

**MINUTES OF THE REGULAR MEETING OF THE  
MICHIGAN CITY REDEVELOPMENT COMMISSION  
JANUARY 11, 2010**

The Michigan City Redevelopment Commission met in a regular meeting in the Common Council Chambers, City Hall Building, 100 East Michigan Boulevard, Michigan City, Indiana, on Monday, January 11, 2010, at 5:00 p.m. local time; the date, hour, and place duly established for the holding of said meeting.

**CALL TO ORDER**

Chairman Ken Behrendt called the meeting to order at 5:00 p.m.

**ROLL CALL**

The following members were noted present for the record: Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, and Michael Kniola. (5 present – 0 absent) Staff in attendance: Executive Director John Pugh, Zoning Administrator/Rehab Officer Joseph Siegel, Attorney Michael Bergerson, and Secretary Debbie Wilson.

**ELECTION OF OFFICERS**

Chairman Ken Behrendt, turned the meeting over to Executive Director John Pugh who opened the floor for nominations.

A motion was made by Mr. Bigda to retain the same officers for 2010 as in 2009, including the Acting Secretary. The motion was seconded by Mr. Kniola, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None

***With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.***

The meeting was turned back over to Chairman Ken Behrendt who noted for the record that the officers for 2010 are: Ken Behrendt, President; Ed Bigda, Vice-President; Lynne Kaser, Secretary; John Pugh, Acting Secretary.

**APPROVAL OF MINUTES**

The Chair entertained a motion for approval of the minutes of the regular meeting of December 14, 2009.

*A motion to approve the minutes was made by Ms. Kaser. The motion was seconded by Mr. Kniola, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None*

*With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.*

### **CLAIMS**

Mr. Pugh distributed and reviewed the claims list for January:

#### **Payroll**

Staff Salaries	12/18/09	3,314.51
	01/04/10	<u>3,333.31</u>
		<b>6,647.82</b>

#### **Claims (Regular)**

Michael Bergerson	Legal retainer - Jan 2010	300.00
Lenore Gregory	Acctg services - Nov 2009	<u>250.00</u>
		<b>550.00</b>

#### **Claims (N TIF)**

Michael Bergerson	Legal services N TIF	2,400.00
Clerk of LP Superior Ct	Sobkowiak/Weber litigation	686,260.00
Environmental Inc	Assess former Josam (east)	9,829.41
Environmental Inc	Environ assess News Dispatch	17,434.10
Environmental Inc	Grant mgement former Erincraft	1,442.90
Environmental Inc	Grant mgement former N&W RR	1,442.90
Baker & Daniels	Legal services Sobkowiak	4,710.06
Amereco Inc	Proj mgement - Weber Sign	<u>8,983.00</u>
		<b>732,502.37</b>

#### **Claims (S TIF)**

US Bank	Lease payment 1999 bonds	<u>166,000.00</u>
		<b>166,000.00</b>

The Chair entertained a motion for approval of the claims.

***A motion to approve the claims was made by Mr. Bigda. The motion was seconded by Mr. Kniola, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None***

***With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.***

### **FINANCIAL REPORT**

Mr. Pugh reviewed the financial report ended November 30, 2009.

The Chair entertained a motion for approval of the financial report.

***A motion to approve the financial report was made by Mr. Kniola. The motion was seconded by Ms. Kaser, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None***

***With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.***

### **DISCUSSION OF RESOLUTION REGARDING THE TIF LEASE**

The Chair allowed this item to be taken out of agenda order as Mr. Rompola had another meeting to attend out of town and weather conditions were bad.

Mr. Rompola came forward to address the Commission and distributed copies of the resolution to Board members. Mr. Rompola reviewed **RESOLUTION 1-10 OF THE MICHIGAN CITY REDEVELOPMENT COMMISSION ESTABLISHING CERTAIN FUNDS AND ACCOUNTS IN CONNECTION WITH THE LEASE DATED AS OF MARCH 1, 2005, BETWEEN THE MICHIGAN CITY REDEVELOPMENT COMMISSION AND MICHIGAN CITY REDEVELOPMENT AUTHORITY RELATING TO THE LAFAYETTE/BARKER PROJECT AND OTHER RELATED MATTERS.**

Mr. Rompola explained that last month the Commission was updated on the project and had discussion of the financing. He stated that this resolution is the Commission's first step to move forward with the financing as it states the Commission's intent to provide for a tax backed lease financing. The Redevelopment Commission and Redevelopment Authority initiated action back in 2005 to allow this project to be paid for with the proceeds of a bond issue pursuant to a lease financing. The Redevelopment Authority would finance the sewer project, the Commission will lease it from the Authority, the Commission will make lease payments, and the Authority will use those lease payments to pay the bonds off. The lease payments will primarily come from the TIF revenues available to the Commission, but in order to provide for the marketing of the bonds at a

reasonable interest rate many Commissions will have a tax backup in place in the event TIF revenues were insufficient. It is never the intent to use the backup; it is only there for security and marketing purposes to obtain the best interest rate possible. Umbaugh will provide room for that in the financing.

With regard to the timeline, Mr. Rompola added that the Redevelopment Authority will be meeting on January 27<sup>th</sup> to consider adoption of a resolution allowing the financing to proceed. The Redevelopment Commission will consider an additional resolution at their February meeting relating to the financing. The sale would take place at the end of February so money would be available for the project in early March.

Ms. Kaser asked that Mr. Rompola get the resolutions to the Commission members prior to the meetings so they have time to review the language.

Mr. Rompola apologized for not providing the copies to the Commission members in advance of this meeting. He said they typically do get them to the Commission in advance, but the holidays threw them off a bit.

Attorney Bergerson stated that he is familiar with similar resolutions prepared by Baker & Daniels for previous bonds and therefore recommended approval of the resolution.

Mr. Pugh agreed and stated that this is the first step in the process of issuing the bonds. This process has been done before. It is a customary step and helps with the marketing of the bonds. He pointed out that the Commission has never had to invoke the levy, but it is necessary to pass the resolution. Mr. Pugh indicated his support of the resolution as well.

Attorney Bergerson added that the Commission has been into this process since 2005 and the DLGF approved issuance of the bonds for this project. This is just another step in pursuing the ultimate goal of building this project.

Chairman Behrendt asked if there were any other questions or comments from the Commission.

There being none, the Chair entertained a motion.

***A motion to approve Resolution 1-10 was made by Mr. Kniola. The motion was seconded by Mr. Bigda, with the vote as follows: (AYES): Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz, Michael Kniola (NAYS): None***

***With a vote of 5 ayes and 0 nays, the motion was unanimously APPROVED.***

**REVIEW STATUS OF RFQ FOR MASTER DEVELOPER**

Rob Hunden of Hunden Strategic Partners came forward to update the Commission on the status of the selection process.

Mr. Hunden stated that one of the reasons the Commission hired his firm was to carry them safely through a successful process. During initial discussions, Mr. Hunden stated that he indicated certain things had to be in place before issuing an RFQ. One of the things they were going to keep an eye on was the economic conditions. Another thing was that either the Redevelopment Commission or friendly entities controlled the land. The last thing was to consider the time of year that Michigan City would be most attractive to developers. Last fall they held a workshop and were also asked to look at some of the Beachway Plan ideas. At the same time they began putting together a draft of the RFQ document.

Mr. Hunden stated that economically, all signs are pointing in a positive direction that we will turn the corner. He said that this time of year is a challenge right now. March-April is a better time of year to show off Michigan City. Mr. Hunden pointed out the most important issue is the control of the land. Blocksom is in process, there has been no formal action on the part of the Port Authority, and there still are some remediation issues as well as some smaller parcels to purchase. Mr. Hunden stated that they do not feel comfortable moving forward until they have some indication from the Port Authority as to either moving or being a cooperative partner.

Mr. Bigda asked Mr. Hunden how long this process will take.

Mr. Hunden explained that the Commission has been actively seeking parcels in a defined Trail Creek area. Without Blocksom and the Port Authority in place, Mr. Hunden stated that it would be foolish to move forward with an RFQ. A developer will not take it seriously without the Commission having control of all the land. He stated that assuming the Commission gets a positive letter from the Port Authority, the RFQ could potentially be issued in March.

Mr. Bigda stated that he was under the impression the Commission would begin developing the land that they do have control of.

Mr. Hunden stated that the Commission needs to work toward a comprehensive development so it is not piecemeal. He added that incentives also need to be considered.

Mr. Pugh asked Mr. Hunden if the draft RFQ will be available for review at the Commission's February meeting.

Mr. Hunden replied affirmatively.

Attorney Bergerson asked who would be responsible for getting a letter from the Port Authority.

Mr. Pugh indicated that it has already been initiated by the President of the Port Authority.

### **REPORT BY LEGAL COUNSEL**

Attorney Bergerson reported that he continues working with owners along the Fifth/Sixth Street corridor. Negotiations are ongoing with the owner of 406 E Sixth Street.

With regard to the News Dispatch, Attorney Bergerson stated that he has not heard back from their counsel.

Attorney Bergerson advised that the judgment on the Sobkowiak/Weber litigation has been paid. There are still some ongoing issues with relocation benefits.

Ms. Kaser asked how many parcels are left to be purchased.

Attorney Bergerson replied that there are 6-7, most of them are vacant – a couple of them have houses.

Attorney Bergerson certified that an Executive Session was held prior to this meeting and discussion was limited to the items on the agenda; no votes were taken and there was no discussion of any other item.

Dan Radtke asked if there are still ongoing issues with Blocksom.

Attorney Bergerson stated that he does not anticipate any issues. An agreement is in place and they will have to identify a relocation site by July. He said he is not aware of any issues and fully expects they will honor and comply with the agreement. He did note that Blocksom will retain ownership of this site and be a partner with the developer.

Ms. Kaser asked if the 3-year time period in the agreement has already started.

Attorney Bergerson replied that he believes the date started on 7/13/09.

**REPORT BY DIRECTOR**

Mr. Pugh reported that the Franklin Square repair project has been shut down for the winter. The project is 38% complete. The project will be finished this season when it warms up.

**PUBLIC COMMENT**

None

**NEXT MEETING DATE**

The next regular meeting will be February 8, 2010.

**ADJOURNMENT**

The Chair entertained a motion to adjourn.

A motion to adjourn was made by Mr. Bigda – seconded by Ms. Kaser and unanimously approved.

The Chair declared the meeting adjourned at 6:35 p.m.

/s/ Lynne Kaser, Secretary