

**MINUTES OF THE REGULAR MEETING OF THE  
MICHIGAN CITY REDEVELOPMENT COMMISSION  
MARCH 9, 2009**

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, March 9, 2009, 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 5:05 p.m.

**ROLL CALL**

The following members were noted present for the record: Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz and Michael Kniola. James Kintzele was absent. (5 present, 1 absent) Staff in attendance: Executive Director John Pugh, Attorney Michael Bergerson, Zoning Administrator/Rehab Officer Joseph Siegel and Secretary Debbie Wilson.

Public in attendance: Bob Bailey, Basil Souder, David Cornus, and Laurie Wink of the News Dispatch.

**APPROVAL OF MINUTES**

The Chair entertained a motion for approval of the minutes of the regular meeting of February 9, 2009.

***A motion to approve the minutes as written was made by Ms. Kaser – 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 March:

**Payroll**

Staff Salaries	02/13/09	2,325.74
	02/27/09	<u>2,325.72</u>
		<b>4,651.46</b>

**Claims (Regular)**

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

**Claims (N TIF)**

Michael Bergerson	Legal services N TIF	4,639.00
Stress Analysis	Blocksom relocation	375.00
Environmental Inc	Grant mgement - Erincraft, N&W RR	9,858.02
Baker & Daniels	Legal services - Sobkowiak	20,203.55
Clerk of LP Sup Crt	Appraisals - Sobkowiak, Weber	10,450.00
Clerk of LP Sup Crt	Purchase - Sobkowiak	300,000.00
Clerk of LP Sup Crt	Purchase - Weber	150,000.00
American Structurepoint	Michigan Blvd rehab	<u>54,440.00</u>
		<b>549,965.57</b>

The Chair entertained a motion for approval of the claims as presented.

***A motion to approve was made by Mr. Bigda – 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.***

**FINANCIAL REPORT**

Mr. Pugh reviewed the financial report ended 1/31/09.

Ms. Kaser questioned the status of the Thomas Cabinetry loan.

Mr. Pugh stated that it was the recommendation of the State Board of Accounts to take official action and write it off. Mr. Pugh said he gave it some additional time, but no assets could be found.

Attorney Bergerson recommended that it be put on next month's agenda to be written off and declared as a bad debt.

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

***A motion to approve was made by Mr. Kniola – 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.***

### **REPORT BY LEGAL COUNSEL**

Attorney Bergerson reported that as of last Thursday, the Redevelopment Commission became owners of the Sobkowiak and Weber properties. Deposited with the court was \$300,000 for the Sobkowiak property and \$150,000 for the Weber property. This is merely a deposit enabling the Commission to acquire the property and take bids for demolition.

The Sobkowiak property was inspected for asbestos last week through the assistance of Code Enforcement. Bids will be taken at the Commission's next meeting and they will then be in the position to order demolition of the structure.

The Weber's were provided 90 days to vacate the premises. The Commission agreed to advance \$10,000 to the Weber's to assist with their move to another location and an additional \$5,000 to the Sobkowiak's for their relocation expenses, without further need of documentation.

The monies held in escrow are subject to a trial. The court agreed with the Commission's motion to bifurcate these proceedings to have a trial on the fair market value of the real estate which is scheduled for April 30<sup>th</sup>/May 1<sup>st</sup>. The judge and jury will determine the fair market value. If it is less than the monies deposited, those monies come back to the Commission. If it is more, the Commission would then proceed to the second phase of the trial scheduled for July 9<sup>th</sup> and 10<sup>th</sup> for the recovery of remediation the Commission may incur in cleaning up the contamination on the property.

Attorney Bergerson noted that the Commission might be able to obtain some stimulus funds to help with the construction of the 8<sup>th</sup>/Lafayette storm sewer project; if not, this project has already been approved for a TIF bond issue. The Sanitary District is taking bids for the project on April 22<sup>nd</sup>.

With regard to the Crown Liquors property, Attorney Bergerson advised that he is working with the owner, Denise Ship, who has provided an offer to sell to the Commission. Attorney Bergerson asked for authorization from the Commission to continue negotiations.

The Chair entertained a motion.

***A motion was made by Mr. Bigda authorizing Attorney Bergerson to continue negotiations on the Crown Liquors property – seconded by Mr. Kienitz, 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.***

Attorney Bergerson reported that the negotiating committee met with representatives of Blocksom today. A number of issues were resolved and a number of issues were brought up that need further investigation. Attorney Bergerson said they need an additional 30-45 days so Blocksom can resolve issues with IDEM and well as with their financing. Attorney Bergerson advised that the framework of the agreement should be amended within the next couple weeks.

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.

### **REPORT BY DIRECTOR**

Mr. Pugh announced that Rob Hunden of Strategic Partners will be at the Commission's April meeting to make a presentation on selection of a Master Developer.

Mr. Pugh noted that the next America in Bloom meeting will be on March 19<sup>th</sup>. He encouraged anyone that is interested to participate. They are in the process of developing projects.

Mr. Bigda asked the status of the construction trailer on the North End.

Mr. Pugh replied that he spoke with the developer, John Ziola. He directed Mr. Ziola to clean up the site and remove the dumpster. Mr. Ziola indicated that he was trying to secure additional financing for the project. Mr. Pugh advised Mr. Ziola that if it did not happen within the next couple weeks, they would need to discuss a timeframe. Mr. Pugh stated that he would proceed in having Mr. Ziola clean up the site, remove the trailer and dumpster.

Mr. Bigda suggested that Mr. Pugh push to get it done before the beginning of the summer season.

### **PUBLIC COMMENTS**

None

**BOARD MEMBER COMMENTS**

Mr. Bigda commented on Mr. Bailey's response to the Tracy Cross report which was submitted at the last meeting. He said it was a very good report and he could not argue with any of the points made; although he did point out that the Commission has already made their decision and could not change it. Mr. Bigda stated that he appreciates Mr. Bailey's comments and wished the Commission would have received them prior to their decision.

Ms. Kaser stated that she also appreciates Mr. Bailey's remarks and also noted that he raised some good points. She said the Commission would take it in total with everything the Commission is doing as well as the Tracy Cross report.

**NEXT MEETING DATE**

The next meeting is scheduled for April 13<sup>th</sup>. Chairman Behrendt reminded Board members that the conflict of interest statements are to be signed by May 1<sup>st</sup>.

Mr. Bigda commented that he has a problem signing it when he does not have a conflict of interest. He asked for legal counsel's opinion.

Mr. Behrendt noted confusion by Board members with regard to the form and signing it.

Attorney Bergerson stated that typically a conflict of interest statement is only required when there is a pecuniary interest that may be in conflict with whatever the Board member is requested to vote on. He said that he will continue to review the ordinance and report back with his interpretation and advice.

**ADJOURNMENT**

The Chair entertained a motion to adjourn.

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

The Chair declared the meeting adjourned at 5:25 p.m.

/s/ Lynne Kaser, Secretary