Summary of RLF Loans or Subgrants

1. Lender/Subgrantee (CA #): BF-00E48101-D
2. Borrower: N/A
3. Loan Amount: N/A
4. Subgrantee: City of LaPorte
5. Subgrant Amount: $500,000
7. Date of Loan/Subgrant: 3/17/21
8. Interest rate: N/A
9. Loan terms - frequency and length of payment: N/A

Short summary of project/highlights:

The 14.3-acre, vacant Site project area is located at US HWY 35 & SR 39 (a.k.a. 408 Truesdell Avenue) in the City LaPorte, LaPorte County, Indiana. It is situated between Truesdale Avenue on the southeast, Pine Lake Avenue on the southwest and Hoelocker Drive/Clear Lake on the northeast. The Site is a portion of the former Allis Chalmers manufacturing complex and consists of the former manufacturing building foundations and overgrown vegetation. However, a medical office building was constructed over the south-southwest portion in 2020.

Historical review indicates that this irregular-shaped Site parcel was used for the manufacture of oil-pull tractors, office furniture, and electric heaters from 1912 until the early 2000’s. Other portions included a drum storage area and staging/material storage areas.

While Advanced Rumely/Allis Chalmers (Allis Chalmers) farm implements manufacturing facility operations ceased in 1983, Allis Chalmers retained the property until 1986 when it was sold to the Verma family (Verma); Allis Chalmers filed for bankruptcy on January 26, 1987. Verma manufactured office furniture and electric baseboard/space heaters at the Site under the names of Erincraft and ElectraTek; Erincraft was administratively dissolved on July 31, 1989. In 1993, the Verma property was an attractive nuisance with homeless persons and others occupying the unsecured post-industrial building. With increased frequency over the years, City of LaPorte police and fire responded to calls for assistance at the Site for fires and personal injuries, creating a hardship for the City police and fire departments. Verma was unresponsive to City requests for assistance addressing the issue. Frustration with the situation drove the creation of the City’s code enforcement department in 1996, whose first task was to bring the Verma parcel into compliance. Verma evaded code enforcement by a host of measures. In 2005, the City began eminent domain proceedings.

On December 20, 2006, the City obtained an “Order Confirming Transfer of the Real Estate” which vested ownership of the Site in the City of LaPorte. An Agreed Judgment was finally ordered on May 27, 2008, settling the condemnation action filed by the City against the Vermas and ordering that the City had fee simple title to the Site. 2
Several environmental, subsurface investigations have been conducted at the Site project area from 1995 through 2016 that have discovered historical contamination on and off-Site. The large (approximate 0.6-acre area) Site soil stockpile contains a mixture of soil and foundry sand that exhibits various concentrations primarily of heavy metals, as well as polychlorinated biphenyls (PCBs), polycyclic aromatic hydrocarbon (PAHs), and volatile organic compounds (VOCs).

The RLF-funded response actions will address the historical presence of hazardous substances impacts to on-Site soil. The remediation/removal will facilitate anticipated Site mixed-use commercial redevelopment, as well as possible recreational trails and residential use.

A developer, Flaherty & Collins, has proposed a contemporary, multi-family, residential development on the Site called “The Strand” as part of the larger New Porte Landing development which includes the Site and adjacent parcels. The Strand would consist of 200 luxury apartments in a mix of studio, one- and two-bedroom units, along with other amenities.