MEETING NOTICE

THERE WILL BE A MEETING OF THE
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
AT 6:30 P.M. THURSDAY, AUGUST 2, 1990
AT THE OFFICE OF THE REGIONAL PLANNING COMMISSION
8149 KENNEDY AVENUE
HIGHLAND, INDIANA

AGENDA

1. Call to Order by Chairperson Arlene Colvin
2. Recognition of Visitors, Guests
3. Reorganization of the Commission - Election to fill vacancy of Vice Chairman
4. Approval of minutes of July 5, 1990 meeting
5. Reports of Standing Committees
   A. Finance/Policy Committee - Clyde Baughard, Treasurer
      • Financial status report
      • Approval of claims for July
      • Other issues
   B. Legislative Committee - George Carlson, Chairman
      • Federal Issues:
         • Project Initiation Signing Ceremony:
            August 16 - 10:00 a.m.
            Indiana University Northwest Conference Center
            Invitation to area elected officials
            Discussion of arrangements
B. Legislative Committee (cont'd)

- State Issues:
  - 1990/91 Biennium Budget Process - Request
  - Briefing of Governor's executive assistants on
    NW Indiana projects
  - Other Issues

C. Land Acquisition/Management Committee -
   Charles Agnew, Chairman

- Committee meeting at 5:30 p.m.
- Appraisals, offers, acquisitions, recommended actions
- Schererville borrow site issues status
- Summary of area meetings on project land needs/park recreation plans
- Other issues

D. Interim Flood Control/Planning Committee -
   Clyde Baughard, Chairman

- Meeting with North Township, County Surveyor officials
  re: Wicker Park project relationship/improvements
- Update on Conrail culverts improvement project

E. Breakwaters/Marina Committee - Bill Tanke,
   Chairman

- Status report of public marina developments/sand removal-mitigation project
  - Meeting held with Marine Reserve Unit, Mayor Maletta, Bart Peterson
  - Response letter from Major Van Dyke, Marine Reserves
  - Letter to Governor Bayh re: marina obligation/sand
  - Status of Federal permits for Portage marina developments
    - Set aside of +300 public slips/public launch lanes
- Other Issues

6. Other Business

7. Statements to Board from the floor

8. Set date for next meeting, adjournment
July 13, 1990

The Honorable Evan Bayh
Governor, State of Indiana
State House Room 206
Indianapolis, IN 46204
Attn. Laura Scheele

Dear Ms. Scheele:

I am writing you in reference to our telephone conversation of earlier this week. Enclosed is a copy of the letter of resignation sent to the Development Commission from Doyle Niemeyer, the current Chairman of the Commission. It is our understanding that he did not forward this letter to the Governor's Office but instead to the Commission so I am sending it to you. I am also enclosing, for your information and use, a chart of the current commission membership, appointing authorities and term expirations as we currently understand them. The vacancy and term expirations are highlighted in yellow marker. Also for your use is a copy of the applicable State Enrolled Act which governs the Governor's appointing responsibility relative to the Little Calumet River Basin Development Commission.

I trust that this information will be useful to you and offer any assistance I can provide if you have any additional questions.

The Little Calumet River project construction start is scheduled for this fall after some 25 years of planning and anticipation; so the Commission's Board will be called upon as never before. We appreciate your attention to this and the Governor's support for the project and will pledge to work with you in the future to achieve a successful completion.

Sincerely,

[Signature]

Dan Gardner
Executive Director

/encl.
cc: Bart Peterson
In Chairman Doyle Niemeyer's absence, Vice Chairman Arlene Colvin called the meeting to order at 6:35 p.m. Eight (8) Commissioners were present. Quorum was declared and guests were recognized.

Development Commissioners:            Visitors:
Charles Agnew                        Frank Mock - 6835 Kentucky, Hmd
Clyde Baughard                      Pete Zak - South Shore Marina
Dave Springman                      Mary Jane Zak - " "
Steve Davis                         Ola Kennedy - Lake County
Arlene Colvin                       Park Board
Nathaniel Leonard                   Dick Wawrzyniak - IDNR
William Critser                     Ed Johnston - Gary
John DeMeo                          Bob Bittke - Gary
                                      Sue Ross - The Times
Staff:                               Jerry Castle - Castle Estates, Munster
Dan Gardner                         Tom Yancy - Lake County
Lou Casale, Attorney                Rudy Clay - Lake Cty Commissioner
Bruce Stouffer                      Debbie Schubert - Black Oak
Sandy Mordus

Ms. Colvin acknowledged the resignation letter of Chairman Doyle Niemeyer. Mr. Niemeyer has accepted a position with the State of Kansas, Dept. of Wildlife and Parks as Unit Supervisor for their State Parks and Wildlife Areas. His resignation is effective immediately. In light of this and considering Mr. Niemeyer was the Commission's Chairman, Chuck Agnew made a motion to appoint Vice Chairman Arlene Colvin as Chairman to fill the remaining term; motion seconded by Nathaniel Leonard; motion passed unanimously. Discussion was held on filling the Vice Chairman position. The two options are to move everyone up or just appoint a new person to the position. Two terms have expired and now there is one vacancy. We expect to hear from the Governor's Office shortly in regard to appointments. In view of this, Mr. Agnew made a motion to table the filling of the Vice Chairman position until next month; motion seconded by John DeMeo; motion passed unanimously.
A motion was made by Clyde Baughard to approve the minutes of the June 7th meeting; seconded by John DeMeo; motion passed unanimously.

Finance/Policy Committee - Treasurer Clyde Baughard presented the financial status report for May as well as the claims. Mr. Baughard made a motion to approve the pending claims; motion seconded by Dave Springman; motion passed unanimously.

Legislative Committee - Dan Gardner announced that a request for $3 million from the Build Indiana Fund was made to the State Budget Agency. Mr. Gardner informed the Commission that over $1.2 billion of requests was received from around the State. A Projects Review Committee will review the many requests and make recommendations to the State Budget Agency.

Mr. Gardner informed the Commission he attended the hearing in Washington on June 13th with the Corps in regard to finalizing the Local Cooperation Agreement. Staff has answered all Corps questions and responded in writing to the Deputy District Engineer. There were minor changes made in the Agreement as well as in the Escrow Agreement. An escrow account needs to be set up at a bank in order to deposit the Commission's cash contribution to the project. From this account, the Corps will draw funds as needed. A motion to reaffirm approval of the Local Cooperation Agreement was made by Chuck Agnew; seconded by Clyde Baughard; motion passed unanimously.

It is still hopeful that the signing ceremony of the contract will be held later this month or first of August. Staff will pursue arrangements for the Governor, Congressman, Senators and other area elected officials to be present at the ceremony. The site that is being considered is Indiana University Northwest.

As soon as the contract is signed, the Corps is ready to let contracts for the demolition of structures already purchased in the Tolleston Club area.

Mr. Gardner reported that the House has passed an appropriations bill that included $3.39 million for the flood control project.

Land Acquisition/Management Committee - Committee Chairman Chuck Agnew made a motion to approve a compromise amount of $14,500 for DC246. Our original approved amount was $12,500. However, the property owner has produced documentation that the structure on the property is worth $17,500. The property owner is agreeable to the $14,500. Motion was seconded by Clyde Baughard; motion passed unanimously.
Mr. Agnew made a motion to approve moving expenses of $2,000 for DC325; seconded by John DeMeo; motion passed unanimously. ($2,000 was lowest of 3 quotes submitted).

It was the consensus of the land acquisition/management committee that someone needs to be on contract with the Commission on an emergency basis. Since the Commission has inherited the jurisdiction over the river from the Lake County Drainage Board, it is felt that someone needs to be on call. To that end, staff had solicited quotes for mowing and cleanup work the Commission needs to have done. Only one quote was received from Bob Porter. He stated reasonable price quotes to us. Mr. Agnew made a motion to contract with Bob Porter; motion seconded by Clyde Baughard; motion passed unanimously. The attorney will prepare contract.

The Commission will tour the river and properties owned in the near future.

Mr. Gardner informed the Commission that an afternoon meeting was held with the Corps and Gary officials in regard to Burr Street levee protection. The Corps had proposed different alternatives to the Commission in place of just floodproofing the homes. After meeting with Gary and discussing the alternatives, it was jointly decided to direct the Corps to implement Alternative #3 which is placing a levee from just west of Mansard Apartments to Burr Street with tie-back levees to the south on both ends. Adding the Burr Street levee would add an additional approximate cost of $2 million to the project. Mr. Agnew made a motion to accept Alternative #3; motion seconded by Bill Critser; motion passed unanimously.

Interim Flood Control Committee - Attorney Lou Casale stated that he has received a revised contract from ConRail in regard to culvert replacement at Penn Central at Martin Luther King Dr. He is reviewing it now. A meeting needs to be called with the Little Calumet River Basin Commission.

Breakwaters/Marina Committee - In Committee Chairman William Tanke's absence, Dan Gardner reported he is still working with the Governor's staff in regard to the sand issue. Staff is attempting to try to have the Governor write a letter to the Marine Corps urging their participation in the sand removal. Staff will pursue.

Statements from the floor - Lake County Commissioner Rudy Clay inquired about the recent newspaper article regarding levee protection on Burr Street.
Debbie Schubert of Black Oak inquired about the projected time frame of the project. Staff informed her that it would take from construction start about five years for construction to reach Cline Avenue and about an additional four years to reach the state line.

Ed Johnston inquired about the river levees. He was informed that the area east of Cline Avenue will receive the same level of protection as the west side. The level of flood protection to be afforded by the levees will be a 200 year level of protection.

Bob Bittke of Gary inquired of Commissioner Arlene Colvin concerning sewers in Black Oak. The city of Gary has contracted for a study of the required sewers. To answer his direct question, he was informed that Calhoun Street is one of the streets being considered for sewers.

There being no further business, the meeting was adjourned at 7:35 p.m. The next meeting was scheduled for August 2, 1990.

/sjm
MERCANTILE NATIONAL BANK

JANUARY 1, 1990 - JUNE 30, 1990

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TOTAL DISBURSEMENTS: **$ 368,599.79**

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July 10, 1990

Col. Randall Inouye
LTC, Corps of Engineers
District Engineer, Chicago District
111 N. Canal Street
Chicago, IL 60606-7206
Attn. Paul Benkowski

Dear Mr. Benkowski:

The Little Calumet River Basin Development Commission at its board meeting held July 5, 1990 voted unanimously (8-0) to reaffirm its intent and willingness to sign the Local Cooperation Agreement with the U. S. Army Corps of Engineers for the purpose of construction of the Little Calumet River Flood Control and Recreation Project in Lake County, Indiana. The document voted upon was dated June 27, 1990 and contained some minor changes agreed to in the Washington review of the agreement held June 13.

Additionally, the board voted unanimously (8-0) to sign the Certification Regarding Lobbying which was attached behind the Local Cooperation Agreement. The Development Commission fully understands these documents and willingly has supported signature by these two board votes.

If you have any questions, please feel free to call me.

Sincerely,

[Signature]
Dan Gardner
Executive Director

cc: Beldon McPherson
July 24, 1990

Randall Inouye
LTC, Corps of Engineers
District Engineer
219 S. Dearborn Street
Chicago, IL 60604-1797

Dear Col. Inouye:

The Little Calumet River Basin Development Commission would like to confirm approval by the Corps of Engineers of an August 16, 1990 date for the signing ceremony for initiation of the construction phase of the Little Calumet River Flood Control/Recreation Project for Lake County, Indiana. The location for this ceremony will be at the Indiana University Northwest Conference Center in Gary, Indiana. This location is a short distance from the river, in a state facility to be protected by the project and in Gary - the city where the first construction will take place. It offers a good facility to have such a ceremony. The date is the best opportunity to allow participation of Governor Bayh, Congressman Visclosky, Senator Coats and other area elected officials.

We hope to work closely with the Corps to make this event a successful and notable occasion heralding the start of this long awaited and much needed project.

Please feel free to call me if you have any questions.

Respectfully,

[Signature]
Dan Gardner
Executive Director

/cc: Evelyn Schiele
Funds asked for projects

Sen. Richard Lugar, R-Ind., this week asked a U.S. Senate subcommittee to approve $3.7 million for three water projects in Lake County.

The request includes $3.69 million for the Little Calumet River recreation and flood control project; $220,000 for the initial planning and design of the Cady Marsh Ditch flood control project in Griffith; and $125,000 to finish a planning and engineering report on Lake George in Hobart.

Those amounts also were part of the Energy and Water Appropriations bill that passed the U.S. House in June.

The Senate subcommittee on energy and water development is marking up that bill now, Lugar aide David Shapiro said.
Levees OK'd for stretch of Little Cal

HIGHLAND — The Little Calumet River Basin Development Commission voted Thursday to provide levees for flood protection on the south side of the Little Calumet west of Burr Street in the Black Oak section of Gary and in Griffith.

The commission, in response to complaints from the city of Gary and property owners in the flood plain, decided to add $2 million as the estimated cost of building the levees.

No levees for the stretch west of Burr Street on the south side of the river were included in plans for the $82.6 million Little Calumet flood control and recreation project.

The U.S. Army Corps of Engineers, which is in charge of the federally funded project, has tentatively agreed to relent and include levee protection if the commission pays the additional cost, commission members noted.

"We are essentially providing full levee protection as opposed to flood proofing for individual structures that was in the plans," said Dan Gardner, the commission executive director.

The original plans provided for levees east and west of the affected area.

"We voted to send to the corps a modified plan for full levee protection so that all areas will be protected equally," said Gardner.

The absence of levees along that stretch of the river had brought complaints from residents and public officials that the area would be exposed to greater flooding as water backed up from levees upstream and downstream.

The stretch where no levees were planned extends along a Northern Indiana Public Service Co. right of way from Burr Street west through part of Black Oak and Griffith north of the Mansards apartment complex. Plans already provide for levees on the north side of the river.

The added levees on the south side would protect some 41 additional structures including two apartment buildings in the flood plain at the extreme north end of the Mansards, Gardner said.

"The added levees will increase the cost of the project but in the long run is fair and only way to go," said Gardner.

The federal government is providing about $50 million for the project.

The basin commission will be asking the Indiana General Assembly over the next three bienniums for around $10 million more to round out the non-federal share of the project cost, said Gardner.

Meanwhile, construction is expected to begin this fall with demolition of older, dilapidated buildings and construction of flood control structures at some NIPSCO stations, Gardner said.

The construction of levees is expected to start next year, according to Gardner.

In other business, the commission elected as its new chairman Arlene Colvin, the city of Gary’s rector of development and planning, and economic development. She replaces Doyle Niemeyer, who signed from the 11-member commission when he moved out Northwest Indiana.
River project not alone in fund wait

By SUE ELLEN ROSS  
Times Correspondent

HIGHLAND - State and federal funding issues were on the minds of Little Calumet River Basin Development Commission members this week.

Last month the commission requested $3 million for its Little Calumet River Project. The request was sent to the state's Build Indiana Fund, which was created out of excess revenues from the state lottery.

At Thursday's meeting, commission Executive Director Dan Gardner said the state received $1.2 billion worth of requests for Build Indiana money. The fund stands at $100 million.

A 12-member Capital Projects Review Committee will recommend to the legislature and Gov. Evan Bayh projects for funding. General Assembly appropriations for the Little Calumet River Project have reached approximately $13 million since 1975.

On the federal front, the U.S. House of Representatives recently approved $3.39 million for the Little Calumet River Flood Control/Recreation Project and other area water projects.

The flood control plan calls for levees and flood walls between Cline Avenue in Gary and the Illinois state line. The main project is designed to prevent flood damage, which is estimated at $11.9 million annually.

Although the entire project is not yet fully scheduled, the work may take eight to nine years to complete, Gardner said. Construction will begin next spring in Gary and work west toward the state line.

Lake County Commissioner Rudolph Clay asked the commission about certain homes in an area designated for floodproofing. Forty-one homes in the Black Oak section of Gary are involved.

"These homes will be fully protected through a levee right where they sit," Gardner said.

In other business, commission Chairman Doyle Niemeyer has resigned his position, effective immediately.

Niemeyer has accepted a position with the State of Kansas as a unit supervisor for state parks and wildlife areas.

The vacancy will be filled by Vice Chairman Arlene Colvin for the rest of Niemeyer's term.
Little Cal

Flood-control project could take 8 years, cost $80 million

By Rich James
Staff writer

Back during the flood of 1984 there were barely enough people in Elgin, St. John and Schererville to warrant a flood watch. That was the beginning of the Little Calumet River flood.
Little Calumet work to begin

By Rich James
Staff writer

HIGHLAND — Dwight D. Eisenhower was president when elected officials began working on the Little Calumet River flooding problem.

The project will move from the planning stage to the construction stage in August when the Army Corps of Engineers and the Little Calumet River Basin Development Commission sign an agreement through which the federal government will provide $47 million.

Daniel Gardner, executive director of the development commission, told the Northwestern Indiana Regional Planning Commission Wednesday that a signing ceremony is expected to be held the week of Aug. 13.

U.S. Rep. Peter J. Visclosky, D-Merrillville, who inherited the project in 1985, said he is “deeply satisfied with the developments.”

“It is also a fine example of what regional cooperation can mean,” Visclosky said, adding that Gardner deserves credit for seeing the project through.

Gardner said the construction — which is both flood control and recreation — will take about eight years.

The first four years will be spent constructing levees to provide a flood-control plain between King Drive and Cline Avenue, Gardner said.

Land acquisition has been completed, Gardner said, except for about 18 dilapidated structures immediately east of Lake Etta County Park on the north side of the river.

About $12.5 million in state money, $16 million in federal money and $9 million in state money have been spent or appropriated for the project. Gardner said.

The project will be needed for the next couple of decades, Gardner said in reference to the local match for the changes and river.

We are trying to have an impact on that planning project,” Gardner said in reference to the Army Corps of Engineers to have contracts awarded.

About $3 million in state money will be needed for the next couple of decades, Gardner said. It is critical they (inter) face the local match for the changes and river.

The project will move from the planning stage to the construction stage in August.

See Little Cal, Page A12
Stopping the floods on the Little Calumet

Hurrah! The Little Calumet River flood prevention project finally is to be implemented. It only took 35 years to get from the “We’ve got a problem” stage to “Start the construction” stage.

In between, of course, there was a lot of work. Several state and national legislators, past and present, kept clamoring for the needed money. The state came through in bits and pieces and finally the planning and necessary land acquisition is about done.

Now federal money is coming in, and with the signing of an agreement, scheduled next month, between the Army Corps of Engineers and the Little Calumet River Basin Development Commission, area residents soon will see some concrete evidence of progress toward flood control.

There really should be a speedier way to get relief.

And don’t breathe too easily. With commercial and residential development sprawling throughout the area, flooding problems could get worse. Planners must work to see that the problem doesn’t grow so fast that the remedy can’t keep up.

The propensity toward more regional cooperation in recent years is what finally got the flood project on target. That must continue both in the public and private sector if the Little Cal is to be effectively controlled.

One thing about rivers and their tributaries, they have a powerful influence. Let something happen at one spot and its ramifications are felt up and down the line. That’s nature’s way of forcing people to work together.
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Footnotes:
1. FY sub-total sched. const. % of total sched. const. (typical for column).
2. FY individual feature sched. const. % of individual feature sched. const. total (typical for column).
3. Represents sponsor LEERD contributions above requirements (typical for column).
Little Calumet River Basin
Development Commission
Attn: Mr. Dan Gardner
8149 Kennedy Avenue
Highland, IN 46322

Dear Sir:

In accordance with discussions held during the meeting of July 17, 1990, I regret to inform you that without written approval from the local union, Engineer Support Company will not be able to conduct the training operations, as it pertains to this project, you have requested.

In the event that in the future you would be able to provide the documentation as requested, I would be glad to again consider your request.

If I can be of any future service or assistance, please don't hesitate to call me at (219) 938-1955.

Sincerely,

R. B. VAN DYKE
Major, U. S. Marine Corps
Inspector-Instructor
Little Calumet River Basin Development Commission
8149 Kennedy Avenue   Highland, Indiana 46322   (219) 923-1118

DOYLE NIEMeyer, Chairman
Governor’s Appointment

ARLENE COLVIN, Vice-Chairman
Vice of Gary’s Appointment

CLYDE BAUGHARD, Treasurer
Governor’s Appointment

WILLIAM CRITZER, Secretary
Governor’s Appointment

CHARLES AGNEW
Governor’s Appointment

GEORGE CARLSON
Auditor of Hammond’s Appointment

NATHANIEL LEONARD
Vice County Commissioners’ Appointment

STEVE DAVIS
Chief of Natural Resources’ Appointment

JOHN DENED
Governor’s Appointment

DAVID SPRINGMAN
Governor’s Appointment

WILLIAM TAYLOR
Former County Commissioners’ Appointment

DAN GARDNER
Executive Director

July 26, 1990

The Honorable Evan Bayh
Governor of Indiana
State House Room 206
Indianapolis, IN 46204

Dear Governor Bayh:

I am writing you upon the direction of the Little Calumet River Basin Development Commission board and as the result of recent failed efforts to effect sand removal from a proposed marina development site the Development Commission owns for the purpose of shoreline enhancement in the Portage area. The Development Commission is under obligation to the U.S. Army Corps of Engineers for the development of a 300 slip public use marina development, public launch lanes and transient slips as the result of the Federal Section 107 project at the mouth of the Portage-Burns Waterway in 1983. Economic feasibility analysis contracted for by the Development Commission have shown that to attract private investors to submit proposals to construct, maintain, and manage such a public marina on land purchased by the Development Commission - the some 400,000 to 500,000 cubic yards of excess clean sand must be removed at little or no cost to the developer. This cost could run as high as $2 million based on estimates of $2.00/cubic yard to excavate and $3.00/cubic yard to transport. To burden a developer with this added cost eliminates the private development option due to the increased costs far exceeding the revenue possible from the development, resulting in no bid proposals.

In attempting to follow your position statement to keep Indiana sand for the purpose of beach mitigation in Indiana, we have repeatedly attempted to identify no or low cost options to accomplish this objective. Attempts, with the aid of Bart Peterson of your staff, with the Marine Reserve unit in Gary, Indiana National Guard, and even pleas to the Corps of Engineers have failed for
Governor Evan Bayh
July 26, 1990
Page 2

a variety of reasons. (A copy of the recent negative response by Major Van Dyke of the Marine Reserve Unit for reasons of needing a written union waiver that cannot be obtained is included).

At this time, the Development Commission requests a meeting with key members of your staff, Indiana Department of Natural Resources staff, the U. S. Army Corps of Engineers staff, the city of Portage, and our marina development committee to explore all options available to meeting this State commitment of a public use marina development in Portage. The already constructed breakwaters have brought much safer boating conditions to the existing ±600 boaters berthed in the waterway and have been instrumental in spawning four separate private marina development proposals totaling in excess of 2,000 new slips, so there are clear benefits, economic and other, being realized. The need is to now strategize how the much-needed public use marina can be developed, thus eliminating a nearly $2 million obligation (the non-Federal share of the breakwaters project) that hangs over the Development Commission.

I urge attention to this matter so as to best meet all State obligations, the provision of needed public use slips, launches and access, and to proactively address a means of moving clean sand to the lakefront to mitigate loss of Indiana shoreline.

Please call if you have any questions or if I can provide any further information to you.

Respectfully,

Dan Gardner
Executive Director

/sjm
encl.
cc: Bart Peterson
## Monthly Budget Report

**Budget Category**

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<th>Budget Code</th>
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<th>Unpaid Balance</th>
<th>Amount Ready for Payment</th>
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<td>Alice Williams</td>
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<td>Rita Zah</td>
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</tr>
<tr>
<td>Jean E. Castle</td>
<td>Castle Estates</td>
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<td>Pat Conroy</td>
<td>LC</td>
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<td>Bob Birkard</td>
<td>31 21 Surrey Court</td>
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August 2, 1990

Richard E. Carlson
Deputy District Engineer
U. S. Army Corps of Engineers
111 North Canal Street
Chicago, IL  60606-7206

Dear Mr. Carlson:

I am writing in response to your letter dated June 7, 1990 regarding alternatives to providing additional structural flood protection measures to the Burr Street area of Gary south of the Little Calumet River. The Development Commission staff has met with representatives of the city of Gary, Gary Sanitary District, Gary City engineer and Indiana D.N.R. Div. of Water to elicit views and opinions as to the best approach.

The Development Commission board considered these inputs as well as staff recommendations and as a result, at the July 5, 1990 board meeting voted unanimously (8-0) to support the inclusion of levee protection of the Burr Street segment (alternative 3) into the flood control plan for the Little Calumet River. This alternative provides structural protection, better management of the future floodplain, and has broad local support. The Development Commission understands that this inclusion raises the project and the non-federal cost share by an estimated additional $2,020,000.

The Development Commission board and staff feels this alternative will provide much improved protection and commends the Corps of Engineers for responding to our concerns with a range of improvement options. We believe this will be a definite improvement for the project as a whole and this area in particular. Please feel free to call me if you have any questions or need additional information.

Sincerely,

Dan Gardner
Executive Director

cc:  Beldon McPherson
ESCROW AGREEMENT

This Agreement, made and entered into this _____ day of _______________, 19__, by and between The Little Calumet River Basin Development Commission (hereinafter referred to as the "Commission"), the Department of the Army (hereinafter referred to as the "Government") and, the ________________, (hereinafter referred to as the "Bank"),

WITNESSETH THAT:

WHEREAS, ON ________________, the Commission and the Government entered into a Local Cooperation Agreement for the construction of the Little Calumet River, Indiana Local Flood Protection and Recreation Project; and,

WHEREAS, pursuant to the Local Cooperation Agreement, the Commission is required to contribute, over the period of construction of the Project, a cash contribution calculated in accordance with said Agreement; and,

WHEREAS, the Commission and the Government have agreed that the required contribution may be deposited into an escrow account and held therein until the Government withdraws the funds in accordance with the Local Cooperation Agreement; and

WHEREAS, the Bank has agreed to serve as depositary for the escrow account and to accept appointment as escrow agent;

NOW, THEREFORE, the parties agree as follows:

1. The Bank is hereby appointed as the escrow agent for the Commission and is designated the depositary for the monies delivered by the Commission pursuant to the aforementioned Local Cooperation Agreement. The Bank shall establish "Little Calumet River Project Construction Fund" (hereinafter referred to as the "Escrow Account") into which shall be deposited the funds delivered by the Commission.

2. In accordance with the method of payment provisions of the Local Cooperation Agreement, the Commission shall absolutely and irrevocably deliver to the Bank the funds required to be provided to the Government during the construction period.

3. The funds held in the Escrow Account shall earn interest at a rate as the Bank and the Commission may mutually agree. To the extent the Commission authorizes the Bank to invest the funds in any instrument other than an interest-bearing account, savings certificate, or certificate of deposit of the Bank itself, such investment shall be only in direct obligations of the Government of the United States of America or in
obligations of agencies or insurers that are guaranteed by the
Government of the United States of America. Any instrument must
be subject to redemption on or prior to the dates the funds will
be needed by the Government. Interest on the funds deposited
shall accrue and belong to the Commission, and shall be payable
to the Commission as the Bank and the Commission may agree.

4. The Government, acting pursuant to the terms of the
Local Cooperation Agreement, shall have the sole and unrestricted
right to draw upon all or any part of the funds deposited in the
Escrow Account. A written demand for withdrawal shall be made to
the Bank by the District Engineer, USAED, Chicago, or his
designee, with a copy of said demand provided to the Commission.
Within (10) days of receipt of the demand, the Bank shall pay to
the Government the amount requested to the extent such amount
does not exceed the balance available in the Escrow Account. All
payments shall be in the form of bank drafts payable to the "FAO,
USAED, North Central", and shall be mailed or otherwise delivered
to the Government as specified below in Article 9.

5. Upon receipt of signed certification by the
Government that no further demand for payment of money will be
made, the Bank shall complete a final accounting of other
obligations required under this Agreement, and pay over any
remaining balance to the Commission.

6. The fee to be paid to the Bank for the services
provided hereunder shall be as the Bank and the Commission may
mutually agree. Any fee paid to the bank shall be the sole
responsibility of the Commission. The Bank shall have no right
to deduct monies from the principal escrow sum to pay for its
services. In the event the Commission fails to make payment to
the Bank for its services, all claims for such payment shall be
made directly against the Commission. The Government shall not
be responsible for any costs attributable to the establishment,
maintenance, administration, or any other aspect of the Escrow
Account.

7. Account statements shall be rendered by the Bank to
the Commission and the Government once monthly, and shall show
deposits, disbursements, and balances, and the dates thereof.
Upon receipt by the Bank of the certification specified in
paragraph 5 above, the Bank shall prepare a final accounting
showing all transactions relating to the Escrow Account and
provide said accounting to the Commission and the Government at
the addresses shown in paragraph 9.

8. It is understood and agreed that the Bank shall not
be liable or responsible to ascertain the terms or conditions of
any provision of the aforementioned Local Cooperation Agreement
between the Commission and the Government. It is further
understood and agreed that if any controversy arises between the
Government and the Commission, or with any other party with
respect to the subject matter of this Agreement, the Bank is
authorized, unless precluded by order of a court of competent jurisdiction, to disburse monies to the Government in accordance with the terms of this Agreement.

9. All notices, requests, demands, and other communications required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally, given by prepaid telegram, or mailed by first-class (postage prepaid), registered, or certified mail, as follows:

If to the Commission:

Executive Director
Little Calumet River Basin Development Commission
8149 Kennedy Avenue
Highland, Indiana 46322

If to the Government:

District Engineer
U.S. Army Corps of Engineers, Chicago District
111 North Canal Street
Chicago, Illinois 60606-7206

If to the Bank:

__________________________________________
__________________________________________
__________________________________________

[full address]

10. Nothing in this Agreement shall be considered as vesting title in the Bank to the amount deposited, except as Trustee for the Commission and the Government for the purposes set forth herein. Title to said funds shall not vest in the Government until payment to the Government is made as provided herein.

11. This Agreement shall take effect upon the initial deposit of funds into the Escrow Account by the Commission and shall continue in full force until the certification specified in paragraph 5 hereof is received by the Bank and the balance remaining is returned to the Commission, unless earlier terminated by the written mutual agreement of the Commission and the Government.

12. This Agreement may not be amended, except by written modification signed by the parties hereto.
IN WITNESS WHEREOF, the Commission, the Government, and the Bank have executed this Agreement on the date first above written.

The Commission

ATTEST: ___________________________  BY: ___________________________

The Department of the Army

ATTEST: ___________________________  BY: ___________________________  District Engineer

The Bank

ATTEST: ___________________________  BY: ___________________________
August 2, 1990

TO: Cecilia Wallace  
Little Calumet River Basin Development Commission

INB National Bank n.w. will open a money market transaction checking account for the escrow funds for the "Little Calumet River Project Construction Fund". The account bears interest currently at 6.75% with a yield of 6.963%, the interest rate is set by the bank and generally is one half per cent under the 91 day Treasury Bill discount. There will be no monthly fee on the account. We will charge $50.00 to set up the account.

If you need any additional information, please call me.

Jim Luken
696-8981
696-0302 FAX
July 30, 1990

Dan Gardner, Executive Director
LITTLE CALUMET RIVER BASIN
DEVELOPMENT COMMISSION
8149 Kennedy Avenue
Highland, IN 46322

RE: ESCROW AGREEMENT

Dear Mr. Gardner:

I have reviewed the proposed Escrow Agreement pertaining to the Little Calumet River, Indiana Local Flood Protection and Recreation Project. We at Mercantile would welcome the opportunity to serve as Escrow Agent and our annual fee for our services would be $350.00.

We would administer the account as set forth in the Escrow Agreement and all funds would earn interest in accordance with paragraph 3 of the Agreement. We could also make automatic transfers of interest income from the account to the Commission's checking account as the interest income is received.

If you need further information or have additional questions, please feel free to call me at 933-3810.

Very truly yours,

Gary M. Wilbert
Assistant Vice President
Corporate Trust

GMW: gm
July 31, 1990

Ms. Cecilia Wallace
Little Calumet River Basin Development Commission
8149 Kennedy Avenue
Highland, IN 46322

Dear Cecilia:

Re: Escrow Agreement

I have reviewed the Escrow Agreement between The Little Calumet River Basin Development Commission and the Department of the Army. Our annual fee for serving as Escrow Agent would be $750. This fee includes a monthly statement to be sent to the Commission, collection of monies from the Commission, investment of the available funds and payment to the Army of requests for distribution.

If you have any questions, please call me at 738-4110.

Sincerely,

Trish M. Sarkisian
Asst. Vice President
and Trust Officer
We the residents of the 7200 block of Gary, also the southeast corner of Cline avenue & the Tri-state expressway petition the Little Calumet River Basin and the Army Corp of Engineers to give us 1st priority and consideration in the coming floodproofing project. The flooding we have endured is a result of poorly planned, or unsupervised, or unrestricted floodproofing west of Cline along the Little Calumet watershed. Affected are 16 families and 3 or more businesses. There is no good reason to push this area back or hold it back any longer.

Deborah Schuber 7230 W 29th Gary
Betty A. Waters 7237 Black Oak Rd Gary
Ph. Waters 7237 Black Oak Rd Gary
Paul J. Dull 2732 Cline Ave Gary
Mickie Strand 2735 Cline Ave Gary
Earl J. Fuller 7212 W 29 Ave Gary
Bill Hartwig 7222 W 29 at National

Randy L. Carey 2110 W 29th Gary Dr 46306
Mary B. Hurley 7208 W 29th Gary
R. A. Land 7250 W 29 Ave Gary
Andrew J. Stack 7216 W 29th Gary
Evelyn Stute 7216 W 29th Ave Gary
Paul Champay 3920 W 29th Ave Gary

cc Pete Visclosky
Mayor Barnes
Gary city engineer