

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
MAY 11, 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, May 11, 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 and Secretary Debbie Wilson.

APPROVAL OF MINUTES

The Chair entertained a motion for approval of the minutes of the regular meeting of April 13, 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 May.

Payroll

Staff Salaries	04/24/09	2,381.07
	05/08/09	<u>2,381.09</u>
		4,762.16

Claims (Regular)

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

Claims (N TIF)

Michael Bergerson	Legal services N TIF	6,115.00
Baker & Daniels	Legal services - Sobkowiak	<u>25,368.75</u>
		31,483.75

Claims (S TIF)

Rieth Riley	Construction - 400 N	2,631.08
Beam Longest & Neff	Eng - Towne Center Dr	310.36
Beam Longest & Neff	Eng - 400 North	<u>1,948.89</u>
		4,890.33

Mr. Kniola asked how much longer claims would be paid toward the 400 N project.

Mr. Pugh replied that he met with the project engineer last week. They are waiting for warmer weather to put down the final striping with thermoplastic paint. Last November temporary striping was put down. The engineer speculates it to be done this week or next. Mr. Pugh added that there is one spot that is cracking and a few drainage problems to look at. He is looking at the project to be finalized by the Commission's next meeting.

The Chair entertained a motion to approve the claims.

A motion to approve the claims was made 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.

FINANCIAL REPORT

Mr. Pugh reviewed the financial report ended March 31, 2009.

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

A motion to approve the financial report was made by Mr. Bigda. 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 PROPOSAL BY ROB HUNDEN OF STRATEGIC PARTNERS

Mr. Pugh stated that he reviewed the proposal. He recommended the Commission approve the proposal to retain Hunden Strategic Partners and authorize Mr. Hunden to begin looking at the project, checking contacts and clients. Due to economic conditions, Mr. Pugh asked that the issuance of the RFP be delayed until September.

Mr. Bigda asked for clarification on the final cost.

Mr. Hunden replied that the total cost would be \$36,000 plus minor expenses.

Mr. Behrendt added that there is an hourly rate of \$185/hour for additional expenses with a cap of \$1,500.

Mr. Hunden explained that the hourly rate is if they get to a point where they are in deal negotiations. The total from analysis through RFQ/RFP will be around \$37,000.

Mr. Bigda commented that he was in Indianapolis over the weekend and went through the convention center. He commended Mr. Hunden for his assistance and input on the construction of the convention center. Mr. Bigda said he is excited for him to get started in Michigan City.

Mr. Hunden stated that it shows what you can do when you start to put several critical assets together – you start to get a “buzz” going. He believes that over time with the right plan envisioned and implementation of the plan, it can be accomplished in Michigan City as well.

Mr. Behrendt stated that due to the economic climate, the Commission would like to set the base now by having the information gathered and then look to Mr. Hunden for assistance when it is the appropriate time to go out for RFPs.

Mr. Hunden agreed. He noted that he has other clients being cautious, especially the first three months of the year. Now they are seeing some sort of movement and stabilization. The big question for any real estate development is financibility, which is still up in the air. He said they will continue to monitor it with the Commission. It gives

them plenty of time to do some due diligence and show the Commission what has been going on in other places and then pull the trigger at the right time.

The Chair entertained a motion to approve the proposal.

A motion was made by Mr. Bigda to engage Hunden Strategic Partners to assist the Commission in developing an RFQ/RFP for a Master Developer at a cost of \$36,000 plus minimal expenses. 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 FRANKLIN SQUARE REPAIRS BY HAAS & ASSOCIATES

Mr. Pugh indicated that he reviewed the proposal as submitted by Haas & Associates for repairs of the Franklin Square area. Again, due to economic conditions, Mr. Pugh recommended that the Commission scale back the scope and project. Instead of a 17 block area, he suggested concentrating just on the Franklin Square area itself and hold off milling and paving for another year and deal only with the needed repairs in terms of concrete, tree grates, and ADA requirements.

Mr. Pugh requested that Mr. Haas give the Commission a new proposal for a scale back project to be presented at the Commission's next meeting.

Ms. Kaser questioned the scope of the area to be scaled back.

Mr. Pugh replied that the area would be Franklin Street from Ninth to Fourth Street, not including the alleys and side streets. There would be no milling and paving, but look at the electrical upgrades, tree grates, sidewalk repairs, curb repairs, and bed repairs in terms of concrete. This would be strictly repairs, not a complete rebuild.

Mr. Kienitz asked Mr. Pugh how much money would be involved.

Mr. Pugh responded that he is looking at a range of \$200,000-250,000.

Mr. Kniola pointed out that the Commission still has not addressed the issue of Franklin Street being one way or two-way. He feels that this should be addressed before further work is done on Franklin Street.

Ms. Kaser agreed that this should be addressed first.

Mr. Behrendt stated that these repairs would be required whether Franklin is turned to a two way street or not. By putting off the milling and paving, this would continue to put the two way situation on hold. He stated that he believes in the process of getting a Master Developer and the overall plan for the North End it will determine and be an intricate part of the process of whether or not Franklin Street will be converted to two-way.

Ms. Kaser disagreed and said she would like to see the two way street issue taken off the table at this meeting or the next meeting.

Mr. Bigda pointed out that when the Commission discussed it before, it was determined that the cost would be exorbitant to make the change between 8th and 9th Street.

Ms. Kaser recalled the figure being at \$600,000.

Mr. Haas responded that the cost was estimated at \$617,000 a year ago with the City's paving prices at that time. He pointed out that those prices are not good anymore.

Mr. Kniola asked if the work would have to be redone if the street was eventually converted to two-way.

Mr. Haas responded that with the two-way street as proposed last year, the work would not have to be redone. Although, with a different configuration, he is not sure.

The Chair entertained a motion.

A motion was made by Ms. Kaser to have Haas & Associates revise their estimates to scale down the focus of the project to do the needed repairs to Franklin Street – sidewalks, curbs, grates. The motion was 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.

DISCUSSION OF SUPPORT FOR THE MICHIGAN CITY PRESERVATION AND EDUCATION FUND TO LANDSCAPE FRANKLIN SQUARE

Tim Bietry, Chairman of the Board of the Michigan City Preservation and Education Foundation, came forward to address the Commission. He introduced Jim Jaksa, also on the Board. Mr. Bietry stated that they are present to request an appropriation to help with funding for landscaping along Franklin Street.

Mr. Bietry said they are frustrated with the condition and maintenance of the planters along the Franklin Street corridor. The Mainstreet Association tried to find a way to make it work several times but many business owners can't or won't take ownership of that area in terms of maintaining it.

Mr. Bietry explained that their proposal is to develop a partnership with Lakeshore Landscaping who currently maintains planters for Horizon Bank in the 5th Street area as well as Franklin Street from 11th Street south to Coolspring. He said it would make sense to employ them to take care of everything on Franklin from 4th Street south. They would plant, water, maintain and clean the planters. They will plant perennials that will come up every year as well as annuals that they will plant every year.

Mr. Bietry distributed an estimate for the area along the Franklin Street corridor from 4th to 9th. The price would include the removal of undesirable plants, amending of the soil as necessary, 30 days of maintenance and a two year guarantee. Mr. Bietry continued explaining that the other thing they have done is met with the Franklin Square business owners about accepting responsibility for this. What they have mutually agreed to is after the initial planting, they would be willing to receive an assessment and pay an annual maintenance agreement with Lakeshore Landscaping. Michigan City Preservation and Education Foundation would administer that contract. Mr. Bietry indicated that for aesthetic purposes it would look better if the planters adjacent to Franklin Street (*not* the outer ones) were also done.

The cost for the initial planting along Franklin Square and the adjacent planters would be \$52,445.02. Mr. Bietry asked that the Redevelopment Commission consider covering the cost of the initial purchase of the plants. Lakeshore Landscaping would then prepare the soil, plant, maintain them for 30 days and guarantee them for two years. The Preservation and Education Foundation would then contract with the owners to cover the cost of maintenance and planting annuals every year by Lakeshore Landscaping.

Mr. Bigda asked where Lakeshore Landscaping is located.

Mr. Bietry replied that they are located in Valparaiso.

Mr. Bigda said he had a problem without getting a quote from another company.

Mr. Pugh explained that this is not going to be a Redevelopment Commission project and there will be no contract through the Commission. The Commission is just voting on this amount for support.

Mr. Bietry asserted that the contract would be with the Preservation and Education Foundation.

Mr. Behrendt asked how successful the merchant participation is.

Mr. Bietry said it is good so far. Every block has 2-3 owners willing to participate.

Ms. Kaser asked Mr. Pugh how much the Commission has paid out in past years for Franklin Square maintenance.

Mr. Pugh responded that in recent years the Commission paid \$37,500 a season for clean up and maintenance. It did not include any new plants.

Mr. Bigda commented that in the 10 years that he has been on the Commission, way over \$100,000 has been spent on maintenance and there still is nothing there.

Therefore, Mr. Bigda made a motion supporting the appropriation of \$52,445.02 toward the initial planting along the Franklin Square corridor, including the adjacent planters. The motion was seconded by Ms. Kaser.

Mr. Bigda asked when they would start and when it would be completed.

Mr. Bietry indicated that Lakeshore Landscaping is ready to go. Assuming they start right away, the Preservation and Education Foundation would have to meet with owners during the interim 30 days. It will then be the Foundations' responsibility to put an agreement together.

Mr. Kienitz asked what the two year guarantee includes.

Mr. Bietry responded that the guarantee includes the perennials and watering. They will replant the annuals next spring. It will include the watering, maintenance, clean up (summer and winter) and changing the soil.

Mr. Bigda confirmed that there would be no cost next year.

Mr. Bietry stated that there would not.

Mr. Kniola asked the cost of planting the annuals in the following years.

Mr. Bietry replied that the cost would be included in the assessment to the property owners.

Mr. Behrendt stated that the Foundation should be commended for organizing this effort and getting the owners and merchants involved. He stated that he feels it is incumbent

upon the Commission to support efforts like this and feels it is money well spent and hopefully it will be a trend in the future on other projects.

With a motion and second on the floor, the vote was 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 he met with several property owners along the north side of 6th Street. He pointed out that the assessed valuation of those properties is an important consideration in terms of what their value is and what they are paying taxes on. He will continue to move forward with those discussions. There are only six houses left along 6th Street, not all are occupied.

With regard to Blocksom, Attorney Bergerson indicated that he submitted a revised addition of a relocation agreement to them on April 11th. He just received their comments and suggestions back last week. They also requested a meeting with the negotiating committee. He believes that they can iron out the remaining differences.

Attorney Bergerson stated that the old Ice House site looks much improved with just the vegetation removed. The building is in the process of being taken down and should be completed by the Commission's next meeting.

Attorney Bergerson reported that there will be a hearing on the litigation on July 8th related to determining the fair market value, including environmental clean-up costs. The matter was continued in April at the request of the property owners indicating their desire to have an environmental expert testify.

With regard to the appeal from Matey's, Attorney Bergerson indicated that their brief was due to be filed on the 8th. He stated that he did not see it filed as of that date, but if it was posted in the mail, they get another three days and it gets back dated to the 8th. Attorney Bergerson will check the status. If it has not been filed, it will be dismissed. If it has been filed, the Redevelopment Commission, along with the Plan Commission, would have to file their response brief.

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 reported that Lakeshore Landscaping looked at the water problem to the planters along Franklin Square. They installed an automatic irrigation system to a four block area at a cost of \$8,500.

PUBLIC COMMENT

None

NEXT MEETING DATE

The next regular meeting will be held on June 8th.

Chairman Behrendt noted a meeting pertaining to the South Shore on Thursday, May 14th, at 6:30 p.m. He encouraged Commission members to attend.

ADJOURNMENT

The Chair entertained a motion to adjourn.

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

The Chair declared the meeting adjourned at 5:50 p.m.

/s/ Lynne Kaser, Secretary