

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
APRIL 13, 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, April 13, 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 5:00 p.m.

ROLL CALL

The following members were noted present for the record: Ken Behrendt, Ed Bigda, Lynne Kaser, Neil Kienitz and Michael Kniola. 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.

APPROVAL OF MINUTES

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

A motion to approve the minutes as written was made by Ms. Kaser – seconded by Mr. Kniola.

Mr. Behrendt asked for a spelling correction on the last page – “*peculiarly*” should be “*pecuniary*”.

Ms. Kaser restated her motion to approve the minutes as amended – 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 April:

Payroll

Staff Salaries	03/13/09	2,381.07
	04/09/09	<u>2,381.09</u>
		4,762.16

Claims (Regular)

Lenore Gregory	Acct services - Feb 2009	250.00
Michael Bergerson	Legal retainer - Apr 2009	<u>300.00</u>
		550.00

Claims (N TIF)

Michael Bergerson	Legal services N TIF	5,653.50
Stress Analysis	Blocksom relocation	875.00
Baker & Daniels	Legal services - Sobkowiak	10,090.61
Weber's	Advance - relocation expenses	10,000.00
Sobkowiak's	Advance - relocation expenses	5,000.00
News Dispatch American	Notice to bidders - Sobkowiak	66.02
Structurepoint	Michigan Blvd rehab	<u>26,420.00</u>
		58,105.13

Claims (S TIF)

Rieth Riley	Construction - 400 N	6,291.94
Beam Longest & Neff	Eng - Towne Center Dr	1,322.48
Beam Longest & Neff	Eng - 400 North	<u>12,852.66</u>
		20,467.08

The Chair entertained a motion for approval of the claims.

A motion to approve was made by Mr. Bigda – 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 viewed the financial report ended 2/28/09.

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

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

OPENING OF BIDS FOR DEMOLITION OF ICE HOUSE PROPERTY

Attorney Bergerson explained the process in that the bids are on hand, they will be opened, and they will be referred to the consultant (John Blosky with Amereco, Inc.) who will then come back with his recommendation.

For the record, Attorney Bergerson presented proof of publication for the notice to bidders which was published on March 25th and April 1st.

Attorney Bergerson noted that five bids were received in a timely manner and one was received at 4:04 p.m., after the 4:00 p.m. deadline. He recommended opening the five bids that were received on time and not opening the one received after 4:00 p.m.

Mr. Kienitz asked if there was a reason for the bid being late.

Jeff Wickham of Summit Environmental Services explained that they tried to get it done and get the bonding in this morning before they drove up from Evansville.

Ms. Kaser made a motion to accept submission of the bid from Summit Environmental Services – 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.

Attorney Bergerson continued with the opening of the bids as follows, with the base bid for the Ice House and the alternate bid for the Weber building:

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate Bid</u>
Bechstein Construction Co.	108,450.00	27,450.00
Chem Check Inc.	184,000.00	38,000.00
D&M Excavating	158,943.00	39,258.00
Summit Environmental Services	703,900.00	69,600.00
TRI Inc.	134,134.00	21,100.00
Woodruff & Sons	292,420.00	27,000.00

Attorney Bergerson recommended that the bids be taken under advisement to allow the consultant to review them and make his recommendation by the end of the meeting.

A motion was made by Ms. Kaser to take the bids under advisement – 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.

WRITE-OFF THOMAS CABINETRY LOAN

Attorney Bergerson stated that he had nothing new to report on the collectability of this loan and indicated that it is doubtful. He said that the only thing gained by writing it off is from an accounting point of view.

Mr. Pugh advised that it was recommended by the State Board of Accounts to write-off this loan which has a balance owed of \$17,328.34. The Board needs to take formal action.

The Chair entertained a motion.

A motion was made by Mr. Kniola to write-off the balance of \$17,328.34 owed on Thomas Cabinetry loan – 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.

PRESENTATION BY ROB HUNDEN OF STRATEGIC PARTNERS

Mr. Pugh introduced Mr. Hunden and stated that they have met several times with the Mayor and have talked about progress being made in Michigan City. Mr. Hunden's company is Strategic Partners. He presented a proposal in February and was invited

tonight to give his presentation and talk about the experiences of selecting a Master Developer.

Rob Hunden, President of Hunden Strategic Partners, came forward to give his presentation. He introduced Mark Erickson, also with the company. Mr. Hunden stated that he has been meeting off and on with the Mayor over the past few years. He explained that his company is a full service destination development advisory firm. Mr. Hunden stated that he lives here and his office is in downtown Chicago. His practice is nationwide and focuses mainly on urban projects or mixed use convention centers, arenas, and hotels. Their specialties include development strategy, market and financial feasibility studies, highest and best use analysis, developer solicitation and selection, public-private financing strategy, and deal negotiation.

Mr. Hunden stated that he would like to share with the Commission lessons they have learned over time. With all the time, effort and money spent by the Commission purchasing land, he feels it would be a shame to see their redevelopment project potentially not work out down the road as planned when they go to look for a developer. He wants to see the Commission succeed.

Mr. Hunden pointed out that the Commission is taking the right steps by having studies done and taking control of land. He said the Tracy Cross study was good, but their focus was on residential. He stated that one of the pieces missing was exploring the restaurant/retail aspect. He also pointed out that Michigan City has the three biggest demand generators for tourism – water, gaming, and the outlet mall.

Mr. Hunden reviewed the RFP components as well as the process, which involves four tasks – kickoff, project orientation, and initial fieldwork; establish development project goals, details and parameters; developer solicitation and selection; and negotiation of development agreement.

In summary, Mr. Hunden shared past projects he has worked on. He stated that the Commission has done so much to lay the groundwork for their project and he wants to see them succeed. He asked the Commission to review his proposal and stated that he would like the opportunity to work with them.

Mr. Pugh asked Mr. Hunden for a typical timeline from RFP to Master Developer – how much time to develop the RFP, advertise, interview, and come up with a potential developer.

Mr. Hunden replied that there would be about a two month process per document.

DISCUSSION OF FRANKLIN SQUARE REPAIRS

Tim Haas, Haas & Associates, LLC, came forward and distributed an updated cost estimate for the Franklin Square area streetscape repairs and drainage improvements. He explained that Mr. Pugh asked him to update the costs estimates from last year and look at an expanded scope.

Mr. Haas stated that last year they looked at converting Franklin and Ninth Streets into two-way streets. As a part of that study they looked at the cost for repairs on Franklin and Ninth Streets. In the event the Commission did not want to go through with the two-way conversion, an estimate was made just for improvements to Franklin and Ninth. At that time, seven blocks were included in the estimate. The new estimate boundaries are Pine and Washington on the east/west and 4th and 9th on the north/south, an area quite a bit larger than last year.

Mr. Haas continued that the project scope for this estimate includes improvement to drainage and accessibility along with repairs to the streetscape consisting of asphalt pavement repair, milling and repaving; sidewalk concrete and brick repairs; curb and gutter repair; planter repair; ADA accessibility improvements; and storm drainage improvements. He stated that the work was done in the late 80's and it is time to look and see what needs to be repaired.

Mr. Haas reviewed a cost comparison (for the same work) for 2008 and 2009. The same work that cost \$309,800 last year will cost \$369,000 this year. This increase is due mainly to the cost of asphalt which was at \$44.50 a ton last year and now is \$72.00 a ton. The cost estimate for the entire revised project area (17 blocks) will cost \$841,000, which includes the Franklin and 9th Street area.

Mr. Pugh confirmed that Mr. Haas is only including physical repairs on 9th Street.

Mr. Haas stated that was correct.

Mr. Pugh stated that it is the Commission's intent to bid it out. Mr. Pugh stated that he wanted the Commission to get a feel for the cost, and if they want to proceed with the project, they would retain Haas & Associates to take them through the bid process.

Mr. Bigda asked if this estimate includes any of the deteriorating electrical connections.

Mr. Haas replied that it does not include any electric, trees, or signage. It only includes the hardscape – sidewalks, curbs, streets.

Mr. Pugh advised that they are only concentrating on what is in need of repair.

Mr. Bigda stated that some of the electrical outlets do need repair.

Mr. Haas stated that it could easily be added into the project. It is not a huge cost item, probably \$3,200 for Franklin and 9th.

Mr. Bigda stated that in his opinion, the outlets should be eliminated.

Mr. Kniola asked if this estimate includes changing the streets to two-way.

Mr. Haas replied that it does not.

Mr. Pugh thanked Mr. Haas for their input. The Commission will take it under review. Mr. Pugh recommended that Haas & Associates be retained for the development of the bid process. He added that he understand the prices are going up, but the conditions are continuing to deteriorate.

Mr. Haas agreed and commented that left as is it will get very expensive to repair.

Mr. Behrendt asked for his recommendation on timing.

Mr. Haas replied that to get the work done this year, they would have to move very quickly in order to make the timeframe as they do not have plans yet. They have looked at the areas and quantified, but taking that information and developing bid documents will take some time. The bidding itself takes a minimum of a month. He said time is of the essence.

Mr. Pugh again recommended that the Commission retain Haas & Associates to begin the process of developing plans and bid specs (emphasizing the unit prices), only on those repairs and only on specific areas. Mr. Pugh asked Mr. Haas to provide an estimate at the next meeting so the Commission can take it under consideration and proceed.

Mr. Kniola questioned if it would be better to approach this as turning Franklin into a two-way street.

Mr. Pugh stated that the Commission discussed the two-way traffic issue last year and dropped it for a number of reasons – price, loss of parking, objections by property owners. After that idea was dropped, it was determined that repairs still need to be made as it is deteriorating.

Ms. Kaser stated that she recalled the two-way street matter was tabled as the Commission was going to revisit the issue. She questioned making these repairs at 9th

Street and if it would forestall some of the plans to make it two-way and what affect it would have.

Mr. Haas replied that some of those issues could be addressed in planning and what they choose to do or not do with the repair work. He said the Commission could look at it in more detail once the plans are developed.

Mr. Kienitz questioned the status of the water lines for landscaped areas.

Mr. Pugh replied that he is addressing that issue now. A consultant has determined that a water system is in place in the planters and identified the breaks. A cost estimate to repair will be provided. Mr. Pugh noted that this is a separate project.

Mr. Kienitz asked if it would have to be coordinated with the proposed repair project.

Mr. Pugh responded that it would not necessarily have to. The water system is already in place and they found a 2" plastic pipe broken. Water is not being addressed in the proposed repairs, so this will be treated separately.

Mr. Haas confirmed that he would have a proposal for engineering work at the Commission's next meeting.

REPORT BY LEGAL COUNSEL

Attorney Bergerson stated that bids were reviewed and the lowest and most responsive and responsible bidder was Bechstein Construction Corp. in the amount of \$108,450. This amount is within the estimates Amereco had for this job.

Attorney Bergerson recommended that the Commission award the bid to Bechstein Construction Corp. in the amount of \$108,450 for the base bid only, and give them a notice of award within 5-10 days to allow them to provide an insurance certificate, and then give them a notice to proceed.

Mr. Bigda asked the time limit for completion.

Mr. Blosky responded that they actually put a 150 day time limit in the contract but it should be completed in 2 ½ - 3 months.

Mr. Bigda asked if there is a reason for such a big price range in bids.

Mr. Blosky stated that he did not know. He estimated the project to be \$125,000-140,000.

Attorney Bergerson asked Mr. Blosky if he is familiar with the low bidder.

Mr. Blosky stated that he is. He worked with them on a project in Munster and indicated they are really good to work with.

The Chair entertained a motion.

A motion was made by Mr. Bigda to accept the base bid of Bechstein Construction Corp. in the amount of \$108,450 – 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.

Attorney Bergerson recommended returning all bid packets and bid bonds/cashier's check to the unsuccessful bidders. He thanked them for the interest.

Mr. Pugh recommended that the Commission retain Mr. Blosky of Amereco to return packets and finish this process.

A motion was made by Ms. Kaser to retain Mr. Blosky of Amereco to return bid packets as well as bid bonds/cashier's check to all unsuccessful bidders – 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.

In other business, Attorney Bergerson reported that April 30th and May 1st are the dates for the trial involving evaluation of the Ice House and Weber property. The jury will make a determination on the fair market value.

Attorney Bergerson stated that he continues to work out details with Blocksom on the relocation of their facility to a site within 15 miles of their current location.

With regard to property located at 8th/Michigan (Crown Liquors) and its potential acquisition by this Board, Attorney Bergerson reported that he had interesting discussions with the property owner and there is no hope of acquisition at this point. He said we will wait to see what happens in the future and in the meantime he suggested that the Commission make sure the property is being maintained and it complies with all maintenance codes.

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

As follow up, Mr. Pugh reported that he spoke with Mr. Ziola regarding the proposed ice cream parlor site. The dumpster has been removed and he is maintaining the site. At some point he will start to set steel for the ice cream parlor. He is in search of financing. Mr. Ziola does have an active permit. Mr. Pugh indicated that he will continue to work with Mr. Ziola and monitor the site.

Mr. Pugh noted that the next America in Bloom meeting will be on April 16th at 1:00 p.m. in the Mayor's Conference Room. The committee will be identifying specific projects. As their part, the Redevelopment Commission will be concentrating on Franklin Square.

In regards to America in Bloom, Mr. Behrendt stated that he met with Jim Jakska and Tim Bietry regarding the 501c3 soliciting support from merchants along Franklin Square to maintain the planters. They might be entertaining a motion from them at the next meeting for a cooperative effort between America in Bloom, the Redevelopment Commission and the merchants to see that the Franklin Square corridor is maintained and the planters brought up to a level to be proud of.

Mr. Behrendt stated that he understands Harbor Grille has completed their construction process and finalized their permits.

Mr. Pugh stated that is correct. The permits taken out and the construction on the building itself is complete. The inspectors did their final inspections on March 23rd. Any other projects would be treated as new permits.

Mr. Behrendt stated he understands it to mean that under the agreement for riverfront licenses, Harbor Grille is now on the calendar for days to stay open. As a tracking mechanism, Mr. Behrendt suggested that they provide some type of report to be turned in on a monthly basis showing the days they were open for the month.

Attorney Bergerson indicated that it was always intended that once construction was completed a formalized agreement would be executed between the Redevelopment Commission and owner of the license and those things would be spelled out.

Chairman Behrendt asked that Attorney Bergerson proceed with the agreement.

PUBLIC COMMENT

Kyle Bach, 812 W. Edison Road, Mishawaka, Indiana, came forward and stated that he was here on a recommendation from Mr. Pugh and Mayor Oberlie to hear Mr. Hunden's presentation. Mr. Bach is the President of Mecca Companies who specializes in real estate development and consulting for affordable workforce and senior housing. He stated that as he reviewed the Tracy Cross and Lohan Anderson study, he noticed there was no component for affordable housing. He explained that he does not have the capabilities, financials or resume becoming Master Developer, but asked that he be given consideration to serve as a catalyst or a potential catalyst for a portion of the Trail Creek development. He said it is an excellent opportunity and noted the importance of looking at the potential housing opportunity for the individuals working in that corridor.

Chairman Behrendt stated that it will be a component to consider when the Commission reaches a consensus on a Master Developer and asked Mr. Bach to leave his card with Mr. Pugh.

NEXT MEETING DATE

The next regular meeting will be on May 11th.

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 6:17 p.m.

/s/ Lynne Kaser, Secretary