

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT AUTHORITY
JANUARY 27, 2010**

The Michigan City Redevelopment Authority met in the Planning Department Conference Room, City Hall Building, 100 East Michigan Boulevard, Michigan City, Indiana, on Wednesday, January 27, 2010, at 4:00 p.m. local time; the date, hour and place duly established for the holding of said meeting.

CALL TO ORDER

President Nicholas Walz called the meeting to order at 4:00 p.m.

ROLL CALL

Present: Daryl Crockett, Nicholas Walz

Absent: Steve Baker

Staff: Plan Director John Pugh, Attorney Michael Bergerson, Secretary Debbie Wilson

Public: Jason Semler – Umbaugh; Randy Rompola – Baker and Daniels

ELECTION OF OFFICERS

President Walz entertained a motion to retain the same officers.

A motion was made by Mr. Crockett that the officers be retained in their existing positions for 2010. The motion was seconded by Mr. Walz and unanimously APPROVED.

Officers for 2010 are: Nicholas Walz, President; Steven Baker, Vice-President; Daryl Crockett, Secretary-Treasurer; John Pugh, Assistant Secretary-Treasurer.

TIF LEASE BOND RESOLUTION FOR LAFAYETTE/BARKER STORM SEWER PROJECT

As an introduction, Mr. Pugh stated that the Authority had a lengthy discussion in January 2009 regarding the Lafayette/Barker storm sewer project. The bids came in high and the project put on hold. During that time the Sanitary District worked with the low bidder. This will be an \$8 million phase.

Mr. Rompola reviewed **RESOLUTION 1-10 OF THE MICHIGAN CITY REDEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF THE MICHIGAN CITY REDEVELOPMENT AUTHORITY LEASE RENTAL REVENUE BONDS OF 2010 (LAFAYETTE/BARKER PROJECT) AND REGARDING OTHER**

RELATED MATTERS. He explained that this resolution authorizes up to a \$10 million bond and a maximum interest rate of 7.5%. The resolution sets out the parameters for the bond issue. The financing will include money for the construction costs as well as money for reserve, capitalized interest, and the cost of issuing the debt. The resolution also authorizes the Trust Agreements to be prepared which secures the bond. There is a lease between the Redevelopment Authority and Redevelopment Commission which has been in place for several years now. It was determined that the bonds be sold by a negotiated sale versus a public sale due to the tax situation in LaPorte County.

Mr. Semler added that this is a lease rental bond and there is a maximum on the principal and interest on an annual basis. By working with an underwriter, they can get to that maximum amount and be as efficient as possible.

Mr. Rompola stated that this resolution also authorizes the disclosure document to be prepared to go out to the bond market and provide for the sale of the bonds by the underwriter.

Mr. Crockett asked the timeframe they anticipate for the bids.

Mr. Semler replied that they are hoping to get the offering document out next week. They will get a rating for the state and go out to market at the end of February with closing by mid-March.

Mr. Pugh added that construction is definite this season.

Mr. Semler stated that they assumed very high on the interest rate but expect the high end to be less than 6%.

Mr. Crockett questioned the impact because of the reassessment issue.

Mr. Semler explained that based on the assessed values they have to work with; they are looking at \$2.5 million in tax increment being generated on an annual basis. Using the high interest rates for this bond issue, there would be \$800,000 of payments. Even with this reassessment, there still is quite a bit of coverage.

Mr. Crockett asked for confirmation that there is a no pre-payment penalty stipulation included in the agreement.

Mr. Semler stated that there is.

With regard to the schedule, Mr. Rompola stated that there will likely be one more meeting of the Authority to complete this project. The Redevelopment Commission will have one more as well.

Attorney Bergerson recommended approving the resolution.

The Chair entertained a motion.

A motion was made by Mr. Crockett to approve Resolution 1-10 giving authorization to solicit funds. The motion was seconded by Mr. Walz, with the vote as follows: (AYES): Daryl Crockett, Nicholas Walz (NAYS): None

With a vote of 2 ayes and 0 nays, the motion was unanimously APPROVED.

GENERAL DISCUSSION

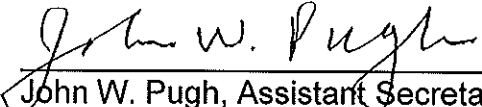
None

PUBLIC COMMENT

None

ADJOURNMENT

The Chair declared the meeting adjourned at 4:20 p.m.



John W. Pugh, Assistant Secretary