

An Overview of Hamlet Issues

The Sanitary Sewage Plant Upgrade
and
The Extension of Sewer and Water to
West Hamlet Industrial Park



Introduction

- There are two separate issues associated with Hamlet . . . the sanitary sewage treatment plant upgrade and the extension of sewer and water to the West Hamlet Industrial Area.
- Although separate and unrelated, often these two projects mistakenly get discussed as being one in the same.
- Talking about them together causes confusion, misunderstanding and misinformation . . . particularly with the 2013 sewer rate increase.
- This presentation attempts to clarify these two separate issues and to explain why putting them together results in incorrect information.

The Sanitary Sewage Treatment Plant Upgrade



The Sanitary Sewer Treatment Plant Upgrade

The Year 2004

- A study was **commissioned** in 2004 by the Hamlet Town Council.
- The study was **performed** by Territorial Engineering and Lawson-Fisher Engineering and released in 2004.
- The study **found** that the existing sanitary sewage treatment plant was on the verge of complete failure and needed to be upgraded immediately or IDEM would shut the plant down.

The Sanitary Sewer Treatment Plant Upgrade

The Year 2004 (continued)

- The Hamlet Town Council, with the assistance of Anderson & Associates, applied for and was awarded in August 2004 a **planning grant** by the Office of Community and Rural Affairs (OCRA) to design the sanitary sewer treatment plant upgrade.
- The Hamlet Town Council also retained HJ Umbaugh & Associates to assist with performing a **sewer rate study** and obtaining a **new bond** for the balance of the upgrade cost.

The Sanitary Sewer Treatment Plant Upgrade

The Year 2005

A separate event occurred . . .

- In April 2005 an Indiana Economic Development Corporation (IEDC) site search began for a **project** with the code name Project Bammi.
- Project Bammi was looking at several possible site locations across Northwest Indiana.
- The West Hamlet Industrial Area was one of the sites that made it to the final cut
 - During 2005 the company asked for and received additional information, including **local incentive information**, from the economic development organizations in all the finalist communities so they could make a final site decision.

The Sanitary Sewer Treatment Plant Upgrade

The Year 2006

Still a separate event that was taking place . . .

- In February 2006, Project Bammi announced that they had **chosen the West Hamlet Industrial Area** as the location for their project.
- The project was officially revealed to be Sysco Corporation. Sysco announced they had selected Hamlet Indiana as the site of their planned Baugh Midwest Redistribution Center.
- Although the Sysco project was announced, the Hamlet **land had not yet been purchased** by Sysco. (That did not happen until 2007.)

The Sanitary Sewer Treatment Plant Upgrade

The Year 2006

Back to the sanitary sewer project . . .

- In 2006 **bonds were issued** by the Town of Hamlet in the sum of \$1,100,000 (\$1,300,000 had been authorized) for the sanitary sewer treatment plant upgrade.
- The bond proceeds were used for:
 - \$250,000 still due on the original construction of the plant
 - \$30,000 due Hermann & Goetz for a prior purchase of a portable electric generator that the Town could not pay for
 - Remaining \$820,000 applied to the sewer treatment facility upgrades
- The Town also **received a construction grant** from OCRA in the sum of \$418,000, which was applied towards the cost of construction of the sanitary sewer treatment plant upgrade.

The Sanitary Sewer Treatment Plant Upgrade

The Year 2006 (continued)

- The Town of Hamlet authorized initiation of the upgrades to the Hamlet Sewage Treatment Facility . . . and **the upgrades were completed in 2006.**
- **Keep in mind . . .** had the upgrades not been done, IDEM would have shut the facility down.
- **At that time the Town Council decided not to adopt new sewer rates to fund the bonds, deciding instead to wait until Sysco constructed its facility that had been announced in February 2006.**
- **In the interim, the Town would only pay interest on the bonds.**

The Sanitary Sewer Treatment Plant Upgrade

The Year 2013

Jumping ahead to 2013 . . .

- Sysco had not yet begun construction on their new facility in Hamlet.
- **The deadline had come for the Town of Hamlet to start paying on the principal of the bonds issued for the 2006 upgrades to the sanitary sewer treatment plant.**
- **A sewer rate increase was necessary in order to make these bond payments.**

Extension of Sewer & Water to the West Hamlet Industrial Area



Extension of Sewer & Water to West Hamlet Industrial Area

The Year 2006

- In February 2006, Sysco Corporation **announced** they had selected Hamlet Indiana as the site of their planned Baugh Midwest Redistribution Center.

Extension of Sewer & Water to West Hamlet Industrial Area

The Year 2006 (continued)

- As part of the **local incentive offer** made to Sysco to consider the West Hamlet Industrial Area as their final site of choice, the Starke County Economic Development Foundation (SCEDF) and Starke County applied for and obtained grants to extend water and sewer to the proposed Sysco site, build a water tower, and make additional upgrades to Hamlet's water system and existing rehabilitated sewage treatment plant.

Extension of Sewer & Water to West Hamlet Industrial Area

The Year 2006 (continued)

- These grants came from:
 - The Economic Development Administration (EDA) - \$1,950,000
 - Sysco - \$500,000
 - The Indiana Development Grant Fund (IDGF) - \$725,000
 - County Economic Development Income Tax funds (CEDIT) - \$1,000,000
- The EDA grant had a time limitation on how long it would be available for use by Starke County to complete the work.

Extension of Sewer & Water to West Hamlet Industrial Area

The Year 2007

- In 2007 SYSCO finalized their **purchase** of 320 acres of land in the West Hamlet Industrial Area.

Extension of Sewer & Water to West Hamlet Industrial Area

The Year 2009

- As the **recession** hit, Sysco's corporate group began experiencing some internal changes. This caused them to delay any decision to begin building the distribution center in Hamlet.
- The **deadline was rapidly approaching to use, or lose, the grants** that had been obtained to extend utilities to Sysco's site.

Extension of Sewer & Water to West Hamlet Industrial Area

The Year 2009 (continued)

- The SCEDF recommended and the County **decided to move ahead** and take advantage of the available grants.
- The **rationale** was:
 - When Sysco did build, this infrastructure would be complete.
 - And if they decided not to come, the infrastructure would be there as a selling point to other potential companies.

Extension of Sewer & Water to West Hamlet Industrial Area

The Year 2009 (continued)

- The infrastructure project to extend sewer and water, build a water tower and make some necessary upgrades to the existing water and sewage treatment plants to service this new infrastructure extension began in late 2009; **the entire cost of this project was covered by the grants.**



Today . . .

- The County continues to pay for the electric bill for the water tower and the mowing and upkeep of the seven acres of land around the water tower.

Summary / Conclusion



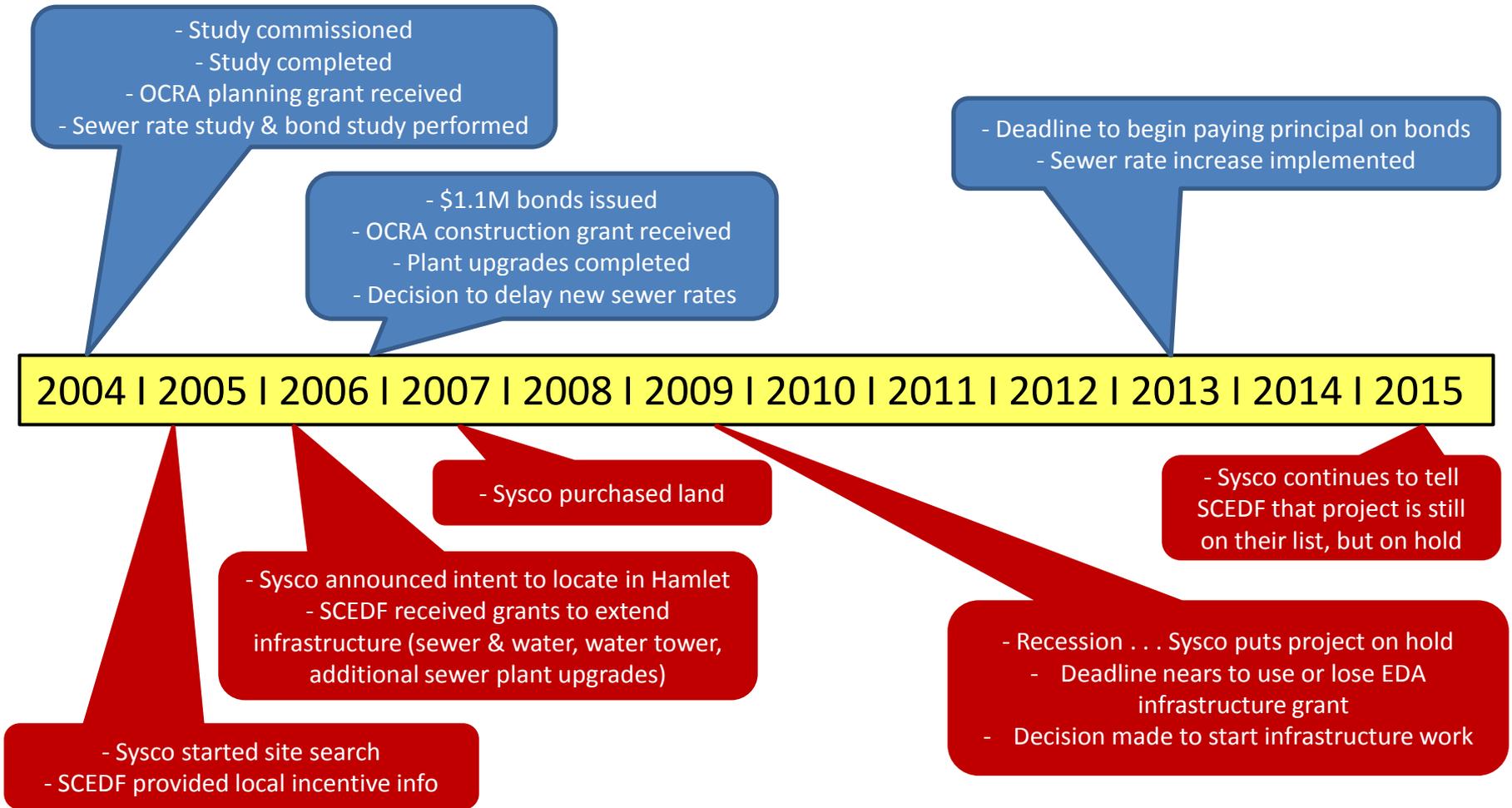
Summary

- The 2006 rehabilitation of the sanitary sewer treatment plant and the extension of sewer and water to the West Hamlet Industrial Area are often lumped together, which causes confusion and misinformation, particularly with the 2013 sewer rate increase . . . in truth, these are **two independent, separate projects**.
- The 2006 **rehabilitation of the sanitary sewer treatment plant had to be done** . . . the plant was on the verge of complete failure and needed to be upgraded immediately or IEDM would have shut it down.

Summary (continued)

- The **2013 sewer rate increase** was implemented to cover the **financing of the 2006 rehabilitation of the sanitary sewage treatment plant ONLY.**
- The 2009 **extension of sewer and water to West Hamlet Industrial area**, including some additional upgrades to the existing sanitary sewer treatment plant, **was fully funded by grant monies; none of these costs were included in the 2013 sewer rate increase.**
- The County continues to pay the electric bill for the water tower and for maintenance around the water tower.

Timeline - Sanitary Sewage Plant Upgrade & Extension of Sewer and Water to West Hamlet Industrial Park



Conclusion

Hamlet's 2013 sewer rate increase was the direct result of the Hamlet Town Council's 2006 decision to keep the sanitary sewer system plan operating so it would not be shut down by IDEM.

The extension of sewer and water to the West Hamlet Industrial Area, which will help attract future business to this location, was completed at no cost to Hamlet residents and was NOT included in the 2013 sewer rate increase. It was paid for in full by grants that were received through efforts of the Starke County Economic Development Foundation (SCEDF) working with Starke County leadership.

Questions

Please feel free to contact the Starke County
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