

**City of Gary Redevelopment Commission
Policies and Procedures**

January 2017

TABLE OF CONTENTS

Article I – In General

1. Definitions
2. Commission Powers and Responsibilities
3. Strategic Economic Development Areas
4. Tax Increment Financing Districts

Article II – Commission Meetings

1. Time and Place of Meetings
2. Public Hearing
3. Meeting Minutes
4. Notice
5. Special Meetings
6. Minutes and Record of Meeting
7. Procedures to Appear Before the Redevelopment Commission
8. Requirements to Get an Item on the Commission Agenda
9. Requirements for Partner Entities

Article III – Procurement and Finance

1. Sealed Bid Process
2. Competitive Proposal (RFP) Process
3. Requests for Qualifications
4. Sole Source Purchases
5. Contractor Verification
6. Insurance, Licenses and Bonding
7. Conflict of Interest
8. Additional Requirements
9. Internal Controls
10. Grant Drawdowns

Article IV – Property Management

1. Leasing Procedures
2. Property Purchases
3. Donations to the Commission
4. Property Disposition Initiated by the Commission
5. Property Disposition Initiated by Private Parties
6. Transfer of Properties to Non-Profit Development Entities
7. Transfer of Properties via Side Lot Program
8. Property Disposition Initiated by the Commission under the “New Opportunity Areas Program”
9. Property Disposition Initiated by Private Parties under the “New Opportunity Areas Program”

Article V – Miscellaneous Provisions

1. Façade Improvement Rebate Program
2. Facilitation of Third-Party Transactions

ARTICLE I – IN GENERAL

The following lists the processes employed by the City of Gary Redevelopment Commission for operations and activities related to successful revitalization of Gary. Described herein are policies designed to pilot economic development and blight elimination in accordance with State of Indiana redevelopment law (IC 36-7-14).

1. DEFINITIONS

1. “Administrator” shall mean the Executive Director of the City of Gary Redevelopment Commission or his/her designated representative(s).
2. “Business day” shall mean a day when the officers of the Commission are open to the public for the transaction of business for the entire period of its normal operating hours and shall exclude any day on which such offices are not open to the public for the transaction of business or any day when such offices are open for less than normal operating hours.
3. “Committee” shall be a committee composed of at least three members of the Commission to conduct any public hearing required to be held by the Commission. Any such committee shall be appointed by the President of the Commission and shall conduct any public hearing designated by the Commission or by the President of the Commission.
4. “Partner Entity” shall be any City of Gary department, quasi-governmental agency, governmental agency, not-for-profit development entity, or similar entity that partners with the Redevelopment Commission on economic development and capital improvement projects.
5. “High Impact Project” shall mean a project that occurs in one of the city’s strategic development zones and shall mean: new construction valued at a cost value exceeding one million dollars; remodeling or modification of existing development valued at a construction cost value exceeding \$500,000; proposing the construction of floor area exceeding 10,000 gross square feet; proposing an area of surface parking exceeding 20,000 gross square feet; or demolition of historic structure as determined by the Administrator

2. COMMISSION POWERS AND RESPONSIBILITIES

The Commission is responsible for the acquisition, disposition, and conveyance of property in the City of Gary, pursuant to IC 36-7-14. The Commission’s powers are prescribed under state statute and further dictated by Gary Redevelopment Commission By-Laws. As primary custodian of land in the City of Gary, the Commission is empowered to pilot economic development, remediate

blighted or environmentally hazardous conditions, and utilize public financing mechanisms to redevelop underutilized areas in the City of Gary.

3. STRATEGIC ECONOMIC DEVELOPMENT AREAS

The Commission's economic redevelopment planning and implementation is focused on the following Strategic Economic Development Areas:

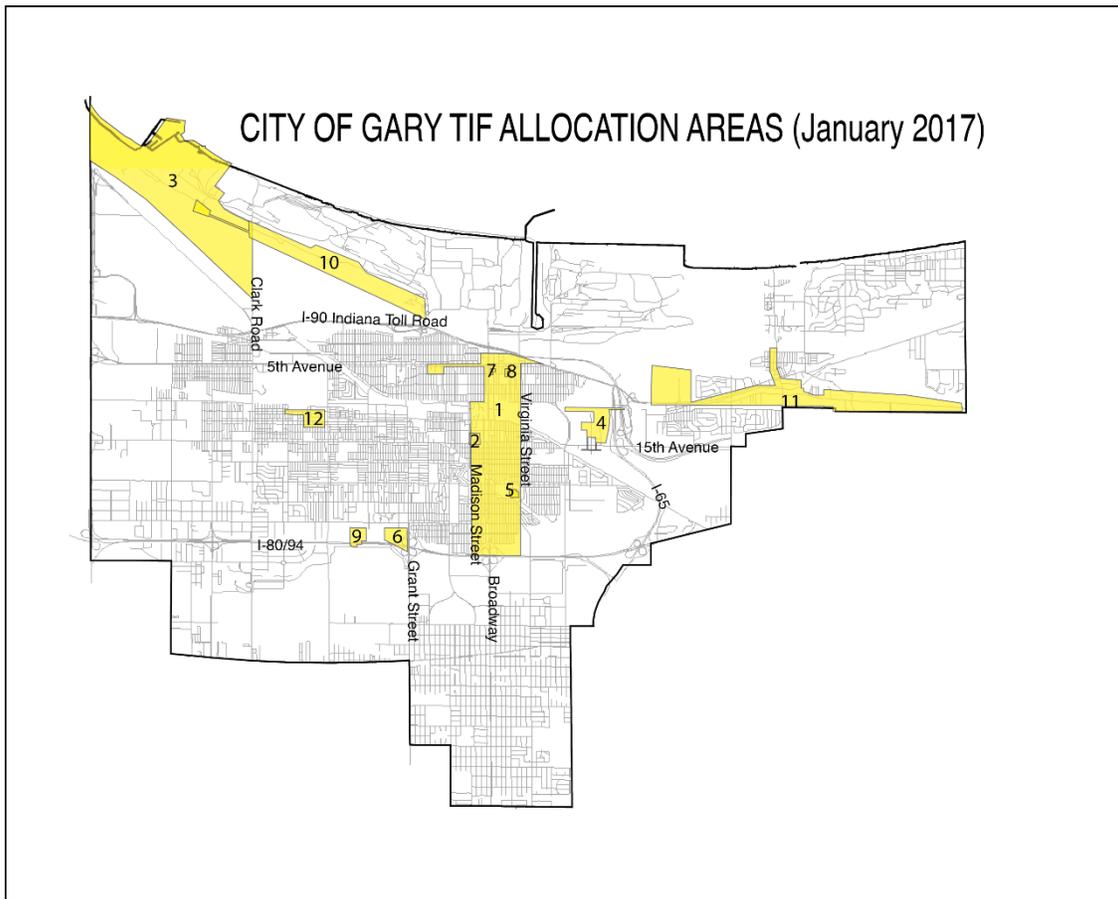
1. Gary-Chicago International Airport (GYG) development footprint and adjacent lakefront industrial area
2. University Park district consisting of the Indiana University Northwest/Ivy Tech educational corridor, Broadway retail district, and surrounding residential neighborhood
3. Light Industrial Corridor east of Lake Street on US 20 (Melton Road)
4. Miller Transit-Oriented Development district
5. Potential land-based casino/I-94 development area
6. Downtown Central Business District (CBD)

4. TAX INCREMENT FINANCING DISTRICTS

Pursuant to Indiana redevelopment code (IC 36-7-14), the Commission is responsible for the accounting and management of the City of Gary's Tax Increment Financing (TIF) districts, or Allocation Areas. TIF revenues are disbursed into each fund bi-annually and are budgeted for two purposes: A) to fund projects, programs, and improvements that advance the established redevelopment plan and b) finance bonds for those Allocation Areas established to fund a single project; in such instances, the TIF fund is closed upon retirement of the bond(s). TIF revenues are expended at the discretion of the Commission and TIF financing may be requested upon petition to the Commission (see Article II, Section 7, "Procedures to Appear before Commission"). The Commission has established the following TIF Allocation Areas:

1. Consolidated Area (Fund 823) – encompasses the majority of the Downtown Gary CBD and finances redevelopment projects therein including the 504 Broadway bank building rehabilitation, various demolition projects, City Hall repairs, Genesis Center and Hudson-Campbell modernization projects
2. Madison Townhomes (Fund 824) – finances a bond for affordable housing on Madison Street
3. Lakefront (Fund 826) – finances improvements to the areas adjacent to GYG and the industrial footprint, including infrastructure improvements and site preparation
4. Midwest Center (Fund 828) – intended to finance infrastructure improvements in the industrial footprint adjacent to I-65 at 15th Avenue
5. Lancaster Dusable (Fund 830) – finances the bond for a Lancaster Dusable project.

6. County Market (Fund 833) – finances the bond for a grocery store project on 25th Avenue at Grant Street
7. Dalton Arms (Fund 834) – finances a bond for an historic rehabilitation of a mixed-rate residential building on 5th Avenue in the CBD
8. Kenny’s Ribs (Fund 835) – finances a bond for an Empowerment Zone restaurant project on 5th Avenue in the CBD
9. Truck City (Fund 838) – finances a bond for a commercial truck dealership on 25th Avenue at Taft Street
10. Kirk Yard (Fund 854) – finances expansion of the Kirk Yard rail yard south of U.S. Steel.
11. East Lakefront (Fund TBD) – finances infrastructure improvements along US Highways 12 and 20, including the Lake Street commercial district, Miller train station, and Melton Road.
12. Northwest Indiana Industrial Complex (Fund TBD) – potential to finance a bond associated with the creation of light industrial, warehousing, and logistics park along Chase Street at 11th Avenue.



ARTICLE II – COMMISSION MEETINGS

1. TIME AND PLACE OF MEETINGS

Pursuant to Commission By-Laws, regular meetings of the Commission shall be held at 839 Broadway, Suite 200, Gary, Indiana 46402, at 4:00pm on the first and third Wednesday of each month. If the regular meeting falls on a legal holiday, such meeting shall be held on the following business day that is not a legal holiday. Executive Session shall be held thirty minutes prior to each meeting of the Commission, unless otherwise requested by the Administrator or Commission President. All meetings and hearings of the Commission, except such meetings that legally constitute an Executive Session, shall be open to the public.

2. PUBLIC HEARING

Commission meetings shall provide for public hearing on matters decided by the Commission. Those members of the public who wish to remonstrate at a public hearing will be provided three (3) minutes to make comments related to those items on the agenda. Comments shall be respectful and not disruptive to the Commission's ability to carry on the regular course of business. No comments may be directed to a single Commissioner or Administrator, and all remonstrators are expected to comport themselves in a respectful and courteous manner.

3. MEETING MATERIALS

On the Friday prior to each Commission meeting, Commission staff will send a copy of the upcoming meeting agenda and all relevant documents to the Commissioners, Commission Attorney, and School Board Representative via email and hand delivery. The packet will contain the following materials:

1. Memorandum of Transmittal of Materials for Executive Session (if applicable)
2. Notice of Executive Session (if applicable)
3. Tentative Agenda for Executive Session (if applicable)
4. Memorandum of Transmittal of Materials
5. Tentative Agenda for Regular Meeting
6. Executive Summary
7. Minutes of prior meeting held
8. Claims List
9. Special Claims List
10. Supporting Materials for each agenda item

On each meeting day, a final agenda will be provided to Commissioners in advance of Executive Session.

4. NOTICE

Pursuant to Indiana Open Door Law (IC 5-14-1.5), all regular meetings of the Commission shall post a public notice of each meeting and executive session at the front door of Commission offices at 839 Broadway, Gary, Indiana and at the entrance of Gary City Hall at least forty-eight (48) hours, excluding weekends and legal holidays, before the meeting. Such notice should include the date, time, and place of any meeting, executive session, or rescheduled or reconvened meeting. This does not apply to reconvened meetings where the announcement of the date, time, and place of the reconvened meeting is made at the original meeting and recorded in the meeting minutes, provided there is no change in the agenda.

5. SPECIAL MEETINGS

Special meetings may be scheduled at the discretion of the Commission President or by two (2) members of the Commission upon written request to the Administrator, who shall send to all members thereof notice via email fixing the time and place of the meeting. If scheduled, any such hearing shall be held at 839 Broadway, Suite 200, Gary, Indiana 46402 at a time and date set forth in the public notice. Written notice of a special meeting is not required if the date, time, and place of the special meeting are fixed in a regular meeting and all members are present at that meeting.

6. MINUTES AND RECORD OF MEETING

The Commission shall keep minutes of its proceedings and other official actions and in all petitions heard by any committee, and shall record the vote on any action taken. A short-hand, stenotype, or electronic record shall be made of all hearings and meetings of the Commission and shall remain on file in the offices of the Commission for a period of at least two (2) years following the hearing or meeting. All minutes and records filed in the offices of the Commission shall be public records. A transcription of any hearing may be ordered by any party, and the cost thereof shall be paid by the party ordering such copies.

7. PROCEDURES TO APPEAR BEFORE THE REDEVELOPMENT COMMISSION

1. Any person, entity, agency, or department that wishes to petition the GRC will submit a detailed letter explaining their request. Such letter will include as much specific information as possible such as the event, date, time, contact person(s), and any other informational that will be helpful in describing the project or request. All information must be received via e-mail or standard mail no later than fifteen (15) days before the meeting at which the petitioner is

requesting an agenda item. Emailed letters should be sent to jwilliams@ci.gary.in.us. The address on the letter should be as follows:

Gary Redevelopment Commission
c/o Executive Secretary
839 Broadway, Suite 200
Gary, Indiana 46402

2. Since the Commission meetings are normally held at 4:00pm on the first and third Wednesday of each month at 839 Broadway, Suite 200, Gary, Indiana 46402, all information must be submitted not later than fifteen (15) business days prior to the meeting the petitioner wishes to attend.

3. Because questions may arise concerning a request, it is necessary that the contact person and/or representatives attend the meeting to provide answers. The request and the contact person's name will be placed on the Commission agenda on the requested date of the meeting. When a group and/or name is announced from the agenda during that meeting, the representative(s) will be asked to make their request verbally to the Commission.

8. REQUIREMENTS TO GET AN ITEM ON THE COMMISSION AGENDA

1. Notification Deadline: delivered or written request must be mailed to the Commission at the address stated in Article II, Section 6-1.

2. The petitioner's request to appear must be accompanied by supporting documentation.

3. Any requests for TIF financing must include: (a) a completed TIF application (secured from the Administrator) The application must be completed in its entirety and accompanied by all supporting documentation set forth in the application, and (b) a check, payable to the City of Gary Redevelopment Commission, to cover processing and administrative expenses as set forth in the application.

9. REQUIREMENTS FOR PARTNER ENTITIES

Procedures and process requirements are applied universally; however, stipulated below are exceptions to address emergency requests that require deadline modifications to accommodate the needs of other entities within the City of Gary that are partners in economic development (e.g. Gary Economic Development Corporation, City of Gary, Regional Development Authority, Gary-Chicago International Airport). Though the Commission may modify its deadline and timeline to

accommodate or facilitate growth development, comprehensive documentation is non-negotiable.
All packages to the Commission must be detailed, comprehensive, and complete.

1. Economic development partners seeking Commission assistance must provide a written notification via e-mail or standard mail at the earliest possible date relative to the possibility of a request for financial assistance. Early notification provides the Commission and Administrator with ample time to examine its budget, capacity to participate, perform comprehensive due diligence, and review economic impact, job creation potential and project feasibility.

2. In addition to TIF funding from time to time, the Commission may be asked to: purchase, acquire, sell, or donate properties; assign or execute professional service contracts; co-sign or endorse projects or applications for funding.

3. City of Gary projects managed through the Board of Public Works and Safety may require TIF funds for capital improvements and other related expenses. In advance of securing any contractors or services that require TIF funding, the Board of Works must submit a written one-page request via e-mail or standard mail to the Administrator to inquire about availability of funds. The Administrator will then provide a City Request for TIF Funding form. Once approved, each project must be bid out through the Board of Works. The Board of Works will then submit a recommendation to the Commission with all supporting documents, a copy of each bid, and a written recommendation signed by the Board of Works. Following the Board of Public Works and Safety meeting where bids are opened, a package must be submitted to the Commission no later than fifteen (15) days prior to the Commission meeting where the item will be considered. A complete package for any TIF-funded city project will include the following:

- a. Procurement documents: proof of advertisement, copy of bid package, copies of each bid received, meeting minutes from the meeting of recommendation
- b. Memorandum from the Board of Works recommending a bidder
- c. An unsigned contract between the recommended bidder and the City of Gary Redevelopment Commission
- d. Project budget and timeline

4. All invoices will be submitted to the Commission along with written confirmation of services rendered, per the invoice. Any change orders will require a resolution of the Commission and would necessitate the presence of the project manager at the Commission meeting where the change order is considered.

5. All petitioners with an agenda item must be present, or have a representative present, during the meeting at which their request is considered by the Commission.

6. Requests for special meetings for time-sensitive agenda items or projects must be submitted no later than one (1) week prior to the date of the requested special meeting and include the following:

- a. Letter of request from the petitioner
- b. A fully executed and completed "Request for Special Meeting" form (secured from Administrator)
- c. All supporting documents that validate the necessity to deviate from regular meeting time

ARTICLE III – PROCUREMENT AND FINANCE

The following lists the processes employed by the Gary Redevelopment Commission for procurement of services to the commission by vendors and contractors. These processes are governed by Indiana state statutes (IC 36-1-12, IC 36-1-9, IC 36-7-14)

1. SEALED BID PROCESS

Competitive sealed bids are solicited through print advertising, per state statute (IC 36-7-14). A fixed price contract shall be awarded to the lowest responsible bidder whose bid conforms to all the material terms and conditions of the bid invitation and technical specifications. The contract award may be a fixed sum, or a unit price with a ceiling. All sealed bids are opened at a public meeting per statute (IC 36-7-14) and directed to staff for review and subsequent recommendation.

The following procedures apply:

1. Prepare bid specifications: Specifications include complete and accurate descriptions including technical requirements, and services provided.
2. Obtain Davis-Bacon wage decision: If the project has been determined to require Davis-Bacon wages, secure the application.
3. Prepare the project bid terms and contracts: Standard contract language is used as a template to ensure all necessary statutory requirements are observed.
4. Request to advertise: The Redevelopment Commission approves the staff's request to publicly procure bids for the project.
5. Publication: Per statute, each bid is published in two newspapers of record in addition to being posted on the City of Gary's website. The advertisement is subject to the relevant statute to determine the frequency of publication and the time frame it must run. The advertisement should:
 - a. Include the place and date where bid packages are available
 - b. Include the place, date, and time fixed for receiving bids
 - c. Include bonding, certification, licensing requirements
 - d. For Davis-Bacon projects, specify the project is subject to prevailing wages
6. Amendments to bid documents (including revisions to wage rates): Amendments to the bid documents must be sent to all potential bidders who obtained the original bid documents via e-mail and Standard Mail.

7. Bid opening: Per statute (IC 36-7-14) all bids are opened at a public meeting held by the Gary Redevelopment Commission. A bid tabulation sheet is completed showing the name and bid price of each bidder, and whether the bid was responsive. The bids are then referred to staff for further review and recommendation

8: Review: Staff reviews each packet to ensure all licensing requirements are met and the bid is responsive to the specifications set forth in the bid package. The Redevelopment Commission's counsel reviews all recommendations made by staff prior to a formal recommendation going before the Commission for a vote at the next regular meeting.

9. Bids exceeding project budget: If all bids exceed the amount budgeted for a project, the Commission can negotiate with the lowest bidder to bring the contract within the budget limits. A recommendation can be made to reject all bids, provide needed funds from other sources, or re-allocate award funds. If the Commission has reason to believe that available funds are likely to be inadequate for the full scope of work proposed, the Commission may request deductible alternatives so the project can proceed without a second bid solicitation. If deductible alternatives are requested, the document must specify the method and order in which deductible alternatives will be applied in determining the low bid.

10. License and bonding requirements: The successful bidder must meet all bonding and licensing requirements prescribed by state and local law.

2. COMPETITIVE PROPOSAL (RFP) PROCESS

The competitive negotiation method should be used for all procurement of professional services and select demolition procurement. Under this scenario, the Commission prepares a formal Request for Proposals (RFP) and requests proposals from at least three (3) or more qualified firms or individuals.

The following procedures apply:

1. Prepare the RFP: The RFP must not be prepared or solicited by those firms or individuals submitting proposals, rather, a letter of request will be sent by staff. The RFP will include:
 - a. Scope of services
 - b. Time requirements/term of service
 - c. Proposal instructions
 - d. Federal, state, and local regulations applicable to the award
 - e. Further considerations not pertaining to scope of work that should be considered when submitting a proposal

2. Solicit for proposals: Proposals must be solicited from at least three (3) qualified sources to allow reasonable competition in the form of a written letter. This letter may be emailed in addition to mailed in hard copy for more expedient responses.

3. Evaluation: When proposals are received, each shall be evaluated by the Commission staff based on the following criteria:

- a. Experience or technical expertise of the firm and its personnel in connection with the type of services to be provided
- b. Past record of performance on similar contracts within the State of Indiana
- c. Capacity of the firm to perform the work within deadlines, taking into account workload
- d. Price
- e. Status as a Gary-owned business pursuant to local ordinance
- f. Eligibility as MBE/WBE (contingent upon funding source requirements)
- g. Compliance with debarment requirements pursuant to State Board of Accounts

The review process is conducted by the Commission staff having the appropriate technical expertise to make assessments and evaluations. No staff members with conflicts of interest such as family relationships, close friendships, or business partnerships outside of the appropriate course of government work shall participate in the evaluation process. Award recommendation will be to the responsible firm whose proposal is most advantageous to the project, considering the established criteria. When award is made to a responsible bidder not having the lowest price, the Commission shall document its reasons for not selecting the lowest proposed price.

4. Award: Staff prepares a memo recommending award to the Commission. The Commission accepts or defers award at a public meeting by vote, pursuant to Commission by-laws.

5. Establish a professional contract file: The Commission shall maintain a contract file containing the following:

- a. Copy of all documents associated with public procurement including any meeting minutes or resolutions of the Commission, correspondence with bidders, and any proposals or responses to the RFP.
- b. Contract

3. REQUESTS FOR QUALIFICATIONS

Non-competitive requests for qualified service providers may be issued by the Redevelopment Commission. In these instances, the Commission will advertise or solicit information from qualified contractors and professional service providers to be considered in future projects, dependent upon specific needs as they arise. The solicitation of Requests of Qualifications (RFQ)

are not intended to elicit specific proposals or bid prices as they are non-competitive in nature. RFQs may be utilized by the Commission in order to obtain any of the following:

1. Information on qualified contractors;
2. Potential scopes of work in associated with specified projects or programs;
3. Information on availability of contractors or professional service providers for consideration of future needs;
4. Any other information as described in the RFQ

After receipt of responses, Staff will review and present findings to the Commission for further action or with recommendations. If warranted by an impending job, project, or program the Commission may elect to proceed with a competitive Request for Proposal (RFP) or engage directly with a professional services provider in accordance with IC 36-7-14.

4. SOLE SOURCE PURCHASES:

Non-competitive proposals may be used only when the other two (2) methods are not feasible, and award files must document such a determination. When utilizing this method of procurement a written scope of services is required. Non-competitive negotiation may only be used in one (1) of the following circumstances:

1. Public urgency will not permit delay for competitive solicitation;
2. The item or service is available from only one (1) source;
3. After solicitation of a number of sources, competition is determined inadequate.

5. CONTRACTOR VERIFICATION

Suspended or debarred contractors are prohibited from participating in Redevelopment Commission work. Prior to any bid award, Commission staff shall verify that no debarred or suspended contractor receives a contract award. This verification shall be accomplished by performing a search at www.sam.gov to determine if the apparent bid awardee is debarred or suspended. Search results shall be attached to all contracts. No contract shall be executed without this verification.

6. INSURANCE, LICENSES, AND BONDING

Successful bidders shall be required to provide proof of adequate insurance and a license with the City of Gary. The value of property insurance must be, at a minimum, for the replacement value of the property. For any construction or demolition contracts, a bid bond is also established, commensurate with the scope of services indicated in bid specifications.

7. CONFLICT OF INTEREST

No employee, officer or agent of the award recipient may participate in selection, awarding, or administration of a contract. Such a conflict would arise when one (1) of the following has a financial or other interest in the firm selected for an award:

- a. An employee, officer or agent;
- b. Any member of his or her immediate family;
- c. His or her partner; or
- d. An organization that employs, or is about to employ, any of the above.

The award recipient's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-recipients.

8. ADDITIONAL REQUIREMENTS

All procurement procedures adhere to Indiana statutory guidelines. To the extent any procurement should deviate from the written procedures contained herein, all Commission decisions default to statutory requirements set forth in IC 36-7-14.

9. INTERNAL CONTROLS POLICY

This internal controls policy is uniform across the City of Gary for all agencies as instructed by State Board of Accounts. The language and formatting is consistent with the City of Gary, as was submitted to the Gary Common Council. The Commission adheres to the same policy as applied below.

Policy. The purpose of this policy is to communicate the Common Council's internal control objectives to all employees and elected officials of the City of Gary and to firmly commit the City to the seventeen (17) key principles of internal controls as established by the Indiana State Board of Accounts.

1. Control Environment

Principle 1: The oversight body and management demonstrate a commitment to integrity and ethical values.

The City has the responsibility to establish and maintain an adequate system of internal control and to furnish to the Gary Common Council, various boards and commissions, governmental

agencies, creditors and others reliable financial information on a timely basis. An adequate system of internal control is necessary for the City to discharge these responsibilities.

Controls help ensure that assets are not exposed to unauthorized access and use, transactions are properly recorded in the financial records, and the resultant financial information is reliable. External organizations and stakeholders of the City rely on financial information to make decisions toward appropriations, loans and other debt, grants, and other contractual relationships. City resources are dependent upon the system of internal control. State auditors are required annually to report upon the adequacy of the City's systems for control over financial reporting and compliance per IC 5-11-1-27(e). The safeguarding of City assets and the reliability which the City and others can place upon its financial records is dependent upon the effectiveness of the internal control process.

As the fiscal body, Common Council expects the City administration to effect an internal control environment with policies and procedures necessary to provide reasonable assurance that practices cause effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

The system of internal control is meant to keep the City on course toward its mission and to minimize surprises. The system promotes efficiency, minimizes risks of asset loss, helps ensure the reliability of financial information, and compliance with applicable laws, rules, and regulations.

Internal control is a process; a means to an end, and not an end unto itself. The control environment is the foundation upon which all components of internal control are based. It sets the tone for City operations. Internal control is about people, operations, communications, and the work environment. It is not about policies and forms though it takes shape through the implementation of relevant policies, procedures, and practices. Internal control can provide reasonable assurance, but no system of control can provide absolute assurance to the Common Council and other users of financial information.

The Finance Department shall be charged with:

- Conveying periodic messages of the City's internal control philosophy and expectations to all employees;
- Evaluating the City's internal control system for weaknesses on a periodic (but no less frequently than annual) basis, providing solutions to any discovered weaknesses, and inform employees of necessary changes in procedures;
- Working with the Human Resources Department to establish a confidential reporting system for individuals to report suspected fraud and abuse of internal control policies; and
- Working with the Human Resources Department to institute procedures to address violations of policies and consequences for violations.

Principle 2: The oversight body oversees the entity's internal control system.

As the fiscal body for the City, the Common Council is responsible for setting the institutional expectations for internal control, ensuring management is aware of those expectations, requiring the upward communications channels are open through all levels of management, and evaluating management's effectiveness toward monitoring the control environment and implementing sound control policies and procedures. As the City's Chief Fiscal Officer, the Controller will be the Common Council's chief agent in implementing and managing the internal control policies and procedures.

Principle 3: Management establishes an organizational structure, assigns responsibility, and delegates authority to achieve the entity's objectives.

Individuals with delegated approval authority, e.g. Elected Officials and Department Heads are responsible for establishing, maintaining, and supporting a system of internal controls within their areas of responsibility and for creating the control environment that encourages compliance with City policies and procedures with the assistance of the Internal Control Team.

Adequate supervision is necessary to monitor that internal controls are operating as intended, and to help ensure the reliability of accounting and operational controls by pointing out errors, omissions, exceptions, and inconsistencies in procedures. Staff in leadership roles are responsible for the application of this policy and the design, development, implementation, and maintenance of systems of internal controls focusing on the effectiveness of operations and the safeguarding of assets within their respective areas of responsibility. All levels of management and supervision are responsible for strengthening internal controls when weaknesses are detected. Department managers should periodically review departmental procedures to ensure that the general principles of internal control are being followed.

The Finance Department has the primary responsibility for internal control over financial reporting and compliance with applicable laws, rules, and regulations. The Controller is the City's chief source for information and assistance to staff and Department Heads on this topic and will make resources available to assist in administering this policy via the Internal Control Team.

The Human Resources Department is responsible for internal controls over employee recruitment, hiring, separation, promotion, job classification, employee rights, employee evaluations, and salary administration. The Human Resources Director and Corporation Counsel are the City sources for information and assistance on this topic and will make resources available to assist in administering this policy.

All levels of internal control are subject to examination by internal and external auditors and the internal controls team who are required to report on the adequacy of internal controls over finance and compliance.

Department Heads are responsible for prompt corrective action on all internal control findings and recommendations made by internal and external auditors. The audit process is completed only after Department Heads receive the audit results and take action to correct internal control weaknesses, improve systems, or demonstrate that management action is not warranted. Department Heads have the responsibility to ensure that those who report to them have adequate knowledge, skills, and abilities to function within, and contribute to, an effective internal control environment. This includes providing access to appropriate training on topics relevant to their job responsibilities.

Principle 4: Management demonstrates a commitment to recruit, develop, and retain competent individuals.

The City Employee Handbook provides a roadmap for recruiting and maintaining quality employees. Prior to employment individuals may be subject to pre-employment background screening and/or a credit history check. While employed City Employees are entitled to a benefits package including Health and Disability Insurance and certain other Post-Employment Benefits. The City will continue to assess the best recruitment pools and tools for the different skill sets of skills necessary to adequately implement and maintain quality internal controls.

Job descriptions will be updated where necessary to reflect internal control responsibilities and duties. Employees will be regularly trained in internal control methods and all training will be documented in employees' personnel files. Employees will be regularly evaluated by their supervisors on internal control duties and receive feedback on possible improvements.

Principle 5: Management evaluates performance and holds individuals accountable for their internal control responsibilities.

Individuals are held accountable for their internal control responsibilities through a recognized structure which includes relevant job descriptions, operating procedures, periodic employee evaluations, regular feedback, and a progressive disciplinary policy. Additionally, City Administration seeks to address issues in specific departments and positions through regular one-on-ones with Department Heads.

2. Risk Assessment

Principle 6: Management defines objectives clearly to enable the identification of risks and risk tolerances.

Through the creation of standard operating procedures and accurate organizational reporting charts management conveys and identifies objectives, missions, policies, and risk tolerances to employees. The Finance Department will lead a risk analysis of three major areas:

1. The effectiveness and efficiency of operations.
2. The reliability of reporting for internal and external use.
3. Compliance with applicable laws and regulations.

For each category, the Finance Department, with assistance from the internal controls team, will define objectives in specific measurable terms in order to enable the design of internal control for related risk, increase understanding at all levels, assess performance, identify what is to be achieved, who is to achieve it, how it will be achieved, when it will be achieved and incorporate external requirements.

Principle 7: Management identifies, analyzes, and responds to risks related to achieving the defined objectives.

The Finance Department will identify, analyze and respond to the risks identified in Principle 6 by determining:

1. How likely is the risk to occur?
2. How will it impact the objective?
3. Is the risk based on complex or unusual transactions?
4. Is the risk based on fraud?

Once each risk has been identified and analyzed, the Finance Department will work with Department Heads to determine how to respond to each risk with a specific solution and action.

Principle 8: Management considers the potential for fraud when identifying, analyzing, and responding to risks.

Management is committed to fraud prevention by utilizing a “trust but verify” approach. The potential for fraud, misappropriation, and outright theft are contemplated as controls are designed for various City divisions. Fraud responses will include statutorily required responses to fraud, including, but not limited to IC 5-11-1-27(1) relating to the Report of Misappropriation of Funds to State Board of Accounts and Prosecuting Attorney and IC 5-11-1-27(j) relating to the Report of Material Variances, Losses, Shortages or Thefts to the State Board of Accounts.

Principle 9: Management identifies, analyzes, and responds to significant changes that could impact the internal control system.

The Finance Department, with the assistance of the internal control team, in coordination with Department Heads, will regularly evaluate and adjust internal control policies in order to accommodate for the impact of future changes, including but not limited to, personnel changes, newly elected officials, new programs, new technology, new laws and regulations, and financial fluctuations.

3. Control Activities

Principle 10: Management designs control activities to achieve objectives and respond to risks.

The Finance Department will establish and maintain a system of internal controls that satisfies the City's objectives in the following categories:

- Risks are identified and effectively managed
- Safeguarding of City assets
- Reliability and integrity of financial information
- Compliance with City policy, plans, procedures, laws and regulations
- Economical and efficient use of City resources
- Meeting established objectives and goals for City operations and programs.

A. General internal control principles for Departments are:

1. Separation of duties
 - a. Duties are separated so that one person's work routinely serves as a check on another's work.
 - b. No one person has complete control over more than one key function or activity (e.g., originating, authorizing, approving, certifying, disbursing, receiving, or reconciling).
2. Authorization and approval
 - a. Proposed transactions are authorized when proper and consistent with City policy and the department's plans.
 - b. Transactions are approved by the person who has delegated approval authority, which is usually delegated on the basis of special competency or knowledge.
3. Custodial and security arrangements, i.e., Capital Assets.
 - a. Responsibility for physical security/custody of City assets is separated from record keeping/accounting for those assets.
 - b. Unauthorized access to City assets and institutional data is prevented.
4. Timely and accurate review and reconciliation
 - a. Departmental accounting records and documents are examined by employees who have sufficient understanding of the City accounting and financial systems to verify that recorded transactions actually took place and were made in accordance with City policies and procedures.

- b. Departmental accounting records and documentation are compared with City - accounting system reports and financial statements to verify their reasonableness, accuracy, and completeness.
 - 5. The general internal control principles should be applied to all departmental operations, especially accounting records and reports, payroll, purchasing/receiving/disbursement approval, equipment and supply inventories, cash receipts, petty cash and change funds, billing, accounts receivable and capital assets.
- B. All City systems, processes, operations, functions, and activities are subject to evaluations to determine whether they comply with internal control standards. The results of these evaluations provide information regarding the City's overall system of control.
- C. Information and communication — Information must be timely and communicated in a manner that enables people to carry out their responsibilities.
- 1. All covered employees must be trained on Internal Controls according to IC 511-1-27(g).
All personnel must receive a clear message from the City's administration that control responsibilities are to be taken seriously. Failure to comply with established practices will subject individuals to the terms of disciplinary action or dismissal.
 - 2. Employees must understand their own roles in the internal control system, as well as how individual activities relate to the work of others. To this end, whenever a new budgetary unit, financial activity, etc. is set up, the Controller will provide notification to the appropriate parties of the responsibilities incumbent on them for good business practices and sound financial management, including reference to the principles within this policy.
 - 3. Employees must have a means of communicating significant information to the City's administration.
 - 4. The City must communicate effectively with external parties, such as auditors, creditors, contractors, suppliers, regulators and other stakeholders.
- D. Internal control is meant to keep the City focused on achieving its mission while avoiding surprises. There is a balance between effective controls and mission accomplishment. Costs associated with internal controls should not exceed their benefit, nor should controls be allowed to stifle mission effectiveness and timely action. All levels of management must assess the costs, benefits, and risks when designing controls to develop a positive control environment and compensate for the risks of non-compliance, loss of assets, or unreliable reporting while accomplishing the City mission.

The following specific internal control policies are adopted for use by City Departments:

Payroll Activities

- Salaries and wage rates are verified by the Human Resources Department.
- The responsibilities for hiring, terminating, and approving promotions are segregated from those preparing payroll transactions or inputting data.
- The responsibilities for approving time sheets are segregated from those for preparing payroll transactions or inputting data.
- Payroll adjustment reports are submitted by someone outside of the payroll process.
- Employees' time and attendance records are approved by their supervisors.
- Corrections to recorded time and attendance records are approved by the employee and employee's supervisor.
- Procedures are in place to ensure that changes in employment status are promptly reported to the payroll processing unit.
- Payroll disbursements are reviewed and approved by an authorized individual prior to payment.
- Access to payroll applications is appropriately controlled by user logins and passwords.
- Changes to a payroll disbursement are approved by an individual other than the ones authorized to process the changes.
- Payroll checks are accounted for in numerical order and reconciled to the payroll check register.
- Access to the signature used to sign payroll checks is adequately controlled.
- Payroll checks are mailed or distributed by someone outside the normal payroll distribution function.
- Unclaimed payroll checks are returned to Finance Department via the Department Head.
- Employees are cross-trained on the payroll process; those assigned to payroll take regular vacations.

Disbursement Activities

- The responsibility for approving claims is segregated from those preparing the claims.
- Checks are written by an individual other than the one approving the claim.
- Checks are signed by an individual other than the one preparing them.
- Claims for payment are reviewed and approved by the governing body prior to payment.
- A reconciliation is completed between the claims for payment approved by the board and the actual disbursements posted to the ledger.
- The responsibility for acknowledging the receipt of goods or services is segregated from those preparing claims and writing checks.
- Vendor checks are accounted for in numerical order and reconciled to the disbursement ledger.
- Invoices or other receipts are attached to each claim to support the disbursement.

- A review is completed by an individual outside the disbursement process in which the claim amount is compared to the supporting documentation attached to the claim and the amount of the check.
- Access to disbursement applications is appropriately controlled by user logins and passwords.

Receipting Activities

- The responsibility for collecting money and issuing receipts is segregated from those preparing the bank deposit.
- The responsibility for making bank deposits is segregated from those preparing the monthly bank reconciliation.
- Pre-numbered receipts are issued for all money collected and the receipt is retained with supporting documentation.
- Receipts are reconciled to the cash receipts ledger by an individual other than the one collecting money and issuing receipts.
- Posting of receipts to the ledger is completed by an individual other than the one who collects money and makes the deposit.
- Receipts indicate the type of payment received (cash, check, etc.) and this is reconciled to the make-up of the bank deposit.
- Accounts receivable records are maintained by an individual other than the one(s) involved in the billing process.
- The billing process is completed by an individual other than the one who collects cash payments from customers.
- Adjustments to customer accounts above our managerial threshold are approved by the governing body only after review.

Cash Activities

- A reconciliation between the recorded cash balance and the bank balance is completed monthly by an individual separate from the receipting and disbursing processes.
- A reconciliation between the receipts ledger and the credits to the bank account is completed periodically by an individual separate of the receipting process.
- A reconciliation between the disbursement ledger and the debits to the bank account is completed periodically by an individual separate of the disbursement process.
- Disbursements from and reimbursements to petty cash and/or change funds are periodically reviewed by an individual other than the one responsible for maintaining the petty cash fund.

Credit Cards Transactions

- A designated official or employee oversees the issuance and use of the credit cards.

- An ordinance or resolution specifically states the purposes for which the credit card may be used.
- A designated person separate from cardholder reviews transactions listed on the credit card statements for sufficient documentation and inclusion in claim to the Board.

Principle 11: Management designs the political subdivision's information system and related control activities to achieve objectives and respond to risks.

The Finance Department and Department Heads will work with the Information Technology Department to ensure that information technology is used as an integral part of the internal control system. This may include, but not be limited to:

- Setting permission such that only certain users may perform certain tasks
- Using technology to accomplish segregation of duties by forcing duties to be completed by different users
- Automating certain processes and calculations
- Limiting the authority to access different components of various software to employees with duties specifically related to that component
- Prohibiting user ID and password sharing among employees
- Restricting the authority to correct or make adjustments to records to key employees
- Requiring the use of prescribed forms or the approval of alternative forms

Principle 12: Management implements control activities through policies.

The City has an employee handbook that is regularly updated to communicate policies to employees. Additionally, the Finance Department, with the assistance of the internal control team, regularly works with departments and employees who handle financial transactions to recommend and ensure best practices. All procedures are in writing and communicated frequently to all relevant employees. Policies are available both electronically and in hard copy form.

4. Information and Communication

Principle 13: Management uses quality information to achieve the political subdivision's objectives.

The City strives to lead in the areas of financial transparency and accountability. By adopting standards and investing in Systems that exceed State mandated minimums, City management provides employees and stakeholders with high quality information and informatics systems. The City Finance Department and Legal Department attend training and industry seminars to stay abreast of changes and developments in requirements and communicate that information effectively to impacted employees.

Principle 14: Management internally communicates the necessary quality information to achieve the political subdivision's objectives.

Internal communications on internal controls are communicated through adoption of formal policies by relevant boards and commissions and/or the legislative body or documented through memos from the Finance, Legal or relevant Department Head. Internal memos and reports are maintained to document communication.

Principle 15: Management externally communicates the necessary quality information to achieve the entity's objectives.

Communications with the State Board of Accounts, other State agencies, grantor agencies, and regulatory agencies are documented by email, memos, letters, and other forms of written correspondence. Logs are kept for information provided verbally. All documents are maintained in accordance with the City and state's record retention policies. Reports and policies are cross checked for accuracy, relevancy, and timeliness of information.

5. Monitoring Activities

Principle 16: Management establishes and operates monitoring activities to monitor the internal control system and evaluate the results.

City Administration monitors and evaluates compliance with internal control policies via multiple vectors. Separation of duties, redundancy policies, layered approval systems, monthly reports, and physical controls such as video monitoring allow management to both review and evaluate control systems.

The Finance Department, with the assistance of the internal control team, shall implement a system of monitoring that includes:

- Periodic checks to determine if controls are in place and working effectively
- Reviewing control activities to determine if the actual activities are in compliance with established procedures
- Documenting deficiencies in the internal control processes and remediating them quickly
-

Monitoring activities will be documented by signatures, initials, or other appropriate methods.

Principle 17: Management remediates identified internal control deficiencies on a timely basis.

Breaches of internal controls are subject to significant levels of internal scrutiny. If informed of a material breach of internal control, the Finance Department and Mayor's Office actively investigate and address said breach and adjust policies and procedures to prevent such breaches in the future. Once breaches are identified and investigated, a formal or informal corrective action plan will be developed within 30 days. Failure to comply could result in disciplinary action up to and including termination.

10. GRANT DRAWDOWNS

The grant drawdown policy is in response to State Board of Accounts Finding 2014-006, resulting from an audit of the City of Gary's Planning Department. For consistency with City of Gary Department of Planning and Redevelopment practices, the Commission shall adopt the following internal procedure for grant drawdowns.

1. Drawdown requests for any federal or state funded grant program and subsequent claims will be reviewed independently by both the Deputy Director of Planning and the Deputy Director of Redevelopment, or their respective designees, prior to submittal for payment to the Fiscal Secretary of the department.
2. Invoices associated with federal or state funded grants, will be submitted for payment within fifteen (15) days of receipt, to ensure timely payments in advance of reimbursements.
3. For invoices concerning federal or state reimbursement grants, no reimbursement requests can be made until vendor invoices are paid for the corresponding request. Any such request will be reviewed independently by both the Deputy Director of Planning and the Deputy Director of Redevelopment, or their respective designees, prior to submittal to Fiscal Secretary.
4. The Deputy Director Planning and the Deputy Director of Redevelopment, will each initial the bottom right-hand corner of each claim prior to submittal to document their review of the invoice.

ARTICLE IV – PROPERTY MANAGEMENT

As chief custodian of municipal land holdings and economic development, the Gary Redevelopment Commission is responsible for the acquisition and disposition of real property (IC 36-7-14). The following policies and procedures shall dictate transactional processes for real property.

1. LEASING PROCEDURES

From time to time the Commission may elect to lease property, pursuant to IC 36-7-14. The following procedures apply:

1. The Commission shall have a public hearing with all interested parties given the opportunity to remonstrate and speak on the potential lease.
2. The Commission may then adopt a resolution, prepared by Commission Attorney, to execute the lease. Any lease approved by resolution must be approved by a Common Council ordinance. Within one (1) week of the Commission approval, the Commission Attorney will submit to the City Clerk a proposed ordinance for consideration of the Gary Common Council to be heard on first and second reading at the next regular meeting of the Gary Common Council.
3. Upon approval of the Gary Common Council, the Commission Attorney and Administrator shall execute a lease, pursuant to the approved resolution and ordinance.

2. PROPERTY PURCHASES

From time to time the Commission may elect to purchase properties from other entities or individuals. Pursuant to IC 36-17-14, the following procedures apply:

1. The Administrator shall procure two (2) independent appraisals to determine the fair market value for any property under consideration of purchase.
2. The Commission Attorney will prepare a resolution to approve the purchase of a parcel or parcels. The resolution shall include the full legal description of the property being purchased, the common address, the county assigned parcel ID number, and the price to be offered for the parcel(s).
3. The Commission, Commission Attorney, and Administrator may negotiate for the purchase of property.

4. Upon execution of any resolution to purchase property, the Commission Attorney and Administrator must execute a contract with the seller. Payment shall be made only on deliver of proper instruments conveying the title or interest of the owner.

5. All property acquired via purchase by the Commission is free and clear of all tax liens, assessments and other governmental charges. In addition, the Commission may petition the county auditor to clear any back taxes accrued on the property to date. Within ten (10) days of purchase, the Commission Attorney will prepare a petition to the county to clear any remaining taxes on the property.

6. The Commission may acquire properties from the Office of the Lake County Commissioner, when tax-delinquent parcels are eligible for tax sale. The Administrator shall contact the Office of the Lake County Commissioner to inquire about such properties and report back to the Commission upon instruction. No official action needs to be taken by the Commission until and unless real property is acquired via purchase.

7. Prior to accepting any property, the Commission may request additional documentation, including, but not limited to, phase I environmental reports, property surveys, market studies, and appraisals.

3. DONATIONS TO THE COMMISSION

From time to time the Commission may elect to receive properties via donation. Properties that potentially hold value due to their geography in a Strategic Economic Development Area or necessitate acquisition in association with a particular project may be donated to the Commission. The following procedures apply:

1. When notice is given by a potential land donor, the Administrator shall prepare a summary of the proposed donation describing the property location, potential value the property would have to the Commission, and a recommendation to either accept or deny the donation.

2. Should the Commission elect to accept the donation, the Commission Attorney will prepare a resolution accepting the parcel or parcels. The resolution shall include the full legal description of the property, the common address, and the county assigned parcel ID number.

3. Upon approval, the Commission Attorney will prepare a deed and sales disclosure for execution prior to recording with the Office of the Lake County Recorder.

4. All property donated to the Commission is free and clear of all tax liens, assessments and other governmental charges. In addition, the Commission may petition the county auditor to clear any

back taxes accrued on the property to date. Within ten (10) days of acquisition, the Administrator and/or Commission staff will prepare a petition to the county to clear any remaining taxes on the property.

5. Prior to accepting any property, the Commission may request additional documentation, including, but not limited to, phase I environmental reports, property surveys, market studies, and appraisals.

4. PROPERTY DISPOSITION INITIATED BY THE COMMISSION

The Commission will strictly adhere to state statutes when selling, leasing, or otherwise disposing of property (IC 36-7-14). All procedures contained therein shall prescribe the exact manner of property sales and disposition. For property disposition initiated by the Commission, the following procedures apply, in addition to any not enumerated below, but set forth in IC 36-7-14).

1. The Administrator shall provide notice to the Commission of any property potentially suitable for disposition in the executive summary provided with Commission meeting packets. The Commission shall discuss the potential disposition at the following meeting or executive session, circumstances dictating the appropriate venue.

2. The Administrator will request to advertise bids for any potential sale. The minimum offering price shall be derived from two independent appraisals to establish the market value.

3. Upon approval to advertise, a Notice to Bidders will be advertised in two newspapers of record and posted on the City of Gary's website. A bid packet will be made available online and at the Commission offices located at 839 Broadway, Suite S200, Gary, Indiana 46402. The bid packet will include:

- a. Notice to Bidders
- b. Instruction to Bidders
- c. Proposal Form
- d. Offering Sheet
- e. Property Description
- f. Any additional documentation, pursuant to the RFP.

4. All bids and proposals will be received at a public meeting of the Commission, unsealed, and read aloud by the Commission secretary. Bids will then be referred to the Administrator and Commission Attorney for their review and recommendation. A formal recommendation will be provided by the Administrator to the Commission, to be included in the following meeting's packets. The Commission will then accept or reject that recommendation.

5. At the meeting directly following accepting proposals, the Commission may award the property to a bidder.

6. Upon award, the Commission may direct the Administrator and Commission Attorney to begin negotiating a sales agreement or development agreement with the entity purchasing and acquiring the property. The final execution of such an agreement shall be placed on a subsequent Commission agenda, subject to official action.

7. Within one (1) week of any award or official action disposing of property, the Administrator shall send an award letter and draft development agreement to the awardee and a letter of denial to all other bidders.

5. PROPERTY DISPOSITION INITIATED BY PRIVATE PARTIES

Private entities or individuals wishing to obtain a parcel or parcels through side-lot acquisition, property purchase, or leasing must first submit a completed Application to Acquire Land (secured from Administrator) no less than thirty (30) days prior to the meeting at which the item is to be considered. A completed packet will include the following:

- a. A completed application in full
- b. Proof of current tax status on all properties owned by the petitioner
- c. A property maintenance report for the property being requested
- d. A description of the property being requested
- e. Any additional documentation as requested by Commission staff or the Administrator

The Commission staff and/or Administrator will then vet the application and provide a recommendation to the Commission in the meeting packets for the next regular meeting of the Commission. The process for disposition thereafter shall strictly conform to state statutes prescribing sales and disposition procedures (IC 36-7-14). The Commission shall not issue any refund or reimbursement for properties sold through this disposition process when initiated by a private party. In the event a private party wishes to cancel or revert ownership back to the Commission, any associated costs, fees, taxes, or any other financial burden shall be the sole responsibility of the party to whom the property was originally sold through this disposition process.

6. TRANSFER OF PROPERTIES TO NON-PROFIT DEVELOPMENT ENTITIES

Pursuant to Indiana statute (IC 36-7-14-22), a non-profit community development corporation (CDC) may request property from the Commission. The following procedures apply:

1. Any CDC wishing to obtain a parcel or parcels from the Commission must submit a completed Application to Acquire Land (secured from Administrator) no less than thirty (30) days prior to the meeting at which the item is to be considered. A completed packet will include the following:
 - a. A completed application in full
 - b. Proof of current non-profit status from the IRS
 - c. A property maintenance report for the property being requested
 - d. A description of the property being requested
 - e. Any additional documentation as requested by Commission staff or the Administrator

The Commission staff and/or Administrator will then vet the application and provide a recommendation to the Commission in the meeting packets for the next regular meeting of the Commission. The process for disposition thereafter shall strictly conform to state statutes prescribing disposition procedures for CDC/non-profit entities (IC 36-7-14).

7. TRANSFER OF PROPERTIES UNDER THE SIDELOT PROGRAM

Pursuant to Indiana statute (IC 36-7-14-22.5), City-owned properties may be transferred to residents of the City of Gary, at no cost, through the City of Gary Sidelot Program, via the following procedures:

1. A City of Gary resident wishing to obtain a parcel from the Commission must submit a completed Sidelot Application (secured from Administrator) no less than thirty (30) days prior to the meeting at which the item is to be considered. A completed packet will include the following:
 - a. A completed application in full
 - b. Proof of current non-profit status from the IRS
 - c. A property maintenance report for the property being requested
 - d. A description of the property being requested
 - e. Any additional documentation as requested by Commission staff or the Administrator
2. For an application to be deemed as eligible, the Administrator must establish all of the following conditions:
 - a. The applicant is an owner-occupant of a property directly adjacent to the subject property that is being bid on.
 - b. The applicant has not been delinquent on their property taxes at any time within two years of the submission of their application, as determined through the Lake County Assessor's office.
 - c. The subject property's assessed value is at or below \$25,000.
 - d. The subject property has a residential zoning classification.
 - e. The subject property's acreage is no more than two times larger than the applicant's adjacent property.
 - f. The property is not needed by the City for open space or any other public use.

- g. The property is not part of a larger vacant parcel that can be developed.
- h. The applicant’s proposal for the subject property is one of the following:
 - i. Garden or orchard
 - ii. Side-yard
 - iii. Landscaped open space (i.e., pocket park)
 - iv. Paved off-street parking
 - v. Detached or attached garage (pursuant to the zoning guidelines that govern the parcel)
 - vi. Septic improvements
 - vii. Addition to an existing structure
- i. There no existing or potential code violations on the applicant’s current property (to be verified by the City of Gary Buildings Department, and a site visit by the Administrator).

3. After approval of the application, the Administrator must advertise the disposition of the property explicitly under the sidelot program in a local newspaper, twice within a ten day period, and receive bids to be opened at a meeting of the Redevelopment Commission, at least seven days after the last advertisement.

4. In the event that there is one qualified bidder, the Administrator will then vet the application and provide a recommendation to the Commission in the meeting packets for the next regular meeting of the Commission. The process for disposition thereafter shall strictly conform to state statutes prescribing disposition procedures through the Sidelot Program (IC 36-7-14-22.5).

5. In the event that there are multiple qualified bidders, that meet all of the criteria of Section 7.2 of the Gary Redevelopment Commission’s Policies & Procedures, then the Administrator must score the competing bids on the following criteria, and award the property to the highest scoring bidder:

Consideration	Points	Methods
Adjacency to subject lot	Baseline requisite	Lake County Assessor records review
Current on 2 years of property taxes	Baseline requisite	Lake County Assessor records review
Initial bidder for the lot	1	GRC records review
Documented stewardship of the lot	2	Existing evidence of lot maintenance confirmed through a City of Gary employee’s site visit PLUS ONE OF THE FOLLOWING: (1)Two written 3 rd party testimonies (2) Photo or video documentation
Maximum Points	3	-

DEFINITIONS:

- **Initial Bidder**
The first party to formally submit an application for acquisition of the subject sidelot, which initiates the public bidding process.
 - **Review of Existing of Lot Maintenance (Provided by: Redevelopment Commission staff)**
A City of Gary employee will visit the site, and confirm evidence of existing maintenance on the sidelot by identifying any of the following: (1) A lot with recently mowed grass; (2) A well maintained garden on site; (3) Other human-installed improvements that are in a state if good repair.
 - **Two Written 3rd Party Testimonies (Provided by: Bidder)**
Two separately-written statements by third-party individuals that corroborate a bidder's assertion of pre-existing stewardship over the lot. Preference is given towards statements written by neighbors living on the same block as the subject sidelot. The Redevelopment Commission will not accept testimonies written by a bidder's family members.
 - **Photo or Video Documentation (Provided by: Bidder)**
Existing photo or video evidence documenting a bidder's history of maintenance over the lot, by depicting activities such as (1) Mowing grass; (2) Planting and gardening on site; (3) Making other improvements that are still in a current state if good repair. Evidence must be dated from before the first publication of the invitation to bid on the subject sidelot.
6. At the next meeting of the Redevelopment Commission, Administrator will then vet the application and provide a recommendation to the Commission in the meeting packets regarding which bidder is most responsive. The process for disposition thereafter shall strictly conform to state statutes prescribing disposition procedures through the Sidelot Program (IC 36-7-14-22.5).

8. PROPERTY DISPOSITION INITIATED BY THE COMMISSION UNDER THE "NEW OPPORTUNITY AREAS PROGRAM"

Pursuant to Indiana statute (IC 36-7-14-22.8), any disposition initiated by the Commission o for property owned by the Commission may transpire via the following procedures:

1. The Administrator shall provide notice to the Commission of any property potentially suitable for disposition in the executive summary provided with Commission meeting packets. The Commission shall discuss the potential disposition at the following meeting or executive session, circumstances dictating the appropriate venue.

2. Staff will conduct an analysis assessing whether a potential New Opportunity Area satisfies the criteria established in IC 36-7-14-22.8. This includes:

a. At least one-third (1/3) of the parcels in the area are vacant or abandoned, as determined under IC-36-7-37 or another statute

b. At least one-third (1/3) of the parcels in the area having at least one (1) of the following characteristics:

(i) The dwelling on the parcel is not permanently occupied.

(ii) Two (2) or more property tax payments owe on a parcel are delinquent.

(iii) None of the properties in the area have been annexed within the immediately preceding five (5) years over a remonstrance of a majority of the land owners within the annexed area.

(iv) The area cannot be improved by the ordinary operation of private enterprise because of:

(1) The existence of conditions that lower the value of the land below that of nearby land or other similar conditions.

(v) Each parcel in the area is a residential parcel that is less than one (1) acre in size.

(vi) The property tax collection rate over the immediately preceding two (2) years has been less than sixty percent (60%).

(vii) The sale of parcels that are held by the Commission and are located in the New Opportunity Area to individuals and other private entities will benefit the public health and welfare of the residents of the surrounding area and the area governed by the Commission.

3. A completed analysis for establishing a New Opportunity Area must include:

a. A map of the Opportunity Area with defined street boundaries.

b. A quantitative analysis revealing the percentage of properties in the Opportunity Area that meet the criteria established in Sec. 7.1.b.i-vi of the City of Gary Redevelopment Commission Policies & Procedures.

c. A list of the properties that is open for bidding in the Opportunity Area, including the following:

i. Address

ii. Parcel identification number

iii. Legal description

iv. Acreage

v. Zoning

4. The Administrator will request to advertise bids for any potential sale. The minimum offering price shall be derived via the following method:

a. Single family residential lots that are not located on principal or minor arterials or major or minor collector roads, as defined by the State of Indiana's Functional Road Classification System, will have a starting offering price of **\$100** per lot. See Article IV Section 7.4.f for a listing of qualifying roads in the City of Gary.

SIZE MULTIPLIER:

b. For properties larger than the standard single residential cadaster (25 feet x 125 feet), a multiplier will be applied to the offering price that is proportional to that lot's size difference, as compared with the standard residential lot (i.e., if the lot is four (4) times the size of a typical residential lot, its offering price will increase by four (4) times).

Reference: Lake County Surveyor GIS (http://lakeinsurveyor.mygisonline.com/?_h=true).

LOCATION MULTIPLIER:

c. Any property located on principal arterials will be valued at **four (4) times** the value of single family residential lots that are not located on principal arterial.

d. Any property located on minor arterials will be valued at **three (3) times** the value of single family residential lots that are not located on minor arterial.

e. Any property located on a major or minor collector will be valued at **two (2) times** the value of single family residential lots that are not located on a major or minor collector.

f. Road Classification:

i. Principal Arterials (2015): US 12, US 20, Broadway (SR 53), Ripley Road (SR 51), Ridge Road, Industrial Highway (Airport Road)

ii. Minor Arterials (2015): Grant Street, Martin Luther King Drive, Central Drive, 15th Avenue, Burr Street

iii. Major Collectors (2015): Clark Road, Virginia Street, 11th Avenue, Lake Street, Clay Street, Oak Avenue, Georgia Street, 21st Avenue, 25th Avenue, Colfax Street, 35th Avenue, County Line Road, 47th Avenue

iii. Minor Collectors (2015): 6th Avenue, Taft Street, 19th Avenue, Harrison Street, Clay Street, Oak Avenue, Georgia Street, 21st Avenue, 25th Avenue, Colfax Street, 35th Avenue, Clark Road, 45th Avenue, 47th Avenue, 49th Avenue, Aetna Street, E 10thA venue

Reference: Northwestern Indiana Regional Plan Commission Functional Class (<http://nirpc.org/transportation/functional-class.aspx>).

5. Upon approval to advertise, a Notice to Bidders will be advertised in a newspaper of record twice within a ten (10) day period and posted on the City of Gary's website. A bid packet will be made available online and at the Commission offices located at 839 Broadway, Suite S200, Gary, Indiana 46402. The bid packet will include:

a. Notice to Bidders

b. Instruction to Bidders

c. Proposal Form

d. Offering Sheet

e. Property Description

f. Any additional documentation, pursuant to the RFP.

6. All bids and proposals will be received at a public meeting of the Commission, unsealed, and read aloud by the Commission secretary. Bids will then be referred to the Administrator and Commission Attorney for their review and recommendation. A formal recommendation will be provided by the Administrator to the Commission, to be included in the following meeting's packets. The Commission will then accept or reject that recommendation. The receiving and opening of bids must occur ten (10) days after the second advertising date of the Notice to Bidders.

BID REVIEW POLICIES:

- a. If a property receives one compelling bid, award that property to the bidder
- b. If a property receives multiple compelling bids, award lot to most responsive bidder, based on the following rubric:

Consideration	Points	Methods
Current on 2 years of property taxes	Baseline requisite	Lake County Assessor records review
Responsive and Responsible Bidder	2	Submitted bid/ narrative
Documented stewardship of the lot	1	Existing evidence of lot maintenance confirmed by a City employee's site visit PLUS ONE OF THE FOLLOWING: (1) Two written 3 rd party testimonies (2) Photo or video documentation
Highest and best use for economic development in the City of Gary	2	Narrative of intended use and purpose
Maximum Points	5	-

DEFINITIONS:

a. Review of Existing of Lot Maintenance (Provided by: Redevelopment Commission staff)

A City of Gary employee will visit the site, and confirm evidence of existing maintenance on the sidelot by identifying any of the following: (1) A lot with recently mowed grass; (2) A well maintained garden on site; (3) Other human-installed improvements that are in a state if good repair.

b. Two Written 3rd Party Testimonies (Provided by: Bidder)

Two separately-written statements by third-party individuals that corroborate a bidder's assertion of pre-existing stewardship over the lot. Preference is given towards statements written by neighbors living on the same block as the subject sidelot. The Redevelopment Commission will not accept testimonies written by a bidder's family members.

c. Photo or Video Documentation (Provided by: Bidder)

Existing photo or video evidence documenting a bidder's history of maintenance over the lot, by depicting activities such as (1) Mowing grass; (2) Planting and gardening on site; (3) Making other improvements that are still in a current state if good repair. Evidence must be dated from before the first publication of the invitation to bid on the subject sidelot.

d. Intended Use Narrative

Narrative of intended use of property, including the following: (1) Description of the reason you are acquiring the property, what you will do with it, and how it will benefit the city; (2) Site plan; (3) Funding plan.

e. Responsive and responsible bidder: One point per factor: (1) Completed all steps of bid process (2) Provided a narrative demonstrating the bidder's technical and financial capacity to implement their plan for the subject property

7. At the meeting directly following accepting proposals, the Commission may award the property to a bidder.

8. Upon award, the Commission may direct the Administrator and Commission Attorney to begin negotiating a sales agreement or development agreement with the entity purchasing and acquiring the property. The final execution of such an agreement shall be placed on a subsequent Commission agenda, subject to official action.

9. Within one (1) week of any award or official action disposing of property, the Administrator shall send an award letter and draft development agreement to the awardee and a letter of denial to all other bidders.

9. PROPERTY DISPOSITION INITIATED BY PRIVATE PARTIES UNDER THE “NEW OPPORTUNITY AREAS PROGRAM”

Private entities or individuals wishing to obtain a parcel or parcels through the New Opportunity Areas Program must first submit a completed Application to Acquire Land (secured from Administrator) no less than thirty (30) days prior to the meeting at which the item is to be considered. A completed packet will include the following:

- a. A completed application in full
- b. Proof of current tax status on all properties owned by the petitioner
- c. A property maintenance report for the property being requested
- d. A description of the property being requested
- e. Any additional documentation as requested by Commission staff or the Administrator

The Commission staff and/or Administrator will then vet the application and make a determination on whether the request qualifies for disposition under the New Opportunity Areas Program, or through alternate means. This determination will follow the instructions provided in Article IV Section 7.2 for created New Opportunity Areas, established under IC 36-7-14-22.8.

If the requested property or properties qualify for disposition under the New Opportunity Areas, the disposition process will continue under the guidelines of Article IV Section 7.3-7.9, pursuant to IC 36-7-14-22.8.

ARTICLE V – MISCELLANEOUS PROVISIONS

1. FAÇADE IMPROVEMENT REBATE PROGRAM

The Commission shall administer the City of Gary Department of Planning & Redevelopment's Façade Rebate Program, detailed as follows:

1. Eligibility:

1. Geographic Requirements: the subject structure must exist within a planned or existing transit-oriented development district in the city, defined as follows.

- a. Within 1/2 mile in distance from the downtown Gary Metro Center station, Miller South Shore station, or planned bus rapid transit station in University Park. This criterion may be altered in the future via resolution as bus rapid transit is expanded across the city and along the Broadway corridor.

2. Applicant Eligibility: Applicants must be the owner of subject property; if the grant request is initiated by a tenant, the property owner must still be primary party listed on the application. All applicants must be current on property taxes. Any applicant that is an LLC or corporate entity must fully disclose all principals and agents. Projects that receive an award shall not be eligible to apply for additional façade grants for a five (5) year period from the date of the award.

3. Eligible Activities: Improvements eligible shall be limited to non-structural, external improvements to the building's façade, including the following:

- a. Building material cleaning and refurbishment
- b. Painting and finishing
- c. Signage
- d. Exterior lighting
- e. Window and door improvements
- f. Exterior front setback landscaping
- g. Outdoor furniture
- h. Any other façade-related improvements that clearly result in the improved aesthetics of the building from the vantage point of pedestrians

4. Ineligible Activities: The following expenses are not eligible for reimbursement.

- a. Architectural and design costs
- b. Permit fees
- c. Structural improvements
- d. Roofing improvements

- e. Routine property maintenance
- f. Any work done by a non-licensed contractor

2. Application Process: Eligible parties may pick up an application at the following city departments:

City of Gary Department of Planning & Redevelopment
504 Broadway, Suite 200
Gary, Indiana 46402

City of Gary Department of Zoning
401 Broadway, Suite 302
Gary, Indiana 46402

Applications must be completed in full and include the following:

1. Written project narrative
2. Property deed with legal description of property
3. Documentation that current taxes are paid
4. Project budget
5. Two contractor quotes
6. A recent plat of survey for the subject property
7. Current photographs of the façade
8. Color renderings of the proposed façade improvement
9. Project Timeline
10. Proof of a valid City of Gary business license
11. \$35.00 non-refundable application fee

3. Committee Review Process: Upon acceptance of a completed application, the Department of Planning & Redevelopment will begin a review period. The proposal will be first reviewed internally by Redevelopment Commission staff to verify complete and accurate information. A review panel consisting of a representative from the City of Gary Buildings Department, Planning & Redevelopment Department, Zoning Administrator, and a representative from Indiana Landmarks will then make a determination for approval or denial. If denied, a letter will be sent to the applicant providing recommendations to improve the proposal. The applicant will then have ten (10) business days to re-submit the proposal for reconsideration. If approved, staff will make formal recommendation to the Gary Redevelopment Commission via resolution and supporting documentation. Any resolution passed by the Commission shall then be reviewed by the Northwest Indiana Regional Development Authority designees or staff, for verification. Upon written approval from the Northwest Indiana Regional Development Authority, Redevelopment Commission staff shall notify the award recipient.

4. Award Details: Improvements made by successful applicants will be awarded a reimbursement up to fifty percent (50%) of construction costs not to exceed \$25,000. Recipients utilizing only Gary-based contractors and labor, as confirmed by the City of Gary Building Department, will be eligible for an additional \$20,000 reimbursement, toward up to fifty percent (50%) of total construction costs not to exceed \$45,000. Construction must begin within 90 days of approval, or the award shall be forfeited back to the City of Gary Redevelopment Commission.

5. Method of Reimbursement: Awarded applicants requesting reimbursement must submit the following documentation:

1. Award Letter
2. Copies of all permits
3. List of all contractors used, with documentation of an active City of Gary contractor's license
4. All receipts related to total project costs, in addition to those specific costs related to reimbursement
5. Proof of all taxes paid and current for the subject property
6. Before and after photographs, with the signature of Redevelopment Commission staff verifying accuracy

Upon verification that the project has been completed, consistent with the applicant's proposal, a claim will be processed through the City Controller, as the Redevelopment Commission's fiscal agent. A copy of any reimbursement claims will be forwarded to the Northwest Indiana Regional Development Authority for their records. Any and all transactions related to the façade program shall be reported to the Northwest Indiana Regional Development Authority with one (1) week.

6. Program Evaluation: After one year of operation, or five projects have been completed, the Commission staff shall devise a program evaluation rubric and conduct a return on investment assessment using the Gary Space Time Analytic Data System (G-STADS).

7. Program Funds: All funds available for the façade improvement rebate program shall initially derive from proceeds from the sale former Gary Urban Enterprise Association, under the purview of the City of Gary Department of Redevelopment pursuant to the March 9, 2007 Agreement between the City of Gary and the Office of the Indiana Attorney General. All funds shall be held in a dedicated escrow account, for the express purpose of this program. At no time shall anybody other than the City Controller, as the official fiscal agent of the Redevelopment Commission, have access to the fund.

8. Local Maintenance Bonus: Successful recipients who maintain their improvements for a period of three (3) years following an award may petition the Commission for an additional match award of up to 50% of project costs not to exceed \$10,000. Applications will be made available to those

grantees if, at the end of the initial three year period, Commission staff inspects the property and concludes that the terms of the façade grant were met successfully and the property is both current on its taxes and the premises are improved beyond the scope of the initial façade award. The local maintenance bonus is contingent upon 100% Gary-based labor and contracting.

2. FACILITATION OF THIRD-PARTY TRANSACTIONS

From time to time the Commission shall consider the facilitation of real estate transaction of non-profit, governmental, or other entities throughout the city of Gary to advance strategic redevelopment and economic development goals. The procedures for such transaction are as follows:

1. Petition. Any entity (Petitioner) requesting involvement with the Commission shall submit the following documentation to the Administrator at the following address:

City of Gary Redevelopment Commission
c/o Executive Director
504 Broadway, Suite 200
Gary, Indiana 46402:

2. Documentation. The following items must be included in order to be considered by the Commission. Any package not completed in full will not be considered.

1. Letter of Interest: Outlining the project in detail, the reasons to necessitate the Commission's involvement, and any supporting information that clearly demonstrates the potential impact of the proposal and necessity to include outside assistance.

2. Sources and Uses Letter: Describing funding sources to effectuate the project and the uses of those funds. Attached to this shall be all grant and financing documents provided by a bank or lending institution, and overall project budget.

3. Development Agreement between all parties involved, excluding the Commission.

4. Supporting project documentation: Any documentation pertaining to grants, in-kind services, support letters, and special considerations that validate the project.

5. Project Timeline

6. Map/Site Plan of project area.

7. Draft Project Agreement: A draft agreement for the consideration of the Commission that includes expected participation and terms of involvement of the Commission drafted by Petitioner's attorney.

8. Non-refundable \$2,000 Administrative Fee in the form of a check payable to the "CITY OF GARY REDEVELOPMENT COMMISSION"

Upon receipt of the above information, the Administrator shall review the package for details and refer documentation to the Commission's Counsel, for legal review. Upon receipt of the documentation, Counsel shall review within thirty (30) days and provide a summary memo to the Commission in conference with the Administrator.

3. Review and Recommendation. After the review period, the Administrator and Counsel shall make a formal recommendation to the Commission on how to proceed in conjunction with the summary memo. The Administrator will confer with the Commission President to determine if the item is appropriate for consideration at a regular meeting of the Commission. Upon placement on the agenda, regular by-laws and procedures shall apply.

4. Closing. Upon execution of an agreement subject to this section of the Gary Redevelopment Commission Policies and Procedures Manual, petitioner shall have thirty (30) days to close on the transaction and record any and all applicable deeds and documentation at the Office of the Lake County Recorder. Petitioner is responsible for drafting deeds and any other legal instruments and is responsible for all recording fees and associated costs.

5. Default and Recourse. In the event that any provision of the agreement is not honored, in the event that the project does not come to fruition, the transaction does not close within the prescribed thirty (30) day period, or a material misrepresentation by the Petitioner results in the project failing, all land shall revert to original ownership, Petitioner forfeits the \$2,000 administrative fee, and the Petitioner and any other party to the agreement shall be barred from petitioning the Commission for third-party facilitation for a period of five (5) years.

6. Delinquent Taxes. In no event shall the Commission consider facilitating a transaction for the sole purpose of removing unpaid or delinquent property taxes or ameliorating outstanding property tax issues with the offices of the Lake County Treasurer, Assessor, or Auditor or Calumet Township Assessor.