

- I. **Call to Order:** The RDA Meeting was called to order at 10:00 a.m. with Gus Olympidis presiding in the absence of the Chairman. Chairman J. Clark joined the meeting at 10:35 a.m. yielding the gavel to Vice Chairman G. Olympidis.
- II. **Roll Call:** Present: Howard Cohen, Bill Joiner, L. Martinez, and Gus Olympidis. Four members present anticipating the arrival of the Chairman and another Board member. The meeting was convened for reporting purposes only. Carmen Fernandez joined the meeting at 10:20 a.m.
- III. **Approval of Minutes:** Gus Olympidis requested approval of minutes from the October 16, 2007 meeting. L. Martinez moved to accept the minutes with a second by B. Joiner. All were in favor and the October 16, 2007 meeting minutes were approved.
- IV. **Treasurer's Report:** H. Cohen begins speaking of the RDA's revenue. The RDA has been in correspondence with the City of Hammond, the City of East Chicago, and the City of Gary regarding their payments; it seems that the lack of property tax funding has created a crunch for them. The RDA is trying to work out a payment plan that would have them paying toward their requirement with the understanding that once they did receive their revenue they would pay the remainder of that amount owed to the RDA. Again, the RDA is in continuing contact with the three cities. The RDA has only made committed expenditures since the previous Board Meeting. The RDA has made office, Lakeshore, and RBA expenditures. The RDA's net cash is currently \$41,510,630. B. Joiner moves to accept the Treasurers Report with a second from L. Martinez. All were in favor and the Treasurer's Report was approved.
- V. **Report of Chair:** There was no report from the Chair.
- VI. **Project Progress Report:**
 - a. **Regional Bus Authority:**

T. Sanders reports that there is a RBA newsletter from October for public review. The RBA is moving along. G. Olympidis asks D. Rittenmeyer if the RBA is asking for any of the revenue that will be generated from the 1% income tax increase, and has the RBA been seeking permanent funding resources. D. Rittenmeyer is concerned about long term funding, because there is only two years worth of funding. The RBA is exploring additional options outside the RDA but nothing permanent has been established. They have not looked at the income tax, and he doesn't believe the RBA is on their minds at this point. The RBA has applied to become the recipient of the federal designee for federal money. L. Martinez questioned whether or not the federal designation would have had an impact on the City of Valparaiso's request for the funding of the four buses. D. Rittenmeyer states that if the RBA becomes the federal designee they will get the money directly to support mass transit.
 - b. **South Shore:**

T. Sanders reports that they are currently working on the cars in Japan. They are about 3% complete on the construction of the cars. They are anticipated to arrive November of next year. As you may have read in the paper, the NWI Delegation is working with other members of the Indiana General Assembly to come up with a funding mechanism to begin the process of providing the local match for the South Shore track expansion through the West Lake Corridor through Valparaiso to Lowell. There will be more on that process as we move forward.
 - c. **Gary/Chicago International Airport:**

T. Sanders reports that they are continuing to do work. An opportunity may exist for another airline to come into the airport. We wish them success and we would be available to offer them any assistance in that regard.
 - d. **Marquette Plan:**

T. Sanders reports that work continues in the East Chicago and Gary project with Community Builders leading the charge. That project is ongoing, as is the funding request we have received from the City of Portage. We received a letter this morning from the City of Portage and the bids came in somewhat higher than the amounts that they had anticipated and they are going

to be asking for additional funds from the RDA for completion of this important project. T. Sanders recommends that this be accepted and be assigned to a Working Group. This is an issue that the RDA hasn't had to deal with in the past, meaning cost overruns of this magnitude and the RDA will probably need to deal with a policy of how we are going to handle these requests. T. Sanders talked with Mayor Olsen and AJ Monroe. They currently have funds available and they can deal with this at the next Board Meeting in January. Over the next month the RDA should utilize our consultants and form a Working Group to address these issues. B. Joiner suggested a change order request based on the existing application on file and when it gets to a Working Group it deals with how we are going to manage these cost overruns as a matter of policy going forward. All were in favor.

VII. **Executive Director's Report:** In the packet is a document that deals with the law that created the RDA, it discusses election. Under law the RDA is required to hold elections in January of each year and there should be an organizational meeting. This meeting will take place at the next RDA Board meeting in Indianapolis; T. Sanders asked the Chair to form a Nominating Committee. H. Cohen asks for the date of the Indianapolis meeting. The tentative date is January 22, 2008. January 29, 2008 works better for the Board, this date is still tentative. J. Clark arrived, and for continuity purposes suggested G. Olympidis continue as Chair. L. Martinez has volunteered to Chair the Nominating Committee. The meeting date was not discussed.

VIII. **Items for Board's Acceptance:**

a. **Portage Adult Education Request:**

T. Sanders states that there is a request for financial support from Portage Adult Education, it is a worthy organization, and T. Sanders has had conversations with the administration. However, this is not in the RDA's scope of work, and the RDA was not developed to fund these types of projects. T. Sanders also explained that to the administration. He makes a recommendation to the RDA Board to not accept this for further consideration or funding. B. Joiner moves to deny consideration of the Portage Adult Education request. J. Clark seconds the motion. All were in favor of the motion and the motion passed.

b. **City of Valparaiso – Express Bus Service to Chicago:**

The Working Group of the whole met on Tuesday, November 13, 2007 and requested that the RBA and Valparaiso work together to come up with a joint application that would allow the RDA to continue to fund the RBA as the central focus of bus issues in Northwest Indiana, and also allow Valparaiso to move forward with their proposal. They have come back today and presented us with a document provided to the Board in their packet. T. Sanders feel's that it is a very good proposal. One issue with the revised proposal however, is a request from the RBA for four more buses for a Lake Country Express Bus Service, as some Board members have suggested there isn't the marketing, ridership, or other data to back up the request. However, there is for the Valparaiso request. T. Sanders recommended to the Board to decouple the two requests. One would be for Valparaiso which has already been reviewed by the Working Group and has provided all the requested data and information. Once the Board decides on the Valparaiso proposal, then T. Sanders would urge the Lake County Express Bus Service proposal be accepted by the Board and referred to a Working Group, and to also give the RBA the chance to do the same kind of analysis that Valparaiso was given. G. Olympidis moves to decouple the two requests, consider the Valparaiso request today with its final reading and to accept an application from the RBA for a like initiative at a later date for Lake County. L. Martinez asks if the RDA is asking the RBA to resubmit another proposal even though the Board has a proposal in play already. T. Sanders states no we are simply accepting it as a proposal we would get from anyone, as our process is it will be accepted by the Board first, then be assigned to a Working Group, and then come back to the Board for final approval. B. Joiner questions the motion, just for clarification purposes he believes at the last meeting some of the

items agreed upon was that the request for Valparaiso was actually going to come under, in the form of a request, the RBA. T. Sanders confirmed that B. Joiner was correct. H. Cohen supports the RDA decoupling, with regard to the second part but that is not the RDA request from Valparaiso, but from the Lake County Express Bus Service. He expresses that in the contract that we already have with the RBA there was \$2 million set aside for a Regional Bus Service. He believes the RDA has already executed that agreement. H. Cohen suggests that the RBA do a study and if they found they needed additional buses beyond the \$2 million, they would make a proposal to the RDA and the Board would handle that as an addendum in the same way as we are handling the Portage proposal. But as far as he can tell we have already made that commitment. L. Martinez stated that yes but those dollars are identified as not capital expenses but for marketing and operational expenses. They have put together a proposal for an additional \$2 million for four additional buses for the Lake County Express Bus Service. D. Rittenmeyer says that these are exclusively express buses, as a regional service. H. Cohen says that the RDA has already allocated \$2 million dollars toward that project however those dollars are specifically to be used for marketing or studies. It is up to the RBA if it needs additional money to come back as an addendum to that proposal. G. Olympidis believes that's a fair point and believes that in addition to the \$2 million there is \$1 million that is earmarked for capital outlays of the matching grant persuasion in search for federal resources. There's somewhere between \$2 million and \$3 million that could potentially be earmarked to a like initiative. In fairness to the RBA no one has been restricted to come to the RDA with a proposal. There is nothing that prevents them to come to us with a different request. L. Martinez questioned if the decoupling bothered the RBA and questions if both entities are in agreement in that we can move forward with this project. Are there any other issues that need to be addressed, do you need more time? L. Martinez was impressed that they were able to get together and do the things they've done. He can see that February is when they really need this to get going. Does the RBA and Valparaiso still need the time to do that? D. Rittenmeyer said there are still issues outstanding; they're certainly committed on working together on this project. B. Joiner understands that there were nine different issues that were discussed and understands the progress that has been made but asks D. Rittenmeyer to summarize any deal breakers or critical path issues that they do not anticipate the two entities will overcome. D. Rittenmeyer does not see any deal breakers, however there are issues that they still need to agree upon. B. Joiner says clearly from his perspective, he does understand why we're at the point we are at today. He is comfortable with that. H. Cohen addressed that everything that the RDA is doing is in affect of trying to put together a part of a regional system. Whether it's one rail line or multiple rail lines, whether it's a piece of the bus service or the whole bus service, whether they're interconnected: rail and bus or airport and rail, then we're operating piecemeal. While H. Cohen agrees that the RDA is making a guess or a bet that these pieces will fit together at some point he believes that it is a reasonable risk of the enterprise. As long as he has assurance in the RBA that they are in fact making a commitment to bring commuter service beyond one line, then he's perfectly happy in supporting it.

L. Martinez feels that the Board should review the policy of the 10 day rule, as we have voted to accept this in advance of that, he feels that we should take a look at this policy and see whether or not it meets our needs. B. Joiner would like to suggest at a future meeting the modification of the ten day rule. G. Olympidis calls the question of the re-evaluation of the 10 day policy. All were in favor of the re-evaluation.

G. Olympidis offers a motion to approve the RBA request on behalf of the City of Valparaiso. With a second by B. Joiner, all were in favor of the motion and the motion was passed.

T. Sanders will ask our attorneys to work on a grant agreement of \$2.1 million for this purpose.

c. **Portage Northshore Park Expansion:**

T. Sanders states that the Working Group has considered the request for the purchase of 26 acres of property that is adjacent to the Portage Northside Park and the amount of the purchase will be \$365,000. This is a good opportunity for the RDA to participate in the expansion of this park with a series of issues on the table that need to be discussed with the Board. At issue may well be the opportunity in the future to sell this property to a developer to create what may be a sail boat basin, perhaps housing in the vicinity, and the working group spent some time early and yesterday dealing with this issue.

B. Joiner addresses a few issues pertaining to RDA procedures. First thing he would like to do before getting into the specifics of the Portage request, there are a couple of related policy items that he would like to bring up and offer motions on. The RDA had the Working Group meeting yesterday and there was some confusion, but he came away feeling that it was driven primarily by the compression of the time table that we were confronted with and in that context he is offering a motion that the RDA adopt a new policy that be incorporated into the language of the RDA grant and loan application prominently and in essence what it says is that when a funding request is approved disbursement may take up to 60 days in instances involving a lump sum disbursement, in some cases the RDA may disperse the proceeds on an agreed up incremental basis linked to work process. Examples could be consultant services or involving new construction. The policy that B. Joiner is suggesting is to provide our Legal Council and our RDA Executive Director ample time to insure that the integrity of the public fund use is maintained and the completeness and the comprehensiveness of the document supporting the loan request is completed. B. Joiner offered that as a policy, certainly not to speak to these existing items the RDA is facing now, but as the RDA goes forward the Board needs to make sure they have ample time to do what the Board should be doing. B. Joiner offered that as a motion with a second from L. Martinez. G. Olympidis asks B. Joiner to articulate the proposed policy one more time. B. Joiner restated his motion to the Board. H. Cohen states that the language is permissive; it is not requiring language. He doesn't see that there is really anything that differs from the RDA's practice. This would prevent practices that were at odds with it if it were deemed appropriate by the Director or the Board or the Attorneys. He doesn't see any harm in doing this. It is a communication point to the people who will be receiving funds. We may be in the position where we do not want to write a check in 20 minutes. As a matter of communication it is probably clarifying and useful, but he would want to hear from the attorneys that this does not have unintended consequences. D. Hollenbeck agrees with H. Cohen. He thinks this is the manifestation of a procedure we are pretty close to following now. He believes that it makes sense to put it in the application. B. Joiner states that that was the intention. B. Joiner believes H. Cohen captured the message to those who are coming to us, and believes the RDA needs to take ample time. B. Sheldrake says in regards to what H. Cohen has said previously that the Executive Director has asked Policy Analytics to work out a similar process that is consistent with what B. Joiner has just said. That is what Policy Analytics has done with Portage. We have received the construction managers estimated construction draw down schedule and then developed a draw down schedule for the RDA from that. Portage did not know exactly what that project draw down schedule would be; it was not developed at the beginning of the process. It may be the case that they need the flexibility to be able to do what you're suggesting. B. Joiner states it has no reference to existing matters before us now. G. Olympidis calls the question. All were in favor.

The second policy/issue before getting to the Portage Northshore Park Expansion directly bears on what we will be discussing today. In the packet there is a summary on this particular Working Group. There is an interest rate contained in the language. Mayor Olson attended the meeting, and the discussion was whether the RDA should or should not be charging the municipalities an interest rate. B. Joiner offered a motion for a policy adoption. This concerns the interest charge on grant loan funds advanced to public entities in Lake and Porter County.

The RDA reserves the right to charge an interest rate in unique situations for a city or town which will benefit monetarily from the subsequent sale or lease of an asset under ridden by RDA funding. As a matter of general practice the RDA will not charge loan interest to Lake and Porter County towns and cities seeking to access RDA funds. The policy expresses the RDA's sensitivity to the fact that these public entities are contributing parties to the RDA pool of finances. The Working Group has suggested a 3.5% interest rate on this loan grant that we are talking about. After having listened to the discussion that took place in the Working Group meeting yesterday, B. Joiner offered a motion to accept the above statement. B. Joiner restated the motion. G. Olympidis asks if the unique situations be inclusive of the RBA or the Little Calumet project. B. Joiner states that it could possibly, but does not infer that it should. J. Clark asks B. Joiner what the State's involvement is. The urgency of it is calling for a 3.5% interest on the \$365,000 that is being approved to the City of Portage. B. Joiner is suggesting that this may not be what the RDA wants to do. B. Joiner brought this to the Board to see if the RDA would like to assess an interest rate but he also suggests that this may not be what the RDA wants to do. G. Olympidis asked if the motion specifically makes reference to cities and towns. B. Joiner states that the language does as of now, cities and towns comprising Lake and Porter Counties. When we say unique, if it were coming from the State it may be viewed differently. L. Martinez suggested that the word partners may be more inclusive than cities and towns. G. Olympidis seconded the motion. H. Cohen's recollection of this issue is as it came up as we were trying to draw the distinction between funds used for public purpose and funds used for investment purposes, for private development. The question of an interest rate is the question of sharing in the realized profits of private development. H. Cohen's view is that even though this is money that comes from the state, counties, cities, and towns, nevertheless the money would come back to the RDA for re-use if we charged some kind of a rate that saw a realization of a profit by one of those entities. H. Cohen is unclear of why they would not want to participate in that as another minor revenue stream for the RDA; presumably it would go back into public purpose and regional activity. H. Cohen believes the Board needs more time to discuss this issue. L. Martinez explains that from the conversation with Mayor Olson when we're talking specifically to the towns and cities that contribute dollars to us, the Mayor was talking about being viewed from a public perspective as double taxation. H. Cohen says that maybe the RDA can think of it as a joint venture rather than an interest rate. C. Fernandez says it provides an incentive to do some quick development and a disincentive to speculate and then sell it to someone when they may make a large profit. G. Olympidis is unclear to whether there is anything preventing the RDA from assessing interest or any other premium as it deems appropriate for any other project under any circumstance. T. Sanders states that in the grant that the Board has given so far this has not been an issue, because there hasn't been a private sector component. The view of the staff that anytime this was a possibility this question would come up. This will not come up very often, perhaps from time to time there are opportunities to be a partner or grant money that will ultimately be sold for some private sector purpose. If that is the case, on a case by case basis, the Board can deal with it at that time. If a policy is required, as L. Martinez suggested it should include cities and towns along with other public bodies. G. Olympidis is a little concerned about the inadvertent blossoming of process that requires monitoring, and resources for stewardship. G. Olympidis is wondering if this is going to be a policy of the RDA, it would demand a certain level of stewardship to make sure the money is paid and at the appropriate rate and on time, and someone is going to have to keep track of that. B. Joiner states that the intent of the motion is simply just to put this on the table for discussion. T. Sanders suggest we work with this language, see if we can't take into account more of the contingency that develop over time and bring it back to the January Board meeting for approval. B. Joiner withdraws the motion. The RDA Board will revisit this at the

next Board meeting. T. Sanders states that we will work together and create a policy and get it out for Board review.

B. Joiner brings the Board back to the request that's before them, Portage Northshore Park Expansion. If the land sells for greater than \$365,000 the RDA is reimbursed. If the City of Portage sells it for less than \$365,000 those proceeds come back. In the meeting with Mayor Olson yesterday, after B. Joiner left he included a few more provisions to get the Boards thoughts. If the City of Portage leases the property to a private user the lease income would flow to the RDA until the original funding is repaid. The second item was that if the City of Portage includes the site as part of an incentive package to attract private investment the minimum conveyance price must be \$365,000 which would be reimbursed to the RDA. The issue here that B. Joiner is inviting the Board's attention to is their goal to embrace the Marquette Plan to bring public ownership and access. We did not talk about this yesterday, but he's simply amending it so you can consider what you want included in this document. B. Joiner offers a motion to accept what is in the packet along with the two amendments to the RDA with a second from L. Martinez. L. Martinez states that when talking with Mayor Olson yesterday in terms of where this proposal came from, if it hadn't been for the tax payment problems of all of Lake County, this would have never come to the RDA, the City of Portage would have paid for this out of their own funds, looking for repayment of these funds in a very short order. As we got into the issue of dealing with this property, and these other issues we took a look at, we have to address these broader issues in a more policy format. We had to engage the Mayor in conversation on this topic that really wasn't directed to the Mayor and the Portage project, but on broader issues on how the Board wants to act on pursuing projects like that. L. Martinez's assumption would be that the motion and proposal that's presented here will be modified by whatever comes out of the Working Group regarding the 3.5 % variation B. Joiner had addressed earlier. J. Clark says depended upon relevance, he would expect that whatever the Board could decide would impact this proposal, opposed to grandfathering everything, let the Board do that just to be prudent. G. Olympidis calls the question and all were in favor. The Portage Northshore Park Expansion for 26 acres was approved.

d. High Speed Rail:

T. Sanders states that at the last Working Group meeting of the whole, the Board recommended approval of the High Speed Rail for \$125,000. The Working Group asked that this be forwarded to the full Board for approval. B. Joiner would offer a motion that the RDA approves the request for the High Speed Rail, including an incremental payout of the consultant work that is going to be done. J. Clark seconds the motion. G. Olympidis calls discussion. L. Martinez asks D. Hodges if this is the technical side of the study or more of the marketing kind of approach. What will the end results of this study produce? D. Hodges states that this will be an economic impact study focused on the Gary Airport. There will be addendums to the studies that have already been done. Once complete the information can be used. H. Cohen is opposed to this motion. For better or worse he believes that the RDA has made a strategic decision to do everything we can to support the development of commuter rail and he sees this as a distraction from our strategic commitment. This may be a reasonable thing to pursue and maybe a good bet for the region, but he doesn't see how the RDA can set a strategic direction and then start to diverge from that. The best case scenario here will be the worst case scenario. Where you find this is the kind of thing that really did make sense and then the RDA would be stuck trying to find major funding for both High Speed Rail and commuter rail, and might end up not doing either. H. Cohen views this as a distraction from the RDA's strategic plan. J. Clark asks about this observation that there is no linkage; he's a little struck that our plans for the South Shore don't presently have a connection to the Gary Airport. If that's true, what would the financial obligation be? We lack the sources to implement the strategic plan that we have adopted and the State has agreed to. Even if the

RDA had that money for the South Shore it wouldn't include a direct link with the Airport. If that's true what would High Speed Rail be doing to fill in the gap without harm to what the South Shore is doing with the Airport? D. Hodges hopes the South Shore comes to the Gary Airport. They are looking to bring riders into the Airport by any means. He supports the South Shore. But what makes sense to travelers he asks? The riders may have the need for more. The High Speed trains are inner city projects, and they will transport those riders into the Gary Airport. J. Clark asks if the RDA has heard from the South Shore or the Gary Airport, and what do they think of this plan? D. Hodges states that Gary wants all forms of transportation coming in and out of the Airport. L. Martinez states that the original plans for NICTD have connectivity to the Airport but was side lined due to the West Lake Corridor; it has been diverted from the plan. B. Sheldrake confirms L. Martinez's statement. G. Olympidis calls the question and asks for the votes to be considered individually: Carmen Fernandez: No, Howard Cohen: No, Bill Joiner: Yes, John Clark: No Lou Martinez: No, Gus Olympidis: Yes. J. Clark would be perfectly willing to entertain a second attempt at this with a little bit more precision and clarity of what the Airport plans to do, what NICTD plans to do to make sure this conductivity occurs, and how in fact what you're proposing to do can further all that. L. Martinez would like to know where INDOT is at on this.

- IX. **Public Comment:** No public comment.
- X. **Adjournment:** Without further business, the meeting was adjourned.

Respectfully submitted by Jillian Huber on November 30, 2007