

- I. **Call to Order:** The RDA meeting was called to order at 1:05 p.m. with **John Clark** presiding.
- II. **Roll Call:** Present: Howard Cohen, Carmen Fernandez, Bill Joiner, John Clark, Gus Olympidis, Lou Martinez, and Harley Snyder. Seven members were present constituting a quorum.
- III. **Approval of Minutes:** **John Clark** requested approval of minutes from the March 20, 2007 meeting. **B. Joiner** moved to accept the minutes with a second by **H. Cohen**. All were in favor and the March 20, 2007 meeting minutes were approved.
- IV. **Treasurer's Report:** The RDA currently has \$38,576,128 deposited among three financial institutions in interest-bearing accounts. The report reflected activity through March 31, 2007. Contributors are expected to deposit their quarterly payments by the end of April 2007. Direct project expenses for March 2007 were \$2,558,005 paid to the Gary/Chicago International Airport. Other expenses were \$16,219. Rent will increase next month due to the RDA staff occupying a larger space. On a motion by H. Snyder and a second by C. Fernandez, all were in favor and the Treasurer's Report was approved.
- V. **Report of Chair:**

The budget session of the legislature is in its final days. The Governor's office contacted J. Clark about a Bill that has passed and it is awaiting the Governor's signature. J. Clark believes the Governor will sign the Bill. The Bill entails a funding source for the RBA. The RDA has not been materially involved in this legislation.

The RDA is unaware of any outcomes about revenue enhancement options such as a wheel tax or some other ideas that legislatures have had. The revenue enhancement options are to address the funding shortfall of the full West Lake Corridor extension of the South Shore which the RDA strongly supports. The RDA is appreciative of the legislatures who have been addressing the problem.

J. Clark and T. Sanders participated in the National Service Transportation hearing in Chicago. The RDA was asked to provide testimony at the hearing since the RDA was somewhat viewed as a unique partnership and had been formed to address transportation problems around the region.
- VI. **Investment Proposals:**

Previously, the RDA decided to reopen the consideration for receiving investment proposals. The last day for submittal is Friday, April 27 and we have not received any responses yet in addition to the one submitted before the process was reopened.
- VII. **Minority Hiring Policy:**

B. Joiner moved to adopt the Indiana Gaming Legislation Minority Business Enterprise (MBE) and the Women's Business Enterprise (WBE) standards. The RDA would be looking at both certified MBE's and WBE's as well as others who may be able to show their qualifications. A person receiving funding from the RDA shall establish spending goals that at a minimum meet the following MBE/WBE hiring goals: 10% of the dollar value of contracts for products and services shall be awarded to MBE's and 5% of the dollar value of contracts for products and services shall be awarded to WBE's. Recipients of RDA funding and the RDA will on a priority basis seek MBE/WBE firms to business with from Northwest Indiana, the state of Indiana, and outside Indiana. Recipients will submit spending and hiring verifications data to the RDA administration on a quarterly basis as permits contractual agreement. This data and recommended corrective action if necessary will be reviewed with the RDA Authority each quarter by the Executive Director of the RDA. Failure to comply with RDA spending and hiring goals will jeopardize future funding. The RDA will also place the entity on ninety day probation prior to formally suspending funding. This motion also includes that this language be included in the RDA's contractual agreement. G. Olympidis seconded the motion. L. Martinez wants the minority hiring policy on the RDA's web site in terms of people accessing proposals and things of that nature. J. Clark noted that a requirement as such but maybe not as specific was required in the RDA's organic legislation that established the RDA. H. Cohen wants to know how this policy relates to the competitive bidding process. Basically, the total number of dollars the recipient gets in, 10% must be spent out to MBE's and 5% must be spent out to WBE's. This burden is not carried only by the Executive Director of the

RDA, but each recipient as well. Dave Hollenbeck referenced the RDA's enabling statute. It says "in addition to the provisions of subsection (a), with respect to projects undertaken by the authority, the authority shall set a goal for participation by minority business enterprises of fifteen percent (15%) and women's business enterprises of five percent (5%)." B. Joiner then amended his motion to change the 10% for MBE's to 15%. B. Joiner is suggesting that the RDA submit notice to the recipients on a quarterly basis and the Executive Director of the RDA will oversee this. The recipients will then submit their reports to the RDA. If some of the recipients are falling short, the RDA will work with them to bring them up to speed. The RDA is responsible for confirming the numbers submitted by the recipients. If it should turn out that anything included in this motion is inconsistent with the RDA's enabling legislation, the enabling legislation will take precedent. All were in favor of the motion as amended and the motion was adopted.

VIII. Bonding

This is just a preparatory step in the event that cash flow resources of the RDA will not be able to meet the outlay. We are at the early stage of our endeavor and our current inflow has been very sufficient to meet our needs but as we move forward, we are going to reach a point that we're going to need to leverage our resources. It would be appropriate now that our plan has been accepted and approved by the State of Indiana that we consider venues for leveraging, especially our sustained resources, \$17.5 million dollars. G. Olympidis moved to direct the staff to bring some options to the full Board for them to consider for when it is appropriate for the RDA to execute in preparation for this occasion taking place at some time in the future. L. Martinez seconded the motion. John Clark noted that this seems like an obvious thing for the RDA to do. Tim Sanders will have some options for bonding ready at the next board meeting. All were in favor and the motion was approved.

IX. Project Planning Report:

a. Regional Bus Authority:

The RBA working group chaired by L. Martinez met with the Bus authority on April 6, 2007 where they discussed the universal operator versus the regional operator model and funding option partnerships. The working group asked the RBA to reconsider their position and look at connecting the three general operators out of Gary, Hammond and East Chicago. The RBA was also asked to come up with a more defined time and travel schedule, information on physical needs in terms of bus stops, shelters and other items. The working group wants the RBA to build a robust system and get the price of that back to the RDA. Once the cost is determined, the RDA will work with the RBA to figure out how to fund it. A follow-up meeting is scheduled for May 18, 2007 at 2:30.

The substance of the Bill awaiting the Governor's signature (refer to "Chairman's Report") is for the RBA to include LaPorte County. Ken Dallmeyer explained that the Bill would include volunteer association by Michigan City, the city of LaPorte or LaPorte County or all three together. Both Leigh Morris and Chuck Oberlie are very much in favor of this.

b. South Shore:

The South Shore railroad received \$17.5 million after approval of the RDA Board which is the local share for the 14 new railcars. The RDA will receive copies of the reports from the South Shore as they report on their progress to the Federal Transit Administration over the next 18 months or so. The shells of these new train cars are being manufactured in Japan. They will then be shipped to the United States where they will be outfitted in Milwaukee. After that, they will be shipped to Northwest Indiana and put into use within about 18 months.

J. Clark was happy to report that CMAQ made available \$3 million for the South Shore in which the RDA recommended but OMB opposed.

c. Gary/Chicago Airport:

The Airport is working aggressively to expand the runway from 7,000 feet to 8,900 feet. The biggest part of this has to do with the relocation of the EJ&E Railroad. The new configuration which was approved under the EIS in March of 2005 was to relocate the railroad to obtain 1,900 feet of additional

land. It would also allow the Airport to have standard runway safety areas. When this option was on the table prior to 2005 with the railroads, the Airport knew that coordination at the junction would be critical but knew they had quite a bit of time to negotiate this between the railroads. The CSX is categorized as unused, not abandoned and they want to maintain the right of way because they may need it in the future for capacity. The EJ&E does not want to be controlled by the CSX. The Airport feels it is vital for them to either obtain the land and the track or get the CSX to agree to give up the right of way for the track so EJ&E can pass freely. This will allow at least the first phase of Airport expansion to go forward. The reason the Airport is coming to the RDA is because the railroads cannot come to an agreement and perhaps one of the ways that the problem can be alleviated is consider the cost to buy this particular portion of track. The Airport has officially asked the CSX what the price would be for that particular track and is still waiting for an answer. In the meantime, the Airport will still press the railroads to come to an agreement or pursue condemnation proceedings at the recommendation of the RDA Board. The Airport understands that condemnation proceedings can take a long time and could also inhibit their relationship with the CSX but time is of the essence. G. Olympidis moved to encourage the Airport to begin the condemnation proceedings and concurrently attempt to negotiate with the CSX the eventual procurement of this critical piece of real estate so that it is owned by the Airport. The funding mechanism that has been put in place so far, the \$20 million, does not contemplate the resources for the procurement of this critical piece of infrastructure. The Airport does not have the money to do this and this project certainly falls under the umbrella of RDA responsibility. B. Joiner seconded the motion.

Once the value is received, the money is posted and it could take many years to settle the condemnation. But this should not be of interest to the Airport because the money will have been paid into the court. However, there have been significant amendments to our condemnation laws in the last couple of years that could curtail our expeditious handling of this and be problematic. Before you can bring a condemnation act, you have to make an offer and it was recommended that this happen first. By condemning a railroad right of way, you are bringing in federal regulations. The Airport will do the research about an offer. If the railroad was considered abandoned, it would make the Airport's cause to acquire it much easier but they are considered unused.

An alternative plan was introduced a couple of months ago. The plan diverted most of the traffic from the north side of the Airport to the south side called the Porter Branch. Initially, the Airport looked at this plan as a condemnation effort with the Four City Consortium because they said the Airport could use some of their funding. The railroads verbally supported this plan. The Congressman felt that this plan was an additional delay while the Airport did not because the footprint does not change. This plan would have been more expensive and, without federal funding, the Airport would be requesting the funds from the RDA. As long as the Airport stays within the footprint, they will not violate anything in the EIS. It does not deviate from the master plan.

The condemnation proceedings would be taken by the Airport and supported/recommended by the RDA. H. Cohen would hate to see us start down a path where we did not know what the probability was of success. He wants an analysis of ways to understand timelines and probabilities of these various options. Condemnation proceedings can take 6 months to two or three years.

If we went with the option plan, the cost of securing both of those rail lines and creating an alternate route would cost \$25 million and the CSX line has an unknown cost. The thought is that beginning the condemnation process would send a signal to the rail line that they have to do something so the Airport can be built.

TransSystems can help with resolving issues and breaking down the \$25 million figure into more digestible chunks. The RDA would like to know how much of that is for land acquisition, track moving and what ever else in big categories and rough estimates. The Airport can be ready in about two weeks with the analysis. TransSystem should find out if there are any benefits to the rail lines being relocated.

C. Fernandez recommended that the Airport get the appraisals now because they are going to need them anyway. Basically, the RDA wants something in writing on the value on the unused CSX line.

G. Olympidis withdrew his motion.

B. Joiner recommended communication between the appropriate person at the Airport and D. Hollenbeck about the changes that have occurred in the condemnation laws in case we do get to that point.

J. Clark recommended that the Airport working group meet prior to the next scheduled RDA Board meeting.

Six million of the twenty million appropriated by the state has already been invested in the Airport.

B. Joiner moved to have a consultant (either the one we had or a new one) examine under the best case scenario of funding being identified if it is possible to accelerate the development of the grand plan to somewhere in the area of 7 to 8 years. Also included in this motion is to take the numbers projected by PolicyAnalytics to the next level in a language the Budget Director Schalliol and the Governor understands. L. Martinez seconded the motion. All were in favor and the motion was adopted.

d. Marquette Plan:

▪ **South Shore Lakefront Redevelopment Plan – Gary/East Chicago Joint Application**

Dave Hollenbeck, RDA attorney, recommended that the RDA modify the original grant approval from \$1.75 million to \$1.15 million. The demolition cost of the water filtration plant in East Chicago is \$600,000. It seems a better approach that the \$600,000 be removed from the joint effort since it is an East Chicago project. The \$600,000 can be awarded directly to East Chicago in which a second grant agreement will be created. D. Hollenbeck is waiting on the scope of work and timeline from the city of East Chicago before that grant agreement can be created. The consultants are comfortable with the grant approval being modified and provided the scope of work absent the demolition of the water filtration plant to the Board. B. Joiner moved to amend the original motion of \$1.75 million to \$1.15 million by removing the \$600,000 for the East Chicago water filtration plant and authorizing D. Hollenbeck to proceed in creating a second grant agreement for \$600,000 for the city of East Chicago for the demolition of the water filtration plant with a second by H. Synder. The consultants and the private corporation for the money to be directed to which has been created will not have any responsibility for the oversight of that money – only the city of East Chicago will have that responsibility. All were in favor and the motion was approved.

A provision will be put in the grant agreement that both cities and developers will have to sign off on work completed before T. Sanders writes a check and if a dispute arises, it will be arbitrated by the RDA Board.

▪ **Portage Northshore Park Plan**

The Portage project is moving along nicely. T. Sanders met with A.J. Monroe and the city of Portage is continuing their due diligence with the park service with money approved at the RDA's last Board meeting. They will continue to update the RDA as more information becomes available.

IX. Executive Director's Report:

The RDA's annual audit which was reviewed by the Board has been sent to Charles Schalliol, Director of the Office of Management and Budget (OMB), for his review. Hopefully, this will take care of all responsibilities the RDA has with regard to reporting to OMB.

The Vital Center is a study by the Brookington Institution that L. Martinez called to T. Sanders attention. This is being quarterbacked by the Quality of Life council. It is their hope that the RDA will participate in this conference on June 1 and T. Sanders offered this to the Board for their review.

A number of articles were made available to the Board for their review.

An RFQ for general consulting was e-mailed to the Board for their review. The RDA received a few comments and it's T. Sanders intention to send this out tomorrow. There is a need for someone to

evaluate the cost of some of these properties, information on our critical path issues, cost-benefit analysis, and opportunities for public private partnership. These things are clearly outside the scope of the staff and Board. We need consulting from not only an engineering standpoint but a financial one too. Most likely, the awarding of the contract will go to a firm rather than hiring someone on staff. The expertise the RDA requires is not likely to be embodied in one person. The deadline for bids will be May 25, 2007 at 4:30 CST.

- X. **Public Comment:** Alan Katz has been a member of the Friends of the Gary/Chicago Airport. He believes the Airport needs to be aggressively marketed where potential customers are, such as in Chicago, in order to succeed. He urged the RDA to set up a budget to promote the Airport in Chicago. Jim Nowaki had several issues he wished to call to the attention of the Board.
- XI. **Adjournment:** Without further business, the meeting was adjourned.

The next RDA Board meeting is scheduled for May 22, 2007. Location and time TBD.

Respectfully submitted by Sherri Shabaz.
April 30, 2007.