requirement.

23 And that's why we're here. You don't have to adopt
24 a new resolution. You don't have to take any approval vote.
25 You just need to hold a Public Hearing, open it for the
public to make any comments that they want to and close the
Public Hearing.

I'd be happy to answer any questions about that.

MR. AVITIA: Ezell, any questions?

MR. FOSTER: No questions, no. No questions here.

MR. AVITIA: Pretty clear.

MR. POWERS: Since the Commissioners don't have any
questions is there anything else you would like to add on,
either yourself or Mr. Burdix?

MR. BURDIX: I would just add thank you all for your
patience. We did have trouble and the extended time due to

1 making sure that the site was going to be environmentally
2 sound for the residents that will be residing in the new
3 building. And we've actually been able to reach completion
4 on that.

5 And so with that we're going to be able to get to
6 closing here this summer and start construction. And we're
7 really excited about it because, you know, there's not a city
8 in the State of Indiana that has been able to pull off and
9 construct such a project, affordable housing project in any
10 other city in the State. And I think it's going to be
11 something that the City of East Chicago will be able to be
12 proud of and about for a long time.

13 MR. MORRISROE: Mr. Crawford, is there any legality that
14 you want us to add to the record?

15 MR. CRAWFORD: No. Just procedurally open the Public
16 Hearing for public comment. Ask three times if there's
17 anybody there that wants to comment on the project. And then
18 after that you can close the Public Hearing.

19 MR. POWERS: And then you'll just need a motion to
20 accept what was presented today for the bond proceedings.

21 I'm sorry. Can you hear us? I think we lost
22 connection.

23 Mr. Burdix, can you hear us?

24 MR. CRAWFORD: I'm sorry. I can hear you.

25 MR. POWERS: So then you just need a motion to either
adopt or accept what you provided.

MR. CRAWFORD: We don't need a motion for anything. All
we need is to open the Public Hearing. Call for any comments
three times. And if nobody appears, you can go ahead and
close the Public Hearing.

And the minutes will reflect that the Public
Hearing was open at such and such a time. No one appeared to
speak for or against the project from the general public.
And then the Public Hearing was closed after calling three
times at such and such a time.

MR. AVITIA: So we need to state that?

MR. POWERS: Yes, Mr. President. If you could go ahead

1 and open up the Public Hearing portion of tonight's meeting.
2 See if there's anyone here to speak. And then once they're
3 all done speaking we can go ahead and conclude the Public
4 Hearing.

5 MR. AVITIA: For the moment let's move on to the Public
6 Hearing comments. There is no one here from the public to
7 make any comments. We can probably close the Public Meeting.

8 MR. POWERS: If you can just ask. Just for the record
9 ask three times to verify that no one is here or online for
10 the Public Hearing.

11 MR. AVITIA: Do we have any comments, public comments?
12 Any public comments? Once. Twice. Three times.

13 Since there is no public and there's no comments we
14 can close the Public Hearing.

15 MR. MORRISROE: Mr. Crawford, have we complied?

16 MR. CRAWFORD: You have complied. I am a happy camper.
17 Thank you very much. Appreciate it.

18 MR. POWERS: You're more than welcome.

19 MR. AVITIA: Thank you, Mr. Crawford.

20 MR. MORRISROE: Thank you, Mr. Crawford. Thank you,
21 Mr. Burdix.

22 MR. BURDIX: Thank you all. Have a great Memorial Day
23 weekend.

24 MR. POWERS: You do the same.

25 MR. AVITIA: Back to the agenda. Let's go back to the
Redevelopment Meeting Minutes for Review from April 6 and 20.
I have some questions.

Ezell, do you have any questions on those?

MR. FOSTER: No. I don't have any questions.

MR. AVITIA: There's quite a few properties on Main
Street starting with 3919, 14, 18, 20, 22, 4005, 4003.

MR. POWERS: That's correct.

1 MR. AVITIA: What, if any, economic development plans do
2 you have for that?

3 MR. POWERS: So what they're doing is they're proposing
4 all of these properties to be listed as to where they could
5 be purchased.

6 We don't have anyone who has submitted any specific
7 inquiries for those properties. But one of the challenges
8 for properties being procured by private residents is
9 generally they submit that property inquiry form unless the
10 properties have been solicited by a real estate agent.

11 So since these properties haven't been solicited by
12 a real estate agent nor has there been any inquiries they're
13 proposing signs to show that these properties are available
14 for sale, what the proposed price is. So that way we can see
15 if we get additional inquiries from there since there are as
16 you mentioned a good amount of properties on Main Street that
17 are currently vacant.

18 MR. MORRISROE: The City has not proposed a plan for the
19 use. It's offer them to the private sector at this point.

20 MR. AVITIA: So the plan is they're to be commercial and
21 not residential?

22 MR. MORRISROE: Yes.

23 MR. POWERS: That is correct.

24 MR. MORRISROE: I believe so.

25 MR. POWERS: This is part of the North Harbor Business
District. They would have to be commercial or get variances.
And that would be illogical because the value.

MR. AVITIA: So the properties here on Main Street and
on Broadway not all of them are commercial.

MR. POWERS: From Columbus north on Main Street to
Broadway, that is all commercial along with Broadway is
commercial.

There are some properties that may be residential
because they predate the zoning being legal nonconforming.
However any future developments would be either commercial or
potentially mixed use.

1 MR. MORRISROE: The Fitzsimmons Building as you noticed
2 has residents on the second and third floors, the part that's
3 along the street. So it's primarily commercial use along on
4 the first floor. However there is room for residents.

5 MR. AVITIA: Yeah, the Fitzsimmons Building.

6 MR. MORRISROE: Yes.

7 MR. POWERS: That is correct.

8 MR. FOSTER: What was the addresses? Could you repeat
9 the addresses of those properties you were talking about?

10 MR. AVITIA: Starting from 3912.

11 MR. FOSTER: 3912 what?

12 MR. AVITIA: Main Street.

13 MR. POWERS: So these are the properties between the
14 church and the barber shop. It's Arnold's Barber Shop.

15 MR. AVITIA: 14, 18, 20, 22 and then 4005 and 4003.

16 MR. FOSTER: I know where all those are.

17 MR. AVITIA: I know you're aware. I am asking you do
18 you have any comments on those?

19 MR. FOSTER: No. I just want to know these properties
20 and where they were located.

21 MR. POWERS: If the City had plans for these properties,
22 they would not be listed under the Redevelopment Minutes.

23 MR. AVITIA: I attended a meeting this morning on this
24 home assistance for down payment. And I seen properties in
25 East Chicago still going up.

I saw a home this morning being sold for \$150,000.

MR. FOSTER: For what?

MR. AVITIA: 150. And I've seen very few offerings less
than 100,000.

Now, there were comments on the minutes that the
values are skyrocketing in East Chicago. Are we compensating

1 for that when we offer those properties?

2 MR. POWERS: The property value increase may be in
3 correlation between the HUD assistance that's being offered.
4 However beyond that there isn't any additional programs.

5 There's assistance for people that need to repair
6 their roofs and things of that nature, but not the actual
7 closing.

8 MR. FOSTER: I was going to ask Mr. Avitia. Do you
9 remember this property you were saying was over 100,000? Do
10 you remember the address?

11 MR. AVITIA: Yes.

12 MR. FOSTER: What is it?

13 MR. AVITIA: There was a couple on McCook. And I don't
14 remember the other one.

15 MR. FOSTER: On McCook?

16 MR. AVITIA: Yes.

17 MR. FOSTER: And Calumet over 100,000?

18 MR. AVITIA: Yes.

19 MR. POWERS: And we did just have an apartment complex
20 over here on Indianapolis that they were listed for I think
21 it was \$450 or \$490,000 that sold rather quickly.

22 MR. AVITIA: So property values we're seeing them
23 really --

24 MR. POWERS: We do have a lot of people. Last I knew
25 there was at least 26 people who have taken advantage of that
program this year.

MR. AVITIA: So to me that's a sign that the properties
in East Chicago is staying pretty steady. We are running out
of homes to obviously put on the property.

MR. MORRISROE: We still have curiously a number of LLCs
or private real estate people who buy properties in order to
rent them which we don't subsidize that.

But I think the Mayor and others are disappointed

1 that so many properties remain rental properties in East
2 Chicago. Some of the rental owners invest money in the
3 properties. Others just buy them and throw them out there
4 and do as little as possible other than collect rent.

5 MR. FOSTER: And that's one of the biggest problems we
6 have as Code Enforcement.

7 MR. POWERS: And the last data I see I believe this is
8 2017 there's approximately 30 percent homeownership.

9 So you're correct that hopefully we can help to
10 increase the homeownership number because there are a lot of
11 transactions, but how many of them are homeowners versus
12 rentals.

13 MR. AVITIA: I can tell there's 30 percent because where
14 I live I'm surrounded by rental properties. And renters are
15 absolutely not an economic benefit to East Chicago because
16 they're neglectful. They move. They're transient. And the
17 alleys are horrible.

18 MR. MORRISROE: Do they come and go quickly where you
19 are?

20 MR. AVITIA: Yeah. I got a rental building on the
21 corner.

22 MR. MORRISROE: I know that building.

23 MR. AVITIA: And you see the people just coming in every
24 month or two. And the garbage, they dump their stuff on the
25 corner or in the alley and they move on.

MR. FOSTER: Right. And then the thing is they don't
care. They're just renting. I'm just here for a minute.
And the landlords know this.

That's why like the block I stay in, 4900 block of
Euclid, anything come up say no, I have to talk to the
landlord. Say no, we're not going to have this over here
because everybody over there is homeowners. It's like one
rental property on the block.

MR. AVITIA: That's a good ratio.

MR. FOSTER: I've got to try to keep it like that. The
police don't have to come over there. No. We got a good
block. And I would like to keep it like that.

1 MR. AVITIA: An example of that is the building that's
2 kitty-corner to Riley Park. You walk through there's weeds
3 right in the front and on the back. They just don't take
4 care anything.

5 MR. FOSTER: That apartment building on the corner?

6 MR. AVITIA: Right.

7 MR. FOSTER: I know which one you're talking about.

8 MR. AVITIA: Take a look at that. You walk through
9 there it's horrible right in front of the park.

10 So this down payment assistance program is probably
11 one of the most important ones that we can continue because
12 this 30 percent homeownership is just not viable for East
13 Chicago.

14 I'm a homeowner here in East Chicago. And I just
15 despise seeing home rental units. That's one of the big
16 things that East Chicago has to fight. We have to kind of
17 development some sort of balanced ratio.

18 50/50, 75/20, in your experience what is it?

19 MR. MORRISROE: St. John is 90 percent homeowner.

20 MR. POWERS: I would say anything above 60 to 70 percent
21 is more generally accepted.

22 But another thing I can speak to is when we come to
23 that stage where we're revising the Comprehensive Plan for
24 what the future beholds for us that's when we can start
25 discussing some of these other potential opportunities.

26 We're at the precipice with the opportunity zones
27 that are in the City as well as some other things to
28 potentially encourage additional development that can help to
29 increase that number.

30 However beyond that we can start looking at
31 additional other resources through seeing what the division
32 is for this community, offering other private individuals
33 more potential incentives by aligning with our plan at which
34 time they can then be further encouraged to propose
35 additional developments.

MR. AVITIA: Personally if I am maintaining my property,

1 I just put some sod on the front of my property. Next-door I
2 have a weed patch. I mean what do you gain? And it's a
rental property.

3 So I am just venting a little bit on rental
4 properties. And I think everybody here knows, anybody who
lives in East Chicago.

5 Ezell, any other comments?

6 MR. FOSTER: No.

7 PUBLIC COMMENTS: None.

8 COMMISSIONER COMMENTS:

9 MR. AVITIA: I have some questions. On the previous
10 meeting we asked, Leon Valdez asked about the building on
145th and Homerlee. Is there any answer on that?

11 MR. POWERS: So the property there, they haven't pulled
12 any permits. They're not proposing anything new. It's not
owned by the City.

13 They may be moving some equipment around on the
14 property. However being that they're not pulling permits or
doing any work I don't really have any information to that.
15 It's just their practice.

16 MR. AVITIA: How about the one on Euclid?

17 MR. POWERS: The Euclid one I believe that was similar.
Neither one of them are owned by the City. And there hasn't
18 been any permits.

19 MR. AVITIA: They're scrapping and they're collecting
stuff on the outside. What kind of activity do we have going
20 there?

21 MR. MORRISROE: Which one on Euclid?

22 MR. AVITIA: The one on Euclid.

23 MR. POWERS: Behind the Riley Building.

24 MR. AVITIA: I think it used to be --

25 MR. FOSTER: The general mill, the blue building.

1 MR. POWERS: We drove over there.

2 MR. FOSTER: Come down south a little bit right before
3 you go over the tracks.

4 MR. MORRISROE: On the same side as the school?

5 MR. FOSTER: Yes.

6 MR. MORRISROE: Something is happening?

7 MR. AVITIA: Yes.

8 MR. POWERS: That's the property we drove by last month.

9 MR. MORRISROE: They're still doing that daily?

10 MR. AVITIA: Yes.

11 MR. MORRISROE: We went by there a few days ago and were
12 looking at it. We can inquire.

13 Do you have any word as to what they're doing?

14 MR. FOSTER: No. I know they used to be like National
15 Processing. They used to do coils there. And trucks used to
16 come and pick that up.

17 MR. MORRISROE: Well, they own that and they do the
18 coils at the other end.

19 MR. FOSTER: Right. But back then they was doing it at
20 both ends. But now the end on Euclid they don't do that no
21 more. I don't even know if that part of the building is open
22 anymore.

23 MR. MORRISROE: Well, there was a manufacturing firm in
24 there called something like Green Lake. And they were trying
25 to get support from the City to put in additional new
equipment. I don't know whether that happened.

It may not have happened. They may have moved on
to LaPorte County as they were threatening to do.

MR. FOSTER: But then I was wondering I remember the
equipment Mr. Avitia was saying that they had sitting out
there. I said oh, that's what he was talking about. So I'm
wondering where did that come from.

1 MR. AVITIA: From the inside of the building.

2 MR. MORRISROE: There was a manufacturing operation
3 there.

4 MR. FOSTER: Why would they take it out and sit it in a
5 lot? What do you all plan on doing?

6 MR. MORRISROE: They might be preparing to move some of
7 it and to junk other parts it.

8 MR. POWERS: Being that the property is privately owned
9 what I can do is I can contact the Building Commissioner. He
10 can look at it and have the inspectors and code enforcement
11 see whether there's unpermitted work or if there's code
12 violations.

13 MR. AVITIA: Disposing of equipment and fluids and doing
14 it properly. They may be preparing the property for doing
15 some economic redevelopment there, cleanup.

16 MR. MORRISROE: Not be creating problems while they're
17 moving.

18 MR. POWERS: Generally if they were doing some form of
19 environmental cleanup, that's something that either myself or
20 Mr. Morrisroe would be apprised to because there are
21 incentives to assist with that. And it is costly.

22 MR. AVITIA: We're interested in that side of the
23 equation.

24 MR. POWERS: Absolutely.

25 MR. AVITIA: Ezell, any other comments?

MR. FOSTER: No.

* Next Regular Meeting Date: Thursday, June 24,
2021 @ 4:30 p.m. in City Hall Council Chambers.

Motion to adjourn was made by Jesse Avitia. Second by Ezell
Foster.

Roll Call: "All in Favor": All Abstain: None.
Opposed: None Motion Carries.

* Meeting ended at 4:59 p.m.

1 Approval of the Meeting Minutes of
2 Thursday, May 27, 2021

3 Approved and Signed June 24, 2021

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6 Jesse Avitia, President

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10 Leon Valdez, Vice President

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13 Ezell Foster, Member

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16 Ateria Allen, Recording Secretary


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C E R T I F I C A T E

I, Lisa Pena, a competent and duly qualified court reporter, do hereby certify that I did report in machine shorthand the foregoing proceedings and that my shorthand notes so taken at said time and place were thereafter reduced to typewriting under my personal direction.

I further certify that the foregoing typewritten transcript constitutes minutes of said proceedings taken at said time and place, so ordered to be transcribed.

Dated at Portage, Indiana, this 21st day of June, 2021.



Lisa Pena
Notary Public Porter County
Certified Shorthand Reporter
License Number 084-003483

