



Mayor Ted Franklin  
E-mail: tfranklin@cityoflogansport.org

Community Development  
574-753-2551

Department of Public Works  
Street Department 574-753-4610  
Mount Hope Cemetery 574-753-7082

Fire Department  
574-753-3102

Police Department  
574-753-4101

Parks Department  
574-753-6969

Building Department  
574-753-4381

Code Enforcement  
574-753-4381

Planning & Zoning Department  
574-753-7775

Dear Council Members,

On January 10, 2014 you approved Ordinance 2013 – 47, **AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF LOGANSPORT AMENDING ORDINANCE NO. 2013-07 ADOPTED ON MARCH 4, 2013.**

Under Section 1, of 2013 – 47 you re-authorized the Executive’s authority to negotiate a Build-Operate-Transfer Agreement with developers who submitted proposals under our Request for Proposals for an Electric Generating Plant Repowering and Expansion Project (the RFP) on November 28, 2012.

Section 1, of Ordinance 2013 - 47 contains the following language; ***Pursuant to I.C. 5-23-5-7, the Council hereby concurs with and accepts the recommendation of the Executive that he be re-authorized to negotiate a BOT agreement with the Operator, all in accordance with the provisions of I.C. 5-23-1-1 --- 5-23-7-2. The authority granted under this section continues until the Executive, pursuant to I.C. 5-23-5-8, either (a) makes a recommendation to the Council to award the BOT agreement to the Operator, or (b) terminates the RFP process.***

We formally re-established communications with representatives of SG Preston at the office of CLEDO on March 30 of this year. After months of negotiations, council approved Resolutions 2015-27 and 2015-28. Those Resolutions authorized our participation in a Build-Operate-Transfer agreement with SG Preston.

Substantial changes to Resolutions 2015-27 and 2015-28, adopted by you on October 13, 2015, became necessary, in part, after interconnect agreements could not be reached with Duke Energy. Since that time, we have continued discussions aimed at modifying the agreements necessary to repower and expand our electric generating facility on Race Street. I am happy to report that we reached a final agreement last Friday December 11, after many days and sessions of negotiations.

I feel the agreed upon (December 11) changes to the October agreements would be substantial enough to require additional approvals from the Common Council and the Utility Service Board.

As an added layer of protection and transparency, formal approval of the agreements by the Board of Works is required before any agreement becomes effective. An absolute condition of approval of that Resolution requires SG Preston to deposit the amount of \$1.75 million into an escrow account.

Official advertising of the date and time of the Board of Works public hearing in a local publication is necessary before any action is taken by the BOW. The time period between requesting the publication and actual publication is 3 days. There is also a 10 day waiting period between the publication date and the actual date of the Public Hearing. Today is December 16, 2015. Because of the minimum waiting period of 13 days from today, it becomes very difficult to acquire the necessary governmental approvals before December 31, 2015.

In yet another underhanded and frivolous attempt to halt our attempts to save 31 LMU jobs while providing a safe and low cost alternative for our electricity needs, newly appointed LMU attorney Jim Brugh filed a Motion to Intervene and reverse the already granted IDEM approval to conduct test burning of the proposed fuel pellets.

Brugh's latest motion is clearly another FRIVOLOUS and harassing action, but nonetheless it will require time and resources to respond. You have shown commitment and resolve in the past to fight off this cancer on our city and I have no doubt that you would commit again to fight Brugh's underhanded power grab and to publicly embarrass his bizarre "Sharia interpretation" of Indiana law.

I am certain Brugh views this filing as an avenue to rack up more costly charges and would allow him to bill the citizens of Logansport and the LMU ratepayers for his advice in representing both sides of the motion. (He needs to recover the \$26,000 penalty he was forced to pay as a result of providing other bad advice to his clients).

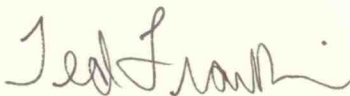
I spoke with representatives of SG Preston - Energy, late last evening at which time they informed me that, even though all \$300 million in funding was available, they were no longer willing to invest their assets into a city with such a "toxic and unwelcoming business environment". Additionally the rate of return on their investment and their business model could no longer be viewed with any degree of certainty as the timeline for final resolution of the latest frivolous action by Brugh is unknown.

Furthermore, because of the impending transfer of authority to the new administration at noon on January 1, I feel it is in the best interests of the city to terminate negotiations with any and all developers at this time. I further recommend that you officially terminate the RFP process and rescind the authority of the Executive to negotiate a Build Operate-Transfer-Ordinance agreement as described in 2013-47.

This has been a very daunting task and has largely consumed our time in elective office. I sincerely appreciate your willingness to take on the challenges that we inherited after years of refusal to acknowledge the anticipated changes in electric generation rules. Most would have taken the path of least resistance.

I wish you the best of luck in the future.

Sincerely,



Mayor Ted Franklin