

Burns Harbor Board of Zoning Appeals

Minutes of Tuesday, July 27, 2021

The Board of Zoning Appeals of the Town of Burns Harbor, Porter County, Indiana met in its regular session on Tuesday, July 27, 2021 in the Town Hall. The meeting was called to order by Board of Zoning Appeals President, Bernie Poparad at 7:00 pm.

This meeting was made available to the public and was streamed on Zoom and Facebook Live.

The Pledge of Allegiance to the American Flag was recited.

Roll Call:

Bob Crecelius	Present
Travis Dunlap	Present
Jim Meeks	Present
Timothy Minier	Present
Bernie Poparad.....	Present

Additional Officials Present

Attorney-Michael Brazil
Building Commissioner-Jack McGraw
Secretary-Marge Falbo

Also Present

Sandra Purnell
Brett Kingdom
Carl Herzog
Dan Mitchell
Sarah Oudman

Minutes

Meeks makes a motion to approve the minutes of June 22, 2021. Minier seconded the motion.
Dunlap–Aye, Crecelius–Aye, Meeks–Aye, Minier–Aye, Poparad–Aye

Communication, Bills, Expenditures

None

Preliminary Hearing

Carl Herzog, President

Dan Mitchell, CFO

CIT Trucks, LLC.

Proposed: Kenworth Truck Dealership Sales and Service

Parcel located between LazyDays RV and Pilot Travel Center

286 Melton Road

Seeking a Use Variance for a Semi Truck Sales and Service which is not a permitted use in an RC2 Zone.

Herzog: What we would like to do is construct a Kenworth Truck Dealership by the Pilot Truck Stop and the RV Dealership.

I'd like to give a quick presentation of who CIT is. What we're looking to do. Why we're looking to do that.



We're throughout Illinois, Missouri and Indiana as far as territory.

We do not have a dealership in Indiana at this point.

We have Lake and Porter Counties as part of our territory that we service.

We've been in business over 46 years.

The way we look at ourselves as a Kenworth dealership—think of us as a car dealership for big trucks. We will have a truck sales department, service department and a parts department. We will have the opportunity to lease and rent trucks to customers and financing for the trucks we sell and service. We are similar to a car dealership atmosphere just for bigger trucks.

Over 70% of all the goods that are moving around the country are moving on trucks. We are looking at coming to this area because as that market is becoming larger the need for service points for customers is becoming greater and greater. We are looking



at service capacity to get trucks in and out quickly to keep the freight moving and get goods on the shelves in a timely manner.

We do a tremendous amount of business in local communities. Farm operations that are utilizing tractors for their grain hauling. Construction. Agri-business. Local pick-up and delivery using small to medium size trucks as well as the tractors. Then, of course, we do bring in a large number of over the road trucks, fleets from maybe California, passing through the territories that need service. They may have breakdown issues, need repairs and will come off the road to be serviced in the communities that we're in.

We have 12 Kenworth dealerships in our network now. We have 19 total locations that includes rental, leasing and body shop operations. We're not looking at a body shop operation in this area. Kenworth as a company, we're also looking at Volvo, Mack, Isuzu and AutoCar--we represent multiple brands. So what we're looking for here is a Kenworth only franchise at this time in this community.

We have our own leasing division.

We lease and rent trucks.

We have our own finance division as well.

There are three owners in the ownership group as shown here:



Eric Miner, who can't be here tonight, is CEO.

Carl Herzog, I am President of the company.

Bruce Thomas is Executive Vice President

Dan Mitchell is CFO and also a member of the Board.

As a company we're over \$550 million in annual revenue.

We have 725 employees not counting on what we're looking to do in your community. Our goal is to get to 760+ employees by the end of this year which can be tough in this market but we're still looking to grow.

We have budgeted \$54 million in facility growth over the next five years throughout out entire network and territories, Missouri, Illinois, including what we're looking at doing here in Indiana.

Here is another slide to give you some quick bullet points. Kenworth has some pretty strict grading criteria for dealerships.

Kenworth is one of the premier trucks in the market. We have premium standards as a dealer. Regular inspections. Annual reviews.

Top Rankings:

Number 1 in PremierCare Gold Certified Dealerships is about the dealership-it will get customers in and out quickly. It includes

- Drivers lounges,
- Cleanliness of the facilities inside and out.
- Driver amenities.
- Location.

All those types of things.

Number 1 in Customer Service

House of Operation. That's the number of hours we're open as a Kenworth dealer.

We've been Number 1 in Dealer Financial Management as a Kenworth dealer for two years now. We're a very strong, stable company.

We're Number 3 in Medium-Duty Truck Sales Volume.

Number 5 in Heaving-Duty Truck Sales Volume. We're a pretty strong company for the Kenworth network.

Strong sales growth and overall dealer excellence.

Just to give you an idea of what we do as a company:



With everything going on in the world right now with supply shortages, labor shortages, etc. if it weren't for these constraints we would be about another 20% higher in revenue.

We would also be selling used trucks out of this location.

Our Parts operations is a large part of our business.

We do have local customers coming in to pick parts up. A lot of the customers that do have shops in the areas that we service, which we would service both counties out of this one location.

We deliver about 70% of the parts to our customers. We do have people coming in but on a limited basis.

Our Service is about \$45 million in revenue.

Our Body shop is about \$3.5 million in revenue.



Typically we initially start off with 35-40 people employed. In this market that number is probably a little bit low.

As time goes on past that five years we'll probably be approaching that stated mark. That will bring in a lot of employment and bringing a lot opportunity to the communities.

Our projections call for:

- \$70 million in new truck sales
- \$7 million in used truck sales
- \$25 million in parts sales
- \$5 million in service sales

That's for the location here, if we're approved.

Then you have a **Site Plan**



Signage



Here are some pictures of what we would be requesting that would meet the Town's guidelines similar to what you have at the car dealerships, Pilot, and McDonalds.

Then we would like to do a monument sign off of Route 20 at the entrance to the facility.



Here are a couple pictures of our facilities.



One other thing to note is what we bring to the communities. The employment will bring a lot of truck drivers coming from over the road. They will be spending nights at motels, fueling up in the community. Restaurants. Convenience stores. All types of things.

We also have our vendors coming in, not just the Kenworth vendor but a lot of our parts supplies, our service representatives. A lot of on-site training of our people. They, as well, are also spending a lot of time in the community. Hosting customer nights at our dealerships bring in food orders. They spend nights in hotels, restaurants, as well. So we feel we bring a lot to the communities outside of just employing people.

Poparad: Everyone on the Board has lots of questions.

Meeks: You said Service, Rental, Sales, right?

Herzog: Yes

Meeks: So you are going to have vehicles parked out there. Do you have a number of how those might be?

Herzog: On the new side we will probably have (in this market) probably 20 to 30 new vehicles on the front line.

From the rental side we're a little different, not like a Ryder, Penske type rental where they've got 50 to 100 trucks sitting to be rented. We rent to customers that we're aware of. So rentals that would be based on site for customers we're looking at 2 to 3. We are not looking at 40 to 50 rental trucks. We typically do not have rentals sitting in dealerships. Very few rentals would be sitting.

Meeks: How many vehicles that would be getting serviced normally?

Herzog: Normally, sitting outside, I would say you could have 40 to 50 on the high side most likely. Those are quick turns-trucks aren't sitting days waiting to get in. The goal for the trucking industry for the Kenworth dealer network is get the customer in within an hour, run a diagnosis, do quick repairs and get them out the same day. Obviously if you're having an engine issue it may sit two or three days until we get a bay freed up to bring that truck in to perform the engine rebuild or a major repair. Otherwise, most of them are quick turnarounds. It's very uncommon to see trucks sitting in our parking lot for two weeks, three weeks ongoing. We don't have the space for that and that's not what we're looking to do.

Meeks: With regard to your 65-80 employees. What's the skill level you're talking about here? What are they doing? Sales? Mechanic? What exactly?

Herzog: You would have departmental managers-a part's department manager, a service manager, and branch manager. We may or may not have a sales manager. You would have a sales department, two to three truck salesmen. For the parts department (we're different from the car industry) the skill level of the parts staff is a higher skill level.

Mitchell: They're typically higher wages ranging from \$21/hr. to high \$30/hr. range. All we require is a high school education.

Meeks: Will the majority of your employees be mechanics?

Mitchell: No. It could be half. Out of 70, you are going to have probably 25 mechanics. So maybe another one third would be parts, the other would be sales, management and clerical.

Meeks: With regards to your plat, there are wetlands there. Did you get a hold of the Army Corps of Engineers?

Herzog: Yes. They are working through that now. We do not have final information on it.

Meeks: I'm assuming the T shape is the building, correct.

Herzog: Correct.

Meeks: So the rectangle that it's in, are you going to pave that?

Herzog: The rectangle in theory if we could remove some or most of the wetland, yes, we would pave all of that. We don't like gravel. It's dirty.

Meeks: So your plan is to remove some wetland and put concrete down. What are you going to do with your drainage?

Herzog: We would be using asphalt around the property. That's our typical method. Then we would have to be looking at a detention pond most likely.

Meeks: I would like to hear the Army Corps of Engineers comment on getting rid of wetlands.

Herzog: That's something that we're working through.

Meeks: Where are your entrance and exit going to be?

Herzog: The entrance would be on Lions Road next to the RV dealership coming in on the west side of the property.

Meeks: Did you notify the State of Indiana I don't see it on your list here?

Herzog: We haven't notified anyone yet.

Crecelius: Along with the Lions Road, is it rated for heavy trucks?

Herzog: We talked about that. We are starting to research on size of the road, capacity and what might, if at all, would have to be done with that road. We are looking whether that road could support that type of traffic.

Crecelius: With traffic, there is a light at the Pilot gas station just to the East. The amount of flow that's going to come in and out of Route 20, a busy road, did you look into that at all?

Herzog: We don't bring in the constant flow like the Truck stop does. The Pilot is constant. A lot of people will come in for parts are bringing pickups trucks. A vehicle like that. Semi traffic-you may have 20-25 a day coming in and out of the property. If they're bringing a truck there, they are typically coming for service. We're not a fueling station, we don't have convenience stores, food, we don't have beds. So they're not pulling in to rest. We do not allow sleeping on the property.

Customers are not allowed to pull in and stay overnight in their trucks sleeping. If the truck is coming in for service, the truck has to be dropped off and they have to go to a hotel. We are not looking at that type of flow.

Crecelius: With the hotels, people staying overnight. A lot of the hotels are in Portage. Do you have transportation from the dealership to the hotels?

Herzog: We do have that service. A lot of people in the industry got accustomed to that so they may make their own arrangements. If they need transport we will transport them.

Crecelius: Have you research any competition in the area?

Herzog: Yes, we are very familiar with them.

Crecelius: How do you know your rating in the industry? How do you rank with those in the area?

Herzog: As far as our competitive groups in the area I would we're pretty much stronger than the rest. The breadth of product the Kenworth (and Peterbilt both owned by the same company) franchises offer sets us ahead of the competition.

Minier: Have you purchased the property yet?

Herzog: No.

Minier: Now, if you are looking to purchase it, have you done a Phase 1 or Phase 2 Environmental investigation?

Herzog: Yes

Minier: Have you included ground sampling.

Herzog: So we did a Phase 1.

Minier: That's important and the reason I'm asking is I would like to find out or shed some light on this. Are you aware of the fact that there are near-by areas where there is contamination? The only reason I'm mentioning this to you is you might want to take a look especially with a Phase 2. With Phase I all you're doing is looking at what is around you. You might want to take a look at what's in the ground because you will be held responsible for it. Second of all, I'm assuming with your dealership going in there you're going to have underground storage tanks, correct?

Herzog: No. We do not supply fuel.

Minier: What about wastewater?

Herzog: There will be triple drains to transport the waste to waste oil tanks and hauled off by a recycler.

Minier: Hydraulic?

Herzog: All of our waste, antifreeze, etc., is all recaptured, stored in used oil tanks and hauled off by a recycler.

Minier: Another thing I want to mention is to add on to what Meeks said. I took a look at the overview of the satellite. It does look like there are some wetlands areas, but it also looks like it has water movement in it. It actually heads south which is kind of surprising. I'm really curious to see with the Army Corps of Engineers has to say. I'm not trying to discourage you but just simply say that from our perspective, that as a Town, anything that we would approve, we would be responsible for anything that had to be cleaned up later. I've seen enough times where the EPA comes in and says you shouldn't have built here. I would really like to see what the outcome of that is.

Just to clarify, you said there would be no gasoline tanks. How do you fuel the vehicles?

Herzog: The new equipment coming in will have fuel in them. 15 gallons and it's enough to deliver trucks or we actually go to a fuel station and fill them up.

Minier: The reason I ask that question is I was trying to figure out if you don't have underground tanks would you bring a fuel truck in. So nothing like that?

Herzog: No, nothing like that.

Minier: It would probably be helpful to the Board for you to do a Phase 2 study.

Herzog: OK

Dunlap: Hours of operation. Sales is more presumptive than service and repair.

Herzog: Yes, typical hours of operation are 7am to midnight. That would be parts and service. Truck sales is typically 8am to 5pm. Saturday (with the market) is typically 7am to 3:30pm or 7am to 5pm. We are not open on Sundays.

Meeks: You said service is 7am to midnight?

Herzog: Yes

Dunlap: No body shop in this facility. How do you differentiate repair vs. service? Parts is a little more self-explanatory but obviously you are doing a lot of the work there onsite as well. Could you please elaborate between service and repair and to what extent that would be done?

Herzog: Anything from brake jobs, regular repairs, door panels, windows, windshield replacements, regular maintenance, oil changes, engines, engine rebuilds cabs, diagnostics, sensors, electronics, computer work basically *anything* you can do to a truck.

Minier: Do you use a vapor degreaser?

Herzog: We have parts cleaners that we're using. We do use degreaser. To clean off a brake wheel you would do it like you would in a garage.

Minier: Larger parts like an engine block or things like that.

Herzog: Engine blocks would be cleaned in a stream bay.

Minier: If you have a car wash would it be collected?

Herzog: That's all collected. We will wash a truck as far as detailing a brand-new truck. We're not doing what you would think of a truck wash. We're only cleaning our new used trucks for sale and those are just washes to make them front-line ready.

Minier: Therefore you would need permitting process for that then.

Also, just out of curiosity, does the company as a whole have a pollution insurance policy

(inaudible)

Herzog: In the days of the loud truck running all day and night, these trucks have become quieter and quieter. Again, we don't allow (where you would have a noise concern) in truck dealerships a truck to sit idle and run all night.

Dunlap: What's the impact if you expand on the Mack, Isuzu and Volvo? Those three?

Herzog: If we were to build and expand our network in this area with those franchises it would not be in the same facility. The OEMs have changed over the years. There's not one OEM that likes to see Volvo Kenworth Mack in the same dealership. They all want their own dealerships now. That wouldn't necessarily be a choice of ours, it would be OEM dictated. We would not be able put another OEM franchise in that dealership. Potentially Isuzu would be the only one and that's a small part of the business.

Minier: When I ask this question, I'm going to be specific about what I'm talking about but your operations not something that's historically there prior to purchasing the property. In general, has your company had any 104E, 107 complaints with regard to the US EPA or any violations on permits?

Herzog: None that I know of. No.

Poparad: What is your plan on security? Is it going to be fenced? Is it going to be fenced from LazyDays to Pilot? Are you going to have outside security 24 hours a day?

Herzog: At one of our closest dealerships, we have full-time security. We will have security and potentially looking to put a camera security system in with 24-hour monitoring. So if somebody comes on our property you have a security company on the backside monitoring that. We are investigating that.

Poparad: What are the yellow boxes on the site plan?

Herzog: I'm not sure what those were indicating but we're just looking at the main property, not outlots for other buildings.

Poparad: What do you think a big trailer weighs?

Herzog: You will have some trailers coming down the road as well. Just like they're doing in the truck stops. In general, overall capacity and load about 80,000 pounds. If you're looking at the Kenworth you can be around 14,000 pounds or up to 20,000 on a big sleeper truck.

Poparad: You have to remember you also have Michigan trains, all the axles underneath there and they can be...

Herzog: 120,000 pounds typically as an average.

Poparad: I've been looking at what that road is rated at and it's rated as a typical subdivision road. I would suggest you think about what your plan is because I don't think it's going to hold up to the amount of traffic in my estimation. You might want to see what's underneath, especially with the wetlands we've had problems in Town with roads just humping up with the clay. We have one road in Town that we won't even accept because you can't keep asphalt on it. You basically need to think about what you're going to do.

Herzog: I appreciate that. Those are the two main things we're working on – the wetlands and had discussions to look into the roads.

Poparad: One other thing and it's just me, have you ever thought of talking with Pilot and come out your back side at the Stop light? Can you work with them on their driveway?

Herzog: Yes and we're waiting on calls back.

Poparad: Your parking lot hooks up to theirs too. Let us know about that also.

Herzog: I appreciate that suggestion.

Meeks: You said you going to have 30 vehicles on display where is that display going to be? Is that going to be on the I-94 side?

Herzog: Yes. The building is shaped like a "T". So the front is your sales office, parts department (where customers walk in), all your service offices, driver's lounge, things like that are up front. Then we have the trucks on display facing the Interstate.

Meeks: You keep referring to the driver's lounge. What exactly is in the lounge?

Herzog: The driver's lounge is basically chairs, a vending machine – like a waiting room. If a truck can be fixed with a few hours, the driver will stay at the dealership. There's a TV in there. Waiting room is a better term.

Meeks: To us, the truck drivers lounge means showers, TV, and stuff like that.

Herzog: It's more of a waiting room. Absolutely.

Poparad: How many bays?

Herzog: 12 drive throughs. 24 individual bays is what our plan is on this one.

Poparad: Most of yours are long-term and not day-to-day rentals? Long-term leasing?

Mitchell: Yes. Long-term leasing is what we do.

Poparad: That's what I thought it was. Think about security. You've got a lot of work to do.

Meeks: I'm going to be honest here again. I just don't see this. You're going to put concrete here that's going to cause run-off. Whether those trucks go in and out of Pilot or whether those trucks go in and out of Lions, you are going to have a nightmare on that road. I think having all this truck traffic...the market is going to expand so we're going to go from 80 employees to 120. We're going to go from 30 trucks to 60 at some point. In their bullet points they got quality of life. I just don't see how the quality of life would improve in the Town of Burns Harbor. You're going to cause a nightmare on this road that's already a problem and I just don't see it. That's my opinion.

Minier: Just to reiterate everything is predicated on the Army Corps of Engineers. I strongly suggest you get out there and do that Phase 2. Do not take any steps until you get Phase 2 done.

Herzog: I appreciate that.

Poparad: Attorney Brazil do you want to wait before we set a Public Hearing?

Meeks: I'm not in favor of a Public Hearing at this point.

Minier: Can we set a status hearing for next month at all?

Meeks: Let set it for whenever they get a response. Number 1 we need a report from the Army Corps of Engineers.

Poparad: I think we need a bunch of reports about roads, security and wetlands. If you guys could get this figured out and give Falbo a call, we can put you on the agenda. You can come back to give us your updates, findings and then we'll see when we can do a Public Hearing or not.

Minier: Also like I said with the Phase 2, it could be perfectly fine or not.

Poparad: Keep in touch with Building Commissioner McGraw. You need to figure out the road and everything else.

Herzog: Ok. Thank you.

Public Hearing

Brett Kingdom and Sandra Purnell
286 Melton Road

Seeking a Developmental Standards Variance for an accessory building that is larger than what is allowed in an RC2 Zone.

Poparad: Is all the paperwork in order?

Falbo: Yes, everything is in order.

Attorney Brazil: Everything is in order.

Poparad opens the Public Hearing.

My name is Brett Kingdom and I'd like to build a 32 x 40 garage, wood framed, just for basic storage of my own vehicle and personal use. No business – just a garage.

Poparad asks for public comment in favor. There is no comment in favor.

Poparad asks for public comment in opposition. There is no comment in opposition.

Meeks: Did you send notice to the State and Railroad?

Kingdom and Purnell: Yes and we got responses from both.

Minier: Nothing has changed since our preliminary hearing, correct? Same things you proposed before.

Kingdom and Purnell: Nothing has changed.

Poparad closes the Public Hearing.

Meeks makes a motion to grant the Developmental Standards variance for Brett Kingdom. Crecelius seconded the motion. Crecelius–Aye, Meeks–Aye, Minier–Aye, Dunlap–Aye, Poparad–Aye

Old Business

None

New Business

Poparad: Do we have anything coming up?

Falbo: I do have a petitioner that just called today. They will need a Use Variance so we may have a Preliminary Hearing next month for J&J Auto Services.

Poparad: Where is that at?

Falbo: 317 Tech Drive. This location is Sun Steel. J&J Auto services would be an additional business.

Poparad: What do they want to do there?

Falbo: Auto Sales

Good of the Order of the Community & Any Other Business

Meeks: I'm going to make three motions here.

Meeks made a motion to request from the BH Police Department and the BH Fire Department a report of traffic accidents and emergency vehicular responses within last 5 years on the US20 corridor between SR149 and North Babcock east of I-94 and to have that report provided to the BZA by the August 24, 2021 meeting. In addition, request BH Fire Chief and BH Police Chief attend the Public Hearing (when scheduled) regarding the proposed Kenworth Truck Dealership and Sales. Minier seconded the motion. Meeks–Aye, Minier–Aye, Dunlap–Aye, Crecelius–Aye, Poparad–Aye

Meeks made a motion to request BH Street Superintendent contact the State of Indiana Department of Transportation and request they perform a traffic count on the US20 corridor between SR149 and North Babcock east of I-94 and have that report provided to the BZA by the August 24, 2021 meeting. Also request the BH Street Superintendent attend the Public Hearing (when scheduled) regarding the proposed Kenworth Truck Dealership and Sales. Minier seconded the motion. Minier–Aye, Dunlap–Aye, Crecelius–Aye, Meeks—Aye, Poparad–Aye

Meeks made a motion requesting the BH Town Council, BH Planning Commission and BH BZA as a collective group send a formal appeal to the State of Indiana Department of Transportation to meet with Town of Burns Harbor to discuss future plans and safety issues regarding the US20 corridor between SR149 and North Babcock east of I94. Minier seconded the motion. Crecelius–Aye, Meeks–Aye, Minier–Aye, Dunlap–Aye, Poparad–Aye

Meeks: The Town needs to get a handle on that road or we're going to end up like Merrillville. If these guys are going to use Lions Drive there is no way in the world ...it will not work.

Poparad: You have two traffic lights in two blocks.

Announcements

Poparad: So it looks like we're going to have a Preliminary Hearing next month.

Falbo: If they get their paperwork in on time.

Adjourn

Meeks motions to adjourn at 8:15 pm. Crecelius seconded the motion. Dunlap–Aye, Crecelius–Aye, Meeks–Aye, Minier–Aye, Poparad–Aye

APPROVED on August 24, 2021

Bernie Poparad, President

Marge Falbo, Secretary