

CITY OF EAST CHICAGO  
ECONOMIC BUSINESS DEVELOPMENT COMMISSION  
August 26, 2021

BOARD MEMBERS:

Jesse Avitia  
Leon Valdez  
Ezell Foster

STAFF:

Richard Morrisroe, Legal  
Douglas Powers, Planner  
Ateria Allen, Secretary

Reported by: Peggy S. LaLonde, CSR, RPR  
Fissinger & Associates

Call to Order: 4:30 p.m.

Pledge of Allegiance:

Roll Call: Present: Jesse Avitia, Ezell Foster

Staff Present: Richard Morrisroe, Legal Counsel  
Ateria Allen, Recording Secretary  
Douglas Powers, City Planner

MR. AVITIA: I'd like to call the  
Economic Development Commission meeting of Thursday,  
August 26, 2021 to order.

Next, approval of minutes. I make a  
motion to approve the minutes of Thursday, July 22,  
2021.

MR. FOSTER: Second.

MR. AVITIA: Roll call.

Roll Call: "All in Favor": All Abstain: None  
Opposed: None

MR. AVITIA: Motion carries.

Move on to Old Business: None

New Business: I think, Mr. Powers,  
you are going to have comments on Chapter 11 today.

MR. POWERS: Absolutely. Thank you,  
Commissioners. So what is Economic Development?  
Economic Development is most commonly thought of as  
activities pertaining to job creation, but the term  
refers to a wide range of activities relating to

1 improving and sustaining the economic health and  
2 standard of living of a community or region, the  
3 construction and/or expansion of industrial and  
4 commercial properties, educational and medical facility,  
5 and corresponding infrastructure and utilities are all  
6 core objectives of Economic Development. Such as the  
7 field has a close relationship with both land use and  
8 long range planning. So that is a general concept as to  
9 what Economic Development is.

10 There areas that are related in  
11 there for further note as we discuss business and job  
12 recruitment, a lot of that generally pertains to the  
13 City as the development agreements are approved. Those  
14 are most likely to come in front of your board, but they  
15 are part of that process for being able to see the job  
16 creation through tax incentives being offered to help  
17 getting local positions available. That kind of falls  
18 in line with business retention and expansion. You  
19 know, similar wise however, those generally would  
20 require plan review and approval through the Plan  
21 Commission as well, not just incentives being offered.

22 So I would like to go a little  
23 further into the chapter to discuss a couple other  
24 related things. You know, redevelopment as we know, a  
25 lot of redevelopment is handled through the  
26 Redevelopment Commission. But we may generally work  
27 side-by-side on some of the issues because they may  
28 pertain to the economics as well, depending on what it  
29 is that's being done.

30 Like we have the facade program.  
31 Work force training isn't something that we are  
32 currently doing. There may be an opportunity in the  
33 future. I do believe that you all know community  
34 economic development -- you know -- is a similar term.  
35 But, you know what, I'd like to talk a little further  
36 about incentives.

37 As I mentioned, the tax abatement is  
38 one of those incentives that may generally be used  
39 through that development agreement process, where tax  
40 abatements we would offer reduction in taxes of certain  
41 percentage for certain amount of years. So that way the  
42 developer knows there is fewer dollars they are having  
43 to pay through property taxes, so that way they can  
44 allocate those funds accordingly.

45 Tax incremental financing, that is  
46 sometimes used in lieu of tax abatement. It really  
47 depends on, you know, first if it's established as a TIF  
48 or if it needs to be established as a TIF, that play a  
49 role in the timeline as to whether it's eligible for TIF

1 or because the TIF is going to need the Council approval  
2 for it to become a TIF district. Tax abatements do as  
3 well. But, you know, the timeline for what is required,  
4 they can potentially have tax abatement approved  
5 slightly faster than a TIF, if it hasn't been previously  
6 established.

7 Revenue bonds. So as it means here,  
8 Economic Development projects can be expensive,  
9 especially if they involve the construction of a major  
10 new industrial facility. Maybe available resources,  
11 such as TIF or LOIT, do not generate enough annual  
12 revenue to pay for a large scale project. That's one of  
13 the things that, you know, falls under your purview. If  
14 bonds are required for potential projects.

15 It goes on to mention economic  
16 development at a state level. So some of these projects  
17 that we will see will get funding, as the projects we  
18 discussed at the last meeting, will be contingent on  
19 state or federal funds. That is related to the economic  
20 development side there. That the state and feds do have  
21 grants available, as to where and also discuss regional  
22 familiar with the Regional Development Authority. And  
23 in a previous meeting earlier this year where we  
24 discussed about the transit development district, that's  
25 kind of an overlay of what potential resources they can  
offer through that area. There is limited use as to  
what we can do for the public improvements, local  
economic development organizations -- you know --  
through here.

I am sure you are probably aware  
there is Lake County Economic Alliance that tries to  
work with people in Lake County, as well as I mentioned  
the ARDA, and I believe that's it. Do you have any  
questions?

MR. FOSTER: I have none.

MR. AVITIA: I have one. First one, we  
said tax base. We had this project here on West  
Calumet, the Brownfield project. Has that -- this  
vision gotten any more along the development stage or is  
it still something that's hanging?

MR. POWERS: So where they are at  
currently is they are still -- you know -- working in  
collaboration with the EPA to get a finalized agreement  
on what all needs to be done or had been done, versus  
what is required for that site. You know, once they get  
that agreement formalized, then we should see plans

1 moving on. It's just that this is really between the  
2 EPA and the private developer. So it's not something  
3 that I am going to have a lot of information on beyond  
4 what I have said. They will, once the parties come to a  
5 formalized agreement, then they will come back with  
6 plans. At which time then that would have to go through  
7 the plan review process and any tax abatements, whatever  
8 it is they are requesting, that will all have been  
9 formalized or formalized during that time.

10 MR. AVITIA: Still something in  
11 consideration then?

12 MR. POWERS: That property is owned by  
13 the Housing Authority, so a lot of economics is going  
14 through them as well. So we'll find out about it once  
15 it's moved forward, but at this point it's still in  
16 discussion.

17 MR. AVITIA: Just so I know, what kind of  
18 tax credits are being used for the development of the  
19 main building on Main Street, the housing development.  
20 Are those tax credits?

21 MR. POWERS: Housing development on Main  
22 Street --

23 MR. MORRISROE: The senior housing.

24 MR. POWERS: The senior housing on Main  
25 Street? The newer one you are talking about, the one  
that's proposed?

MR. AVITIA: Are they using tax credits?

MR. POWERS: So they do not have a  
formalized development agreement as of yet. I'm sure  
there has been discussion as tax abatement versus TIF,  
but a lot of times until they are at that stage where  
we're receiving their plans for review and we are  
starting to discuss approval, that it may change. We  
have had projects where they originally request  
abatements and then go to TIF, and then vice versa,  
contingent on some issues. So I would say today it is  
probably preliminary unless you had some additional  
information.

MR. MORRISROE: No, we don't. We thought  
it was going to be -- we were discussing it earlier --

1 we thought it was going to be under construction by this  
2 time, but there is still apparently a number of problems  
3 with HUD. There were some environmental problems with  
4 EPA. There was a dry cleaner in there and there were  
5 problems coming from that still. IDEM wanted to go in  
6 and check again just to make sure there weren't streams  
7 that might be effected. They are very concerned because  
8 of senior housing and they don't want people in a  
9 climate that has very serious environmental problems.

10 They have been very careful about  
11 the property due to the dry cleaners, morticians; there  
12 is a couple others that are -- you don't easily remedy  
13 what they have been putting in the ground for years.  
14 Are there other obvious ones besides dry cleaners and  
15 morticians, funeral directors?

16 MR. POWERS: I always love gas stations.

17 MR. MORRISROE: But, that's -- gas  
18 sometimes I think are even easier to deal with than the  
19 chemicals from dry cleaning. They are more of them.

20 MR. POWERS: Because gas stations they  
21 actually try to protect and prevent contaminants. As  
22 where dry cleaners -- you know -- it wasn't till  
23 recently we realized it was a hazard. So I agree. But  
24 there are discussions, and there most likely will be  
25 discussions at a later date that the Housing Authority  
has been working with HUD, as well as the developer that  
brought this project. The plans were reviewed and  
approved by the Plan Commission. However, there has not  
been a set date for that.

MR. MORRISROE: You saw this in this  
morning's paper, I presume, about the Nicosia building  
being shut down immediately. When we were discussing  
this, we were assuming that the new building was going  
to be online and people were going to be moving.

It turns out that half the people in  
the Nicosia building have been kind of encouraged to  
move elsewhere because of HUD's review of the condition  
of the building. So something like 90 some residents of  
the Nicosia building were looking at the proposed  
building in the Harbor in the way of being 200 to  
210 units. A couple years ago, last time I looked  
seriously at the Nicosia building, it was a full house.

So it's a lot of grief for a lot of  
people. What is occurring -- you know -- ready to be  
moved to a hotel. Some of these persons may not have

1 some kind of a family member or a friend with competence  
2 to help them.

3 MR. AVITIA: Especially at the age of the  
4 people that are housed there.

5 MR. POWERS: So that project -- you  
6 know -- should be moving forward soon. Kind of outside  
7 of -- you know -- planning and economics. Unfortunately  
8 at this point, it's more to do with their agreement  
9 with -- you know -- HUD, the Housing Authority.  
10 Everyone coming together on that end. But just like  
11 that project I presented to you at the last meeting,  
12 that they were interested in doing, the senior  
13 development and stuff as well. So if that was something  
14 that actually did get approved and went through, that  
15 there is a possibility of an additional group that has  
16 resources to help with some possible senior living.

17 MR. AVITIA: Because the tool, you were  
18 referring to this chapter being used by them.

19 MR. POWERS: So absolutely. We say TIF  
20 and tax abatement, especially in industrial  
21 properties -- you know -- you are going to see them a  
22 good amount of times, depending on the size of the  
23 project. It's usually you just don't see it as much in  
24 the residential because we are not looking as Main being  
25 a large scale developer. If they were larger scale  
26 projects, there would be more likely than not  
27 discussions in those regards. I'm not saying approval,  
28 discussion.

29 MR. AVITIA: Ezell, any questions on  
30 that?

31 MR. FOSTER: No.

32 MR. AVITIA: Okay. We can move on to the  
33 second section, which is Redevelopment meeting minutes  
34 for review. Ezell, do you have any comments on that?

35 MR. FOSTER: No.

36 MR. AVITIA: I have a couple, as always.  
37 Any development on some of the projects we have going  
38 here on Main Street, Main and Broadway with the bank  
39 building and three lots, beside those, are those being  
40 appraised? I think you are part of that valuation

1 committee.

2 MR. POWERS: That is all one property.  
3 It looks like a larger area, but the bank owned the  
4 parking lot and they used to have the drive through  
5 there. That's all one larger parcel.

6 The reason that property -- and if I  
7 am not mistaken, I believe Columbus was presented at  
8 this same meeting. They were presented that way because  
9 of redevelopment requirements to potentially be able to  
10 sell the properties.

11 So what they do is, they will set a  
12 value as to this is the dollar figure sold at. If they  
13 don't get offers within 30 days or designated time  
14 frame, they would accept offers later. So what this  
15 suggests is that that property -- you know -- someone  
16 could potentially purchase that property if they were so  
17 interested. Being that this just occurred at the recent  
18 meeting -- you know -- it would be a later meeting  
19 before we would know if bids had been received.

20 MR. MORRISROE: Now the property at Main  
21 and Columbus, there were two bids on that project that  
22 are being reviewed now, at the last Redevelopment they  
23 were opened. They had two bids at the \$500 figure.

24 MR. POWERS: I don't know who -- a  
25 decision hasn't been made in regards to who is awarded  
that property yet though. There are certainly people  
who are interested. Don't let me lead you to believe  
these properties, that there is no interest in them.

MR. AVITIA: I think we understand. The  
bidding is there and the price has been set, so if  
somebody is interested in the property, there is some  
sort of development, economic development, that's going  
to happen in that area. And the Commission is  
interested in where we are going with some of those  
properties. That's economic development, anything that  
comes into East Chicago, businesses, jobs, that is  
economic development.

MR. POWERS: As soon as this project is  
awarded to someone, I'll gladly share that information.  
These properties, they will be I believe at the next  
Redevelopment Commission meeting. At that time they  
will say who it is that will be awarded the property.  
So at the next EDC meeting we can certainly discuss  
potential impact and whether or not I have plans or

1 development agreements stating what it is they are  
2 planning on doing, how many people they would be  
3 interested in hiring, and for what purpose.

4 MR. AVITIA: And similar question for the  
5 property on Cline Avenue, which also has some sort of  
6 value to it.

7 MR. MORRISROE: However no one bid on  
8 that, which means Redevelopment can negotiate even a  
9 lower amount, lower offer. But I haven't heard  
10 anything.

11 MR. POWERS: It may be a little longer  
12 before I would have information on that site because  
13 that -- you know -- that site is unique.

14 MR. AVITIA: But it is encouraging we at  
15 least have some sites that somebody has set a value to  
16 and somebody may be interested in developing. That's  
17 what the Commission is looking at.

18 MR. POWERS: And so in case you didn't  
19 notice, the other site I discussed was 3401 through 3600  
20 Watling, that's the property that's between mechanical  
21 and the fire station, that property also went out for  
22 bid. So hopefully those three properties -- I'm  
23 sorry -- four properties that we recently just  
24 discussed, I will have some additional information by  
25 the next meeting.

MR. AVITIA: You know what's encouraging,  
for me at least, when I go down Michigan Avenue, I see  
development of industrial buildings in that area, which  
has changed the look of Michigan Avenue completely from  
what it used to be to what I see now. That is  
encouraging to me, just to see that kind of development.

MR. POWERS: Absolutely. I think we are  
seeing a lot of changes on that road just over this past  
couple of years.

MR. AVITIA: And then we were talking  
about in field development, possibly something like  
that.

MR. POWERS: Absolutely, and that will be  
in that same area.



1 MR. AVITIA: There is a grant for West  
2 Calumet that has been handed out by the State of  
Indiana, some new homes in that area.

3 MR. POWERS: It's encouraging. We  
4 expanded the facade area when we passed the recent  
resolution. Hopefully we will have additional people  
5 taking advantage of that as well.

6 MR. AVITIA: Ezell, any comments or  
questions?

7 MR. FOSTER: No.

8 MR. AVITIA: All right. Our next meeting  
9 will be held on Thursday, September 23rd, 2021. Make a  
motion to adjourn.

10 MR. FOSTER: Second.

11 MR. AVITIA: All in favor?  
(All signify aye.)

12 Motion carries. Meeting adjourned.

13  
14 \*\*\*\*\* Meeting Adjourned \*\*\*\*\*  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Approval of the Meeting Minutes of Thursday  
August 26, 2021

Approved and signed October 29, 2021

  
\_\_\_\_\_  
Jesse Avitia, President

\_\_\_\_\_  
Leon Valdez, Vice-president

  
\_\_\_\_\_  
Ezell Foster, Member

  
\_\_\_\_\_  
Ateria Allen, Secretary

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

C E R T I F I C A T E

I, Peggy S. LaLonde, 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 the said proceedings taken at said time and place, so ordered to be transcribed.

Dated at Munster, Indiana, this 30th day of August, 2021.

*Peggy S. LaLonde*

Peggy S. LaLonde, CSR, RPR



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25