

LEGAL DISPUTES INVOLVING ST JOHN AND LBL BLB

A SUMMARY FROM 2018 TO PRESENT.

2018

BLB alleges St John has improperly connected the newly built Sanitary Lift Station #1 to the 24" sanitary line serving the Gates Area, seeking \$3,000,000 compensation . This sanitary line is bound to a recapture agreement to reimburse the developer who financed the installation. This reimbursement is “captured” from an area served by the sanitary line. The new connection serves homes in areas outside of the “recapture agreement map”. St John denies wrongdoing.

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2018

BLB also claims entitlement to 1615 units (2.3 per 702 acres) in the Gates, instead of the 1450 units specified in Section 7 of the 2005 Gates Annexation Agreement

7. That the project density, taken as a whole, but excluding POD 18 (Rest Haven or equal) shall not exceed One Thousand Four Hundred fifty (1,450) units or exceed a global residential density of 2.3 units per acre based upon total acreage of Seven Hundred Two (702) acres of which Six Hundred Forty Five (645) acres are designated for residential development.

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2019

BLB and St John form a settlement agreement in effort to resolve the dispute concerning the alleged improper sanitary connection. Two major points of compensation granted within this settlement entitle special zoning for a new development “East Gates”.

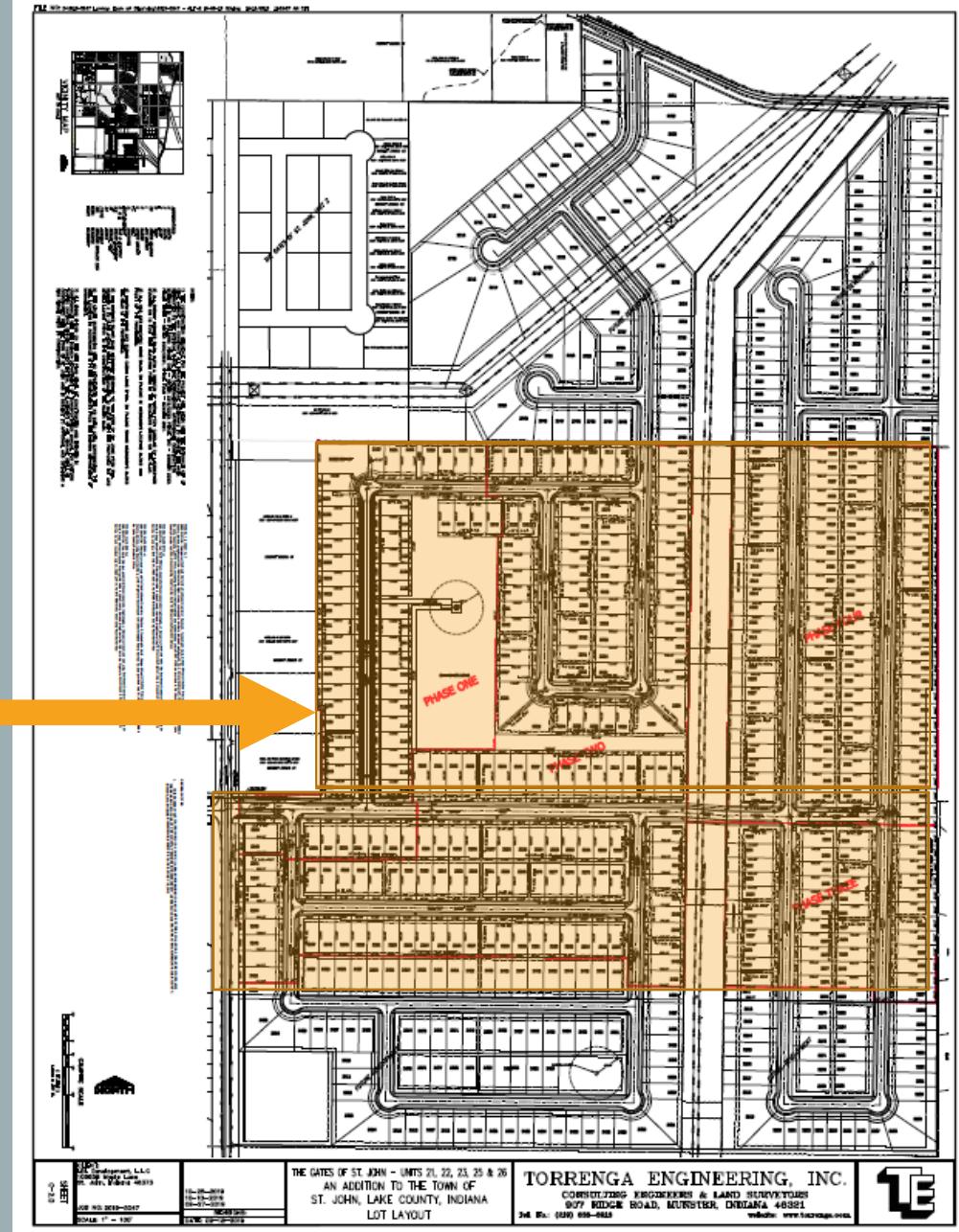
108 acres within St John rezoned to grant R2-PUD zoning with 11,200 sqft lot size average.
111 acres outside of St John to be annexed 1-1-2020 at R2-PUD zoning with 11,200 sqft lot size average.

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2019

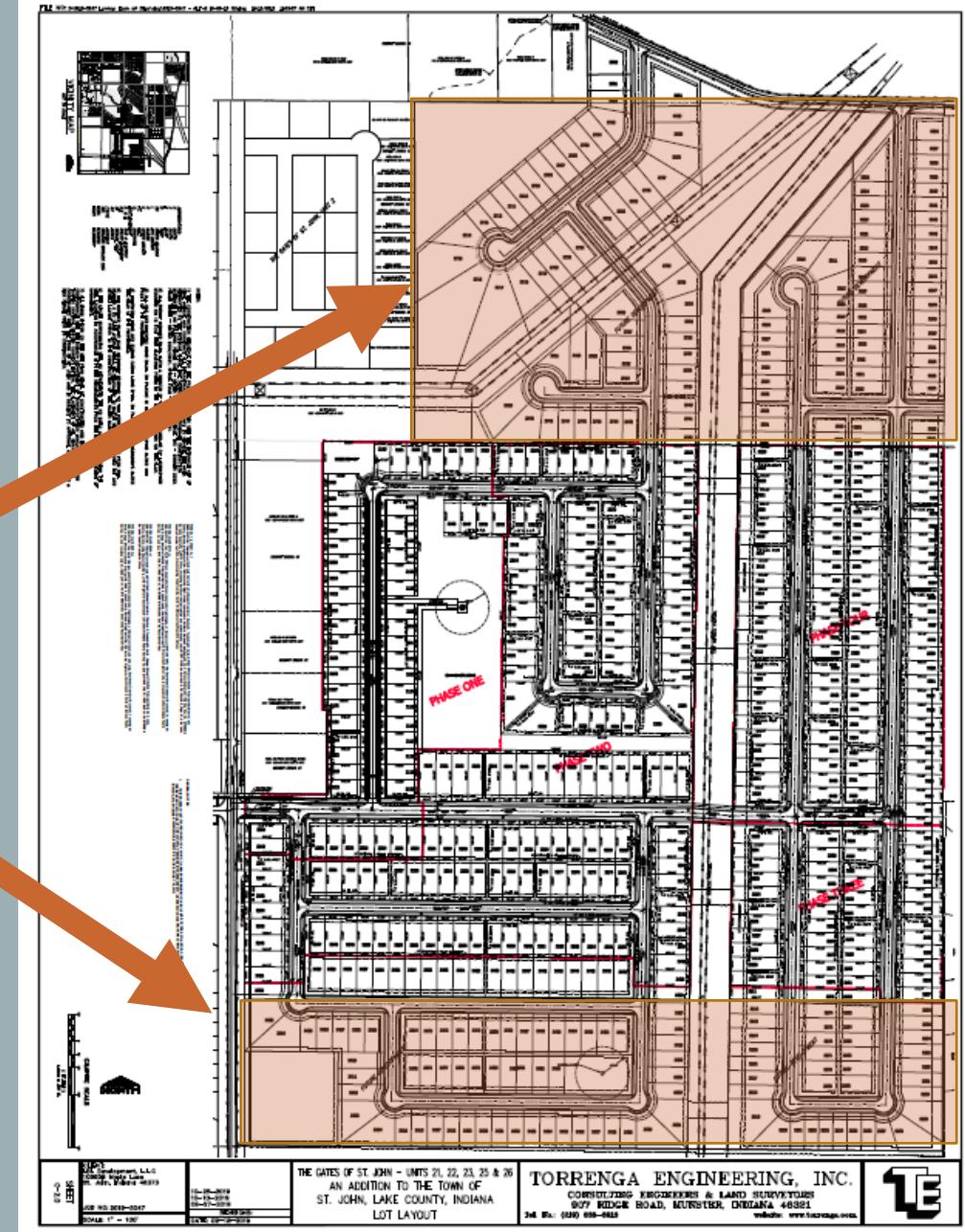
East Gates 108 acres within St John granted R2-PUD zoning with 11,200 sqft lot size average and no specified minimum lot width or depth. This change was finalized in 2019. The lots vary in width from 53' wide to 60' wide. Homes are currently being sold and built.



LEGAL DISPUTES INVOLVING ST JOHN AND LBL BLB A SUMMARY FROM 2018 TO PRESENT.

2019

East Gates 111 acres outside of St John
to be annexed 1-1-2020 at R2-PUD
zoning with 11,200 sqft lot size average. 



LEGAL DISPUTES INVOLVING ST JOHN AND LBL BLB

A SUMMARY FROM 2018 TO PRESENT.

2019

The 2019 settlement agreement also resolved the Gates density dispute granting entitlement for 1615 units (2.3 per 702 acres) in the Gates, instead of the 1450 units specified in Section 7 of the 2006 Gates Annexation Agreement. In addition, the agreement specifies the additional units will be located within Pod 17, which originally contained 77 units and is excluded from height limitation or owner occupancy requirements. Pod 17 could have 242 units per 2019 agreement.

7. That the project density, taken as a whole, but excluding POD 18 (Res' Haven or equal) shall not exceed One Thousand Four Hundred fifty (1,450) units or exceed a global residential density of 2.3 units per acre based upon total acreage of Seven Hundred Two (702) acres of which Six Hundred Forty Five (645) acres are designated for residential development.

10. That none of the dwelling units erected in PODS 1 through 15 shall be greater than two stories in height.

15. That not less than one hundred percent (100%) of each group of residential units erected on PODS 1 through 15 shall be sold to owner/occupants.

POD	STYLE	ACRES +/-	ZONE	SITE PLAN	LOTS	UNITS
#17	Commercial/Residential	14.54	B-2/R-4 PUD Required		6	77

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Excerpt from 2019 settlement agreement

d. Under the Annexation Agreement and Zoning Commitment dated August 24, 2005 (the “Annexation Agreement”), including Section 7, the Gates project density shall be 2.3 units per acre for 702 acres, which totals 1,615 units and results in Unit 17B of The Gates of St. John being entitled to a total of 242 units.

242 units
POD 17

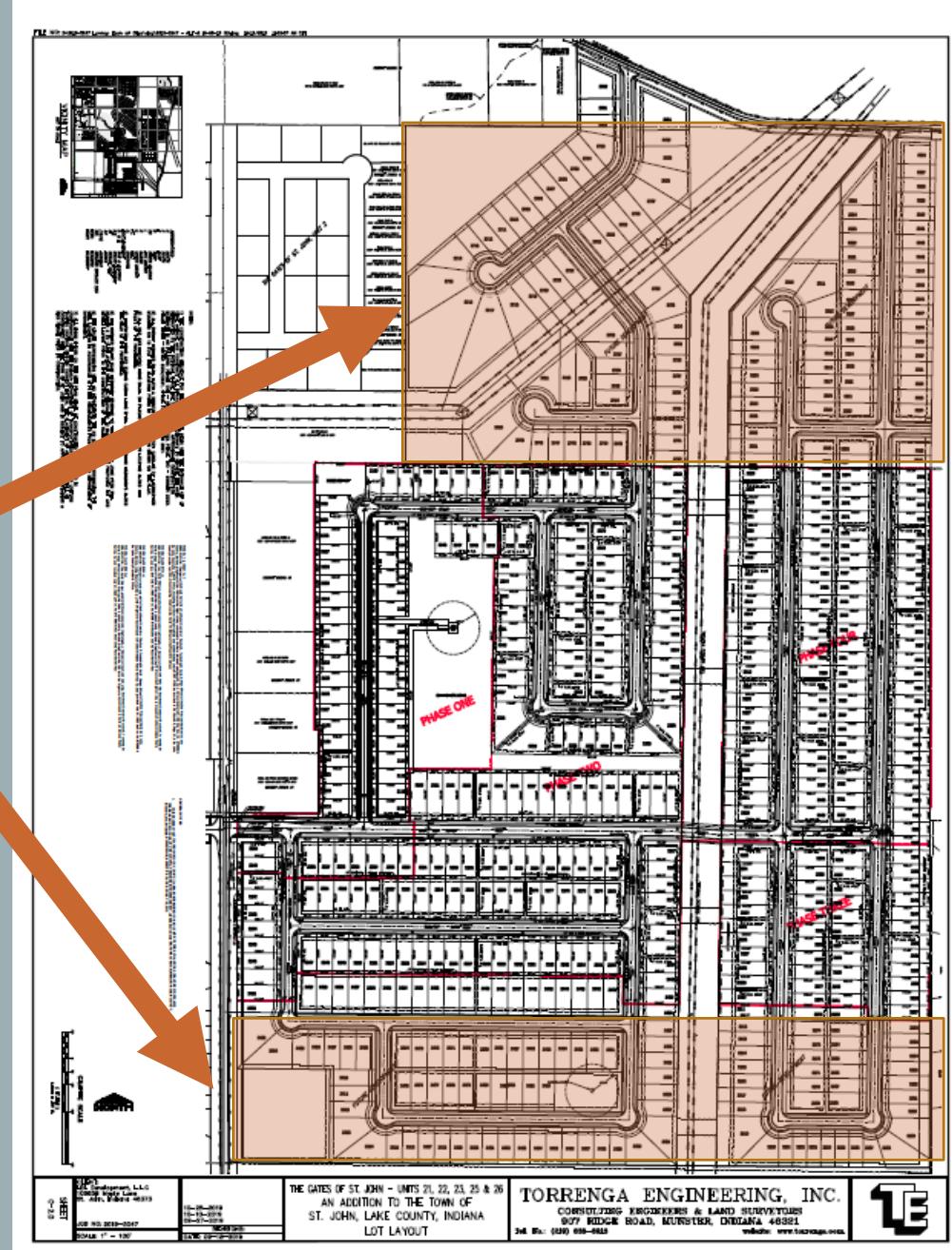
LEGAL DISPUTES INVOLVING ST JOHN AND LBL BLB

A SUMMARY FROM 2018 TO PRESENT.

2019-2020

111 acres outside of St John to be annexed
I-1-2020 at R2-PUD zoning with 11,200 sqft
lot size average.

On I-1-2020, St John initiated a process to clarify the zoning of the 111 acres of annexed land to RI. Per ordinance 24-42, all annexed land must be RI unless a unanimous vote for other. The vote in 2019 was not unanimous.



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A SUMMARY FROM 2018 TO PRESENT.

2019-2020

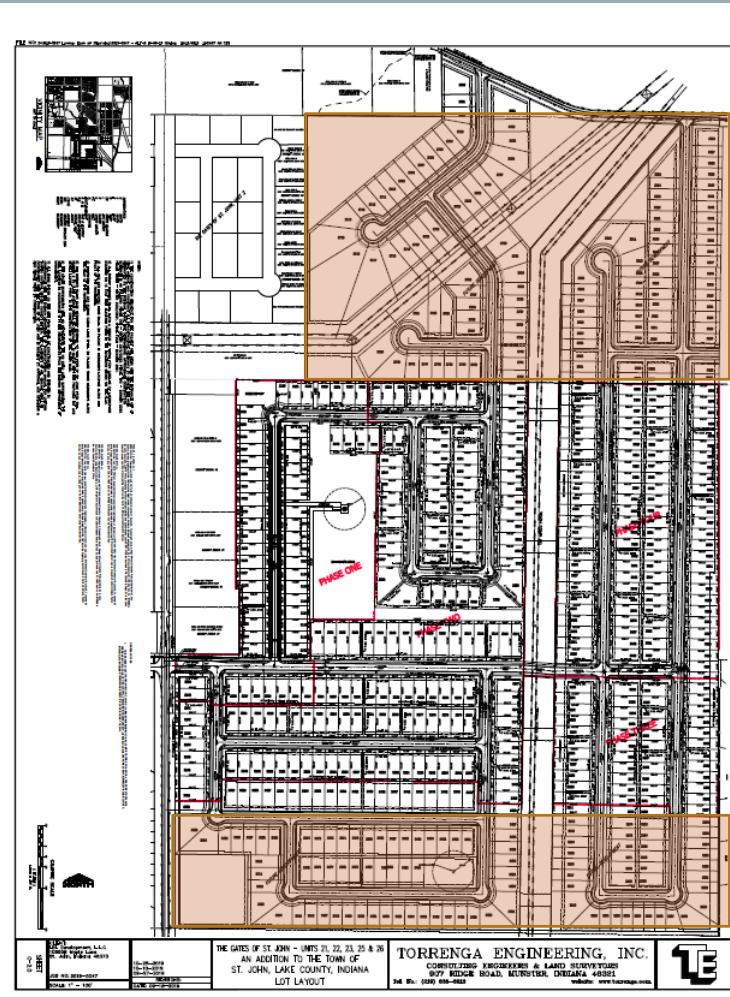
In 2019, another annexation unrelated to the settlement agreement granted R2-PUD zoning with entitlements of 65'x135' lots on 40 acres outside of St John effective 1-1-2020.

On 1-1-2020, St John initiated a process to clarify the zoning of the 40 acres annexed land to RI. Per ordinance 24-42, all annexed land must be RI unless a unanimous vote for other. The vote in 2019 was not unanimous.



LEGAL DISPUTES INVOLVING ST JOHN AND LBL BLB

A SUMMARY FROM 2018 TO PRESENT.



2020

On 1-1-2020, St John initiated rezoning to RI. St John and LBL BLB begin new dispute over validity of the annexation at R2-PUD. In June of 2020, Lake County court ruled in favor of St John and supports ordinance 24-42. Afterward, LBL BLB appealed the decision.

St John also challenges validity of 2019 settlement agreement over the sanitary interceptor dispute.



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A SUMMARY FROM 2018 TO PRESENT.

2020-2021

The local court decision in favor of St John in 2020 states the annexed parcels are RI. The decision was appealed by LBL and the case is currently awaiting judgement at Appellate court. In the interim, LBL was denied primary plat approval on the 40 acre annexed parcel because the plat did not meet RI zoning requirements. LBL initiated another court action vs St John Plan Commission, again claiming the land is R2-PUD and contesting the RI zoning classification.

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A SUMMARY FROM 2018 TO PRESENT.

2020-2021

The outcome of the Appellate court decision may result in many different outcomes for the multiple disputes. If the decision supports St John and the annexed land is RI, there is still uncertainty regarding the validity of the settlement agreement overall, and the Sanitary Dispute and Gates density dispute resolved within. St John has anticipated multiple scenarios and the potential arguments related to the Sanitary dispute and Gates density dispute. We are confident in our positions for each, however outcomes can never be guaranteed or certain.

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2020-2021

In September 2020, both parties agreed to begin negotiations for the purpose of seeking acceptable resolution for the multiple disputes. Over the months since, many different proposals have been presented by both parties, some components acceptable, many rejected as unacceptable. Negotiations continued and terms were refined, however an agreement could not be finalized to the satisfaction of both parties.

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2020-2021

Recently, a potential new settlement agreement with two distinct options for settling the multiple disputes was made. Both parties agree the two options within the proposal are worthy of consideration. The St John Town Council wishes to disclose details to the residents of St John before official consideration of either option.

The first option resolves all disputes (Sanitary Interceptor, Gates Density) except for the zoning dispute concerning the 40 acre annexed parcel at White Oak and 109th.

The second option is identical to the first, however additionally resolves the zoning dispute related to the 40 acre parcel at White Oak and 109th.

LEGAL DISPUTES INVOLVING ST JOHN AND LBL BLB

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2021 - Settlement Option #1

1. LBL will demand builder to use hardie-board on all units East of Cline. A decrease of \$3,100,000.00 to LBL's contract with builder buyers.
2. LBL will develop the East Gates 111 acre annexed parcel with a minimum lot width of 60'. This area previously had lots that were 53' and 43' width.
3. LBL will donate to the town a 6.5 acre park east of Cline, Northwest corner of East Gates (Part of Parcels: 45-15-02-151-001.000-059, Parcel: 45-15-02-105-011.000-059, Parcel: 45-15-02-100-014.000-059; and 45-15-02-100-007.000-059)
4. LBL will donate to the town a 7.6 acre park east of Cline (Northeast 7.6 acres of 45-15-02-200-001.000-059).
5. Pod 17 of The Gates of St John is currently entitled for 242 units to be built in apartment towers without architectural restrictions. BLB will instead limit Pod 17 to a maximum of 120 owner occupied rowhomes with hardie-board/smartsid siding on property consisting of Parcel: 45-15-03-451-004.000-015 and Parcel: 45-15-03-451-005.000-015. A decrease of \$3,660,000.00 to BLB's contract.

LEGAL DISPUTES INVOLVING ST JOHN AND LBL BLB

A SUMMARY FROM 2018 TO PRESENT.

2021 - Settlement Option #1 continued

6. St John shall amend the sewer contract to reflect the start date and costs incurred on the 36" interceptor line effective thru August 1, 2024, which is 15 years from the start date of the interceptor line recapture and represents the maximum time period allowed under Indiana Code, IC 36-9-22-*et seq.*
7. St John expands the 24" interceptor line recapture area to include all new construction units going into lift station I and any other new subdivision that feeds into the 24" interceptor. Engineers to figure out actual area. This expansion of the recapture area shall be effective thru January 15, 2022, which is 15 years from the date of acceptance of the interceptor line and represents the maximum time period allowed under Indiana Code, IC 36-9-22-*et seq.*
8. St John will waive/give up the \$400,000 BLB requirement for the fire station in The Gates of St. John and the fire station land will be conveyed from the Town back to BLB (property east of the north-south road installed on water tower property) and the Town would entitle 3 more duplex buildings similar to those to the South on that property being conveyed back to BLB.
9. LBL will work with the Town to make sure they get their water lines in before the roads are in in order to avoid having to pay for costly restoration. LBL has already completed this work in good faith.
10. LBL will install the dirt work for the well 8 site that would cost the Town \$100,000.00 plus.

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2021 - Settlement Option #1 continued

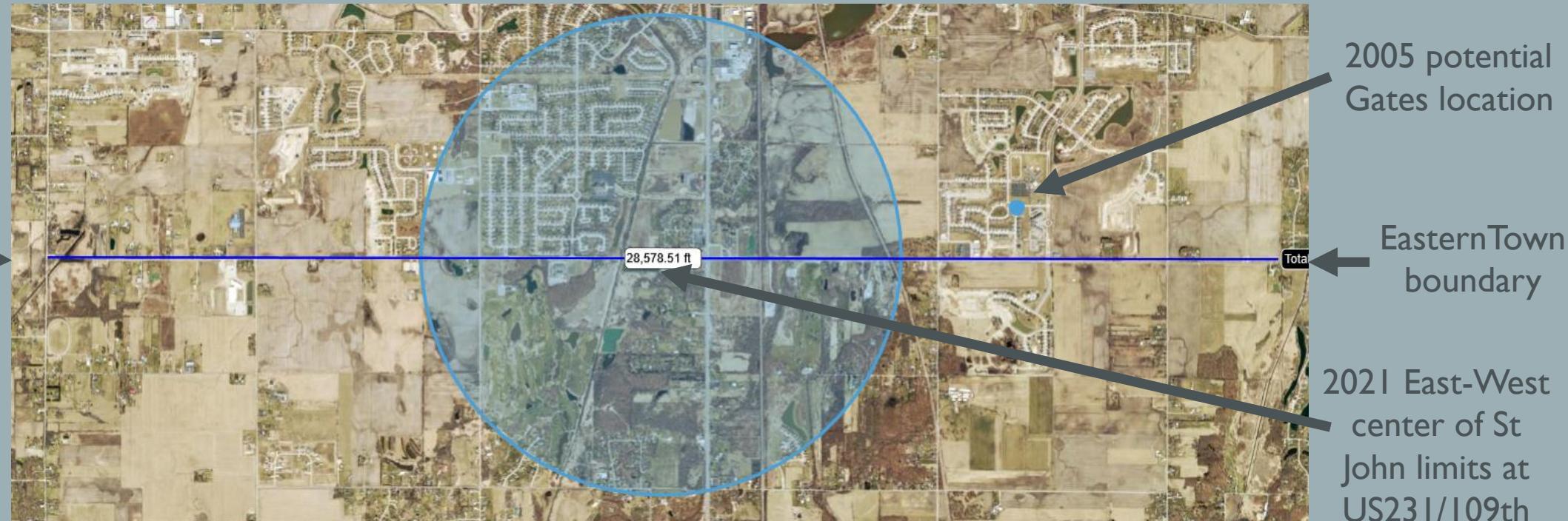
11. LBL will work with NIPSCO to use their credits to bring 3-phase power to well numbers 8 and 9 that would cost the Town \$300,000 plus just for Well 8. LBL is already working on this in good faith, but cannot make any promises.
12. LBL will plat well 8 sooner than is scheduled in the platting process if the Town requests and grant necessary restrictive easement around well head area.
13. LBL will donate the Town the property for well #9 and restrictive easement around well head (currently planned for 5 lots) when the Town is ready to improve the site. This well just was tested and is producing ,000 to 1,200 gpm.
14. LBL will have Mad Bomber Fireworks put on a large fireworks display this year for the Town (assume at the baseball fields) similar to what was cancelled last year.
15. Sanitary Interceptor dispute settled (Doc #2006053058).
16. The Gates of St John 2005 annexation agreement item #7 Gates density dispute settled.
17. St John maintains stance that 40 acre Arzumanian parcel at 109th and White Oak Ave is RI. Zoning dispute not settled on this parcel. All other zoning disputes are settled.

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2021 - Settlement Option #1 (continued)

Regarding a potential 2nd Fire Station in southern St John mentioned in this agreement, according to professional fire service personnel including our Fire Chief, a southern station should be located close to the center of Town along US231/109th near or west of US41. Additionally, it is preferred a fire station not be located in a subdivision.



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2021 - Settlement Option #2

- I. Option #2 contains all contents of Option #1 except item #17.
2. LBL donates to St John 40 Acres on White Oak and 109th (Parcel: 45-15-06-400-006.000-015, Parcel: 45-15-06-400-007.000-015, Parcel: 45-15-06-400-008.000-015. Recent appraisal undeveloped is \$2,500,000.00. Zoning dispute settled on these parcels.
3. St John allows R-2 PUD zoning to new property (instead of White Oak project). That means a new piece of property will be granted R-2 PUD. This new project will consist of 160 acres total consisting of the Lake Central/St. George Serbian Church property (45-11-35-200-001.000-032; 45-11-35-326-002.000-032; and 45-11-35-326-003.000-032). This would have to be done prior to the donation of the 40 acres. This will allow for similar economic benefits to LBL as what is being given up on the 40 acres donated to the Town. All 160 acres will meet standard R2 requirements for home minimum sqft size and side yards, and have a new HOA independent of any other development. A 60 acre portion will have lots with a minimum width of 70', minimum depth of 140' with 8' side yards, and use hardie-board /smart side on all units (no vinyl siding). A 100 acre portion will have lots with a minimum width of 80', minimum depth of 140' with 8' side yards, with the following architectural standards:

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2021 - Settlement Option #2 (continued)

Architectural standards for the 100 acre portion containing minimum 80'x140' lots within the Lake Central/St George 160 acre parcel:

1. (Siding) Hardie-board / Smart Side, NO Vinyl siding permitted
2. Ranch minimum 1900 sq. ft., 1-1/2 story minimum 2250 sq. ft., 2 story minimum 2400 sq. ft.
3. 3 car attached garage encouraged. Overhead garage doors must contain glass.
4. 25% brick or stone front exterior excluding dormers. Exceptions upon architectural review.
5. Roof pitch minimum 6/12, exceptions upon architectural review.
6. No Bi-level, Tri-level, Quad- level homes.
7. Any fencing must be wrought iron style and requires individual approval. (No PVC or wood)
8. Only In-ground pools allowed.

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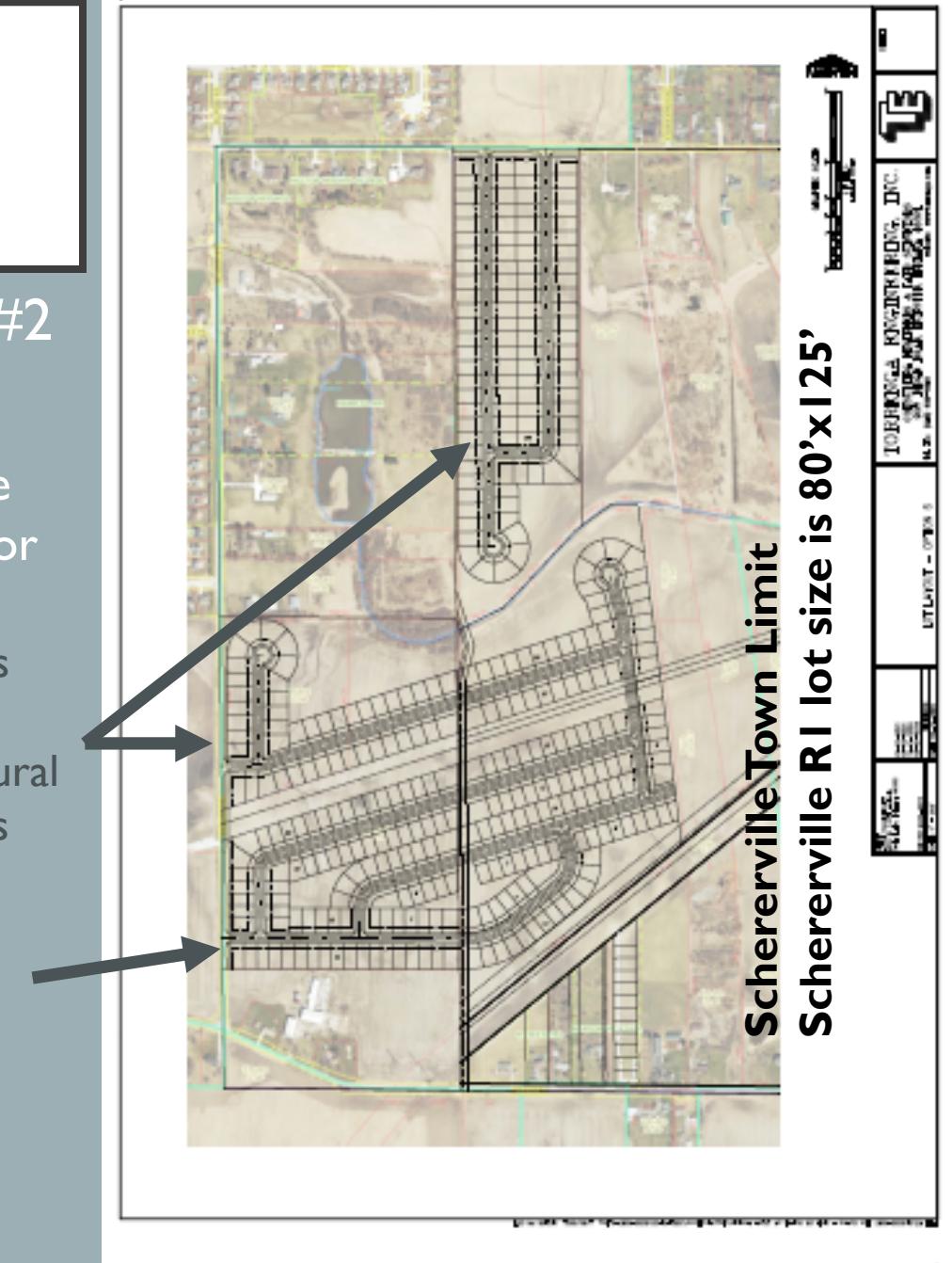
Potential land
option for south
Fire Station

2021 - Settlement Option #2 (continued)

Lake Central/St George 160 acre
parcel zoned PUD in exchange for
40 acres on White Oak.

100 acres
80'x140'
w/architectural
standards

60 acres
70'x140'



Schererville RI lot size is 80'x125'

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2021

- Questions and discussion
- Next steps